

## **IIML Proxy Voting Policy (effective date 15 May 2024)**

IOOF Investment Management Limited (**'the Trustee'**) represents members through Proxy Voting in matters of corporate governance. This Policy applies to the IOOF Portfolio Service Superannuation Fund (**'IPS'**) and the AvWrap Retirement Service (**'AvWrap'**). The IIML Board is ultimately responsible for approval and monitoring of this Policy, and the regular review of the Policy is facilitated by Distribution Governance. Certain matters relating to Proxy Voting are delegated to the Board's Superannuation Trustee Investment Committee (**STIC**), such as material and contentious votes.

Decisions on proxy voting are made considering members' best financial interests (**MBFI**). The decisions on proxy voting are therefore made with the aim of protecting and enhancing the investment outcome for members and recognising the strong link between good corporate governance and investment value.

The way member assets are held is a relevant consideration for the Trustee in determining its ability to vote.

All of the Trustee's voting instructions are lodged via the appointed Custodian.

### **Directly Managed Investment Option – MySuper**

The assets of the directly managed MySuper investment option (invested in the IOOF Balanced Investor Trust) are held in a trust vehicle where IOOF Investment Services Limited (**'IISL'**) is the Trustee or Responsible Entity. Under this investment arrangement, the Trustee is a unitholder in the IISL trust with the proxy voting responsibility residing with IISL. The Trustee is aware that IISL has its own proxy voting policy - The IISL Proxy Voting Standard (**'IISL Policy'**). The IISL Policy applies the FSC Standard and Guidelines on proxy voting, where they are applicable. The IISL Policy also specifies that voting decisions must be made in the best financial interests of investors.

In investing assets through the IOOF Balanced Investor Trust, the Trustee accepts the application of the IISL Policy and as such understands the limitation it imposes on the Trustee's ability to vote in accordance with its views generally or as it relates to responsible investing.

### **Externally Managed Investment Options**

Where member assets are invested via Externally Managed Investment Options, the Responsible Entity of each Managed Investment Scheme will apply its own proxy voting policy. As a unitholder under this investment arrangement, the Trustee accepts the application of proxy voting rights for their members being exercised by the Responsible Entity in accordance with their own respective proxy voting policy.

In some cases, an Externally Managed Investment Option will trigger a unitholder vote, applicable to the IIML holdings in the relevant Externally Managed Investment Option. IIML will vote on all resolutions applicable to unitholder votes where it is in MBFI to do so and voting is legally permitted. Resolutions assessed as contentious and material are referred to the STIC for consideration and approval in relation to how the unitholder vote should be exercised; an example of a contentious unitholder vote may be a proposed change to the fee structure pertaining to an Externally Managed Option.

The materiality threshold is reached where IIML holds at least 5% of the units in the option against the relevant total units and whether a resolution is contentious is assessed by

Distribution Governance, taking into account a variety of factors, including external events, media etc.

In the event that members of the STIC resolve to vote differently in relation to the same resolution, this will be escalated for a decision by the IIML Board.

The expectation of the Trustee is that wherever possible the governance processes in place will enable material and contentious unitholder votes to be circulated to the STIC for a decision, however where time constraints do not permit this, the decision will be delegated to the Chair of the STIC.

### **Listed Securities ('Direct Shares')**

Proxy voting for Direct Shares only applies to ASX listed shares in IPS, as the Trustee does not currently offer international listed shares to members on its IPS investment menus. Proxy voting is not performed for the small portion of Direct Shares held within AvWrap, due to cost and the inability to influence the outcome due to the immateriality of holdings.

Resolutions for a significant proportion of ASX listed direct shares in IPS will be assessed and voted on (unless there is a good reason for abstaining) in respect of direct holdings owned by the Trustee on behalf of members. Taking into account MBFI, the Trustee allocates its proxy voting activities where members have the most material holdings in a direct share, which is where the proxy vote is more likely to have an impact on the outcome of the vote.

This incorporates the ASX top 100 listed shares and those shares where the holding of IPS exceeds a materiality threshold of 1% of the total market capital. The decision to vote on a significant proportion of ASX listed direct shares represents a serious commitment to encourage these companies to be accountable for their actions and to uphold good corporate governance.

In general resolutions will be voted in line with the recommendations of the Trustee's Proxy Adviser, Glass Lewis & Co (Glass Lewis)<sup>1</sup>. Where the vote is material and also assessed as contentious, it will be referred to the STIC for consideration and approval in relation to how the vote should be exercised. Whether a resolution is contentious, is assessed by Distribution Governance, taking into account a variety of factors, including external events, media, and whether Glass Lewis is recommending a vote "against" a particular resolution.

Examples of contentious resolutions include (but are not limited to) resolutions pertaining to:

- the granting of executive options without adequate performance hurdles and other remuneration matters that may result in remuneration strikes;
- resolutions that pertain to Environmental, Social and Governance matters;
- shareholder activist resolutions; and
- other resolutions that may adversely affect the rights of existing shareholders.

### **Other**

The STIC takes into consideration best practice standards of corporate governance when developing this Policy and considering its voting decisions. It reviews its voting processes on an ongoing basis.

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<sup>1</sup> For details of Glass Lewis' Policy Guidelines (Australia), please refer to [www.glasslewis.com](http://www.glasslewis.com)

In the event of any other actual or potential conflicts of interest that may arise in exercising proxy voting responsibilities, these conflicts will be disclosed to the Trustee, as appropriate. The Trustee will review any conflicts relating to the voting of proxies and take action to avoid or manage any conflicts of interest. In these instances, the Trustee will make appropriate disclosures to members in the proxy voting continuous disclosure published on the relevant websites.

To avoid conflicts of interest, the Trustee will abstain from voting on any matters that relate to Insignia Financial Limited shares.

Any recommendation to diverge from this Policy will be referred to the STIC for consideration.

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