



Edinburgh Partners

Proxy Voting Policy



## **Proxy Voting**

Edinburgh Partners has adopted and implemented proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted in the best interest of clients (where Edinburgh Partners has been given discretion to do so) in accordance with the relevant applicable regulatory and legislative requirements both in the UK and other relevant jurisdictions and also in accordance with its fiduciary duties. The guiding principles in performing this service are to make proxy voting decisions which favour proposals designed to maximise a company's shareholder value and are free from the influence of conflicts of interest.

This policy does not apply in any instance where a client has not granted Edinburgh Partners discretionary voting authority either because the client has retained voting discretion, granted discretion to a third party or directed Edinburgh Partners to vote proxies in a particular manner.

## **Proxy Procedures**

Edinburgh Partners' procedures are designed to reasonably ensure that Edinburgh Partners votes proxies in the best interest of clients. To assist in this process, Edinburgh Partners subscribes to Institutional Shareholder Services Inc. (ISS) and details of this relationship are described further below.

For those clients who have granted discretionary voting authority, Edinburgh Partners will always seek to vote with the principal aim to ensure that voting is undertaken, or not, to protect the clients' interests.

There may be situations in which Edinburgh Partners may be unable to successfully vote a proxy, or may choose not to vote a proxy, such as where:

- There are fees imposed upon the exercise of a vote and it is determined that such fees outweigh the benefit of voting;
- There are legal barriers to voting, including potential share-blocking or reregistration which may impact our ability to settle planned or potential investment trades;
- Edinburgh Partners held shares on the record date but has sold them prior to the meeting date;
- Edinburgh Partners believes it is not in the best interest of the client to vote; and/or
- A security is subject to a securities lending program.

Edinburgh Partners' portfolio managers are responsible for deciding action relating to proxy voting decisions and will review the ISS recommendations and may instruct votes in a manner other than in line with those recommendations where they have good reason to believe it is

in the best interests of the shareholders. In these instances full documentation is maintained of any variation from the ISS voting recommendation and reported to the relevant clients.

### **Use of third parties**

Edinburgh Partners uses an independent service provider to assist it in determining Edinburgh Partners Proxy Voting Policy and in implementing its proxy voting decisions. The provider Edinburgh Partners uses is ISS. ISS is advised of changes to client accounts and are regularly provided with security positions to reconcile against ballots.

Specifically ISS assists Edinburgh Partners in the proxy voting and corporate governance oversight process by developing and updating the ISS proxy voting guidelines and by providing research and analysis, recommendations regarding votes, delivery of proxy instructions and recordkeeping and reporting services. Edinburgh Partners does not consider recommendations from ISS to be determinative of its ultimate decision. Edinburgh Partners exercises its independent judgement in making voting decisions. If a Portfolio Manager determines that we should vote our clients' positions in a manner other than in line with the ISS recommendation, then the Portfolio Manager will provide a rationale for that decision which is captured and reported to each client impacted within our quarterly reporting.

Edinburgh Partners' decision to retain ISS is based principally on the view that the services ISS provides, subject to Edinburgh Partners' oversight, will generally result in proxy voting decisions which are favourable to shareholders' interests.

### **Conflicts of Interest**

All conflicts of interest will be resolved in the best interest of the client. Edinburgh Partners is a wholly owned subsidiary of a large, diverse financial services firm with many affiliates and makes its best efforts to avoid conflicts of interest.

Edinburgh Partners has a conflicts control framework in place which is designed to identify, prevent and manage conflicts of interest. In addition, Edinburgh Partners also addresses potential conflicts of interest by its adoption of and reliance on the ISS proxy voting guidelines and the day-to-day implementation of those guidelines by ISS. The procedures provide that, where a portfolio manager decides to instruct a vote in a manner other than in line with an ISS recommendation, the rationale behind his decision is fully documented and retained as well as being reported to the relevant client.

### **Recordkeeping**

Edinburgh Partners retains the following records in relation to its exercise of discretionary voting authority for its clients:

- Proxy voting policies and procedures as amended from time-to-time;
- ISS proxy voting recommendations;
- Client requests for proxy voting information; and
- Documentation material to the voting decision for a client proxy or that reflects the basis for that decision.

**Securities Lending**

Edinburgh Partners does not undertake stock lending directly, but certain clients do participate in programs under which shares held within their portfolio managed by Edinburgh Partners may be loaned out. Where some or all shares of a portfolio company are on loan at the record date in relation to a meeting of that company, those shares cannot be voted. Edinburgh Partners is generally not advised of what shares are on loan and may not have an opportunity to recall the shares prior to the record date. As a result, in most cases, those shares will not be voted

**Review of Policies and Procedures**

The proxy voting policies and procedures are reviewed at least annually.

### Important Notes

The information and opinions contained in this document are subject to change without notice.

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