Schroders

# SIMAL Information Handbook

## Section 4.10 Corporate Governance & Proxy Voting

December 2025

# 1. Introduction

This document sets out Corporate Governance and Proxy Voting Policy of Schroder Investment Management Australia Limited ("SIMAL"). This document applies to all portfolios where SIMAL acts as responsible entity and or provides investment management services and has been delegated voting responsibilities.

This Policy has been prepared by SIMAL. The effective date of this Policy is 2 December 2025, being the date on which this Policy was approved by the SIMAL Board.

This Policy applies to investments in publicly listed or quoted Australian and international securities with voting rights attached and where SIMAL has the ability and authority to vote.

# 2. Corporate Governance

Influencing the practices and ensuring stakeholders are duly considered in our investments is what we call active ownership. We consider active ownership to be the influence we can apply to management teams for a particular outcome.

Effective corporate management is concerned with the efficient utilisation of the resources of a corporation to maximise the return to the shareholders. Corporate Governance is the system by which companies are controlled. The directors of a company act as the agents of shareholders, therefore it follows that shareholders must monitor, and as necessary, reward and reprimand the Board. In turn the Board appoints management to run the operations of the company.

At Schroders, we seek to add value to the portfolios which clients have entrusted to us to manage. SIMAL recognises that it can seek to influence company policy on matters of Corporate Governance by virtue of shareholdings under our management, to ensure sustainable practices in the assets in which we invest. We aim to drive change with the aim of enhancing the value of the investments we manage, and we are committed to leveraging the weight of our firm to influence change in how a company is operating, for the better. We believe this is an important aspect of our role as managers of our clients' capital and how we help clients meet their long-term financial goals in line with our fiduciary responsibilities.

Within these parameters we aim to enhance shareholder returns by encouraging what we consider to be advantageous and discouraging what we consider to be undesirable (from an ESG perspective) corporate policies, through discussion with company Boards and management, and the exercise of our voting power. With respect to Australian Equity portfolios, we align our views on corporate policies with our investment philosophy, by assessing the growth in net tangible assets per share, adjusted for dividends and capital transactions, through a cycle. For the worst performers, we may seek to engage company Boards and management in an endeavour to encourage improved performance. Where poor performance is coupled with a resistance to change, we may seek to use our vote to protect and enhance the long-term value of the security as an asset to the portfolio.

As active owners, we recognise our responsibility to make considered use of voting rights. Voting is one of the key ways in which we can communicate our views and positively influence how a company is run. We believe that it is our fiduciary responsibility to exercise our vote on all significant issues for companies in which our portfolios are invested. We will exercise our vote for or against if possible, but we do consider abstention a viable alternative in certain circumstances. We will always use our voting powers to vote in the best interest of our clients, even if it means voting against management.

We aim to take a consistent approach to voting globally, subject to regulatory restrictions. This is in line with our published ESG policy.

We consider a number of core corporate governance principles when determining how to vote. Further information on these principles is detailed in our Environmental, Social and Governance Policy for Listed Assets which is

available on our website www.schroders.com.au. All are subject to the overriding principles that we will vote and act in the best interests of clients.

SIMAL sets out further details on our corporate governance framework in our "Principles of Internal Governance and Asset Stewardship", as well as in our Environmental, Social and Governance Policy for Listed Assets which are both available on our website: www.schroders.com.au.

## 3. Proxy Voting Policy

1) SIMAL engages the services of proxy advisers, Glass Lewis.

2) Whilst recommendations are received from proxy advisers, responsibility for making proxy voting decisions on all Australian securities remains with the relevant Portfolio Manager. For delegated mandates, where management of international securities has been delegated, the proxy voting responsibility is also delegated.

3) Given responsibility for proxy voting rests with the relevant Portfolio Manager, there will be variations to the approach and how active each asset class and jurisdiction may be. The Australian Equities investment desk is the most active, relying the least on proxy advisers, and instead aligning voting with their investment philosophy. Whereas by their very nature, more quantitative strategies such as some of the international equities, and multi-asset strategies which focus more on the relative valuations of the asset classes, will be less active.

4) Where SIMAL has the power and authority to vote SIMAL will evaluate and vote for or against or where deemed appropriate will actively abstain from voting on all investments in Australian and international listed entities, unless instructions to the contrary have been received from the client.

5) Proxy requests will be voted in a manner that we determine most likely to protect and enhance the long-term value of the security as an asset to the portfolio.

6) Any conflict of interest identified will be escalated to Compliance to be handled in accordance with SIMAL's Conflict of Interest Policy.

7) SIMAL will not vote where we are excluded from so doing by the Corporations Act or other laws, or in cases of conflicts of interest or duty which cannot be resolved lawfully or appropriately.

On a monthly basis, Schroders Group publishes voting reports which detail shareholder proposals for companies during the period in which its global funds are invested and how the votes were cast, including votes against management and abstentions, along with the rationale behind these decisions. The Group reports are publicly available on our website: https://www.schroders.com/en/sustainability/active-ownership/voting/

SIMAL also publishes on its website, at least annually within three months of the end of the financial year, a summary of the Proxy Voting records for the previous year, highlighting differences to this Policy, including any instances of non-compliance. Further information on our approach to voting is also detailed in our Environmental, Social and Governance Policy for Listed Assets which is available on our website www.schroders.com.au via the Fund Centre.

This policy meets the Financial Services Council ("FSC") principles as set out in the FSC Standard No. 13: Voting Policy, Voting Record and Disclosure.

## 4. Class Actions

In its capacity as responsible entity and investment manager, SIMAL will be approached from time to time to participate in class actions, also referred to as representative proceedings, whereby a single law firm represents a group of shareholders, referred to as applicants or plaintiffs.

SIMAL's policy in relation to class actions is to allow each fund manager to make the decision to proceed or not on behalf of the funds and mandates that they are responsible for. Where any discrete client issues instructions to participate, SIMAL will comply with those instructions. Where any discrete client seeks advice, SIMAL policy is to not provide advice, however we can articulate our rationale for our decision to participate or not.

If the fund manager decides to proceed, the legal documentation will be reviewed by Legal.

SIMAL's policy is that all proceeds from any class actions are passed back to the specific funds and/or mandates. SIMAL retains no portion of the proceeds.

## 5. Related Policies

- Principles of Internal Governance and Asset Stewardship
- FSC Standard No. 13 Voting Policy, Voting Record and Disclosure

## 6. Investor contact

If you have queries with respect to this Policy or our voting records, you can contact SIMAL on the following:
Email: info.au@schroders.com
Client services telephone: +61 1300 136 471
General enquiries telephone: +61 2 9210 9200