

## Introduction and Purpose

Aubrey Capital Management (“Aubrey”) exercises discretionary proxy voting authority with a view to safeguarding its clients’ best interests where authorised to do so. The firm owes its clients a duty of care to monitor proxy voting notifications and materials and to take timely action when they are received. It is also Aubrey’s duty to vote client proxies in a manner consistent with the client’s best interests without regard for any interest Aubrey may have in the matter.

Proxy voting by Aubrey is undertaken on a 'best endeavours' basis as the votes instructed may not be cast in certain circumstances including, without limitation, the following examples:

- 1) The proxy documentation is not delivered timeously to the manager by the relevant custodian or Broadridge ProxyEdge.
- (2) The client has a stock lending programme in place. Any such arrangement rests with clients and their appointed custodian. Aubrey generally does not ask clients to recall stock on loan in order to vote.
- (3) Jurisdictional restrictions, split voting, excluded markets.
- (4) The instructions from the custodian to the voting entity are incomplete.

## Authority to vote in certain markets

In certain markets a Power of Attorney (POA) is a legal requirement for executing voting instructions on behalf of a third party. For all clients, with the exception of the private placement funds, the beneficial owner/authorised signatory is required to execute a valid POA with their appointed custodian bank.

## Discretionary proxy voting

The Investment Operations team provides structured support such as gathering all relevant documentation and relaying the information to Aubrey Investment Research team who will generally make the decision as to how to vote a particular proxy. All proxy votes are signed off by, an ACM Investment Director or a nominated Senior Investment Manager. The Client Administration team administers the proxy vote.

## Clients with specific proxy voting guidelines

In cases where a client has given Aubrey specific proxy guidelines, these take precedence over Aubrey’s policy except where Aubrey’s policy, in the firm’s view, is more conservative.

## Resolving potential conflicts of interest

Potential conflicts of interest may arise, such as:

- Aubrey manages assets for a company whose management is soliciting proxies.
- Aubrey or its personnel have a direct or indirect material business relationship with a proponent of a proxy proposal.
- Aubrey or its personnel have a business or personal relationship with participants in a proxy contest.

Where a potential conflict of interest arises, the Proxy Voting sub-group reviews the voting instructions and verifies that the voting instructions are consistent with Aubrey’s policy. If necessary, the voting instructions would be changed accordingly. A member of the Aubrey Risk & Compliance team, which is

independent of the Investment and Operations functions of the firm, also attends the meeting to ensure the Proxy Voting Policy and Procedures are followed.

## Reporting

Where requested, clients are regularly provided with proxy voting audit reporting records.

## Record Keeping

Aubrey maintains records of, including but not limited to:(a) the Proxy Voting Policy:

- proxy statements received for all securities held;
- all votes cast;
- client requests for proxy voting information;
- Aubrey's response to these requests: and
- documents material to the voting decision

## Voting guidelines

Aubrey votes on all issues on a case-by-case basis. Aubrey believes that the quality of a company's management is an important consideration in determining whether the company is a suitable investment.

Accordingly, Aubrey considers management's views in determining how to vote a proxy, subject in all events to Aubrey's overall analysis of the likely effect of the vote on clients' interests.

Aubrey's guidelines on certain specific issues are given below. Where the Stock Champion chooses not to follow these guidelines, he/she must specify his/her reason for doing so and the decision will be reviewed by the Proxy Voting sub-group.

### Corporate governance issues

Aubrey generally votes in favour of a management sponsored proposal to improve corporate governance and increase disclosure, unless the proposal is likely to have a materially negative effect on the interests of shareholders.

### Compensation and stock option plans

Aubrey generally votes for compensation plans that are reasonable. Remuneration should be aligned with the interests of long-term shareholders. Consideration is given to factors such as proportionality and structure. Aubrey typically votes against plans that would result in excessive dilution to shareholders.

### Disclosure of board remuneration

Aubrey opposes proposals to allow the non-disclosure of individual board member's remuneration and will generally vote against resolutions seeking approval of remuneration where no information is provided.

### Directors

Aubrey generally supports the election of directors. In the interests of long-term shareholders, the board and its committees should ideally comprise of a cross-section of directors with suitable experience and

tenure. The firm is cognisant of different corporate governance standards across the globe and welcomes the increasing prevalence of independent directors on boards.

## **Related party transactions**

Aubrey considers each proposal on a case-by-case basis, taking into consideration Management's guidance and whether the resolution is aligned with Aubrey's long-term investment approach.

## **Changes to capital structure**

Aubrey evaluates each proposal separately. Generally, Aubrey votes for changes such as stock splits and open market share repurchase plans where all shareholders can participate pro rata. The firm typically votes against proposals designed to discourage mergers and acquisitions of the company soliciting the proxy and other measures which do not provide shareholders with economic value.

## **Raising equity**

The firm tends to vote against proposals that allow management to raise equity if the potential increase in the share count is more than 10% and no specific reason for the capital increase is given. If a specific reason is given Aubrey will evaluate each proposal on its merits. Consideration is also given to potential dilution from outstanding incentive plans and the time frame for these awards.

## **Pre-emptive rights**

Aubrey generally votes against proposals to waive shareholders' pre-emptive rights to participate in a capital increase if the dilution potentially exceeds 10%. Situations where Aubrey might accept waiving pre-emptive rights include, but are not limited to, the creation of shares to pay for acquisitions or to reward staff.

## **Allocation of income and dividends**

Aubrey evaluates each proposal separately but generally votes against proposals where the dividend allocation is persistently very low, and the company retains significant cash on its balance sheet without adequate explanation. The firm may abstain if the dividend allocation has not been specified and have reasons to doubt that the ultimate amount is not in the interest of shareholders.

## **Vague or poorly defined proposals**

Where proposals are deemed by us to be vague or poorly defined, Aubrey generally seeks clarification from the company. If this is not forthcoming the firm will generally abstain.

## **Political donations**

Aubrey opposes proposals asking for permission to make political donations.

## **Bundled resolutions**

Aubrey will generally vote against bundled resolutions.

## **Appointment of the external auditor**

Aubrey generally approves resolutions regarding the appointment of the external auditor. Each proposal is assessed on a case by case basis considering the balance between audit and non-audit fees and tenure.

## **Environmental, social and corporate responsibility issues**

Aubrey evaluates each proposal separately but generally votes against proposals that involve a material economic cost to the company if it is not considered to be in the long-term interests of shareholders or restricts the freedom of management to operate in the best interests of shareholders.

## **Shareholder proposals**

The firm evaluates each proposal separately, taking into consideration management's guidance and whether it is aligned with Aubrey's long-term investment approach.

## **Material votes**

Where the firm believes a resolution is material, in that the outcome could significantly affect the long-term investment return, on a best efforts basis, Aubrey will generally seek to ask clients who lend stock to recall any stock on loan. For those clients where Aubrey does not have discretionary voting authority, on a best efforts basis, the firm will generally seek to contact clients to convey its views on the resolution.

Approved by the Aubrey Investment Committee February 2024