



The letters 'IOOF' are rendered in a large, white, outlined font across the middle of the page. The background is a scenic coastal landscape with a blue ocean, white waves, and green hills under a blue sky with light clouds. In the foreground, there are some green plants and trees.

IOOF Investment Services Ltd and OnePath Funds Management Ltd Proxy Voting Policy

April 2021

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1. Introduction

1.1. Purpose and Application

This Proxy Voting Policy (**Policy**) is part of the Responsible Investment Framework and sets out the rules that are applied in relation to proxy voting and the disclosure of voting activities.

A number of entities within the IOOF Group obtain voting rights in relation to listed securities and other investment vehicles held within the various products. In this context, this Policy applies to the following entities:

- IOOF Investment Services Limited (**IISL**) in its capacity as trustee and Responsible Entity (**RE**) for a number of unregistered and registered Managed Investment Schemes (**Schemes**)¹ respectively; and
- OnePath Funds Management Limited (**OPFM**) in its capacity as trustee and RE for a number of unregistered and registered Schemes respectively.

(collectively, the (**REs**); and

- IISL in its capacity as Service Operator (**SO**) of various Investor Directed Portfolio Services (**IDPSs**).

For MISs, where the voting rights reside with an underlying entity (such as a custodian or investment manager) as a result of the investment structure, this Policy sets out the approach to be used when instructing the underlying entity with respect to voting, and in overseeing the voting activities of the underlying entity. For ASX listed securities and units in unlisted managed investment schemes, this Policy describes the processes to be applied by the RE and SO with regard to voting on proposals/resolutions that are proposed by ASX listed securities and unlisted Schemes.

The Policy is designed to ensure that the relevant entities comply 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.

The REs and SO apply the Financial Service Council (**FSC**) Standard and Guidelines on proxy voting to their operational processes where applicable. Whilst not members of the FSC, the REs look to adopt best practice in respect of proxy voting, including adopting similar standards where appropriate.

1.2. Board Delegation of Authority

Under the terms of the relevant Delegations Policies and Registers the Board delegated authority applies for the following entities:

Entity	Board Delegated Authority
OPFM as RE	Chief Investment Officer (CIO) has delegated authority from the OPFM Board, for 'All matters or decisions relating to the execution of an investment strategy, including but not limited to voting (or issuing a proxy) including on any corporate action and issuing voting instructions to underlying managers. (Board Delegated Authority December 2020).

¹ A list of all registered and unregistered Schemes can be obtained upon request: IISL Schemes from Head of Fund Operations – Client & Process; IISL IDPSs from Fund Accounting Manager – Client & Process; and OPFM Schemes from Financial Controller, Trust and Superannuation – Client & Process.

IISL as RE	Chief Investment Officer (CIO) has delegated authority from the IISL Board, for ' <i>All matters or decisions relating to the execution of an investment strategy including but not limited to...(g) voting (or issuing a proxy) including on any corporate action and issuing voting instructions to underlying managers. (Board Delegated Authority April 2021).</i>
IISL as SO	Chief Distribution Officer (CDO) has delegated authority from the IISL Board, for <i>matters or decisions relating to the IDPS, including voting (or issuing a proxy) on any corporate action and issuing voting instructions to underlying managers. (Board Delegated Authority April 2021).</i>

2. Voting Policy

2.1. General Comments

While proxy voting has been delegated to external managers, the overriding principle when voting on resolutions is that the REs and SO voting decision must be in the best interests of the investors.

When considering voting resolutions, including contentious items, the REs and SO, as applicable, may also refer to a range of resources and best practice standards of corporate governance such as:

- the FSC Bluebook;
- the ACSI (Australian Council of Superannuation Investors) Guidelines;
- the ASX Corporate Governance Council recommendations; and
- independent advisors and market information.

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

3. Managed Investment Schemes

For investments held within Schemes which are managed by an external party (**Manager**) under an Investment Management Agreement (**IMA**), the REs authorise the Manager to exercise any right to vote attached to a share or unit forming part of the Scheme or to so direct the Custodian, subject to the Manager exercising such right in what the Manager reasonably considers to be the best interests of the Scheme. This obligation is communicated and agreed with each Manager.

Effective April 2021 the IOOF Investment Division will assess Managers' proxy voting policies, on appointment and in response to changes, as part of the broader due diligence framework. This is to ensure the approach taken appropriately considers both the best interests of its investors, and the Responsible Investment Principles applied by IOOF Group. As per the IMAs, the REs have the discretion to override a Manager's intended vote. If given a direction from the RE, the Manager must use its best endeavours to implement the direction.

However, there are some circumstances where it is either not possible or not in the best interests of the unit holder to vote. For example, in Australia, it is not possible to vote if the investment manager has participated in a share placement. In some foreign markets the cost of voting can exceed the expected benefit to unit holders while in other markets voting can limit the fund's ability to trade in that stock. In these circumstances, and consistent with the FSC Standard 13, the REs require managers to retain and provide on request, information relating to why a resolution was either "Not Voted" or Abstained.

All Managers appointed to the REs Schemes must provide the IOOF Investment Division with a copy of their proxy voting policy and are required to inform of any changes to the policy. The Managers must also inform the REs in writing if they exercise a vote in a manner that is inconsistent with their policies.

For Schemes managed by an external party, where OPFM as RE owns units in an unlisted Scheme it will not vote on unit holder resolutions unless there are exceptional circumstances; for example, if there could be adverse outcomes for investors if the RE did not participate in the vote.

4. Investor Directed Portfolio Service

4.1. Unlisted Managed Investment Schemes / ASX listed securities

Due to the significant operational complexities involved in seeking individual investor voting instructions and acting upon those instructions, IISL as SO will not give IDPS investors the opportunity to vote regarding resolutions proposed for unlisted managed investment schemes, or resolutions proposed for listed securities. The standard position for the SO will be to not vote.

From time to time, where product features allow making an offer to investors the opportunity to vote and provided there is sufficient time to communicate with the client and adequate procedures in place to request, collate and enact votes, the SO may decide to proceed with an offer.

In exceptional circumstances (for example, if there could be adverse outcomes for investors if participation in the vote was not offered to investors) the SO may decide to offer investors to vote on a resolution and will seek investor's instructions.

Where exceptional circumstances exist (for example, if there could be adverse outcomes for investors) the SO 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 SO will ensure all necessary information is communicated to the investor as soon as practicable (either by emailing or posting the information) including information on resolution(s) and voting instructions. Outlined within the instructions will be steps to exercise the voting rights by phone, email, using on-line functionality or written instruction as appropriate and relevant to the product and depending on the deadlines given by the responsible entity / company to vote. The SO will set an "instruction deadline" to receive each vote from investors with each vote being collated in a timely manner and forwarded to the custodian for lodgement. Any votes received after the "instruction deadline" will not participate in the vote.

4.2. Regulatory Requirements

ASIC Class Order [CO 13/763] (Class Order) imposes requirements on IDPS operators, including in respect of voting rights. The Class Order requires an IDPS:

- to have in place a voting policy that includes information about its voting practices on company and scheme resolutions;
- if investors are provided with the opportunity to vote, to disclose the processes by which they will be informed of the vote, the process for instructing and whether fees will be charged; and
- if investors are NOT provided with the opportunity to vote – to disclose this appropriately in the IDPS Guide.

To the extent that there is a discrepancy between the Class Order and this Policy, the Class order will prevail.

5. Decision Making Process

Generally, the voting process will be straight-forward and proceed in accordance with the Policy statements set out above.

In respect of the RE, in exceptional circumstances, a decision may be required in determining whether to vote with regard to a resolution for unit holders in an unlisted managed investment scheme. In such cases, the RE delegated authority will assess whether the resolution, if passed, would on balance, have any material negative impact on investors.

In respect of the SO, in exceptional circumstances, a decision may be required in determining whether to offer voting opportunities to investors, with regard to a resolution for investors in an unlisted managed investment scheme. In such cases, the SO delegated authority will assess whether the resolution, if passed, would on balance, have any material negative impact on investors. Considerations of the product features and administrative functionality to be able to offer voting permissions to investors will also be considered on a product by product basis.

6. Record Keeping

The appointed custodian or its appointed proxy voting provider, will record details of the voting actions as instructed by each appointed investment manager of the underlying managed fund level, the details of which will be made available to the REs. No record keeping is required for IDPS.

7. Roles and Responsibilities

7.1. IOOF Investment Division

The IOOF Investment Division manages the schemes for which IISL and OPFM are the RE and trustee and will liaise with the custodian on corporate actions that have been delegated to the Schemes' underlying fund managers. The IOOF Investment Division may also liaise with underlying fund managers on contentious issues or any issue it deems to be in the best interest of unitholders.

In respect of the REs, the IOOF Investment Division shall ensure the terms of this Policy are complied with and the proxy voting summary records are published on the relevant RE's website in the form and manner prescribed².

7.2. Product Operational Accounting

Product Operational Accounting works with the custodians to facilitate access to proxy voting to allow appointed investment managers to vote as required on events or as directed in their investment mandate.

7.3. Product Management

Product Management will ensure that the Policy is transparent to investors through the various IDPS disclosure documents on the platforms and where applicable.

² The reporting period for IISL proxy voting summary records to be confirmed.

If a decision is made to provide investors of IDPS' the opportunity to vote on a resolution, Product Management will work with the custodian(s) via Product Operational Accounting and external outsourced administrators to assist with the facilitation.

7.4. External Service Providers

7.4.1. Appointed Custodians

The appointed custodians where service is requested, must act on proper instructions (as per separate Service Level Agreement) to lodge details of the voting actions in respect of each underlying investment held within their custody on behalf of REs (including voting made on behalf of REs by its appointed investment managers).

8. Document Information and Review

Title	IISL and OPFM Proxy Voting Policy
Version number	2.0
Document owner	Chief Investment Officer
Document custodian	Deputy Chief investment Officer
Stakeholder Review	Deputy Chief Investment Officer, Investments Portfolio Manager, Equities, OptiMix & OnePath, Investments Portfolio Manager, Australian Equities, Investments Head of Investment Governance, Investments Senior Governance Specialist, Investments Fiduciary Research Manager, Advice Fiduciary Research Manager, Wrap, Advice Head of Investment Solutions, Distribution Product Manager, Distribution Manager Wrap Product Delivery, Distribution Head of Investment Administration, Client & Process Senior Risk & Compliance Manger, ERC Legal Counsel, Legal Senior Manager, ORE
Approval body	Investment Management Committee (IMC) as delegated by IOOF Investment Management Ltd (IISL) and OnePath Funds Management Ltd (OPFM) Boards
Hierarchy level	Level 1 – Board Approved Policy
Effective date	April 2021
Last reviewed	1H 2021
Next annual review	1H 2022
Next IMC review under delegation	1H 2024
Atlas ID	1000088

Document history

Version (Date)	Description
January 2014 V1	Reflect requirements of FSC Standard update, RG148 and SIS s29QB
April 2014 V1.1	Amendments to the introduction paragraph following requests by the Boards
May 2014 V1.2	Removal of references to ANZ Trustees in light of the pending sale of the ANZ Trustees business
June 2014 V1.3	Addition of explanatory wording in relation to the voting process that would be applied 'in exceptional circumstances' by IDPS operators to ensure compliance with the requirements of RG148
April 2015 V1.4	Annual review and update. Removal of references to ANZ Trustees. Approved by OnePath Custodians Board 18 June 2015
May 2016 V1.5	Annual review and update. Replacement of references to Global Wealth. Removal of references to E*Trade now that they no longer issue an IDPS product. Minor changes to role titles, business unit names and roles and responsibilities, consolidation of

		repeated text where the same rules apply to different entities. Addition of the Grow Wrap product. To OnePath Funds Management Limited Board 3 June for review and approval To OnePath Custodians / Oasis Fund Management Board 10 June 2016 for review & approval
April 2017	V1.6	Annual review and update. Removal of references to ANZ Wealth New Zealand Endorsed by WIGF on 27 April 2017, and approved by Board under sub delegation by Karen Malzard on 4 June 2017
Oct 2017	V1.7	Changed to more accurately reflect FSC Standard 13 (not all proxy votes can be lodged) and simplify some of the language
Feb 2018	V1.8	Further simplification of the language and structure of the Standard
Feb 2019	V1.9	Annual review with limited update.
Apr 2020	V1.10	Annual Review. Updated to IOOF template. Removal of FSC requirement. Endorsed by WIGF on 30 April 2020 and to be approved by June 2020 Board.
April 2021	V2.0	Annual review of the policy including separation of RSE entities (OPC/OFM) and inclusion of both RE entities (IISL and OPFM) and IISL as SO. Policy approved by IMC on 8th April 2021 as delegated by IISL and OPFM Boards.