Proxy Voting Policy and Process

Purpose of this policy

Platypus Asset Management P/L (PAM) represents its clients in matters of corporate governance through the proxy voting process. The process is designed to achieve two outcomes:

1. Protect and enhance the investment value of our funds' assets, recognising the strong link between good corporate governance and investment value.
2. Fulfil our fiduciary duty to clients and beneficiaries as active owners investing on their behalf.

Scope

The policy applies to all portfolios managed by PAM where the voting policy has been agreed within the mandate.

Policy

PAM's proxy voting policy is to assess and vote all proxies for every resolution in respect of holdings beneficially owned by PAM entities in companies publicly listed in Australia, excepting entities that PAM has no discretion to vote. However, it recognises that in some circumstances it would be inappropriate to vote, or its vote may be immaterial.

PAM's decision to assess and vote all proxies in whom we have discretion to vote reflects a serious commitment to strong corporate governance and holding companies to account for the way in which their people act.

The Investment Team, which includes the Head of ESG & Engagement, makes an assessment on each proxy in accordance with the 'Proxy Voting Principles', as detailed on the following page.

In determining how to vote on contentious resolutions, the Investment Team will make an assessment utilising information from a number of sources.

These include comments and voting recommendations obtained from PAM's investment analyst responsible for analysing the related security, market information and if required reports from independent corporate governance advisers. Issues referable to the Investment Team can range from the proposed issue of executive options without adequate performance hurdles, resolutions that may adversely affect the rights of existing shareholders and approval of changes of substantial shareholdings.

If we believe that a resolution is detrimental to shareholders, including on ESG issues, we will vote against the item recommended by the Board.

In circumstances in which we decide to vote against the item recommended by the Board, we will inform the company of this decision and ask for a meeting to discuss the issues raised, with a view to engaging for a better outcome for shareholders.

Proxy Voting Principles

1. **Board of directors:**

   a. **Responsibilities of the Board**
      i. The Board of Directors is responsible for oversight of corporate strategy, capital management, risk management, setting executive remuneration and incentive schemes, selection and appointment of executives and evaluation of their performance and succession planning.
      ii. Boards need to demonstrate that the corporate strategy and risk management procedures in place provide appropriate framework for the executives of the company to carry out operations of the company in a way that does not negatively impact the environment or the community in which the business operates.
      iii. Boards must demonstrate accountability for their organisations. This includes taking responsibility for the actions of the company and taking appropriate remedial action when things go wrong.

   b. **Skills and background suitable to the role**
      i. A company's Board of Directors should have skills and experience relevant to the core operations of the company. We value diversity on the Board, including diversity of professional backgrounds as to ensure that the Board is not susceptible to groupthink mentality; however, even diverse range of professional backgrounds should ultimately be relevant to the core operations of the company.
      ii. Individual directors should also have strong track records when it comes to performance in other relevant roles. We expect individuals to attend all relevant board and committee meetings, exercise independent judgment, and have sufficient time to devote to the role.

   c. **Diversity** – we encourage gender and cultural diversity on the Board as well as across the workforce because companies are most likely to be successful when they harness collective intelligence and approach problems with diversity of thought and experience. In respect of board composition, we encourage diversity of gender, age, education and professional experience, ethnicity and board tenure, while expecting boards to consist of the best mix of skills and experience for the role. In respect of gender diversity, we support boards that are targeting at least 30% female representation.

d. **Independence** – a company board fulfils its supervisory and advisory functions by bringing an independent perspective to bear. We value independence on the Board because of our expectation that a board makes decisions in the best interests of the company, free of any business or other relationships that could interfere with their judgment. We therefore expect the majority of the directors on the board to be independent. However, we also recognise that corporate history is relevant and valuable, and therefore believe that on occasion it is acceptable to have previous executives serve on the Board.

e. **Remuneration of the Directors** – we believe that remuneration should be competitive to attract the most suitable Directors with relevant and valuable skills and experience. We do not believe that non-executive directors should participate in incentive structures (i.e. cash bonuses or equity based incentive schemes), however, we prefer Directors to be equity holders to align their interests with those of broader shareholder base.

2. Remuneration of executive team

a. **General policy** – as a general principle, executive remuneration should be aligned to the delivery of company strategy and the shareholder experience. More specifically:
    i. Overall executive remuneration packages should be competitive in order to attract the best talent but not so excessive that employee engagement and the company's reputation is jeopardised.
    ii. Executive remuneration should provide appropriate incentives for executives to deliver on the corporate strategy and in line with corporate values. Ideally, total remuneration should be materially skewed to the 'at-risk' component, linked to performance and vest over a sufficient period that ensures executives are held accountable for the implementation of the corporate strategy.
    iii. Performance based hurdles are to be linked to internal strategic goals such as EPS growth, Return on Invested Capital hurdles, and other appropriate metrics.
    iv. We do not believe that share price performance alone is an appropriate hurdle. We believe that when performance hurdles are benchmarked against a peer group, that peer group has to be appropriate in the context of the industry and market in which the company operates.

b. **Non-financial measures** – we support the use of non-financial metrics in variable pay. Like financial metrics, the hurdles must be objective, transparent, measurable and at-risk. Disclosure of the hurdle and measurement against that hurdle is crucial, given the general suspicion that non-financial measures can be manipulated or easily met.

c. **Base** – the fixed base part of remuneration should be reasonable in relation to the executive's core duties, as well as competitive, to enable the Board to recruit the most suitable executives. We acknowledge that from time to time remuneration has to be competitive in the context of the global market where executives are required to have global/international experience, however, we would prefer the size of base pay to be set independent of company size or simple benchmarks provided by external advisers. Any material increases in fixed pay should be explained with a clear rationale for the increase, particularly given that bonuses and other incentives are often set with reference to the size of fixed pay.

d. **At-risk component** – at-risk component of remuneration should be linked to performance and can be in the form of cash or equity. We expect the at-risk component to be genuinely at-risk; we will examine the consistency of bonus and other variable pay outcomes over time. Incentive structures should incorporate performance-based hurdles, such as strategic return targets, or earnings growth, and can be short term or long term focused, or both, depending on the period of time being measured. Performance based hurdles should be based on both internal and external factors so that they reward performance that is superior to the relevant peer group. While we value the Board's experience and knowledge of the company and believe that the Board should have discretion to set and implement the most appropriate incentive structure, we expect boards to be transparent and publicly disclose details including:
   i. the hurdles chosen
   ii. the rationale for those hurdles
   iii. the ways in which incentive structures are aligned with the company's strategy, its values, and the experience of long-term shareholders.

3. **Spill resolutions** – we expect all companies that have received a strike or a high vote against a previous remuneration report to respond to investor concerns and feedback. We will assess each remuneration report on its merits, irrespective of previous strikes or high against votes at previous AGMs. When it comes to voting on a board spill resolution, we will consider each in its context. We will consider factors including company performance and the shareholder experience, the efforts made by the board to address investor concerns, the materiality of the

issues leading to investor dissatisfaction, and the likely disruption caused by a spill resolution being supported by investors.

4. **Shareholder Proposals** – all legitimate proposals from shareholders are evaluated and supported when deemed appropriate.

    a. **Proposals that request amendment to the Constitution of the Company** – we do not support resolutions that propose a change to the company Constitution, if that change would result in making the Board of the Company less effective in carrying out their duties compared to the Boards of peers.

5. **Disclosure** – we encourage better disclosure as long as it does not involve disclosure of commercially sensitive information. In particular, we encourage disclosure on ESG issues, such as climate change, community involvement, diversity and modern slavery, amongothers.

6. **Policies** – we encourage the Board of Directors to promote and oversee ESG issues within the company, and therefore prefer to see formal adoption of policies on the following topics:
    a. Environment and Climate Change
    b. Human Rights, Slavery and Human Trafficking
    c. Corporate Values and Responsibility
    d. Whistleblowing procedures.

    We acknowledge that smaller companies may be constrained in developing formal policies on the following topics and we seek information from such companies through direct engagement.

Reporting and Disclosure

A written record is kept of all voting decisions made, together with the reasons for each decision (including any abstentions). PAM will disclose on an annual basis, a summary of its proxy voting statistics.

Conflicts of Interest

All PAM employees are under an obligation to be aware of the potential for conflicts of interest with respect to voting proxies on behalf of clients.

PAM acknowledges that conflicts of interest do arise and where a conflict of interest is considered material, PAM will not vote until a resolution has been agreed upon and implemented.

Investment team members must attest to the below when recording proxy details in the 'Proxy Voting Register'.

“Did you, or relatives, knowingly have a business or personal relationship with the proxy issuer or closely affiliated entities? This includes a business or personal relationship with Directors of the proxy issuer or their family members. Should the answer be 'yes' was it reported to the Compliance Officer or CEO before proceeding with the vote? Was an assessment undertaken before proceeding?”