

APN | Property Group

Corporate Governance Voting Policy

APN Real Estate Securities Funds

March 2017



Contents

Corporate Governance Voting Policy..... 2

1. Purpose of this Policy 2

2. Matters on which APN RES vote 2

3. Voting process 2

4. Publishing of voting results 3

5. Questions 3

6. Review of policy 3

7. Definitions..... 4

Corporate Governance Voting Policy

1. Purpose of this Policy

This Policy outlines APN Funds Management's (APN FM), as responsible entity for each of the APN Real Estate Securities Funds (APN RES), when voting on resolution proposed by the entities in which the respective APN RES Funds invest.

As an active, value bias investment manager APN FM considers that corporate governance issues are an important part of managing an investment portfolio. It is the objective of the APN RES to vote on all resolutions in respect of entities in which the APN RES invest and hold voting authority. We believe we are exercising our fiduciary responsibility by voting and we take this responsibility very seriously.

APN RES' objectives are to vote on all voting items in a manner that will:

- create and/or enhance the value of the Funds;
- maximise long term investor value;
- achieve director accountability;
- ensure the transparency of financial and operating information; and
- improve the quality of information to make informed voting decisions.

2. Matters on which APN RES vote

APN RES vote on all voting matters in relation to REITs listed on the ASX in which the APN RES are invested, including:

- employee/director remuneration;
- appointment of directors;
- auditor appointment and independence;
- changes to capital structures that may affect investor value;
- voting rights among investors;
- significant issues that concern social or environmental matters;
- resolutions proposed by investors rather than by the board; and
- where a material conflict could exist in relation to the company or subsidiary.

3. Voting process

Responsibility for the voting process lies with the primary APN RES analyst of the respective stock. The APN RES analyst will adopt the following voting process for each vote to be cast:

1. On notification of Corporate events, table at the Investment Committee or via circular resolution the following details
 - the resolution
 - the proposed recommendation to vote in favour or against the resolution;
 - any background information relevant to each resolution.

2. After approval by the Investment Committee or by circular resolution the APN RES analyst will enter the online portal and cast the approved vote. The form is lodged with the relevant custodian via the online lodgement service.

The voting summary form includes:

- the **responsible analyst;**
- **the date of meeting; and**
- **the date voting instructions were lodged with the custodian or via the online lodgement process.**

4. Publishing of voting results

APN RES will publish on APN's website an aggregate summary of its Australian proxy voting record for the financial year. The result will be published annually and within 2 months of the end of the Fund's financial year.

5. Questions

If any APN Staff member has any questions or concerns about the subject matter or requirements of this Policy, that person should contact the CEO of Real Estate Securities or Compliance.

6. Review of policy

This policy will be reviewed at least annually (or more regularly if there are changes to the legal or regulatory framework which applies to this policy) to ensure it is renewed and updated appropriately.

7. Definitions

In this policy, unless the context otherwise requires:

APN FM means APN Funds Management Limited.

APN Fund means any managed investment scheme managed by APN FM or any other member of the APN Group.

APN Group means APN PG and any of its controlled or related entities.

APN PG means APN Property Group Limited.

APN Real Estate Securities Team (RES) means the investment specialists within the APN RES investment team.

APN Staff means and includes any director, officer, senior manager or other employee of APN PG or APN FM and any other employee of or consultant to an APN Entity as designated by the board of APN PG or APN FM.

ASX means ASX Limited or the financial market operated by ASX, as the context requires.

Compliance means the person(s) responsible for overseeing the regulatory and compliance function of the APN Group.

Investment Committee means the investment committee of APN FM.

REIT means a Real Estate Investment Trust