Cbuss’ Key Voting Positions

Cbuss’ voting practices domestically and internationally are based on the Australian Council of Superannuation Investors (ACSI) Corporate Governance Guidelines to ensure consistency of our voting process.

The Fund takes an active approach when voting on resolutions for Australian companies which is often informed through its engagement process. Cbuss’ voting positions are not considered in isolation, Cbuss will consider engagement with companies, our managers and broader stakeholder views (where applicable). In all cases the Fund will make its voting decision based on the best long-term interests of members.

An overview of our key voting positions is provided below.

Election of Directors

Cbuss promotes:
- Accountability of company directors for the performance of the company
- Capacity of directors to undertake their role
- Board renewal
- Board gender diversity
- Environmental, social and governance (ESG) oversight
- Majority voting for director elections

Remuneration

Cbuss recognises that ESG performance factors are an important consideration of executive performance and remuneration.

Cbuss will usually vote against approval of the remuneration report or policy when the following occur:
- A significant disconnect between pay and performance
- Financial and non-financial performance goals are inappropriate or insufficiently challenging
- Lack of disclosure regarding performance metrics
- Excessive discretion available to determine outcomes
- Ex gratia or other non-contractual payments have been made without sufficient justification
- Guaranteed bonuses
- There is no clawback policy for unearned equity awards or unearned bonuses
- Where bonuses, equity awards or severance payments appear unfair and unreasonable given the company’s circumstances

Shareholder rights

Cbuss will vote against the constitution/articles of association where proposed amendments include changes that may diminish or impinge upon the rights of shareholders.

Shareholder proposals

Shareholder proposals are often categorised as ‘non-financial’ resolutions and relate typically to ESG factors.

Cbuss typically assesses shareholder resolutions on a case-by-case basis, in the context of whether the proposal protects or increases long-term shareholder value; increases shareholder rights; addresses a material issue; how the company has responded and how the company’s approach compares to its peers and industry practice and whether the issue could be more effectively dealt with through legislation or regulation.

Where a proposal specifically relates to disclosure or transparency Cbuss will consider the adequacy of publicly available information and whether the information being requested is commercially sensitive.

Our approach also recognises that shareholder rights differ in each jurisdiction and this will be reflected in our voting positions.

Capital raisings

Where a company has not disclosed a detailed plan for use of the proposed shares, or where the number of shares requested are excessive, Cbuss typically votes against the issuance.

In the case of a private placement or non-pro-rata raising, Cbuss will also consider the:
- Board’s oversight of the capital-raising process
- Context and reason for the capital raising
- Ability for existing shareholders to participate in the raising process
- Price paid by subscribers
- Dilution caused by the capital-raising process