

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	May 2016	Initial Version
1.1	May 2017	Annual review
1.2	May 2018	Annual review
1.3	May 2019	Annual review
1.4	February 2020	Annual review

b. Authorisation

This document requires the following approvals:

Authorisation	Name
Initial Version	Board
Revisions	Managing Directors

1. Introduction

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

2. Policy Statement

It is the policy of Spheria to vote on all material issues. In the event that Spheria receives a direction from the client in relation to the appointment of a proxy and the way the proxy should be voted, Spheria will use its best endeavours to implement the direction. In the absence of any direction, Spheria 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. Process Overview and Procedures

1. Proposed resolutions with explanatory notes are prepared and forwarded from Spheria's proxy voting service or Pinnacle IMS (middle office)/custodian to Spheria.
2. The Portfolio Manager(s) will review each material resolution on a case by case. 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, Spheria may subscribe to a proxy voting service which provides independent analysis and voting recommendations on key governance issues. Spheria considers these recommendations when arriving at a decision.
4. Spheria may raise issues with company management prior to voting in an attempt to resolve issues.
5. Voting recommendations are approved by the Managing Director(s).
6. Upon approval, votes are processed by Spheria on an electronic proxy voting system (ISS Risk Metrics).
7. Spheria will maintain a record of all voting on behalf of its clients and report these to the client, when requested.

4. 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.

5. Non-Routine Proposals

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

Spheria'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:

- Mergers and acquisitions
- Restructuring
- Employee share purchase plans

6. Corporate Governance Proposals

Spheria 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.

7. Engagement with Companies

In addition to voting, Spheria 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.

8. Conflicts of Interest

If Spheria staff detects a material conflict of interest in connection with voting on the resolutions, then the staff should escalate the matter to the Managing Director(s) and Pinnacle Risk & Compliance. Spheria will abstain from voting if it is deemed to be in its client's best interest.

9. Socially Responsible Policy Issues

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

10. Class Actions

Spheria does not direct clients' participation in class actions without the client's consent. The Portfolio Manager(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.

11. Compliance

The Managing Director is responsible for managing compliance this policy.

Risk and Compliance is responsible for monitoring compliance with this policy.

12. Breaches of this policy

Breaches and incidents of this policy are required to be reported to Risk and Compliance.