SG HISCOCK GROUP

SGH Group Stewardship Policy

Introduction

This policy describes the SGH Group[1] (SGH) approach to stewardship as part of the integration of Environmental, Social and Governance (ESG) risks and opportunities within our investment practices.

At SGH, we apply the Principles for Responsible Investment (PRI) definition of stewardship meaning the "use of influence by institutional investors to maximise overall long-term value including the value of common economic, social and environmental assets, on which returns and clients' and beneficiaries' interests depend".

Within the context of our approach to integrating ESG analysis into our investment processes, our stewardship activity involves company engagement, collaborative engagements (where relevant) and proxy voting activity.

Commitment and approach

As active managers, we acknowledge that we may influence the impact of ESG issues as we support and promote long-term success.

Company Engagement

At SGH, we participate in active share ownership, demonstrated by the way we engage with companies we invest in or may consider investing in. Through engagement with companies, we are seeking to improve company sustainability. A key input in our investment selection process is an assessment of the quality of the board and senior management. To develop that knowledge, SGH engages with company management at regular intervals, and prioritises active dialogues where portfolio positions are significant, and issues are viewed as material.

Companies identified for engagement are informed by fundamental research at the product level and monitored by investment teams over time. SGH prioritises engagement on companies that:

- Present potential material ESG risks or opportunities
- Represent a significant portfolio holding or long-term exposure
- Exhibit ESG performance gaps with potential for improvement
- Are accessible to influence either directly or collaboratively

Investment teams engage with companies throughout their investment process on a broad range of issues including a company's strategy, financial and non-financial performance, risk management, corporate governance, sustainability initiatives, and capital structure.

Engagement takes place one-on-one which we find an effective way to articulate our views to a company's management. In conducting stewardship activities, SGH focuses on material ESG risks and opportunities. Not all ESG risks are material for all companies, so we prioritise the most material risks to promote efficient and effective stewardship.

[1] *SG Hiscock & Company Limited and its subsidiary, DMP Asset Management Ltd (DMPAM or DMP), are collectively the SGH Group (SGH).*

Importantly, regular engagement with companies provides opportunities to gather information for the purpose of:

- monitoring and tracking the performance of our investments
- investment and proxy voting decision making
- understanding management's commitment to ESG integration
- gathering insights into the robustness of management's approach to reporting ESG data and encouraging good practice

Where appropriate we participate in industry groups to debate and discuss ESG issues and build greater advocacy across likeminded investors. To encourage companies to adopt ESG best practices at an industry level, we work with industry associations, including PRI and Climate Action 100+. This work fosters collaboration and allows us to discuss ESG matters with industry peers and leading industry constituents.

We are open to conversations with other shareholders of our portfolio companies should there be a benefit in driving desired ESG outcomes.

Proxy Voting

We consider proxy voting rights to be an important power, which if exercised diligently can enhance client returns over the long term. We intend, wherever possible and practical, to vote on every resolution put to shareholders. Our primary objective when voting will be acting in our clients' best long term interests.

Proxy Voting guiding Principles

The decision to exercise proxy voting rights is the responsibility of the Proxy Voting Officer and the Portfolio Manager. In exercising its voting discretion, SGH may consider the following:

- The nature of the resolution at hand
- Ensuring companies act in the best interests of shareholders
- Improve corporate governance of investee companies
- The ability of SGH to influence the outcome of a resolution
- Whether SGH's participation will advance investment objectives

Proxy voting decisions are made via consultation within the investment teams. Consultation may also be sought with the ESG Committee. In addition, the SGH Group may utilise the services of a proxy voting research company to provide information to aid in the decision-making process.

The following principles guide our decision-making process on more frequently presented proposal types. There may be circumstances, however, when our vote may differ from these principles.

Board Structure

We believe that good corporate governance is reflected in a company when the following is reflected in the board structure of a company:

- Board composition should be made up of a majority of independent Directors, subject to the skills and experience that the individual brings to the Board;
- The roles of Company Chairperson and Chief Executive Officer should be separate; and
- Non-executive Directors should also be independent of management, and free of any business or other relationship or related party dealings that could materially interfere with management's decision-making

Re-election

When deciding on the re-election of the Directors we will consider the following:

- Number of other positions they hold, in the context of whether they are able to dedicate sufficient time to performing the duties required of a board member; and
- Their attendance record at board and committee meetings.

We will withhold votes for nominees who serve on the remuneration committee if they approve excessive remuneration arrangements, propose equity-based compensation plans that unduly dilute the ownership interest of shareholders, or are otherwise not considered in the interests of shareholders.

Remuneration

When voting on executive remuneration proposals we consider:

- The quantum of remuneration including any short-term and long-term incentives i.e. share options, fringe benefits and retirement benefits
- Appropriateness of performance targets
- The financial performance of the Company

Shareholder proposals

We review shareholder proposals on a case-by-case basis with specific consideration of the individual company.

Voting Officer

SGH has appointed a Group Voting Officer for all portfolios that invest in Australian listed securities whose role is to:

a. Ensure votes have been lodged on behalf of all SGH funds
b. Monitor upcoming AGMs
c. Provide Group voting statistics for disclosure purposes

Conflicts of Interest

SGH recognises the importance of identifying and managing conflicts of interest. Our conflicts of interest policy defines a conflict of interest as occurring when the interests of one or more parties are not aligned. In the context of stewardship, a perceived or potential conflict of interest may arise where:

- SGH has a financial interest in the matter voted upon
- A member of the SGH Board is a member of the board of directors of an investee company to which the proxy vote relates

In the event either of the above circumstances arises, it is our policy that the proposal will be voted in a manner consistent with our external Proxy Research Provider, provided that no portfolio manager objects to that vote. If an objection arises, the Proxy Voting officer will refer the matter to the SGH ESG Committee to consider the proposal, as appropriate.

Escalation

When we seek to address an ESG matter with an investee company, we usually engage with the company in the first instance. Over time, we may consider escalating the matter to the Board and/or consider the impact of executing voting rights by voting against a resolution.

Individual Portfolios/ Client Mandates

Wherever a discrete mandate client delegates responsibility for exercising proxy votes on their behalf, SGH will do so subject to written confirmation from the client and will confirm votes cast back to the client if requested. The authority and responsibility for exercising proxy votes will be defined within the Investment Management Agreement between SGH and the client.

Application of this policy

This policy applies to all SGH Group products (including Individual Portfolios as described above).

Policy review

This policy is reviewed annually or more frequently as required by the SGH ESG Committee and approved by the SGH Group Board.

Date of last review: 18 September 2025