

# Netwealth

## Superannuation Master Fund Voting Policy

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### Netwealth Group Limited (Company)

Approved and adopted by:

- Netwealth Group Limited (ABN 84 620 145 404)
- Netwealth Holdings Limited (ABN 57 133 790 146)
- Netwealth Investments Limited (ABN 85 090 569 109) (AFSL 230975) (RSE Licence L0000192) (in the capacity of Trustee, Responsible Entity, Operator and Custodian)
- Netwealth Group Services (ABN 89 135 940 840)

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### Document version control:

Custodian	Legal, Risk and Compliance
Date approved by the relevant Board(s)	17 December 2018
Date of next scheduled review	December 2019 (unless required earlier)
Regulator(s)	APRA
Regulatory compliance requirements	<ul style="list-style-type: none"><li>• Section 52(2) of the Superannuation Industry (Supervision) Act 1993</li><li>• Under Section 52(2) of the Superannuation Industry (Supervision) Act 1993 a number of covenants are taken to be included in the trust deed.</li></ul>

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## 1.0 Document overview

### 1.1 Background

- a) Netwealth is the trustee of the Fund.
- b) Under section 52 of the Superannuation Industry (Supervision) Act 1993, the trust deed of the Fund is taken to include a number of covenants including, relevantly, covenants by Netwealth:
- c) to exercise, in relation to all matters affecting the Fund, the same degree of care, skill and diligence as a prudent superannuation trustee would exercise in relation to an entity of which it is trustee and on behalf of the beneficiaries of which it makes investments; and
- d) to perform the trustee's duties and exercise the trustee's powers in the best interests of the beneficiaries.
- e) The Fund acquires and holds financial products at the direction of its Members.
- f) The financial products held by the Fund commonly carry voting rights.
- g) In some cases, it is prudent and in the best interests of Members to exercise those voting rights.

## 2.0 Application of this Policy

This Policy has been established by the Board. The Policy sets out how and when voting rights attaching to financial products held by the Fund may be exercised by Netwealth.

## 3.0 Administration of this Policy

This Policy is administered by Netwealth in its capacity as trustee of the fund.

## 4.0 Exercise of voting rights

- a) When Netwealth receives Voting Information, Netwealth will as soon as practicable assess whether the Voting Information received is Material Voting Information.
- b) If Netwealth believes the Voting Information is Material Voting Information, Netwealth:
  - i. will, as soon as is practicable, provide or make available that Voting Information to Members; and
  - ii. may exercise the voting rights in the way it considers to be in the best interests of Members.
- c) Netwealth will generally only exercise voting rights under paragraph 4(b)(ii) where it believes that it is clearly in the interests of Members for it to exercise the voting rights and it is able to form a view on how the voting rights should be exercised<sup>1</sup>.
- d) A Member may provide Netwealth with information in writing regarding the Member's preferences about whether and how they would like Netwealth to exercise voting rights in relation to particular Voting Information. Netwealth will take into consideration any such information received in

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<sup>1</sup> For example, where the matter to be voted on is an uncontested corporate reconstruction where all relevant parties agree on the merit of the matter being proposed or where not voting on the matter would likely have a material impact on the liquidity or value of the Investment.

determining if and how voting rights will be exercised under paragraph 4(b)(ii) but is not bound to vote in accordance with any such information it receives from Members.

- e) Where Netwealth receives requests from more than one Member to exercise voting rights in relation to a particular matter and the requests are inconsistent, Netwealth may determine, at its discretion, that it is in the interests of Members to exercise voting rights in accordance with those Members' requests even though they are inconsistent<sup>2</sup>.
- f) Where a financial product is held in one or more Managed Models, in determining if and how voting rights will be exercised under paragraph 4(b)(ii), Netwealth may seek and have regard to the opinions of the Model Managers of those Managed Models in relation to the Voting Information. Netwealth may take into consideration any such opinion received but is not bound to exercise voting rights in accordance with any such opinion it receives from any Model Manager. Netwealth may determine, at its discretion, that it is in the interests of Members to exercise voting rights in accordance with those Model Managers' opinions even though they are inconsistent.

## 5.0 Providing and making information available to Members

- a) Netwealth may provide or make available Voting Information to Members under this Policy by any means Netwealth reasonably considers appropriate, including by any physical or electronic means<sup>3</sup>.
- b) Netwealth will make a summary available to Members on its website in the 'Member Information' section of when, during the previous financial year, and how Netwealth has exercised its voting rights in relation to shares in listed companies held by the Fund<sup>4</sup>.
- c) Netwealth will make this Policy available to Members on its website in the 'Member Information' section.
- d) Netwealth reserves the right to update this Policy at any frequency it deems appropriate and recommends that Members review the latest version of the Policy prior to making a request of Netwealth.

## 6.0 Glossary

'Board' means the board of Netwealth.

'Fund' means the Netwealth Superannuation Master Fund ABN 94 573 747 704.

'Managed Account' means Netwealth Managed Account registered managed investment scheme (ARSN 604 930 252).

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<sup>2</sup> For example, one Member may prefer that the voting rights attaching to a financial product acquired by the Fund at the request of that Member be voted 'Against' a resolution and another Member may prefer that voting rights acquired by the Fund at the request of that Member be voted 'For' the resolution. In that case, Netwealth may exercise the voting rights by voting both 'Against' and 'For' in the respective proportions of financial products held for those Members.

<sup>3</sup> For example, Netwealth may provide or make information available to Members by making the information available on its website.

<sup>4</sup> Superannuation Industry (Supervision) Act 1993 section 29QB(1)(b) and Superannuation Industry (Supervision) Regulations 1994 regulation 2.38(2)(o).

'Managed Model' means a model investment portfolio available to Members who use Managed Account.

'Material Voting Information' is information that:

- (a) has been provided to Netwealth in relation to a financial product held by it as trustee of the Fund;
- (b) relates to a matter to be voted on by holders of that class of financial product; and
- (c) in Netwealth's opinion the matter to be voted on could be expected to have a material financial impact on the holders of the financial product to which the information relates.<sup>5</sup>

'Member' means a member of the Fund or their appointed agent, attorney or adviser, who is acting on their behalf.

'Model Manager' means an investment manager appointed by netwealth to determine the ongoing investment holdings for a particular Managed Model.

'Netwealth' means Netwealth Investments Limited (ABN 85 090 569 109).

'Policy' means this Netwealth Superannuation Master Fund Voting Policy.

'Voting Information' means information relating to a matter to be voted on by the holders of a class of financial product which is held by Netwealth as trustee of the Fund.

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<sup>5</sup> This may be because of the effect on such things as the value of the investment, the returns from the investment, the risks relating to the investment or the liquidity of the investment.