

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 relation to proxy voting. 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.

This document sets out the proxy voting standard for all ANZ Wealth investment management activities based in Australia in relation to investments in Australian listed securities and unlisted managed investment schemes by managed investment schemes, IDPSs, superannuation and pension products and Investment Life Policies.

ANZ Wealth adopts the Financial Services Council ("FSC") Standard No.13 (and Standards it refers to) on proxy voting to its operational processes, where applicable. ANZ Wealth also complies with ASIC Regulatory Guide 148 which applies to IDPS products and section 29QB of the Superannuation Industry (Supervision) Act 1993 (SIS Act) which applies to all superannuation and pension products.

APPLICATION

This Standard applies to ANZ Wealth **Product Issuers**¹. 'Product Issuers' refers to OnePath Life Limited (ABN 33 009 657 176), OnePath Custodians Pty Limited (ABN 12 008 506 496), OnePath Funds Management Limited (ABN 21 003 002 800) and Oasis Fund Management Limited (ABN 38 106 045 050).

KEY PRINCIPLES

We take into account our 'Responsible Investment Framework', together with the best practice standards of corporate governance such as 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 include appointed investment managers, independent advisors, portfolio managers and market information.

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

¹ Responsible Entity of a managed investment scheme; or trustee of a superannuation fund regulated under the Superannuation Industry (Supervision) Act 1993; or life company regulated under the Life Insurance Act 1995 or an IDPS Operator under ASIC Class Order [CO 13/763], each one of which is 'we' or 'our', as the context permits.

STANDARD STATEMENTS

Managed Investment Schemes

1. We will assess the investment managers' proxy voting policies to ensure that the approach taken appropriately considers both the best interests of investors and the responsible investment principles applied by Wealth Australia.
2. In situations in which a single mandate for a scheme is issued to an investment manager, voting rights are delegated to the manager.
3. 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 interests of the investor to vote. In these circumstances, and consistent with FSC Standard No.13, we require investment managers to retain and provide, on request, information relating to why a resolution was either "Not Voted" or "Abstained".

We also reserve the right to provide specific direction on how an investment manager should vote on particular matters.

Further, we engage with and actively encourage investment managers to enhance their proxy voting practices.

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

Investor Directed Portfolio Service (IDPS)

5. In our capacity as IDPS Operator we will not vote, however in exceptional circumstances (for example, if there could be adverse outcomes for investors) we will seek an investor's instructions and will only vote on and in accordance with those instructions (at no cost to the investor). In the event investor proxy voting instructions are required, we will ensure all necessary information is communicated to the investor (either by email or post), including the resolution(s), how to exercise a vote (by phone, email or in writing), and the deadline by which votes received can participate..
6. Each vote is collated on the next business day after receipt and forwarded to our custodian for lodgment. Any votes received after the deadline may not be eligible to participate in the vote.

Superannuation and Pension

7. For 'wrap' superannuation and pension products (which are excluded from the requirements of FSC Standard No.13) we will not vote; however in exceptional circumstances we may vote (for example, if we consider there could be adverse outcomes for members).
8. Where there are exceptional circumstances, we will determine whether a resolution requiring a proxy vote should be escalated to the relevant forum for recommendation or Board for determination.
9. Our master trust superannuation products do not directly own securities or units in unlisted managed investment schemes. Voting activities will therefore take place at the underlying investment level.

Investment Life Policies

10. In situations in which a single mandate for a managed investment scheme is issued to an investment manager, we will delegate voting rights to the investment manager. In order to comply with FSC Standard No.13, investment managers will be instructed to vote, unless there is good reason for abstaining. Such voting will be in accordance with the manager's voting policy. We assess managers' proxy voting policies to ensure that the approach taken appropriately considers the interests of investors, and the responsible investment principles applied by Wealth Australia.
11. Where we own units in an unlisted managed investment scheme we do not vote on investor resolutions, unless there are exceptional circumstances.

DISCLOSURE

Disclosure of proxy voting activities is in accordance with FSC Standard No.13 and section 29QB of the SIS Act.

This Standard is current as at May 2018.

Enquiries about the Standard should be directed to the Chief Investment Office, ANZ Wealth.