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India Avenue Investment Management

Proxy Voting Policy

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INDIA AVENUE INVESTMENT MANAGEMENT

Contents

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India Avenue Investment Management: Proxy Voting Policy

Introduction

India Avenue Investment Management ('IAIM') is a boutique investment manager focused on India as an investment destination. The firm managers two long-only equities strategies that invest predominantly into companies listed on India's two stock exchanges: National Stock Exchange and Bombay Stock Exchange.

IAIM seeks to protect and grow our clients' wealth by being a responsible investor. We do this by attempting to invest in a portfolio of companies that have the capability to outperform a broad market cap benchmark over longer-term horizons.

Our philosophy is of the belief that investing responsibly involves incorporating the principles of Environmental, Social and Governance (ESG) considerations into our investment process. In our view this can lead to a better investment outcome for our clients.

Our ESG Philosophy incorporates:

1) Negative screening of companies with material operations in harmful industries to India's economic growth and social well-being and poor governance practices

2) Stewardship through engagement with our investment advisers, brokers and industry experts to improve the quality of the universe of companies we choose to invest in.

3) Transparency of our actions and its impact on our portfolio through a desire to improve the ESG "score" of our portfolio over time.

Objective

IAIM seeks transparency, governance and social responsibility from the companies in which it invests. This is founded on the belief that good corporate governance and the exercise of voting power provide a structure likely to improve returns to unit holders over the long-term. Whilst not becoming involved in day-to-day management issues, IAIM recognises that it can influence company policy on matters of corporate governance by virtue of shareholdings under its management. Such voting rights are exercised with the primary objective being to uphold the interests of the portfolio's beneficial owners by protecting and enhancing the value of the portfolio assets.

This policy sets out how IAIM will exercise its voting power in relation to assets for which the ownership provides a voting right (the firm invests in listed Indian companies on the NSE and

BSE). Procedures have been adopted to achieve consistent application of this policy and compliance with FSC Standard No. 13. Proxy Voting Policy. In addition, this policy and supporting procedures consider environmental, social and corporate governance ('ESG') issues when exercising voting rights, reflecting IAIM's philosophy.

IAIM provides this voting policy (as amended from time to time) to the portfolio management team and the board seeks confirmation that their voting policy is in accordance with IAIM's significant policy positions.

Policy of Exercising Proxy Voting

IAIM's policy in relation to the securities for which a voting right exists, is to vote on company resolutions where it has voting authority and responsibility to do so (consistent with FSC Standard No. 13 – Proxy Voting Policy). Decisions on how to vote proxies will be made on a company-by-company and resolution basis, whilst preserving and increasing the value of the investment in the best interests of IAIMs investors.

<u>Our Voting Philosophy</u>

- Act in the interest of shareholders and protect their rights
- Ensure appropriate governance structures to allow the board and management to effectively function for the long-term benefit of shareholders
- Incentive structures should align to long-term interests of shareholders
- Align to environment and social outcomes which benefit management, employees, society and shareholders
- Information should be disclosed transparently i.e. accurately and on-time

IAIM generally provides authority to its Investment Team to exercise any right to vote attached to a security but from time to time may direct the Investment Team about how to vote under certain circumstances or may restrict an investment adviser from voting. In the absence of any direction or restriction from IAIM, the Investment Team may elect to exercise, or not exercise, the right to vote as they see fit. However, IAIM will seek to ensure that the Investment Team generally vote in accordance with the statement of corporate governance in this policy.

To assist in decision-making, IAIM will consider the views of appointed advisors of its portfolio from India and may conduct research internally and may also use the resources of independent external proxy advisory services.

Statement of Significant Policy Positions

IAIM supports the ASX Corporate Governance Principles and Recommendations, Financial Services Council Guidance Note 2 – Corporate Governance: A Guide for Fund Managers and Corporations, and commonly accepted good corporate governance practices.

All voting is decided on a case-by-case and resolution basis, although the following list outlines a summary of our views on items of significant importance. IAIM will generally undertake to ensure votes are cast as follows.

- For the separation of the Chairman and Chief Executive Officer roles.
- For resolutions for the appointment of sufficient independent directors with appropriate skills to serve as a majority on Audit and Remuneration Committees.
- For Appointment of auditors of the company
- For resolutions for capital restructuring by issuance of bonus shares, raise capital either through rights issue or fresh issue, acquisition split or hive off companies or a division of the company
- For resolution of approving accounts and declaration of dividends
- For Employee share schemes, and Executive share schemes, which are structured to provide an incentive to improve upon current performance, and do not immediately translate into a benefit at the time of instigation, and which encourage long term shareholder value creation and, where appropriate are exposed to the same risks and opportunities as general shareholders.
- For the re-election of director where financial performance has been acceptable and holding directors to account where performance has not been acceptable.
- For executive remuneration which is reasonable and transparent.
- For minimising the extent of conflicts of interest and for continuous and full disclosure.
- For the formation of Nomination, Remuneration, and Audit committees comprised of Board members.
- For proposals that we consider are appropriate which request increased disclosure regarding the environmental impact of a company's operations and strategies to manage these risks and/or take advantage of opportunities.
- For votes concerning proposals requesting the issuance of corporate sustainability reports, as well as disclosure, where relevant, concerning the emission of greenhouse gasses and strategies to manage risks associated with climate change.

As indicated above, the overriding principle when voting on company resolutions is that votes will be cast in the best interests of our unit holders. There may be exceptional circumstances where we believe it is in the best interests of our unit holders to vote in a manner different to that outlined above or abstain from voting.

Proxy Voting Process

IAIM receives notices of corporate actions via the National Securities Depository Limited portal in India. Once it receives these actions, the Investment Team engage with the portfolio's advisers to receive advice on voting actions. Our advisers generally have a primary relationship with listed companies in India as they are rigorously conducting primary research prior to providing investment advice to us. However, IAIM has the final say in how we vote on corporate actions, given that ownership of companies is held by IAIM on behalf of our unitholders.

1. **Corporate actions notification are received**
2. **Consult with investment advisers in India, where necessary**
3. **Conduct analysis and research, where required prior to voting**
4. **Vote in alignment with our proxy voting policy**
5. **Record voting statistics for transparency and reporting to our Board and Unitholders**

Reporting

IAIM, through its Investment Committee, requires the Investment Team to provide a summary of their participation in corporate actions, and their voting instructions on a regular basis. This report will be communicated to our investors on an annual basis.

Further information

The Operations Manager at IAIM will maintain this policy. This policy (as amended from time to time) will be published on the website, www.indiaavenue.com.au.

Please send any queries to the following address.

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