



On the right track

Voting Intentions – Insignia Financial 2022 AGM

Company/ASX Code	Insignia Financial /IFL
AGM date	Thursday 10 November 2022
Time and location	9.30am, The Grand Hyatt Hotel, 123 Collins Street Melbourne
Registry	Boardroom - Investorserve
Type of Meeting	Hybrid
Poll or show of hands	Poll on all items
Monitor	Christine Haydon assisted by Meena Wahi
Pre AGM Meeting?	Yes, with Chair Allan Griffiths and Director John Selak

Monitor shareholding: The individuals (or their associates involved in the preparation of this voting intention have no shareholding in the company.

Summary of issues for meeting

With integration of the MLC business 18 months ahead of schedule, focus is now turning to platform simplification. The next phase of this program called Evolve23 is expected to be executed in the second half of 2023.

IFL have purchased carbon offset credit to achieve to carbon neutral status in June 2022. They will release their first climate report consistent with the Task Force on Climate Change Disclosures (TCFD) framework in the ESG sector of their 2022 Annual Report.

IFL Board and Registrable Superannuation Entities (RSE) board are provided with comprehensive reporting on Cyber Security in the form of an Information Security quarterly report. The report has been developed to comply with CPS 234. CPS 234 is the mandatory information security regulation issued by APRA (Australian Prudential Regulatory Authority) that took effect on 1 July 2019.

Growing recognition that some regulations have gone too far leading to higher compliance cost component of total advice cost.

For September 2022 dividend, 4,687 of 56,196 shareholders participated in the new Dividend Reinvestment Plan. IFL are consistent dividend payers.

Proposed Voting Summary

No.	Resolution description	
2a	Re-election of Ms Michelle Somerville	For
2b	Re-election of Mr John Selak	For
3	Adoption of the Remuneration Report	For
4	Grant of Performance Rights to the CEO Mr. Renato Mota	For

Summary of ASA Position

- Consideration of accounts and reports – No vote required
- Financial Performance: underlying net profit after tax (UNPAT) for the year ended 30 June 2022 was \$234.5m (30 June 2021: \$147.8m), an increase of \$86.7m driven by inclusion of MLC operating results, revenue growth driven by market performance as well as realisation of benefits and synergies from strategic initiatives.
- Key Events – None to report
- Key of board of senior management changes: None to report

Summary

(As at FYE)	2022	2021	2020	2019	2018
NPAT (\$m)	\$36.8m	(143.5)	147.0	28.6	88.3
UPAT (\$m)	\$234.5m	147.8	128.8	198.0	191.4
Share price (\$)	\$2.69	4.27	4.92	5.17	8.99
Dividend (cents)	23.6	23	34.5	37.5	54
Simple TSR (%)	(31%)	(8.5)	1.8	(36.8)	(2.8)
EPS (cents)	5.7	(24.4)	42	8.1	26.4
CEO total remuneration, actual (\$m)	2.899	1.498	1.487	3.629*	2.798

Election or re-election of directors

- The Board consists of 5 independent directors – 3 men, 2 women – 40% female. The longest serving is the chair for last 8 years. The board has a skills matrix – which is assessed biannually by a third party and reviewed annually in house.
- There are a number of subsidiary boards within Insignia that the directors are on and reviewing workload, we believe that none of the directors are overloaded.
- The Board is developing a Policy that sets out the minimum shareholding requirement for directors which will be equivalent to a fixed percentage of their director remuneration.

- One of the 2 directors standing for re-election has adequate skin in the game and the other director has some shares and is progressing appropriately. We will vote open proxies in favour of their re-election.

Adoption of Remuneration Report and approval of equity grants to Managing Director/CEO

The Board has determined that, subject to shareholder approval, Mr Mota will be entitled to participate in the Executive Equity Plan (EEP) performance rights to the value of \$1.54m for the 2022/2023 financial year under the Plan. The remuneration framework mostly complies with ASA guidelines. See Appendix for more remuneration details.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FYXX	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.307	NA	1.307	46%
STI - Cash	0	NA	0	0%
STI - Equity	0	NA	0	0%
LTI - EEP	Not disclosed	NA	1.504	54%
Total	Not disclosed	100%	2.811	100%

No LTIs vested for 2019 & 2020 because the TSR hurdle was not met. The company is implementing EEP system over a period of 4 years which combines long and short-term incentives into one plan. The new EEP is 60% (nominally) is based on short term performance predominately non-financial metrics is paid as equity and is only released after four years. 40% (nominally) of the plan is based on four year relative total shareholder return (TSR) performance.

The total quantum of the CEO remuneration package does not reasonably exceed the Godfrey Remuneration Group report benchmarks. Approximately 50% of CEO pay is genuinely at risk. The short-term part of EEP is not released until 4 years after issue. The long-term part of the EEP part is assessed over 4 years. Comparative group is S&P/ASX200. The long-term part of the EEP is based on cooperative groups and does not vest until performance is >50th percentile. All share grants are allocated at face value.

The CEO is holding equity almost equal to one year's remuneration. It should also be noted that the CEO took a reduction in salary for 6 months in 2021.