

## **Mainstreet Whanganui Representation Policy**

Mainstreet Whanganui (“Mainstreet”), through its Constitution / Rules (“the Constitution”), makes provision for financial members to appoint a representative at meeting(s) and execute their one vote for matters requiring a vote (see Section 11 of the Constitution). The Mainstreet Board is committed to effective stewardship of the assets we manage on behalf of our members. To us, good stewardship reflects responsible, active ownership and includes both engaging with members and voting proxies in a manner that we believe is appropriate for the organisation.

### **Scope of Policies and Procedures**

In conjunction with the Constitution, these Proxy Voting Policies and Procedures (“Policies and Procedures”) sets out how Mainstreet exercises voting rights when we undertake core functions requiring vote(s) by members (including electing of offices). According to the Constitution, financial members can appoint, in writing, a proxy representative to attend general meetings. Mainstreet and its Board will not provide advice to members on how to vote proxies in the absence of specific delegation of authority, or an obligation under applicable law (where one may exist at any time).

Procedures exist to ensure that proxies are voted in the best interests of members and the membership, without regard to any relationship that any affiliated person of Mainstreet may have with the organisation or the subject matter subject to vote. Mainstreet exercises its voting responsibility with the goal of maximizing value to members consistent with its strategic plan and the constitution. Mainstreet supports sound governance practices and has established an appropriate strategy determining when and how the voting rights are exercised, so that these rights are exclusively reserved to the members.

### **Independent Returning Officer**

The proxy voting process is administered by an Independent Returning Officer (“IRO”), who reports to Mainstreet’s General Manager. The IRO is responsible for administering and overseeing the proxy voting process to ensure the implementation of the Policies and Procedures of Mainstreet, including regular review of effectiveness of the voting process (typically conducted on an annual basis). The IRO monitors proxies to ensure they are being executed in a timely and responsible manner, including review of feedback (if any) from members.

The IRO in conjunction with the Mainstreet Board reviews the continuing appropriateness of the Policies and Procedures set forth herein and recommends revisions as necessary.

## Representation at Meetings

Mainstreet financial members are entitled to one (1) vote at meetings. As such Mainstreet allows financial members to appoint one (1) representative to attend meetings as part of Section 11 of its Constitution. Otherwise known as a proxy, the appointment and execution of such is as follows:

- 1.) Proxies are undertaken in accordance with Mainstreet's Constitution
- 2.) Administration (that is receipt, recording and reporting of proxies) will be undertaken according to a defined process.

That is:

- All proxies are to be submitted via an official instrument ("form"), consistent with the requirements of the Constitution (Section 11 e.)
- The completed form is to clearly document the identifying details of the member delegating proxy, their membership number (or other identifier as determined by the Board) and the identification of the appointed proxy
- The form can, where there is a specific / special matter for voting, be amended by the General Manager (or staff delegate), produced, and distributed to members with clear and unequivocal description of the purpose of the vote, those subject to the vote (i.e., candidates or the matter for decision by members)) and the date of the vote
- The closing date for proxies / proxy forms to be received and considered valid is FIVE (5) working days prior to the AGM, SGM or decision date.
- The form is to be signed by the member exercising proxy and endorsed by a witness

Proxy forms not meeting the above standards will be considered void. Decisions on validity of proxy forms will be the delegated responsibility of the Independent Returning Officer.

- 3.) Maintain records of proxy documentation received and provide copies/analyses upon request. Mainstreet retains the responsibility for proxy voting decisions.

The Mainstreet General Manager shall be responsible for overseeing the entire proxy voting process to ensure its implementation in conformance with the Constitution and this Policy. The Mainstreet General Manager shall coordinate with the Independent Returning Officer retained by Mainstreet, to determine that the Policies and Procedures are applied effectively and that the Independent Returning Officer operates as an independent proxy voting agent.

The oversight process includes an assessment of controls, including conflict controls and monitoring, receipt, and review of routine reporting by the Independent Returning Officer to Mainstreet and periodic review at Mainstreet Board level (timing to be at Board's discretion). The Mainstreet General Manager shall review the continuing appropriateness of the Controls Procedures set forth herein. The Mainstreet General Manager may delegate certain powers and responsibilities to a staff person where appropriate.

## Procedures

Proxies will be recorded and executed in accordance with the following steps:

- 1 Where there is a difference between the Constitution and this policy / procedures documentation the policy / procedures will prevail.
2. Proxies are to be initiated by individual members on their own account.
- 3 An official proxy form in accordance with the Constitution must be fully completed
- 4 The form is to be made available from Mainstreet's office and / or via the Mainstreet website.
- 5 Members wishing to exercise a proxy must notify the Independent Returning Officer of their intention to exercise in writing using the form. This can also be undertaken via written communication with the Mainstreet General Manager (who must forward such notifications to the Independent Returning Officer). Notification can also be made via the website as part of the process to access the official proxy form.
- 6 Proxy forms must be updated to reflect the Constitution currently and accurately
- 1 Where there is a difference between the Constitution and this policy/ procedures documentation the policy/procedures will prevail.
- 7 Matters requiring member vote and must be clearly outlined to members in the notice of meeting and / or the agenda
8. The process through which a vote can be cast, including via proxy, must be communicated to members through appropriate media prior to the meeting concerned.
- 9 Returned proxy forms must be subject to method through which the proxy (and any attached vote) is verified – this can occur through receipt from recorded email of the member, physical identification by the IRO / General Manager (this may also be delegated to staff) or accompanying the proxy form with official identification (such as drivers' licence or passport)
- 10 Under no circumstances should the following occur:
  - Proxies submitted, in any form, by anyone other than the actual financial member wishing to exercise the proxy.
  - (Where the voting matter at hand relates to elections of officials (including the Chairperson, Chairs of Sub Committees and / or Treasurer)) – Candidate(s) or candidate(s) representative(s) actively canvassing and / or handling proxy votes for financial members; and,
  - Accumulation and gathering of proxy votes by anyone other than the Independent Returning Officer and / or the General Manager (or his / her delegate)

Incidences of the above will render such proxy votes null and void. Determination of whether this policy has been breached is determined by the IRO and / or the General Manager.

Mainstreet will put in place procedures and controls to implement these voting principles.

## **Governance**

Mainstreet believes that Boards should have strong, independent leadership and should adopt structures and practices that enhance their effectiveness. We believe it is the responsibility of the Board to create, enhance, and protect member value. We also recognize that the optimal board size and governance structure is required at Mainstreet and the voting processes to support appointment must have integrity.

Mainstreet generally invites votes for the election of its Board in contested elections. Voting occurs, for election of officials, at Annual General Meeting (AGM) or (where circumstances require) at Special General Meeting (SGM). Such votes, where members attend these meetings are by ballot and the Independent Returning Officer shall attend such meeting(s) and manage the receipt, verification and counting of votes, including proxy votes.

## **Practical Limitations to Proxy**

While Mainstreet uses its reasonable best efforts to include proxies, in certain circumstances, it may be impractical or impossible for Mainstreet to do so (e.g., unjustifiable costs). However, the Board of Mainstreet anticipates such circumstances to be rare.

## **Conflicts of Interest**

Mainstreet always seeks to place the interests of its members first and to identify and manage any conflicts of interest, including those that arise from proxy voting or engagement. Therefore, we must act in the best interest of our members and address any conflicts, real or perceived, that arise. Conflicts of interest are identified and managed through a strict and objective application of our Conflict-of-Interest policy and procedures.

A Mainstreet member may have a conflict of interest regarding a proxy and / or a matter to be voted upon and this type of conflict is generally mitigated by the information of declaration of a potential conflict. However, when the Mainstreet General Manager becomes aware of an undeclared conflict of interest (including those which may directly or indirectly be related to this policy), he / she takes additional steps to mitigate the conflict, by using any of the following methods:

☐ Instructing the Independent Returning Officer to disclose the conflict (real or perceived) to the full Board and obtaining its consent before voting is counted to include the proxies potentially affected by the conflict.

- Submitting the matter directly to the Board to exercise its authority on such matter;  
or
- Consulting with, if necessary, outside legal counsel for guidance on resolving the conflict of interest.

The Mainstreet Independent Returning Officer also monitors the proxy process against specific criteria to identify potential issues.

### **Records Retention**

The Mainstreet General Manager will ensure the following records are maintained

- A copy of the Constitution and these proxy voting policies and procedures.
- Proxy forms until such time as they are deemed ready to be destroyed (generally after seven years) as per the legal or procedural requirements.
- Records of votes cast – as documented by the Independent Returning Officer.
- Records of each written request for proxy voting records and Mainstreet 's written response to any member request (written or oral) for such records; and
- Any documents prepared by Mainstreet or the Independent Returning Officer that were material to making a proxy related decision. Such records shall be maintained at the office of Mainstreet in an easily accessible place for a period of seven years.

These Policies and Procedures have been established, implemented, and maintained, as they apply to Mainstreet Whanganui and consistent with its constitutional rules.

A summary of the proxy policy and procedures are to be disclosed on Mainstreet 's website. In addition, Mainstreet will disclose to member(s) the proxy voting policy and procedures when requested.