

Paradice Investment Management Pty Ltd
("Paradice")

Proxy Voting Policy

12 September 2022

Introduction

Paradice Investment Management Pty Ltd (Paradice) provides investment management services to managed investment schemes and institutional investors. Paradice has a responsibility to act in the best interests of both fund investors and direct mandate clients who have delegated the responsibility to us to vote on their behalf.

The Proxy Voting Policy sets out Paradice's approach to exercising the voting rights associated with the listed equity investments it manages on behalf of our fund investors and clients, (together "clients"). We take our responsibilities seriously and acknowledge the importance of our right to vote.

This policy applies to investments directly managed by PIM Pty Ltd only.

Why proxy voting is important

Paradice takes an active approach to share ownership and strives to be a responsible steward of the investments it makes on behalf of clients. Exercising the voting rights afforded to us through share ownership, referred to as proxy voting, is a responsibility we seek to fulfil in a considered manner. We believe doing so is key part of our investment stewardship and is in line with our commitment to responsible investment practices. Put simply, it is part of the overall investment process.

Proxy voting also enables shareholders to influence a company's corporate governance, and express views on what a company is doing well or needs to improve. Good corporate governance creates the framework within which a company can be managed in the long-term interests of shareholders and should be viewed as a driver of shareholder value.

Paradice considers "corporate governance" to be concerned with the way listed companies are governed, as distinct from the way the businesses within them are managed. This includes matters such as governance structures, selection of directors and appropriate representation of shareholders. Whilst we believe it is difficult to define "good" corporate governance that will be appropriate for all situations and companies, we generally consider the ASX's Corporate Governance Principles and Recommendations to represent good practice.

In practice, our proxy voting activity is both informed by and an extension of our engagement with the companies in which we invest or are considering investing in. Paradice's investment teams regularly meet and engage with management and boards of companies to both better understand these businesses and where relevant to influence changes in their practices which are in the best interests of shareholders. Paradice actively discusses all aspects of its investment with the companies, including pertinent environmental, social and governance ("ESG") issues.

In instances where we have communicated messages to companies through engagement, the manner in which we cast our votes can also be a means through which we reaffirm our stated position of either approval or dissatisfaction. We believe it is important to vote consistently with our positions communicated to the company in other forums.

Roles and responsibilities

The respective Portfolio Manager of the investment strategy has ultimate responsibility for deciding on the voting position. In coming to this position, the Portfolio Manager typically liaises with the relevant covering

analyst and, in instances where the vote is related to an environmental or social matter, consults with the ESG Team. If the company in question is held in multiple investment strategies, the Portfolio Managers will seek to come to the same voting position to support consistency but are not required to do so.

The investment teams have access to specialist proxy research as well as other investment research which may be drawn upon in decision making. Paradice does not apply automated voting rules based off proxy adviser recommendations and considers each resolution on its merits.

Employees who have the authority to vote client securities must familiarise themselves with and strictly adhere to Paradice's proxy voting policy.

Policy and Implementation

Paradice's overarching policy is to cast votes in the best interests of our clients. In acting in clients' best interests, Paradice seeks to maximise long term investment returns, subject to an acceptable level of risk. This policy, including the advancement of good corporate governance practice, will be applied in the context of this overriding objective.

As a general proposition, Paradice will vote in favour of resolutions it expects will enhance long term shareholder value. Conversely, it will vote against resolutions which it believes may damage shareholder rights or economic interest. In these situations, Paradice typically seeks to raise its concerns with management in advance of casting its vote.

Given the broad spectrum of our investments across geographies, market capitalisation and industries, we recognise the need to vote on a case-by-case basis. Whilst we believe it is difficult to put in place a set of prescriptive rules that will be appropriate for every situation, we have established a set of broad voting preferences.

Paradice's policy is to undertake our voting responsibilities in line with the following principles:

- Any votes cast will be cast in what we believe to be the best interests of our clients.
 - We acknowledge that this may mean at times our voting position differs to the general consensus of the market. Nevertheless, it is consideration of clients' best interests which leads all voting decision making.
- We vote on all resolutions where we have the authority and responsibility to do so. Where responsibilities have been delegated to us on behalf of clients, we follow any specific investment mandate instructions.
- We strive to review all voting ballots received and consider each proposal on its merits, and may draw upon internal and external research, proxy advice and engagement with the company in coming to a voting decision.
- We consider how our voting may drive outcomes in line with our core positions on corporate governance matters including:
 - Directors and management are responsible for building and/or preserving long term shareholder value.
 - The Board has a responsibility to represent all shareholders.
 - Corporate governance structures should enshrine accountability, transparency (where it does not negatively impact the commercial position of the company) and responsibility.
 - We expect Boards to facilitate good communication with, and make relevant information available to shareholders.

- Independent directors should form the majority on the Board, the Remuneration Committee, the Audit Committee and the Nomination Committee and be non-executive with no commercial links to the company.
 - Where there are executive directors which may have commercial links to the company, these are appropriate and properly disclosed to shareholders.
 - We believe a quality Board is one that has appropriate skills and experiences represented and has a diversity of perspectives to improve decision making. In many cases, diversity of thought can be achieved through greater director representation of women, individuals from different cultural backgrounds and a wider variety of professional experience.
 - In our view Boards have responsibility for driving their organisation's culture and embedding expectations of employees complying with relevant laws and acting ethically.
 - Paradice should not become involved in the day-to-day management issues of investee companies but rather act to strengthen corporate governance practices and long term value creation in the best interests of shareholders.
- Boards play an important role in providing oversight of how a company manages its material ESG risks, such as those relating to climate change and labour issues. Boards also have a responsibility to ensure shareholders are informed of a company's exposure to material ESG risks and actions being taken to mitigate them.
 - When voting relates to executive remuneration, we will typically vote in favour of resolutions which support structures that:
 - Are fit for purpose in delivering business strategy and are aligned to long term value creation.
 - Serve to attract, retain and appropriately incentivise senior leadership.
 - Are within the company's risk appetite.
 - Appropriately align key individuals' interests with those of shareholders.
 - Any votes we consider to be contentious will be subject to additional analysis and due consideration. Contentious issues may include but are not limited to the potential for Paradice to vote against the company's recommendation and shareholder-requisitioned resolutions.
 - In instances where a resolution is a non-binding advisory vote, we may be more willing to vote against the Board's recommendation if we believe doing so will advance long term objectives.
 - For climate-related resolutions, whether proposed by the company or a shareholder, we seek to vote in a manner which we believe best supports positive climate change outcomes over the long term, subject to the resolution not being overly prescriptive nor undermining clients' best interests within the strategy's investment horizon.
 - We will not vote or cast an abstain vote in instances where it is appropriate to do so, such as where:
 - We are legally required to refrain from voting.
 - There is a conflict of interest.

Paradice has established procedures to ensure that all ballots that are received are properly distributed and votes are cast in a timely basis. A list of all upcoming annual and extraordinary general meetings, together with details of their agendas and relevant research, is circulated to all relevant portfolio managers for their consideration. Paradice uses a third party service provider to facilitate our voting activities and help us to meet best practice standards.

Client Instruction and Consultation

The Investment Management Agreements with our discrete mandate clients generally cover who has the authority and responsibility of exercising proxy voting rights. Notwithstanding this, the implementation of

Paradice's voting policy is always subject to any specific investment mandate instructions with respect to the exercising of voting rights. Where required, Paradice will provide the vote intention and rationale to a client before the proxy voting deadline.

Reporting of Proxy Votes

Paradice keeps a register of all proxy votes cast. Paradice provides clients with a proxy vote summary in accordance with their reporting requirements. Our voting record and decision-making process on contested matters are documented internally. Disclosure of our aggregated voting activity is included on our website.

Conflicts of interest

All Paradice employees are under an obligation to be aware of the potential for conflicts of interest with respect to proxy votes on behalf of clients. Paradice acknowledges that conflicts of interest do arise and where a conflict of interest is considered material, Paradice will take steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. Paradice may, at its discretion, (A) seek the advice of the applicable advisory board of a client in voting such security (if any); (B) disclose the conflict of interest to the client or the applicable advisory board and defer to the client's voting recommendation; (C) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (D) take such other action in good faith which would serve the best interests of the client. Depending on the circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

Disclaimer

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