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June 1, 2021

Market Conduct Division
The Treasury
Langton Crescent
PARKES ACT 2600

RE: Greater transparency of proxy advice consultation

Dear Sir or Madam:

Founded in 1939, Neuberger Berman is a private, 100% independent, employee-owned investment manager. From offices in 35 cities worldwide, the firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity, real estate and hedge funds—on behalf of institutions, advisors and individual investors globally. With more than 600 investment professionals and approximately 2,200 employees in total, Neuberger Berman has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term.

Since the inception of the firm, Neuberger Berman has remained singularly focused on delivering attractive investment results for our clients over the long term. As an active manager, we have a long-standing belief that material ESG factors are important drivers of long-term investment returns from both an opportunity and a risk-mitigation perspective. Therefore, we take a comprehensive approach toward managing client assets, including the integration of ESG criteria into our investment processes. We believe that engagement is a dialogue between investors and companies focused on positively influencing corporate governance behaviors to drive long-term, sustainable returns. One important way in which we exercise engagement is through voting proxies on behalf of our advisory clients for whom we have voting authority. We do this in order to fulfill our fiduciary responsibility to protect our clients' best interests and as an important component of our approach to creating shareholder value.

In Australia, Neuberger Berman operates via its wholly owned subsidiary, Neuberger Berman Australia Limited, which is the holder of Australian Financial Services License no.391401 and provides certain financial services relating to Neuberger Berman investment strategies to a number of large superannuation funds and other wholesale clients.

We write to you today to address the Treasury's Consultation Paper regarding greater transparency of proxy advice.

We have found proxy advisory firms to be important data aggregation and workflow service providers that enable us to fulfill our fiduciary obligations to clients who have given us authority to vote their proxies based on our firm's internal proxy voting policies and procedures (the "Proxy Voting Policy"). Our robust internal procedures, collaborative policy development process, and formal oversight mechanisms have led to independently-developed, detailed voting positions that best represent the combined knowledge of our investment professionals. Our Proxy Voting Policy is publicly disclosed via our website and is designed to ensure that we will execute votes consistent with our duties to clients who have given us voting authority and in accordance with the Proxy Voting Policy. In some cases, clients choose to retain responsibility for voting themselves, or work with us on a voting policy customized for their specific investment objectives.

Pertaining to the Consultation Paper, we have concerns with the elements that create new requirements of proxy advisory firms and that would introduce what we view as potentially problematic interactions with issuers with regards to the production of the proxy recommendation research reports. We worry that in an attempt to regulate perceived conflicts of interest, the new guidance creates a means through which issuers, who have the greatest incentive to influence potentially critical independent research from being produced, can effectively do so. We support the ability for issuers to have their information accurately represented in research but strongly believe that could easily be achieved through better, clearer disclosure in existing issuer documents, rather than through detailed review of the work of an independent party. As investors, we find it confusing that companies would spend time and money working to secure 'favorable' views of a third party that owns no shares instead of engaging in constructive dialogue with shareholders and their advisers who cast the votes. We also question why services for which we pay are subject to review by those who neither compensate anyone for those services nor have responsibility to diligence the product.

As we analyze how to vote client proxies consistent with our Proxy Voting Policy, we have not observed any evidence that the general policies or voting recommendations published by proxy advisory firms appear to have been influenced by actual or potential conflicts of interest, or that there are inadequate controls in place to manage any actual or perceived conflicts of interest.

We believe competition among proxy advisory firms should be encouraged, just as we support competition among other service providers. As a sophisticated consumer of third-party service providers, we feel well-positioned to both make appropriate determinations over which services we subscribe to, as well as to provide constructive feedback to the vendors that serve us and our clients.

We remain committed to fulfilling our fiduciary responsibilities, including to vote proxies in a manner consistent with our clients' instructions, long-term interests and our Proxy Voting

Policy. We welcome the opportunity to continue to engage the Treasury on this important matter.

Yours sincerely,

A handwritten signature in black ink, reading "Joseph V. Amato". The signature is written in a cursive, flowing style.

Joseph V. Amato
President and Chief Investment Officer, Equities
Neuberger Berman