



1. OBJECTIVE OF THE POLICY

Qantas Superannuation Plan (“the Plan”) invests a considerable proportion of its assets in shares in listed companies. As such, it has a clear goal of maximising the long term return from those assets. At the same time, in an era of increased focus on corporate governance, regulators and political leaders increasingly expect large investors such as the Plan to actively encourage those companies to follow best practice structures and processes in the conduct of their business. This policy sets out the approach which the Trustee of the Plan has adopted in order to achieve that goal.

The policy is not intended to impose ethical or socially responsible constraints which dictate whether or not the Plan should invest in a particular company, as the Trustee does not believe it is its role to become involved in such issues.

2. ALLOCATION OF RESPONSIBILITY

The Investment Committee has responsibility for the monitoring of the policy. The execution of the policy is delegated to the Plan’s fund managers, and will be tracked via a voting review service provided by the Plan’s custodian.

3. ADOPTION OF STANDARDS

The Trustee has elected to use as standards the guidelines for corporations as detailed in Guidance Note No. 2.00 “Corporate Governance: A guide for Fund Managers and Corporations”, issued by the Investment and Financial Services Association, commonly known as the IFSA Blue Book. Those guidelines cover:

- Annual Disclosure
- Composition of the Board of Directors: Competency
- Composition of the Board of Directors: Independence
- Number of permissible directorships an individual may hold
- Chairperson to be an independent director
- Board Committees Generally
- Key Board Committees
- Election of Directors
- Appointment of Non-Executive Directors
- Performance Evaluation
- Equity Participation by Non-Executive Directors
- Respective Roles of the Board and management
- Board and Executive Remuneration Policy and Disclosure
- Company Meetings
- Disclosure of Beneficial Shareholder Information
- Major Corporate Changes
- Company Codes of Ethics

The Trustee has noted that there may be valid reasons for a company to depart from these guidelines, and that in such cases, the company would be expected to be able to explain to shareholders why it has so departed.



4. ENGAGEMENT WITH COMPANIES

The Trustee expects its fund managers to engage with senior management or board members about performance, governance or other matters which may affect shareholders' interests. The trigger point for engagement should be when the company has breached, or is likely to breach, one of the standards at Point 3 above. The Trustee also recognises that the larger the shareholding the manager controls in a company, the greater the likelihood of the manager receiving a hearing at the appropriate level.

5. VOTING

The Trustee expects its managers to exercise their voting rights for all stocks held in the portfolios they manage on behalf of the Plan. Their votes should be cast in accordance with the principles contained in the standards at Point 3 above. The Trustee reserves the right in exceptional circumstances to direct its managers how to vote on a specific issue; in such cases, the Board will be responsible for the decision.

6. SELECTION OF MANAGERS

In selecting fund managers for the Plan, the Trustee will take into account those managers' own policy on engagement and voting. An appointed manager will be supplied a copy of this Policy, as will be managers incumbent at the date of its introduction.

7. INVESTMENT MANAGEMENT AGREEMENTS

Investment Management Agreements signed after the introduction of this Policy will require the appointed manager to abide by the terms of this Policy. Agreements signed prior to its introduction do already contain a requirement for managers to vote the Plan's shares, and those managers will also be asked to adopt the provisions of the Policy.

8. ARRANGEMENTS WITH CUSTODIANS

The Plan's assets are registered in the name of the custodian. The Trustee has subscribed to a proxy voting service supplied by the custodian to ensure that managers are exercising the Plan's votes for all its shareholdings.

9. REPORTING BACK TO TRUSTEE

The Investment Committee will review the reports from the custodian's proxy voting service at regular intervals of no less than 6 months. Outcomes will be included in Investment Committee meeting minutes, which are then circulated to all Board members.

10. COMMUNICATING TO MEMBERS

The Plan's annual report will give a brief summary of the Active Share Ownership Policy. A full copy of the Policy will be posted on the Plan's website.

11. DOCUMENTING, REVIEWING AND ASSESSMENT

The Trustee will review the Policy on an annual basis and update it as appropriate.