

# Proxy Voting Policy and Procedure

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## INTRODUCTION

This proxy voting policies and procedures document outlines how Peregrine Capital generally votes on behalf of our clients. Peregrine Capital will vote on behalf of its clients with the objective of maximising long term investment returns. Peregrine Capital applies a materiality threshold to its investments held as to whether the proxy voting is applicable or not. A register of proxy votes will be published on the website on a bi-annual basis, which we believe will allow clients the ability to assess whether we are appropriately engaging in voting in a responsible manner.

## PHILOSOPHY OF ENGAGEMENT

Peregrine Capital has always employed a strong philosophy of engagement with the company management teams of investee companies. These engagements occur in different forms, such as virtual or in-person meetings, letters, and written statements. Our issues are raised during these engagements in a proactive manner, and we do not rely solely on voting at the AGM as a means of engagement. Our engagement sessions allow us to explore several issues and strategic outcomes with the management teams, and we generally find that feedback is well received and taken on board where relevant.

## PROXY VOTING GUIDELINES

### Election of Directors

The Board of Directors of a company is ultimately responsible for corporate governance and oversight at a company. The election of directors allows us to vote on the election or re-election of directors. We take the following principles into consideration when assessing a director or potential directors' election:

- Board independence, but with the caveat that all independent directors would have the skills and abilities to add value to debate and decision making at board meetings. We do not generally support "independence for the sake of independence."
- Number of directorships held: If a director holds too many board positions, they may not be spending sufficient time thinking critically about the company and its Board duties required.
- Prior performance in the current directorship and previous employment.

### Routine Matters

Peregrine Capital supports matters that are generally routine in a vote, which include the likes of approving financial statements and auditor reports if there are no red flags or qualifications made by the auditors.

### Remuneration of Directors

Peregrine Capital understands the need for a transparent and appropriate remuneration policy, with clear goals and outcomes to retain and motivate employees. We take into account a number of factors when assessing the appropriateness of the remuneration principles and policy, and consistently balance the varying issues that arise from these disclosures. We prefer all incentives to be based on clear Key Performance Indicators (KPI's) that align management with shareholders over the long term, as opposed to KPI's that are easily achieved or adjusted based on management's own discretion.

### Appointment of Auditors

We are supportive of auditor firm and partner rotation, as long as the incoming audit firm and partner have the necessary skills and independence to manage the audit of the company.

### Change in Capital Structure such as issue of shares and share buybacks

Peregrine Capital generally supports share buybacks, as we invest in businesses we believe are trading below their intrinsic value. We are selective on voting for an increase in share capital and base this decision on each case's merit and our view of management capital allocation in general.

### Other

Other items are voted on a case-by-case basis.