

# Proxy Voting Policy

Version 1.1



## Version Control

Version No.	Date Tabled for Approval	Purpose of Changes	Details of revisions to document
1.0	1 July 2020	N/A	First draft of document
1.1	26 July 2021	Updated	Updated Granate values.

---

# Contents

Purpose of this policy.....	1
Guiding Principles .....	1
Our Purpose.....	1
Our Values .....	1
Governance .....	2
General principle .....	2
Directors' election/re-election.....	2
Remuneration.....	3
Auditors .....	3
Issuance of shares.....	3
Corporate actions .....	3
Social.....	3
Environmental .....	3
Voting process .....	4

---

## Purpose of this policy

The purpose of the Proxy Voting Policy is to ensure that the entities we invest in follow principles that are in the best interests of our clients for their long-term investments. The votes take into consideration our principles on Environmental Social and Governance (ESG) to ensure alignment with our investment philosophy. The Proxy Voting Policy is a guideline and highlights the principles we aim to achieve but ultimately each entity and vote will need to be considered in context to the circumstances and entity specific criteria.

## Guiding Principles

### Our Purpose

Our purpose is **to protect and grow our clients' savings**. When we consider environmental, social and governance (ESG) related factors in our investment decisions, it is always with this purpose in mind. Whilst personal views and feelings naturally enter our discussions, our decisions are always made with our clients' best interests at heart.

### Our Values

Granate's values are the pillars by which we measure ourselves. We are unwavering in our commitment to them and will never compromise on them for perceived progress. Our commitment as an organisation is to our clients and our colleagues. Everything else is secondary. These values form the foundation for our pragmatic approach to incorporating Governance considerations into our investing.



## Governance

### General principle

The general principle is that the board of directors are custodians that act in the long-term interest of shareholders. The board should have the relevant experience, independent and fairly remunerated to align their interests with shareholders. The boards should also be allowed limited authority to act where necessary but on material issues a specific resolution should be brought to shareholders for consideration.

### Directors' election/re-election

Experience and relevance, past performance (including board attendance), required board independence, chair independence (or lead independent director), diversity of the board, size of the board, composition of sub-committees of the board (Audit, Remuneration, Nominations, Corporate Governance, Risk, Social and Ethical, Investment, etc.), term limits and other external board positions held.

---

### Remuneration

Fair remuneration, short-term and long-term incentives to align with shareholder interests. Alignment would generally reference free cash flow generation, per share value creation, returns on capital, minimum shareholding, and a long-term focus. Consider the reward targets (how high and term). Other important considerations claw backs for malice, excessive dilution negating value creation, impact on termination of employment/corporate actions, employment contract notice period, remuneration committee member composition and clear and transparent reporting of remuneration & KPI achievements.

### Auditors

Consider the appointment/re-appointment, independence, other services provided and materiality of the fees. Recommended audit firm rotation every 10 years and audit partner every 5 years

### Issuance of shares

As we have already decided that we back the management team and approve of the governance, we should generally vote in favour as we believe they are good capital allocators and would use the shares wisely. However, if the analyst has reservations of any nature it should be considered by the Investment Committee

### Corporate actions

To be considered based on the merits of the corporate action to ensure that it is in line with the long-term interest of shareholders.

## Social

Performance metrics that directors are measured against should include employee and management diversity, responsible procurement policies and fair remuneration (across gender and race, also consider the gap between the highest and lowest paid employees).

To consider any Social resolutions in context of Granate's ESG principles.

## Environmental

To consider any Environmental resolutions in context of Granate's ESG principles.

---

## Voting process

AGM or General Meeting Notice is received by the operations team and analysts. Details are captured in the in the Proxy Voting folder

The responsible analysts ensure Granate votes the companies which they follow according to our proxy voting policy.

Votes are recorded in the Proxy Voting Record file in the Proxy Voting Records folder. Votes are submitted to the custodians and emailed to Granate's proxy voting email folder. Should the analyst decide to oppose or abstain from a vote we could communicate the reasons for this to the entities board where deemed appropriate.

When submitting the vote:

The analyst will need to include the individual legal name and fund custody numbers. The proxy vote needs to be signed by one of the authorized signatories on behalf of Granate.

All proxy votes are saved in the Proxy Voting Records folder