

VANECK INVESTMENTS LIMITED

# Proxy Voting Policy - Australia

JULY 2022

# Proxy Voting Policy

VanEck owes members a duty of care in performing this service on their behalf. The duty of care requires VanEck to monitor corporate actions and vote proxies.

## Introduction

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VanEck Investments Limited AFSL 416755 (“**VanEck**”) has adopted the following policies and procedures which are reasonably designed to ensure that proxies are voted in a manner that is consistent with the best interests of members of schemes operated by VanEck in accordance with its fiduciary duties as a trustee and responsible entity under section 601FC of the *Corporations Act 2001 (Cth) (Aust)* (“**the Act**”) and general obligations under its AFSL under section 912A of the Act.

As a responsible entity VanEck has proxy voting authority on behalf of any scheme that it operates and that scheme’s members. VanEck owes members a duty of care in performing this service on their behalf. The duty of care requires VanEck to monitor corporate actions and vote proxies. The Act requires VanEck to cast proxy votes in a manner that is consistent with the interests of members of a scheme.

This document should be read in conjunction with our [Stewardship policy](#).

Under section 601FB(2) of the Act VanEck has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with a scheme. VanEck is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

VanEck intends to vote all proxies in accordance with applicable rules and regulations and in the best interests of members without influence by real or apparent conflicts of interest.

## Glass Lewis Proxy Guidelines

To assist in its responsibility for voting proxies and the overall voting process, VanEck, as a subsidiary of Van Eck Associates Corporation (“**VEAC**”), has the benefit of a contractual arrangement between VEAC and an independent third party proxy voting specialist, Glass Lewis & Co., LLC. The services provided by Glass Lewis to VEAC and its affiliates, including VanEck, include in-depth research, global issuer analysis, voting recommendations as well as vote execution, reporting and recordkeeping.

VanEck has reviewed the following materials provided by Glass Lewis:

- 1.** Proxy Guidelines including:
  - a. Australia Guidelines;
  - b. United States Guidelines;
  - c. Continental Europe Guidelines; and
  - d. ESG Policy Guidelines;(Collectively “**the Guidelines**” copies of which are attached to this policy)
- 2.** Sample issuer research reports; and
- 3.** Vote execution reports.

No less frequently than annually, the VEAC’s Chief Compliance Officer reviews Glass Lewis’ capacity/competency (i.e., nature and quality of services, capability of research staff, methodologies for formulating voting recommendations, the adequacy and quality of staffing, personnel and technology, as applicable). VanEck monitors any updates or revisions to the Guidelines, and have periodic meetings to review operational matters.

VanEck has determined that as at the date of this policy the Guidelines, processes, reporting and record keeping services provided by Glass Lewis are consistent with VanEck’s proxy voting responsibilities and its fiduciary duty with respect to its schemes and members and that the appointment of Glass Lewis as its proxy voting agent is reasonable and appropriate having regard to the best interests of members.

In order to monitor proxy voting the portfolio management team receives daily reports from Glass Lewis providing a summary of the upcoming 30 days proposals and the last 90 days of proxy voting activity. VanEck has a standing instruction in place which authorises Glass Lewis to execute votes in accordance with the Guidelines including the ESG Policy overlay. In any event, VanEck retains the right, on any specific proxy, to vote differently from the Guidelines, if VanEck believes it is in the best interests of members to do so. The Head of Investments is ultimately responsible for making proxy voting decisions. To the extent that they vote against Glass Lewis guidance, they will provide a reason for their vote and disclose any potential conflicts of interest to the Risk and Compliance Department.

## Voting Foreign Proxies

VanEck may determine that, in the best interests of members, a particular proxy should not be voted. This may occur, for example, when the cost of voting a foreign proxy would exceed the benefit of voting the proxy or voting the foreign proxy may cause an unacceptable limitation on the sale of the portfolio security. At the date of this policy, VanEck has determined that due to the nature and scale of its business and portfolio holdings the costs to the scheme and members of voting certain foreign proxies that require additional identification verification beyond a recognised shareholder register system outweigh the benefit to members and therefore VanEck will not vote such foreign proxies. These costs include but are not limited to: professional costs of completing necessary documentation; legal costs including notary costs of verifying identification; costs of translation; and international courier charges, etc. This decision will be reviewed annually.

## Potential Conflicts of Interest

When a potential conflict of interest exists, proxies will be voted in strict adherence to the Glass Lewis Guidelines.

A **potential conflict of interest** arises in respect of a business relationship between a portfolio company or its affiliate and VanEck or its affiliate. Examples include a situation where a portfolio company that is a significant distributor of VanEck's products and services solicits proxies; and where VanEck and the portfolio company have a lending relationship. In each of these situations voting against management may cause VanEck a loss of revenue or loss of some other benefit.

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## Recordkeeping Requirements

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VanEck will retain, or ensure that its agent retains, for 5 years, the following documentation and information for each matter relating to a portfolio security with respect to which a scheme was entitled to vote:

- 1.** proxy statements received;
- 2.** identifier for the portfolio security;
- 3.** shareholder meeting date;
- 4.** brief identification of the matter voted on;
- 5.** whether the vote was cast on the matter;
- 6.** how the vote was cast (e.g., for or against proposal, or abstain; for or withhold regarding election of directors);
- 7.** records of member requests for information on how VanEck voted proxies on behalf of the scheme;
- 8.** a copy of written responses by VanEck to member requests for information on how VanEck voted proxies on behalf of the scheme; and
- 9.** any documents considered or prepared by VanEck that were material to the decision on how to vote.

## Client Inquiries

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All inquiries by scheme members as to how VanEck has voted proxies must immediately be forwarded internally to the investment management team at: [portfolioaustralia@vaneck.com](mailto:portfolioaustralia@vaneck.com).

## Disclosure to Clients

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At a member's request, an electronic or hard copy of the proxy votes for the relevant fund will be mailed to the member.

## Securities Lending

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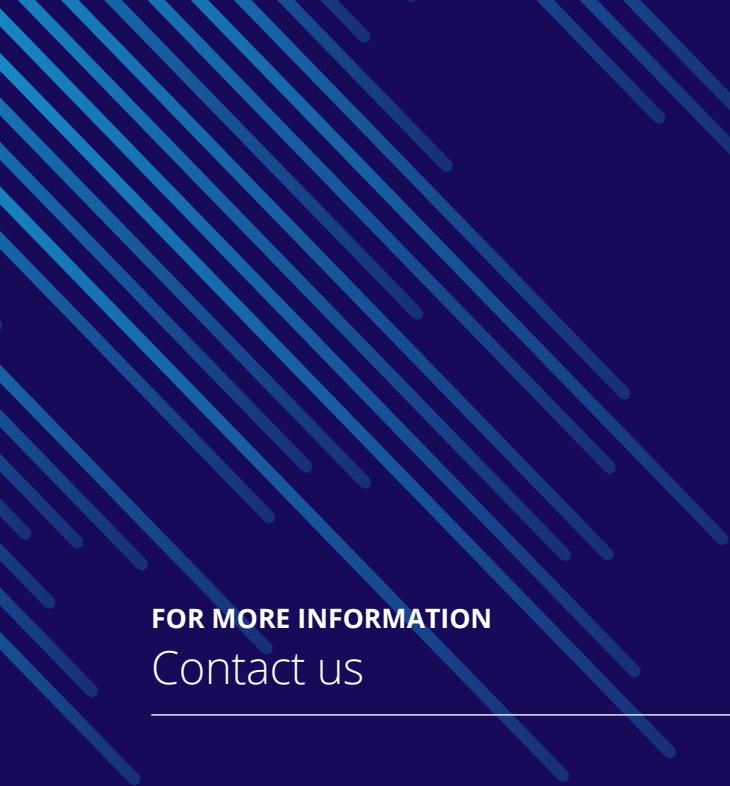
VanEck does not currently maintain a securities lending program. Proxy voting rights generally pass to the borrower when a security is on loan. If VanEck determines to engage in securities lending it will use its best efforts to recall a security on loan and vote such securities if the portfolio manager determines that the proxy involves a material event.

## Compliance controls and monitoring

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VanEck compliance has controls and monitoring in place to ensure any risks associated with the proxy voting obligations are managed appropriately. These include:

- 1.** On an annual basis, the Head Investments reports to Risk and Compliance in respect of whether, to the best of their knowledge, all proxy voting has been executed in accordance with this policy and in the best interests of members;
- 2.** On a quarterly basis, Risk and Compliance review as to whether there have been any changes to Guidelines and if so provides a copy of the updated Guidelines including a summary of the material changes to the portfolio management team; and
- 3.** On a monthly basis, the portfolio management team confirm any proxy voted against the Glass Lewis Guidelines during the previous month and/or any material conflicts of interest arising in respect of proxy voting and the resultant votes were disclosed to Risk and Compliance.



#### **FOR MORE INFORMATION**

Contact us

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If you would like more information on specific company engagement,  
please contact us via [info@vaneck.com.au](mailto:info@vaneck.com.au) or +61 2 8038 3300.