

The following is an extract from the Trustee's Investment Governance Policy (approved 23rd August 2019) which sets out its Proxy Voting policy

1 Overview

NULIS Nominees (Australia) Limited ('the Trustee') represents members through Proxy Voting in matters of corporate governance and Responsible Investment¹.

Decisions on proxy voting are made in the best interest of members. 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 Financial Services Council ('FSC') Standard No. 13 'Proxy Voting' is applied to Proxy Voting, where relevant. Some of the key requirements to comply with the standard include:

- Maintain the proxy voting policy and make it available to members on the website;²
- Disclose whether or not it engages the services of proxy advisers;
- Vote on all ASX listed securities' resolutions where it has authority and responsibility to do so, unless it has good reason for abstaining and;
- Publish the proxy voting record for the previous financial year in the form required by the FSC Standard, within 20 business days of the end of each financial year.³

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

Directly Managed Investment Options

The assets (where proxy voting is a requirement) of directly managed investment options are held in unregistered or registered trust vehicles where MLC Investments Limited ('MLCI') is the Responsible Entity. Under this investment arrangement, the Trustee is a unitholder in MLCI trusts with the proxy voting responsibility residing with MLCI. The Trustee is aware that MLCI have its own proxy voting policy - MLC Wealth Proxy Voting Policy and Principles ('MLC Wealth Policy'). The MLC Wealth Policy applies the FSC Standard and Guidelines on proxy voting, where they are

applicable. The MLC Wealth Policy also specifies that voting decisions must be made in the best interests of investors.

In investing assets through the MLCI trusts, the Trustee accepts the application of the MLC Wealth Policy for its directly managed investment options 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.

If directly managed investment options were to hold equity assets directly, NSL will recommend and the Trustee will approve an appropriate proxy voting arrangement to be put in place to enable the Trustee to fulfil its proxy voting requirements.

Externally Managed Investment Options

Where member assets (and proxy voting is a requirement) are invested via externally managed investment options, the Responsible Entity of each external trust 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 of the trust in accordance with their own respective proxy voting policy.

ASX Listed Securities ('Direct Shares')

The proxy voting for Direct Shares only applies to ASX listed Direct Shares, as the Trustee does not currently offer international direct shares to members on its RSE investment menus. Resolutions for all ASX listed direct shares will be assessed and voted on (unless it has a good reason for abstaining) in respect of direct holdings beneficially owned by the Trustee. The decision to vote on all ASX listed direct shares represents a serious commitment to encourage these companies to be accountable for their actions and to uphold good corporate governance.

For direct shares, this applies to:

- The MLC Super Fund ('MLCSF') (the Master Trust) and;
- The MLC Superannuation Fund, MLC Pooled Superannuation Trust, Premium Choice Retirement Service and DPM Retirement Service (the Wrap Funds).

Resolutions assessed as uncontentious, or contentious and immaterial for Australian Listed Equity:

- ASX top 300 listed securities, are voted in line with the Trustee’s chosen Proxy Adviser;
- All other ASX listed securities, are voted in line with the public listed companies management.

Resolutions assessed as contentious and material are referred to the MasterKey and Plum Investment Committee (‘MPIC’) or the Super Wrap and IDPS Investment Committee (‘SWIIC’) for consideration and approval in relation to how the vote should be exercised. The materiality threshold is set at 0.5% by market value of the direct share against the relevant market capital and whether a resolution is contentious is assessed by the Trustee’s Investment Adviser, taking into account a variety of factors, including external events, media etc. where the Proxy Adviser is recommending a vote “against” a particular resolution.

Contentious and material resolutions can range from resolutions on the granting of executive options without adequate performance hurdles to resolutions that may adversely affect the rights of existing shareholders.

The relevant investment committee also takes into consideration best practice standards of corporate governance when considering their voting decision and reviews its voting processes on an ongoing basis.

In the event that the MPIC and the SWIIC resolve to vote differently in relation to the same resolution, both resolutions are to be escalated for decision by the NULIS Board.

2 Implementation and monitoring

The Trustee delegates to its Investment Adviser, ThreeSixty Research Services (‘ThreeSixty’) the overall responsibility for the implementation and monitoring of proxy voting. ThreeSixty’s responsibilities include practices, disclosures and record-keeping on a day to day basis.

The Trustee maintains its position on proxy voting within the IGP and makes it available to members on the relevant websites.

ThreeSixty maintains a register, detailing all of the corporate actions they receive, whether the vote was delegated (and to whom), the vote of the Trustee if relevant, and the voting decision.

Votes may be submitted in one of the following three ways:

- Vote For;
- Vote Against; or
- Vote Abstain.

ThreeSixty will arrange for the summary of all proxy voting decisions to be made available to members via the relevant websites each year².

3 Resolution of conflict of interests

To avoid conflicts of interest, the Trustee will abstain from voting on any matters that relate to NAB Limited, its subsidiaries or any other entity that NAB controls.

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 possible conflict of interest as deemed to be in the best interests of members.

In these instances, the Trustee will make appropriate disclosures to the members in the proxy voting policy published on the relevant websites. Only the non-executive members of the Trustee may vote on

the proposals that confer a financial benefit to the Group or on entities controlled by the Group.