

HBL Asset Management Limited.

Annual Report on Stewardship Policy

Principles	Details	Compliant/ Explanation
1	Stewardship Policy	The Stewardship Policy is in a draft stage. The policy will be finalized and presented to Board for approval in next BOD meeting to be held in August 2023.
2	Voting Policy & Its Disclosure	<b>Compliant.</b> HBL AMC has approved Proxy Policy which also provides guidance on voting rights. Please note that HBL AMC has exercised its Voting rights with due care and diligence. During the period (July 2022 – April 2023) proxies were issued in 5 cases.
3	Monitoring Investee Companies	The policy for monitoring investee companies as part of Stewardship Policy is in a draft stage. The policy will be finalized and presented to Board for approval in next BOD meeting to be held in August 2023. However, HBL AMC on behalf of the Funds under management regularly monitors financial and non-financial factors of the investee companies. Monitoring of Financial information includes assessment of Income Statement, Balance Sheet and Cash flow statements. In terms of non-financial information, HBL AMC assesses the governance by analyzing the quality of corporate governance through board composition, business risk management strategy, audit quality and corporate announcements.
4	Policy on Engagement with the Investee Companies	The policy on engagement with investee companies as part of Stewardship Policy is in a draft stage. The policy will be finalized and presented to Board for approval in next BOD meeting to be held in August 2023. HBL AMC regularly engages with investee company by attending Analyst Call conducted by an investee company on a quarterly or annual basis. Through these sessions, outlook on the company, business risk, financial and business projections are discussed with the company. Moreover, HBL AMC also regularly interacts with senior management of the investee companies to get better understanding of business and financial outlook.
5	Managing Conflict of Interest	The policy on Managing Conflict of Interest as part of Stewardship Policy is in a draft 2023stage. The policy will be finalized and presented to Board for approval in next BOD meeting to be held in August. HBL AMC has created a Chinese wall to manage potential ‘conflict of interest’ scenarios. For example, employees of departments engaged in investment

		decision making are not allowed to make investments in listed equity securities of any kind.
6.	Incorporating Sustainability considerations	The policy on Incorporating Sustainability Considerations as part of Stewardship Policy is in a draft stage. The policy will be finalized and presented to Board for approval in next BOD meeting to be held in August 2023. As of April 2023, HBL AMC has launched HBL Livestock Fund.