midas WEALTH MANAGEMENT

Good Governance Assessment Policy

Introduction

The EU Sustainable Finance Disclosure Regulation ("SFDR") requires that products classified as Article 8 or Article 9 products do not invest in (securities issued by) companies who do not follow good governance practices. According to the Human Rights Council, key attributes of good governance are:

- transparency
- responsibility
- accountability
- participation
- responsiveness (to the needs of the people)

The following policy describes how Midas Wealth Management ("MWM") determines if and when a company does not follow good governance practices and is therefore excluded from the sustainable investment scope of Article 8 products. The SFDR specifies several topics to monitor, for each of these topics, different metrics are analysed:

Management structure

- The company is compliant with the 10th principle on anti-bribery and corruption of the UN Global Compact Principles and is not on the non-compliance list.
- The company has an audit committee
- The company has a Corporate Social Responsibility policy in place
- The supervisory board, if applicable, has at least 1 independent board member

Employee relations

- The company has a whistle-blower protection policy
- The company is compliant with the 3rd principle on labor relations on the UN Global Compact and is not on the non-compliance list.

Remuneration of staff

- The company has an independent compensation committee.

Tax compliance

- The company has no significant controversies on Taxation & accounting

This good governance policy is not applied to investments in securities issued by governments, public institutions and supranational (GPI&S) entities as part of Article 8 or 9 products.

The assessment process

The Good Governance Test is performed by data driven analysis based on external data vendors and maintained in MWM internal systems. For companies that do not have sufficient data, two remediation efforts will be followed; 1) data vendors are approached to increase data coverage where needed, 2) data is collected on the basis of a predefined list in line with this policy by MWM from public company documentation, management engagement or other reliable sources.

Divestment or engagement

Companies that fail the Good Governance Test are not eligible for Article 8 products. For these ineligible companies, all related investment instruments (e.g. equity, bonds, derivatives on respective companies) are in scope. The list of excluded companies is not applicable to listed index derivatives. The ineligible instruments should be divested within three months after the outcome of the Good Governance Test has been approved. Once selling is possible at a reasonable price, holdings will be sold.

Review and monitoring

Governance datapoints will be reviewed on an annual basis as part of our annual due-diligence monitoring. Any major controversial event would also trigger a review. The ESG team is responsible for the review and the associated documentation.