

PROXY VOTING AND STEWARDSHIP POLICY

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1. Purpose

Melior Investment Management Pty Limited (Melior) is the investment manager of the Melior Australian Impact Fund (Fund). The Responsible Entity of the Fund, The Trust Company (RE Services) Limited has outsourced all investment management activities, including the exercise of the right to vote, to Melior.

This Proxy Voting Policy sets out how Melior will exercise its delegated voting rights.

2. Proxy Voting and Active Corporate Stewardship

Melior takes the responsibility of exercising its voting rights seriously.

Proxy voting is a key part of Melior's Active Corporate Stewardship Strategy. Melior believes that influencing listed companies to improve the sustainability of their operating practices and/or their core goods and services can lead to significant positive environmental and social impact given their scale.

Melior's Active Corporate Stewardship Strategy is based on the belief that Melior can play an important role in actively engaging with boards and management teams of companies to generate material positive impact by both advocating for and supporting improvements in sustainability, Environmental Social and Governance (ESG) matters and ESG disclosure as well as using deep knowledge, networks and expertise on these complex and continuously evolving topics to help companies drive change.












Melior's Active Corporate Stewardship Strategy is aimed at driving corporate change on material company ESG issues that contribute to the UN Sustainable Development Goals, thereby creating positive environmental and societal impact.



The following table depicts Melior’s Active Corporate Stewardship Strategy:

Diagram 1

MELIOR’S ACTIVE CORPORATE STEWARDSHIP STRATEGY

CORPORATE IMPACT PILLARS	IMPACT PATHWAY KPIs	CORPORATE IMPACT GOALS	SDG CONTRIBUTION
Environmental Sustainability	Quarterly Environmental KPIs 	<ul style="list-style-type: none"> ■ Net Zero emissions targets and glidepaths ■ Waste reduction targets ■ Water reduction targets ■ Taskforce on Nature-related Financial Disclosures framework reporting 	   
Social Inclusion	Quarterly Social Inclusion KPIs 	<ul style="list-style-type: none"> ■ 40:40:20¹ or above Executive Leadership Team gender representation ■ Organisation pay gaps of +/- 5% ■ Comprehensive modern slavery strategies ■ Reconciliation Action Plans² ■ At least one director from a minority 	  
Governance & Transparency	Quarterly Governance & Transparency KPIs 	<ul style="list-style-type: none"> ■ Appropriately comprised boards ■ Comprehensive cybersecurity strategies ■ Appropriately ESG-linked incentive structures ■ International Sustainability Standards Board reporting 	

Melior aims to exercise its rights to vote to pursue its Corporate Impact Pillars and Corporate Impact Goals while also seeking to enhance the value of the Fund and its separately managed accounts for the benefit of its investors.

3. Transparency on Voting Record and Disclosure

Melior seek to clearly articulate its approach to voting and to demonstrate the application of its approach across the Fund’s investments. Melior discloses its voting policy and is transparent on its use of proxy consultants, consistently with FSC Standard No. 13.

¹ 40% male, 40% female, 20% either gender
² Or equivalent

4. Voting Principles

Voting decisions will be made on a case-by-case basis, after assessing the subject matter presented and the surrounding circumstances. Melior will, at all times, exercise its rights to vote in the best interests of investors in the Fund having regard to the following voting principles.

PRINCIPLES FOR DETERMINING WHETHER TO VOTE OR TO ABSTAIN:

Melior considers that exercising its right to vote is an important responsibility and will cast a vote on a resolution unless one of the following applies:

- Melior will not vote if it is precluded from doing so by law or regulation;
- Melior will not vote if it has a material conflict that cannot be otherwise managed or resolved lawfully or appropriately;
- Melior will not vote where market rules prevent registration or additional documentation is required and is unable to be obtained in time;
- Melior may choose not to vote in circumstances where insufficient notice has been provided in respect of a shareholders' meeting; or
- Melior may choose to abstain:
 - where it considers doing so will effectively communicate an advocacy position that cannot otherwise be communicated via a vote for or against; or
 - where it considers it has insufficient information to be able to make a decision; or
 - where it considers it is inappropriate to cast a vote;

provided always that it has determined that doing so is in the best interests of the Fund.

PRINCIPLES FOR DETERMINING HOW TO VOTE

a. Alignment with Corporate Impact Pillars

Melior intends to vote in favour of proposed resolutions which are expected to advance progress on our Environmental Sustainability, Social Inclusion and Governance and Transparency Corporate Impact Pillars as set out in Diagram 1. This includes where the company has already made a public commitment to the relevant issue and where we consider the company to currently be following good practice.

Melior intends to vote against proposed resolutions which are inconsistent with our Environmental Sustainability, Social Inclusion and Governance and Transparency Corporate Impact Pillars.



In relation to common proposed resolutions, Melior intends to adopt the following positions:

Voting Principle	Aligned Corporate Impact Pillar	Aligned Corporate Impact Goal
Melior will generally vote against a resolution to approve remuneration reports where it considers long term incentives are inadequately linked to material ESG matters.	Governance and Transparency	Appropriately ESG linked incentive structures
Melior will generally vote against the re-election of a director who has served on the board for more than 9 years, excluding company founders.	Governance and Transparency	Appropriately comprised boards
Melior will generally vote against the re-election of a director who simultaneously also serves as a director of more than three other publicly listed companies.	Governance and Transparency	Appropriately comprised boards
Melior will generally vote against the election of the chair of the nomination committee, chairman of the board or any other director if it reasonably considers that the board is not comprised of directors who collectively hold core skills necessary for the management of the company business, or the board is not comprised of persons with sufficiently diverse perspectives.	Governance and Transparency	Appropriately comprised boards

b. Best Interests Duty

Melior will only vote in favour of a resolution where it considers that the company is acting in the best interests of its shareholders and other key stakeholders.

c. Client Instructions

Melior will consider any recommendations or contributions made by Fund investors in relation to proposed resolutions, where communicated to Melior specifically for that purpose.

No split votes

Where Melior may exercise more than one vote on a company resolution, it will cast all of its votes in the same way.

5. Pre-publication of votes and Corporate Engagement

Where permitted by law, Melior will declare its voting intention to the company prior to casting its vote.

Where Melior intends to vote against a management recommendation or intends to abstain from a vote, where permitted by law, Melior will engage with the company to hear the company's perspectives and to explain Melior's voting intention.

6. Engagement with key stakeholders and other investors

Melior may engage with the company's key stakeholders and other investors when formulating voting decisions if doing so does not breach any corporations, takeover, competition or other laws.

7. Company Engagement and Escalation

Melior may consider that it is appropriate in any case to escalate an issue that is the subject of a proposed resolution. Melior may, in this event, engage collaboratively with the company, vote against the re-election of one or more directors, vote against the recommendation of the company Chair, file/ sponsor an alternative resolution or take any other action.

Melior will keep a record of all company engagement initiatives and escalation measures and may publish this information from time to time.

8. Record Keeping

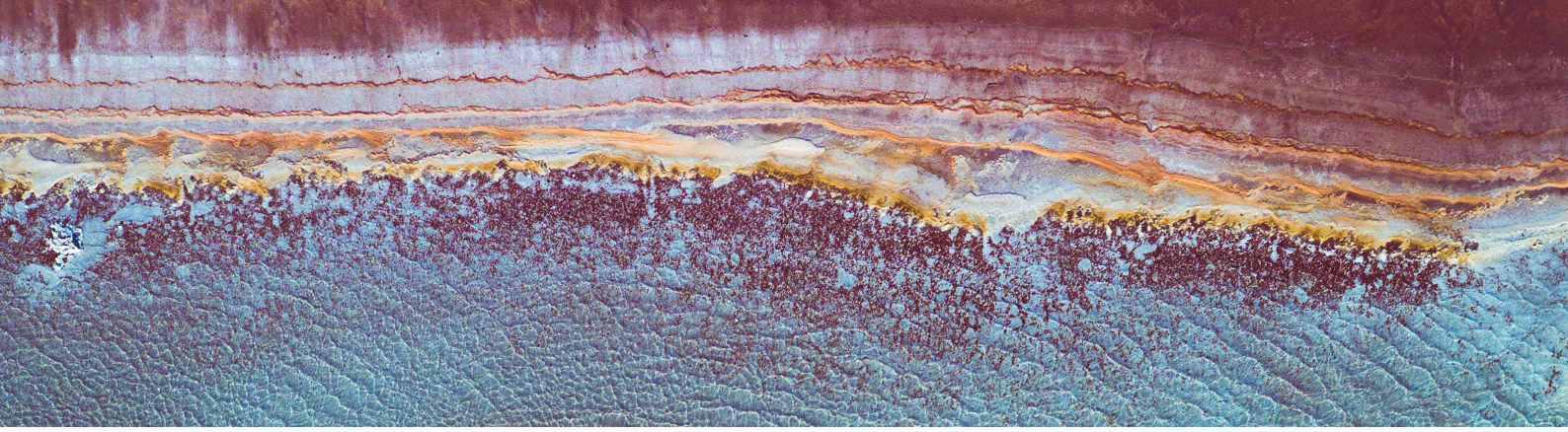
Melior will keep a record of all votes cast and all abstentions. The voting record will include the following matters:

- Company name and meeting date;
- Details of the resolution;
- Recommendation by company management/board on how to vote; and
- Melior's voting decision and reasons.

9. Reporting

Melior will publish details of votes cast and the rationale for the vote in its quarterly report which is available on its website. This rationale will include details of alignment or misalignment with the Corporate Impact Pillars or Corporate Impact Goals and with the voting principles set out in this policy.

Melior or the Responsible Entity of the Fund will publish an annual Proxy Voting Report for the Fund in each February in respect of the preceding calendar year.



10. Use of Proxy and Voting Advisers

Melior may engage proxy voting advisers to provide it with assistance in determining how to cast a vote. Any proxy voting advisers engaged for this purpose will be disclosed in the annual Proxy Voting Report.

Before casting a vote, Melior will review the proxy voting adviser's recommendation. Melior will review the recommendation to determine whether it is consistent with the Corporate Impact Pillars, Corporate Impact Goals and with the voting principles set out in this proxy voting policy.

Any proxy voting adviser recommendations which Melior considers to be controversial in nature or which relate to matters which have received media attention, will be reviewed by at least two Melior team members prior to any votes being cast.

11. Governance Processes

AUTHORITY FOR MAKING VOTING DECISIONS

The Melior Chief Investment Officer has ultimate responsibility for all voting decisions made by the Fund.

The Chief Investment Officer may delegate a voting decision (including the casting of the vote) to the Fund Portfolio Manager, Deputy Portfolio Manager or Lead Analyst on a case by case or standing basis.

VOTING PROCESSES

The Melior Proxy Voting Procedures sets out the process to be followed in relation to the casting of votes. These procedures may be updated from time to time.

The Melior Proxy Voting Procedures set out how the casting of votes, including the number effectively cast by or on behalf of the Fund, is reviewed, confirmed and audited.

POLICY REVIEW

This policy is owned by the Chief Investment Officer of Melior.

This policy will be reviewed at least annually.

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