



## Proxy Voting Policy

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<b>Document Number</b>	120.4
<b>Procedure Owner</b>	Chief Executive Officer (CEO)
<b>Related Documents</b>	Loftus Peak Responsible Investment Policy 201.7

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### Overview

The Board of directors of Loftus Peak Pty Ltd (**Loftus Peak**) recognise the primary fiduciary responsibility is to scheme members (**members**) who are the ultimate owners and beneficial owners of securities managed.

A key aspect is the application of due care and skill in exercising shareholder responsibilities of listed securities managed.

Loftus Peak recognises that under present law it has discretion as to whether a vote should be cast for or against a particular company resolution (or abstain) put to shareholders.

At all times Loftus Peak will act solely in accordance with its fiduciary responsibility to consider the collective interests of members as a whole.

At no time will Loftus Peak use the shareholder powers exercised in respect of members interests to advance its own commercial interests, to pursue a social or political cause that is unrelated to members economic interests, or to favour a particular scheme or other relationship to the detriment of others.

In developing this policy, the Financial Services Council (**FSC**) Voting Policy, Voting Record and Disclosure is recognised as representing the best general practice guidelines for Australian corporations and investment managers in the exercise of their corporate governance responsibilities.

The FSC Standard No 13: Proxy Voting Policy applies in respect of Australian-listed investments only. Loftus Peak wish to extend and apply the requirements of this Standard to any other investments of the Scheme (including ex-Australian investments).

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## Voting Policy Areas

### Accounting practices

#### Election of Directors who are Audit Committee Members (if known)

Generally, Loftus Peak will recommend a vote against or abstain from the director's election who are members of the Audit Committee if:

- the director does not have previous recent experience on an audit committee
- is not a qualified accountant
- was not in a role which required him/her to understand financial statements and analysis, interpret and evaluate financial data and have an understanding of risk management or
- was a partner of Loftus Peak's auditor in the last three years.

#### Re-election of Directors who are Audit Committee Members

Generally, Loftus Peak will recommend a vote against or abstain from the director's re-election who are members of the Audit Committee if:

- The non-audit fees paid to the auditor are excessive;
- The company receives an Adverse Opinion on the company's financial statements from its auditors; or
- There is persuasive evidence that the audit committee entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm.

In addition, Loftus Peak will recommend voting case-by-case on directors' re-election who are members of the Audit Committee and/or the full board if poor accounting practices are identified which rise to a level of serious concern, such as fraud and misapplication of accounting standards.

Loftus Peak will examine the severity, breadth, chronological sequence and duration, as well as the company's efforts at remediation or corrective actions in determining whether negative vote recommendations are warranted against the directors who are members of the Audit Committee and who are responsible for the poor accounting practices, or the entire Board.

### Director attendance at meetings

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Loftus Peak will recommend against or abstain from voting on individual directors who attend less than 75 percent of the board and committee meetings without a valid excuse, such as illness, service to the nation, work on behalf of the company, or funeral obligations.

If the company provides Loftus Peak with meaningful disclosure explaining the director's absences, we will evaluate the information on a case-by-case basis taking into account the following factors:

- Degree to which absences were due to an unavoidable conflict;
- Pattern of absenteeism; and

Other extraordinary circumstances underlying the director's absence.

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**Executive remuneration**

Loftus Peak will recommend against or abstain from voting for compensation of committee members, the chief executive officer (CEO), or the entire board of directors, in certain cases, if poor pay practices are found to exist. Poor pay practices include, amongst others, excessive executive perquisites, or modified single trigger provisions (in the event of a change in control) in equity compensation plans. Loftus Peak also may recommend a vote for shareholder proposals on clawbacks of incentive pay if the company's policy on the issue does not meet best practices standards. Loftus Peak will similarly endorse proposals seeking holding period requirements for executives receiving equity-based incentives, if there are circumstances, (like the presence of risk-incentivising factors) that warrant the adoption of such proposals. Loftus Peak will not look upon the stock market's deterioration as sufficient reason for repricing of stock options or resetting performance plans by companies.

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**Responsible Investment**

The allocation of capital is a powerful force for change; we at Loftus Peak understand that our investment decisions, when taken together with others, can drive positive Environmental, Social and Governance (**ESG**) outcomes. It is important we consider and integrate ESG factors into our investment approach as they have the potential to impact the long-term sustainability of companies in our investment universe. Loftus Peak engage with companies to address the ESG risks we have identified, including by voting on shareholder resolutions. While in some cases our ownership of portfolio companies might comprise only a very small part of the whole, engagement is an important responsibility; each vote in favour of better ESG outcomes will add to all those that have already been cast. The Responsible Investment Policy outlines Loftus Peak's approach to ESG in both investment philosophy and process, as well as the operation of the business.

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**Record keeping**

Loftus Peak will keep record of its voting record with respect of each investment and the recommendation of how to vote on the resolution matters and if the decision was not to vote and the reason why. This record is tabled at the meetings of the Loftus Peak Compliance Committee.

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**Disclosure of voting**

The Loftus Peak voting record is available to investors and their advisers on request and may be made available to other parties on a case-by case basis.

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