

# ANZ Wealth

## Proxy Voting Standard

### PURPOSE

The Standard is designed to ensure that the relevant ANZ Wealth entities are complying with regulatory requirements and industry standards. In doing so, it is necessary to strike the appropriate balance between:

- the need to protect and enhance the value of investments by recognising the strong link between good corporate governance and investment value, and
- the practical implications and costs involved in the voting process, and the impact these can have on the fees charged to investors.

ANZ Wealth applies the Financial Service Council ("FSC") Standard and Guidelines on proxy voting to its operational processes where applicable.

### APPLICATION

The requirements of this document apply to Product Issuers<sup>1</sup> within ANZ Wealth where they have the ability to participate in the governance of underlying investments of Australian securities and unlisted managed investment schemes by exercising voting rights. 'Product Issuers' refers to:

- OnePath Life Limited (OPL) as a registered life insurer under the Life Insurance Act 1995 and issues investment life policies, annuities and ordinary life policies;
- OnePath Custodians Pty Limited (OPC) as trustee of a number of superannuation funds and the operator of an investor directed portfolio service;
- OnePath Funds Management Limited (OPFM) as Responsible Entity for a number of Managed Investment Schemes (MIS); and
- Oasis Fund Management Limited (Oasis) as trustee of a superannuation fund and the operator of two investor directed portfolio services.

### KEY PRINCIPLES

We take into account our own 'Responsible Investment Framework' together with the best practice standards of corporate governance such as the Financial Services Council Bluebook, the ACSI (Australian Council of Superannuation Investors) Guidelines and the ASX Corporate Governance Council recommendations when considering the voting decision.

In considering contentious proxy voting items, we may seek advice from a range of sources which may include appointed investment managers, independent advisors, portfolio managers and market information.

Should voting give rise to a potential conflict of interest situation, the ANZ Conflicts of Interest Policy, and any applicable Policy Schedules, will be complied with.

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<sup>1</sup> Responsible Entity of a managed investment scheme; or trustee of a superannuation fund regulated under the Superannuation Industry (Supervision) Act 1993; or life company as regulated under the Life Insurance Act 1995 or an IDPS Operator under ASIC Class Order [CO 13/763]

## STANDARD STATEMENTS

### Managed Investment Schemes

1. We will assess the investment managers' proxy voting policies to ensure that the approach taken by the relevant investment manager appropriately considers both the best interests of investors and the responsible investment principles applied by Wealth Australia.
2. Investment managers are required to vote on all resolutions where they have voting authority and responsibility to do so.

However, there are some circumstances where it is either not possible or not in the best interest of the unit holder to vote. In these circumstances, and consistent with the Financial Services Council Standard 13, the Responsible Entity requires managers to retain and provide on request, information relating to why a resolution was either "Not Voted" or "Abstained".

3. Where we own units in an unlisted managed investment scheme we will not vote on unit holder resolutions unless there are exceptional circumstances (for example, if there could be adverse outcomes for investors if we did not participate in the vote).

### Investor Directed Portfolio Service (IDPS)

4. The IDPS Operator will not vote, however in exceptional circumstances (for example, if there could be adverse outcomes for investors) the Operator will seek investor's instructions and will only vote once an investor has provided their instructions and must vote in accordance with those instructions (at no cost to the investor). In the event investor proxy voting instructions are required, the Operator will ensure all necessary information is communicated to the investor (either by emailing or posting the information) including information on company resolution(s) and voting instructions. Outlined within the instructions will be steps to exercise the voting rights by phoning, email or giving written instruction depending on the deadlines given by the responsible entity / company to vote.
5. The Operator will set an "instruction deadline" to receive each vote from an investor with each vote being collated on the next business day and forwarded to our custodian for lodgement. Any votes received after the "instruction deadline" may not participate in the vote.

### Superannuation and Pension

6. For 'wrap' superannuation and pension products the Trustee will not vote; however in exceptional circumstances the Trustee may vote (for example, if there could be adverse outcomes for members).
7. Where the 'exceptional circumstances' referred to above apply, we will determine whether a resolution requiring a proxy vote should be escalated to the relevant forum for recommendation or Board for determination.
8. As trustee of the OnePath MasterFund, OPC invests assets held for superannuation members in master investment life policies issued by OPL. In this arrangement, OPC does not have voting rights with regard to investments held by OPL. OPC will review the voting policy applied by OPL to ensure that the approach taken by OPL appropriately considers the best interests of its members.

### Investment Life Policies

9. In situations in which a single mandate for a scheme is issued to an underlying manager, we will delegate voting rights to the investment manager(s) appointed to manage the assets. In order to comply with FSC Standards requirements, investment managers will be instructed to vote where possible, unless there is a good reason for abstaining. Such voting will be in

accordance with the relevant manager's voting policy. We will assess the investment managers' proxy voting policies to ensure that the approach taken by the relevant investment manager appropriately considers the interests of its investors, and the responsible investment principles applied by Wealth Australia.

10. Where we own units in an unlisted managed investment scheme we will not vote on unit holder resolutions unless there are exceptional circumstances

## **RECORD KEEPING**

The record for each financial year shall be made available to the members of a Scheme in accordance with FSC Standard No.13, and to superannuation members in accordance with section 29QB of the SIS Act.

Reviewed annually or in response to processes changes  
Last reviewed April 2018.