

4D Infrastructure Proxy Voting Policy

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Introduction

4D Infrastructure Pty Ltd (4D) is a boutique investment management business offering global listed infrastructure solutions for institutional and retail clients. The business represents a partnership between the investment team and Bennelong Funds Management Ltd (BFML). BFML is the AFSL holder and 4D Infrastructure is a Corporate Authorised Representative of BFML.

This Proxy Voting Policy (Policy) applies to all strategies managed by 4D. It outlines our approach to proxy voting, which we believe is an important component of our stewardship activities with companies within our investment universe. It should be read in conjunction with our [Engagement Policy](#) to get a complete picture of our investment stewardship practices.

Governance

Both 4D's Engagement Policy and Proxy Voting Policy have been reviewed and approved by the 4D Board. These documents dictate our approach to stewardship. The Portfolio Manager - Sustainability (PM Sustainability) is responsible for co-ordinating and implementing 4D's stewardship activities (both engagement and proxy voting). Compliance with this Proxy Voting Policy is monitored by the PM Sustainability.

Proxy voting on specific portfolio company ballots is undertaken by the covering investment analyst and based on the principles determined by the 4D group. The covering analyst is most knowledgeable on, and familiar with, companies within their coverage group. In the situation a vote is considered contentious or unclear in respect to 4D principles, it may be discussed by the wider team at an Investment Committee meeting.

Proxy voting principles, including those associated with sustainability practices of companies, are reviewed on at least an annual basis by 4D's Investment Committee, or more frequently if necessary.

4D will keep record of its proxy voting outcomes and provide a summary within its annual engagement report, which will be made available on the website.

Our approach

Our approach to proxy voting is as follows:

- We have engaged ISS' proxy voting services to provide independent research and advice on proxy items.
- 4D analysts review all ballot proposals on a case-by-case basis. The covering analyst will make a note when all ballots associated with a specific meeting have been reviewed.

- It is the responsibility of the PM Sustainability to ensure that all ballots are reviewed prior to their closing date.
- We conduct our own internal research on certain proxy items. The end decision on proxy voting is determined by the team.
 - The covering analyst of the company in question will review ISS' recommendations and, where appropriate, may undertake further analysis on the issue being voted. This could result in the analyst recommending an alternate vote to ISS' recommendation.
- By default, we vote in line with ISS' recommendations, but may divert from this vote based on the covering analyst's perspective.
- We actively engage companies on any contentious issues that we believe will significantly impact minority shareholder interests.
- As a signatory to the United Nations Principles of Responsible Investment (UNPRI), we have committed that "we will be active owners and incorporate ESG issues into our ownership policies and practices". This incorporates filing shareholder resolutions consistent with long-term ESG considerations.
 - We believe that this does not strictly direct us to vote any certain way, rather, that we are required to consider ESG factors in our proxy voting where relevant.

In exercising our voting discretion, we take into account:

- the nature of the issue;
- possible actions which may be taken instead of, or as well as, exercising voting rights, such as liaising with management or taking steps to initiate shareholder legal action;
- other legal and ethical considerations, such as whether there may be any actual or potential conflict of interest in exercising voting rights;
- consideration for joining with other shareholders to take collective action; and
- consideration of whether the action will generate significant media interest.

Use of proxy voting advisory consultants

4D has engaged a proxy voting advisor (currently ISS) to support voting decisions. 4D understands that ISS recommends voting decisions based on supporting minority shareholder interests, therefore their voting motivations are largely aligned with that of 4D. ISS has indicated that it has sufficient resourcing to adequately research and analyse proxy proposals.

ISS recommendations are adopted as the default vote for 4D, albeit all ballots are reviewed by a 4D analyst, and they have discretion to change the vote from ISS' recommendation. ISS generally provides a rationale for its vote recommendation, which assists the 4D analyst in making their own independent voting decision.

The ISS contract is renewed annually and at this time, 4D assesses whether ISS continues to offer the best service available in the market, given internal needs.

Managing conflicts

We will consider a conflict of interest as material if it is determined to have, or if there is a reasonable perception that it could have, the potential to influence our decision-making in proxy voting. In the event of a potential conflict of interest, our approach will involve a case-by-case analysis:

- Prior to casting a vote, the analyst will assess whether a material conflict of interest is present;
- If the analyst identifies a material conflict, they will promptly notify the PM Sustainability, who will then take steps to either resolve the conflict internally or refer the proxy vote to an external service for an independent evaluation. This is likely to be managed by the Head of Compliance within BFML;
- In instances involving separately managed accounts, the PM Sustainability may decide to disclose the conflict to the client and seek their consent before proceeding with the vote;
- If it is determined that a conflict or potential conflict is not material, we may proceed with the proxy vote.

Proxy voting principles

4D makes proxy voting decisions that are in the best interests of our clients. That is, we vote proxies in support of initiatives that are likely to improve the risk/return of investments in the portfolio over the long term. We believe that there is a strong connection between good corporate governance and the creation of long-term shareholder value. We also generally support initiatives which enhance transparency, and the consideration of the environmental and social impacts of company strategies.

Specifically, we support the following in proxy voting decisions:

- **Board accountability:** The board must make informed decisions and uphold high corporate governance standards.
- **Independence:** Objective decision making requires independent directorship, emphasising the separation of board and executive roles. Our preference is for the chairperson to be independent from current or former

CEOs or significant shareholders, minimising potential conflicts. There are exceptions such as where a board relationship can add value to the company.

- **Shareholder rights:** Equality and protection of shareholders' rights are paramount. Voting rights should align with economic stake, with minority shareholder rights safeguarded, especially in key decisions impacting their interests. We generally avoid the issuance of different equity structures as they sometimes create conflicts of interest, and reduce minority rights.
- **Support for human rights and modern slavery practices:** We support the adoption of processes which protect human rights of all stakeholders, and avoids modern slavery violations in company operations and supply chains.
- **Forwarding energy transition:** We acknowledge the need for energy transition and identify global warming as a key risk for many companies in our universe. We are therefore supportive of energy transition plans which are detailed, well considered, and incorporate social considerations.
- **Board size and composition:** We endorse directors to implement a well-rounded board with diverse skills, experience and perspectives, fostering effective challenge and decision making. The board size should match the company's size and complexity, avoiding director overcommitment. We advocate for at least 30% female representation, and for a formal policy or pathway in industries expected to achieve this balance.
- **Remuneration:** Executive remuneration should align management with shareholders' interests, motivate executives to focus on particular KPIs, safeguard shareholder value, and support retention of executives. Equitable base salaries for management and employees are crucial.
- **Audit and assurance:** The board must establish credible, independent, and effective audit procedures to uphold the quality and integrity of corporate reporting.

Performance reporting

4D reports on the team's proxy voting activities on an annual basis within its Responsible Investment and Stewardship publication. This is made available on the company website.

Change management

Amendment number	Amendment issue date	Description of changes
Draft v1.0	01 08 2015	Boutique to review
Release V1.0	12 08 2015	4 Dimensions Board Approval
Draft v2.0	31 08 2017	Boutique to review
Release v2.0	21 09 2017	4D Infrastructure Board Approval
Draft v3.0	20 08 2019	4D to review
Release v3.0	10 09 2019	4D Infrastructure Board Approval
Draft v4.0	24 07 2020	4D to review
Draft v4.1	10 08 2020	4D updates included
Release v4.1	10 09 2020	4D Board Approval
Draft v5.0	20 09 2021	4D updates included
Draft v5.1	22 09 2021	Bennelong review
Release v5.1	23 11 2021	4D Board Approval
Draft v6.0	22 01 2024	4D to review
Draft v6.1	23 07 2024	Stewardship policy split into Engagement and Proxy Voting Policies for Bennelong review
Release v6.2	25 07 2024	4D Board approval