

PROXY VOTING POLICY

1. Purpose of Policy

The purpose of this Policy is to state the approach taken by Kinetic Investment Partners Pty Limited (“Kinetic”) to exercise voting rights where those voting rights reside with Kinetic under an Investment Management Agreement.

2. Policy

From 1 July 2014 members of the Financial Services Council (“FSC”) who are Operators of a Scheme and exercise voting rights in respect of scheme assets or investments are obligated to comply with FSC Standard No 13: Voting Policy, Voting Record and Disclosure. Kinetic under its Investment Mandate may be required to vote securities or provide information to the client as to how it voted securities.

Where Kinetic has voting discretion as to the securities a Voting Register for each client is to be maintained so that the following information is recorded:

- the name of the Investment Mandate;
- the ASX or equivalent code of the relevant interests or securities;
- the meeting date;
- a brief identification of the matter or matters to be voted on at the meeting;
- if known, whether the matter or matters voted on were proposed by the issuer, its management or another person or company;
- whether Kinetic voted on the matter or matters;
- if applicable, how Kinetic voted on the matter or matters;
- in the case of a decision to abstain, a record reflecting that abstained from voting;
- whether votes cast, were for or against the recommendations of management of the entity.

An Operator under the Standard is required to post the voting information within three months after the end of the financial year.

Under the IMA with a Trustee there may be arrangement where Kinetic is obligated to vote securities and record the above voting information in an online register.

3. Guiding principles on which proxy voting decision to be made

The following are Kinetics’ guiding principles on proxy voting for the types of proposals that are frequently presented. It is acknowledged however, that there may be circumstances when our vote on specific issues may deviate from these principles.

4. 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 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 individuals; and
- Directors should also be independent of management, and free of any business or other relationship that could materially interfere with management’s decision.

5. Existence of Nomination and Audit Committee

The Board should establish committees such as nomination and audit committees to maintain independence and accountability in the respective areas.

A majority of the members on these committees should be independent members. The audit committee should consist the following:

- Non-executive Directors;
- Chairperson who is independent and not chairperson of the Board; and
- At least 3 members.

6. 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 committee member; and
- Their existing 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 or propose equity based compensation plans that unduly dilute the ownership interest of shareholders.

7. Remuneration Committee

The Board should also establish a remuneration committee to overview executive remuneration payments. This will ensure that executives' remuneration is independently reviewed and approved by the committee. Executive remuneration should be in line with acceptable practice.

The following should be in place:

- Membership of the remuneration committee should be made publicly available and that committee should be comprised of a majority of independent Directors;
- Full disclosure of the Directors' remuneration, including share options, fringe benefits and retirement benefits; and
- Chairperson of the remuneration committee should provide reasons to shareholders for the level of Directors' remuneration.

8. Equity based compensation plans

We believe that appropriate equity based compensation plans should be:

- Approved by shareholders;
- Linked to appropriate performance targets;
- Opposed to plans that substantially dilute investors ownership interest in Kinetic, and
- Opposed to providing participants with excessive awards.

9. Corporate structure and shareholder rights

We believe that shareholders should have voting power equal to their equity interest in the company. For instance:

- We will support motions that shareholder votes are by poll; and
- We will vote against proposals for a separate class of securities with disparate voting rights.

10. Publicising Policy & Votes

Mandate clients are informed through regular reports as specified in the contractual terms of the mandate of voting activity.

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