

Proxy Voting Policy

Investment Team

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Document Control Sheet

Document Summary

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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 improving and upholding the governance of entities and markets in which it invests on behalf of its clients.

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 platform's 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 The policy owner is responsible for ensuring that the policy is reviewed at least annually or when it becomes out of date (e.g. because of regulatory or operational change).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. It articulates DNR Capital's position with regard to proxy voting, forms part of DNR Capital's asset stewardship approach, and should be read in conjunction with the DNR Capital's Investment ESG, Corporate ESG, Corporate 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 practices. The DNR Capital Proxy Voting Policy seeks to document how we exercise voting rights.

5 Who should know and understand the Policy

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

- Directors and Responsible Managers.
- DNR Capital's investment team and members of the Socially Responsible Investment Committee (SRIC)
- Members of the Audit Risk and Compliance Committee
- 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 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 on the intranet of the company. This policy is also made available on the company's website.

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 recognise that companies with good ESG practices can enhance risk-adjusted 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 provides important rights to investors. Proxy voting enables investors to communicate their views to a company and provide input into key decisions, such as executive remuneration, Board director appointments and increasingly, on shareholder proposals. 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 portfolio 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 its clients.
- Proxy voting is co-ordinated by DNR Capital's ESG investment analyst. 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 portfolio company for further information.
- Where the analyst's voting recommendation is counter to the portfolio company's or the proxy advisor's recommendation, the analyst will provide a written explanation justifying their voting recommendation.
- DNR Capital endeavour to notify portfolio companies where we vote against its recommendation.

- For Australian investments that are subject to the 'Two Strikes' legislation¹, where a portfolio company incurs a first strike, DNR Capital regularly engage with the portfolio company's Chair to improve the remuneration policy and practices to reduce the likelihood of a second strike.
- DNR Capital may choose not to vote where there is a conflict of interest, or other circumstances where it may be considered to be not in the client's best interest to vote.
- We disclose proxy voting outcomes by resolution on our website, and by strategy in 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 environmental, social and governance guidelines, which include:

- Where a company proposes a "Say on Climate" resolution, we will use our Climate Change Assessment and Engagement Framework (please refer to DNR Capital's Climate Change Policy for further detail) to assess the merit of the proposal.
- When considering shareholder resolutions, DNR Capital will assess the merit of the proposal and vote in line with our clients' best interests. Consideration will be given to the proposed mechanism for change (i.e. change to the Company's Constitution or similar) and the substance of the proposal relative to the company's publicly committed actions. DNR Capital may vote in favour of a shareholder resolution as an escalation measure where previous environmental, social or governance engagement has been unsuccessful.
- DNR Capital may also vote against a proxy resolution as an escalation tool, where other company engagement initiatives have been unsuccessful. These cases are considered on a case-by-case basis and may include voting against executive remuneration or the re-election of a director.

DNR Capital's governance guidelines are informed by ASX Corporate Governance Council's Principles and Recommendations and include:

- 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 disclose proxy voting outcomes by resolution on our website no later than three calendar months after the end of the financial year, and in aggregate in our annual Stewardship Report, presentations and bespoke client requests.

¹ If a remuneration report receives a no vote at two successive AGM's, the second AGM will have to vote on a spill motion. If the spill motion receives approval by a simple majority, the company will have to hold a further general meeting within 90 days to vote on whether to keep the existing directors.

10 Record keeping

DNR Capital will maintain its voting record in respect of investments for each financial year on a per resolution basis. The voting record will contain the following details:

- The name of the entity;
- The ASX or equivalent code of the relevant securities;
- The meeting date;
- The resolution number and name or summary of the matter or matters to be voted on at the meeting;
- If known, whether the resolution was endorsed by the issuer, its management or another person or another company;
- The recommendation by the company management on how to vote;
- Whether DNR Capital voted and how it voted; and
- In the case of a decision not to vote, a record reflecting that and the reason.

11 Roles and Responsibilities

11.1 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 initiatives are reflected in executive remuneration.

11.2 Socially Responsible Investment (SRI) Committee

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

11.3 Investment team

DNR Capital's Proxy Voting 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.

12 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 this risk.
- Reputational risk – the associated damage to the company's reputation because of public reporting of non-compliance with our obligations or by being perceived as non-compliant within the market or not meeting undertakings made to 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 Proxy Voting Policy DNR Capital intends to mitigate our reputational risk.

13 Monitoring compliance with the Policy

The Head of Risk and Compliance 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 Head of Risk and Compliance 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 Head of Risk and Compliance 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.

14 Review of the Policy

The Chief Investment Officer shall (with assistance from the Head of Risk and 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 Head of Risk and Compliance shall also ensure that any related policies or procedures are reviewed by relevant officers, employees and/or agents. The Head of Risk and Compliance will maintain a schedule of reviews to be undertaken as part of the review of this Policy.

The Head of Risk and Compliance shall report the findings to the Board once the review has been finalised.

15 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 Head of Risk and Compliance 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 Head of Risk and Compliance to review whether relevant staff have completed the training.

Ongoing training

The Head of Risk and Compliance 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).

16 Applying discretion to the Policy

Notwithstanding any requirement contained in this Policy, Policy Owner, in conjunction with Head of Risk and Compliance can apply reasonable discretion in considering how to apply the requirements of the Policy.

When applying discretion in relation to a particular matter, the Policy Owner and the Head of Risk and Compliance 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.

17 Related policies

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

- Investment ESG Policy
- Climate Change Policy
- Corporate Engagement Policy
- Corporate ESG Policy
- Risk Management Policy and Procedure

18 Further information

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