

MUNRO PARTNERS

Proxy Voting Policy

Dated: May 2020



PROXY VOTING POLICY

Background

Munro Partners considers that proxy voting rights are an important power and should be managed with the same care as any other asset managed on behalf of its investors, and in the Funds' best interest.

Subject to this Policy, Munro must vote on any matter for which the Fund receives Proxy Materials for a meeting of securityholders of an issuer. A Fund is considered to have "received" a document when it is delivered to any service provider or to the Fund in respect of securities held beneficially by the Fund. Munro reserves the right to abstain on any particular vote or otherwise withhold its vote on any matter if, in its judgment, the costs associated with voting such proxy outweigh the benefits to the applicable Fund or if the circumstances make such an abstention or withholding otherwise advisable and in the best interest of the applicable Fund. These guidelines can and may change and evolve over time.

Principles

1. The objective of the Munro Voting Policy is to ensure Munro acts in the best interests of our clients / investors.
2. Voting rights and powers are only to be exercised to benefit all clients' interests and shall not be exercised in a way that benefits Munro or any other party or interest at the expense of our investors.
3. Munro maintain a set of guidelines to assist in exercising its voting discretion in a clear and consistent manner.
4. Proxy voting will be performed as required / when notifications are sent to the Munro Operations team. Voting instructions will be agreed with the Portfolio Manager responsible for the underlying investment.

Where any Conflict of Interest arises or as requested by the Portfolio Manager, the COO and CEO will be notified, and appropriate recommendations documented.

Proxy Voting Procedures

Munro is responsible for ensuring that adequate procedures are in place to allow it to vote all proxies consistent with this Policy. Where Proxy Materials are received, such materials must be reviewed to determine whether, in the opinion of the Munro, any or all of the proposals should be voted. Where Munro determines that some or all of the proposals should be voted, Munro must, where adequate notice was provided, ensure that the Munro's voting instructions are submitted to the voting agent on or before the vote deadline date.

Munro is authorised to delegate some or all of its voting function to an independent proxy voting service provider, but Munro will retain the responsibility for ensuring that any such voting complies with this Policy.

Voting Guidelines

Munro's standing policy will in general be its default voting position. The standing policy are not strict rules that must be obeyed in all cases, and proxies may be voted contrary to the vote indicated by the guidelines if Munro deems such a vote in the best interests of the applicable Fund. Munro will vote all securities based upon the guiding principle of optimising the economic value to the Fund's securityholders, and ultimately all votes are cast on a case-by-case basis, taking into consideration the contractual obligations, and all other relevant facts and circumstances at the time of the vote.

For Funds that hold investments in other Funds where Munro is the Investment Manager of both, the top Fund and the underlying Fund(s), the proxy of the underlying Fund(s) will not be voted.



ESG Considerations in Proxy Voting

Environmental Issues (E)

Munro considers the business risks facing a company relating to their operations on the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.

In terms of Environmental issues' proxy voting and shareholder proposals for increased reporting, Munro considers the following:

1. Does the company's product or service have the potential to affect the environment adversely?
2. Has the company been the subject of adverse publicity or litigation because of its environmental policies?
3. Has the company failed to provide adequate information about its environmental practices to shareholders?
4. Does the company report on their activities affecting the environment?
5. Does the company report on its preparations to comply with the Kyoto Accord if it does business in countries that have adopted the Accord?
6. Does the company report on pollution, potential liabilities and emissions relating to climate change?

Social Issues (S)

Munro considers the business risks facing a company relating to their operations relating to the rights, well-being and interests of people and communities. These include: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons.

In terms of Social Issues' proxy voting and shareholder proposals for increased reporting, Munro considers the following:

1. Is the company's position on labour and human rights in the shareholder proposal reasonable?
2. Is the company's position detrimental to the long-term viability of the company or shareholder value?
3. Does the company's position reflect society's values and attitudes on the company's long-term viability?
4. What will the effect of the resolution be on long-term shareholder value?
5. What will the company's competitiveness and sustainability be if the resolution addresses a specific law?

Governance Issues (E)

Munro considers the business risks facing a company relating to their operations relating to the governance of companies and other investee entities. In the listed equity context these include: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented.

Given corporate governance covers a broad range of considerations, by way of example, for shareholder proposals on political expenditures, Munro considers the following:

1. Disclosure practices;
2. Any known activities such as fines or litigation; and
3. Level of political contribution oversight by both the management team and the board:



Related Policies

- Our Philosophy and Approach:
Munro Partners' Responsible Investment Policy
- Our Views on ESG:
Munro Partners' ESG Policy
- How we engage:
Munro Partners' Proxy Voting Policy

These policies can be found on our website at:
www.munropartners.com.au/legals

Contacting Us

You can contact us by mail, telephone, email or via our website:

Munro Partners
Level 19
80 Collins Street
Melbourne VIC 3000
+ 61 3 9290 0900
contact@munropartners.com.au
www.munropartners.com.au

