

Voting Policy

ESG Annual Report 2020

Mirae Asset Global Investments (Hong Kong) Limited

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1. Introduction

- 1.1. Mirae Asset Global Investments (Hong Kong) Limited, its officers, directors and employees (collectively the “Company”, “us” and/or “our”) are committed to full compliance with all applicable laws and regulations with regards to voting activities.
- 1.2. The objective of this policy is to provide (i) legal and regulatory guidance and (ii) detailed procedures to our staff to handle and process proxy voting.
- 1.3. Voting rights are the fundamental rights of a shareholder and the Company recognizes that such rights are imperative to improvement of an investee company’s corporate governance. The Company intends to enhance the long-term investment value of its clients’ and upholds its responsibility to fulfil stewardship duties.

2. Voting rationale

- 2.1. We vote in favour of resolutions imperative for business continuity and shareholder interests like adoption of financial statements, declaration of dividend, repurchase of shares or appointment of auditors.
- 2.2. For resolutions that do not appear to benefit the interests of shareholders like
 - a) extending significant loans or investing in an associate company without adequate reasoning
 - b) pursuing unrelated/expensive acquisition
 - c) significant change in executive compensation either variable or fixed without adequate reasoning
 - d) Divestiture of business or part of the business at a material discount to the fair value
 - e) Pursuing an business expansion that is detrimental to the interests of the company or its minority shareholders
 - f) Reappointment/ Continuity of key personnel whose actions haven’t been in the best interests of the company or its minority shareholders

The company will follow course of action as detailed in Section 3 and Section 4 of the voting policy

3. Steps of Interaction with Investee Companies

General meetings with the investee company are conducted in a confidential manner with an objective to enhance shareholder value. If the Company is dissatisfied with the investee company's response then an escalation of the matter will proceed.

- a. Engaging with the investee company. The Company will attempt to coordinate one-on-one meetings with the management team to outline the existing issue. Should both parties not reach an agreement then the matter will be escalated to the next phase.
- b. Re-engagement with the investee company. Following the first engagement, should a resolution not be reached, the Company will attempt again to interact with the investee company to address any outstanding unresolved issues.
- c. Should the investee company still fail to satisfy the Company's concerns, then the Company may act in collaboration with other minority shareholders', regulators, or other entities it deems necessary for collective engagement, otherwise known as join representation against the investee company.
- d. Further escalation will proceed, should the above three steps indicate no progress with the investee company. Formal written communication outlining the issue at hand will be addressed to the investee company.
- e. The Company may seek legal recourse should it deem necessary instead of exiting the investment.
- f. The Company may consider enacting a blanket ban on the investee company if there is no engagement improvement or a resolution is not met.
- g. The Company may consider a complete exit of its investment with the investee company should the above steps not reach an appropriate resolution.

4. Procedure on voting

Since we may have ownership of the investee company across multiple portfolios managed by different Portfolio Managers and Analysts, the decision on proxy voting will be coordinated by the Investment Committee (comprising CIO, Head of Research and Chief Risk officer).

Under the normal process, the custodian would notify the Company's operation team on the resolutions to be voted on. Subsequently, the operations team would request

Investment committee for a decision on proxy voting by a certain deadline typically, a week ahead of the Company AGM or board meeting.

The Investment Committee will advise its vote as stated by the voting policy mentioned above. In case of any resolutions which are not in best interests of minority shareholders, the Investment Committee will coordinate with relevant PM and the analyst to seek an adequate explanation or ensure remedial action from the investee company.

Furthermore, the Investment Committee would also consult recommendation from proxy advisory firm (where applicable) and if need be join other minority shareholders as detailed in "Steps of Interaction with Investee companies".

The Company reserves the right to depart from the Guidelines if the Investment Committee believes, after reviewing all relevant information that it is not in the best interest of Company's clients. The determination by the Investment Committee will be documented and maintained in Company's records.

The Company may also elect to abstain from voting if it deems such abstinence to be in the relevant client(s)' best interests. The rationale for "abstain" votes will be documented and maintained in the Company's records.

The company is not required to vote every client proxy. At no time will the company ignore a proxy vote, but there may be times where it feels it is not in the best interest of its clients to vote the proxy. For example, the company may abstain from a vote when the cost of voting the proxy outweighs the potential benefits associated with the vote. The use of a third party proxy adviser helps to greatly reduce these occurrences, by employing coverage on the vast majority of proxy meetings internationally, but is not a guarantee they will not happen. In addition, there may be times when the company decides to vote a proxy in two directions. For example, a client may require the company to vote a certain way on an issue, while the company deems it beneficial to vote in the opposite direction for other clients. In the event that the company votes the same proxy in two directions, such votes will be documented maintained in the Company's records.

Proxies for shares held on a record date and subsequently sold may, but need not, be voted as if the shares were still held. Any short positions will be treated as not held.

Proxies will not be voted when the securities of the issuer seeking a vote are out on loan through a securities lending program. However, the company will, subject to the below qualifications, make reasonable efforts to recall lent securities so that they may be voted according to the policies and procedures set forth herein. Notwithstanding the foregoing, a lent security need not be recalled if none of the matters submitted to shareholder vote are material or for other reasons, as determined in good faith by the and in accordance with policies and procedures set forth herein. A matter is material if it is reasonably likely that the security's market value will be materially affected in the near term as a result of the outcome of the matter and the Company's client holdings of that security are significant to the outcome. In making a decision whether to recall a

lent security, the Company may also consider the benefit to the client derived from the securities lending income.

The Chief Compliance Officer or a designee will sample the votes to ensure that all voting follows the above outlined procedures. Any discrepancies between the procedures and the actual vote will be recorded and kept by the Compliance Department.

5. Record keeping

The Operations team would communicate the proxy voting decision to the custodian and with effect from December 1st 2020 maintain a record of all proxy votes advised for a period of 5 years.

6. Future Updates

Investment team shall revise and update this policy as applicable.

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