

ESG ANNUAL REPORT 2020

Voting Policy



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Introduction

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.

This policy aims to provide (i) legal, and regulatory guidance and (ii) detailed procedures to our staff to handle and process proxy voting.

Voting rights are the fundamental rights of shareholders. The Company recognizes that such rights are imperative to the 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 fulfill stewardship duties.

Voting Rationale

We vote in favor of resolutions imperative for business continuity and shareholder interests like the adoption of financial statements, declaration of dividend, repurchase of shares, or appointment of auditors.

For resolutions that do not appear to benefit the interests of shareholders, such as:



Extending significant loans or investing in an associate company without adequate reasoning



Pursuing unrelated/expensive acquisition



A significant change in executive compensation, either variable or fixed, without adequate reasoning



Divestiture of business or part of the business at a material discount to the fair value



Pursuing a business expansion that is detrimental to the interests of the Company or its minority shareholders



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 the course of action as detailed in Section 3 and Section 4 of the voting policy.

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.

- 01** 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.
- 02** 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.
- 03** 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 joint representation against the investee company.
- 04** 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.
- 05** The Company may seek legal recourse should it deem necessary instead of exiting the investment.
- 06** The Company may consider enacting a blanket ban on the investee company if no engagement improvement or a resolution is not met.
- 07** The Company may consider a complete exit of its investment with the investee company should the above steps not reach an appropriate resolution.

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 of the resolutions to be voted on. Subsequently, the operations team would request the 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. If any resolutions are not in the best interests of minority shareholders, the Investment Committee will coordinate with the 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 recommendations from the 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 the 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 for 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 principles, 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.

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.

Future Updates

The investment team shall revise and update this policy as applicable.

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Before making any investment decision to invest in the Fund, investors should read the Fund's Prospectus and the Information for Hong Kong Investors of the Fund for details and the risk factors. Investors should ensure they fully understand the risks associated with the Fund and should also consider their own investment objective and risk tolerance level. Investors are also advised to seek independent professional advice before making any investment. This document is issued by Mirae Asset Global Investments and has not been reviewed by the Hong Kong Securities and Futures Commission.