



MAPLE-BROWN ABBOTT

Proxy Voting Policy

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Document History

Document Owner: Chief Investment Officer and Head of ESG

Approval history

Version	Date	Author	Approver	Change Description
1.0	8 Sep 2016	ESG Analyst	Maple-Brown Abbott Ltd Board	
1.1	29 May 2017	ESG Analyst	Audit & Compliance Committee	
1.2	16 Jul 2019	ESG Analyst	CIO	
1.3	5 Dec 2019	ESG Analyst	Maple-Brown Abbott Ltd Board	
1.4	10 Feb 2021	Head of ESG	CIO	
1.5	10 Mar 2022	Head of ESG	CIO	
2.0	17 Mar 2022	Head of ESG	Maple-Brown Abbott Ltd Board	<ul style="list-style-type: none">- Refined language, accountabilities and process to cater for boutique approach;- Added section on voting principles (s.3)- Removed guidance that we generally vote in line with management recommendations

Related documents

Document Title	Issue By	Version	Issue Date
Responsible Investment Policy	Head of ESG	2.0	17 November 2022
Engagement Policy	Head of ESG	2.0	17 November 2022
Climate Change Policy	Head of ESG	2.0	17 November 2022

1. Introduction

Maple-Brown Abbott has a strong history of incorporating, environmental, social and governance (ESG), including proxy voting, into the investment process. This Proxy Voting Policy ("Policy") outlines our commitment and approach to proxy voting and has been approved by the Maple-Brown Abbott Ltd Board. This Policy should be read in conjunction with Maple-Brown Abbott's Responsible Investment, Engagement and Climate Change Policies, which can be found on our website (www.maple-brownabbott.com). Where applicable, the Policy relates both to Maple-Brown Abbott's 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.

US Investment Advisers Act of 1940 ("Advisers Act")

Rule 206(4)-6 ("the Proxy Rule") of the Advisers Act states that it is a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of section 206(4) of the Act for an investment adviser to exercise voting authority with respect to client securities, unless:

- (i) the adviser has adopted and implemented written policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the best interest of its clients;
- (ii) the adviser describes its proxy voting procedures to its clients and provides copies on request; and
- (iii) the adviser discloses to clients how they may obtain information on how the adviser voted their proxies.

2. Our approach

Our approach to proxy voting is aligned with the United Nations-supported Principles for Responsible Investment (PRI) and is designed to optimise our ability to affect outcomes. Specifically, our approach is outlined as follows:

- The respective Heads of Equities are responsible for overseeing the implementation of this Policy, while the investment analysts and/or ESG analysts analyse the proxy resolutions and make the voting recommendations. Maple-Brown Abbott's Operations team co-ordinate the execution of the voting process.
- This Policy applies to equities that are directly managed by Maple-Brown Abbott, which comprise the majority of our funds under management. We believe we have greater ability to implement our Proxy Voting Policy and affect change through this asset class.
- We consider 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 Maple-Brown Abbott.
- Our Policy is to comply with the Proxy Rule and act solely in the best interest of the Client when exercising our voting authority. We aim to vote on all proxy resolutions at all shareholder meetings on behalf of Clients we have voting authority for. However, we are not required to vote on all proxy resolutions and there may be times where we believe that refraining from voting a proxy is in the best interests of the Client; for example, where we determine, while fulfilling our fiduciary duties, that the cost to the Client of voting exceeds the expected benefit to the Client.
- We determine how to vote on corporate actions and proxies on a case-by-case basis and will:
 - seek to consider all aspects of the vote that could materially affect the value of the issuer or that of the Clients; and
 - vote in a manner that we believe is consistent with the Client's stated objectives.
- We will abstain from any resolution where we are prevented from lodging an 'against' vote by regulations in the issuing company's country of domicile, where there is insufficient information on which to make an informed view and/or in instances where voting ballots have been issued but we no longer hold a position in that company. 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, we will conduct a reasonable investigation into proxy matters before refraining from voting proxies and consider whether, in refraining, we are fulfilling our duty of care to Clients.

Conflict of interests

- 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 our decision-making in voting the proxy. We will not put our own interests ahead of those of any Client and will resolve any possible conflicts between our 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:
 - Prior to voting, the analyst will determine whether a material conflict of interest exists.
 - Where the analyst has determined that a material conflict exists, they will advise the Head of Compliance 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 Head of Compliance 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 in practice

- Proxy voting forms are received from the custodians, in whose name the securities are usually registered. The designated analyst reviews the proxy resolutions and makes voting recommendations. Voting recommendations are made after consideration of all relevant information, which may include consultation with the company for further information. Maple-Brown Abbott engages the services of proxy advisors for voting recommendations only. Whilst research may be used to help inform decisions, all voting recommendations are made independently by the analyst.
- The guiding principle in reaching a voting decision is what, in our opinion, is in the best interests of our Clients as shareholders. These voting recommendations are then reviewed and approved by the respective Heads 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. Maple-Brown Abbott's Operations team co-ordinate the execution of the voting process.
- We endeavour to notify companies of our voting intentions where our position is contrary to the issuing company's recommendation.
- For Australian investments that are subject to the 'Two Strikes' legislation, where a portfolio company incurs a first strike, we regularly engage with the issuing company's management to improve their remuneration policy and practices to reduce the likelihood of a second strike.
- We report on our proxy voting activities to stakeholders through quarterly reporting, our annual Stewardship Reports, presentations, bespoke Client requests and on our website (www.maple-brownabbott.com).
- Under Part 275.204-21 ("the Books and Records Rule") of the Advisers Act, Maple-Brown Abbott 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) our voting policies and procedures; (ii) corporate action and proxy statements received; (iii) records of votes cast; (iv) records of Clients' requests for voting information; and (v) any documents prepared by Maple-Brown Abbott that were material to deciding on how to vote.
 - A record of votes cast for all 'voting' Clients is maintained and stored.
 - The Head of Compliance periodically reviews a sample of the proxy voting records to confirm that proxies are voted according to Maple-Brown Abbott's policies and records are appropriately maintained.

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

3. Proxy voting principles

- The guiding principle in reaching a voting decision is what, in our opinion, is in the best interests of our Clients as shareholders. We believe that there is a strong connection between good corporate governance and the creation of long-term shareholder value. Proxy voting is also a means by which we can promote better environmental and social outcomes.
- We consider the corporate governance standards of both the asset class and the jurisdictions we invest in, and cast our proxy votes in accordance with our general position regarding good governance, outlined below:
 - i. **Board accountability.** The board should promote the best interests of the company by acting on an informed basis and ensuring high standards of corporate governance.
 - ii. **Independence.** Independent directorship is necessary to enable objective decision-making and to protect shareholder value. We look for separation of board and executive roles, as well as clarification on familial or material business relationships which may create a material conflict of interest or jeopardise director independence. We have a preference to maintain the role of Chairperson as independent from current or former Chief Executive Officers or current significant shareholders to avoid potential conflicts, perceived or otherwise. However, we recognise there are special circumstances such as where there is a founding shareholder or unexpected departure of the Chief Executive Officer.;
 - iii. **Board size and composition.** The board should comprise a sufficient mix of directors with relevant skills experience, independence and diversity of perspectives to generate effective challenge, discussion and objective decision-making. Board size should reflect the size and complexity of the company, and directors should not be overcommitted. We support boards that have a commitment to at least 30% female representation. If a board is operating in an industry or region which would reasonably be expected to achieve this balance and has no formal policy or committed pathway to achieve it, we may not support the re-election of male directors.
 - iv. **Remuneration.** We believe executive remuneration should be structured to align with a company's strategy and purpose and to protect and grow shareholder value. There should be an appropriate balance between performance based short-term and long-term incentives in addition to socially equitable base salaries for management and employees.
 - v. **Disclosure.** Boards should oversee timely and reliable company disclosures for shareholders and relevant stakeholders relating to the company's operations, strategy and financial performance. This includes the company's financial position, risk management, approach to sustainability, performance, strategy, executive compensation and long-term prospects. Information disclosed should be of a sufficient detail to enable shareholders to understand key issues, make informed vote decisions and effectively engage with companies on substantive matters that impact shareholders' long-term interests in the company.
 - vi. **Shareholder rights.** Rights of all shareholders should be equal and protected. Fundamental to this protection is ensuring that a shareholder's voting rights are directly linked to its representative economic stake, and that the rights of minority shareholders are protected. This includes voting rights on key decisions or transactions which affect their interest in the company.
 - vii. **Capital structures.** We are generally opposed to the issuance of new equity capital under normal business operations, and do not support proposals to this effect. We also do not support proposals for capital structures where there are multiple classes of voting rights.
 - viii. **Audit and assurance.** The board should establish credible, independent and effective audit procedures to ensure the quality and integrity of corporate reporting.
- In addition to these guiding principles, each strategy may define further proxy voting guidelines on other factors – including environmental and social matters – to provide consistency, manage risk, and drive progress in strategy-relevant ways.

4. Use of proxy advisory firms²

- When considering whether to retain any particular proxy advisory firm to provide proxy voting recommendations, we will ascertain, among other things, whether the proxy advisory firm has the capacity and competency to adequately analyse proxy issues. As such, we may 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 alongside any other considerations we believe are appropriate to considering the nature and quality of the services provided by the proxy advisory firm.
- To comply with the Proxy Rule, we have measures in place to identify and address any potential conflicts of interest relating to the proxy voting advisory firm's analysis and recommendations. For example, we require the proxy advisory firm to update Maple-Brown Abbott of any business changes we consider to be materially relevant, such as competency and capacity, or changes to conflict policies and procedures. Requests for information may include updates to methodologies, guidelines, and voting recommendations, including, for example, in response to feedback from issuers and shareholders
- Examples of how we typically assess proxy advisory firms include, but are not limited to:
 - Sampling pre-populated votes: where we utilise a proxy advisory firm for voting recommendations and/or voting execution, we may assess pre-populated votes shown on the proxy advisory firm's electronic voting platform before such votes are cast by routinely sampling their pre-populated votes.
 - Consideration of additional information: where we utilise a proxy advisory firm for voting recommendations, we may consider policies and procedures that provide additional information regarding a particular proposal. Additional information may include additional definitive proxy materials filed by an issuer or a shareholder proponent, or other publicly available information that could inform Maple-Brown Abbott's voting determination.

As part of Maple-Brown Abbott's ongoing compliance program, at least every year, we review and document the adequacy of our voting policies and procedures to ensure that they have been formulated reasonably and implemented effectively. This includes a review of whether the applicable policies and procedures continue to be reasonably designed to ensure that votes cast on behalf of our Clients are in their best interests.

Review

This Policy is reviewed annually by the Owner.

² Proxy Voting Responsibilities of Investment Advisers and Availability of Exemptions from the Proxy Rules for Proxy Advisory Firms FAQ U.S. SEC [Staff Legal Bulletin No. 20 \(IM/CF\)](#), 30 June 2014