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At Triton Asset Management, we recognize responsible voting practices are essential to generating sustainable, long-term value for our investors. We have a duty to steward the capital we manage and ensure that every voting decision we make is in the best interest of our clients, always favoring proposals that enhance a company's long-term shareholder value. Our voting policy reflects a deep integration of environmental, social, and governance (ESG) considerations, as we believe these factors are essential for sustainable growth.

As active participants in corporate governance, we prioritize voting at Annual General Meetings (AGMs) and Extraordinary General Meetings (EGMs) as a core part of our investment strategy. All voting decisions are closely aligned with our investment thesis, focusing on issues such as board composition, governance structures, capital allocation, and corporate strategy. While we generally support management, we will oppose proposals that do not align with the best interests of shareholders or fall short of high governance standards. Each voting decision is made after careful due diligence, considering factors such as board diversity, financial stability, audit independence, and the long-term viability of the company.

We also maintain open communication with company management to ensure that our voting rationale is clear, fostering transparency and accountability. This approach enables us to support companies in achieving the highest standards in environmental, social, and governance issues, and to encourage long-term value creation for all stakeholders. Although voting is the primary method of engagement, we complement it with direct discussions and, where appropriate, collective actions with other investors, to further promote best practices across industries. Our goal is to uphold strong governance standards and help companies advance their ESG efforts, ensuring that they remain aligned with the interests of their shareholders and continue to create sustainable value.

## Voting Guidelines

These guidelines are divided into five key themes, which group together the issues that frequently appear on the agenda of shareholder meetings:

- Boards and Directors
- Disclosure and Audit
- Capital Management
- Shareholder Protection
- Voting Process

### Boards and Directors

We place high expectations on the Boards of Directors of the companies in which we invest, and we anticipate active leadership and diligent oversight in crucial areas such as strategy, capital allocation, management, risk management, and corporate culture. We strongly emphasize a long-term perspective in these efforts, aiming to enhance shareholder value.

#### A. Board Independence

Board independence is essential for ensuring objective oversight and preventing conflicts of interest in decision-making. Triton Asset Management believes that, in a non-controlled company, a majority of the directors on the Board should be independent so they can maintain objectivity in the decision-making and effectively oversee management. In a majority-controlled company, at least one-third of the board members should be independent. Independent directors are vital in safeguarding shareholder interests by providing impartial oversight of management. In assessing the degree of independence of a director, we consider current or previous employment with the Company, family members, family responsibilities, and links with other members of the management or ownership of the Company, any commercial links with the Company, any significant shareholding in the Company and his previous term of office.

Management should not serve on key committees such as audit, remuneration, and governance. Common impediments to independence include recent employment with the company, significant equity holdings, or relationships that could compromise objectivity.

Triton Asset Management supports the separation of the Chairperson and CEO roles to ensure independent and objective governance. This separation enables the board to exercise impartial judgment and make decisions without undue management influence. In cases where both roles are held by the same individual, such as a company founder, we may temporarily support this arrangement, provided adequate safeguards are in place, such as a strong independent director.

## B. Board Structure and Composition

Triton Asset Management upholds that an effective board composition is fundamental to effective governance, requiring a balance of qualifications, skills, and diverse perspectives. We encourage boards to periodically review director qualifications through internal or third-party evaluations to ensure relevant expertise and diversity are represented. Boards should conduct regular evaluations and disclose their approach, objectives, and frequency of these reviews.

Board diversity, particularly in terms of gender and background, is essential for bringing a broader range of viewpoints and enhancing decision-making. We expect boards to reflect a range of demographic and professional experiences, including gender, age, and relevant industry expertise. As a standard, we generally expect at least 25% of board members to be gender-diverse, and we may oppose re-elections if boards do not meet these criteria.

Industry expertise is critical for effective oversight, and we expect boards to include at least one non-executive director with relevant industry experience. Directors should also demonstrate sufficient commitment and devote adequate time to fulfilling their responsibilities.

Finally, board size should be optimized for efficient decision-making, with a balance of short- and long-tenured directors to ensure continuous board renewal. If the board's size or composition is deemed ineffective, we may vote against the relevant committee or directors.

## C. Executive Compensation

Triton Asset Management emphasizes that executive compensation, especially for CEOs, must align with long-term shareholder value creation by setting remuneration at a level that rewards and motivates the Company's management, while also supporting the Company's strategy and the long-term interests of its shareholders. We vote against pay policies, reports, or proposals that fail to meet key criteria:

- **Link to Performance Criteria:** The fees associated with both medium-term and long-term corporate goals have an crucial role in creating the performance incentives. We expect that variable remuneration such as one-off cash payments, the distribution of dividends, the distribution of free shares, option rights (share options) etc. will be linked to performance criteria. These criteria should be aligned with the strategic objectives of the companies, are simple and require meaningful effort to achieve them. Finally, we welcome the inclusion of ESG factors among the criteria determining variable pay.
- **Share-Based Incentives:** A significant portion of the CEO's compensation should be in shares, locked in for at least five years, preferably longer, to ensure alignment between the CEO's interests and those of shareholders. This promotes long-term thinking and helps create sustainable value for the company. We support share-based incentives to align management and shareholder interests, and while non-executive directors may also receive shares, these should not be tied to performance criteria. Companies should limit the dilution impact of share-based rewards to no more than 10% over ten years.
- **Transparency and Simplicity:** The Company's remuneration policy must ensure transparency with regard to the remuneration paid and avoid overly complex remuneration systems or complex pay practices. Transparent pay practices reduce the risk of misalignment between executive and shareholder interests.
- **Termination Payments:** We expect companies to avoid excessive exit packages, particularly if an executive departs due to poor performance.
- **Accountability:** We may vote against members of the compensation committee if they fail to address issues identified in previous shareholder rejections of compensation reports.

## D. Board Nomination and Election

Triton Asset Management emphasizes the importance of a transparent and accountable nomination and election process to ensure a board that is not only effective but also aligned with the long-term interests of shareholders. We believe that frequent elections of board members—ideally on an annual basis—strengthen accountability and encourage responsiveness. Therefore, we discourage the classification (staggering) of boards, which can entrench directors and reduce shareholder influence. We support director elections based on majority voting, and we will not back nominees who fail to meet critical disclosure or transparency requirements. We prefer that the re-election of individual directors shall not be for periods exceeding three years.

In cases where directors are elected as a bundled group, we may vote against the entire slate if the board lacks the recommended number of independent or non-executive directors, or if there are significant concerns regarding individual nominees. We discourage the practice of bundling multiple issues into a single agenda item, as this undermines shareholder rights by restricting the ability to vote on each issue independently.

Triton Asset Management may withhold support for directors or entire boards in cases of significant governance failures, including insufficient responsiveness to shareholder concerns, prolonged underperformance, or material weaknesses in risk management, particularly in relation to environmental, social, and governance (ESG) practices.

We will oppose directors who have demonstrated poor governance on other boards or have a history of misconduct. We also evaluate the board's responsiveness to shareholder votes on key issues such as compensation and strategy and may vote against directors who fail to act on majority-supported proposals. Finally, we will not support the re-election of directors whose terms exceed local best practices or where boards consistently fail to address critical shareholder concerns related to governance, financial performance, or risk oversight.

## **Disclosure and Audit**

We expect the companies in which we invest to publish timely, accurate, clear, and detailed reports to facilitate the effective exercise of voting rights. These reports should cover the financial and organizational performance of the company, strategy, risk management, and important ESG factors. Shareholders must also approve the company's financial statements, elect independent auditors, and approve their fees annually. In line with best practices, we will vote against audit committee members if there are significant financial restatements or material weaknesses identified in the company's disclosures.

- **Annual Reports:** We may vote against certain issues, such as the approval of the annual financial statements, if we consider that there is insufficient transparency on corporate governance matters or if there are broader concerns about the company's strategy, performance, or risk management practices. This includes failures to adequately address key financial, operational, or ESG-related risks. Additionally, we expect companies to disclose detailed financial information that allows for a thorough assessment of the business. We carefully review and, where possible, quantify the auditors' observations to ensure that the financial statements are a true and fair representation of the company's position.
- **Bundling:** Agenda items for shareholder adoption should not group multiple issues together, as this limits the ability to vote on individual matters. Proposals must be presented separately to ensure clarity and transparency, allowing shareholders to express their views on each issue.
- **Audit & Accounts:** Strong and reliable financial statements, verified by an independent auditor, are essential for ensuring shareholder confidence. We assess the auditor's independence and any concerns raised before deciding on their re-election. Companies must also ensure that the audit committee has the requisite financial expertise and independence to provide effective oversight of the audit process. If the audit committee has failed to ensure high-quality auditing and disclosure, or if material issues such as financial restatements or significant misstatements arise, we may vote against the audit committee members or the reappointment of the auditors. We expect companies to disclose all fees paid to auditors and the scope of their work to maintain full transparency.
- **Optimization of Corporate Taxes:** Companies operating across multiple jurisdictions should find optimal ways to meet regulatory and tax obligations while ensuring transparency and ethical practices. We encourage businesses to provide clear disclosure of their tax strategies and payments, ensuring they meet their obligations in the countries where they operate. As institutional investors, we encourage transparency in tax arrangements and we believe that paying taxes in the jurisdictions where profits are made fosters better long-term sustainability, mitigates regulatory risks, and supports reputational integrity.
- **Environmental Disclosures:** We encourage companies, especially those in energy-intensive sectors, to disclose carbon dioxide emissions, climate-related risks, and strategies for mitigating environmental impacts. Companies must provide detailed and reliable information on their environmental practices, including targets for reducing emissions and managing climate risks. Failure to provide such disclosures can significantly affect long-term value and increase regulatory risks. As such, we may vote against the re-election of the Chair or other key board members if the company consistently fails to disclose adequate information about its carbon emissions and environmental risks.

## **Capital Management**

Triton Asset Management believes that capital management decisions should prioritize the long-term interests of all shareholders. Companies must ensure that changes to ownership structures are made transparently, with equal voting and rights based on share ownership. Shareholders, including minorities, should have equal voting and rights based on their ownership in major decisions or transactions that impact their stake in the company. We emphasize the need to prevent undue dilution, respect pre-emptive rights, and ensure fair treatment of all shareholders to create sustainable value.

## **A. Equity Issuance, Debt Issuance, and Convertible Securities**

**Equity Issuance:** Triton Asset Management supports capital increases that align with the company's long-term growth objectives. Shareholders should have the right to approve new share issuances, ensuring that ownership dilution occurs only with their consent. We advocate for pre-emptive rights, allowing existing shareholders the first opportunity to participate pro rata in new equity issuances. Typically, we will oppose any issuance that results in dilution exceeding 10% without pre-emptive rights in developed markets and 20% in emerging markets.

**Convertible Securities:** Convertible debt or securities should be issued only when they offer clear long-term benefits. The conversion terms must respect the proportional interests of existing shareholders and not excessively dilute their stakes. We will generally not support issuances with terms that are not clearly disclosed or exceed recommended dilution thresholds.

**Debt Issuance:** Triton AM is generally supportive of debt issuance proposals that strengthen the company's financial structure. However, we will oppose any proposals that lack defined borrowing limits, allow for excessive leverage, or serve as anti-takeover measures.

## **B. Share Repurchase Programs**

We are not opposed to share repurchase programs that contribute to shareholder value, provided they meet certain criteria. Repurchases should not exceed 15% of the issued share capital unless shares beyond this limit are immediately cancelled. Repurchases should occur at no more than a 5% premium over the current market price, and companies should avoid buybacks during takeover periods to prevent market manipulation. Repurchased shares are preferably cancelled to avoid dilution risks related to reissuance.

## **C. Related Party Transactions**

We evaluate related party transactions case by case. All transactions with related parties must adhere to transparent processes and protect the interests of all shareholders. Such transactions should be conducted on market terms, avoiding conflicts of interest. We expect the board to disclose the nature of these transactions, including the transaction date, parties involved and the terms. We will not support transactions lacking sufficient disclosure or those that disproportionately benefit related parties at the expense of minority shareholders.

## **D. Pre-Emptive Rights**

Pre-emptive rights are a fundamental aspect of shareholder ownership. Triton strongly advocates for the preservation of these rights, as they enable shareholders to maintain their proportional interest in the company. We will generally oppose capital increases without pre-emptive rights if they dilute existing shareholders by more than 10% in developed markets and 20% in emerging markets. These rights can only be waived under exceptional circumstances and should be subject to shareholder approval.

## **E. Mergers, Acquisitions, and Other Corporate Transactions**

Triton Asset Management believes that Mergers & Acquisitions (M&A) should maximize long-term shareholder value while ensuring transparency and equitable treatment for all stakeholders. We evaluate M&A proposals on the following principles:

**Value Creation:** All M&A activities must demonstrate potential for long-term value creation. We will not support transactions that lack a clear strategic rationale or that do not contribute positively to the company's growth and sustainability objectives.

**Transparency and Fair Treatment:** Triton emphasizes the importance of transparency in all M&A activities. We expect companies to disclose sufficient information about the transaction, including the rationale, financial details, and any conflicts of interest. We will not support transactions that are not adequately transparent or that do not treat all shareholders equally.

**Conflicts of Interest:** The board must disclose any potential conflicts of interest in the M&A process. Any transaction with potential conflicts should include an independent advisor's opinion to protect the interests of minority shareholders. Triton will not support transactions that unduly favor specific shareholders or insiders at the expense of others.

**Anti-Takeover Measures:** Triton generally opposes anti-takeover measures, as they often limit shareholder value creation. We believe such measures, including poison pills, classified boards, and supermajority voting requirements, should be subject to shareholder approval and implemented only when necessary to protect shareholder interests. Proposals to abolish existing anti-takeover mechanisms will generally receive our support.

## Shareholder Protection

Triton Asset Management is committed to upholding shareholder rights and ensuring equitable treatment for all shareholders, especially minority shareholders, in every company we invest in. Our approach focuses on transparency, accountability, and enabling shareholder participation in fundamental decisions.

### A. Voting Rights

All shareholders should have the right to vote on critical corporate matters, ensuring equal voting rights based on the number of shares held. We will not support the creation of stock classes with unequal voting rights and will endorse proposals to eliminate existing unequal voting structures.

### B. Shareholder Meetings

Shareholders must have the ability to raise and discuss significant issues through convened meetings. Shareholders holding at least 5% of the share capital should have the right to call an extraordinary meeting or propose agenda items. Triton AM also supports de-bundling proposals on meeting agendas to ensure clarity on each issue presented for vote. We will oppose any bundled agenda items unless all included items align with shareholder interests.

### C. Governing Documents

Fundamental changes to a company, including amendments to governing documents, should require shareholder approval. Triton AM expects full disclosure of any proposed changes, with shareholders given sufficient information to make informed decisions. We will not support amendments to governing documents lacking adequate disclosure or transparency and changes intended to bypass shareholder rights or proposals.

### D. Shareholder Disclosures and Resolutions

**Shareholder Disclosures:** Triton AM expects companies to adhere to transparent shareholder disclosure standards that align with regulatory requirements. We do not support additional requirements for shareholders to disclose holdings below legally mandated thresholds, as this can hinder the voting rights of minority shareholders. Disclosure practices should ensure that shareholders have the information they need to make informed decisions.

**Shareholder Resolutions:** We support shareholder proposals that enhance corporate governance and contribute positively to ESG goals. Resolutions promoting transparency, climate action, and socially responsible practices are encouraged, provided they do not unduly restrict the company's ability to operate. Specifically, we support resolutions that call for: Climate accountability, including the adoption of greenhouse gas reduction targets. Annual reporting on environmental and social impacts.

### E. Shareholders' Rights and Extraordinary Actions

Under certain circumstances, shareholders should have the right to take specific actions to protect their interests. We support the rights of shareholders to request extraordinary meetings, propose agenda items, and obtain disclosures regarding executive compensation or related-party transactions. Triton AM endorses practices that empower shareholders and provide channels for engagement with the company. In particular:

Companies should disclose detailed information on transactions with related parties and significant changes affecting voting or cash flow rights. By strengthening shareholder protection, Triton AM ensures that all investors are empowered to influence and engage in significant corporate decisions, ultimately fostering a more transparent, equitable, and sustainable corporate governance environment.

## Voting Process

Our goal is to exercise voting rights in all companies in which we have invested on behalf of our mutual funds and managed accounts, provided our clients have authorized us to do so. We may abstain from voting if practical limitations arise, such as excessively burdensome proxy requirements or when our shareholding in the company represents 0.50% or less of its total share capital.

As an asset management company, our main concern is the long-term pursuit of added value, through the protection of our clients' interests and safeguarding market integrity. We are not part of any conglomerate, which reinforces safety measures to avoid conflicts of interest that could compromise independent decision-making.

The management team, led by the Chief Investment Officer, actively monitors the alignment of our portfolio companies with the principles outlined in this policy. In cases where companies deviate from these principles, we will vote against management. However, as part of our cooperation with the companies we monitor and invest in, in certain cases, we communicate with them before voting against the management to explain our rationale and give them the opportunity to respond.

We also maintain a comprehensive database that records our voting activities, enabling us to produce detailed reports on our voting practices and demonstrate how we exercise our voting rights.

TRITON Asset Management is a signatory of the United Nations supported Principles for Responsible Investment – an international initiative where investors can collaborate to understand and manage environmental, social and governance related factors in their investment decision making and ownership practices.



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