



IOOF

OnePath Proxy Voting Standard

Purpose

The Standard is designed to ensure that the relevant OnePath entities are complying with regulatory requirements and market practices 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 OnePath investment management activities based in Australia in relation to investments in Australian listed securities and unlisted managed investment schemes by managed investment schemes, IDPS¹, superannuation and pension products.

OnePath 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 OnePath Product Issuers¹. 'Product Issuers' refers to OnePath Custodians Pty Limited (ABN 12 008 508 496), 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.

¹ Responsible Entity of a managed investment scheme; or trustee of a superannuation fund regulated under the Superannuation Industry (Supervision) Act 1993; 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 OnePath.
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, 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 lodgement. 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 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. The assets of the Master Fund are invested directly by OPC into underlying assets, which include OPFM Schemes and external managed investment schemes, various life policies and cash instruments. Voting activities will therefore take place at the underlying investment level that actually owns securities as per each MIS' proxy voting practices.

Disclosure

Disclosure of proxy voting activities is in accordance with section 29QB of the SIS Act.

This Standard is current as at January 2020.

Enquiries about the Standard should be directed to the Investment Team, IOOF.