

VOTING POLICY

Owner	CIO
Approval	CIO
Relates to	CORPORATE ACTIONS
Date Last Updated	24-04-2019
Primary Rules/Rationale	To outline the company approach to resolutions put forward at AGM's and EGM's.

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POLICY

Introduction

Overview

This policy formally outlines the ECP Asset Management Pty Ltd (ECP) approach to resolutions put forward at the AGM and at an EGM.

The Voting Policy is based on fiduciary responsibilities to act in the best interest of clients as shareholders. It describes ECP's approach to resolutions put forward at the AGM and at an EGM.

The purpose of the Voting Policy is to ensure that Staff act in the best interest of clients as shareholders.

It is the policy of ECP to vote on those resolutions it believes may have a material effect on security holders. In the event that ECP receives a direction from the client in relation to the appointment of a proxy and the way the proxy should be voted, ECP will use its best endeavours to implement the direction. In the absence of any direction, ECP will exercise the right to vote as it sees fit, having regard to any direction in the investment mandate.

Commencement

This policy commenced on 1 July 2013.

Application

This policy applies to all employees of ECP.

Process Overview and Procedures

1. Proposed resolutions with explanatory notes are prepared and forwarded from the relevant custodian or broker to ECP.
2. ECP will review the resolution on a case by case basis in arriving at a voting recommendation. In arriving at a recommendation two main principles are adhered to:
 - a. Any resolution should treat shareholders equally;
 - b. Resolutions should be individual and clearly stated. Composite resolutions are not regarded as optimal.
3. Voting recommendations are discussed by the Portfolio Managers and forwarded to the Managing Director for review and approval.
4. ECP will maintain a record of all voting on behalf of clients and report these to the client where requested.

Routine Proposals

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

- I. Approval of independent auditors;
- II. Name changes;
- III. Election of directors (subject to competency, independence and the limited number of board positions); or
- IV. Issue of shares in terms of existing approved remuneration arrangements.
- V. Issue of shares in terms of dividend reinvestment and share purchase plans.

Non-Routine Proposals

Issues in this category are more likely to have a greater impact on shareholder value. ECP's main concern is to protect the value of its clients' investments. With this in mind, these resolutions are subject to scrutiny on a case by case basis. These types of resolutions may include:

- I. Mergers and acquisitions;
- II. Restructuring; or
- III. Executive remuneration including employee share purchase plans.

Corporate Governance Proposals

From time to time, ECP will vote against any management proposals that have the effect of restricting the full potential of its clients' investments. These may include, but are not limited to:

1. Excessive senior executive and non-executive management remuneration;
2. Golden handshakes;
3. Special interest representation on the board;
4. Share and Option schemes
 - a. That do not reflect:
 - i. the responsibilities of the executive;
 - ii. comparability to market practice;
 - iii. appropriate performance hurdle benchmarks; or
 - iv. appropriate disclosure;
 - b. That comprises retrospective repricing - ie reducing Option strike prices or changing operational KPIs retrospectively; and
 - c. That has less than a three-year minimum vesting period.
5. Unequal voting rights; or
6. Takeover Protection – eg, Poison Pills – 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.

Engagement with companies

At ECP, we believe engagement with our investment companies benefits both the company and shareholders; and through dialogue with our investment companies, we believe we can jointly accomplish more than through proxy voting alone.

In addition to voting, ECP 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 shareholder interests.

This Voting Policy should be read in conjunction with the ECP Board Engagement Guide.

Socially Responsible Policy Issues

ECP became a signatory to the United Nations-backed Principles for Responsible Investment Initiative (PRI) in 2016.

Considering ESG factors is part of our investment decision-making process and is fully integrated throughout our process. ECP believes that environmental, social and corporate governance (ESG) factors can have a material impact on long-term investment outcomes.

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

This policy should be read in conjunction with the ECP Responsible Investment Policy, Active Ownership Policy, and Investment Policy.

APPENDICES

NONE	
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