

IFM Group Corporate Environmental,
Social & Governance (ESG) Policy

IFM Investors Group Policies

10 March 2021



Our cultural values

1 Prioritise Investors



- We focus on investor interests to inform our actions
- We work as one IFM to build long term, constructive investor relationships
- We work together to act as a trusted advisor and a steward of other people's money

2 Achieve excellence



- We work as one IFM to achieve great results
- We regularly give and receive feedback openly and constructively
- We take ownership of our actions and learn from our experiences

3 Respect each other



- We value diversity and act in an inclusive manner
- We respect each other's time and efforts and conduct ourselves in a thoughtful manner
- We support each other in a positive and constructive way

4 Inspire innovation



- We welcome new ideas and encourage informed discussion
- We are open to change and constructively challenge the status quo
- We look for opportunities to share knowledge

5 Lead by example



- We all have the opportunity to lead by example
- We do what we say we will do and hold ourselves accountable
- We get involved in wider company and community activities

Contents

IFM Investors Purpose Statement	4
1 Authority and Responsibilities	4
2 Delegated Staff	4
Preliminary IFM Investors	4
Investment Committee Approvals	4
3 Background	5
4 Objectives	5
5 Responsible Investment Beliefs	5
5.1 ESG Considerations	6
Environment	6
Social	6
Governance	
6 Responsible Investment Approach	6
6.1 Listed Equity	7
Company Engagement	7
Proxy Voting	7
6.2 Unlisted Equity	8
6.3 Debt Investments	9
7 Impact Of Investment Decisions	10
8 ESG and Remuneration	10
9 Advocacy And Collaboration	10
10 Reporting	11
11 Implementation	11
12 Related Policies And Documents	11
13 Frequency Of Review	11
Appendix 1 - IFM Investors Voting Guidelines	12
Applicable To Listed Equities	12
1. Director Elections	12
2. Director Independence	12
3. Remuneration Report Resolutions	12
4. Equity Grants And Plans	13
5. Termination Payments And Change Of Corporate Control	13
6. Auditor Resolutions	13
7. Shareholder Resolutions	13
8. Small And Micro Caps	13

IFM Investors Purpose Statement

IFM Investors’ purpose is to protect and grow the long-term retirement savings of working people. The IFM Cultural Foundations, Behaviours and Purpose, underlie and inform this policy.

1

Authority and Responsibilities

The IFM Group Corporate Environmental, Social & Governance (ESG) Policy (“Policy”) is part of the IFM Group Policies (“Policies”) and determines the approach to governance of investee entities, listed and unlisted, as managed by IFM Investors Pty Ltd and its subsidiaries (collectively “IFM”). It is applicable to all entities within the IFM Group unless otherwise stated. The IFM Group Risk Committee (“IFMRC”) approves this Policy.

The Executive Director, Responsible Investment is responsible for:

- Communicating and instructing relevant IFM staff on the contents of the Policy;
- Advising the IFMRC of breaches of the Policy; and
- The ongoing review and recommendation of amendments to the Policy to the IFMRC.

Implementation of this policy is to be in accordance with the IFM Group Delegations of Authority Register (Section 1(a) of the Policies).

2

Delegated Staff

- Chief Executive (“CE”)
- Deputy Chief Executive (“DCE”)
- Executive Director, Responsible Investment (“EDRI”)
- Global Head of Listed Equities (“GHLE”)
- Global Head of Infrastructure (“GHI”)
- Head of Private Equity (“HPE”)
- Global Head of Debt Investments (“GHDI”)

The responsibility for the implementation of the Policy ultimately rests with the relevant Head of the Asset Class and their Investment team. IFM Investors’ Executive Director Responsible Investment works closely with each investment team to provide expert advice on ESG investment issues. IFM Investors’ Responsible Investment team is responsible for strategy development and implementation of IFM Investors’ Group Corporate ESG Policy.

Preliminary IFM Investors Investment Committee Approvals

IFM Investors will require preliminary IFM Investors Investment Committee (IC) approval where the Executive Director Responsible Investments is concerned that a potential investment may breach the Policy and be culpable of environmental damage, gross corruption, systemic violation of human rights and labour standards or any other serious violations of fundamental ethical norms, in consultation with the Head of the relevant asset class.

Following completion of satisfactory due diligence, final IC approval and IFM Investors Board Investment Committee (BIC) approval, if applicable, will also be required.

All passive mandates and passive funds and all committed Private Equity funds are exempted from this requirement.

3

Background

IFM Investors is accountable to its investors for the purpose of preserving and growing their investments and is committed to doing so in a responsible manner. This document sets out the key elements of IFM Investors' approach to managing ESG matters in its investment decisions and asset management, and is applicable across all asset classes.

4

Objectives

The objective of this Policy is to achieve better investment outcomes over the long term through active ownership. In addition, the Policy provides assurance to existing and potential investors that our investments are not culpable of environmental damage, gross corruption, systemic violation of human rights and labour standards or any other serious violations of fundamental ethical norms.

IFM Investors assesses ESG factors and their impact on investments across the various asset classes in which it invests. Where possible, IFM Investors also seeks to improve upon the performance of investee companies and co-managers across a range of ESG factors. IFM Investors expects this to be done in a manner which is consistent with its investment objectives and fiduciary duties. By encouraging responsible corporate behaviour through engagement and voting, IFM Investors seeks to protect and enhance the value of its investments in the long-term.

ESG initiatives at the asset level are reported to the IFM Investors' Board Responsible Investment and Sustainability Committee (BRISC) on a quarterly basis and IFM Investors' Board at least twice-yearly.

5

Responsible Investment Beliefs

IFM Investors has a long and proud history of focusing on investors and delivering strong net returns. Thinking, behaving and investing responsibly underpins this approach. Our investors expect IFM Investors to deliver great financial returns – but not at the expense of the community, environment or market integrity.

Responsible investment considerations are embedded into our investment decision-making processes and we believe that well-governed companies make for better long-term investments. IFM Investors' Responsible Investment Charter ("RI Charter") brings together the approaches and beliefs long applied by our investment teams across the globe. IFM Investors' RI Charter sets the firm's strategic approach to decision making and is complementary to this Policy.

The RI Charter lists three core beliefs that guide IFM Investors' investment decisions:

- Long-term strength and sustainability of the global economy is only possible if we have a healthy environment;
- Strong and inclusive society will lead to greater participation in economic markets and provide greater investment growth opportunities; and
- Strong governance is critical to long-term sustainable economic growth. All participants have an obligation to behave honestly and ethically.

IFM Investors has been a signatory to the United Nations supported Principles for Responsible Investment (PRI) since 2008. Our approach to responsible investment is closely aligned to the United Nations Global Compact, which enjoys global consensus and supports a set of core principles in the areas of human rights, labour standards, environment and governance.

5.1



ESG considerations

IFM Investors considers best practice to be demonstrated by companies which, in addition to complying with all local and national laws, have policies and processes in place in relation to the following:

Environment

- Commitment towards resource efficiency (energy, water, waste) and greenhouse gas emission reductions.
- Identify the environmental impact of their operations and implement reasonable measures to minimise negative impacts.
- Identify climate change-related risks and develop strategies for managing material risks.

Social

- Uphold labour laws and maintain fair employment conditions.
- Respect for the rights of workers to be represented by trade unions and/or employee representative bodies.
- Respect for the protection of internationally proclaimed human rights and avoid being complicit in human rights abuses and/or all forms of compulsory (forced) or child labour.
- Maintain workplace health and safety standards.
- Respect and promote diversity and inclusion and avoid against discrimination in the workplace.
- Implement policies to avoid corruption in all its forms, including extortion and bribery.

Governance

- Provide an accurate and true representation of the company's financial position and status.
- Focus business activity which builds shareholder value and fosters sustainable long-term investment.
- Appoint Boards with a diverse mix of gender, skills, experience and competency.
- Implement remuneration structures aligned to the delivery of company strategy, long-term performance and shareholder value creation.
- Identify and manage all material risk factors, including ESG risks.

6

Responsible Investment approach

IFM Investors is a global asset manager, investing in a range of asset classes and industry sectors and applying a range of investment strategies. This means that our investments are potentially exposed to a range of risks and opportunities, and to high-level ESG trends impacting on regions and/or the global economy.

To ensure these issues are factored into the investment process, IFM Investors applies an ESG Integration approach.

IFM Investors systematically and explicitly consider ESG data alongside financial data to shape our decisions throughout the investment process, from pre-acquisition investment analysis through to post acquisition stewardship activities. This approach enables us to identify, understand and manage ESG related investment risks and opportunities that we believe can affect investment value and returns in the short, medium and long term. The approach taken to integrate sustainability risks in investment decisions is tailored for different investment types (i.e. listed equity, unlisted equity, or debt), which are detailed below.

Unless stipulated by a segregated investment mandate, IFM Investors does not typically exclude companies, sectors or asset types based on any particular activity or ESG exposure. Instead we prefer to engage with the assets in our portfolios and use our ownership position to influence positive change. That said, to remain consistent with our RI Charter, we consider the broader impacts to society and environment in addition to delivering investment returns.

Given the distinct difference in the nature of various asset types, method of investing, size of holding and the nature of contractual relationships, the approach to integrating ESG will differ across asset classes and investment strategies.

6.1

Listed Equity

IFM Investors manages both active and passive equity strategies across global markets. We take an active approach when assessing and managing material ESG issues in our equity portfolio with the aim to protect and enhance value over the long term for our investors and their beneficiaries.

IFM Investors' active equity teams customise their approach to integrating ESG depending on the methodology being applied by the investment team (quantitative or fundamental). Company ESG exposures are monitored on an ongoing basis and the teams adopt a risk-based approach to managing ESG issues.

IFM Investors' indexed strategies are offered by segregated mandates and do not apply a consistent negative screen across the entirety of the indexed portfolio. The starting universe for these strategies includes all stocks currently held within the respective index. ESG is considered and integrated into these strategies via our active stewardship approach, including engagement and voting.

In addition to internal company research, all equity teams have access to external ESG research and ratings which are input in stock and sector analysis and underlying valuations. In addition, broker reports, direct company engagement and briefings, and proxy advice all contribute to a final investment view.

For Australian portfolio companies, IFM Investors supports the principles of the Australian Asset Owner Stewardship Code by actively engaging with, and exercising our proxy voting rights on, ASX-listed companies in accordance with our mandates.

Company Engagement

IFM Investors considers company engagement a key part of its ownership responsibilities and consistent with the long-term nature of its investment approach.

Engagement may be undertaken by IFM Investors in three ways:

- Where there is a significant negative change in a governance factor
- On an ad-hoc basis in response to issues arising for individual stocks
- Around pre-determined themes.

IFM Investors has an intimate knowledge of the companies in our portfolios and regularly engages with these businesses directly via our equities teams or through the Australian Council of Superannuation Investors (ACSI). We also engage with regulators, industry associations and the investment community to promote best practice responsible investment standards.

Each year, IFM Investors may determine three or four key themes which form the basis for discussion with portfolio businesses. These themes will generally be aimed at improving corporate reporting and participation in initiatives that improve the level of environmental, social and governance performance of companies in the index. The themes will be notified in disclosures to investors.

Proxy Voting

IFM Investors recognises its responsibility to consider and vote on resolutions for companies held within the listed portfolios. While each equities team is responsible for the management and voting of proxies relating to the companies held in the respective portfolios, IFM Investors has established the Proxy and Engagement Committee ("PEC") to oversee and determine its approach to voting. The PEC makes the collective decision on how to vote across IFM's listed equity portfolios, subject to the explicit instructions of clients in individual client mandates.

The PEC is responsible for the oversight of all proxy voting and engagement activity on Australian listed securities held across our active large and small cap funds and our indexed equities funds.

IFM Investors is of the view that the corporate governance standards outlined in the ACSI Governance Guidelines will result in more effective management and oversight of companies. The Guidelines provide considerations IFM Investors will take into account when determining its vote.

IFM Investors maintains full membership of ACSI and subscribes to ACSI's voting advice to help inform the PEC.

The PEC endeavours to vote as follows, and in the following order of priority:

- In accordance with client directives and/or instructions.
- In accordance with the voting recommendation put forward by ACSI based on the principles outlined in ACSI's Governance Guidelines (note that IFM Investors retains the right to vote against ACSI's recommendations where the PEC has considered any relevant issues and has a contrary view).

- Where there is no recommendation from ACSI, IFM Investors will seek guidance from other proxy advisors and make a final voting decision based on the principles contained within the ACSI Governance Guidelines and IFM Investors' own Voting Guidelines (see Appendix 1).

When voting on non-governance issues such as takeovers, mergers, returns of equity, dividend policy etc., or where ACSI provides no voting recommendations, voting decisions will be decided by the Global Head of Listed Equities in accordance with the IFM Investors Voting Guidelines (see Appendix 1) in consultation with the PEC.

IFM Investors issues a pre-voting report to investors to inform of the Fund's voting intentions prior to the casting of votes. Post-voting activity reports are issued to investors on a six-monthly basis and made publicly available on the IFM Investors' website.

6.2

Unlisted Equity

IFM Investors' unlisted equity investments include Private Equity and Infrastructure assets.

Private Equity is held in both fund-of-fund Private Equity funds¹ and directly by separate mandates. For Infrastructure, direct investments in assets (investee companies) are made via the Australian or Global Infrastructure Funds.

When IFM Investors is making a direct investment into an unlisted asset, IFM Investors applies a two-fold process:

1. We seek to identify ESG risks and opportunities applicable to any new investee company during due diligence
2. We aim to improve the performance of the investee company across a range of ESG factors

In assessing any new unlisted asset investment, a detailed due diligence process is undertaken in order to assess and manage ESG risks, drawing on our teams' experience and expertise as well as international benchmarks. Where possible, we examine any ESG assessments previously conducted

and may request further information when information gaps exist. As appropriate, environmental, legal, commercial and other technical consultants will be engaged to assist with due diligence.

Where ESG assessments are deemed unfavourable, IFM Investors will decline investments based on the collective ESG risk profile of transactions. Where the ESG risk profile is within IFM Investors' risk appetite, material ESG factors will be incorporated into asset monitoring and management plans and we will actively engage with the investee company management to make positive changes aimed at improving ESG performance and the value of the asset.

To help further understand climate change risks, IFM Investors will appoint specialist advisors to assist in scenario modelling and analysis in relation to its Australian and global infrastructure portfolios. Exposure to both physical and transition climate risk are assessed under various scenario modelling requirements including rises in global temperature above three degree scenario, at two degree scenario and below two degree scenario analysis. In addition to this, IFM measures and analyses the source and scope of carbon emissions associated with the Infrastructure assets, across their Australian and Global portfolios, in section 7.

Where IFM Investors invests directly in an unlisted asset, we strive to attain the highest standards of governance structures within assets we are invested, being cognisant of the maturity of our investments and the markets they operate in.

Where the local standards are below those expected from more developed markets, IFM Investors will attempt to incorporate global best practices of governance where possible, in an effort to maintain a consistent and high standard across our investment portfolios.

Where IFM Investors appoints directors to the board of the investee company, these persons must comply with the obligations and duties required under the legal jurisdiction in which the board operates. The principal criterion for the appointment of new directors should be their ability to add value to the company and its business. In this regard, IFM Investors seeks to ensure that new directors have the relevant skills and experience, and act with independence and integrity.

¹ These funds are in wind-down and no new investments are being made. As such, for the purposes of this policy all references to ESG are linked to direct investment into unlisted assets.

6.3

Debt Investments

For debt investments, IFM Investors' decision-making is primarily based on ESG integration whereby the fundamental analysis of relevant and material ESG factors is included in the credit analysis. Engagement on material ESG risks is concentrated in the screening and due diligence phase, prior to entering an investment. Information may include raw company data, factor-specific ESG analysis or country and sector-related ESG analysis from sources such as the issuer, ESG research providers, sell-side analysts and opinions from independent consultants. Where ESG disclosure is incomplete or unavailable, IFM Investors may undertake further independent due diligence, including engagement with the issuer, to assess if the investment complies with IFM Investors' Group Corporate ESG Policy.

As appropriate to the investment type, ESG considerations will be integrated by:

- Utilising IFM's proprietary Credit Assessment Memorandum to consider and assess ESG risks and their impact during the credit assessment process. This enables a detailed examination of each case to determine and make an assessment on the ESG profile of the proposed investment
- Sourcing information from external rating agencies as appropriate, as well as from environmental, legal, commercial and other technical consultants
- Including flexibility within cash mandates for client-mandated exclusions

Investment decisions will be taken in line with our ESG integration approach outlined above, which may include the exclusion of particular companies or sectors.

IFM Investors consider the following impacts to represent the principal adverse impacts most relevant to infrastructure and associated actions taken:

Climate Change: A potential adverse impact of IFM Investor's investment decisions is the investment in assets that may prevent achievement of limiting rises in global temperatures as specified under the Paris Agreement. For this reason, IFM will appoint specialist advisors during due diligence to incorporate recognised, best-practice climate scenarios, in order to stress test valuation projections and assess any potential new acquisition's ability to transition in line with a net zero trajectory. Post-acquisition, IFM Investors uses board representation to engage management on the strategic impacts of climate change by identifying and pursuing opportunities that will support transition to a low-carbon economy, adopt emissions reduction targets, and identify new technologies to improve environmental performance.

Labour Rights: Investing in entities that do not have adequate labour relations or protections, represents a potential investment risk. To mitigate this risk, our due diligence process includes assessments of human capital management, including safety records, labour relations, training programs and codes of conduct. Post-acquisition, IFM Investors continues to monitor the management and performance of investee companies in relation to these issues.

7

Impact of investment decisions²

IFM Investors creates value for our clients by investing in well-governed, responsible companies that display positive ESG characteristics or have the potential to develop these characteristics through potential changes to their strategy or operations. As part of the due diligence process, our investment teams seek to identify principal adverse impacts of a potential investment, with the identification and prioritisation of impacts depending on the industry sector. As part of the investment process, investment management teams must, complete an investment checklist that ensures those risks deemed most material have been assessed and addressed.

IFM Investors recognise that adverse impacts from investment decisions may be wide-ranging, and for this reason, we seek to engage, promote and improve the overall awareness of these impacts and operating performance of investees. We do this by collaborating and consulting with a diverse range of key stakeholders.

IFM Investors participates in the governance and strategic direction of invested entities through board, and relevant committee representation of each business. In addition, where appropriate, our investment professionals are seconded to investees when specialist skills are required. Through these touch points, IFM Investors is better able to manage and mitigate potential adverse impacts of investments by influencing business strategy, ensuring appropriate ESG competencies and risk management frameworks are present, and play a role in the selection and compensation of company executives.

IFM Investors adheres to the following responsible business conduct codes and internally recognised standards for due diligence and reporting:

1. OECD guideline for Responsible Business Conduct
2. UN Global Compact
3. UN PRI
4. UN Declaration of Human Rights
5. ILO Core Labour Standards
6. OSHAS
7. UN Charter and Treaties
8. International Codes of Corporate Governance
9. Taskforce Climate-related Financial Disclosures (TCFD)

8

ESG and Remuneration

In addition to applying an ESG Integration approach to our investment process, IFM also considers ESG risks in our overall remuneration policy. Sustainability is a risk in context of the IFM Risk Management Framework and is considered through the use of non-financial indicators, which form part of an individual's performance assessment.

9

Advocacy and Collaboration

IFM Investors is a large global investor and seeks to use its size and access to influence the broader investment market and encourage the shift toward a more sustainable financial system. IFM Investors' focus is primarily on influencing standards, guidelines and regulatory reform that supports long term value creation.

IFM Investors believes in the power of the collective voice and where possible, seeks to collaborate with a wide range of stakeholders. IFM Investors actively engages and provides input into regulatory reviews, industry forums and roundtable events and broader market consultation.

IFM Investors has been a signatory to the United Nations supported Principles for Responsible Investment (PRI) since 2008. We are also members or signatories to the following responsible investment-related organisations and initiatives: Australian Council of Superannuation Investors (ACSI), 30% Club, Investor Group on Climate Change (IGCC), Carbon Disclosure Project, Climate Action 100+, Ceres Investor Network, ESG Research Australia (ESGRA), Sustainability Accounting Standards Board (SASB).

² This section has been added in accordance with the Sustainable Finance Disclosure Regime and is applicable to IFM Investors (Netherlands) B.V. and IFM Investors Pty Ltd only.

10

Reporting

IFM Investors is committed to taking a leadership role on transparency and disclosure. We report our responsible investment approach and activity via our website and through briefing papers and topic and asset class specific reports.

IFM Investors also provides investors with more granular communication and insight into our responsible investment activity via quarterly investment reports, annual investment reviews and manager ESG questionnaires.

IFM Investors participates annually in the PRI Reporting Framework and we provide the PRI Assessment Report to our investors on request.

11

Implementation

Corporate governance decisions made by the CE/ Group Heads/Executive Directors will be implemented by the IFM Investors Commercial Group (as directed by the DCE) under the delegations and process set out in Section 1(a) of the Group Policies.

12

Related Policies and documents

- IFM Investors Responsible Investment Charter
 - IFM Investors Group Proxy and Engagement Committee Charter
-

13

Frequency of Review

This Policy will be reviewed by IFM Investors at least annually by the IFMRC. A review may also be triggered if there is another significant event and IFM Investors determines a review of these procedures would be appropriate.

Appendix 1 - IFM Investors Voting Guidelines

Applicable to Listed Equities

The principle behind IFM Investors' voting guidelines for publicly listed Australian companies is to achieve an alignment of interest between company performance and shareholder value over the long-term:

1. Director Elections

In assessing candidates for election or re-election to the board of directors, and resolutions to remove directors, IFM Investors will have regard to:

- The performance of the incumbent board giving regard to financial performance, long-term shareholder value and conduct.
- The performance of the candidate at the company in question and at other companies, especially their record of creating shareholder value.
- The composition of the board and its key committees, and the capacity of the board and its key committees to oversee the company's conduct and performance on behalf of all shareholders taking into account ACSI Guidelines and having regard to the recommendations of the Financial Services Council and the ASX Corporate Governance Council.
- The capacity of the candidate, given other commitments and attendance at board and committee meetings, to adequately discharge his or her duties as a director.
- The length of the director's tenure on the company's board.
- The mix of skills, capabilities and diversity of the incumbent board.

The Corporations Act requires a board of directors to seek shareholder approval to declare there to be 'no vacancy' on the board in response to the nomination of an external candidate. IFM Investors, in accordance with ACSI Guidelines, and absent a compelling commercial reason, will oppose any such resolution seeking to declare 'no vacancy'.

2. Director Independence

IFM Investors believes that company boards should be comprised of a majority of independent directors, and have a chairperson who is typically independent. Boards should have both an audit and a remuneration committee. The audit committee should be chaired by an independent director and be comprised of a majority of independent directors. The remuneration committee should be chaired by an independent

director and have a majority of independent directors. In classifying non-executive directors or candidates for election as independent or affiliated, IFM Investors will be guided by whether the candidate is genuinely independent, specifically:

- Is the individual a substantial shareholder, or associated with a substantial shareholder?
- Has the individual been an executive of the company within the past three years?
- Has the individual, within the past three years, been associated with a material professional service provider to the company?
- Is the individual an employee of, or associated with, a material supplier or customer of the company?
- Does the individual, or the individual's family, have material contractual relationships with the company, or any other association with the company and its management, other than as a director?
- Has the individual served for a significant period on the board and therefore be deemed to be affiliated?

IFM Investors will generally not support the election of affiliated, non-independent directors on company boards that are not majority independent and do not generally meet ACSI guidelines unless there are compelling reasons to do so.

3. Remuneration Report Resolutions

IFM Investors believes that the remuneration of directors and executives should be designed so as to ensure long-term alignment with shareholder interests. Remuneration reports should facilitate understanding of a company's remuneration policies and practices. Boards should ensure there is full disclosure of total remuneration packages, including all components and any termination provisions. In deciding how to vote on remuneration reports, IFM Investors will take into account issues including but not limited to:

- The extent to which remuneration structure, policies and procedures are disclosed in a clear and meaningful way;
- The quantum of director and executive pay and whether it is aligned with performance and shareholders;
- Whether fixed remuneration is at a level that is reasonable with regard to a company's sector, peer group and industrial obligations;

- The structure of incentives, whether delivered in cash or equity;
- Variable remuneration underpinned by demanding and relevant performance hurdles, that are genuinely 'at risk' and capable of being a true incentive for performance above the executive's core duties;
- The structure of non-executive director pay, ensuring it maintains and promotes non-executive director independence. Non-executive directors should generally be remunerated by way of reasonable fixed pay only.

4. Equity Grants and Plans

In deciding how to vote on resolutions seeking approval for specific grants of equity to executives, IFM Investors will consider:

- The performance criteria which must be satisfied in order for equity to vest and the extent to which these criteria are aligned with shareholder interests;
- The period over which the equity will vest;
- Whether the grant represents a deferred component of pay already accrued;
- The dilutive impact of plans on existing shareholders;

IFM Investors will generally not support equity grants to non-executive directors that incorporate formal or informal performance hurdles on the grounds that such arrangements may impair non-executive director independence.

5. Termination Payments and Change of Corporate Control

IFM Investors will generally not support equity grants and plans for senior executives that vest on the basis of continuity of employment, however, IFM Investors will be less concerned with retention payments intended for non-executive employees.

IFM Investors will generally not support guaranteed termination payments that exceed 12 months' fixed pay. Termination payments should not be paid where an executive retires from office, has resigned, or has been terminated for poor performance.

IFM Investors will generally not support the automatic vesting of options and performance rights in the event of a takeover or change of control of the company. Nor will IFM Investors support the automatic vesting of equity awards in the event of termination of employment.

6. Auditor Resolutions

The board must appoint an independent auditor. In considering resolutions relating to auditors, IFM Investors will consider the history of the audit firm and any relationships outside of the audit relationship between the company and the audit firm.

7. Shareholder Resolutions

IFM Investors assesses shareholder resolutions on a case-by-case basis, in the context of how they support or maintain value creation over the long term.

Resolutions should be linked to improved governance or transparency within the company. We will judge each resolution based on what is in the best interests of shareholders and a thorough assessment of any potential impacts on the company.

8. Small and Micro caps

IFM Investors recognises that companies sitting outside the ASX200 and/or more recently listed may not be meeting all of our corporate governance expectations. IFM Investors continuously engages with these companies to encourage continuous improvement but depending on the circumstances we will take into consideration the maturity of the company and its willingness to improve, in our final voting decision.

IFM Investors will take into account issues including but not limited to:

- The size, market capitalisation and rate of growth of the company;
- The company's willingness to engage with shareholders and undertake commitments for improvement;
- A demonstrated capacity for change and evidence of improvement.

Important Disclosures

The following disclosure applies to this material and any information provided regarding the information contained in this material. By accepting this material, you agree to be bound by the following terms and conditions. The material does not constitute an offer, invitation, solicitation or recommendation in relation to the subscription, purchase or sale of securities in any jurisdiction and neither this material nor anything in it will form the basis of any contract or commitment. IFM Investors (defined as IFM Investors Pty Ltd and its affiliates) will have no liability, contingent or otherwise, to any user of this material or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance or completeness of the information in this material. In no event will IFM Investors be liable for any special, indirect, incidental or consequential damages which may be incurred or experienced on account of a reader using or relying on the information in this material even if it has been advised of the possibility of such damages.

Certain statements in this material may constitute "forward looking statements" or "forecasts". Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of earnings, performance, and cash flows. These statements involve subjective judgement and analysis and reflect IFM Investors' expectations and are subject to significant uncertainties, risks and contingencies outside the control of IFM Investors which may cause actual results to vary materially from those expressed or implied by these forward looking statements. All forward-looking statements speak only as of the date of this material or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to IFM Investors or any person acting on its behalf are qualified by the cautionary statements in this section. Readers are cautioned not to rely on such forward looking statements. The achievement of any or all goals of any investment that may be described in this material is not guaranteed.

Past performance does not guarantee future results. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

This material may contain information provided by third parties for general reference or interest. While such third party sources are believed to be reliable, IFM Investors does not assume any responsibility for the accuracy or completeness of such information.

This material does not constitute investment, legal, accounting, regulatory, taxation or other advice and it does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the information in this material.

This material is confidential and should not be distributed or provided to any other person without the written consent of IFM Investors.

Environmental, Social, and Governance ("ESG") strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. ESG strategies will be subject to the risks associated with their underlying investments' asset classes. Further, the demand within certain markets or sectors that an ESG strategy targets may not develop as forecasted or may develop more slowly than anticipated.

An infrastructure investment is subject to certain risks including but not limited to: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impractical; changes in environmental and planning laws and regulations, and other

governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative economic developments that depress travel; uninsured casualties; force majeure acts, terrorist events, under insured or uninsurable losses; and other factors beyond reasonable control.

Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, interest rate, call and extension risk.

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