

OPFM Proxy Voting Policy

Overview

Introduction

This Proxy Voting Policy (**Policy**) is part of the Responsible Investment Framework and sets out the rules that are applied in relation to proxy voting and the disclosure of voting activities.

A number of entities within the Insignia Financial Ltd Group (**Insignia Financial**) obtain voting rights in relation to listed securities and other investment vehicles held within the various products.

Policy Statement

The Policy is designed to ensure that the relevant entities comply with regulatory requirements and industry standards. In doing so it is necessary to strike the appropriate balance between:

- the need to protect and enhance the value of investments by recognising the strong link between good corporate governance and investment value; and
- the practical implications and costs involved in the voting process, and the impact these can have on the fees charged to investors.

The Responsible Entity (**RE**) applies the Financial Service Council (**FSC**) Standard and Guidelines on proxy voting to their operational processes where applicable.

Scope and Application

This Policy applies to the following RE within the Insignia Financial Ltd Group:

- OnePath Funds Management Limited (**OPFM**) in its capacity as trustee and RE for a number of unregistered and registered Schemes respectively

For Schemes, where the voting rights reside with an underlying entity (such as a custodian or investment manager) as a result of the investment structure, this Policy sets out the approach to be used when instructing the underlying entity with respect to voting, and in overseeing the voting activities of the underlying entity.

For ASX listed securities and units in unlisted managed investment schemes, this Policy describes the processes to be applied by the RE with regard to voting on proposals/resolutions that are proposed by ASX listed securities and unlisted Schemes.

Voting Policy

General Comments

While proxy voting has been delegated to external managers, the overriding principle when voting on resolutions is that the RE voting decision must be in the best interests of the investors.

When considering voting resolutions, including contentious items, the RE, as applicable, may also refer to a range of resources and best practice standards of corporate governance such as:

- the FSC Standard 'Principles of Internal Governance and Asset Stewardship';
- the FSC Standard 'Voting policy, voting record and disclosure';
- the ACSI (Australian Council of Superannuation Investors) Guidelines;
- the ASX Corporate Governance Council recommendations; and
- independent advisors and market information.

Should voting give rise to a potential conflict of interest, the *Insignia Financial Conflicts of Interest Policy*, and any applicable Policy Schedules, will be complied with.

Managed Investment Schemes

For investments held within Schemes which are managed by an external party (**Manager**) under an Investment Management Agreement (**IMA**), the RE authorises the Manager to exercise any right to vote attached to a share or unit forming part of the Scheme or to so direct the Custodian, subject to the Manager exercising such right in what the Manager reasonably considers to be the best interests of the Scheme. This obligation is communicated and agreed with each Manager.

The Investment Team assesses Managers' proxy voting policies, on appointment and in response to changes, as part of the broader due diligence framework. This is to ensure the approach taken appropriately considers both the best interests of its investors, and the Responsible Investment Beliefs applied by Insignia Financial. As per the IMAs, the RE has the discretion to override a Manager's intended vote. If given a direction from the RE, the Manager must use its best endeavours to implement the direction.

However, there are some circumstances where it is either not possible or not in the best interests of the unit holder to vote. For example, in Australia, it is not possible to vote if the investment manager has participated in a share placement. In some foreign markets the cost of voting can exceed the expected benefit to unit holders while in other markets voting can limit the fund's ability to trade in that stock. In these circumstances, and consistent with the *FSC Standard 13*, the RE requires managers to retain and provide on request, information relating to why a resolution was either "Not Voted" or "Abstained".

All Managers appointed to the RE Schemes must provide the Investment Team with a copy of their proxy voting policy and are required to provide notice of any material changes to the policy. The Managers must also inform the RE in writing if they exercise a vote in a manner that is inconsistent with their policies.

For Schemes managed by an external party, where an RE owns units in an unlisted Scheme, the RE will not vote on unit holder resolutions unless there are exceptional circumstances; for example, if there could be materially adverse outcomes for investors if the RE did not participate in the vote.

Decision Making Process

Generally, the voting process will be straight-forward and proceed in accordance with the Policy statements set out above.

In respect of the RE, in exceptional circumstances, a decision may be required in determining whether to vote with regard to a resolution for unit holders in an unlisted managed investment scheme. In such cases, the applicable delegate of RE will assess whether the resolution, if passed, would, on balance, have any material adverse impact on investors.

Disclaimer

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This Policy is current as at 25 May 2023