



Emit Capital
Asset Management

Proxy Voting Policy

EFFECTIVE DATE: 15TH AUGUST 2022



1. Introduction

The integration of Environmental, Social and Governance considerations, impact investment values and the application of responsible investment practices, into the management of our investment portfolios is consistent with our overall Investment Philosophy.

Exercising voting rights is an important tool for encouraging responsible corporate behaviour and expressing views regarding a company's strategy, leadership, remuneration, mergers and acquisitions and in particular its climate change response including ESG practices and disclosure and impact investment values adherence.

2. Purpose

The purpose of this Policy is to outline Emit Capital Asset Management's (ECAM) approach in relation to voting on resolutions put to shareholder meetings of its investee companies.

3. Application

The ECAM Board is responsible for ensuring the appropriateness of the proxy voting framework and reviewing the policy as required.

ECAM's Managing Director is responsible for ensuring that all proxy votes are cast in accordance with the requirements of this policy.

To effectively manage our Proxy Voting, ECAM utilises the Broadridge, ProxyEdge platform.

4. Proxy Voting Policy

4.1. PRINCIPLES & GUIDELINES

This Policy forms an integral part of ECAM's investment governance framework and should be read in conjunction with our Responsible Investment Policy. ECAM believes that sound corporate governance principles contribute to superior financial performance which results in long term prosperity. As such our proxy votes are exercised in a way that is expected to enhance investor's outcomes.

ECAM seeks to vote consistently on all proxy ballots at all shareholders meetings and on all resolutions in relation to companies in which the Funds we manage have an equity interest, or any other interest which entitles ECAM to vote on corporate resolutions.

We use proxy advisers in considering our votes and will seek advice on contentious issues from other parties where appropriate. We determine our own votes in this context and according to our principles. We are not bound by advice from any party

4.2. SCOPE AND PROCESS

ECAM invests directly in Global (Australian & International) Equities. ECAM is responsible for determining the way in which voting rights attached to company shares are exercised. ECAM will exercise its voting rights directly, in line with the voting principles and guidelines. ECAM implements the following procedures in exercising its voting rights:

Global Equities

- the voting rights are exercised to protect and enhance the net asset value of the portfolio;
- ECAM votes in the best financial interests of the Fund notwithstanding any other clients or relationships or other dealings that the fund manager may have in respect of the relevant matter.

4.3. SPECIFIC PROXY ITEMS

Shareholders receive proxies involving many different proposals. Many proposals are routine in nature, such as a change in a company's name. Others are more complicated, such as items regarding corporate governance and shareholder rights, changes to capital structure, stock option plans and other executive compensation/ issues, election of directors, mergers and other significant transactions and social or political issues. Certain strategy-specific considerations may result in ECAM voting proxies other than according to the Approved Guidelines, or taking other action where unique circumstances require special voting efforts or considerations.

Routine Items

ECAM generally votes routine items as recommended by the issuer's management and board of directors, based on the view that management is generally in a better position to assess these matters. ECAM considers routine items to be those that do not change the structure, charter, bylaws, or operations of an issuer in any way that is material to long-term shareholder value.

Routine items generally include:

- issues relating to the timing or conduct of annual meetings;
- provisional financial budgets and strategy for the current year;
- proposals to receive or approve of variety of routine reports; and
- changes to a company's name.

Corporate Governance and Shareholder Rights

Many proposals address issues related to corporate governance and shareholder rights. These items often relate to a board of directors and its committees, anti-takeover measures, and the conduct of the company's shareholder meetings.

Changes to Capital Structure

ECAM receives many proxies that include proposals relating to a company's capital structure. These proposals vary greatly, as each one is unique to the circumstances of the company involved, as well as the general economic and market conditions existing at the time of the proposal. A board and management may have many legitimate business reasons in seeking to effect changes to the issuer's capital structure, including investing in financial products and raising additional capital for appropriate business reasons, cash flow and market conditions.

Executive Compensation Issues

ECAM supports efforts by companies to adopt compensation and incentive programs to attract and retain the highest caliber management possible, and to align the interests of a board, management and employees with those of long-term shareholders. ECAM generally favours programs intended to reward management and employees for positive and sustained, long-term performance but will take into account various considerations such as whether compensation appears to be appropriate for the company after an analysis of the totality of the circumstances.

Mergers and Other Significant Transactions

Shareholders are asked to consider a number of different types of significant transactions, including mergers, acquisitions, sales of all or substantially all of a company's assets, reorganizations involving business combinations and liquidations. Each of these transactions is unique. ECAM considers these transactions on a case by case basis when voting.

Environmental, Social, and Corporate Governance & Impact Investment

For each stock in our portfolio, we apply ongoing influence on a variety of issues through dialogue and, when needed, by voting shareholder proxies in accordance with general principles we support. In most cases, we vote to support disclosure reports that seek additional information which is not available elsewhere and that is not proprietary, particularly in cases where it appears that a company has not adequately addressed the social and environmental concerns of its shareholders.

Given the nature of our Funds, we support well framed proposals which seek to improve climate change outcomes and which reduce emissions towards net zero. ECAM believes a structured ESG policy is vital to a company achieving these goals and hence we are in favour of resolutions which seek clarification or improvement in ESG frameworks. In particular, ECAM believes the Governance component is essential to driving positive outcomes in Environment and Social components of a company's operations. Similarly, ECAM has a strong interest in impact investing and ensuring companies we invest in are aligned to our values. ECAM favours proposals and resolutions which meet these values and we strive to impress upon companies through our Voting and dialogue, their adherence to these impact investment values.

We support greater disclosure on the financial risks associated with climate change and transparency on action plans to reduce overall impact. The likelihood that businesses will be affected by global climate change is fairly certain. However, the degree to which they are affected will be heavily dependent on a number of factors, the most obvious being the industry sectors within which they operate. All companies will have, to varying degrees, exposure to reputational and competitive issues relating to climate change that ultimately could have a financial impact. Transparency and standard corporate disclosure on the issue of climate change are paramount to investors seeking to analyze the risks. In general, we support requests for board-level oversight of water policies, strategies, or plans, and/or transparency on companies' energy efficiency goals and progress and related incentive compensation.

Shareholder Proposals

ECAM believes in the ability of shareholders to leverage their rights related to the use of shareholder proposals to address deficits in best practices and related disclosures by companies. Many ESG & climate change issues are improved through such use of shareholder proposals. For example, some companies are collaborating with shareholders on such proposals by voicing their support and recommending that shareholders vote in-line with such proposals.

4.4. REPORTING

The Managing Director will provide a report of proxy voting activity at Investment Committee (IC) meetings. Subject to the IC's consideration, similar reports may be provided to the Board.

ECAM is committed to being transparent and accountable. We publish a full voting record and summary report annually, as part of our corporate responsibility reporting.

4.5. POLICY REVIEW

This Policy will be reviewed on an annual basis.



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