



MAPLE-BROWN ABBOTT

INVESTMENT MANAGERS SINCE 1984

PROXY VOTING POLICY

Owner: Chief Investment Officer and ESG Analyst

Maple-Brown Abbott (MBA) 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 MBA's Responsible Investment, Engagement and Climate Change Policies, which can be found on our website (www.maple-brownabbott.com.au). Where applicable, the policy relates both to MBA's pooled investment vehicles and separately managed accounts, collectively referred to herein as "Clients", the respective rights of whom are as set out in the Disclosure Documents and Constitution and the Investment Mandate Agreement, respectively.

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 Advisers Act, for you to exercise voting authority with respect to Client securities, unless you:

- 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;
- disclose to Clients how they may obtain information from you about how you voted with respect to their securities; and
- 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:

- MBA's Board has approved the Proxy Voting Policy, however, it is the respective Heads of Equities who are responsible for overseeing the implementation of the policy, and the investment analysts who analyse the proxy resolutions and make the voting recommendations. MBA's Operations team co-ordinate the execution of the voting process.
- MBA's Proxy Voting Policy only applies to equities that are directly managed by MBA. Given this asset class comprises the majority of our funds under management (FUM), we have greater ability to implement our Proxy Voting Policy and affect change.
- MBA considers environmental, social and governance (ESG) capabilities, including Proxy Voting Policies, in the appointment and evaluation of external fund managers appointed to manage assets on behalf of MBA.
- Our policy is to comply with the Proxy Rule and act solely in the best interest of the Client when exercising its voting authority. On behalf of Clients that MBA has assumed voting authority for, we aim to vote on all proxy resolutions at all shareholder meetings. However, MBA is not required to vote on all proxy resolutions and there may be times where we consider that refraining from voting a proxy is in the best interests of the Client. This may include where

MBA determines, in the course of fulfilling its fiduciary duty to its Client, that the cost to the Client of voting exceeds the expected benefit to the Client.

- MBA determines how to vote corporate actions and proxies on a case-by-case basis and will apply the following guidelines, as applicable:
 - we will seek to consider all aspects of the vote that could materially affect the value of the issuer or that of the Client;
 - we will vote in a manner that we believe is consistent with the Client stated objectives; and
 - we will generally vote in accordance with the recommendation of the issuing company on routine and administrative matters, unless MBA has a particular reason to vote to the contrary.
- MBA will “abstain” from any resolution in which we are prevented from lodging an “against” vote by regulations in the issuing company’s country of domicile or 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.
- In all voting instances, MBA will conduct a reasonable investigation into proxy matters before refraining from voting proxies as well as consider whether, in refraining, we are fulfilling our duty of care to Clients.
- MBA 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, we will vote on a case-by-case basis and undertake the following analysis:
 - 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 MBA’s decision making in voting the proxy. Prior to voting, the Investment Analyst will make a determination as to whether a material conflict of interest exists. Where the Investment Analyst has made a determination that a material conflict exists, they will advise the Head of Investment Compliance (HIC) 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 HIC may determine that the conflict be disclosed to the Client and that the Client’s consent be obtained before voting. If it is determined that any such conflict or potential conflict is not material, we may vote the proxy.
- 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 and Global Listed Infrastructure investments, MBA engages Proxy Advisors, Ownership Matters and ISS respectively for their voting recommendations only. For Asian investments, MBA may refer to research published by the Asian Corporate Governance Association (ACGA). Analysts however, make independent voting recommendations. 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. Where the analyst’s voting recommendation is counter to the issuing company’s or the Proxy Advisor’s recommendation, the analyst will provide a written explanation justifying their voting recommendation. An authorised instruction is then given to the custodian or proxy voting platform detailing the action decided upon in respect of each Client. MBA’s Operations team co-ordinate the execution of the voting process.
- Generally, for Australian-listed proxy voting, MBA contacts the issuing company prior to voting on resolutions counter to the issuing company’s recommendations. For our directly 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.
- For Australian investments that are subject to the “Two Strikes” legislation, where a portfolio company incurs a “first strike”, MBA regularly engages with the issuing company’s management to improve their remuneration policy and practices to reduce the likelihood of a “second strike”. MBA 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).

- Under Part 275.204-21 of the Advisers Act, the Books and Records Rule, MBA 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:
 - (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 MBA that were material to making a decision on how to vote.
 - A record of votes cast for all 'voting' Clients is maintained and collated in our proprietary investment management system by the Operations team.
 - The HIC will periodically conduct a review of a sample of the proxy voting records to confirm that proxies are voted according to MBA's policies and records are appropriately maintained.

Use of Proxy Advisory Firms²

- When considering whether to retain any particular proxy advisory firm to provide proxy voting recommendations, MBA 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, MBA 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 MBA 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, MBA 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 MBA continues to vote proxies in the best interests of its Clients. In addition, MBA notes that a proxy advisory firm's business and/or policies and procedures regarding conflicts of interest could change after our initial assessment, and some changes could alter the effectiveness of the policies and procedures and require the investment adviser to make a subsequent assessment. Consequently, MBA 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 MBA of business changes we consider relevant (i.e., with respect to the proxy advisory firm's capacity and competency to provide proxy voting advice) or conflict policies and procedures. Relevant information can consist of appropriate updates to methodologies, guidelines, and voting recommendation on an ongoing basis, including in response to feedback from issuers and their shareholders.
- Some steps that MBA could use to evaluate proxy advisory firms are:
 - Sampling pre-populated votes: Where MBA utilizes a proxy advisory firm for either voting recommendations or voting execution (or both), it could assess "pre-populated" votes shown on the proxy advisory firm's electronic voting platform before such votes are cast, such as through periodic sampling of the proxy advisory firm's pre-populated votes.
 - Consideration of additional information: Where MBA utilizes the proxy advisory firm for voting recommendations, it could consider policies and procedures that provide for consideration of additional information that may become available regarding a particular proposal. This additional information may include an issuer's or a shareholder proponent's subsequently filed additional definitive proxy materials or other information conveyed by an issuer or shareholder proponent to MBA that would reasonably be expected to affect MBA's voting determination.
 - Higher degree of analysis: Where MBA utilizes the proxy advisory firm for either voting recommendations or voting execution (or both), with respect to matters where MBA's voting policies and procedures do not address how it should vote on a particular matter, or where the matter is highly contested or controversial, MBA could consider whether a higher

¹ Part 275.204-2, Rules and Regulations, Investment Advisers Act of 1940.

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

degree of analysis may be necessary or appropriate to assess whether any votes it casts on behalf of its Client are cast in the Client's best interest.

As part of MBA's ongoing compliance program, MBA must review and document, no less frequently than annually, the adequacy of its voting policies and procedures to ensure that they have been formulated reasonably and implemented effectively, including whether the applicable policies and procedures continue to be reasonably designed to ensure that the adviser casts votes on behalf of its Clients in the best interest of such Clients.

Registered Investment Companies

MBA serves as sub-adviser to one or more companies regulated under the Investment Company Act 1940 (RICs). Unless otherwise agreed with the RIC's investment adviser, MBA will not vote proxies on behalf of a RIC. MBA will, however, coordinate with a RIC's investment adviser as needed with respect to proxy voting on behalf of the RIC.

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

Under Article 30 of AIFMD, where MBA manages a fund which acquires control over a non-listed company or an issuer, MBA should not, for a period of 24 months following the acquisition of control and in so far as MBA 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, MBA 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.

Review

This policy will be reviewed annually by the Owner.

Approved by the Board of Maple-Brown Abbott Limited on 12 September 2013

Approved on 29 May 2017 by the Audit & Compliance Committee

Last reviewed on 16 July 2019 by Natasha McKean, ESG Analyst

Approved by the Board of Maple-Brown Abbott Limited on 5 December 2019

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