



OC Funds Management Pty Ltd

# Proxy Voting Policy

## Version control:

<b>Approval Date:</b>	June 2025
<b>Approved:</b>	Board
<b>Reviewed:</b>	CIO
<b>Policy owner:</b>	CIO
<b>Other related policies</b>	Responsible Investment & ESG Policy
<b>Key related legislation:</b>	<ul style="list-style-type: none"><li>• FSC Standard No 13: Voting policy, Voting record and Disclosure (27 May 2020)</li><li>• FSC Standard 23: Principles of Internal Governance and Asset Stewardship (July 2017)</li></ul>

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## 1. Purpose of Policy

This Policy sets out the position of OC Funds Management Pty Ltd (OC) to proxy voting for Australian listed securities where OC acts as investment manager and/or provides investment management services under a mandate and has been delegated voting responsibilities.

## 2. Beliefs

OC believes that active investment managers play a key role as stewards of capital on behalf of their clients and have a role in promoting good corporate governance of the entities in which they invest. Constructive corporate engagement and proxy voting are useful tools of responsible investment, as investment managers can influence change in listed enterprises. The exercising of the right to vote is one of the most effective tools for holding company boards to account and encouraging good governance. Proxy voting is a cornerstone to OC's responsible investment approach.

This section should be read in conjunction with OC's Responsible Investment and ESG Policy.

## 3. Policy

As an active investment manager, OC will endeavor to exercise its proxy voting rights for all listed securities it manages on behalf of clients. OC intends, wherever possible and practical, to vote on every resolution put to securityholders.

OC's primary objective when voting is to act in the best financial interests of its clients. OC will comply with a mandate client's instruction to vote in a particular manner; however, any such instruction will not bind the votes we exercise on behalf of any other clients. OC applies consistent voting guidelines, as outlined below.

OC will endeavour to cast votes in a timely and efficient manner by having procedures in place to minimize discrepancies and mismatches between eligible votes and those cast, including through appropriate due diligence of service providers who may implement these procedures on OC's behalf.

OC may, in determining its voting instructions, consider the views of suitably skilled professional third-party advisory firms that provide advice on proxy voting and corporate governance issues. OC has engaged ISS and Ownership Matters for this purpose. OC will use its own judgement to determine if the third-party advisory voting recommendations are appropriate or whether an alternative view should be taken.

## 4. Principles

OC has established the following principles to guide voting:

- i) OC will consider each voting resolution on its individual merits and will determine a voting position based on the specifics of each company and the relevant proposal. Any votes cast will be in the best interests of clients.
- ii) OC has engaged Institutional Shareholder Services (ISS) as its proxy voting advisor and references the proxy voting guidelines ISS has in place for Australia and New Zealand. OC has chosen to not create bespoke voting guidelines at this time, as we believe that ISS has sufficiently stringent and principles-based guidelines in place.
- iii) ISS provides research and voting recommendations for each investee company

meeting. OC's portfolio manager reviews this research and determines how to vote. The portfolio manager records any additional analysis that supports or differs from ISS recommendations to document OC's voting rationale.

- iv) For material or contentious resolutions, OC will act in the best interests of clients. This may include voting against remuneration reports or director appointments due to governance, reputational, or other significant concerns. OC will generally provide feedback to the company on such matters.
- v) OC has regard to the recommendations of the Financial Services Council and the ASX Corporate Governance Council when assessing investee company governance practices.
- vi) OC recognises that smaller companies (i.e. ex the ASX200 and/or more recently listed) may not meet all corporate governance expectations. OC may engage with these companies to encourage continuous improvement but depending on the circumstances will take into consideration the maturity of the company and its willingness to improve, in its final voting decisions.
- vii) OC will consider the merits of all resolutions put forward, irrespective of the proponents of the resolution. Where resolutions are proposed in multiple parts, OC will also consider both the individual merits of each part of the resolution and the impact of the resolution as a whole.
- viii) In some instances, OC may determine that for governance reasons, its clients' best interests are served by abstaining from voting. Circumstances under which OC may abstain include bundled proposals, where disparate matters are "bundled" and presented for a single vote or where inadequate information has been disclosed to inform a decision.
- ix) OC will not vote where excluded from so doing by the Corporations Act 2001 (Cth) or other laws, including any restriction or direction made by a client in accordance with a contractual right they possess, or in cases of conflicts of interest or duty which cannot be resolved lawfully or appropriately.
- x) OC will not vote in favour of resolutions or actions imposing differential voting rights, share classes or "poison pill" or other anti-takeover provisions which seek to deter appropriate takeover offers.

## 5. Security Lending

OC does not provide mandate clients with a security lending service. Should clients want to lend their securities, they have to make their own arrangements and assume responsibility for calling back their securities if they wish to exercise their proxy voting rights. Where we are aware that securities are on loan and if we judge a vote to be material, we may advise the relevant clients recall that security to cast a proxy vote. In circumstances where it is not possible or practical to assess the materiality or where it is not possible to recall the security no votes will be cast. OC may utilise third party service providers to assist it in identifying and evaluating whether an event is material, and to assist it in recalling loaned securities for proxy voting purposes. Where some or all shares of an investee company are on loan at the record date in relation to a meeting of that company, those shares cannot be voted. OC is generally not advised of what securities are on loan and may not have an opportunity to recall the securities prior to the record date. As a result, in most cases, those securities will not be voted.

## **6. Reporting**

A copy of this Policy and a record of voting activity is made available on the OC website. Voting activity is reported at least annually. These records may be recorded in electronic format (e.g., web-based proxy voting services).

## **7. Persons responsible for Policy**

OC's Chief Investment Officer is responsible for implementing this Policy. This policy applies to all relevant employees of OC involved in the proxy voting process.

## **8. Review**

This Policy will be reviewed every two years or more frequently if required. It is approved by OC's Chief Investment Officer, who has ultimate oversight for responsible investment and ESG policies.