

Salt is an active investor and has been at the forefront of active engagement in New Zealand. Voting is a valuable tool in Salt's engagement process, including the escalation strategy, as we strive to make our vote count in prompting change within a company.

The Proxy Voting Policy is designed to reasonably ensure that proxies are voted in the best interests of those clients who have authorised us to address these matters on their behalf.

Salt's policy is to vote on all company resolutions as appropriate where it has the voting authority and responsibility to do so. This policy is reviewed annually and applies to all resolutions from all companies within equity portfolios managed by Salt Funds Management Limited.

The Chief Operating Officer is responsible for overseeing the proxy voting process and this policy. The Portfolio Managers are responsible for voting decisions, including engaging with the company when Salt has voted against or abstained from a resolution.

Salt will keep a record of all Proxy Voting activity and where requested, provide this to clients.

Salt's voting decisions are made in-house and based on our experienced investment team's view of the environmental, social and governance issues. Decisions on how to vote proxies are made on a company-by-company and resolution basis while preserving and increasing the value of the investment in our clients' best interests.

Our guiding principles in performing proxy voting are to make decisions that:

- favour proposals that have the potential to maximize a company's shareholder value, and
- are not influenced by conflicts of interest, or
- are not in contravention of our stance on ESG factors.

Accordingly, we analyse each proxy proposal in light of these principles on a case-by-case basis, based on the views of the Chief Investment Officer, research analysts and Portfolio Managers.

Guidelines on key issues:

- *Corporate Governance.* We recognize the importance of good corporate governance to ensure that management and the board fulfil their obligations to shareholders and other stakeholders. We favour promoting transparency and accountability in companies. We support the appointment of a majority of independent directors on boards and key committees.

- *Capital Management.* Prudent capital management is a key building block for long-term success of a business, supporting strategy and ensuring its ability to weather adverse economic conditions. Our decision to support or not will be based on the rationale, how that relates to the strategy, the timing and any potential dilution for current shareholders.
- *Major Transactions.* Decisions and voting on transactions will be made on a case by case basis. Decisions are made in the best interest of our clients based on merits of the deal including the rationale, structure, terms and strategic logic.
- *Remuneration.* In considering a company's remuneration arrangements, policies and practices, we will form a view based on whether we consider them to be balanced and proportionate, aligned with long-term strategy, incorporate robust performance criteria, and aim to deliver outcomes that reflect value creation.

If Salt identifies a conflict of interest in the process of voting proxies, e.g. two Salt clients with opposing interests, the Portfolio Manager will notify the Chief Operating Officer. The decision on how to vote will be made in accordance with these guidelines having taken into account all relevant facts and circumstances.

Where directed and in absence of any conflict of interest, Salt will endeavor to vote according to underlying clients' Proxy Voting Policies and, if instructed by the client will vote in accordance with their instructions.

In the instance Salt votes against or abstains, the rationale is communicated to the company and a key part of Salt's commitment to stewardship.

Depending on the scenario, Salt can engage at different stages of the AGM:

- Pre-AGM – we can communicate our views ahead of a vote to allow the company the opportunity to integrate concerns and adjust proposals accordingly.
- AGM – when we decide to abstain or vote against a vote, we can provide our rationale at the AGM, sharing our views publicly.
- Post-AGM - following the AGM, we can engage directly with the company's management team or its board on specific issues of concern and the rationale for voting against or abstaining.

Salt's external managers are required to vote on Salt's behalf and report voting activity periodically throughout the year.