



## **Renaissance Smaller Companies Pty Ltd Proxy Voting Policy**

### **Purpose**

The Renaissance Smaller Companies Pty Ltd (RSC) Proxy Voting Policy sets out the standards RSC uses to manage the proxy voting process within RSC portfolios holding publicly listed equities.

This document is consistent with the Financial Services Standard 13 (Voting Policy, Voting Record and Disclosure) and has been approved by the Board of Renaissance Smaller Companies Pty Ltd.

### **Overview**

RSC is of the opinion that voting rights should be exercised and proxy votes should be cast in a way to ensure that proxies are voted in the best interest of our clients.

RSC recognises the link between good corporate governance and adding investment value. Our objective for our clients is to add value through superior investment performance for their portfolios. We aim to enhance shareholder returns by discouraging disadvantageous corporate policies through thorough research, discussion with company management and the exercise of voting power. We also believe there are opportunities to encourage good corporate governance through the endorsement given by voting positively.

RSC strongly believes that by maintaining high standards in relation to corporate governance and social responsibility companies can avoid potential damage to their reputation and earnings and therefore enhance the long-term wealth creation of their shareholders.

Proxy voting rights are a valuable asset of the investor and are intrinsically linked to our views on corporate governance practices and to our monitoring of the companies we invest in. We believe that it is in the interests of both the companies in which we invest and our clients interest that we exercise our right to vote.

### **Policy**

RSC is committed to exercising the rights of shareholders via active voting and engagement. RSC policy is to vote in a manner that maximises shareholder value while observing the principles of good corporate governance. Corporate governance and the exercise of voting power are part of the investment management process. Corporate governance is concerned with the way in which companies are directed and controlled.

RSC is of the view that the most appropriate corporate governance is achieved by applying generally accepted best practice such as detailed in the ASX Corporate Governance Principles and Recommendations and the Financial Services Council Corporate Governance: A Guide for Fund Managers and Corporations (the “Blue Book”).

Voting rights exercised by RSC take into account a broad range of best-practice governance principles, including;

- Votes are cast in the best interests of our clients.
- RSC will vote on all company resolutions regardless of the ‘materiality’ of the resolution – unless clients have issued instructions to the contrary or specifically asked RSC not to vote.
- In some instances, we may determine that for governance reasons and in our clients’ best interests are served by us abstaining from voting or voting against a board sponsored resolution.
- Voting decisions are made on a case-by-case basis, and generally it is our preference to support and vote in favour of a board or management decision. However, where a recommendation is not consistent with shareholder interests and/or our policies, the board or management recommendation will not be supported.
- Resolutions put to shareholders will be voted upon in a manner that is deemed most likely to protect and enhance the long-term value of a security as an asset to the portfolio. If a resolution is divisive or raises contentious issues, we will be guided by what is in the best interests of our clients.

### **Proxy Advice**

To assist in decision making, RSC may conduct research internally and/or use the resources of independent external proxy advisory services such as ISS. Where we do engage the services of a proxy advisor, we will consider the information and recommendations provided, however we are not bound to follow the recommendations put forward by any proxy advisor.

### **Disclosure**

RSC maintains a Proxy Voting Register. This records all voting positions taken, as well as details of any contentious issues and the justification for the voting position taken on such issues. These records are supplied to clients as required.

RSC maintains a summary of engagement in relation to corporate governance issues and voting items. These records are supplied to clients as required.

### **Policy Review**

This Policy will be reviewed and approved annually by the Renaissance Smaller Companies Pty Ltd Board. Last updated September 2020.