AL HABIB ASSET MANAGEMENT LIMITED
STEWARDSHIP REPORT 2026

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The Stewardship Report of AL Habib Asset Management Limited ("**AHAML**" or the "**Company**") is prepared in compliance with the requirements of **Stewardship Guidelines for Institutional Investors** ("Stewardship Guidelines") issued by the Securities and Exchange Commission of Pakistan ("**SECP**").

This Report provides an overview of the implementation of Company's stewardship responsibilities and enables stakeholders to assess how these responsibilities have contributed to the continuous enhancement of the Company's practices.
AHAML considers following types of engagement as part of our stewardship responsibilities:

a. 'Engagement for change' is a purposeful dialogue to influence positive change, guided by strategic objectives;

b. 'Engagement for information' is an integral part of issuer monitoring. It adds value by clarifying our priorities, fostering strong relationships, and enhancing our understanding of the issuer's strategy and operational practices; and

c. 'Engagement for collective co-ordination' focuses on issues of shared concerns – such as ESG (Environment, Social and Governance), financial, regulatory implications, etc.

Following are the principles of Stewardship and their compliance status.

1. STEWARDSHIP POLICY

Institutional Investor shall formulate a clear policy approved by its Board of Directors on how they intend to fulfil their stewardship responsibilities and publicly disclose it.

Status
AHAML has formulated a Stewardship Policy, which is duly approved by the Board of Directors ("**BOD**") and is also placed on the website of the Company.
The Policy complies with the principles set out in the Stewardship Guidelines issued by the Commission,

VOTING POLICY AND ITS DISCLOSURE

Institutional Investors shall have a clear policy on voting including proxy voting and give adequate disclosure of its voting activity.

Status
AHAML has a Proxy Voting Policy duly approved by the Board of Directors and is available on the Company's website.

2. MONITORING INVESTEE COMPANIES

Institutional investors shall monitor their investee companies in order to enhance investee company's long-term value and protect their long-term investments.

Status
AHAML is complying with this principle by monitoring the investee companies through corporate briefings and shareholders' meetings, and through publicly available information including financial statements, directors' report, news reports, social media posts, sell-side research reports and other relevant public information.

As part of the ongoing investment review process, the investment manager(s) also hold meetings with the investee companies, where required.

3. POLICY ON ENGAGEMENT WITH THE INVESTEE COMPANIES

Institutional Investors shall develop a policy for engagement with the investee companies.

Status
Engagement is led by AHAML's Fund Managers, Investment Analysts and other Investment Committee members. These engagements focus on monitoring and considering material issues which are potentially worthy of engagement as part of the research processes.

As long-term investors, AHAML undertakes engagement in a spirit of partnership and AHAML aims to work with companies and other issuers in which AHAML invests to understand and address areas of concern.

4. MANAGING CONFLICT OF INTEREST

Institutional investors shall put in place a robust policy on identifying and managing conflicts of interest that may impair their stewardship behaviour, to advance the interest of investors.

Status
AHAML has developed Stewardship Policy to identify and manage actual or potential conflict of interest. All material conflict of interest in proxy voting and financial transactions shall be reported in the manner, as the Company considers appropriate.

In order to manage this conflict of interest, AHAML imposes restrictions on its employees regarding trading in shares / securities through its Employees Trading Policy.

Various parameters have been defined such as policies, procedure and physical arrangements (collectively "Chinese Walls") designed to manage confidential information and prevent any misuse of "insider information". Roles and functions of front, middle and back offices are performed separately in every manner. These information barriers serve to prevent undisclosed material information from being accessed by unauthorized employees, departments, external parties.

5. INCORPORATING SUSTAINABILITY CONSIDERATIONS

Institutional Investors shall integrate their policy with corporate governance and sustainability considerations including environmental, social and governance (ESG) factors to deliver sustainable returns in the long-term interest of investor.

Explanation
AHAML's Research Team to incorporate sustainability consideration, including ESG principles, into the investment process where these align with overall investment objectives of the Collective Investment Schemes. However, the availability and quality of ESG-related disclosures by investee companies remain limited, which may affect the extent to which ESG factors can be incorporated into the investment process.