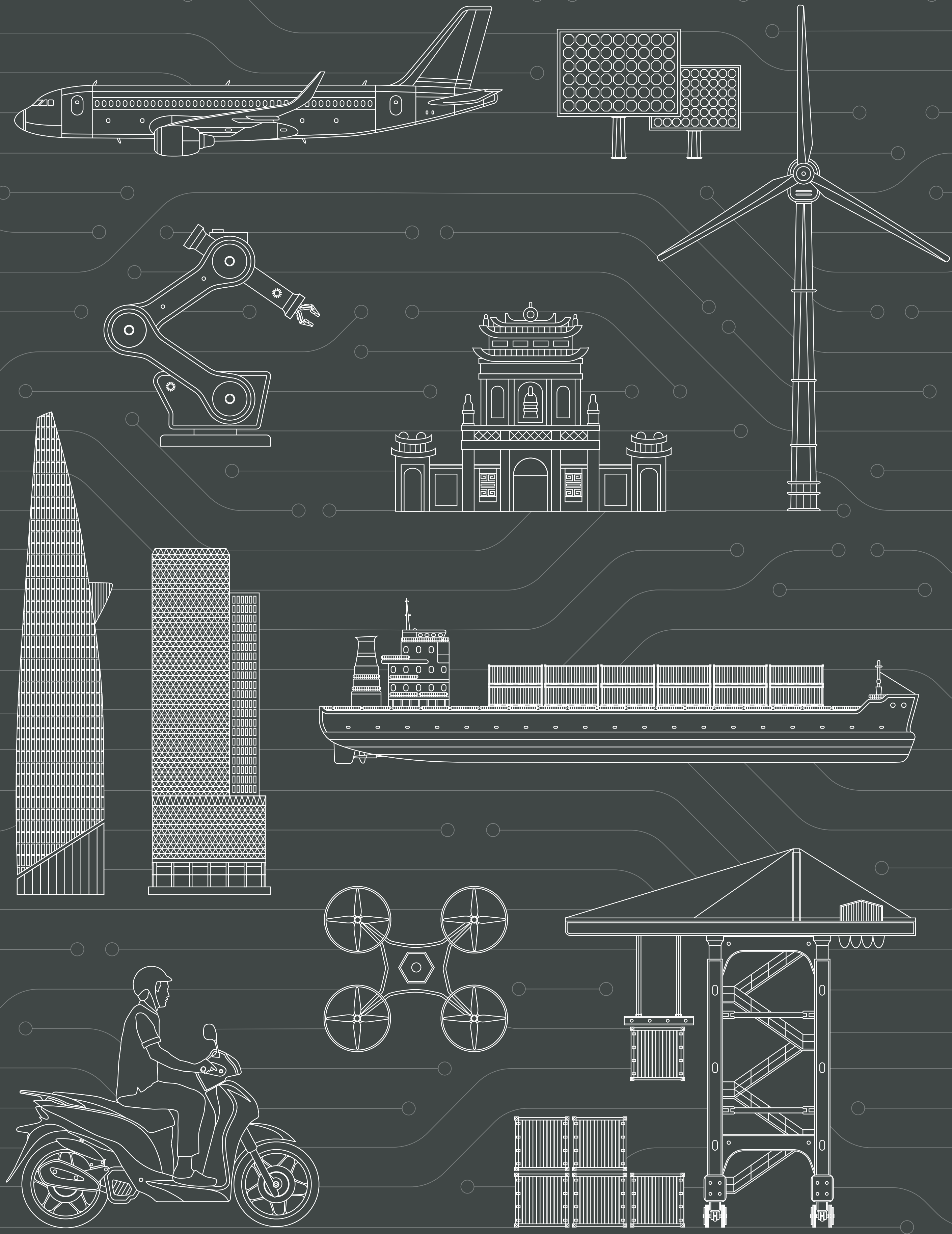
DYNAM
CAPITAL

Dynam's Governance and Voting Policy – 2024



Introduction

Dynam Capital is a Guernsey regulated fund management company. Dynam has communicated its approach to upholding responsible investing to all client funds for which it has discretionary investment management powers.

Dynam is a signatory of the Principles of Responsible Investing (PRI), and views voting on shareholder matters at portfolio companies as an important part of its fiduciary duty.

As a discretionary investment manager, where Dynam has been granted by its clients the authority to vote the securities held in client portfolios, the objective is to vote in the best interests of our clients. In the absence of any other guidance, or in any instance whereby voting authority has been delegated by the client in writing, we will direct votes guided by our Governance and Voting Policy, in a manner consistent with the investment interests, objectives, and particular preferences, if stated or known, of our clients.

Dynam's Governance and Voting Policy (the Policy) is developed with reference to, but not limited to, the *Principles of Responsible Investment* (PRI) of which we are a signatory, the *Vietnam Corporate Governance Code of Best Practices*, the *IFC's Corporate Governance Methodology* and the *G20/OECD Principles of Corporate Governance*. Dynam may alter this Policy and its implementation where necessary, as markets change and mandates and regulations around environmental, social and governance (ESG) issues evolve.

Voting principles

We believe that ESG issues impact the value and reputation of companies in which we invest, in addition to driving systemic risks and opportunities. We are therefore committed to incorporate ESG standards into our investment processes and voting criteria, in the long-term interests of our clients.

The following principles describe Dynam's expectations of the companies in which we invest, and act as a guiding framework by which we execute our ownership responsibilities.

1. Focus on long-term sustainable value creation

The Board of Directors plays a critical oversight role to ensure that companies deliver long-term sustainable value that go beyond profit, in recognition of the importance of ESG factors and integrate them into their business strategies. Corporate governance practices should keep the board's attention focused on this goal with a clear strategy that considers all key stakeholders, from shareholders to employees, customers, communities, and the environment. Boards should maintain an open dialogue with investors and be prepared to discuss their long-term plans for sustainable value creation.

2. Protect shareholder rights

A company that actively protects shareholder rights is one that recognizes the importance of fostering a transparent and accountable relationship with its investors. Protecting shareholder rights is crucial for building trust, maintaining a healthy corporate governance structure, and ensuring that shareholders are treated fairly. Here are some characteristics and practices of a company that prioritizes and protects shareholder rights:

- Companies should implement fair and equitable treatment of all shareholders, regardless of their size or influence, and avoid actions that may disproportionately benefit certain groups of shareholders to the detriment of others.
- Companies actively engage with shareholders through annual general meetings (AGMs), where investors have the opportunity to ask questions, vote on key issues, and express their concerns; and establish mechanisms for ongoing communication, such as investor calls, conferences, and forums.
- Companies show respect for minority shareholders by adopting policy and implementing measures to protect minority shareholders' rights and ensure their voices are heard in major decision-making processes.
- Companies should strike a balance between raising necessary capital for growth and minimizing the potential negative impacts of dilution on shareholder value.

3. Clear corporate governance practices

We prioritize companies with strong adherence to corporate governance best practices, including an independent board of directors, effective board committees, segregation of duties between the chairman and the CEO, and ethical business conduct. Formal evaluation of the board, executive sessions and succession plans should be in place. Directors should be elected by a majority vote of shareholders, with information about the candidates and voting process should be made public prior to voting. Board composition should be diversified and should include the expertise necessary to understand and address emerging risks facing the company and its key stakeholders.

Executive compensation plans should be aligned with the long-term performance of the company, and should discourage irresponsible risk-taking, strengthen employee loyalty, take into consideration their impact on inequality, and aim to foster inclusive growth. They should include non-financial targets, including those relating to the key sustainability risks and opportunities presented by the company's business model. They should be disclosed to shareholders in a clear and thorough way and be subject to shareholder approval.

4. Ensure respect for society and the environment

As a responsible investor, we expect investee companies to understand the risks they face and the risks they create, as well as the opportunities that better ESG performance might bring to their businesses, and to act responsibly towards all stakeholders. All companies should strive to meet high corporate governance, environmental and social standards to protect stakeholders' long-term interests and ensure that growth does not come at the expense of social and environmental health and stability.

5. Disclose accurate, adequate, and timely information

Companies should ensure that timely and accurate disclosure is made on financial and operating results, ownership issues, related party transactions, lobbying activities and performance on key ESG issues. Corporate reporting should aim to provide investors with an accurate and holistic view of foreseeable risks to the company, as well as the company's contribution to the health and stability of key social and environmental systems. Annual audits of the financial statements carried out on behalf of shareholders by independent external auditors should be required for all companies.

Company engagement prior to voting

Dynam maintains an active program of corporate engagement on a wide range of social, environmental and governance issues. These engagements are designed to enhance the long-term value of our shareholdings and to foster corporate governance best practices, social responsibility, and environmental stewardship. An important component of that programme is our commitment to focused engagements linked to the voting activity. These dialogues with companies can be opened on our own initiative or on the request of the issuer and focus on AGMs that present important governance or financial concerns. Our preference is to engage directly with the Board of Directors, the Board Committees, or the Management.

The goals of these engagements are:

- Obtain additional information on voting proposals, notably where they seem to depart from best governance practice; and
- Express our concerns about specific resolutions that contradict our voting policy.
- Depending on specific circumstances, the dialogue may lead to a modification or withdrawal of resolutions from the ballot before the annual general meeting, or the provision of additional information that prompts a change of our vote.

Transparency and Disclosure

Dynam is committed to transparency in its voting activities. We publish an annual report, providing an overview of proxy voting activities and engagement, and provide reports to clients detailing how votes were cast and the rationale behind each decision. Additionally, Dynam make its voting policy publicly available to promote accountability and transparency.

Voting Guidelines

Dynam follows a set of comprehensive voting guidelines that are regularly reviewed and updated to reflect changes in market practices and regulatory requirements. These guidelines cover a range of topics, including but not limited to:

- Election of Directors: Dynam evaluates the qualifications, independence, and performance of director nominees, considering the overall composition of the board. We will vote against if the candidate is holding both Chair and CEO positions of the company.
- Board composition: We support board refreshment, independence, diversity and competence. We believe that board composition should contribute to overall corporate strategies and risk management and will evaluate the board's skills, expertise, and qualifications. As a matter of principle, we expect our investee companies to be committed to diversity and inclusiveness in their general recruitment policies as we believe such diversity contributes to the effectiveness of boards.

- Executive Compensation: Voting decisions on executive compensation proposals are based on an assessment of alignment with shareholder interests and the company's performance. We expect companies to disclose the main components of remuneration for key directors and executives. Ideally this should take into consideration: the amounts paid and the mix between short-term and long-term awards, the performance criteria used to benchmark awards and whether these are capped or uncapped, and the use made of any discretionary authority by boards or remuneration committees to adjust pay outcomes. In the event that we find proposals for executive compensation unsatisfactory, we will endeavour to seek an explanation from the company and may vote against remuneration reports and/or members of the remuneration committees, if satisfactory explanations are not forthcoming.

- Reports and accounts: Company reports and accounts should be detailed and transparent and should be submitted to shareholders for approval. They should be compliant with local and global accounting and reporting standards, and compliant with the listing and legislative rules in its relevant jurisdictions. They should be fair, balanced, and understandable, and the narrative sections covering corporate strategy, operating activities and risk management should accurately detail the company's position, performance, and prospects.

- Auditors: Auditors must provide an independent and objective check on the way in which the financial statements have been prepared and presented. The appointment of a company's auditor should be reviewed and approved by shareholders on an annual basis. We will vote against the appointment or re-appointment of auditors who are not perceived as independent, or where there has been an unambiguous audit failure. The length of time that both the audit company and the audit partner have served in their capacity is a factor in determining independence.

- Shareholder Rights: We support measures that enhance shareholder rights, such as proposals related to proxy access, shareholder resolutions, and other governance-related matters.

- Environmental, Social, and Governance (ESG) Issues: We consider material ESG issues when making voting decisions, recognizing the potential impact on long-term shareholder value. We encourage companies to report on their greenhouse gas emissions (GHG) (scope 1, 2, and 3, when appropriate) and set resolutions to achieve net-zero emissions by 2050 or sooner.

- Any other voting items: Any item that is not covered by these guidelines will be voted on a case-by-case basis taking into consideration of Dynam's key proxy voting principles.

Escalation

Escalation may occur in response to perceived failures in a company's corporate governance practices. If we find any evidence or any sign showing that the company's management or board is not acting in the best interests of shareholders, we may escalate our voting actions to influence change. When a step-up of monitoring activity is required to ensure protection and enhancement of our clients' interests and shareholder value, Dynam will decide the level of escalation, which will vary from formal meetings with the management, issuing an official letter, to cooperating with other shareholders in calling an extraordinary general meeting, intervening jointly with other institutions or signing to an agreed public statement. These decisions are taken on a case-by-case basis, to ensure that our concerns have been properly heard and dealt with.

Conflicts of Interest

Dynam diligently manages and discloses any potential conflicts of interest that may arise in the exercise of voting rights. Voting decisions are made solely in the best interests of clients funds.