YARRA
CAPITAL MANAGEMENT

YCM EQUITIES TEAM PROXY VOTING POLICY

Yarra Capital Management includes the following entities:

- Yarra Funds Management Limited ABN 63 005 885 567 AFSL 230251

and may be referred to in this document as Yarra, YCM, we, us,

YCM EQUITIES TEAM PROXY VOTING POLICY

1. Scope

This policy sets out the Yarra Capital Management equities investment team's ("YCM Equities Team") proxy voting principles for managed investment schemes and the various separate client accounts the YCM Equities Team manages under discrete mandates (each a "portfolio").

This policy does not cover any discrete mandates where the YCM Equities Team has no discretion over proxy voting or where specific client instruction has been received in relation to proxy voting and corporate governance matters.

2. Introduction

The YCM Equities Team believes that corporate governance and the exercise of voting rights are an important means of influencing corporate governance and policy, and a critical aspect of its role as a fiduciary and responsible investor. As a long-term investor, the YCM Equities Team is focused on the fundamental performance of the companies in which it invests. By positively influencing corporate governance it aims to actively improve returns to investors while promoting long-term decision making by boards and management.

In addition to voting, the YCM Equities Team proactively engages with company management and boards where significant corporate governance issues are identified, including in relation to actions or directions a company is taking regarding performance, corporate governance and other matters affecting shareholders' interests.

3. Proxy Voting Principles

The YCM Equities Team's guiding principle in relation to proxy voting is that all voting rights should be exercised and proxy votes must be cast in the best interests of the portfolios.

It believes that its role as proxy voters for its clients is important. It takes time reviewing third-party research, completing its own research, and engaging with boards to understand the issues and, where appropriate, express its thoughts and/or concerns. Voting decisions are made on a case-by-case basis by an assessment of the matter at hand and after taking into consideration the likely effect of the matter.

Accordingly, and consistent with good practice, even where a matter is not material, it is the YCM Equities Team's policy to exercise all voting and other similar rights. The YCM Equities Team will not vote where it is excluded from so doing by the Corporations Act or other laws, or in cases of conflicts of interest or duty which cannot be resolved lawfully or appropriately.

In some (typically very rare) instances, the YCM Equities Team may determine that a portfolio's best interests are served by abstaining from voting. This may occur, for example, where the YCM Equities Team does not support a resolution, but believes a public no vote could destabilise a company and adversely impact the value of the portfolio's investment.

The decision to vote, or not, and in favour or not, is determined by the covering investment analyst in conjunction with the lead portfolio manager.

Corporate governance principles

In general, the YCM Equities Team upholds the following corporate governance principles when proxy voting, recognising that each vote involves unique facts and circumstances which require individual consideration and assessment on its own merit:

- Board of directors:
  - Independence & Diversity:
    - The majority of directors should be independent of management and majority shareholders, except in exceptional circumstances, as it is critical for Board decisions to be made after discussion and thinking unconstrained by management.
    - The Board of directors should have a diversity of views, with each director bringing an independent mind to bear when contributing to the board's decision-making process.
    - All listed entities should have and disclose their Diversity Policy and board skills matrix and demonstrate progress towards these objectives.
    - Directors should generally not generate income from the company outside of directors' fees or equity dividends. But if there are related party arrangements, the YCM Equities Team would require full disclosure to understand the nature of the arrangement, including the arm's length nature of such arrangement, and the potential for it to impact a director's independence.
  - Chair:
    - Where possible, an independent director should fill the position of Chair.
    - To remove the risk of unequal treatment of shareholders, a large shareholder should not take up the position of Chair.
    - Where a founding shareholder is appointed Chair, an independent lead director should be appointed.
    - The position of Chair and CEO should not be amalgamated.
    - A former Chief Executive Officer of the company should generally not fill the position of Chair. In the rare circumstance that this may be pursued, there should be a material time period between the two roles.
  - Competence:
    - Directors should be chosen for their expertise in a particular field relevant to the normal activities of the company.
    - A company should provide shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director.
    - A Board should adopt a formal performance assessment process. This should cover its own performance, including that of individual directors, as well as evaluate management and company performance.

        - A nominations committee should be established to monitor the performance of the Board, assess competency requirements, and provide recommendations for the appointment and removal of directors, with the majority of the committee to be independent directors.
    - Commitment & Board size:
        - All directors should have enough time to commit to company affairs to soundly perform their duties.
        - Directors should hold meaningful equity in the company, subject to their personal circumstances.
        - There should be a sufficient number of directors to ensure that all major functions of the Board and affairs of the company are addressed with maximum efficiency.
- Risk Management:
    - A Board should have a risk management framework which identifies key risks and ensures that material changes in the risk profile are communicated to shareholders.
    - A risk committee should be maintained and be comprised of a majority of independent directors and an independent chair.
- Code of conduct & Whistleblowing:
    - A code of conduct should be adopted to guide the behaviour of directors, senior management and staff. It is intended that a code will promote the company's values and ethical and responsible behaviour.
    - The Board should also adopt compliant and favourable policies for the encouragement and protection of whistleblowers which also applies to directors of the company.
- Remuneration:
    - Performance driven: Remuneration for senior executives should be linked to performance. A material percentage of total remuneration should be "at-risk" and tied to clearly defined performance targets as part of incentive plans.
    - Clear and aligned with strategy: Remuneration structures should be appropriately designed, easily understood, align with senior managers delivering on the company's strategy and be implemented in a clear and fair manner.
    - Remuneration Committee: The Board's remuneration committee should comprise a majority of independent directors.
    - Incentive plans: Incentive plans, particularly long-term plans, should be linked to the equity of the company so that they align management with the best long-term economic interests of all shareholders. Clear performance hurdles should apply to both short and long-term incentive plans.
    - Full disclosure. Material details of each incentive plan should be disclosed to the market and rewards available be reasonable in all the circumstances. Quantitative targets should be disclosed, except for unique circumstances where competitive considerations limit ability to disclose.

4. Responsible Investment and Proxy Voting

Through proxy voting, the YCM Equities Team believes it can exercise its votes to ensure companies understand its views as a responsible investment manager in alignment with its responsible investment policy. This includes signalling to companies that it considers material Environmental, Social and Governance (ESG) issues when making investment decisions. Some examples of resolutions that reflect ESG issues include:

- Disclosures related to topics such as climate change, human rights, working conditions, or workforce diversity. Companies should work toward disclosing material information relating to targets and performance and to set credible evidence-driven targets across ESG issues.
- Policies to improve management of material ESG issues. Companies should work to establish policies that drive action and accountability to address material ESG issues, such as improving diversity in senior management and board composition.
- Proposals that enhance long-term shareholder value and are aligned more broadly to positive outcomes for the natural environment and society. The YCM Equities Team would vote in support of proposals that align shareholder value and interests of the environment and society.

5. Use of External Service Providers

The YCM Equities Team uses the services of an external proxy voting and corporate governance research provider to execute votes and for background information when assessing resolutions. Such information and research are taken into account in proxy voting decision making, with the YCM Equities Team ultimately forming its own view on how best to exercise voting rights.

6. Separate Client Accounts

Proxy voting activities for separate client accounts are conducted as set out in the respective client agreement and may include delegation of voting to the YCM Equities Team or only provision of voting recommendations to the client.

7. Disclosure of voting records

YCM maintains a record of all voting activities, including of votes for, against and abstained. The record of all voting activities is made publicly available on the YCM website.

8. Further information

If you have any questions in relation to this policy, please contact a member of Legal, Risk & Compliance.

Version history:

Version	Issue Date	Approval	Comment / change
1	26 March 2024	Approved by the Boards of Yarra Funds Management Limited and Yara Capital Management Limited on 7 and 26 March 2024 respectively.	Update and reissue of specific policy for YCM Equities Team.