

NZ Super Fund Global Voting Policy & Guidelines

Introduction

The New Zealand Superannuation Fund aims to promote good corporate governance in New Zealand and globally in the markets in which we invest. We believe good governance is material to the Fund's long-term returns.

Voting forms part of our RI Statement of Investment Principles Standards and Procedures, which includes *the retention, exercise or delegation of voting rights acquired through investments (under Section 61 (i) of our governing legislation*, and our RI Framework.

We exercise our voting rights globally across the Fund's segregated equity portfolio.

NZ Super Fund Customised Global Voting Policy

Voting rights are important for maintaining shareholder oversight of directors, boards and company policies. We aim to use our voting rights to promote best practice corporate governance in the long-term interests of the Fund and to meet our obligations under our governing legislation.

Our voting guidelines are based on national and international standards of good corporate governance. International standards include the International Corporate Governance Network Guidelines and the G20/OECD Principles of Corporate Governance.

For New Zealand listed companies we endorse the New Zealand Corporate Governance Guidelines published by the New Zealand Corporate Governance Forum (Forum).

The voting guidelines of our elected proxy voting agency Institutional Shareholder Services (ISS) and the Forum represent essential elements of good governance such as transparency, board alignment with shareholder interests, appropriate remuneration, business ethics, and shareholder rights.

Our voting generally follows our customised global voting policy guidelines set out below and other applicable codes of good practice.

Where we participate in securities lending, we retain the right to recall shares to vote and the right to withhold shares from lending, in order to exercise our voting rights on those securities.

NZ Super Global Voting Guidelines

We have developed the NZ Super Fund Customised Policy which adopts the ISS Public Fund Policy and guidelines as its base but has the capability to customise this policy where needed. The ISS Public Fund Guidelines are developed and adapted to global markets and are too extensive to be included here in full. The guidelines can be accessed here [ISS Public Fund International](#) and [ISS Public Fund US](#).

In particular, the ISS Public Fund guidelines align with NZ Super's perspective on these focus areas:

Board:

- Promoting CEO/Chair separation and independence.
- Rotation of long tenure Auditors

Remuneration:

- Alignment of pay and performance, and addressing problematic compensation practices.

Voting rights:

- Promoting good practice in relation to pre-emptive rights & dilution, and supporting the right to vote (at a >15% dilution threshold).
- Support the principle of one share: one vote principle, and in general not supporting dual class shares.

Shareholder Resolutions:

- Generally support shareholder proposals on governance, social and environmental issues where these are in the best long-term interest of the company and shareholders.
- Climate Change Voting Guidelines : ISS Public Fund guidelines are consistent with our voting guidelines on climate change which support companies:
 - Developing a strategy to manage climate change risks, including in relation to capital expenditure policy
 - Reducing greenhouse gas (GHG) emissions and/or setting GHG reduction goals
 - Improving disclosure on risks related to climate change on its operations and investments (such as financial, physical or regulatory risks)
 - Measuring and/or reporting on greenhouse gas emissions.

Process and Reporting

We exercise our voting rights globally across the Fund's segregated equity portfolio and report on our voting activities on a six-monthly basis.

For our overseas holdings we generally direct our elected proxy voting agency to vote in line with our customised global voting policy. We retain the right to instruct voting on the shares we own directly. Our voting at company AGMs and EGMs is based on our voting guidelines, but we respond on a case-by-case basis where special circumstances arise.

Our voting decisions for New Zealand companies are informed by the Forum's guidelines, the recommendations of our managers and that of our proxy voting agency. We instruct voting on our shares in New Zealand companies directly.

We will generally vote as set out in our voting guidelines, but respond to specific issues on a case-by-case basis taking account of our managers and the company's views where special circumstances arise.