

## Statement on Compliance with the UK Stewardship Code

PineBridge Investments Europe Limited (“PBIEL” or the “Firm”) fully supports the principles contained within the Financial Reporting Council’s (“FRC”) UK Stewardship Code (“the Code”). PBIEL recognizes that the Code is a useful component of good corporate governance and that it bolsters the responsibility incumbent upon all investment managers to effectively engage with investee companies in order to serve the best interests of its Clients. In this position statement, PBIEL describes how it is applying the Code’s principles and explains if it is not complying with any elements of the Code. In relation to the latter point, the FRC recognizes that not all parts of the Code are relevant to all institutional investors and that some signatories (such as PBIEL) may judge that some aspects are disproportionate in their case.

### Principle 1

**Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.**

PBIEL understands that proxy voting is an important right of shareholders for which reasonable care and diligence is applied to ensure such rights are properly and timely exercised. Where appropriate, PBIEL meets with the board and senior management of investee companies, and engages where it believes this will enhance the long-term value of our investments. PBIEL, as a fiduciary for its clients, ensures that all reasonable steps have been taken to vote (or refrain from voting) proxies in each client’s best interest and has implemented written proxy voting policies and procedures accordingly.

As a result, the Firm has established a Proxy Committee (the “Committee”), comprised of members of the Investment Department and senior management, to conduct an annual review of the proxy voting guidelines to ensure the interests of clients are best served. Issues not addressed in the voting guidelines are determined on a case-by-case basis with input from the Committee and portfolio managers. The Committee maintains the proxy voting guidelines, policies and procedures, and is responsible for the review and approval of amendments to these proxy guidelines, policies and procedures.

The Firm has engaged a third party vendor to administer proxy voting on its behalf. PBIEL’s proxy voting guidelines, which outline the Firm’s approach for specific votes, are programmed into the proxy voting administrator’s system in order to allow for automated voting in most cases. The vendor receives, in a majority of cases, proxies directly from the client’s custodian and votes them based on PBIEL’s general voting guidelines. In circumstances where the Firm receives proxies directly, these proxies will be sent to the vendor promptly. The vendor then votes them in accordance with PBIEL’s general voting guidelines.

Best practice industry guidelines are considered when assessing companies’ explanations in relation to the UK Corporate Governance Code (the “Governance Code”).

## **Principle 2**

**Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.**

PBIEL has established systems and controls which are designed to identify and manage conflicts of interests. These include a number of organisational and administrative arrangements to safeguard the interests of clients and minimise the potential for conflicts to arise.

In accordance with applicable laws and regulations, the Firm has established a conflicts of interest policy setting out the procedures and controls which help it identify and appropriately deal with conflicts of interest - actual, apparent and potential. The conflicts of interest policy is available upon request.

In the case of a material conflict between the interests of PBIEL and those of its clients, the Firm consults with counsel and resolves all conflicts in the client's best interest. When votes are cast in accordance with PBIEL's proxy voting policies and procedures and in a manner the Firm believes to be consistent with its fiduciary obligations, actual proxy voting decisions made on behalf of one client may have the effect of favoring or harming the interests of other clients.

## **Principle 3**

**Institutional investors should monitor their investee companies.**

Overall responsibility for monitoring company performance rests with portfolio managers and research analysts and they will determine whether it is appropriate for PBIEL to engage with company boards, executives and/or advisers.

Portfolio managers and research analysts continuously monitor portfolio investments and each stock individually according to a range of variables, which can be changed over time, but include fundamental progress, earnings forecasts and valuation. The Firm aims to identify problems at an early stage to diminish any loss of shareholder value. If it has concerns it seeks to ensure that the appropriate members of the investee company's board are made aware of them.

### Inside Information

PBIEL expects investee companies and their advisers to ensure that information that could affect the Firm's ability to deal in the instruments of the company concerned is not conveyed to it without its consent. PBIEL does not wish to accept confidential information and Compliance may be required to place the financial instruments of the investee company on the Firm's Restricted List should questions relating to material non-public information arise.

Typically, if a broker or issuer or any other person was to offer to provide a PBIEL portfolio team with inside information, a member of that portfolio team would be required to speak with Compliance in order to assess the potential impact to PBIEL clients.

#### **Principle 4**

**Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities as a method of protecting and enhancing shareholder value.**

As set out under Principles 1 and 3 above, PBIEL continuously monitors portfolio investments and performance. When considering whether to escalate our activities, PBIEL will decide on a case by case basis in light of our clients' best interests.

#### **Principle 5**

**Institutional investors should be willing to act collectively with other investors where appropriate.**

PBIEL may consider collaborating with other institutional investors where it is deemed appropriate, is in the best interests of its clients and following consideration of any actual or potential conflicts of interest which may arise. Any such actions will also have due regard for policies and procedures on insider information.

#### **Principle 6**

**Institutional investors should have a clear policy on voting and disclosure of voting activity.**

PBIEL has implemented proxy voting procedures that are reasonably designed to help ensure that the Firm votes proxies in the best interest of its clients, describes its proxy voting procedures to clients and discloses to clients how they may obtain information on how PBIEL voted their proxies. The proxy voting procedures are also designed to help enable the Firm to manage any conflicts of interest.

Records of how the Firm voted its proxies may be made available to clients upon request.

The Firm does not participate in stock lending.

#### **Principle 7**

**Institutional investors should report periodically on their stewardship and voting activities.**

Upon request, and in the format agreed with clients, PBIEL provides reports to clients on voting activities.

#### **Contact**

Any questions on this statement or PBIEL approach to the Stewardship Code should be directed to Jonathan Lay, Head of Compliance-EMEA, in the first instance.

**Jonathan Lay, Head of Compliance**

Tel: +44 (0)207 398 6100

Email: [jonathan.lay@pinebridge.com](mailto:jonathan.lay@pinebridge.com)