



# Proxy Voting Policy

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Issuing details: Prepared by: Chief Investment Officer

Approved by: Board of Directors, CARE Super Pty Ltd

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## DOCUMENT CONTROL – SUMMARY OF CHANGES

| Issue             | Date              | Change of description   |
|-------------------|-------------------|---|
| Version 1 – draft | March 2014        | Initial draft by Greg Nolan using existing policy wording from Responsible Investing Policy |
| Version 1 – draft | 7 April 2014      | Review by IRC and recommendation to Board   |
| Version 1         | 6 May 2014        | Board approval  |
| Version 2 – draft | 30 March 2015     | Review by IRC and recommendation to Board   |
| Version 2         | 6 May 2015        | Board approval  |
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This document supersedes and replaces any previous issue.

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# 1. Overview

## 1.1 INTRODUCTION

CARE Super (“the Fund”) is a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS) and is regulated by both Australian Securities and Investments Commission (ASIC) and Australian Prudential Regulation Authority (APRA). The Trustee, CARE Super Pty Ltd holds a Registrable Superannuation Entity licence (RSE) with APRA, enabling it to operate the Fund.

## 1.2 PURPOSE AND SCOPE

The purpose of this Policy is to outline the the Fund’s approach to Proxy Voting. This Policy applies to all of the Fund’s investments, but is more specifically relevant to our Australian and overseas shares.

## 1.3 POLICY STATEMENT

As a fiduciary acting on behalf of its members, the Fund recognises that being an active owner and voting our shares help us maximise long-term risk-adjusted returns for our members. In administering this policy, the Fund is exercising its judgement in the best financial interests of its members. This policy should be read in conjunction with the Fund’s *Responsible Investing Policy*, and *Stewardship Statement*.

# 2. Guiding Principles

The Fund has adopted the following principles that provide the framework within which we exercise our proxy voting rights:

- **PRINCIPLE 1:** To fulfil our fiduciary duty to our members, we vote with the aim of protecting and enhancing the long-term investment performance of the Fund while minimising risk.
- **PRINCIPLE 2:** We will vote in a manner that incorporates good environmental, social and governance (ESG) practices as described in our *Responsible Investing Policy*. We believe the consideration of ESG issues improves long-term risk adjusted returns for our members.
- **PRINCIPLE 3:** Resolutions will be voted upon in a manner that is consistent with the Fund’s investment philosophy and approach.
- **PRINCIPLE 4:** We will seek to ensure that our voting practices support our engagement activities.
- **PRINCIPLE 5:** Our voting approach needs to be practical and efficient to administer.

# 3. Roles and Responsibilities

In conjunction with the Investment Team, the following service providers have specific roles in the voting process as follows:

## 3.1 INVESTMENT MANAGERS

The Fund’s investments are managed by external investment managers who are appointed by the Trustee to manage the Fund’s investments in accordance with agreed guidelines. Investment managers have discretion to determine how they vote the shares within their portfolios – subject to the Guiding Principles and section 4 of this Policy.

## 3.2 PROXY VOTING ADVISERS

Proxy voting advisers are appointed to provide voting research and recommendations to the Fund to support its decision making processes. The Fund will make the proxy advisers voting

recommendations available to its managers in full compliance with all applicable statutory legislation.

### **3.3 INVESTMENT TEAM**

The Investment Team is responsible for monitoring the Fund's investment managers and proxy voting advisers as well as for the implementation of this Policy. The Investment Team also retains the right to instruct the final voting direction.

## **4. Implementation**

The Fund seeks to vote either directly or via its appointed agents, at all meetings and on all resolutions in relation to companies in which the Fund has any interest.

To ensure the Fund exercises its voting rights appropriately, the Fund directs and monitors voting at shareholder meetings as described below.

### **4.1 SHARE VOTING - MANDATES**

For the Australian and overseas shares mandates, the Fund employs proxy voting adviser(s) to provide voting recommendations and make those recommendations available to our investment managers.

An investment manager is allowed to vote differently from the voting recommendation of our proxy adviser provided a rationale is included with the voting decision. In addition, the Fund monitors the manner in which its votes are cast and requires the managers to inform us if they exercise a vote in a manner that is inconsistent with the Guiding Principles set out in this Policy or the recommendations of its proxy adviser(s).

Where there are differences on voting directions, the Fund will engage with investment managers to seek clarification and reconcile these differences on a 'best endeavour' basis. The Fund reserves the right to override a managers intended vote if it believes it is in the best interest of its members to do so.

The Fund also recognises that there may be some circumstances in which we may not be able to execute our voting rights. These are set out below:

#### **SHARE BLOCKING MARKETS**

In certain markets/countries, there may be regulatory restrictions on trading of shares for a given period if a vote is enacted. Managers appointed by the Fund will decide whether to vote in these markets or not, as this may impact share trading.

#### **POWER OF ATTORNEY MARKETS**

In some markets/countries, voting can only be carried out by an individual actually attending the meeting. This can be implemented by the Fund appointing an individual through a standing Power of Attorney via its custodian or subcustodian bank. The Fund will decide which countries to set up Power of Attorney in consultation with its custodian bank based on cost and benefit analysis.

#### **SECURITIES LENDING**

The Fund participates in a securities lending program for company shares held in its Australian and overseas share mandates. The Fund aims to recall all shares from third parties to enable voting of company resolutions however in some rare circumstances shares may not be able to be recalled in time for voting.

## 4.2 POOLED VEHICLES

It is recognised that the Fund does not have the opportunity to exercise voting rights for shares held in pooled investments. In such cases the Fund encourages the relevant investment manager to exercise voting in accordance with the manager's voting policy.

## 4.3 OTHER VOTING MATTERS

For all other investments the Fund will engage with its investment managers and/or its advisers to assess any proposal on the basis of its merits.

## 4.4 DISCLOSURE

The Fund is committed to being transparent and accountable. We publish our proxy voting records on the Fund's website for the Australian and overseas shares mandates every six months.

# 5. Policy Governance

## 5.1 OTHER RELEVANT POLICIES/DOCUMENTS

This Proxy Voting Policy should be read in conjunction with the below.

|   | Policy title                        |
|---|-------------------------------------|
| 1 | <i>Responsible Investing Policy</i> |
| 2 | <i>Stewardship Statement</i>        |

## 5.2 REVIEW

This document is effective immediately on adoption by the Investment Committee and supersedes all previous versions. The Proxy Voting Policy is reviewed and approved by the Investment Committee biennially or sooner if required.