

PAK-QATAR
ASSET MANAGEMENT



Today, for a Better Tomorrow

PROXY VOTING POLICY

INTRODUCTION

Pak-Qatar Asset Management Company Limited (PQAMCL) has established this proxy voting policy in accordance with Regulation 38A of Non-Banking Finance Companies & Notified Entities Regulations, 2008.

This Policy sets out the principles governing the exercise of voting rights by PQAMCL. In exercising proxy votes, PQAMCL shall act with due care, skill, and diligence in a fiduciary capacity, ensuring that all decisions are made solely in the best interests of the Collective Investment Schemes and their Unit Holders.

The exercise of voting rights forms an integral part of PQAMCL's broader stewardship responsibilities. Accordingly, this Policy should be read in conjunction with the Company's Stewardship Policy, which outlines its approach to active ownership, engagement, and monitoring of investee companies.

AUTHORITY AND RESPONSIBILITY FOR VOTING PROXIES

All voting rights attached to any Investment shall be exercised by PQAMCL, on behalf of the Trustee, in a fiduciary capacity, with due care, skill, and diligence, and strictly in the best interests of the Collective Investment Schemes and their Unit Holders. PQAMCL may, at its discretion, refrain from exercising any voting rights, and the Trustee or Unit Holders shall have no right to object to such decision.

- The Trustee shall, upon written request by PQAMCL and at the expense of the relevant Collective Investment Scheme, execute or arrange for the execution and delivery of powers of attorney or proxies in favor of PQAMCL or its nominees, authorizing them to exercise voting rights or otherwise act in the capacity of a shareholder, in such form and in favor of such persons as may be specified by PQAMCL.
- The terms "voting rights" or "vote" shall include, but not be limited to:
 - Voting at shareholder meetings;
 - Election or appointment of directors;
 - Approval of resolutions, schemes of arrangement, or corporate actions;
 - Alteration or waiver of rights attached to any Investment;
 - Requisitioning or participating in the requisition of meetings;
 - Circulation of shareholder resolutions or statements.
- The respective Trustee shall, in a timely manner, forward to PQAMCL, all notices of meetings, reports and circulars received by the Trustee in its capacity as the registered holder of any investment on behalf of Collective Investment Schemes.
- The Chief Investment Officer shall be responsible for ensuring that proxies are exercised in accordance with the intentions of the Investment Committee and that votes are cast in a proper and timely manner. Any development that prevents the achievement of the objectives set out above, or any failure to exercise the proxy in the intended manner, shall be documented and presented at the subsequent Investment Committee meeting, along with appropriate explanations and proposed remedial actions to ensure future compliance.
- PQAMC shall ensure attendance and the exercise of voting rights at the general meetings of listed companies where one or more CIS under its management, individually or collectively, hold at least five percent (5%) of the shareholding.

- PQAMC shall ensure attendance and the exercise of voting rights at the general meetings of investee companies for all matters categorized as special business, regardless of the size of its holding.

VOTING PROCEDURES

- PQAMCL may authorize a designated employee or any other nominated representative to cast votes on its behalf, in accordance with approved decisions and in the best interests of the Unit Holders.
- PQAMCL may exercise voting rights independently or in collaboration with other investors where such action is deemed to be in the best interests of the Unit Holders.

PROXY PROPOSAL EVALUATION

- All proxy proposals shall be evaluated by the Investment Committee, which shall have full discretion to vote in favor of, against, or abstain from any resolution, in line with its fiduciary responsibilities.
- Detailed deliberations and decisions relating to proxy voting shall be properly documented in the minutes of the Investment Committee.
- The final decision regarding the manner in which PQAMCL shall exercise its voting rights shall rest with the Investment Committee, with input from relevant fund managers, where required.
- PQAMCL may be unable to vote or may decide not to vote on a proxy in certain circumstances, including but not limited to:
 - a. Late receipt of the notice of meeting;
 - b. Disposal of the relevant investment prior to the meeting date, despite holding on the record date;
 - c. Situations where the cost of voting outweighs the expected benefit to the relevant CIS;
 - d. Instances where the impact on the economic interests of the CIS or the value of the holding is not material;
 - e. Circumstances where exercising the vote may be inconsistent with PQAMCL's fiduciary duties.

VOTING POLICY GUIDELINES

The following guidelines outline PQAMCL's approach to proxy voting and reflect its commitment to promoting sound corporate governance and protecting the interests of the Collective Investment Schemes ("CIS") and their Unit Holders. All voting decisions shall, however, be made on a case-by-case basis.

1. Election of Directors:

PQAMCL shall generally support proposals that enhance the independence and effectiveness of the Board of Directors, including maintaining an appropriate balance between executive, non-executive, and independent directors, as well as ensuring adequate representation of minority shareholders.

While participating in the election of the Board of Directors of the investee company, PQAMCL shall exercise voting/proxy rights on behalf of the unitholders of the CIS in a manner that does not result in acquiring management control of the investee company.

a. Minority Representation:

Given that CIS investments typically represent minority shareholdings, preference shall be given to candidates who demonstrate a commitment to safeguarding minority interests. Exceptions may be considered where candidates from controlling groups exhibit independence, impartiality, and strong market reputation.

b. Credibility and Track Record

Candidates shall be assessed based on their professional reputation, performance on existing or previous boards, past engagement with PQAMCL (where applicable), and overall integrity.

c. Qualifications and Experience

The candidate must possess appropriate scholastics for the position. This includes but not limited to relevant academic qualifications, industry experience and professional training.

d. Strategic Alignment

Consideration may be given to candidates whose proposed agenda aligns with value creation, improved governance practices, and the long-term interests of Unit Holders.

Where multiple candidates are of comparable merit, or where PQAMCL holds sufficient voting power to influence the election of more than one director, the Investment Committee may decide to allocate or split votes. Such decisions shall be clearly documented in the minutes of the Investment Committee, including the rationale and allocation of votes.

2. CORPORATE GOVERNANCE:

The PQAMCL will review corporate governance related matters on case-to-case basis to ensure that such proposals are in the best interest of the Collective Investment Schemes and its Unit Holders. PQ AMCL will also review the published statement of compliance with the best practices of corporate governance in the respective annual financial statements of the investee as required by the applicable Listing Regulations.

3. APPOINTMENT OF AUDITORS:

PQAMC will typically endorse the reappointment of external or statutory auditors, provided there are no issues affecting their independence or their dedication to safeguarding shareholder interests. As the investee company is in the best position to select its accounting firm, PQAMC generally aligns with the recommendation put forward by the company's management.

4. CHANGES TO LEGAL AND CAPITAL STRUCTURE:

The proposals for approval to alter the capital structure of the investee company, such as an increase in authorized capital/Issue will generally be supported. However, each proposal shall be evaluated on case-to-case basis in the best interest of the Unit Holders.

5. CORPORATE RESTRUCTURING AND MERGERS AND ACQUISITIONS:

All proposals relating to corporate restructuring, mergers, acquisitions, or similar transactions shall be assessed individually, with decisions guided by their potential to enhance or protect the value of investments held by the CIS.

CONFLICT OF INTEREST

PQAMCL shall ensure that all proxy voting decisions are made solely in the best interests of the Collective Investment Schemes (“CIS”) and their Unit Holders.

PQAMCL recognizes that potential conflicts of interest may arise where it has direct or indirect relationships, associations, or dealings with an investee company. In such situations, PQAMCL shall take all reasonable steps to ensure that voting decisions are made independently, objectively, and in accordance with its fiduciary obligations.

Where a material conflict of interest is identified, PQAMCL may seek guidance from senior management and/or the Board, as deemed appropriate, to ensure fair and unbiased decision-making.

DISCLOSURE OF CONFLICTS

Members of the Investment Committee shall disclose any actual or potential conflict of interest, including personal, professional, or financial relationships, in relation to any proxy proposal under consideration.

Such members shall also disclose any material interaction or communication with interested external parties concerning the proposal.

Any member having a conflict of interest shall recuse themselves from the deliberation and decision-making process. The nature of the conflict and the recusal shall be properly documented in the minutes of the Investment Committee.

RECORD KEEPING & DISCLOSURE

The Investment Committee shall discuss the voting on the investee company’s proposals—i.e., votes cast for, against, or abstaining—and such discussions shall be recorded in the IC minutes. The details of the votes in the prescribed format will be disclosed annually in accordance with the regulatory requirements.

A proxy register will be maintained by the PQAMCL where complete record of all proxies granted will be kept. At minimum, following records will be maintained in relation to proxy voting:

- a. Name of investee
- b. Name of beneficial owner(s)
- c. Number of holding
- d. Voting date
- e. Voting results

The proxy voting policy as approved by the Board of Directors will be placed on PQAMCL’s website and shall also be submitted to Security & Exchange Commission of Pakistan (SECP).

The AMC will include in the annual report of each fund under management, summary of actual proxy voted during the year as per table given below:

Summary of Actual voted by CIS				
	Resolution	For	Against	Abstain*
No.				
%				
*Reason for abstaining shall be disclosed				

The Compliance Officer will monitor proxy voting procedure and ensure that proper record has been kept. Periodical disclosures pertaining to the exercise of votes cast will be made available on the request to the Unitholders/ Participant, without any charge.

REVIEW AND APPROVAL

This Policy shall be approved by the Board and shall become effective upon such approval. The Board may, from time to time, direct any modifications or revisions to this Policy, as deemed necessary.

MODIFICATION AND AMENDMENTS

The Policy may be amended, as necessary, from time to time by way of an addendum or supplement as the case may be, to this document as recommended by the CEO and approved by the Board of Directors of the Company.