



Resolution Capital Limited
Proxy Voting Policy

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1. Introduction

This policy has been approved by the Resolution Capital Limited (ResCap) Board and should be read together with ResCap's Responsible Investment and Engagement Policies. These Policies can be found on our website: www.rescap.com

This policy is based on ResCap's fiduciary responsibilities to act in the best interest of clients as shareholders. It describes ResCap's approach to resolutions put forward at Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs).

2. Policy Statement

The purpose of the ResCap Proxy Voting Policy is to outline the way in which ResCap exercises its power to vote at AGMs and EGMs on behalf of client portfolios in order to fulfil its duty to act in the best interest of clients as shareholders. It is the policy of ResCap to vote on all resolutions it has the ability to in accordance with client Investment Management Agreements.

In the event that ResCap receives a direction from a separately managed client in relation to the appointment of a proxy for a particular account and the way the proxy should be voted, ResCap will use its best endeavours to implement the direction. In the absence of any direction, ResCap will exercise the right to vote as it sees fit, having regard to the objective of the investment mandate, and taking into consideration any material conflicts of interests identified.

3. Process Overview and Procedures

It is the responsibility of the Chief Investment Officer (CIO), Portfolio Managers (PMs) and Head of Operations (HOO) to implement this policy.

- ResCap will review each resolution on a case-by-case basis in arriving at a voting recommendation. In arriving at a recommendation, the following main principles are adhered to:
 - i. Any resolution should treat shareholders equally;
 - ii. Any material conflicts of interest are addressed appropriately; and
 - iii. Resolutions should be clearly and individually stated. Composite resolutions are not regarded as optimal.

Voting recommendations by the individual Analysts are approved by the relevant Portfolio Managers.

ResCap also accesses Institutional Shareholder Services (ISS) as an additional resource to provide analysis/research as an input into the evaluation process.

- ResCap will not abstain from any resolution unless:
 - i. It is in the client's best interest to abstain;
 - ii. A direct instruction has been received from a client to abstain;
 - iii. Regulations in the issuing company's country of domicile prevents lodgement of an against vote; or
 - iv. There is insufficient information on which to make an informed view.

4. Proxy Voting Principles

All proposals are voted on a case-by-case basis, based on the best interest of our clients. Our proxy voting guidelines are outlined below.

We will use proxy voting as an escalation tool in cases where our engagement efforts have been unsuccessful over several years.

When voting against a resolution, ResCap will endeavour to inform the company in advance of our intention to vote against and the reasons for this vote. If this can't be done in advance of the relevant AGM, we will advise the company as soon as practicable.

4.1. Director Elections

Our preference is that company boards have a majority of independent directors with the necessary skills and capacity to fulfill their duties as well as being cognitively diverse. Company boards should include directors from diverse backgrounds, experience, gender, race and tenure. The following items are potentially contentious matters where we may vote against, or actively engage with, companies.

- **Board Independence**
We will consider voting against either new directors, or the chair of the nominating committee, if the proportion of independent directors is significantly below a majority.
- **Separated CEO and Chairman roles**
If these roles are not separated, then an independent Lead Director should be present to provide independent leadership on the board. We will consider voting against the Chair of the Nominating Committee, or engaging with the company, where there is no independent board leadership.
- **Staggered Boards**
Staggered, or classified, boards (where there are different classes of directors with different multi-year terms), can lead to a reduction in accountability, particularly where a director may no longer be held accountable in a year when a particular concern arises. Annual director elections improve board accountability as decisions can be challenged more frequently.
- **Board Diversity**
Our preference is for boards to have directors representing a diversity of experience, gender and race, and we will consider voting against the chair of the Nominating Committee or engaging with the company to encourage increasing the level of diversity.
- **Key Board Committees' Independence**
Where key board committees (including Nomination, Audit and Compensation committees) are not fully independent, we will consider voting against non-independent directors, or engaging with companies, to encourage 100% independence in these key committees.
- **Overboarding**
We will consider the perceived workloads of directors that serve on the boards of multiple public companies. If a director is serving on three, or more, additional public boards we may consider that director overboarded and will either vote against the re-election of that director or engage with the company to determine the appropriateness of that director to serve on the board.
- **Director Tenure**
With our preference for majority director independence on company boards, we will consider engaging with companies, or voting against directors, where excessive tenures could lead to a loss of independence. Typically, director tenures longer than 12 years can lead to a reduction in the independence of a director.

4.2. Remuneration

Remuneration plans are assessed on whether they are representing value for money, and pay structures are reflective of company performance, aligning executive incentives with shareholder interests and have sufficient transparency to allow for proper scrutiny.

Factors we assess include, but are not limited to:

- Transparency of disclosures on remuneration plans that allow proper assessment of pay compared to company performance and relevant peers
- Size of remuneration package, both in absolute terms and relative to company peers
- Difficulty of the performance-based remuneration hurdles
- Applicability and weighting of performance metrics to company strategy
- Transparency on the achievement of performance hurdles
- Length of vesting periods
- Excessive change of control or severance payments
- Malus or clawback policies to allow recouping compensation to executives during periods of fraudulent behaviour or misstatements
- Level of discretion the board has in awarding award payments
- Frequency of shareholder votes on remuneration plans
- Proportion of CEO's award pay that is subject to performance conditions

4.3. Shareholder Rights

In evaluating shareholder rights proposals, we prefer governance structures that do not restrict the rights of shareholders, particularly those with minority interests, or inhibit shareholders' ability to hold directors accountable.

- **Virtual Shareholder Meetings**
We will vote against changes to company bylaws that allow for AGMs to be only held virtually. Virtual only AGMs could inhibit the ability for some shareholders to participate effectively in the process.
- **Shareholders ability to call EGMs**
We will typically vote for proposals that request an amendment to company bylaws or charters that allow shareholders to call special meetings and against proposals that limit this ability for shareholders.
- **Amending Bylaws**
Proposals that restrict the ability for shareholders to propose to amend bylaws are considered on a case-by-case basis. We prefer there to be no restrictions on either the number of shares held or the length of time shares are held before shareholders are able to make proposals to amend company bylaws. If there are shareholding limits, they should be as low as possible, with no more than 1% of issued capital held for one year being required. We will also typically vote against proposals giving boards the ability to amend bylaws without shareholder consent.
- **Multiple Share Classes with different voting rights (One share / One vote)**
Due to the potential for minority shareholder interests to be restricted, we prefer the one-share, one-vote voting principle, and will vote against proposals to create new share classes with unequal voting rights.

4.4. Environmental and Social Proposals

Proxy votes on Environmental and Social factors differ from those relating to corporate governance. They tend to be shareholder driven proposals, rather than proposals from management, and the range of possible resolutions that can arise is extensive. These proposals are assessed on a case-by case basis, but we are inclined to vote FOR resolutions that:

- Require companies to improve environmental disclosures and implement measures to reduce greenhouse gas emissions that align with the requirements of the Paris Agreement;
- Enhance social responsibility standards in line with internationally accepted norms, including those outlined by the UN Global Compact and UNPRI;
- Require an increase, or improvement, in the disclosure of diversity at the board, management, and employee levels;
- Increase disclosure around political donations and expenditures, as well as any affiliations with industry bodies, where there is no clear board oversight of these activities and insufficient disclosure of the size of donations or expenditures involved; and
- Increase disclosure of supply chain risks, particularly with regard to risks the company may be facing in relation to purchasing materials and labour practices.

4.5. Other Proposals

Other proposals that do not fall under the previous categories are evaluated on a case-by-case basis, as outlined below.

- **Takeover Protection/Poison Pills**
The length of the plan is taken into consideration, and whether it is in shareholders' interests to restrict the potential for an attractive offer for the company to be made.
- **Mergers and Acquisitions**
Consideration is given to the anticipated benefits and synergies, cost vs premium, changes in corporate governance of the combined entity and whether shareholder rights are negatively impacted.
- **Asset Sales/Purchases**
The impact of the transaction on the balance sheet and working capital of the company are assessed.
- **Share Issuances**
Consideration is given to the company's rationale for issuing the shares. If there are shares being issued without pre-emptive rights, we favour pre-emptive rights issuances that are less than 10% of currently issued capital, to limit the potential for dilution of existing shareholders.
- **Auditor Rotation**
Auditor rotation is evaluated on a case-by-case basis - we take into account the tenure of the current audit firm (with the preferred rotation cycle being 10 years) and whether there have been any previous significant audit related issues.

5. Conflicts of Interest

If a ResCap employee detects a material conflict of interest in connection with ResCap voting on particular investee company resolutions, the employee should escalate the matter to the Investment Operations Manager and/or Chief Investment Officer (CIO). ResCap will abstain from voting if it is deemed to be in its client's best interests and refer to an outside service provider for independent consideration. In the case of separately managed accounts, the CIO may determine that the conflict should be disclosed to the client for their consent prior to voting.

6. Class Actions

ResCap does not direct clients' participation in class actions. The CIO will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

7. Reporting

ResCap will maintain a record of all voting on behalf of clients. As disclosed in ResCap's Form ADV Part 2A, clients may obtain records on how ResCap voted on their respective holdings by emailing a request to the Operations team at (operations@rescap.com). Upon receiving a request from clients, ResCap will provide a report of voting elections in their preferred suggested format. Annual certification attesting to accuracy and completeness of such proxy voting records may also be provided upon request.

Our voting record and rationale for voting against management can be found on our website and in our annual Sustainability Report (<https://rescap.com/about/>).