



# MAPLE-BROWN ABBOTT

## MAPLE-BROWN ABBOTT LIMITED PROXY VOTING POLICY

Maple-Brown Abbott (the Company) has a strong history of incorporating Governance, including proxy voting, into the investment process. This Proxy Voting Policy outlines our commitment and approach to proxy voting. This policy should be read in conjunction with the Company's Responsible Investment and Engagement Policies, both of which can be found on our website ([www.maple-brownabbott.com.au](http://www.maple-brownabbott.com.au)). Where applicable, the policy relates both to the Company's pooled investment vehicles and separately managed accounts, collectively referred to herein as "Clients".

USA's Investment Advisers Act of 1940 (Advisers Act). Rule 206(4)-6 of the Advisers Act (the Proxy Rule) states that if you are a registered investment adviser, it is a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of section 206(4) of the Act, for you to exercise voting authority with respect to Client securities, unless you:

- (a) Adopt and implement written policies and procedures that are reasonably designed to ensure that you vote Client securities in the best interest of Clients, which procedures must include how you address material conflicts that may arise between your interests and those of your Clients;
- (b) Disclose to Clients how they may obtain information from you about how you voted with respect to their securities; and
- (c) Describe to Clients your proxy voting policies and procedures and, upon request, furnish a copy of the policies and procedures to the requesting Client.

### ***Our Approach***

Our approach to proxy voting is aligned with the United Nations Principles of Responsible Investment (UNPRI) and has been designed to optimise our ability to affect outcomes, more specifically our approach is premised on:

- The Company's Board has approved the Company's Proxy Voting Policy, however, it is the Company's respective Heads of Equities who are responsible for overseeing the implementation of the policy, and it is the Company's investment analysts who analyse the proxy resolutions and make the voting recommendations. The Company's Operations team co-ordinate the execution of the voting process.
- The Proxy Voting Policy covers our core equity asset exposures, being Australian and self-managed International listed equities. Given these asset classes comprise the majority of our funds under management (FUM), we have the ability to affect change through the implementation of our Proxy Voting Policy. The Company considers environmental, social and governance (ESG) capabilities, including Proxy Voting Policies, in the appointment and evaluation of external fund managers appointed to manage money on behalf of Maple-Brown Abbott.
- Proxy voting forms are received from the custodians, in whose name the securities are usually registered. Each investment analyst reviews the proxy resolutions and makes voting recommendations. Voting recommendations are made after consideration of all relevant information, and may include consultation with the company for further information. For Australian investments, the Company also engages the services of a Proxy Advisor, Ownership Matters, and analysts also consider their independent research in making their voting recommendations. For Asian investments, the Company may refer to research published by the Asian Corporate Governance Association (ACGA). The guiding principle in reaching the voting decision is what, in our opinion, is in the best interests of our Clients as

shareholders. These recommendations are then reviewed and approved by the respective Head of Equities. An authorised instruction is then given to the custodian or proxy voting platform detailing the action decided upon in respect of each Client. The Company's Operations team co-ordinate the execution of the voting process.

- A record of votes cast for all 'voting' Clients is maintained and collated in our proprietary investment management system by the Operations team.
- For Australian investments that are subject to the "Two Strikes" legislation, where a portfolio company incurs a "first strike", Maple-Brown Abbott regularly engages with the issuing company's management to improve their remuneration policy and practices to reduce the likelihood of a "second strike".
- The CCO will periodically conduct a review of a sample of the proxy voting records to confirm that proxies are voted according to the Company's policies and records are appropriately maintained.

### ***Our Policy***

- The Company's policy is to comply with the Proxy Rule and act solely in the best interest of the Client when exercising its voting authority. It is our policy to vote on all proxy resolutions at all shareholder meetings for shares that we directly hold on behalf of our Clients. We acknowledge however, that in some jurisdictions we may not receive timely notification of the proxy resolutions, thereby limiting our ability to vote.
- The Company determines how to vote corporate actions and proxies on a case-by-case basis and will apply the following guidelines, as applicable:
  - The Company will attempt to consider all aspects of the vote that could materially affect the value of the issuer or that of the Client;
  - The Company will vote in a manner that it believes is consistent with the Client stated objectives; and
  - The Company will generally vote in accordance with the recommendation of the issuing company on routine and administrative matters, unless the Company has a particular reason to vote to the contrary.
- We will not "abstain" from any resolution unless we are prevented from lodging an "against" vote by regulations in the issuing company's country of domicile or unless there is insufficient information on which to make an informed view. It should be noted that certain Clients do not permit us to vote on their behalf and some Clients from time to time direct us on how to vote their shares.
- Where the Company's voting recommendation is counter to the issuing company's or the Proxy Advisor's recommendation, the Company will provide a written explanation justifying the voting recommendation.
- Generally, for Australian listed proxy voting, the Company contacts the issuing company prior to voting on resolutions counter to the issuing company's recommendations. For our self-managed International listed proxy voting, when voting counter to the issuing company's recommendation, we endeavour to advise the issuing company of our vote at our next meeting with the issuing company.
- The Company will report on its proxy voting activities to stakeholders, upon request through our quarterly report and additionally through marketing presentations, bespoke Client requests and on our website ([www.maple-brownabbott.com.au](http://www.maple-brownabbott.com.au)).
- Under Part 275.204-21, the Books and Records Rule (refer Document Storage and Email Retention Policy), the Company must retain for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record:

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<sup>1</sup> Part 275.204-2, Rules and Regulations, Investment Advisers Act of 1940.

- (i) its voting policies and procedures; (ii) corporate action and proxy statements received; (iii) records of votes cast; (iv) records of its Client's requests for voting information; and (v) any documents prepared by the Company that were material to making a decision on how to vote.

### ***Conflict of Interests***

- The Company will not put its own interests ahead of those of any Client and will resolve any possible conflicts between its interests and those of the Client in favour of the Client. In the event that a potential conflict of interest arises, the Company will vote on a case-by-case basis and undertake the following analysis.
  - Prior to voting, the investment analyst will make a determination as to whether a material conflict of interest exists. A conflict of interest will be considered material to the extent that it is determined that the conflict has or could be perceived to have the potential to influence the Company's decision making in voting the proxy.
  - Where the investment analyst has made a determination that a material conflict exists, they will advise the Chief Compliance Officer (CCO) who will subsequently either resolve the conflict or refer the proxy vote to an outside service for its independent consideration. In the case of a separately managed account, the CCO may determine that the conflict be disclosed to the Client and that the Client's consent be obtained before voting.
  - If such a material conflict is deemed to exist, the Company will refrain completely from exercising its discretion with respect to voting the proxy and will instead refer that vote to an outside service for its independent consideration. If it is determined that any such conflict or potential conflict is not material, the Company may vote the proxy.

### ***Use of Proxy Advisory Firms***<sup>2</sup>

- When considering whether to retain any particular proxy advisory firm to provide proxy voting recommendations, the Company believes that it should ascertain, among other things, whether the proxy advisory firm has the capacity and competency to adequately analyse proxy issues. In this regard, the Company could consider, among other things: the adequacy and quality of the proxy advisory firm's staffing and personnel; the robustness of its policies and procedures regarding its ability to (i) ensure that its proxy voting recommendations are based on current and accurate information and (ii) identify and address any conflicts of interest and any other considerations that the Company believes would be appropriate in considering the nature and quality of the services provided by the proxy advisory firm.
- In order to comply with the Proxy Voting Rule, the Company will adopt and implement policies and procedures that are reasonably designed to provide sufficient ongoing oversight of the third party in order to ensure that the Company continues to vote proxies in the best interests of its Clients. In addition, the Company notes that a proxy advisory firm's business and/or policies and procedures regarding conflicts of interest could change after the Company's initial assessment, and some changes could alter the effectiveness of the policies and procedures and require the Company to make a subsequent assessment. Consequently, the Company will establish and implement measures reasonably designed to identify and address the proxy advisory firm's conflicts that can arise on an ongoing basis, such as by requiring the proxy advisory firm to update the Company of business changes the Company considers relevant (i.e., with respect to the proxy advisory firm's capacity and competency to provide proxy voting advice) or conflict policies and procedures.

As at the date of approval of this policy by the Company's Board, the Company did not engage any proxy voting agent for the purposes of voting on the Company's behalf.

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<sup>2</sup> Proxy Voting Responsibilities FAQ U.S. SEC [Staff Legal Bulletin No. 20 \(IM/CF\)](#), 30 June, 2014

## ***UK's Alternative Investment Fund Manager Directive and Regulations (AIFMD and AIFMR)***

Under Article 30 of AIFMD, where the Company manages a fund which acquires control over a non-listed company or an issuer, the Company should not, for a period of 24 months following the acquisition of control and in so far as the Company is authorised to vote on behalf of the fund, vote in favour of a distribution, capital reduction, share redemption and/or acquisition of own shares by the non-listed company or an issuer.

Under Article 37 of AIFMR, the Company should develop adequate and effective strategies for determining when and how any voting rights held in the fund portfolios it manages are to be exercised to the exclusive benefit of the fund and its investors. There should be measures and procedures for:

- monitoring relevant corporate actions;
- ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant fund;
- preventing or managing any conflicts of interest arising from the exercise of voting rights.

A summary description of the strategies and details of the actions taken on the basis of those strategies should be made available to the investors on their request.

Approved by the Board of Maple-Brown Abbott Limited on 8 September 2016.