

IVOX

IVOX - Who we are

IVOX is a 100% privately owned proxy service provider located in Germany. We were founded in 2007 and currently employ 8 full time analysts and 2 temporary analysts (both with minimum of three years' experience). Four team members take care of procurement and two of voting.

Our services include an online voting platform (via which all meetings can be voted) but we also offer customized research solutions (IVOX does not provide own guidelines). Independence, expertise and dedication is core to our services.

In 2014 IVOX covered approximately 2,200 general meetings worldwide for our ~25 institutional clients.

IVOX Statement

On the one hand, we are glad that the proxy advisory industry introduced best practice guidelines. On the other hand, however, we are to some extent unsatisfied that the guidelines do not go as far as we had hoped for. In our opinion certain critical issues still remain unresolved regarding the lack of communication between the issuer and end investor via the custodian chain and intermediaries. Some of these issues with the custodian chain include the distribution of incorrect meeting agendas, which we see as a core issue to voting correctly.

Principle One: Service Quality

a) Responsibilities to Clients:

We fully comply with this practice.

b) Quality of Research:

We fully comply with all listed requirements.

c) Research Methodology:

The IVOX research methodology:

General Approach: The trigger for drafting vote recommendations comes from the client's individual holdings. When a meeting notification has been published IVOX procurement team transfers the meeting agenda (based on the proxy card provided by the issuer) including annual report and notice (sometimes as a link) on the IVOX platform. The latter then creates a "working list". The analyst follows this working list and analyzes the meeting using IVOX's own IT system. After validation a senior analyst scrutinizes the analysis document before publishing it.

Information Sources: IVOX exclusively uses published and publicly available materials. In general these include company publications such as annual and financial reports, pertinent data from the company website, internet and daily press publications. It might also occur that we contact the issuer directly when we believe information is insufficient or unclear. We do not use unpublished information.

Local conditions and customs: IVOX considers and respects local conditions and customs. However, there might be instances where local customs go against client guidelines and are not in line with good governance practices. Here we reserve the right to criticize this custom (such as the unification of the position of CEO and Chairman within the same individual or the non-disclosure of individualized executive remuneration).

Application of custom or house voting policies or guidelines: IVOX exclusively applies client guidelines and those of accepted organizations such as the International Corporate Governance Network (ICGN) or the Bundesverband Investment und Asset Management (BVI). There are no in-house voting guidelines.

Systems and controls deployed to reasonably ensure the reliability of the use of information in the research process, and the limitations thereof: IVOX deploys a four eye principle. In some cases we might provide our research before publication to the issuer or other service providers (such as proxy solicitors) for fact checking. However, this is not the rule and is request driven.

The analyst can always see the historical data. Hence, older research and information is used to provide continuance in the decision making process.

IVOX does not vote for the client. The final decision to determine the plausibility of the recommendation remains solely with the client.

We also provide direct access to the analysts (for investors as well as issuers) in case of questions or issues with the recommendation.

Errors and mistakes might happen but we insist on dealing professionally with them.

d) Voting Policies or Guidelines Shareholder Policies

IVOX assists clients in drafting customized voting policies.

IVOX does not provide customized voting guidelines.

e) Signatory Policies

IVOX does not provide customized voting guidelines.

f) Employee Qualification & Training

All IVOX analysts have had more than three proxy seasons of experience. Furthermore, all analysts have the relevant academic background.

IVOX provides data and information to the academic community for research purposes. We also support Universities with lectures in the area of corporate governance. From time to time IVOX also provides seminars on actual corporate governance topics. Additionally, we hold presentations at conferences, workshops and seminars.

Training is usually provided by senior analysts, as any academic and professional education is deemed insufficient for the specific needs of governance and proxy research.

g) Timeliness

Subject to the availability of information IVOX aims to provide its reports 21 days prior to the general meeting. During the peak of proxy season it might occur that reports are being delivered 18-19 days before the general meeting.

h) Complaints & Feedback Management

Fortunately, complaints are fairly rare at IVOX. Still, when receiving a complaint we first scrutinize if it is justified in form and reason. Providing we have published a report containing a mistake, we will send out an alert and provide a corrected report if it affects the reasoning of the analyst. Minor editorial mistakes (ex. spelling or grammar) are ignored.

Often we receive additional information after the report has been published. In these cases we will only make use of the information if it has been made public on the corporate website.

In any case an inquiry with IVOX will not remain unanswered.

i) Client & Supplier Understanding

We fully comply with this practice.

j) Client Disclosure Facilitation

We fully comply with this practice.

Principle Two: Conflicts-of-Interest Management

IVOX does not provide any consultancy services to issuers.

Furthermore, IVOX does not maintain and offer its own voting guidelines. All voting guidelines being applied belong to the clients or organizations such as the International Corporate Governance Network (ICGN) or the Bundesverband Investment und Asset Management (BVI).

IVOX is 100% privately owned.

IVOX has published a code of ethics, which is available on our website (www.ivox-europe.com).

If we see ourselves in a situation in which a conflict of interest might occur we will inform our clients and update our statement immediately.

When it becomes relevant we will certainly reflect any conflicts of interest in this statement.

Principle Three: Communications Policy

Dialogue with Issuers, Shareholder Proponents & Other Stakeholders

IVOX provides a reference in the analysis if a dialogue with an issuer has taken place and what questions have been discussed.

Currently IVOX only seeks an active dialogue with an issuer in the following circumstances:

- clarification of one or more agenda items;
- understanding misleading wordings;
- missing information on the website;
- client request;
- issuer “education” via seminars or workshops; &
- introduction and explanation of guidelines

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In the case where an issuer contacts IVOX we provide the required answers and information as long as it is in line with client interest.

Dialogue with Media & the Public

IVOX does not maintain an active dialogue with Media and the Public. However, if we receive an inquiry we usually do not turn it down. There might be occasions when IVOX recommendations are published by third parties. Unfortunately, even though we have marked all our research with copyright restrictions, often enough do not detract from them being forwarded to the press.

For further inquiries please contact: [Alexander.Juschus at ivox-europe.com](mailto:Alexander.Juschus@ivox-europe.com)