Internal Voting Decision Process and Voting Chain
Internal Voting Decision Process: Integrating Internal Expertise – A Real Example

The Corporate Governance (CG) team analyses the agenda of the AGM so as to determine the best voting intentions for every resolution.

- If the CG team is able to determine the voting intentions based on the voting policy, then the vote is instructed.
- If all fund managers agree and the voting intention is not in breach the voting policy, then the vote is instructed.
- If the issue is not covered by the voting policy (e.g., non-routine financial operations), then the CG team asks the fund managers for their opinions.
- If fund managers disagree or if they agree on a voting intention in breach of the voting policy, the Voting Committee, led by Head of Equities (or CIO) with fund managers and financial/ESG/CG analysts, takes the decision then the vote is instructed.

Access to internal expertise
- Access to external expertise
- Dialogue with issuers
Voting Chain: Multiple Intermediaries and Numerous Potential Problems

1. Monitoring
2. Analysis
3. Dialogue
4. Execution
Factors that can complicate the voting decision and execution process

- Availability and timeliness of information
- Length and inefficiency of the chain of intermediaries
- Custodian/sub-custodian cut-off dates
- Record dates
- Segregated vs omnibus accounts

- Stock lending
- Lack of audit trails
- Manual involvement in the voting process
- Share blocking
- Power of attorney
- Wet signatures
- Re-registration of shares
- Physical attendance
- Voting by Acclamation (show of hands voting)

- Adjournment of meetings
- Voting restrictions
- Disclosure of voting levels