

ACORN CAPITAL

PROXY VOTING POLICY



INNOVATION



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**ACORN
CAPITAL**

NEXT GENERATION INVESTING

Proxy Voting Policy

Introduction

Acorn Capital Limited (Acorn) holds an Australian Financial Service Licence (AFSL) enabling it to provide financial services. One of the financial services that Acorn offers as an active investment manager is to deal in securities that it holds on behalf of clients.

A primary responsibility is to direct the relevant custodian to cast votes on resolutions at general meetings held by the companies invested in on behalf of clients. Acorn's voting policy will be applied to all equity holdings, where Acorn holds the power to vote under the client investment management agreement.

Purpose of the Policy

This document sets out Acorn's policy on proxy voting on behalf of clients.

Requirements

Guidance is provided by the Principles of Good Corporate Governance by the ASX Corporate Governance Council, the "Corporate Governance Guidelines", issued by the Australian Council of Super Investors, and the "FSC Standard No. 13: Voting Policy, Voting Record and Disclosure" issued by the Financial Services Council.

Acorn acknowledges that its investment management responsibilities are those of a fiduciary and that the interests of clients must come before its own.

Guidelines

Acorn uses the proxy voting management platform called Viewpoint, as provided by a research provider Glass Lewis. It is Acorn's policy to use the voting recommendations of Glass Lewis as a default option where those recommendations are deemed consistent with the following guidelines prepared by Acorn.

Acorn reviews proxy voting recommendations and will make its own determination on how to vote in circumstances where the proxy providers views do not align with our understanding of the issues.

This process may include engaging with Glass Lewis and/or the company involved to obtain additional information or to validate our assessment. Reasons for the alternate view will be subsequently reported to the client as part of regular portfolio reporting.

Glass Lewis proxy voting policies can be found at: <https://www.glasslewis.com/voting-policies-current/>. Acorn reviews updates to Glass Lewis proxy voting policies to confirm continued alignment with our overall Responsible Investment approach.

The following guidelines are to be used when casting votes on behalf of Acorn's clients and investment funds. The guidelines are listed under the respective categories as follows:

Compensation and Share Option Plans

The compensation of the Chairmen, CEOs and non-executive Directors is a key area of concern. Acorn fully reviews proposals that would result in Directors or Officers of a company receiving compensation that would put them in the top quartile of our survey of microcap companies on the basis that top quartile compensation is justified only by top quartile performance. Acorn will generally oppose any proposal to substantially increase overall Board compensation in the absence of adequate justification.

Share option plans for Directors and executives are reviewed on the basis of price and proportion of issued capital. Acorn examines whether a plan has appropriate performance hurdles and the impact it will have on the overall level of compensation.

For resolutions that include remuneration reports and share option plans, Acorn generally vote as follows:

- Against proposed plans to issue options to Non-executive Directors;
- Against proposals to remunerate Directors or Officers of a company that would put them in the top quartile of Acorn's survey of microcap companies unless this is justified by the company having top quartile performance;
- For proposed Long Term Incentive plans for the MD/CEO, provided there is a three-year vesting period with peer company comparison hurdles above current share price;
- Against proposed share option plans for Directors and Executives which will dilute significantly (by >10%) our clients' ownership of the company; and
- Against share option plans for Directors and Executives which are too generous and without appropriate performance hurdles.

Capital Structure

The capital structure of a company is also considered important under Acorn's Policy. Acorn will closely review any proposals that seek to issue new classes of capital and/or dilute the ownership of existing shareholders.

For resolutions that include proposals that affect a company's capital structure, Acorn will generally vote as follows:

- Against proposed changes in a company's capital structure that have the effect of diluting existing shareholders' ownership or that would create different classes of shares with different voting or dividend rights; and
- Against proposals to allow an extra 10% capacity to raise funds in addition to the typical 15% as this creates potential for a change of control event to occur without recourse to existing shareholders.

Board Structure

Acorn considers a company's board to be crucial in providing an appropriate governance structure with good management practices that drive superior performance and create shareholder value.

For resolutions that affect a company's board structure, Acorn will generally vote as follows:

- For proposals that elect an Independent Chairman;
- For proposals that provide a majority of independent Directors; and
- For proposals that provide a majority of independent members for delegated committees such as the Independent Remuneration & Nomination Committee and the Audit Committee

Mergers and Acquisitions

Acorn will consider all proposals for company mergers and acquisitions based solely on the best interests of its clients. Acorn will generally vote as follows:

- For proposed mergers and acquisitions only when this is in the best interests of clients based on the price representing fair value.

Environmental, Social and Governance issues

Acorn will consider sustainability issues such as part of corporate stewardship and human capital, along with environmental, social and ethical issues when casting proxy votes.

Register of Proxy Voting

Acorn maintains a Register of its proxy voting records via the Glass Lewis platform that is available for inspection by clients and reports its proxy voting to clients on a quarterly basis.

Responsibility for this policy

The Company Secretary has overall responsibility for ensuring compliance with this policy. This is done in conjunction with the Investment Analysts who are responsible for casting the proxy votes in compliance with this policy.

Policy Breaches

Policy breaches must be immediately reported to the Compliance Manager.

A breach of this Policy will be viewed seriously and may lead to disciplinary action being taken. Exceptions or breaches identified must be reported to the Company Secretary.

Policy Exemptions

Any requests for an exemption to this policy must be submitted for approval to the Company Secretary for Board approval.

Legal Obligations

If you believe you have a legal obligation that is inconsistent with this policy, you should immediately report the inconsistency to the Company Secretary and as a general rule should comply with the higher standard.

Policy Review

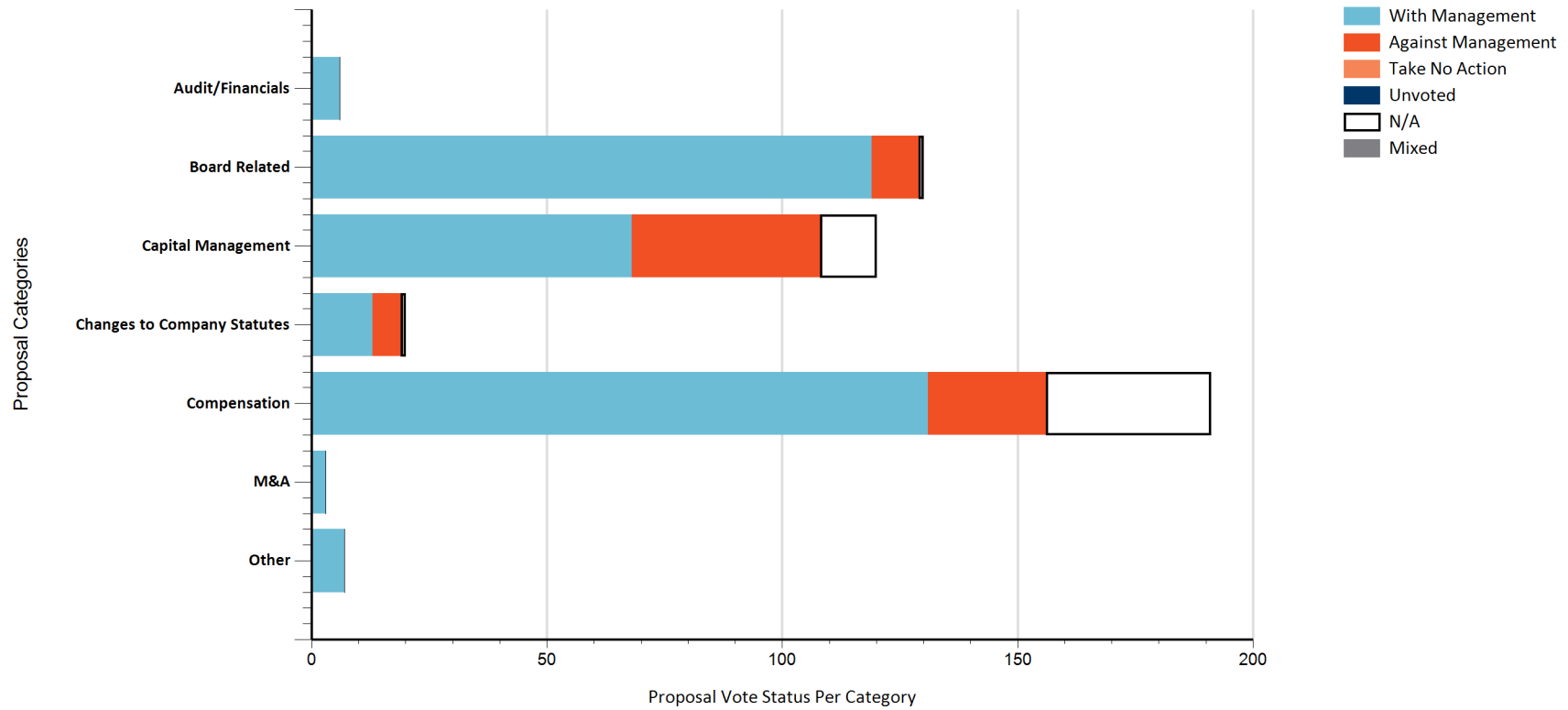
This Policy will be reviewed at least on an annual basis.

Where to get help

If you need more information or are unsure about how this policy operates, you should seek the assistance from the Company Secretary.

Owner	Company Secretary
Version	2.1
Approved	Board (March 2023)
Superseded Policy	2.0 (May 2021) 1.1 (September 2018) 1.0 (June 2015)

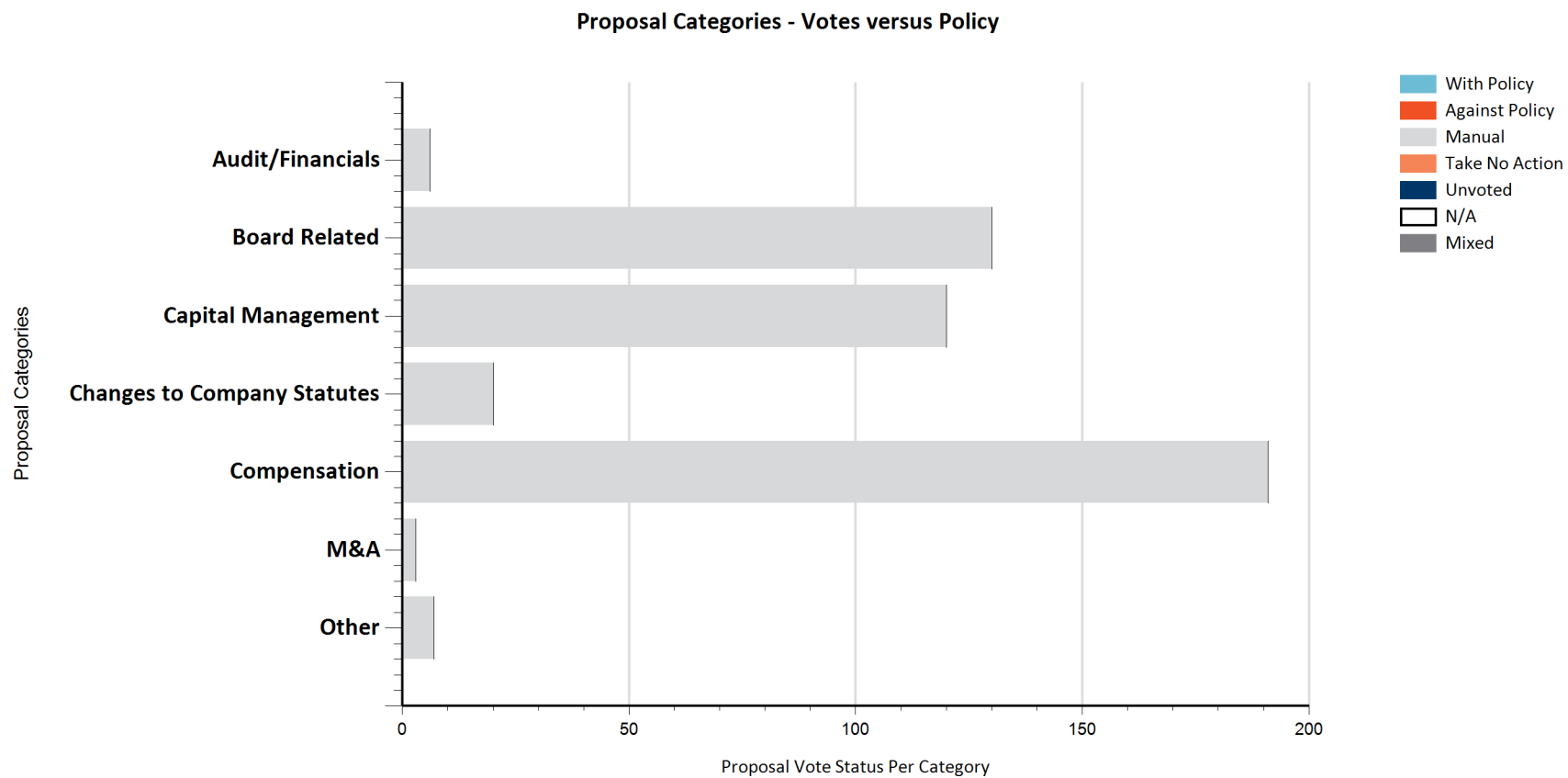
Proposal Categories - Votes versus Management



Proposal Categories - Votes versus Management

Proposal Category Type	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
Totals	347	81	0	0	49	0	477
Audit/Financials	6	0	0	0	0	0	6
Board Related	119	10	0	0	1	0	130
Capital Management	68	40	0	0	12	0	120
Changes to Company Statutes	13	6	0	0	1	0	20

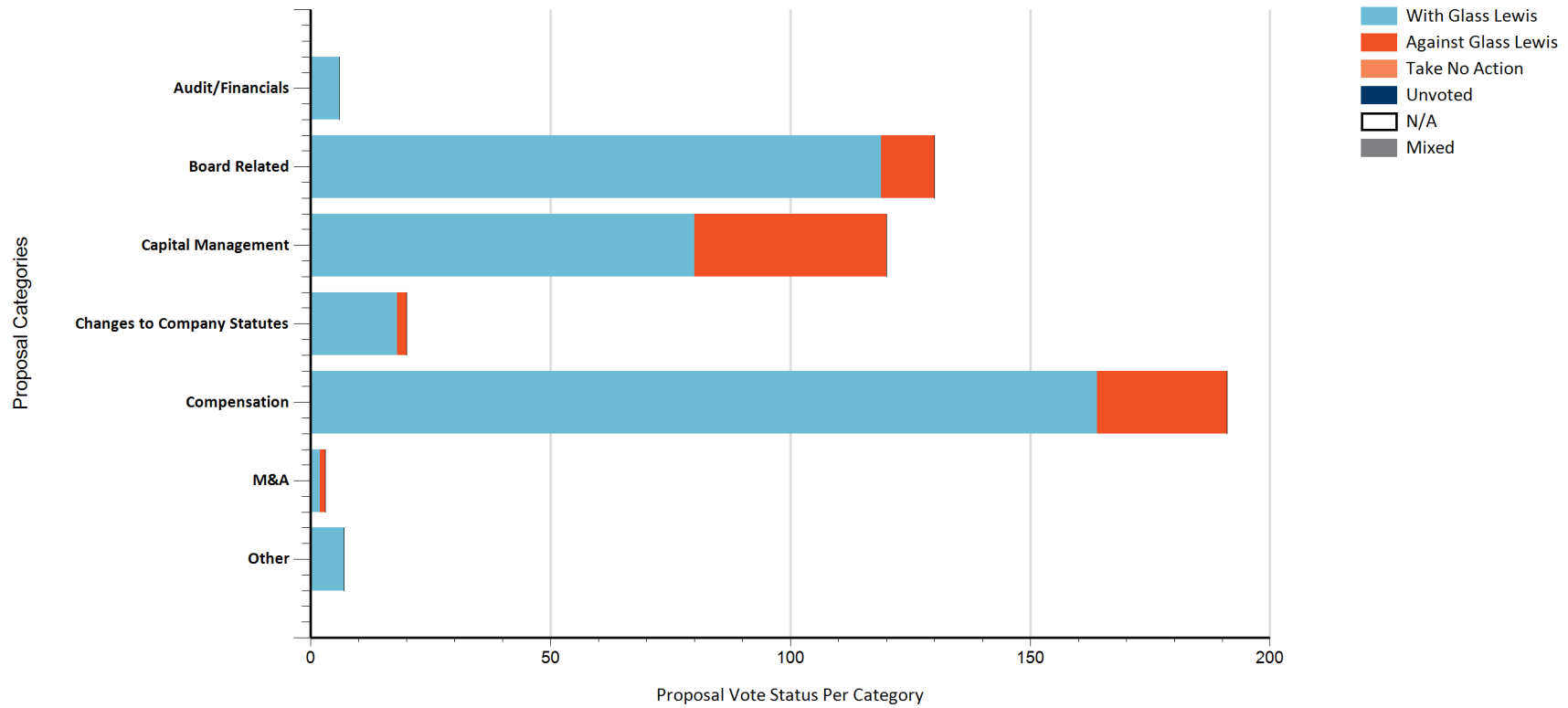
Proposal Category Type	With Management	Against Management	Take No Action	Unvoted	N/A	Mixed	Total
Compensation	131	25	0	0	35	0	191
M&A	3	0	0	0	0	0	3
Other	7	0	0	0	0	0	7



Proposal Categories - Votes versus Policy

Proposal Category Type	With Policy	Against Policy	Manual	Take No Action	Unvoted	N/A	Mixed	Total
Totals	0	0	477	0	0	0	0	477
Audit/Financials	0	0	6	0	0	0	0	6
Board Related	0	0	130	0	0	0	0	130
Capital Management	0	0	120	0	0	0	0	120
Changes to Company Statutes	0	0	20	0	0	0	0	20
Compensation	0	0	191	0	0	0	0	191
M&A	0	0	3	0	0	0	0	3
Other	0	0	7	0	0	0	0	7

Proposal Categories - Votes versus Glass Lewis



Proposal Categories - Votes versus Glass Lewis

Proposal Category Type	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
Totals	396	81	0	0	0	0	477
Audit/Financials	6	0	0	0	0	0	6
Board Related	119	11	0	0	0	0	130
Capital Management	80	40	0	0	0	0	120
Changes to Company Statutes	18	2	0	0	0	0	20

Proposal Category Type	With Glass Lewis	Against Glass Lewis	Take No Action	Unvoted	N/A	Mixed	Total
Compensation	164	27	0	0	0	0	191
M&A	2	1	0	0	0	0	3
Other	7	0	0	0	0	0	7