

IISL Proxy Voting Standard

April 2021

Purpose and Application

This Standard sets out the rules that are applied in relation to proxy voting and the disclosure of voting activities.

A number of entities within the IOOF Group obtain voting rights in relation to listed securities and other investment vehicles held within the various products. In this context, this Standard applies to the following entities:

- IOOF Investment Services Limited (**IISL**) in its capacity as trustee and Responsible Entity (**RE**) for a number of unregistered and registered Managed Investment Schemes (**Schemes**¹) respectively; and
- IISL in its capacity as Service Operator (**SO**) of various Investor Directed Portfolio Services (**IDPSs**²).

For MISs, where the voting rights reside with an underlying entity (such as a custodian or investment manager) as a result of the investment structure, this Standard sets out the approach to be used when instructing the underlying entity with respect to voting, and in overseeing the voting activities of the underlying entity. For ASX listed securities and units in unlisted managed investment schemes, this Standard describes the processes to be applied by the RE and SO with regard to voting on proposals/resolutions that are proposed by ASX listed securities and unlisted Schemes.

The Standard is designed to ensure that the relevant entities comply with regulatory requirements and industry standards. In doing so it is necessary to strike the appropriate balance between:

- the need to protect and enhance the value of investments by recognising the strong link 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 charged to investors.

¹ Please refer to Appendices for a full list of Schemes.

² Please refer to Appendices for a full list of IDPSs.

The RE and SO apply the Financial Service Council (**FSC**) Standard and Guidelines on proxy voting to their operational processes where applicable. Whilst not members of the FSC, the RE looks to adopt best practice in respect of proxy voting, including adopting similar standards where appropriate.

Key Principles

While proxy voting has been delegated to external managers, the overriding principle when voting on resolutions is that the RE and SO voting decision must be in the best interests of the investors.

When considering voting resolutions, including contentious items, the RE and SO, as applicable, may also refer to a range of resources and best practice standards of corporate governance such as:

- the FSC Bluebook;
- the ACSI (Australian Council of Superannuation Investors) Guidelines;
- the ASX Corporate Governance Council recommendations; and
- independent advisors and market information.

Should voting give rise to a potential conflict of interest, the *IOOF Conflicts of Interest Policy*, and any applicable Policy Schedules, will be complied with.

Managed Investment Schemes

For investments held within Schemes which are managed by an external party (**Manager**) under an Investment Management Agreement (**IMA**), the RE authorises the Manager to exercise any right to vote attached to a share or unit forming part of the Scheme or to so direct the Custodian, subject to the Manager exercising such right in what the Manager reasonably considers

to be the best interests of the Scheme. This obligation is communicated and agreed with each Manager.

Effective April 2021 the IOOF Investment Division will assess Managers' proxy voting policies, on appointment and in response to changes, as part of the broader due diligence framework. This is to ensure the approach taken appropriately considers both the best interests of its investors, and the Responsible Investment Principles applied by IOOF Group. As per the IMAs, the RE has the discretion to override a Manager's intended vote. If given a direction from the RE, the Manager must use its best endeavours to implement the direction.

However, there are some circumstances where it is either not possible or not in the best interests of the unit holder to vote. For example, in Australia, it is not possible to vote if the investment manager has participated in a share placement. In some foreign markets the cost of voting can exceed the expected benefit to unit holders while in other markets voting can limit the fund's ability to trade in that stock. In these circumstances, and consistent with the FSC Standard 13, the RE require managers to retain and provide on request, information relating to why a resolution was either "Not Voted" or Abstained.

Investor Directed Portfolio Service (IDPS)

Unlisted Managed Investment Schemes/ASX listed securities

Due to the significant operational complexities involved in seeking individual investor voting instructions and acting upon those instructions, IISL as SO will not give IDPS investors the opportunity to vote regarding resolutions proposed for unlisted managed investment schemes, or resolutions proposed for listed securities. The standard position for the SO will be to not vote.

From time to time, where product features allow making an offer to investors the opportunity to vote and provided there is sufficient time to communicate with the client and adequate procedures in place to request, collate and enact votes, the SO may decide to proceed with an offer.

In exceptional circumstances (for example, if there could be adverse outcomes for investors if participation in the vote was not offered to investors) the SO may decide to offer investors to vote on a resolution and will seek investor's instructions.

Where exceptional circumstances exist (for example, if there could be adverse outcomes for investors) the SO will seek investor's instructions and will only vote once an investor has provided their instructions, and must vote in accordance with those instructions (at no cost to the investor).

In the event investor proxy voting instructions are required, the SO will ensure all necessary information is communicated to the investor as soon as practicable (either by emailing or posting the information) including information on resolution(s) and voting instructions. Outlined within the instructions will be steps to exercise the voting rights by phone, email, using on-line functionality or written instruction as appropriate and relevant to the product and depending on the deadlines given by the responsible entity / company to vote. The SO will set an "instruction deadline" to receive each vote from investors with each vote being collated in a timely manner and forwarded to the custodian for lodgement. Any votes received after the "instruction deadline" will not participate in the vote.

Regulatory Requirements

ASIC Class Order [CO 13/763] (Class Order) imposes requirements on IDPS operators, including in respect of voting rights. The Class Order requires an IDPS:

- to have in place a voting policy that includes information about its voting practices on company and scheme resolutions;
- if investors are provided with the opportunity to vote, to disclose the processes by which they will be informed of the vote, the process for instructing and whether fees will be charged; and
- if investors are NOT provided with the opportunity to vote – to disclose this appropriately in the IDPS Guide.

To the extent that there is a discrepancy between the Class Order and the Proxy Voting Policy, the Class order will prevail.

Decision Making Process

Generally, the voting process will be straight-forward and proceed in accordance with the statements set out above.

In respect of the RE, in exceptional circumstances, a decision may be required in determining whether to vote with regard to a resolution for unit holders in an unlisted managed investment scheme. In such cases, the RE delegated authority will assess whether the resolution, if passed, would on balance, have any material negative impact on investors.

In respect of the SO, in exceptional circumstances, a decision may be required in determining whether to offer voting opportunities to investors, with regard to a resolution for investors in an unlisted managed investment scheme. In such cases, the SO delegated authority will assess whether the resolution, if passed, would on balance, have any material negative impact on investors. Considerations of the product features and administrative functionality to be able to offer voting permissions to investors will also be considered on a product by product basis.

Appendix A – Retail Trusts

- IOOF MultiMix Capital Stable Trust
- IOOF MultiMix Conservative Trust
- IOOF MultiMix Moderate Trust
- IOOF MultiMix Balanced Growth Trust
- IOOF MultiMix Growth Trust
- IOOF MultiMix Cash Enhanced Trust
- IOOF MultiMix Diversified Fixed Interest Trust
- IOOF MultiMix Australian Shares Trust
- IOOF MultiMix International Shares Trust
- IOOF Capital Secure Trust
- IOOF Cash Management Trust
- IOOF Balanced Investor Trust
- IOOF Cash Management Trust
- IOOF MultiSeries 30
- IOOF MultiSeries 50
- IOOF MultiSeries 70
- IOOF MultiSeries 90
- Profile 45
- Profile 55
- Profile 65
- Profile 75
- Profile 85
- Profile 95
- Profile Australian Shares
- Profile International Shares
- Profile International Shares (Hedged)
- Specialist Income Fund
- Specialist Property Fund
- Specialist Dynamic Allocation Fund
- Specialist Australian Small Companies Fund
- Specialist Global Shares Fund
- Strategic Australian Equity Fund
- Strategic Cash Plus Fund
- Strategic Fixed Interest Fund
- Strategic International Equity Fund

Appendix B – Wholesale Trusts

- MultiMix Wholesale Australian Shares Trust
- MultiMix Wholesale International Shares Trust
- MultiMix Wholesale Australian Property Trust
- MultiMix Wholesale Defensive Equity Trust
- MultiMix Wholesale International Property Trust
- MultiMix Wholesale Diversified Fixed Interest Trust
- MultiMix Wholesale Alternative Debt Trust
- MultiMix Wholesale Alternative Equity Trust
- MIM Property Plus
- IOOF Income Trust
- Multi Series Wholesale Australian Equities Trust
- Multi Series Wholesale International Equities Trust
- Multi Series Wholesale Fixed Income Trust
- Wholesale International Core Equities – Hedged
- Wholesale International Core Equities
- Wholesale Australian Core Equities

Appendix C – Investor Directed Portfolio Services

Group 1, External Administrator:

- Rhythm Investment IDPS, administered by HUB24

Group 2, Administered by IISL:

- Expand Investment IDPS
- Shadforth Portfolio Service Investment IDPS
- IOOF Essential Investment IDPS
- IOOF Pursuit Select Investment Service IDPS
- IOOF Pursuit Core Investment Service IDPS
- Infocus Pursuit Select for Investment Service IDPS
- Annex Pursuit Select Investment Service IDPS
- Pursuit Select Investment Service – Count IDPS (closed to new investors)
- Pursuit Select Investment Service - Plan B IDPS (closed to new investors)
- IOOF Pursuit Focus Investment Service IDPS (closed to new investors)
- IOOF Portfolio Service Investments IDPS (closed to new investors)
- IOOF Portfolio Service Wholesale Investment Service IDPS (closed to new investors)
- IOOF LifeTrack Investment Service IDPS (closed to new investors)
- IOOF LifeTrack Investment Service for Self-Managed Investors IDPS (closed to new investors)
- Bendigo Financial Solutions Personal Investments IDPS (closed to new investors)
- Financial Partnership Portfolio Service Investments IDPS (closed to new investors)