



**PROXY VOTING POLICY
SUPERANNUATION, PLATFORMS & MANAGED ACCOUNTS
MACQUARIE INVESTMENT MANAGEMENT LIMITED (“MIML”)**

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1 PURPOSE & APPLICATION

- 1.1 The MIML Proxy Voting Policy (“the Policy”) articulates MIML’s policy position with regard to proxy voting for the Macquarie Wrap Platform and Managed Accounts products offered by MIML.
- 1.2 The Policy has been approved by the MIML Board and applies to the Superannuation and Investor Directed Portfolio Services (“IDPS”) Wrap Platforms, where MIML acts as superannuation trustee and IDPS operator respectively. This Policy also applies to MIML in its capacity as the Responsible Entity (“RE”) for the Macquarie Separately Managed Account (“SMA”) and Product Issuer for the Individually Managed Account (“IMA”) and the Global Managed Account (“GMA”).
- 1.3 This Policy applies to Australian investments. Proxy voting is not permitted for offshore investments such as international listed securities, unless required by law.

2 OVERVIEW

- 2.1 The general principle of this Policy is that, where applicable, voting rights should be exercised in a manner that is consistent with the voting provisions contained within the relevant product disclosure statements (“PDS”), trust deed or any applicable guide and the best interests of investors or members. MIML reserves the right to apply this Policy in a flexible manner, as appropriate, to accommodate various circumstances that may arise.
- 2.2 MIML will not accept any standing requests or instructions to vote on any resolutions from investors, members or their advisers.
- 2.3 MIML may choose to engage proxy advisers or otherwise in relation to the exercise of voting rights, if MIML deems such engagement appropriate.
- 2.4 MIML is indemnified from the relevant fund or scheme assets and may pass on any fees, charges, expenses, costs or otherwise associated with the execution of this Policy to investors and members.

3 SUPERANNUATION

- 3.1 Superannuation platform arrangements, such as a superannuation wrap or master trusts are a service offering which allow members of the relevant superannuation fund to choose from a large number of underlying financial products made available by or through the platform. MIML, as trustee, holds assets on trust for the members of the superannuation fund. As a result, members do not have a legal entitlement to exercise

any voting rights in respect of individual investments held within their superannuation or pension account. Instead, MIML will exercise voting rights, on behalf of the superannuation fund, in accordance with this Policy.

- 3.2 MIML considers that its fiduciary obligations are best served when MIML acts in a manner that equitably protects and preserves the value and the financial interests of the members in the fund.
- 3.3 Therefore, MIML will exercise voting rights or the outsourcing thereof and/or other associated activities, on behalf of its members, where MIML considers that its ability to significantly influence the outcome of a resolution is probable and the estimated benefit associated with the resolution outweighs the estimated cost having regard to the interests of the members in the fund.
- 3.4 For the purposes of this Policy, MIML considers that the *ability to significantly influence* the outcome of a resolution is satisfied where the superannuation fund holds at least five per cent of shares on issue. MIML monitors voting announcements for securities above this threshold on a monthly basis.

Superannuation Proxy Voting Principles

- 3.5 MIML appreciates that in some cases, it has the potential to influence resolutions, corporate governance and policy by the exercise of voting rights. In exercising these rights, MIML has regard to the following:
 - (a) MIML will vote for, against, abstain from voting or not vote on a resolution in accordance with the provisions of the relevant PDS, this Policy and the best interests of the members of the fund;
 - (b) MIML will ordinarily not vote in favour 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, where MIML reasonably perceives this to be the case;
 - (c) MIML’s general preference is to support and vote in favour of a Board or management recommendation. However, where MIML reasonably perceives a recommendation is inconsistent with MIML’s best interests of the members position, the recommendation will not be supported;
 - (d) MIML will not vote where it is excluded from so doing by law, regulation or in cases of conflicts of interest or duty, which cannot be reasonably managed;
 - (e) in some instances, for example, where MIML reasonably considers that members lack the ability to significantly influence the outcome of a resolution and/or the estimated cost associated with a resolution outweighs the estimated benefit, MIML may determine that the members’ best interests are served by not voting or abstaining from voting;

- (f) if MIML reasonably perceives that a resolution is divisive or raises contentious issues, MIML will be guided by the best interests of the members; and
- (g) MIML will not vote in instances where there is insufficient time to conduct thorough due diligence following notification of a vote.

4 IDPS

- 4.1 In accordance with the IDPS Guide, ordinarily voting rights are not available to IDPS investors on resolutions. If an investor requests that MIML vote and, in line with the IDPS Guide, MIML does not vote, MIML will notify the investor. However, MIML will vote as required by law and also where MIML receives a written request from an investor and one or more of the below circumstances are satisfied:
- (a) fulfilling MIML's obligations under applicable laws and regulations; or
 - (b) where the investors are '*key management personnel*', as defined by the *Corporations Act 2001* and are otherwise entitled to vote; or
 - (c) where investors hold a material interest that in MIML's opinion could reasonably be expected to impact the outcome of a resolution and are otherwise entitled to vote.
- 4.2 For the purposes of this Policy, MIML considers *material interest* to be five or more per cent of an investment's total shares on issue.

5 MANAGED ACCOUNTS

- 5.1 Investors who have a Managed Account hold beneficial interests in the assets held within those accounts, but not the legal title. Accordingly, they have no legal entitlement to vote on decisions relating to those assets. For:
- (a) the SMA, MIML as RE, or BSCL as custodian, may exercise voting rights (on instruction from MIML), on behalf of investors, in accordance with the Macquarie Separately Managed Account Constitution, the relevant Agreement and this Policy; and
 - (b) the IMA and GMA, MIML as Issuer, or BSCL, as custodian (on instruction from MIML), may exercise voting rights on behalf of investors in accordance with the relevant Agreement and this Policy.
- 5.2 MIML considers that its fiduciary obligations are best served when MIML acts in a manner that equitably protects and preserves the value and the financial interests of investors.

- 5.3 Therefore, MIML has absolute discretion to exercise voting rights or the outsourcing thereof and/or other associated activities, on behalf of investors, where MIML considers that its ability to significantly influence the outcome of a resolution is probable and the estimated benefit associated with the resolution outweighs the estimated cost, having regard to the best interests of investors.

Voting Principles

- 5.4 The direction of our vote is determined by our assessment of the best interests of our investors;
- (a) MIML will vote against, abstain or vote in favour of a resolution depending on its merits;
 - (b) except as permitted by law, MIML will not vote in relation to related party securities (such as Macquarie Group shares), on proposals in which MIML has an interest other than as an investor;
 - (c) generally MIML will not vote on proposals that confer a financial benefit to a parent company, Macquarie Group Limited (“MGL”) or any other entity controlled by MGL;
 - (d) MIML will ordinarily not vote in favour 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, where MIML reasonably apprehends this to be the case;
 - (e) MIML’s general preference is to support and vote in favour of a board or management recommendation. However, where MIML considers the recommendation to be inconsistent with investor’s best interests, the recommendation will not be supported; and
 - (f) MIML will not vote where it is excluded from so doing by law, regulation or in cases of conflicts of interest or duty, which cannot be reasonably managed.

6 DISCLOSURE

- 6.1 MIML will publish a summary of its proxy voting activities relating to the superannuation wrap platform website within three months following the end of the financial year. This Policy and Proxy Voting Register are available free of charge upon request.

7 FURTHER INFORMATION

- 7.1 If you have any questions regarding this Policy or you need further information please contact BFS Wealth Product Governance on 1800 025 063 or email wrapsolutions@macquarie.com.

8 DISCLAIMERS

- 8.1 This document does not take into account a client's objectives, financial situation or needs and, before acting on this information, clients should consider whether it is appropriate to their situation.
- 8.2 This document is current as at November 2020 and is issued by Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 RSEL L0001281 (MIML). MIML is the operator of Macquarie Investment Manager, Macquarie Investment Manager Series II Macquarie Investment Consolidator, Macquarie Investment Consolidator Series II and Macquarie Investment Accumulator. MIML is also the trustee of Macquarie Super and Pension Manager, Macquarie Super and Pension Manager Series II, Macquarie Term Allocated Pension Manager, Macquarie Super and Pension Consolidator, Macquarie Super and Pension Consolidator Series II and Macquarie Super Accumulator, part of the Macquarie Superannuation Plan RSE No. R1004496 (Funds) as well as the Definitive Superannuation Plan RSE No. R1072839. MIML is also the Responsible Entity ("RE") for the Macquarie Separately Managed Account ("SMA") and Product Issuer for the Individually Managed Account ("IMA") and the Global Managed Account ("GMA").
- 8.3 Investments in the Funds, other than cash deposits with Macquarie Bank Limited ABN 46 008 583 542, are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Neither Macquarie Bank Limited, MIML, Macquarie Life Limited ABN 56 003 963 773 AFSL 237497, nor any other member company of the Macquarie Group guarantees the performance of the Funds or the repayment of capital from the Funds or any particular rate of return of the investments purchased through the Funds.