



# Proxy voting policy

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**December 2019**

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Past performance is not an indication of future performance.

Vision Super Pty Ltd ABN 50 082 924 561 AFSL 225054 RSE licence number L0000239 is the Trustee of the Local Authorities Superannuation Fund  
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Member hotline 1300 300 820, Employer hotline 1300 304 947, Retirement hotline 1300 017 589.

## Statement of Policy

As a founding signatory to the Principles for Responsible Investment (PRI), Vision Super is committed to Principle 2, which encourages signatories to be active owners through the exercise of voting rights. This policy outlines our approach to this commitment.

This policy outlines Vision Super's approach to proxy voting for our listed equity shareholdings in our invested portfolios. We have an active approach to corporate governance and take our rights and responsibilities as a long-term shareholder seriously.

We believe that engagement, rather than divestment, is the most effective strategy to improve the way companies operate, reduce environmental impact and increase transparency. By applying the voting power that comes with owning listed equities, we can encourage companies to do better on ESG.

### Preamble

Vision Super Pty Ltd (VSPL) - RSE L0000239, ABN 50 082 924 561 is the trustee of the Local Authorities Superannuation Fund (LASF).

In this policy unless the context otherwise requires or specifies a reference to the:

- > Board is a reference to the board of VSPL
- > Directors is a reference to the directors of VSPL
- > Trustee is a reference to VSPL
- > LASF is a reference to the Local Authorities Superannuation Fund
- > Fund is a reference to the Local Authorities Superannuation Fund
- > Constitution is a reference to the constitution of VSPL.

### Roles and responsibilities

The Board is responsible for ensuring the appropriateness of the proxy voting framework and reviewing the policy as required.

The Chief Investment Officer is responsible for ensuring that all proxy votes are cast in accordance with the requirements of this policy.



# Proxy voting guidelines

## Principles

Our approach is based on applying a set of principles to achieve genuine, measurable and permanent improvements in the ESG practices and performance of the companies we invest in. It should be noted that Vision Super manages less than 0.5% of Australian superannuation assets. Our limited resources are primarily directed towards developing, selecting, managing and monitoring our investments and investment strategies.

The Vision Super proxy voting principles are set out below. These Principles are espoused in the context of our commitment to the development of a Vision Reconciliation Action Plan recognizing the traditional owners of the land on which our Members work and live.

1. We will subscribe to proxy advice voting research and we will vote in line with these principles.
2. We will vote consistently on all proxy ballots for our shareholdings at all meetings. There is no delegation to the underlying investment managers for any voting.
3. We will strive to recall all securities for proxy voting purposes that are part of the custodian's securities lending program.
4. We believe that all shareholders should be treated fairly.
5. We believe that significant merger or acquisition activity should be decided by shareholders.
6. We will support executive remuneration that is not excessive and performance incentives that are in line with the long-term goals of the company.
7. We will endorse executive bonus structures that are based on long-term performance, and on factors that are within management's control.
8. We believe companies should provide adequate notice of at least three weeks for upcoming meetings to allow shareholders time to properly consider the proposed resolutions.
9. We will encourage the disclosure of all lobbying, advertising and advocacy activities, along with an evaluation of whether or not they are positively in line with the Paris climate change agreement and community values.
10. We believe that companies should provide transparency around and justification of any political donations and partisan political advertising.
11. We will encourage Board gender and cognitive diversity, and a corporate culture that is inclusive of women.
12. We will promote limits on multiple board positions for directors and CEOs.
13. We will advocate for company boards to have an independent non-executive chair.
14. We will aim to maximise risk adjusted returns to members.

## Voting application

Vision Super seeks to vote consistently on all proxy ballots at all shareholders meetings and on all resolutions in relation to companies in which we have an equity interest, or any other interest which entitles Vision Super to vote on corporate resolutions. There is no delegation to the underlying investment managers for any voting where we hold equity investments directly. Decisions on how to vote will be made on a company by company and resolution by resolution basis, according to the principles outlined above.

We do not review every single company resolution but instead focus on where our policy would suggest we vote differently from the way the company's management is recommending. Contentious vote recommendations are discussed internally by management. We ensure that we have enough time to review the contentious votes prior to the cut-off time for each company meeting.

We use proxy advisers in considering our votes and will seek advice on contentious issues from other parties including fund managers. We determine our own votes in this context and according to our principles. We are not bound by advice from any party.

We endeavour to recall all securities that are lent out under the custodian's securities lending operating program from third parties to enable voting of company resolutions. Our custodian uses predictive modelling to ensure that securities that are out on loan are recalled back in a manner that minimises the risk of being unable to recall securities in time to meet the voting cut-off timelines.

Generally, we do not have the ability to exercise voting rights for listed securities that are held in pooled trust/fund structures and in interposed entities. In these cases, Vision Super does not hold direct and immediate voting rights because of the interposition of a trust or other structure between the Fund and the ultimate investments.

## Directly held unlisted investments

Where we have directly held share certificates for unlisted companies as part of a separate mandate, the investment manager may have discretion to act on our behalf. This may include receiving notices, giving consents, signing shareholder documentation and voting shares whether in writing, in person or by proxy. The investment manager retains voting rights for all of our unlisted investments due to the nature of their relationships with management of private businesses, and the way in which votes are processed.

## Reporting

Vision Super is committed to being transparent and accountable. We have a dedicated active ownership page on our website where our full voting record is updated in real time. We disclose our votes the day after each company meeting has been held. We also publish a full voting record and summary report annually, as well as including the highlights in our annual Corporate responsibility report.

## Shareholder resolutions

The Fund may on occasions file or co-file a shareholder resolution for our listed equity shareholdings as a means of company engagement on an ESG issue that the Trustee perceives will have a detrimental impact over the long-term shareholder value. Our focus on shareholder resolutions is generally on Australian listed equities as the dynamics are different for other markets and jurisdictions.

## Regulatory requirements

If they are in alignment with our values, we will meet the requirements of the industry standards and guidance on proxy voting disclosure as set out in:

- > Financial Services Council FSC Standard 1 – Code of Ethics and Code of Conduct (Oct 2016)
- > Financial Services Council FSC Standard 13 – Voting Policy, Voting Record and Disclosure (March 2013)
- > Financial Services Council FSC Standard 20 – Superannuation Governance Policy (March 2013)
- > The website disclosure requirements set out in SIS Act s.29QB(1)(b) and SIS Regulations 2.38(2) (n) and (o).

## Here to help

**Telephone** 1300 300 820 (8:30am to 5:00pm)

**Monday – Friday** (not including Victorian public holidays)

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