

# UniSuper Proxy Voting and Corporate Engagement Report

June Quarter, 2007

## How we voted our Australian and international equities

This report covers the 1 April – to 30 June 2007 quarter, during which UniSuper voted on 5,408 corporate governance resolutions, put forward by companies in the S&P/ASX 200, FTSE 350 (UK), S&P 500 (US) and FTSE Eurofirst 300 Index. UniSuper had a total of 12 Australian and 7 international equity managers who have segregated mandates.

The Fund's Australian and international specialist proxy voting advisors provide 'how to vote' recommendations to UniSuper and UniSuper's fund managers. All UniSuper Australian fund managers must vote 'FOR' or 'AGAINST' and cannot 'ABSTAIN' unless there are conflicts of interest. Votes are lodged in accordance with the Australian Council of Superannuation Investors (ACSI) Corporate Governance Guidelines ([www.acsi.org.au](http://www.acsi.org.au)), which UniSuper has adopted. UniSuper also takes into account specialist voting advice on corporate governance best practice in ex-Australian markets from Pension Investment Research Consultants (PIRC), who vote on behalf of UniSuper's international fund managers. It is important to note that there are specific differences between Australian and international proxy voting in the US. These include:

- » Votes pertaining to individual Directors can not be cast as 'AGAINST' votes, but rather are recorded as 'WITHHOLD';
- » UniSuper may use the 'ABSTAIN' vote in accordance with PIRC's advice to UniSuper; and
- » Shareholder resolutions are lodged more frequently in the US.

## Summary of Australian Proxy Voting

1 April — 30 June, 2007	Number	%
<b>S&amp;P/ASX 200 (Australia)</b>		
Number of corporate governance related resolutions	139	
Voted 'FOR' in line with UniSuper recommendation (more than half of the total shares voted)	111	80
Voted 'AGAINST' in line with UniSuper recommendation (more than half of the total shares voted)	17	12
Number of instances where the majority of votes lodged were contrary to UniSuper recommendations	11	8
Total Instances where votes split 'FOR' & 'AGAINST'	23	17

Please note that the above table may not sum to 100% because the table rows are not mutually exclusive

## Summary of International Proxy Voting

1 April — 30 June, 2007	Number	%
Total number of corporate governance related resolutions	5,269	
<b>FTSE 350 (UK)</b>		
Number of corporate governance related resolutions	567	100
Voted For in line with UniSuper	452	80
Voted Against in line with UniSuper	94	16
Voted Abstain in line with UniSuper	21	4
Withdrawn	0	0
<b>S &amp; P 500 (US)</b>		
Number of corporate governance related resolutions	2952	100
Voted For in line with UniSuper	1949	66
Voted Against in line with UniSuper	291	10
Voted Abstain in line with UniSuper	69	2
Vote Withhold in line with UniSuper	643	22

Please note that the above table may not sum to 100% because the rows in the table are not mutually exclusive.

1 April — 30 June, 2007	Number	%
<b>FTSE Eurofirst 300</b>		
Number of corporate governance related resolutions	1750	100
Voted For in line with UniSuper	1251	71
Voted Against in line with UniSuper	483	28
Voted Abstain in line with UniSuper	16	1
Non voting	0	0

Please note that the above table may not sum to 100% because the rows in the table are not mutually exclusive.

## Overview of Australian Voting

### Voting in the S&P/ASX 200 (Australia)

UniSuper voted on 139 corporate governance resolutions put forward by companies in the S&P/ASX 200. The highest number of AGAINST votes were in relation to company resolutions at the shareholder meetings of Oil Search, STW Communications Group, and Toll Holdings.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Remuneration reports;
- » The approval of option grants for Executive Share Plans; and
- » The election of certain directors.

The most frequent FOR votes lodged by UniSuper pertained to the election of directors.

## Overview of International Voting

### Voting in the FTSE 350 (UK)

UniSuper voted on 567 corporate governance resolutions, put forward by companies in the FTSE 350 (UK). The highest number of votes AGAINST were in relation to company resolutions at the shareholder meetings of the Aegis Group, BP and the Royal Bank of Scotland.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » The conflict of interest of certain directors;
- » Performance hurdles for executive remuneration that were not sufficiently challenging; and
- » Lack of disclosure in remuneration reports.

The most frequent FOR votes lodged by UniSuper pertained to the election of directors.

### Voting in the S&P 500 (US)

UniSuper voted on 2,952 corporate governance resolutions, put forward by companies in the S&P 500 (US). The highest number of votes AGAINST were in relation to company resolutions at the shareholder meetings of Chicago Mercantile Exchange Holdings, Adobe Systems and Lehman Bros..

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Disclosure of performance hurdles and targets in Long Term Incentive Plans; and
- » Election of certain directors.

The highest WITHHOLD votes lodged by UniSuper that pertained to election of certain Directors were in Bank of New York Mellon Group, Schlumberger and Morgan Stanley, as they did not meet ACSI guidelines on independence and composition of the Board.

The most frequent FOR votes lodged on shareholder resolutions pertained to the election of certain directors.

### Voting in the FTSE Eurofirst 300 (Europe)

UniSuper voted on 1,750 corporate governance resolutions, put forward by companies in the FTSE Eurofirst 300. Votes recorded AGAINST were in relation to company resolutions at the shareholder meetings of DaimlerChrysler, FIAT SPA and Ericsson.

The most frequent AGAINST votes recorded by UniSuper, pertained to:

- » The discharge of Boards;
- » Concerns over the nomination process for certain Board directors; and
- » Audits.

The most frequent FOR votes recorded by UniSuper pertained to election of certain directors.

### Corporate Governance in Australian companies

On the 8 June 2007, the UniSuper Investment Committee approved the UniSuper Sustainable Investment Policy and accompanying implementation plan, incorporating correspondence to managers about UniSuper's investment governance and sustainable investment strategy.

On the 9 July 2007, letters were sent to all of UniSuper's domestic and international equities managers advising them of UniSuper's policies, strategy and expectations.

On the 9 August 2007, letters were sent to UniSuper's incumbent private equity, pooled, passive and quantitative managers advising them of the Fund's direction and activities in regard to governance and sustainability.

In the correspondence, investment managers have been asked to prepare a brief report for the Fund about the role of sustainability in portfolios in which UniSuper is the sole asset owner.

#### Disclaimer

The information in this publication is of a general informative nature and is not intended to be financial advice. Before making financial or investment decisions, you should consult a licensed adviser. You should read this information in conjunction with other disclosure documents the Trustee has prepared for members. Every care has been taken with the information provided in this publication. However, because of the complex nature of superannuation and taxation law and the frequent changes occurring, UniSuper Management reserves the right to correct any error or omission. If there is any discrepancy between this publication and the Trust Deed and Regulations, the Trust Deed and Regulations will be the final authority.

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<b>UniSuper</b> Level 37, 385 Bourke Street Melbourne Vic 3000	<b>Trustee</b> UniSuper Limited ABN 54 006 027 121 RSE License No. L0000925 RSE Registration No. R1001716	<b>Administrator</b> UniSuper Management Pty Ltd ABN 91 006 961 799 Australian Financial Services Licence No. 235907	<b>Contact information</b> If you need more information: <ul style="list-style-type: none"><li>• enquiry@unisuper.com.au</li><li>• call the UniSuper Helpline on 1800 331 685</li><li>• visit our website at <a href="http://www.unisuper.com.au">www.unisuper.com.au</a></li></ul>
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## Voting

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage "FOR"	Percentage "AGAINST"	Resolution passed
19/04/07	AGM	AXA Asia Pacific Holdings Limited	2a	Elect Paul Cooper as Director	100%	0%	Y
			2b	Elect Robin Monro-Davies as Director	100%	0%	Y
			2c	Elect Patricia Akopiantz as Director	100%	0%	Y
			2d	Elect Philippe Donnet as Director	100%	0%	N
			3	Approve Remuneration Report for the Year Ended Dec 31, 2006	100%	0%	Y
			4	Approve Grant of Up to 500,000 Allocation Rights Exercisable at the Volume Weighted Average Price of Shares Traded on ASX Over the Last Ten Days Prior to the Issue Date and Up to 60,000 Performance Rights to Andrew Penn	100%	0%	Y
			5	Approve PricewaterhouseCoopers as Auditors	100%	0%	Y
24/04/07	AGM	Caltex Australia Ltd	5	Approve Remuneration Report for the Year Ended Dec 31, 2006	100%	0%	Y
			6.1	Elect Brant Fish as Director	100%	0%	Y
			6.2	Elect John Thorn as Director	100%	0%	Y
			7	Adopt New Constitution	100%	0%	Y
24/04/07	AGM	Lihir Gold Limited	1	Accept Financial Statements and Statutory Reports for the Year Ended Dec. 31, 2006	100%	0%	Y
			2	Elect Peter Cassidy as Director	100%	0%	Y
			3	Elect Geoff Loudon as Director	100%	0%	Y
			4	Elect Alistair Maitland as Director	100%	0%	Y
			5	Elect Michael Etheridge as Director	100%	0%	Y
			6	Approve PricewaterhouseCoopers as Auditors	100%	0%	Y
			7	Approve Grant of 136,530 Share Rights to Arthur Hood, Managing Director, Under the Lihir Senior Executive Share Plan	87%	13%	Y
			8	Approve the Increase in Non-Executive Directors' Remuneration From \$750,000 to \$1.0 Million per Annum	87%	13%	Y
19/04/07	MIX	Macquarie Airports	MAT1	Amend Constitution of MAT1 Re: Foreign Ownership Divestment Provisions	100%	0%	Y
			MAT2	Amend Constitution of MAT2 Re: Foreign Ownership Divestment Provisions	100%	0%	Y
			MAL1	Accept Financial Statements and Statutory Reports for the Year Ended Dec 31, 2006	100%	0%	Y
			MAL2	Approve PricewaterhouseCoopers as Auditors and Authorize Board to Fix Their Remuneration	98%	2%	Y
			MAL3	Elect Stephen Ward as Director	100%	0%	Y
03/04/07	EGM	News Corporation	EGM	Adjourn Meeting	100%	0%	Y
04/04/07	AGM	QBE Insurance Group Ltd	2	Approve Remuneration Report for the Year Ended Dec. 31, 2006	39%	51%	Y

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage Votes Cast	Resolution passed
					"FOR" "AGAINST"	Y/N
			3	Approve the Increase in Maximum Aggregate Fees Payable to Non-Executive Directors from A\$2.2 million to A\$2.7 million	39% 51%	Y
			4	Approve Grant of Conditional Rights of 30,000 Ordinary Shares and Options to Subscribe for a Maximum of 60,000 Shares to Francis M. O'Halloran, Chief Executive Officer, Under the Deferred Compensation Plan	90% 0%	Y
			5	Elect Len F. Bleasel, AM as Director	90% 0%	Y
			6	Elect Duncan M. Boyle as Director	90% 0%	Y
27/04/07	AGM	Rio Tinto Ltd. (Formerly Cra Ltd.)	1	Approve Renewal of Off-market and On-market Share Buyback Authorities	100% 0%	Y
			2	Approve Renewal of Authorities to Buy Back Shares Held by Rio Tinto plc	100% 0%	Y
			3	Approve Amendments to the Constitution and Articles of Association	100% 0%	Y
			4	Elect Michael Fitzpatrick as Director	100% 0%	Y
			5	Elect Ashton Calvert as Director	100% 0%	Y
			6	Elect Guy Elliott as Director	100% 0%	Y
			7	Elect Lord Kerr as Director	100% 0%	Y
			8	Elect Richard Sykes as Director	100% 0%	Y
			9	Approve PricewaterhouseCoopers LLP as Auditors of Rio Tinto plc and Authorize Board to Fix Their Remuneration	100% 0%	Y
			10	Approve Remuneration Report for the Year Ended Dec 31, 2006	100% 0%	Y
			11	Accept Reports and Financial Statements for the Year Ended Dec 31, 2006	100% 0%	Y
19/04/07	AGM	SPARK INFRASTRUCTURE GROUP	2	Approve Remuneration Report for the Year Ended Dec 31, 2006	100% 0%	Y
			3	Elect Stephen Johns as Director of Spark Infrastructure 1, Spark Infrastructure 2 and Spark Infrastructure International	100% 0%	Y
			7	Approve Changes to the Constitutions of Spark Infrastructure 1, Spark Infrastructure 2, and Spark Infrastructure International	100% 0%	Y
24/04/07	EGM	Suncorp-Metway Limited (formerly Metway Ltd.)	1	Amend the Articles of Constitution of the Company Re: Clause 1.2 and Replacement of Clauses 14.1 (a) and 14.2	100% 0%	Y
			2a	Elect Leo Tutt as Director	100% 0%	Y
			2b	Elect Ewoud Kulk as Director	100% 0%	Y
			2c	Elect Geoffrey Ricketts as Director	100% 0%	Y
			2d	Elect Paula Dwyer as Director	100% 0%	Y
			3	Approve the Increase in the Remuneration of Directors to A\$3.5 Million Per Annum	54% 46%	Y
19/04/07	AGM	Woodside Petroleum Ltd.	2a	Elect Charles Barrington Goode as Director	100% 0%	Y
			2b	Elect Jakob Stausholm as Director	100% 0%	Y
			3	Approve Remuneration Report for the Year Ended Dec. 31, 2006	50% 50%	Y

Meeting Date	Type	Company	Resolution	Ballot Issue		Percentage Votes Cast	Resolution passed
						"FOR" "AGAINST"	Y/N
15/05/07	AGM	Corporate Express Australia Limited	4	Approve the Increase in Maximum Aggregate Non-Executive Directors' Remuneration from A\$2.3 Million to A\$3.0 Million		50% 50%	Y
			5	Approve Grant of Up to 132,400 Performance Share Rights to Grant Logan, Chief Financial Officer, Pursuant to the Company's Long Term Incentive Plan		100% 0%	Y
			6	Approve Grant of Up to 102,309 Performance Share Rights to Garry Whatley, Chief Information Officer, Pursuant to the Company's Long Term Incentive Plan		100% 0%	Y
			7	Approve Remuneration Report for the Year Ended Dec. 31, 2006		100% 0%	Y
24/05/07	AGM	Dyno Nobel Limited	2	Approve Remuneration Report for the Financial Year Ended Dec. 31, 2006		60% 40%	Y
			3	Elect David Edward Wills as Director		100% 0%	Y
			4	Approve Deloitte Touche Tohmatsu as Auditors		100% 0%	Y
09/05/07	AGM	GPT Group	1	Elect Anne McDonald as Director		100% 0%	Y
			2	Elect Ian Martin as Director		100% 0%	Y
			3	Approve Remuneration Report for the Year Ended Dec 31, 2006		41% 59%	Y
			4	Approve Issuance of Securities to Nic Lyons Under GPT's Long Term Incentive Scheme		41% 59%	Y
			5	Approve Increase in Aggregate Remuneration of Directors From A\$1.45 Million to A\$1.5 Million		100% 0%	Y
03/05/07	AGM	Henderson Group plc	1	Accept Financial Statements and Statutory Reports		100% 0%	Y
			2	Approve Remuneration Report		100% 0%	Y
			4	Re-elect Duncan Ferguson as Director		100% 0%	Y
			5	Re-elect John Roques as Director		100% 0%	Y
			6	Reappoint Ernst & Young LLP as Auditors of the Company		100% 0%	Y
			7	Authorise Board to Fix Remuneration of Auditors		100% 0%	Y
			8	Authorise the Company to Make EU Political Organisation Donations up to GBP 30,000 and to Incur EU Political Expenditures up to GBP 30,000		100% 0%	Y
			13	Approve New Electronic Communications Provisions		100% 0%	Y
25/05/07	AGM	Invocare Limited	1	Approve Remuneration Report for the Year Ended Dec. 31, 2006		100% 0%	Y
			2	Elect Ian Ferrier as Director		0% 100%	Y
			3	Elect Benjamin MT Chow as Director		100% 0%	Y
			4	Approve the Increase in Non-Executive Directors' Aggregate Fee Pool to A\$500,000 per Annum		100% 0%	Y
02/05/07	AGM	Iress Market Technology Limited	1	Elect John William Burdett as Director		100% 0%	Y
			2	Elect Tony Killen as Director		100% 0%	Y
			3	Approve Remuneration Report for the Year Ended Dec. 31, 2006		100% 0%	Y
11/05/07	AGM	Minara Resources Limited	1.1	Elect Ivan Glasenberg as Director		100% 0%	Y

Proxy Voting Report — June Quarter, 2007

Meeting Date	Type	Company	Resolution	Ballot Issue		Percentage Votes Cast	Resolution passed
						"FOR" "AGAINST"	Y/N
			1.2	Elect John Morrison as Director		100% 0%	Y
			2	Approve Remuneration Report for the Year Ended Dec 31, 2006		33% 67%	Y
			3	Approve Grant of Performance Rights to Acquire Up to 780,000 Options Over Unissued Shares to Peter Johnston		33% 67%	Y
04/05/07	AGM	Oil Search Limited	1	Accept Financial Statements and Statutory Reports for the Year Ended Dec. 31, 2006		100% 0%	Y
			2	Elect John Stitt as Director		100% 0%	Y
			3	Elect Martin Kriewaldt as Director		0% 100%	Y
			4	Elect Tim Warren as Director		100% 0%	Y
			5	Elect Gerea Aopi as Director		100% 0%	Y
			1	Approve Grant of 398,091 Performance Rights to Peter Botten, Managing Director, Pursuant to the Performance Rights Plan		100% 0%	Y
			2	Approve Grant of 70,072 Performance Rights to Gerea Aopi, Executive Director, Pursuant to the Performance Rights Plan		100% 0%	Y
			3	Approve Restricted Share Plan		100% 0%	Y
			4a	Approve Grant of Up to 241,900 Restricted Shares By Way of a Retention Award to Peter Botten, Managing Director, Pursuant to the Restricted Share Plan		100% 0%	Y
			4b	Approve Grant of Up to 241,900 Restricted Shares By Way of Mandatory Deferral of 50 Percent of the Managing Director's Short-Term Incentive for 2007		100% 0%	Y
			5a	Approve Grant of Up to 66,900 Restricted Shares By Way of a Retention Award to Gerea Aopi, Executive Director, Pursuant to the Restricted Share Plan		100% 0%	Y
			5b	Approve Grant of Up to 53,500 Restricted Shares By Way of Mandatory Deferral of 50 Percent of the Executive Director's Short-Term Incentive for 2007		100% 0%	Y
02/05/07	AGM	Oxiana Limited	2	Approve Remuneration Report for the Year Ended Dec. 31, 2006		100% 0%	Y
			3	Elect Ronald Beevor as Director		100% 0%	Y
			4	Approve Grant of Two Million Options Exercisable at A\$4.36 Each to Owen Hegarty, Managing Director, Under the Oxiana Limited Executive Option Plan		100% 0%	Y
			5	Approve Issuance of 750,000 Ordinary Shares to Owen Hegarty, Managing Director		100% 0%	Y
			6	Amend Articles Re: Direct Voting and Reinvestment of Unclaimed Monies		100% 0%	Y
			7	Approve Section 195 of the Corporations Act		100% 0%	Y
01/05/07	AGM	Santos Limited	2a	Elect Roy Alexander Franklin as Director		100% 0%	Y
			2b	Elect Kenneth Charles Borda as Director		100% 0%	Y
			2c	Elect Stephen Gerlach as Director		100% 0%	Y
			3	Approve Remuneration Report for the Year Ended Dec. 31, 2006		100% 0%	Y
			4	Approve the Non-Executive Director Share Plan		100% 0%	Y

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage Votes Cast	Resolution passed
					"FOR" "AGAINST"	Y/N
23/05/07	AGM	Sigma Pharmaceuticals Limited	3a	Elect Linda Nicholls as Director	100% 0%	Y
			3b	Elect Brian Jameson as Director	100% 0%	Y
			4	Approve Remuneration Report	100% 0%	Y
			5	Approve the Increase in Remuneration of Non-Executive Directors to A\$1.10 Million Per Annum	100% 0%	Y
			6	Approve the Grant of Performance Rights to the Managing Director	100% 0%	Y
			7	Approve Renewal of Partial Takeover Provision	100% 0%	Y
18/05/07	AGM	STW Communications Group Limited	2.1	Elect Robert Mactier as Director	100% 0%	Y
			2.2	Elect John O'Neill as Director	100% 0%	Y
			2.3	Elect Greg Woolley as Director	100% 0%	Y
			2.4	Elect Paul Richardson as Director	100% 0%	Y
			3	Approve Grant of 700,000 Options to John O'Neill Pursuant to the STW Executive Share Plan	0% 100%	Y
			4	Approve Remuneration Report for the Financial Year Ended Dec. 31, 2006	0% 100%	Y
			5	Approve Deloitte Touche Tohmatsu as Auditors and Authorize Board to Fix Their Remuneration	100% 0%	Y
			6	Approve Remuneration for Non-Executive Directors in the Amount of A\$500,000 Per Annum	100% 0%	Y
28/05/07	EGM	Toll Holdings Limited	4	Approve Issuance of Stapled Securities to Mostia Dion Nominees Pty Ltd as Trustee for The Mark Rowsthorn Family Trust of that Number of Stapled Securities Having an Aggregate Subscription Price of A\$50 Million	100% 0%	Y
			5	Approve Benefits Payable on Termination of Paul Little, Under the Terms of an Executive Service Deed	33% 67%	Y
			6	Approve Benefits Payable on Termination of Neil Chatfield, John Ludeke, Stephen Stanley, and Bernard McInerney, Under the Terms of an Executive Service Deed	33% 67%	Y
			7	Approve Benefits Granted to Directors on Termination in Certain Circumstances	33% 67%	Y
			8	Approve Benefits Payable on Termination of Asciano Executive Mark Rowsthorn, Under the Terms of an Executive Service Deed	33% 67%	Y
			9	Approve Benefits Payable on Termination of Asciano Executive Don Telford, Under the Terms of an Executive Service Deed	33% 67%	Y
			10	Approve Deed of Indemnity, Insurance and Access and Financial Benefits Thereunder, with Each Director and Future Director	100% 0%	Y
03/05/07	AGM	Westfield Group	2	Approve Remuneration Report for the Year Ended Dec 31, 2006	33% 67%	Y
			3	Elect Roy L Furman as Director	100% 0%	Y
			4	Elect Frederick G Hilmer as Director	45% 55%	Y

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage Votes Cast		Resolution passed Y/N
					"FOR"	"AGAINST"	
			5	Elect Gary H Weiss as Director	100%	0%	Y
01/06/07	EGM	Babcock & Brown Infrastructure Group	1	Approve Issuance of 8.3 Million Stapled Securities at A\$1.80 Each to B&B Prime Securities Pty Ltd or Its Nominee	100%	0%	Y
13/06/07	EGM	Macquarie Communications Infrastructure Group	3	Approve Issuance of Up to 16.88 Million Stapled Securities at A\$6.10 Each to Macquarie Bank Ltd	100%	0%	Y
			3	Approve Issuance of Up to 16.88 Million Stapled Securities at A\$6.10 Each to Macquarie Bank Ltd	100%	0%	Y
			3	Approve Issuance of Up to 16.88 Million Stapled Securities at A\$6.10 Each to Macquarie Bank Ltd	100%	0%	Y
			1	Approve "Profit Participating Loans" With Macquarie European Infrastructure Fund II and Macquarie-FSS Infrastructure Trust	100%	0%	Y
27/06/07	EGM	Macquarie Prologis Trust	1	Amend Articles Re: Supplemental Deed Poll	100%	0%	Y
			1	Approve Proposal in Relation to a Proposed Issue of Units to a Member of the Prologis Group and Redemption of All of the Units by Way of a Trust Scheme of Arrangement	100%	0%	Y