

Global X Proxy Voting Policy

Purpose & Application

Voting on resolutions in general meetings is an important right of shareholders. This document sets out the Proxy Voting Policy (the "**Policy**") to govern the proxy voting of the funds managed by Global X Management (AUS) Limited ("**the Company**").

The fiduciary duty in respect of proxy voting is delegated to the Portfolio Managers of the relevant funds (the "**Portfolio Managers**"). Portfolio Managers will exercise reasonable care and diligence to ensure the voting rights are properly and timely exercised. If the Company has engaged a third-party proxy voting advisory firm ("**Proxy Advisor**") to provide consulting service, the vote recommendations made by the proxy advisory firm must be reviewed by the relevant Portfolio Managers. Portfolio Managers remain ultimately responsible for the proxy voting decisions of the relevant funds. For any votes to be cast, it is necessary to be consistent with the best interests by striking appropriate balance between:-

- The need to protect the interests of the funds' unitholders by recognising the linkage 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 incurred to the funds.

Except in special cases where the Portfolio Managers believe abstention is in the best interests of the funds' unitholders, it shall vote on all proxies for every resolution in respect of holdings publicly listed in Australia, except for the holdings that the Company has no discretion to vote.

In some instances, after appropriate consideration that as a matter of governance, the Portfolio Manager believes it is more effective and in the funds' unitholders' best interests to abstain from voting.

Overview

To ensure the proxies are voted in the best interests of the funds' unitholders, the Company has the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest and maintain relevant and required records.

Corporate Governance deals with the way in which companies are directed and controlled. The Company view is that the most appropriate Corporate Governance is achieved by applying recognised corporate governance principles (such as those detailed in the ASX Corporate Governance Principles and Recommendations document and the FSC Standards and Guidance Notes currently applicable).

Voting decisions are made on a case by case basis by an assessment of the matter at hand and after taking into consideration the likely effect on the performance on the funds.

Principles

The monitoring of corporate governance related matters and the exercise of voting rights are integral part of the portfolio management process. We understand that in some cases we may have the potential to influence corporate governance and policy by the exercise of voting rights.

Even if the matter is not material, then consistent with good practice and the following FSC Standards;

- FSC Standard No. 1 *Code of Ethics and Code of Conduct*
- FSC Standard No. 13 *Voting Policy, Voting Records and Disclosure*
- FSC Standard No. 23 *Principles of Internal Governance and Asset Stewardship*

we generally will exercise voting and other similar rights. In exercising these rights, we take into account the following principles:-

- a) We will vote in the best interests of the funds' unitholders;
- b) We will not vote in favor 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;
- c) When a Company's Board or management recommendation is not consistent with our policies, the recommendation will not be supported;
- d) We will not vote where we are excluded from so doing by the Corporations Act or other laws, in cases of material conflicts of interest or duty which cannot be resolved lawfully or appropriately;
- e) In some instances, we may determine that for governance reasons and that funds' unitholders' best interests are served by us abstaining from voting;
- f) In accordance with the Company's Modern Slavery Statement, we will not support any resolution which encourages or promotes actual or potential modern slavery practices in any way. It is considered that this approach will always be in the best interests of both the Company and of the funds' unitholders, and;
- g) If a resolution is otherwise divisive or raises contentious issues, we will be guided by what is in the best interests of the funds' unitholders. Resolutions falling into this category include:-
 - (i) Those where there is a real likelihood that we will vote against a Board- sponsored resolution;
 - (ii) Those where there is a real likelihood that we will vote against a current Director standing for re-election;
 - (iii) Those which in our reasonable opinion are inconsistent with or contravene the FSC Standards and Guidance Notes currently applicable or ASX Corporate Governance Principles and Recommendations;
 - (iv) Any other issue or resolution which we consider on reasonable grounds to be contentious or divisive having regard to media coverage, industry conventions and relevant laws.

Responsibilities

The Head of Portfolio Management and Head of Product are responsible for implementation and monitoring of this policy, practices, disclosures and record keeping.

The Portfolio Managers are responsible for providing proxy voting instructions to ensure the voting rights are properly and timely exercised according to this policy.

Procedures

The Company has adopted the following procedures to implement the policy:-

- a) Proxy materials will be received by the Portfolio Manager and the Proxy Advisor, if applicable;

- b) If a Proxy Advisor is engaged to provide consulting service, it will provide recommendations on resolutions and send them to the Portfolio Managers. The Portfolio Managers will review the recommendations and decide the votes;
- c) Without the engagement of a Proxy Advisor, Portfolio Managers will review the resolutions and decide the votes;
- d) Portfolio Manager will enter the voting instructions into the system provided by the proxy voting agent, such as a Fund's Custodian. After inputting the instructions, the Portfolio Manager will download the proxy voting records and store the records in the Company's shared drive;
- e) The voting agent will vote according to the instruction provided.

In each of the voting records for an entity, the following items must be included:-

- i) Name of an entity;
- ii) At least one security identifier, e.g. ISIN, SEDOL, ASX Code, Cboe Code;
- iii) Meeting date;
- iv) Meeting type e.g. AGM, EGM, SGM, and;
- v) If known, whether the matter or matters voted on were proposed by the issuer, its management or another person or company.

For each resolution, the following items must be included:-

- i) Type of resolution – general/special;
- ii) A brief identification of the matter or matters to be voted on at the meeting;
- iii) Whether the Company voted on the matter or matters;
- iv) If applicable in the case of abstentions, a note or record of the relevant abstention(s), and;
- v) Whether votes cast by the Operator were for or against the recommendations of management of the entity.

Conflicts of Interest

The Compliance Officer will identify any conflicts of interest that exist between the Company and the Portfolio Managers. According to the principle 3(d) stated in this policy, we will not vote if the Company is in a material conflict of interest. If a Portfolio Manager believes he was in a conflict of interest for a particular proxy voting decision, he shall notify the Head of Portfolio Management, Head of Product and Compliance Officer.

Recordkeeping

All proxy voting records shall be maintained in electronic form and maintained in the Company shared drive. The records will be preserved in accordance with all relevant laws and regulations governing the investment activities and the investment/risk management activities. Any agreed changes to this the policy shall be recorded under the document history section.

Disclosure

No later than three months after the close of a financial year, we will publish a summary of our proxy voting activities on our website at www.globalxetfs.com.au. This disclosure is in a form consistent with the Standard.

Document History

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1.0	Cliff Man	17 Feb 2015
1.1	Evan Metcalf	25 Jun 2015
1.2	Cliff Man	19 May 2017
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