



Australian Unity Proxy Voting Policy

1. Purpose and application

This Proxy Voting Policy (Policy) relates to Australian Unity Funds Management Limited and Australian Unity Property Limited (collectively referred to as the Responsible Entities), and to Lifeplan Australia Friendly Society Limited (Society).

This Policy applies to retail public offer schemes for which a Responsible Entity (RE) is the manager or responsible entity, that invest in listed Australian companies, and to IDPS-like schemes that offer investors exposure to listed Australian companies.

It also applies to managed schemes and benefit funds for which the Society is the responsible entity or manager that invest in listed Australian companies, and Platforms that offer investors exposure to listed Australian companies.

The relevant scheme and benefit fund holdings are referred to in this Policy as the Holdings.

Proxy voting means the exercise by the REs and the Society, a related body corporate or an authorised agent (including appointed investment managers) of voting rights for and on behalf of Holdings. The purpose of this Policy is to outline the approach taken by the REs and the Society in regard to proxy voting.

This document is consistent with Financial Services Council's Standard 13 *Voting Policy, Voting Record and Disclosure* and ASIC Regulatory Guide 148 *Platforms that are managed investment schemes and nominee and custody services*.

This Policy is available to a member of a relevant scheme / benefit fund on request.

2. Summary of Policy

The REs and the Society will generally consider and vote all proxies for every resolution in respect of Holdings beneficially owned by the REs and the Society in companies and entities publicly listed in Australia.

In the case of an IDPS-like scheme or Platform, each investor retains the beneficial interest in the securities held on their behalf, including any investments in listed Australian companies. The REs / Society will not exercise voting rights relating to such investments.

3. Principles

The REs and the Society recognise a link between good corporate governance and investment value.

Corporate governance deals with the way in which companies are directed and controlled. The REs' and the Society's view is that the most appropriate corporate governance is achieved by applying recognised corporate governance principles such as those detailed in the ASX Corporate Governance Principles and Recommendations document and in the FSC Blue Book *Corporate Governance: A guide for Fund Managers and Corporations* (FSC Blue Book).

Voting rights are an important tool by which shareholders can influence corporate governance, and therefore investment value / performance; and so comprise an important aspect of share ownership.

Even if the matter is not material then voting is consistent with good practice and FSC Standard 13 *Voting Policy, Voting Record and Disclosure*.

The guiding principle of this Policy, therefore, is that voting and other similar rights should be exercised where practicable, in such a way that proxies are voted in the best interests of scheme / benefit fund members. Voting decisions will be made on a case by case basis by an assessment of the matter at hand and after taking various matters into consideration including the likely effect on the scheme or benefit fund's investment performance.

In exercising these rights, the REs and the Society take into account the following principles.

- Any votes cast will be cast in the best interests of scheme investors / benefit fund members.
- The REs and the Society will generally not vote in favour of resolutions or actions imposing differential voting rights, share classes or "poison pill" or other anti-takeover provisions which seek to deter appropriate takeover offers.
- It is the preference of the REs and the Society to support and vote in favour of a Board or management recommendation, however, where a recommendation is not consistent with the policies of the REs and the Society, the recommendation will not be supported.
- The REs and the Society will not vote where they are excluded from doing so by the Corporations Act or other laws or in cases of conflicts of interest or duty which cannot be resolved lawfully or appropriately.
- In some instances, the REs and the Society may determine that scheme / benefit fund members' best interests are served by abstaining from voting.
- If a resolution is divisive or raises contentious issues, the REs and the Society will be guided by what is in the best interests of scheme investors / benefit fund members. Resolutions falling into this category include:
 - those where there is a real likelihood that the REs and the Society will vote against a Board-sponsored resolution;
 - those where there is a real likelihood that the REs and the Society will vote against a current Director standing for re-election;
 - those which in the reasonable opinion of the REs and the Society are inconsistent with or contravene the FSC Blue Book or ASX Corporate Governance Principles and Recommendations; and

- any other issue or resolution which the REs and the Society consider on reasonable grounds to be contentious or divisive having regard to media coverage, industry conventions and relevant laws.

These Principles do not apply to the responsible entity / manager of an IDPS-like scheme or Platform. The investor into the IDPS-like scheme or Platform makes their own investment decisions, potentially including the selection of investments in Australian companies. The REs and the Society are not in a position to make investment decisions on behalf of the underlying investors, and will not vote on resolutions affecting these companies.

4. Use of Proxy Advisors

The REs and the Society do not currently engage proxy advisors directly. From time to time the REs and the Society may formally engage proxy advisors or may seek opinions from proxy advisors on certain matters, and may make this research available to appointed investment managers.

The REs and the Society apply their policy wherever possible in a flexible manner so as to accommodate the wide variety of circumstances that may arise.

5. Responsibility for Policy

AU Wealth & Capital Markets – Investments department is primarily responsible for ensuring the Policy meets business and other requirements at all times.

AU Wealth & Capital Markets – Operations department is responsible for ensuring the Policy remains relevant and appropriate for IDPS-like schemes and Platforms.

6. Investment managers appointed under Investment Management Agreement (IMA)

With the exception of IDPS-like schemes and Platforms, where an RE or the Society outsources responsibility for managing listed Australian assets to an investment manager appointed under an IMA, the RE or Society will:

- review the appointed investment manager's proxy voting policy to ensure that its proxy voting policy is generally consistent with this Policy; and
- authorise the appointed investment manager to exercise proxy voting rights in accordance with its stated policy.

Notwithstanding the above, the REs and the Society reserve the right to overrule the appointed investment manager with a specific direction on a proxy vote.

These requirements do not apply to an IDPS-like scheme or Platform. The investor makes their own investment decisions, potentially including the placement of moneys into a portfolio managed by a third-party investment manager. Accordingly, in respect of any IMAs entered into by an IDPS-like scheme or Platform, the RE or the Society will not review the proxy voting policy of any appointed investment manager.

7. Fund of-Funds

Where a Scheme / Fund (other than an IDPS-like scheme) managed by an RE / Society invests into a scheme managed by an External Manager, the RE will review the External Manager’s proxy voting policy.

These requirements do not apply to an IDPS-like scheme or Platform. The investor makes their own investment decisions, potentially including the placement of moneys into a fund managed by a third-party investment manager. Accordingly, in respect of Fund-of-Fund menu options of an IDPS-like scheme or Platform, the RE or the Society will not review the proxy voting policy of the manager of any underlying menu option.

8. Elements specific to IDPS-like schemes and Platforms

Australian Unity’s voting policy must be disclosed in the IDPS Guide or PDS (as relevant). The IDPS Guide or PDS must clarify that the REs / Society will not exercise voting rights.

9. Disclosure

As required by FSC Standard 13 *Voting Policy, Voting Record and Disclosure*, no later than three months after the close of each financial year, the REs and the Society will publish a summary of proxy voting activities for relevant investing entities on the Australian Unity website (www.australianunityinvestments.com.au). This disclosure is in a form consistent with FSC Standard 13 *Voting Policy, Voting Record and Disclosure*. Proxy voting disclosure will not include proxy voting in respect of IDPS-like schemes and Platforms.

Relevant investing entities comprise:

- all schemes / benefit funds for which an RE or the Society manages listed Australian shares directly – disclosure will relate to the listed Australian shares managed by the RE or the Society; and
- all schemes / benefit funds for which an RE or the Society has outsourced investment management responsibility to an appointed investment manager that is a related body corporate (such as a joint venture partner investment manager).

Reporting will be provided on an “investment manager” basis and will be in a form similar to the following:

<Investment Manager> – Proxy Voting Record

ASX Code	
Meeting Date	
Meeting type – AGM / EGM etc.	

Type of Resolution General / Special	Proposed by Management / Shareholders / Other	Details of Resolution	Management's Recommendation	Vote Cast For / Against / Abstain

The Proxy Voting record is available to a scheme / benefit fund member on request.

10. Further Information

For further information about this Policy please contact AU Wealth & Capital Markets – Investments department.

11. Breach of Policy

Breaches of this Policy will be viewed seriously and may lead to disciplinary action being taken.

Exceptions or breaches identified will be reported to Group Governance Services – Wealth & Capital Markets.

12. Review of Policy

This Policy is reviewed on an annual basis by AU Wealth & Capital Markets – Investments department.

This Policy is approved by the Australian Unity Group Investment Committee, under delegation from the REs' and Society's Boards.

Policy Owner	AU Wealth & Capital Markets - Investments
Date	29 May 2018
Superseded Documents	Proxy Voting Policy 29 September 2015 Proxy Voting Policy 26 May 2014 Proxy Voting Policy May 2012 Proxy Voting Policy April 2008