

Share voting report

Australian Equities Portfolio 1 July 2017 – 31 December 2017

Introduction

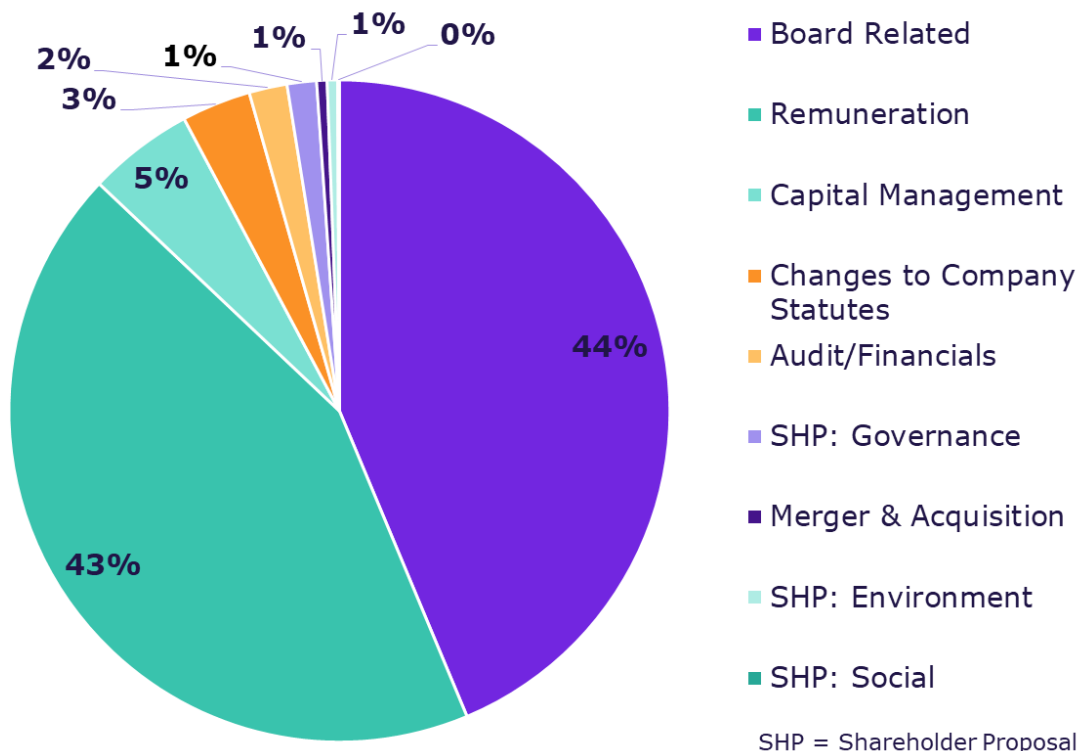
In accordance with our Active Ownership Policy, we seek to vote on all resolutions put forward at the meetings of companies held in our Australian equities portfolio on behalf of our members.

In general, we vote in line with best practice guidelines including Australian Council of Superannuation Investors (ACSI) Governance Guidelines, which seek to ensure that the Board of Directors of listed companies is accountable to and operates in the best interests of shareholders. Where we believe there is a potential conflict between the interests of the Board and our interests as a shareholder we will consult with our proxy voting adviser(s) and the equities manager(s) investing in the company to assist us to determine the most appropriate way to vote.

This report provides a summary of how we voted on all resolutions put forward at all meetings of companies in our Australian equities portfolio for the six months to 31 December 2017. A detailed report outlining how we voted on every resolution is available on the HESTA website at <https://www.hesta.com.au/about-us/what-we-stand-for/responsible-investment/active-ownership.html>.

Summary voting statistics

During the reporting period we voted on 1181 resolutions at 228 company meetings. Of total resolutions, 44 per cent related to the Board (incl. director elections) while 43 per cent related to remuneration proposals. Two per cent related to shareholder resolutions concerning environment and social issues.

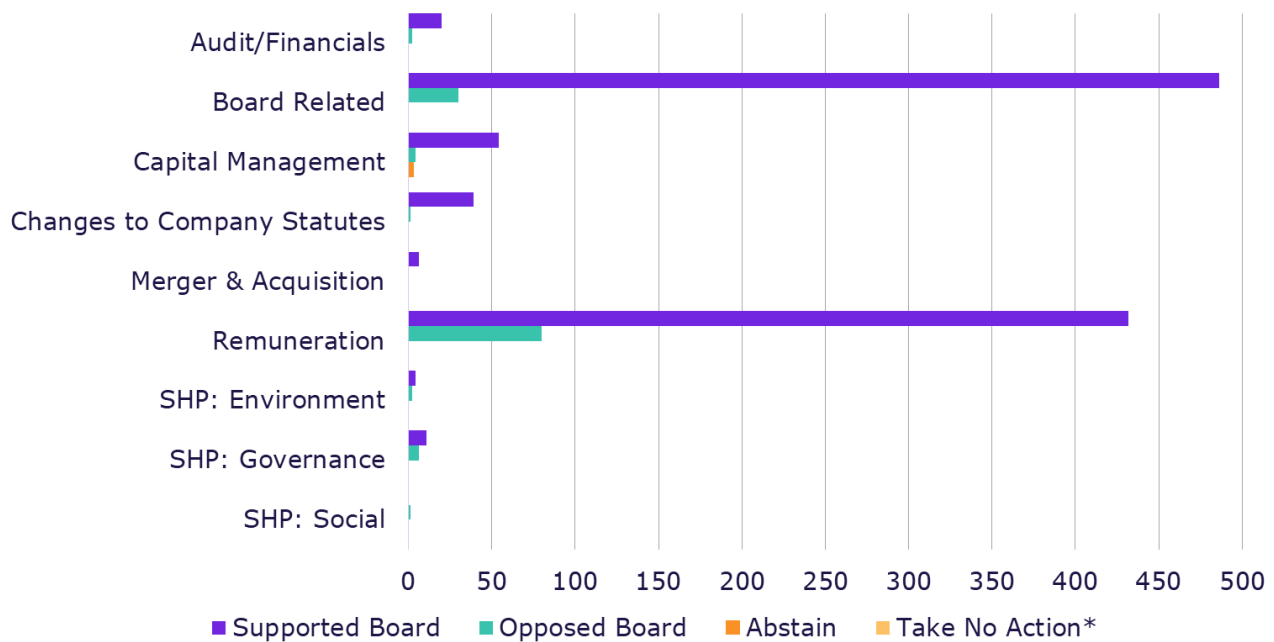


How HESTA Voted

This table and the chart below show how HESTA voted broken down by the categories of resolutions.

	Supported Board		Opposed Board		Take No Action*		Abstain		Total	
Audit/Financials	20	91%	2	9%	0	0%	0	0%	22	2%
Board Related	486	94%	30	6%	0	0%	0	0%	516	44%
Capital Management	54	89%	4	7%	0	0%	3	5%	61	5%
Changes to Company Statutes	39	98%	1	3%	0	0%	0	0%	40	3%
Merger & Acquisition	6	100%	0	0%	0	0%	0	0%	6	1%
Remuneration	432	84%	80	16%	0	0%	0	0%	512	43%
SHP: Environment	4	67%	2	33%	0	0%	0	0%	6	1%
SHP: Governance	11	65%	6	35%	0	0%	0	0%	17	1%
SHP: Social	0	0%	1	100%	0	0%	0	0%	1	0%
Totals	1052	89%	126	11%	0	0%	3	0%	1181	100%

SHP - Shareholder Proposal



Votes where HESTA opposed the Company Board

HESTA voted in opposition to companies' Boards on 11 per cent of the total resolutions. This compares to 8 per cent for the same period last year. The following chart shows the breakdown of the resolutions voted in opposition to the Company Board for the two periods. In late 2016 HESTA moved to a new reporting platform that has different categories for grouping resolutions. Whilst we have matched the categories used for both periods, there may be a small number of cases where proposals have been categorised differently in the two periods.

