

Product Governance Policy
September 2020

Aberdeen Standard Asset Management Thailand (ASAMTL) Product Governance Policy

Background:

SEC regulation relating to Product Governance is effective on 1st July 2017. The regulation outlines the product governance principles and practices that Asset Managers must adopt with regards to the launch and sales of asset management products. The regulation aims to create greater market confidence among investors, develop the long term interest of the industry and to place investors' interest at the core of business operations requiring Asset Managers to fulfill 6 objectives:

1. Fund design must place the needs and benefits to the target investors at the core of the design
2. Asset Managers must truly understand the characteristics and risks associated to their products
3. Fund management products must be sold through the appropriate channels
4. Agents/distributors and middle persons must understand the characteristics and risks associated of the funds and their target investors
5. Investors must understand the characteristics and risks associated to the funds before investing
6. Asset Managers must monitor the fund management products and the conducts of their selling agents/distributors on a regular basis, should an undesired event occur, an appropriate cause of action must be in place .

The Policy hereunder is a statement of intent for ASAMTL's fulfilment of Product Governance and Fair Dealing objectives by adopting the 4 stated principles:

1. Organisational structure, the role of board of directors and duty of senior management defined to support business conducts in accordance with Product Governance principles
2. Product Development process designed with investors' interest at the core and scope of product risks clearly defined
3. Distributor selection and communication carried out appropriately and with confidence of agents awareness of the risks and process associated with ASAMTL's products
4. Product and distributor monitoring implemented to ensure the fund(s) suitability to the target investors, including the notification of key events/factors that may impact the fund(s) underlying characteristics

ASAMTL has established the policy and its framework regarding the launch and offering of the Fund's product, as follows:

Organisation Structure, Role of Board of Directors and Duty of Senior Management:

The Board of Directors (The Board), shall maintain commitment in determination of ASAMTL's mission, vision and value. The Board shall adopt and implement, advocate the adherence of Product Governance policies and principles across company, promote ethical work culture, risk culture with full consideration to the business strategy as agreed by The Board. The Board will acknowledge its Product Governance responsibilities and adopt them accordingly.

The Board of Directors and the High Level Executives have given importance and supported the business operation according to the Product Governance Principle as the core of organisational culture which will help the business to grow sustainably. Further, the Company will be confident on the quality of product launched and offered by the Fund and it will reduce the risk of mis-selling and mis-buying.

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The Board shall delegate or escalate tasks/oversight of processes required to achieve Product Governance objectives as appropriate, which shall include the communication and avocation of Product Governance awareness, Companywide. The Board shall further delegate the implementation of working guidelines to achieve Product Governance objectives.

Product Development Process:

ASAMTL shall adopt its Product Development process in accordance with applicable ASI Procedure and SEC principles.

ASAMTL has established the appropriate procedure of the Fund's product development in order that the design and offering of the company's product will meet the investors' need. Moreover, ASAMTL also takes into account the investors' benefit in terms of product and providing of service. The company has prescribed the level of the Fund's risk and complexity, accordingly, the company will use such information to consider and prescribe the guideline in offering the investment units appropriately.

Distributor Selection and Communication:

ASAMTL shall adopt its Distributor Selection and Communication process in accordance with applicable ASI Procedure and SEC principles.

The Company has established the rule in considering and selecting the distributors and independent selling agents in investment units offering in order to ensure that the distributors will be able to perform their duty in investment units offering appropriately. In this regard, the Company has assigned its Distribution to consider and propose the matter to the Executive Committee/Board for consideration and approval;

Product and Distributor Monitoring:

ASAMTL shall adopt its Product and Distributor Monitoring process in accordance with applicable ASI Procedure and SEC principles.

The Company established the process of product monitoring and distributors monitoring product in order to ensure that the product is in line with the details of risk, performance the target group of investors, analysing and rectified the impact of any situation to the fund (if any).

The Company has the process to monitor the performance and responsibility of distributor to ensure that the offered product is compatible with the target investors and investor understands the product.