



Trinetra Investment Management LLP

Proxy Voting Policy

Introduction

Trinetra Investment Management (“Trinetra”) considers proxy voting as a key obligation, and one that must be discharged consistently and responsibly.

This policy encompasses all proxy voting for companies in which Trinetra invests on behalf of its clients. Trinetra will always act in a way that it believes to be in the best long-term interest of investors.

It is important to note that standards and practices differ between countries, and in Emerging Markets, where Trinetra predominantly invests, the standards themselves are often still developing. Trinetra therefore applies these guidelines in line with local requirements and in the context of the respective cultures. Trinetra does not attempt to apply the guidelines inflexibly, but applies on a case-by-case basis, mindful of norms and culture within the respective markets, and considering the courses of action it believes to be likely to result in the best outcome for investors.

Guidelines for Proxy Voting

Each voting decision needs to be evaluated on a case-by case basis.

Voting decisions and rationale need to be applied consistently and be recorded.

Trinetra’s overarching principles are those of sustainability and alignment between the interests of a company’s management and its shareholders’ and stakeholders’ long-term interests, with the objective of optimising shareholder value over time. This applies to the remuneration of a company’s Board and senior executives; the Board’s composition in terms of diversity and independence; governance structures employed; agreements with auditors; approach to M&A; and implementation of ESG principles.

If necessary, Trinetra will depart from the principles to avoid voting for a decision that it believes could be detrimental to the long-term interests of its clients.

Principles

Trinetra seeks to vote on every item and every meeting where it is legally entitled to vote. A rare exception might occur, for example, when share blocking would result in shares being locked up, denying the valuable flexibility to make use of market opportunities.

Trinetra does not loan securities, and therefore does not have to recall shares to exercise voting rights.

As signatory to the UNPRI (<https://www.unpri.org/about/the-six-principles>) Trinetra believes that institutional investors have a duty to act in the best long-term interests of their beneficiaries. In this fiduciary role, Trinetra believes that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios.

Regulations, standards and conventions often differ from country to country, and what may be considered a reasonable expectation in one market may be unrealistic in another.

As noted above, if necessary, Trinetra will depart from the principles to avoid voting according to a decision that could be contrary to the long-term interests of our clients.

Conflicts of Interest

In addition to the broader Conflicts of Interest Policy, Trinetra has a specific approach to conflicts that may arise around its proxy voting activity. This is applied on a case-by-case basis. Trinetra expects such conflicts to arise rarely. An example might be where Trinetra has a specific business relationship with a company for which it is expected to submit voting decisions. In line with Trinetra's fiduciary obligations, Trinetra would vote in the best interests of its clients. Trinetra will appropriately disclose conflicts to clients when they arise, and if a conflict arises that pertains to specific members of staff, then Trinetra will attempt to ensure that the staff member involved recuses himself or herself from the voting process.

Voting Research & Guidelines

Trinetra uses Institutional Shareholder Services Inc. ("ISS") to administer its proxy voting activities, and to provide research and guidance on voting.

The latest policies adopted by the ISS as the basis for their recommendations are available on the ISS website here: <https://www.issgovernance.com/policy-gateway/voting-policies/>

Trinetra has neither delegated nor outsourced its decision-making for proxy voting duties. While Trinetra takes voting recommendations from ISS into account when making decisions on voting, its decisions are based on several considerations:

- Voting consideration is given on the basis of the proxy documents, the research from ISS, Trinetra's own policy and guidelines, and the way in which they all pertain to the specific context of the company and its issues. Some issues may not be sufficiently clear or point to specific outcomes even with the applications of the above sources. In such cases, Trinetra's interpretation of the intentions of, for example, a policy may be applied.
- Trinetra's Proxy Voting Policy is based on the ISS standard policies as they pertain to each country in which it invests. Those policies are augmented by additional policies and processes that have been shaped by Trinetra's beliefs. Trinetra also considers the insights gained during its Immersions research, when the team spends time on the ground in consumers' homes in emerging markets to understand their hopes, anxieties, aspirations and solutions they see to their own problems.
- Trinetra invests in companies on the basis of the positive impact that it believes that those companies and their products or services might have on their customers, and where relevant a wider set of stakeholders.

ESG and Sustainability

- Trinetra is supportive of managements who seek to disclose sustainability and ESG activities for their company, for example in the form of a Sustainability Report.
- Trinetra supports workplace diversity policies that promote equal employment opportunities based on, for example, gender, gender identity and sexual orientation or race.
- Trinetra is also supportive when managements attempt to close any “pay gaps” that may point to unequal opportunities for certain groups.

Trinetra’s Immersions research aims to understand first-hand from consumers the issues that they face. The work aims to identify companies that can provide solutions to those issues, predominantly in two areas: Health & Wellness and Equality. The social groups most likely to benefit from the transformation of social change are those at the bottom of the pyramid, women, youths, and older adults who, Trinetra believes, can deliver a longevity dividend if they are provided with opportunities to retrain and stay healthy. Trinetra invests in companies that aim to provide solutions to these problems.

Trinetra’s ESG and Sustainability Policies include consideration of the following:

- Trinetra seeks to back proposals that support or expand a company’s sustainability credentials, and its activities towards commendable corporate citizenship.
- Transparency and reasonableness are important factors in attempting to understand a company’s position.
- Trinetra is mindful of proportionality when assessing impact, for example considering what proportion of sales, profits or assets are at issue, and how the company has responded, including in the case of litigation or regulatory intervention.

Diversity, Boards and Committees

Trinetra favours boards that are strong, independent and diverse. Trinetra considers an effective board to be vital to the sustainability of a large and complex business. Trinetra would, for example, oppose the re-election of any directors who appear not to grasp their responsibilities or the concept of aligned incentives.

While Trinetra is sensitive to cultural conventions, it considers striving for equality to be a just cause. Trinetra believes that discrimination is not only harmful for the person impacted, but also represents a waste of talent that could otherwise contribute to long-term shareholder value, company sustainability, and economic development.

As well as board diversity, Trinetra favours the principle whereby a majority of directors are independent, and there is an independent lead director (when the chairman is not independent). Trinetra also expects directors to post reasonable attendance records for board meetings. Trinetra may not be supportive if a director has too many other roles or directorships. Trinetra is also supportive of the separation of the roles of the Chairman and the CEO. Trinetra is mindful that local conventions and best practice vary across different markets.

Trinetra expects formal committees to be suitably constituted from the board, namely the Audit Committee, Nomination Committee and Remuneration Committee, and do not support committees that are constituted such they reflect the same members as the Board itself.

Trinetra’s Diversity, Board and Committee Policies include the following:

- Trinetra will generally disapprove of the election or re-election of non-independent director nominees when independent directors make up less than a majority of the directors. However, local conventions and best practice are taken into account.
- Trinetra does not back non-independent director nominees who serve on audit, compensation, or nomination committees, or if the full Board effectively acts as such a committee.
- Trinetra will usually vote against the election or re-election of combined chairs and CEOs, and against the election or re-election of former CEOs as chair of the main Board.
- Trinetra would expect to see reasonable disclosure given in a timely manner; adequate rationales for restatements; avoidance of transactions that appear questionable, especially where a conflict of interest may have arisen; protection of the interests of minority shareholders; an absence of concerns about specific individuals' fitness and propriety, especially if questions relate to criminal wrongdoing or breaches of fiduciary responsibility; and good attendance of Board meetings.

Board Remuneration

In proposals relating to compensation, Trinetra seeks clarity and alignment with shareholders' long-term interests, as well as sustainability goals. Trinetra also seeks remuneration of independent directors that is not excessively generous such that it compromises the independence that their roles necessitate. Long-term alignment should mean that vesting periods are also long-term. The avoidance of discretionary elements in awards helps to establish the clear criteria against which performance is measured.

The assessment of compensation is aligned with the Sustainability Global Principles on Executive and Director Compensation. These principles take into account global corporate governance best practice. The Global Principles on Compensation sit behind market-specific policies in all markets, and include:

- providing shareholders with clear, comprehensive compensation disclosures
- maintaining appropriate pay structure with emphasis on long-term shareholder value
- avoiding arrangements that risk "pay for failure"
- maintaining an independent and effective compensation committee
- avoiding inappropriate pay to non-executive directors

For votes relating to remuneration and sustainability or climate change issues, Trinetra will consider issues on a case-by-case basis.

Mergers & Acquisitions and Capital Structure

When companies seek to raise capital, Trinetra is generally supportive of shareholders' pre-emptive rights to participate in capital raising to avoid the negative effects of dilution. However, any capital raisings will be examined on a case-by-case basis. Trinetra will actively oppose merger or acquisition activity that it believes is not in shareholders' long-term interests.

Trinetra's Mergers & Acquisitions voting will consider the following:

- the merits of the deal, including a balance of risk, financial return and strategic benefit, including the proposed consideration (e.g., shares or cash)
- whether Trinetra's investment rationale has been breached

- management's acquisition track record
- conflicts of interest, namely the extent if any to which insiders may benefit disproportionately
- ongoing governance arrangements
- broader stakeholder impact, including employees, customers, local communities and the environment
- sufficient disclosure to make an informed decision relating to all of the above

Trinetra believes that capital structure and management's attitude towards new share issuance can critically determine long-term value creation or destruction for shareholders. Trinetra considers certain thresholds in relation to votes that pertain to capital structure and share issuance and depending on the markets concerned. Authority to issue new shares can have legal limits that vary between markets. Likewise, the period of authority should be limited, and the amount of any discount is a relevant consideration. The existence of pre-emptive rights for shareholders is a key factor for us.

Auditor Appointment

Auditors should be sufficiently independent from the company and its management in discharging their fiduciary duties to shareholders.

Trinetra's Auditor Appointment Policies include the following:

- Trinetra generally disapproves when auditors' fees for non-audit services exceed either 100% of the standard audit fees or otherwise a stricter limit according to local best practice or regulation.
- Trinetra generally disapproves when the audit partner previously served as a director of the company.

Shareholder Proposals

Trinetra considers shareholder proposals on a case-by-case basis. Trinetra may also consider tabling its own shareholder proposals as part of its escalation process, which can be found in the [Responsible Investing section of its website](#).

December 2022