

Proxy Voting Policy

Investments Team

March 2023

Document Control Sheet

Document Summary

Document Title:	Proxy Voting Policy
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Version:	<p>Policy created 2005 (extract compliance manual)</p> <p>Review 1_2 March 2012</p> <p>Review 1_3 March 2013</p> <p>Review 1_4 August 2014</p> <p>Review 1_5 September 2015</p> <p>Review 1_6 November 2016</p> <p>Review 1_7 August 2017</p> <p>Review 1_8 August 2018</p> <p>Review 1_9 November 2019</p> <p>Review 1_10 ARCC October 2020. Noted Board November 2020</p> <p>Review 1_11 November 2021. Noted Board November 2021</p> <p>Review 1_12 ARCC November 2022. Noted Board November 2022</p> <p>Review 1_13 ARCC March 2023. Noted Board April 2023.</p>

Proxy Voting Policy

1 Commitment to the Policy

The Directors and Management Team of DNR Capital (collectively referred to as DNR Capital) are committed to maintaining adequate records in line with its legislative and regulatory obligations.

This Liquidity Risk Policy (the Policy) has been adopted by the Management Team and presents part of the framework upon which the company will meet its regulatory obligations under its Australian Financial Services Licence (AFSL).

Where there is any doubt as to the requirements contained in this Policy, you should have regard to the principle that DNR Capital will always ensure the company conducts its financial services business in an efficient, honest and fair manner in line with the regulatory objectives of ensuring market integrity and consumer protection.

2 Scope

DNR Capital manages investments on behalf of institutional, wholesale (including through SMA platforms and providers) and retail clients. This Policy applies predominantly to institutional clients who request that we exercise voting decisions on their behalf.

Where possible, DNR Capital will apply this Policy to wholesale and retail clients, however, the ability to do this is dependent on custodial arrangements in place for these clients and the SMA platforms ability to implement proxy voting decisions.

3 Policy owner

The owner of this policy is the Chief Investment Officer (policy owner). The policy owner is responsible for ensuring that the policy is reviewed at least annually or when it becomes out of date (e.g. because of regulatory or operational change).

4 Purpose of this Policy

This Policy relates to DNR AFSL Pty Ltd and DNR Capital Pty Ltd ("DNR Capital") in the capacity as an AFS licensee and corporate authorised representative. This policy should be read in conjunction with the company's ESG, Engagement and Climate Change Policies.

DNR Capital is a signatory to the Principles for Responsible Investment (PRI). As part of this undertaking, we commit to be active owners and incorporate ESG issues into our policies and practises. The DNR Capital Proxy Voting Policy seeks to document how we exercise voting rights. The document owner is responsible for ensuring that this Policy is reviewed at least annually or where it becomes out of date (e.g. because of regulatory or operational change).

5 Who should know and understand the Policy

The following people should be aware of the contents of this Policy:

- Directors and Responsible Managers.
- Investment Team
- All staff employed by DNR Capital who are directly or indirectly involved in providing financial services under the AFS licence.
- All authorised representatives.

- Anyone providing services to DNR Capital that the policy owner determines should comply with the Policy (e.g. service providers, agents, contractors and temporary staff).
- Anyone else that the policy owner determines should comply with the policy.

Where functions of DNR Capital are outsourced (e.g. to service providers, agents, contractors and temporary staff), DNR Capital remains responsible and accountable for those actions. DNR Capital may include specific requirements in the outsourcing or other agreements to ensure compliance with this Policy and other regulatory obligations.

Failure of the service provider, agent, contractor or temporary staff member to deliver their contracted services may result in a risk control failing to be adequately managed and consequently result in a breach of the agreement. The agreement should provide for actions that either party can take where a breach of the agreement has occurred.

To ensure all officers, employees and agents are aware of the contents of this Policy; it will be made available electronically on the intranet of the company.

6 Overview

The Directors and Management Team of DNR Capital (collectively referred to as DNR Capital) are committed to effectively managing Environment, Social and Governance (ESG) issues such that risks and opportunities are identified and properly assessed.

DNR Capital recognises that companies with good ESG practices can enhance shareholder returns. DNR Capital have adopted an ESG integration and engagement strategy and our corporate engagement program complements our ESG integration. There are two components to DNR Capital's engagement strategy which include proxy voting and DNR Capital's company meetings program.

DNR Capital believe that proxy voting is an important tool for investors. Proxy voting enables investors to communicate their views to a company and input into key decisions, such as executive remuneration and Board director appointments. Proxy voting may also be used as an escalation tool, where other company engagement initiatives have been unsuccessful, such as voting against executive remuneration or the re-election of a director. Proxy voting is also a tool to engender long term relationships with investee companies. Increasingly, Board Chairs seek to engage with shareholders on issues including climate strategy and their "Say on Climate" vote, executive remuneration, Board governance, and other strategic issues.

This policy sets out DNR Capital's approach to proxy voting and includes our principles of good governance which are informed by ASX Corporate Governance Council's Principles and Recommendations.

7 Approach

The guiding principle when DNR Capital votes on a resolution is that our voting decision must be in the best interests of our clients. Decisions are made on a case-by-case basis after an assessment of the relevant information available and taking into consideration the impact of ESG risks and potential effect on the performance of the portfolio.

- DNR Capital will vote on all resolutions where it is possible given custodial and proxy voting arrangements for the underlying clients that it invests for.
- Proxy voting is co-ordinated by DNR Capital's ESG investment analyst. DNR Capital engage proxy adviser, Ownership Matters, to provide supplemental proxy research. However, proxy voting decisions are the responsibility of the underlying stock investment analyst, and proxy voting execution is the responsibility of the Portfolio Administration team.

- DNR Capital investment analysts, in conjunction with the ESG investment analyst, conduct an independent assessment of the proxy resolutions and form an independent view on voting recommendations. DNR Capital engage proxy adviser, Ownership Matters, to provide supplemental proxy research. DNR Capital may also contact the investee company for further information.
- Where the analyst's voting recommendation is counter to the investee company's or the proxy advisor's recommendation, the analyst will provide a written explanation justifying their voting recommendation.
- DNR Capital endeavour to notify investee companies where we vote against its recommendation.
- For Australian investments that are subject to the 'Two Strikes' legislation, where an investee company incurs a first strike, DNR Capital regularly engage with the investee company's Chair to improve their remuneration policy and practices to reduce the likelihood of a second strike.
- We report on our proxy voting activities to stakeholders through our annual Stewardship Report, presentations and bespoke client requests.

8 Principles

The guiding principle when DNR Capital votes on a resolution is that our voting decision must be in the best interests of our clients. Decisions are made on a case-by-case basis after an assessment of the relevant information available and after considering our principles of good governance, which are informed by ASX Corporate Governance Council's Principles and Recommendations.

- A majority of independent directors
- An independent Chair who is not the CEO
- Board and management diversity
- An audit committee with a majority of independent directors and a Chair who is not the Company Chair
- A commitment to act ethically and responsibly
- Good disclosure of information about the company, its governance and its material risks
- Remuneration structures that are fair, responsible and align the interests of executives with shareholder value creation.

9 Reporting

Voting rights exercised are recorded. We report on our proxy voting activities to stakeholders through our annual Stewardship Report, presentations and bespoke client requests.

10 Roles and Responsibilities

6.1 The Board and executive management

The Board and executive level management have formal oversight over and accountability for responsible investment, including proxy voting, at DNR Capital. Responsible investment outcomes will be reflected in executive remuneration.

6.2 Socially Responsible Investment (SRI) Committee

DNR Capital's SRI Committee was established in 2010 and oversees the implementation of our ESG policies and integration of ESG into investment decision-making.

6.3 Investments team

DNR Capital's ESG integration and engagement initiatives are conducted by the investments team. As such, the insight gained from the process is incorporated into the research and investment decision-making process. Responsible investment outcomes are reflected in remuneration.

Risks of non-compliance to the company

- Regulatory risk – the risk that the company, its officers, employees or agents will be subject to criminal, civil or administrative penalties or sanctions. This may include licensing actions, enforceable undertakings, investigative action, or total loss of licence for non-compliance with:
 - Financial services laws and regulations
 - The AFSL
 - Organisational standards
 - Internal policies and procedures
- Business risk – the risk that DNR Capital's activities may result in poor business outcomes for the company, with a key risk being loss of the AFSL and a direction to cease operations. Compliance with this Policy will enable the Board and delegated staff to appropriately manage Liquidity Risk.
- Reputational risk – the associated damage to the company's reputation as a result of public reporting of non-compliance with our obligations or by being perceived as non-compliant within the market or not caring for our clients and investors. This may also have a detrimental effect on the profitability of the company due to loss of confidence by clients and investors. By approving and implementing a robust Liquidity Risk Policy DNR Capital intends to mitigate our reputational risk.

11 Monitoring compliance with the Policy

The Risk & Compliance Manager is responsible for monitoring compliance with this Policy on an annual basis or as required.

Any instances of non-compliance by officers, employees and/or agents of DNR Capital will be reported to the Management Team. Instances on non-compliance will also be treated as a potential or actual breach and dealt with according to the Breach Management Policy.

Where instances of non-compliance with the Policy have been identified the Risk & Compliance Manager in conjunction with the relevant business unit manager is responsible for determining and/or recommending appropriate remedial action.

Intentional or reckless non-compliance with this Policy is not tolerated by the Board. Depending on the nature and extent of non-compliance, remedial action could include:

- Additional training
- Additional monitoring or supervision
- Formal reprimand
- Notification to relevant regulatory body or industry association
- Termination of employment (in particularly serious cases)

In determining what remedial action will be appropriate, the Risk & Compliance Manager in conjunction with the relevant business unit manager may have regard to the following matters:

- the number or frequency of similar previous instances of non-compliance by the officer, employee and/or agent (including or service providers)
- whether the non-compliance was intentional or reckless
- the impact the non-compliance has on the ability of DNR Capital to continue to provide the financial services covered by its AFSL
- the actual or potential loss arising to DNR Capital or a client of DNR Capital as a result of the non-compliance
- actions outlined in the Code of Conduct & Ethics for DNR Capital
- any other relevant facts associated with the non-compliance, and
- any other relevant issues raised.

12 Review of the Policy

The Chief Investment Officer shall (with assistance from the Head of Risk & Compliance) review the contents of this Policy at least each two years to ensure it remains current and relevant to the operations of DNR Capital.

As part of the review, the Risk & Compliance Manager shall also ensure that any related policies or procedures are reviewed by relevant officers, employees and/or agents. The Risk & Compliance Manager will maintain a schedule of reviews to be undertaken as part of the review of this Policy.

The Risk & Compliance Manager shall report the findings to the Management Team once the review has been finalised.

13 Training on the Policy

As DNR Capital is committed to ensuring the continued compliance with this Policy, a program of regular training sessions will be provided to staff both when they commence and on an ongoing basis.

Induction Training

The Risk & Compliance Manager will provide training on this Policy as part of the induction training for all new officers and employees. Completion by staff will be recorded in the Training Register and it is the responsibility of the Risk & Compliance Manager to review whether relevant staff have completed the training.

Ongoing Training

The Risk & Compliance Manager will also provide refresher training on the Policy and procedure at least annually (or as required, where a material change is made to the Policy).

14 Applying discretion to the Policy

Notwithstanding any requirement contained in this Policy, the Risk & Compliance Manager can apply reasonable discretion in considering how to apply the requirements of the Policy.

When applying discretion in relation to a particular matter, the Risk & Compliance Manager shall have regard to the level of risk posed by that matter and the regulatory objectives of ensuring market integrity and consumer protection.

Whenever discretion has been exercised in relation to the Policy, it should be recorded and reported to the Management Team.

15 Related policies

The following Policies contain provisions which are directly or indirectly related to the contents of this Policy:

- Breach Management Policy
- ESG Policy
- Climate Change Policy
- Engagement Policy
- Risk Management Policy and Procedure
- Risk Appetite Statement
- Investment Trade Allocations Policy
- Investment Trade Execution Policy
- Valuation Policy
- Best Execution Standard.

16 Further information

If you need further information regarding this Policy and how it is implemented please contact the policy owner.