

# Voting Policy

National Mutual Funds Management (NMFM) and ipac asset management (IAM)

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## What you need to know

<b>Overview</b>	<p>This Voting Policy (Policy) has been approved and adopted by the Board of Directors of the following Relevant Entities:</p> <ul style="list-style-type: none"> <li>• ipac Asset Management Limited (“IAML”); and</li> <li>• National Mutual Funds Management Ltd (“NMFM”).</li> </ul> <p>NMFM has been appointed to provide investment management and associated services for the Schemes covered by this policy and is responsible for implementing this policy for schemes within the AMP Investments (AMPI) business.</p>
<b>Objective</b>	Documents the approach to voting across listed investment, how the entities exercise and disclose its voting in accordance with the requirements of FSC Standard No. 13 and provides an overview for the approach to investment stewardship.
<b>Scope</b>	<p>All schemes run by responsible entities supported by the AMP Investments Business Group including but not limited to:</p> <ul style="list-style-type: none"> <li>• ipac Asset Management Limited (IAML), and</li> <li>• National Mutual Funds Management Ltd (NMFM).</li> </ul> <p>This policy does not cover the Relevant Entities’ Australian financial services licence obligations.</p>
<b>Impacted Entities</b>	ipac Asset Management Limited (IAML); and National Mutual Funds Management Ltd (NMFM).
<b>Policy Owner</b>	Chief Investment Officer
<b>Effective Date</b>	2/09/2024
<b>Review Date</b>	2/09/2026
<b>Contact</b>	S&I_CIO_ESG@amp.com.au

## Introduction

To be effective investment stewards of our clients’ investments and contribute to shareholder value, we believe it is our responsibility to exercise ownership rights on behalf of our investors.

Through our funds, we have exposure to listed investments on the Australian Securities Exchange (ASX) and in international listed markets, and in various unlisted managed investment schemes and trusts through its investment activities.

Exercising the voting rights attached to shares held in public companies is something we regard as being a key pillar to our active ownership approach. Voting is an important tool for engaging with companies and an effective way for investors to communicate views, both in support of what a company is doing right, and to signal where we believe a company needs to improve. Voting enables us to support strong corporate governance structures, shareholder protection, transparency and disclosure, and encourage corporate action on material environmental, social and governance (“ESG”) issues, including climate-impact and the risks of modern slavery. As part of our investment research and the voting process, our investment managers may engage with the boards and management teams of companies in which the Funds invests. Voting and engagement mean that we can use our rights as a shareholder to support ESG issues.

## Purpose and scope

This document sets out the principles and procedures that we use to manage the voting process for funds issued by National Mutual Funds Management (**NMFM**) and ipac asset management (**IAM**) (“**we**” or “**us**”).

Our diverse business, broad geographical coverage and variation in investment styles requires a flexible approach to how we engage investment managers. We select and appoint a combination of specialist external investment managers to invest fund assets in two ways: through either Direct holdings or Indirect holdings.

**'Direct holdings'** means the assets are held by funds directly under an investment mandate agreement with an external manager. In this instance, we're able to influence the ESG policies and proxy voting practices relating to the assets of the fund.

**'Indirect Holdings'** means the assets are held indirectly through a pooled fund. Where we do not have exclusive control of managed funds, we cannot directly influence the investment manager(s) to uphold our policies. We may continue to invest in such pooled funds, unit trusts or exchange traded funds and the policies of that fund will apply.

Given this, the policy applies to **Direct holdings only**. For Direct holdings, we exercise our active ownership rights in two key ways:

- By exercising our rights as a shareholder or unit holder to vote at general meetings.
- By engaging with companies, their management teams and boards as part of the investment research and voting process.

You can read more about our Responsible Investment approach, including our approach to ESG integration, advocacy and collaboration, reporting and disclosure on our website [ESG responsible investing - AMP](#).

### **Our approach to Voting**

Generally, voting activities applies to listed Australian shares, developed market international shares and emerging markets shares where practicable.

As owners of company assets on behalf of our investors, we have a stake in the effective operation and sustainability of the broader economy, the integrity and transparency of markets, and good governance and business conduct. We believe we have an obligation to ensure that the companies and other assets our funds invest in are governed and managed in a way that will support performance over the longer term, and thereby produce the best financial outcome for investors. For this reason, we are interested in the governance and more broadly, the ESG practices of the companies and assets in which we invest and seek to communicate views on their governance, policies and practices through voting and engagement activities. We generally delegate these actions to the fund's investment managers; however, we will also direct the investment managers on how to vote where we consider it appropriate.

Where we have appointed an investment manager under a separate investment mandate, we will require the manager to have in place their own proxy voting/corporate governance policy and authorise them to exercise voting rights attached to any securities forming part of the portfolio. Investment managers are expected to endeavor to lodge a proxy vote for every resolution (this may include voting for, against or abstaining). Investment managers are required to inform us of any changes to their proxy voting policy and must provide regular (at least annual) reporting on their performance regarding their policy.

While it is our intention that all shares be voted, there will be instances where we refrain from voting where voting is unfeasible and/or impractical or the costs involved in exercising voting rights may not be in the interests of members. Such circumstances include where share blocking prevents a shareholder from trading shares for a certain number of days after a vote, in countries where voting is cast through a Power of Attorney arrangement or in circumstances where shares are not or cannot be recalled from a securities lending transaction in time for voting.

If at any time our funds participate in a securities lending program for company shares held in its Australian or international portfolios, we will generally recall all shares from third parties to enable voting of company resolutions. In some circumstances, it is recognised that shares may not be recalled for voting, as it may not be in the interests of members to do so.

We support diversification and choice through the selection of investment managers who have different investment styles and philosophies. We acknowledge that this may lead to occasions when

managers have differing views regarding the exercise of votes. This means there may be resolutions where votes are 'mixed' between 'for' and 'against' or 'abstain' if the appointed managers vote differently. We reserve the right to override the recommendations put forward by either proxy voting advisors and/or its investment managers. If a manager receives a direction from us in relation to the appointment of a proxy and the way in which the proxy should vote, the manager must use its best endeavours to implement the direction.

## Principles

Principles informing how voting rights are exercised include:

- **Acting in the best interests of clients:** voting rights should be exercised, and proxy instructions should be lodged in a way designed to ensure that proxies are voted in the best interests of members and investors.
- **Promoting strong corporate governance and remuneration structures:** voting rights should be exercised in a way that contributes to sustainable, long term shareholder value creation. This includes ensuring appropriate board composition and effective operation, encouraging performance-based remuneration practices and fair quantum pay outcomes.
- **Promoting shareholder protection:** voting rights should be exercised in a way that ensures that companies are well governed and company constitutions protect the rights of shareholders.
- **Encouraging transparency:** voting rights should be exercised in a way that promotes clear disclosure. This includes requiring transparency around board membership, remuneration practices, diversity progress, and other social and environmental factors, including climate change which could impact shareholder value.
- **Managing material ESG risks:** companies are expected to appropriately manage and disclose material ESG risks, including climate-related and human rights risks. Where companies fail to do this the voting mechanism may be used to encourage greater focus on ESG issues.
- **Managing conflicts:** Where an AMP entity or its employees exercise their right to direct a vote decision (as opposed to when an external manager exercises a vote at its own discretion), we will not vote where AMP has been excluded from doing so by the Corporations Act, or other laws, or in cases of conflicts of interest or duty which cannot be resolved lawfully or appropriately.

## ESG and proxy voting advisers

Advice may be received from ESG or proxy voting advisers in assisting how to vote, including Ownership Matters and Glass Lewis Pty Limited. Our voting decisions and the voting decisions taken by our investment managers are made on a case-by-case basis by an assessment of the range of issues and facts specific to the corporation and the individual resolution, and after taking into consideration the likely effect on the performance of the fund. We recognise that there are differences in corporate governance rules and expectations in different jurisdictions and will incorporate these considerations as we see appropriate, while still aiming to protect shareholder value.

## Investment Stewardship and Engagement

Investment Stewardship refers to steps taken to encourage a high standard of governance from companies, considering applicable corporate governance code or equivalent guideline of the investee companies' jurisdiction as well as responsible practices, as relevant. It also includes the engagement activities with investment managers, regulators and collaborations where this activity is consistent with long term value creation. As part of the AMP Group, we support select investor collaborations and partners with industry through initiatives including:

- Principles for Responsible Investment (PRI)
- Responsible Investment Association of Australasia (RIAA)
- Investor Group on Climate Change (IGCC)
- Climate Action 100+

- Business Council for Sustainable Development Australia (BCSDA)

We recognise our responsibility to influence the Boards and management teams of investee companies and assets where improvements in ESG practices may contribute to business and investment performance outcomes. Lodging proxy votes at meetings where we have the authority and where it is practicable to do so with all issues of corporate governance given due consideration is one means of effecting our views. As part of our investment research and the proxy voting process, our investment managers may engage with the boards and management teams of companies in which the funds invest.

## Disclosure

As per FSC requirements, a voting record is made publicly available on our website within three months of the end of each calendar year. Disclosure may be found on our website [here](#).

## Definitions and References

### ESG

'ESG' is an abbreviation for Environmental, Social, and Governance issues. The Principles for Responsible Investment ("PRI") which is an international organisation dedicated to promoting ESG issues into investment decision making, broadly defines ESG as follows:

- **Environmental:** Environmental considerations include climate change, waste, pollution, conservation of natural resources, sustainable land use, the circular economy, and biodiversity.
- **Social:** Social criteria consider things like human rights, equality, health & safety, impact on local communities, working conditions, and diversity.
- **Governance:** Governance refers to the way a company is managed and can include things like the structure of the board, executive remuneration, cyber security, privacy policies, anti-corruption, and conflicts of interest.

### Responsible Investment

The PRI explain 'Responsible investment' as considering ESG issues when making investment decisions and influencing companies or assets. The consideration of ESG issues can further support the investment process and complements traditional financial analysis and portfolio construction techniques.

### References:

1. ASX Corporate Governance Council Principles and Recommendations (Fourth Edition).
2. Financial Services Council (FSC) Standard No.13: Voting Policy, Voting Record and Disclosure.
3. FSC Standard No. 23: Principles of Internal Governance and Asset Stewardship.

### What you need to know:

While every care has been taken in the preparation of this information, neither National Mutual Funds Management Ltd ABN 32 006 787 720, AFSL 234652, ipac Asset Management Limited ABN 22 003 257 225, AFLS 234655 nor any other member of the AMP group makes any representation or warranty as to the accuracy or completeness of any statement in it including, without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any of your objectives, financial situation or needs. You should, before making any investment decisions, consider the appropriateness of the information in this email, and seek professional advice, having regard to your objectives, financial situation and needs. 901767 07/22