

Firetrail

INVESTMENTS

PROXY VOTING POLICY



Document Control

a. Version Control / Revision History

This document has been through the following revisions:

Version	Date of Approval	Remarks / Key changes / Reason for Update
1	November 2017	Initial Version
1.1	November 2018	Annual Review
1.2	January 2022	No change – adequacy review
1.3	January 2024	Review

b. Authorisation

This document requires the following approvals:

Authorisation	Name
Initial Version	Board
Revision	Managing Director

1. Introduction

This Policy is based on fiduciary responsibilities of Firetrail Investments Pty Limited (Firetrail) to act in the best interest of its clients as shareholders. It describes the approach taken by Firetrail in relation to resolutions put forward at AGM's and EGM's.

This Policy applies to investments in publicly listed or quoted Australian and international securities with voting rights attached and where Firetrail has the ability and authority to vote.

A copy of this Proxy Voting Policy is available on our website and will be provided to clients upon request.

2. Policy Statement

It is the policy of Firetrail to vote on all material issues. In the event that Firetrail receives a direction from the client in relation to the appointment of a proxy and the way the proxy should be voted, Firetrail will use its best endeavours to implement the direction. In the absence of any direction, Firetrail may exercise or not exercise the right to vote as it sees fit, having regards to any direction specified in the Investment Management Agreement with the client.

3. Stewardship

Firetrail considers the exercise of proxy voting central to its stewardship responsibilities. When executing votes, it is critical that Firetrail have the best interests of clients. The investment team votes on all material issues, with its main concern being to protect the value of its clients' investments.

Constructive corporate engagement and proxy voting are the fundamental tools of responsible investment. Asset owners and their investment managers are uniquely able to influence change in listed companies via their shareholdings. Furthermore, engagement improves decision making through both risk-mitigation as well as providing us with a deeper and different perspective on how the company operates which we believe will improve stakeholder outcomes.

4. Process Overview and Procedures

1. Proposed resolutions with explanatory notes are prepared and forwarded from Firetrail's proxy voting service or Pinnacle IMS (middle office)/custodian to Firetrail.
2. The Managing Director(s) will review each material resolution on a case by case basis. In arriving at a recommendation, the following three main principles are adhered to:
 - (i) Any resolution should treat shareholders equally
 - (ii) Any material conflicts of interest are addressed appropriately
 - (iii) Resolutions should be individual and clearly stated. Composite resolutions are not regarded as optimal.
3. To assist in their decision making, Firetrail may subscribe to a proxy voting service which provides independent analysis and voting recommendations on key governance issues. Firetrail considers these recommendations when arriving at a decision.
4. Firetrail may raise issues with company management prior to voting in an attempt to resolve issues.
5. Voting recommendations are approved by the investment team. Justification is provided for voting that differs from the board or our subscribed proxy voting service recommendations.
6. Upon approval, votes are processed by Firetrail on an electronic proxy voting system (ISS Risk Metrics).

7. Firetrail will maintain a record of all voting on behalf of its clients and report these to the client, when requested.

5. Routine Proposals

Routine proposals are those which do not affect the structure, by laws, or operations of the corporation to the detriment of their shareholders. Given the routine nature of these proposals, proxies will nearly always be voted with management. Traditionally, routine proposals include:

- Approval of independent auditors
- Name changes
- Election of directors (subject to competency, independence and limited number of board positions)
- Coupling executive compensation with financial performance.

6. Non-Routine Proposals

Issues in this category are more likely to have a greater impact on shareholder value.

Firetrail's main concern is to protect the value of its clients' investments. With this in mind, these resolutions are subject to scrutiny on case by case basis. These types of resolutions may include:

- Complex or potentially excessive compensation items;
- Select sustainability matters;
- Corporate governance matters.
- Mergers and acquisitions
- Restructuring
- Employee share purchase plans
- Shareholder proposals

7. Abstention

Votes are generally cast either for or against the ballot items presented. If unusual or controversial issues are presented that are not covered by the general proxy voting policies described above, or if circumstances exist which suggest that it may be appropriate to vote against a general proxy voting policy, the investment team shall determine the manner of voting the proxy in question. This may include abstention. Circumstances under which Firetrail may abstain include:

- Bundled proposals – we may oppose or abstain on proposals where disparate issues are “bundled” and presented for a single vote.
- Inadequate information – we may oppose or abstain from a vote on matters for which disclosure is inadequate.
- Slate nominees – we may oppose or abstain from a vote where we are not given the opportunity to vote on individual nominees, or where opposing slates are presented and the vote for one results in the automatic opposition or abstention from the other(s).

It's worth noting that many countries have “proxy blocking” regulations, which prohibit the sale of shares from the date that the vote is filed until the shareholder meeting. A Fund or mandate would be unable to sell its shares if a negative news event occurred during this time, thus harming the investors. The Manager reserves the right to decline to vote proxies for stocks affected by proxy blocking regulations.

8. Corporate Governance Proposals

Firetrail will generally vote against any management proposals that have the effect of restricting the full potential of its clients' investments. These would include but is not limited to:

- Excessive senior executive and non-executive management remuneration
- Golden handshakes
- Special interest representation on the board
- Share and Option schemes that do not reflect:
 1. the responsibilities of the executive
 2. comparability to market practice
 3. appropriate performance hurdle benchmarks
 4. appropriate disclosure
- Unequal voting rights
- Takeover Protection – e.g. Poison Pills which generally involves issuing preferred stock purchase rights or warrants unilaterally declared as a dividend without shareholder participation or approval. Poison pills can be used to insulate existing management against competitive bids.
- Good governance requires boards to consider and oversee material ESG risks at the company, sector and market-wide level.

Social & Environmental Proposals

As stated in Firetrail's ESG policy, social and environmental matters are integrated into our investment process. Firetrail generally votes on environmental and social proposals in a way that it believes will most increase long-term shareholder value. Firetrail's voting decisions consider factors such as a company's environmental impact, commitment to diversity and inclusion, labour practices, and adherence to responsible sourcing and production standards when casting proxy votes. By leveraging our proxy voting influence, we seek to contribute to a more sustainable and equitable business

9. Engagement with Companies

In addition to voting, Firetrail may enter into dialogue with a company to voice concerns in relation to actions or directions a company is taking in relation to performance, corporate governance and other matters affecting shareholders' interests, this also includes Environmental, Social and Governance (ESG) issues it believes to be material to the company, including climate change.

10. Conflicts of Interest

This section of the Proxy Voting Policy should be read in conjunction with Firetrail's Conflicts of Interest Policy.

There may be instances where Firetrail's interests' conflict, or appear to conflict, with client interests. Firetrail's duty is to vote proxies in the best interests of its clients and in accordance with this policy.

If an employee of Firetrail detects a material conflict of interest in connection with voting on the resolutions, then the employee should escalate the matter to the Managing Director and Pinnacle Risk & Compliance to determine the steps to manage the conflict or potential conflict if required. Possible resolutions may include:

- Vote in accordance with the recommendations of a third-party research provider; or
- Refrain from exercising its proxy voting rights; or

- Disclose the conflict to the client and obtain the client's direction to vote the proxies.

11. Socially Responsible Policy Issues

Firetrail may decide to vote on such issues on a case-by-case basis recognising that social responsibility issues may impact the value of the shareholders' investment.

Generally, Firetrail does not apply specific socially responsible investment or methodologies screens, unless specifically directed by the client.

12. Class Actions

Firetrail does not direct clients' participation in class actions without the client's consent. The Managing Director(s) will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

13. Record keeping requirements

All voting records are kept in line with our Document Retention Policy. Voting in relation to our Australian pooled funds is published on our website. Mandate clients may request voting records in relation to their mandate.