STEWARDSHIP POLICY

APPROVAL

Version #	Page No.	Change	Comment	Date of Approval	Approving Authority
1.0	All	New	Approved	April 18, 2023	Board of Directors

POLICY REVIEW

While this policy is designed for the long term, it will be reviewed after every two years within thirty days from the close of that calendar year. The Stewardship policy and processes are subject to our internal audit process. JSIL's Board will regularly review the policy and ensure that the policy and stewardship activities contribute to us only investing in those companies that demonstrate good corporate governance and shareholder commitment on an ongoing basis.

This Stewardship policy will be reviewed every second year and within 30 days from the close of that calendar year. This policy is designed in a manner that will be intertwined with the internal audit process. JSIL's management via the Investment Committee ("IC") will periodically review and ensure that the policy and corresponding activities lead to the Company investing in those businesses that continuously display good corporate governance and shareholder commitment on an ongoing basis. The underlying policy and any subsequent changes – as suggested by the Management shall have to be approved by the Board.

Once the policy is approved by the Board, implementation steps will be developed until December 2023, following which actual implementation will commence.

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INTRODUCTION

Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society. Stewardship is using the rights and position of ownership to influence the activity or behavior of investee companies. Stewardship is also known as active ownership.

JS Investments Limited (JSIL or “the Company” or the “Organization”) is committed to making a positive contribution to society for the benefit of all stakeholders, in line with our purpose of helping to enable an increasing number of people to invest in their financial well-being. We at JSIL believe that, as institutional investors, we have a responsibility to engage with investee companies to drive better corporate behaviors, which should also lead to stronger, more robust, more sustainable financial outcomes.

This policy has been designed bearing in mind the diverse range of stakeholders as well as regulatory requirements. In addition, we have attempted to encapsulate all the relevant points in a single, transparent document.

1. JSIL's Stewardship Policy

1.1 Stewardship Approach

1.1.1 JSIL's Stewardship philosophy is closely aligned with the investment mission, which is to use research-based, quality-driven processes in a manner that is value-additive to the investment process and in clients' best interests.

1.1.2 As a fundamental part of our fiduciary duty to our clients and society, we regard stewardship and integrating critical environmental, social, and governance (ESG) factors into our investment analysis. Therefore, integrating Stewardship and ESG will complement the responsible investment philosophy at JSIL to optimize the investment management process.

1.1.3 Stewardship and ESG incorporation at JSIL will be complementary strategies. Responsible investment at JSIL shall involve both, including each feeding back into the other, for example, by using insights garnered from engagement to enhance investment decision-making and vice versa.

1.1.4 Stewardship Policy focuses on matters such as:

a) Strategy formation – setting objectives that build a long-term sustainable business model;

b) Strategy execution – prioritizing the achievement of strategic objectives over short-term performance considerations;

c) Risk – as seen from the perspective of all stakeholders;

d) Capital structure – not just as a snapshot but also through a process of sound capital allocation; and

e) Corporate governance – including the culture of remuneration

1.1.5 As an asset manager, JSIL gives shape to this philosophy via a set of policies, including, but not limited to:

a) Monitoring of Holdings & ESG Integration Policy

b) Engagement Policy

c) Proxy Voting Policy

d) Conflict of Interest Management

The above policies form part of this Stewardship Policy document.

1.2 Purpose

JSIL is driven by various financial, regulatory, and sustainability motivations to undertake stewardship.

1.2.1 *Financial*: There is a growing body of academic and industry evidence that identifying and addressing ESG factors contributes to relative outperformance and stewardship's role in improving corporate financial performance and outcomes in the real world.

1.2.2 *Regulatory*: Securities & Exchange Commission of Pakistan (SECP) is encouraging institutional investors to take an active role in overseeing and influencing investee companies to promote the cause of responsible investing. The Stewardship Guidelines issued by SECP under section 40B of the SECP Act, 1997 (XLII of 1997) provide great help in this regard. This Stewardship Policy document, including the Engagement Policy and Proxy Voting Policy, fully complies with the requirements of SECP-issued Stewardship Guidelines.

1.2.3 *Sustainability*: Since JSIL, as an institutional investor, has an investment portfolio of diversified holdings across industries and asset classes, the company effectively holds a slice of the overall market. JSIL is therefore concerned with both individual asset returns (alpha) and overall economic performance (beta), meaning JSIL must engage on systemic issues to support broader sustainability outcomes and well-functioning financial markets.

1.3 Responsibility/Accountability

1.3.1 As a fiduciary, JSIL must protect and enhance the value of its client's assets. Thus, JSIL frames its corporate governance activities within an investment management context, including the assessment and integration of environmental and social issues. For this reason, Stewardship is strategically ingrained in the investment process within the organization and its monitoring & implementation become an integral part of the general duties & responsibilities of the JSIL's Investment Committee.

1.3.2 The Chief Investment Officer, who reports directly to the Chief Executive Officer is accountable for Responsible Investment activities, including stewardship. The compliance department ensures that JSIL's Stewardship Policy is embedded in the organization's investment policy and investment processes. The specific duties and responsibilities of the CIO for the effective administration of this policy include:

a) Develop and implement the JSIL's stewardship activities, lead the investment & research teams to help shape investment strategy and inform on risks and opportunities in portfolios and foster a collaborative culture;

b) Lead engagement activities with the management of companies in equity fund portfolios to promote governance best practices and manage governance-related risks that could impact the long-term value;

c) Oversee and implement the company's voting based on Sustainable Investment themes and voting priorities;

d) Develop the internal and external reporting on Stewardship activities;

e) Continually develop and maintain knowledge and expertise of investment-related sustainability issues, developments, and the global governance landscape.

1.3.3 JSIL will provide clients with a suite of public reports on the stewardship activities, and environmental, social, and governance metrics to empower clients' own stewardship activities and to enable oversight. JSIL's Board ('the Board') approves JSIL's stewardship policy and related policies.

1.4 Scope

1.4.1 Approaches and opportunities to undertake stewardship vary by asset class and the nature of the strategy. While this policy covers all asset classes, it refers primarily to actively-managed fundamental strategies in JSIL's equity, corporate debt, and sovereign debt offerings.

1.4.2 JSIL's investment department also engages in other asset classes and strategies where practicable and in a manner that best fits the process, time horizon, and objectives of those investments.

1.4.3 For segregated/separately managed accounts with a specific investment mandate, the extent and nature of the stewardship activities are tailor-made and depend on the beneficial owner's needs.

1.5 Stewardship Objectives and the stewardship tools

1.5.1 JSIL's purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries, leading to sustainable economic, environmental, and societal benefits.

1.5.2 JSIL's governance, resources, and incentives actively support stewardship.

1.5.3 Stewardship is not a single act but a continuous process. It covers how JSIL to behaves as an investor, how JSIL treats its clients, and how it behaves as a business.

1.5.4 JSIL manages conflicts of interest to put the best interests of clients and beneficiaries first.

1.5.5 Stewardship process at JSIL comprises the identification of material investment risks, active monitoring of holdings, engagement, and proxy voting (where applicable).

1.5.6 JSIL's approach to stewardship also includes engagement on public policy and best practices with regulators, standard setters, and other relevant stakeholders.

1.5.7 JSIL, where necessary, participate in collaborative engagement to influence issuers.

1.5.8 JSIL, where necessary, escalate stewardship activities to influence issuers.

1.5.9 JSIL actively exercises its rights and responsibilities. The ability to vote is one of the key formal rights as investors and an important way to communicate with the companies in which JSIL invests. Therefore, JSIL endeavors to exercise its voting rights wherever practicable and in clients' best interests.

2. Monitoring of Holdings Policy & ESG Integration

2.1 Policy Statement

2.1.1 Active monitoring of investee companies will be integral to JSIL's Sustainable Investing strategy. As sustainability is an essential facet of our investment philosophy, Environmental, Social, and Corporate Governance (ESG) factors shall be considered throughout our business paradigm.

2.1.2 JSIL will consider integrating ESG factors into investment analysis and decision-making processes (in short: ESG integration) to be one of the most important elements of Sustainable Investment. Sustainability is considered one of the value drivers in the investment process, similar to how JSIL looks at other drivers such as company financials or market momentum.

2.1.3 JSIL aims to integrate ESG in its investment processes across all asset classes. JSIL will disclose the underlying investment objectives and the general approach to ESG integration for every publicly traded investment fund.

JSIL will monitor key investee companies' financial and non-financial performance (calculated by reference to Assets under Management) using publicly available information, third-party research, external data, and direct communication.

2.2 Approach

2.2.1 JSIL's Research team regularly analyzes and monitors a large universe of listed companies. Individual members of the Research team focus on particular industries and sectors, allowing them to gain comprehensive knowledge of the key drivers for each sector. They are also responsible for staying updated on any material activities of the companies within their sector(s) and producing research that reflects their current views of those companies.

2.2.2 The Head of Research or a Senior Research Analyst will be appointed as ESG Ambassador and in coordination with the CIO, ensure the effective and systematic integration of ESG in the research process. The ESG Ambassador will serve as the primary point of contact for ESG matters and disseminate best practices, research, and dialogue across JSIL's investment functions.

2.2.3 The IC will strive to ensure that capital allocation decisions factor into ESG considerations. Moreover, it will proactively search for any potential red flags from an ethical viewpoint which would compel the Committee to disinvest or exercise a vote in a particular way.

2.2.4 As part of the monitoring process, JSIL will be particularly interested in the following:

a) Investee company's operating and financial performance;

b) Developments, both internal and external to the company, that drive the company's value and risks;

c) Ensuring that the investee company possesses sound leadership;

d) Ensuring that the company's Board and Committees adhere to the spirit of the applicable Corporate Governance regulations;

e) Ensure quality of reporting.

2.2.5 Any issues that are identified via the monitoring process (for example, those that may result in a loss in investment value) are discussed within the Research team and escalated to the IC, where a preliminary decision will be reached in respect of whether these need to be raised with the investee company.

3. Engagement Policy

3.1 Objective and Policy Statement

3.1.1 JSIL believes that engagement with investee companies on material financial sustainability issues will positively impact investment results and society.

3.1.2 JSIL will emphasize matters of material significance and actively use its ownership rights to engage with companies on behalf of its clients.

3.1.3 As long-term investors, JSIL undertakes engagement in a spirit of partnership and will aim to work with companies and other issuers in which it invests to understand and address areas of concern.

3.1.4 JSIL will ensure that it's not generally exposed to price-sensitive information during engagement activities regarding companies or transactions. In the unlikely event, that one of JSIL's employees receives price-sensitive information, the employee will follow company policy regarding insider dealing and market abuse to ensure that JSIL is following the legal and regulatory obligations.

3.2 Scope

3.2.1 JSIL's engagement extends to many issuers of capital, including listed and unlisted companies and Provincial and Federal Governments. The nature and extent of engagement can be influenced by the category of the issuer with which it is engaging.

3.2.2 JSIL will prefer to engage with decision-makers who can affect change at the board or senior management level both for the corporate and government sectors. JSIL will prefer a non-adversarial approach to engagement, leading to better outcomes for both parties.

3.3 Prioritization

3.3.1 The frequency of JSIL's engagement meetings depends on the ownership level of the company, the materiality of the issue if any and the size of the company.

3.3.2 Analysts may identify opportunities for engagement during research and monitoring as a result of an event, such as a takeover offer from a rival, a controversy or serious compliance issue, or to proactively address an industry or market concern, such as a major regulatory change.

3.3.3 Investment team will decide which companies or issuers to engage with, either proactively contacting them based on fundamental research or reacting to a particular event. The analysts will consider prioritization based on factors such as the size of holdings, the need to address a specific issue affecting a company, sector, or market, the severity or materiality of the issue, ESG disclosure standards or as part of research on an ESG theme.

3.3.4 Engagement can occur at any point in the investment cycle, including pre-investment, post-investment and before divestment or as part of debt restructuring. There may be instances where engagement would be inconsistent with the investment manager's fiduciary duty and the client's best interest. For example, in the process of company research and monitoring, a significant issue may be identified, and the investment manager may decide to sell a position than engage with management – where there is a limited prospect of a satisfactory outcome within a reasonable holding period.

3.4 Types of Engagement

3.4.1 JSIL's Investment department may reach out to companies or issuers as part of regular investment meetings or roadshows or may arrange specific meetings or calls to discuss a particular topic or concern.

3.4.2 JSIL aims to improve a company's behavior on ESG issues to improve the long-term performance of the company and ultimately, the quality of investments for clients.

3.4.3 Purpose Engagement can be undertaken with the intention of gathering information to reaffirm JSIL's investment opinions ('engagement for information') or to affect a particular outcome ('engagement for change').

3.5 Engagement across Asset Classes

3.5.1 For fundamentally researched assets, JSIL maintains primary contact with companies and issuers through a network of analysts or direct meetings or analyst briefings with management. The company's annual general meeting (AGM) also provides an opportunity for monitoring and engagement on topics related to the meeting agenda for equity shareholders.

3.5.2 Quantitative and Passive Funds where JSIL's fund strategies are rules-based through quantitative models or adherence to a specific index, for example, JS Momentum Factor ETF, the opportunities to effectively implement stewardship may be relatively limited. For these solutions, JSIL will strive to pursue international best practices. The nature of the investment process, quantity, and duration of holdings within the strategy will determine if active engagement is in clients' interests.

3.5.3 In the case of direct investments in real estate, JSIL is committed to stewardship of those assets and the management of the properties that they acquire on behalf of clients. JSIL strives to endeavor that all employees, partners, and suppliers remain committed at all times to provide a sustainable impact and long-term value for investors, tenants, key stakeholders, and the communities in which JSIL invests.

3.6 Escalation

3.6.1 There are many reasons why JSIL may escalate engagement with a company, and escalation may happen naturally, as an engagement for information evolves into an engagement for change. Common examples that would indicate an increased need for engagement include deficiencies or shortcomings in governance or management structure, failure to respond to investor concerns or to implement agreed strategy, deterioration in standards, increased severity or risk of a particular issue, or where a major event has impacted or is likely to impact long-term value.

3.6.2 JSIL considers escalation within engagement strategy based on the nuances of the engagement, and the next steps may include engaging members of the board where management is not responsive, taking voting actions, speaking at the company’s AGM, filing or co-filing a shareholder resolution, and raising concerns in the public domain, or divesting where JSIL consider the investment to be no longer in its clients’ best interests.

3.6.3 JSIL may collaborate with other institutional investors to engage with companies and issuers when it believes this is likely to advance clients’ interests, is consistent with Company’s policies and procedures, and is permissible under applicable laws and regulations. JSIL may also collaborate with institutional investors to engage with policymakers and regulators through membership in various global and regional associations and communicate views directly to the appropriate policy or regulatory body.

4. Proxy Voting Policy

4.1 Background

4.1.1 JSIL has adopted a stand-alone Proxy Voting Policy on the securities owned and held in the names of Collective Investment Schemes under its management. This policy was approved by the Board of Directors in their meeting held on October 17, 2016. The same is being presented with changes & modifications in light of the updated regulations/guidelines.

4.2 Objective

4.2.1 JSIL as an asset manager has a right to vote on behalf of its funds under management in the general meetings of investee companies.

4.2.2 JSIL understands its fiduciary duty to vote and that its voting decisions may affect the value of investments. JSIL adopted guidelines for exercising voting rights in accordance with its fiduciary duties and clients' best interests. Regulation 38A of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "Regulations"), as well as Stewardship Guidelines issued under section 40B of the SECP Act, 1997 (XLII of 1997), also requires JSIL to formulate proxy voting policy approved by its Board of Directors.

4.2.3 The implementation of this Policy will ensure that JSIL, as manager of the funds, comply with all the legal requirements and fulfill its fiduciary obligations towards the unit holders of the funds under management.

4.2.4 The voting guidelines reflect what the investment industry believes to be good corporate governance and behavior on several issues pertaining to boards of directors, the appointment of auditors, management and director compensation, anti-takeover mechanisms, and related issues, changes to capital structure, mergers and corporate restructuring, environmental and social issues, proxy access, and corporate governance.

4.3 Principles and Scope

4.3.1 Proxy voting is part of JSIL's Active Ownership approach. JSIL will make decisions on proxy voting in the best interest of the unit holders of the funds it manages, particularly with the intent to maximize the value of funds and avoid any conflict of interest. The proxy voting policy is the standard policy for all JSIL funds. For non-discretionary mandates, JSIL may implement a client's own proxy voting policy.

4.4 The Policy

4.4.1 The Board has constituted a Proxy Committee (“Committee”) comprising three members, namely the Chief Executive Officer, the Chief Operating Officer and the Chief Investment Officer, for the implementation of this Policy and to monitor the proxy voting process. The quorum of the Committee meeting shall be two members present in person or through tele or video conference. The Committee is authorized to make decisions by means of resolutions passed through circulation.

4.5 Voting procedure

4.5.1 The Proxy Committee shall review all the notices of meetings and shareholders’ resolutions received by JSIL in respect of investment in securities made by funds. JSIL may vote on all ‘material issues’ in accordance with this document. The Head of Research or a Senior Research Analyst will keep track of the notices of board meetings of investee companies and will bring these to the attention of the Committee. In determining whether an issue is ‘material,’ the Committee shall be guided by the following considerations:

a) Whether highlighted during the monitoring process;

b) Whether the exercise of voting rights will improve corporate governance and protect the interest of the unit holders;

c) The size of the holdings and whether the vote will influence the outcome of the resolution;

d) The advantage that will result from voting for the respective funds.

4.5.2 The Committee shall authorize a Fund Manager or any other officer of JSIL who will vote on behalf of the Collective Investment Schemes in accordance with this Policy. JSIL may also issue a proxy to the management of the investee companies or in favor of any third party/ other shareholder(s) except where it is felt by the Committee that the proposal would result in reducing the value of shareholders' investments.

4.5.3 The respective trustees of the funds shall, on the written request of JSIL from time to time, execute and deliver to JSIL the executed proxies and/or power of attorney in such form and in favor of the nominee authorizing them to attend and vote in the general meetings of the companies as members on behalf of the funds.

4.6 Voting Guidelines

4.6.1 When exercising voting rights, JSIL will normally vote on specific proxy issues in accordance with the Guidelines given in Annexure A of this document. The Guidelines are reviewed annually and are amended consistent with changes in the local market practice as developments in corporate governance occur or as otherwise deemed advisable by the Proxy Committee.

4.6.2 JSIL analysts may, in the exercise of their professional judgment, conclude that the Guidelines do not cover the specific matter upon which a proxy vote is required or that an exception to the Guidelines would be in the best long-term economic interests of JSIL's clients.

4.6.3 In certain situations, proxy voting involves logistical issues, which can affect JSIL's ability to vote such proxies, as well as the desirability of voting such proxies. JSIL is not supportive of impediments to the exercise of voting rights, such as share blocking or overly burdensome administrative requirements. Consequently, JSIL votes proxies in these situations on a "best-efforts" basis.

4.6.4 In addition, JSIL may determine that it is generally in the best interests of JSIL's clients not to vote proxies (or not to vote full allocation) if the costs associated with exercising a vote are expected to outweigh the benefit the client would derive by voting on the proposal.

4.6.5 Because JSIL's clients are mostly long-term investors with long-term economic goals, ballots are frequently cast in a uniform manner. Decisions on the voting of proxies will be in no circumstances be taken in an individual capacity by any Fund Manager or CIO. Instead, it will always be determined collectively by the Proxy Committee.

4.7 Evaluation of Proxy Proposals

4.7.1 All the proxy proposals shall be evaluated by the Proxy Committee to determine whether these are material based on the laid down criteria. While evaluating proxy voting, the Committee shall, at its discretion, consult any internal participant to arrive at a decision. Such consultation shall be duly recorded.

4.8 Procedures and Controls regarding Conflict of Interest

4.8.1 As a fiduciary, JSIL shall always act in its unit holders' best interests. JSIL strives to avoid even the appearance of a conflict that may compromise the trust its unit holders have placed in JSIL, and JSIL shall insist on strict adherence to fiduciary standards and compliance with all applicable laws. JSIL has adopted a comprehensive Code of Conduct (the "Code") to help meet these obligations. As part of this responsibility and as expressed throughout the Code, JSIL places the interests of our unitholders first and attempts to avoid any perceived or actual conflicts of interest.

4.8.2 It is recognized that there may be a potential material conflict of interest when JSIL votes a proxy solicited by an issuer whose retirement plan we manage, or we administer, who distributes JSIL's mutual funds, or with whom JSIL or its employees have another business or personal relationship that may affect how we vote on the issuer's proxy. Similarly, JSIL may have a potential material conflict of interest when deciding how to vote on a proposal sponsored or supported by a shareholder group that is a unit holder. In order to avoid any perceived or actual conflict of interest, the procedures set forth below have been established for use when JSIL encounters a potential conflict to ensure that our voting decisions are based on our unit holders' best interests and are not the product of a conflict.

4.9 Disclosure of conflict of interest

4.9.1 When considering a proxy proposal, the members must disclose to the Proxy Committee any potential conflict (including personal relationships) of which they are aware and any substantive contact that they have had with any interested outside party (including the issuer or shareholder group sponsoring a proposal) regarding the proposal. Any previously unknown conflict will be recorded on the Potential Conflicts List. If a member of the Committee has a conflict of interest, he or she must also excuse himself or herself from the decision-making process.

4.10 Record Keeping of Proxy Voting

4.10.1 The following record of proxy voting shall be maintained within the Company by the COO:

a) The name of the issuer of the securities on which the vote has been cast;

b) Name of the major beneficial owner(s) of the securities;

c) Number of the shares held by the fund on record;

d) The date on which the proxy was voted; and

e) The result of the vote.

4.10.2 All of the records referenced above will be kept in electronic or physical form in an easily accessible place for at least five years from the end of the fiscal year during which the last entry was made on such record.

4.11 System to monitor proxy voting responsibilities

4.11.1 The Proxy Committee shall monitor proxy-voting responsibilities on a quarterly basis along with issues, if any, concerning proxy voting during the period and record the minutes.

4.12 Disclosure

4.12.1 This Policy shall be placed on the Company's website, www.jsil.com and shall be submitted to the SECP.

4.12.2 A summary of the actual proxy voted during the year as per the Regulation 38 A (g) of the NBFC Regulations, 2008, in the prescribed table given below, shall be disclosed in the annual reports of all funds:

Summary of Actual Proxy voted by CIS:

	Resolutions	For	Against	Abstain*
Number				
(%ages)				

**Reasons for abstaining shall be disclosed.*

6. Conflict of Interest Policy

5.1 Background

5.1.1 Conflicts of interest can potentially arise at varying levels and degrees at asset management companies (AMCs), which presents challenges to effectively practicing stewardship activities.

At an institutional level, the reluctance of AMCs to enforce accountability of investee companies' boards and senior management to avoid losing their business is the most common cause of conflict of interest for such AMCs. One example could be if a director of an investee company dropped subtle hints to a fund manager, who is planning to vote against the company, that they are planning to short-list investment managers for their pension fund – which might make the AMC think twice about its stewardship policy.

Even on an internal level within an investment firm, there can be cases of conflicts of interest among team members. For example, the Chief Investment Officer (CIO) would be wary of the Chief Operating Officer (COO), who due to stewardship activities might cause the CIO to lose access to management at investee companies. To avoid this, the CIO might sabotage or nullify efforts to raise ESG concerns.

Furthermore, in cases of conglomerates, the layers of conflict can go deeper, such as when an investment-banking manager pressurizes AMC colleagues to refrain from upsetting their clients, for instance voting against the client's CEO compensation benefits.

These aforementioned conflicts can have lasting repercussions on stewardship behavior at investment firms. For instance, ESG enforcers might yield to persisting pressure from a client or colleague to avoid activities that might hamper future business potential with the said client. In such cases, the investment team might not vote against a director's re-election, for instance, or benefits of senior executives or any other matters that might be of material nature for the client's management at the expense of compromising their impartiality.

5.1.2 Managing potential, material conflicts of interest regarding proxy voting at investee companies is critical to make sure that proxy-voting decisions are made in the best long-term economic interests of our clients, and not in the interests of any other party or in our corporate interests.

In this regard, if a member of the Proxy Committee or any other employee involved in a voting decision identifies a personal interest with respect to a particular voting decision, then that person should withdraw himself or herself from participating in the voting process. In addition, the Proxy Committee does not include representatives from client relationship management, marketing, or sales functions.

In a situation that involves an issuer that has a relationship with JSIL and its sponsors, the Proxy Committee will carefully evaluate the proposed vote to ensure that the decision does not get compromised and the proxy is ultimately voted in the best long-term economic interests of our clients.

An undue influence on JSIL's proxy voting activity may emanate from any relationship between the investee company and JSIL, JSIL's sponsors, a Fund, or JSIL employees. The following are common examples of sources of perceived or potential conflicts of interest:

a) Close business or personal relationships with the management team of the investee company;

b) Cross-directorships: an employee or a director may be a director of the investee company wherein he/ she may owe duties that conflicts with the duties to JSIL;

c) Client or beneficiary interests diverging from each other;

d) Vote on a corporate transaction, the outcome of which would benefit the client;

e) Meeting investee companies for the purpose of engagement while at the same time pitching them JSIL's asset management services.

5.2 Policy

5.2.1 As per Section 205 of the Companies Act, 2017, every director of a company who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of JSIL shall disclose the nature of his concern or interest. Any Director with personal interest which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest and, if necessary, from the Board meeting, or applicable part thereof.

Also, a director shall be deemed to be interested or concerned if any of his relatives is so interested or concerned.

Explanation — For the purpose of this section, "director's relatives" are:

(a) the director's spouse;

(b) the director's children, including the stepchildren;

(c) the director's parents;

The disclosure is required to be made by a director in the following manner:

i. in the case of a contract or arrangement to be entered into, at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration or, if the director was not, on the date of that meeting, concerned or interested in the contract or arrangement, at the first meeting of the board held after he becomes so concerned or interested;

ii. in the case of any other contract or arrangement, at the first meeting of the board held after the director becomes concerned or interested in the contract or arrangement.

5.3 Disclosure of Interest

5.3.1 Directors and key employees are required to disclose, at the time of appointment and on an annual basis, the directorships and / or memberships they hold in other companies by a notice that a director is a director or a member of a Company or a partner of a firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that Company or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

5.3.2 Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for a further period of one financial year at a time, by a fresh notice given in the last month of the financial year in which it would otherwise expire.

5.4 Restrictions

5.4.1 A Director or a key employee shall not:

a) Solicit or accept any advantage as an inducement or reward for doing or intending to commit any act in relation to the Company's affairs or business;

b) Show or intend to show favor or disfavor to any person in relation to Company's affairs or business;

c) Offer any advantage to anyone as an inducement or reward for or otherwise; and

d) Intend to deceive Company by using any receipt, account, or another document which is false or erroneous or defective in any way, and which to his / her knowledge is intended to mislead the Company.

In the context of the "Corporate Opportunity Doctrine", Directors shall not:

i. Use corporate property, information, or position for personal gain;

ii. Compete with the Company; or

iii. Take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information, or position.

5.5 Responsibilities

5.5.1 The Chief Compliance & Risk Officer (CCRO) will be responsible for monitoring that the Board Level Policy is followed in true spirit and maintaining all the documents for internal use and audit purposes.

5.5.2 The Risk Management & Compliance Team will look after implementing the conflicts of interest policy and bring such cases, if any, to the CEO for resolving the conflicts. All department heads report to the CCRO and/or CEO on any potential or actual conflicts.

a) Compliance team will manage and maintain a record of all conflicts managed or mitigated by the Company. When line manager is unclear about how best to manage a conflict, they will ask CCRO for advice.

b) Heads of Departments shall hold regular discussions with their teams to consider possible conflicts and make sure that staff is aware of all policies relating to conflict management as well as the firm's general commitment to managing conflicts effectively.

c) While the conflicts relating to transactions or managers' relationships with multiple clients will be managed by applying appropriate processes and checks.

d) The Compliance Team consider potential conflicts relating to capacity management within existing funds, review all anticipated fund or product launches to consider potential conflicts inherent in their development, and should encourage all heads of departments or line managers to review individual performance closely to check that the firm's investment process is being followed and that a manager is taking on levels of risk appropriate for the client.

5.6 Policy Review

5.6.1 The Conflict of Interest Policy will be reviewed once in two years.

5.7 Approval

5.7.1 The CCRO will recommend any changes in the Conflict of Interest Policy and send them to the Board of Directors for approval after getting concurrence from the CEO.

6. Periodic Reporting on Stewardship Activities

6.1 To enhance the quality of information to be shared with all the stakeholders essential for supporting long-term sustainable value, a brief report will be produced annually disclosing the relevant activities undertaken by the investment team regarding implementing this stewardship policy. It will be available on our website as part of public disclosures.

6.2 The report will be released within 30 days from the close of the calendar year, which outlines how we have performed against our Stewardship Policy in the preceding 12-month period. The report shall put in a nutshell our Stewardship initiatives as active managers on behalf of our clients. This will contribute considerably to making tangible progress toward improving our sustainability reporting standards.

Annexure A

Guidelines

1. Election of Directors

1.1 The governance, transparency, adherence to laws by the Company and the candidates' profiles, their relevant experiences, market reputation and fiduciary behavior shall be the guiding principles while voting on the election of directors. JSIL may, however, abstain from voting for a particular candidate if it is determined that there are compelling reasons to oppose his or her election. We believe companies should have a majority of independent directors and independent key Committees. JSIL will take into consideration the relevant corporate laws when making such decisions. JSIL shall regard a director as independent if the director satisfies the criteria for independence as defined in the Code of Corporate Governance based on publicly available information on a best efforts basis.

1.2 JSIL expects the following information to be disclosed in the annual report and / or the investee company's website in addition to any other mandatory requirements of the law:

a) Directors' full name

b) Brief biography detailing the director's past roles and experience

1.3 While participating in the election of the Directors of the investee companies, JSIL shall ensure that by exercising the right to vote the proxy on behalf of the unitholders of the funds, JSIL does not end up attaining the management control of the investee company, in contravention of the Regulations.

2. Corporate Governance

2.1 JSIL will vote on the management's recommendations to approve policies and practices to improve its corporate governance structure. The published compliance statement and auditors' report thereon will be reviewed and any concerns shall be taken up at the general meeting while voting for the approval of the annual accounts. JSIL may vote, subject to the Committee's recommendation, against a resolution where sufficient information and material are not provided in the notices upon which an informed decision may be made.

3. Appointment of Auditors

3.1 JSIL will vote for the auditors having satisfactory quality control rating by the Institute of Chartered Accountants Pakistan ("ICAP"), its experience in the relevant industry, the integrity of its partners and their compliance with the Code of Ethics for Professional Accountants in public practice as adopted by ICAP. JSIL will also consider the amount of fees paid for non-audit related services performed compared to the total audit fees paid by the company to the auditing firm, and whether there are any other reasons to question the independence or performance of the Company's auditor.

4. Changes in capital structure; proposals affecting shareholders' rights

4.1 JSIL will vote in favor of resolution for changes in the capital structure only where an increase in share capital (authorized or paid up) serves a legitimate corporate purpose such as recapitalization or acquisition, equity raising by right issue, or provide for employee savings plans, stock option plans or executive compensation plans.

JSIL will vote in favor of resolution for changes in the capital structure (authorized or paid up) only where such a change serves a legitimate corporate purpose. Recapitalization or acquisition, equity raising by rights issue or providing for employee savings plans, stock option plans or executive compensation plans are some examples of increasing share capital, whereas share buy-backs are the most common form of decreasing share capital

4.2 JSIL may abstain from voting or oppose a proposal where there is reliable evidence to believe that the management's proposal to increase share capital would, in Proxy Committee's judgment, excessively dilute the value of the existing shares upon issuance of new shares. Under certain circumstances where JSIL believes it is important for shareholders to have an opportunity to maintain proportional ownership, it may oppose proposals requesting shareholders' approval on issuing further capital without the issuance of the right shares.

5. Corporate restructuring, mergers, and acquisitions

5.1 Proposals requesting shareholders' approval of corporate restructurings, merger proposals, and spin-offs will be assessed on a case-by-case basis. In evaluating these proposals, the Investment team will focus on maximizing long-term shareholder value, taking into account the information publicly available regarding valuations, records of the management in such transactions, rationale, market sentiments, conflict of interest, and governance record of the management.

6. Other Businesses

6.1 The Investment team shall deliberate on important issues like changes in memorandum and Articles of Associations or approvals being sought due to regulatory requirements and take decisions on a case-to-case basis in the best interest of the unitholders of the funds.

Annexure B

Format for annual reporting of the compliance status of stewardship code to the Authority

Name of the AMC: ____________________ Date: _______________

Period of Report (FY): __________________

We certify that the guidelines given on Stewardship Code for Institutional Investors are duly followed and that all the principles detailed in the guidelines are duly complied with.

Chief Compliance Officer
(Name and Signature)

Chief Executive Officer
(Name and Signature)

Better Investments for a Better Future!