

International Proxy Voting Report

June Quarter, 2006

How we voted our international equities

This report covers the 1 April – to 30 June 2006 quarter, during which UniSuper voted on 4,298 corporate governance resolutions, put forward by companies in the FTSE 350 (UK), S&P 500 (US) and FTSE Eurofirst 300 Index.

UniSuper has three international equity managers who have segregated mandates. Our specialist proxy voting advisor Pension Investment Research Consultants (PIRC), provides a 'how to vote' recommendation and votes on resolutions on behalf of UniSuper's fund managers.

Votes are lodged in accordance with the Australian Council of Superannuation Investors (ACSI) Corporate Governance Guidelines (www.acsi.org.au), which UniSuper has adopted. However, UniSuper also takes into account PIRC's specialist voting advice on corporate governance best practice in ex-Australian markets. 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 cannot 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.

Overview of the Proxy Voting Season

Summary of voting

April 1 — June 30, 2006	Number	%
Total Resolutions	4,298	
FTSE 350 (UK)		
» Resolutions	743	100
» Voted For in line with UniSuper	586	79
» Voted Against in line with UniSuper	89	12
» Voted Abstain in line with UniSuper	67	9
» Withdrawn	1	0
S&P 500 (US)		
» Resolutions	2,474	100
» Voted For in line with UniSuper	1,744	71
» Voted Against in line with UniSuper	131	5
» Voted Abstain in line with UniSuper	154	6
» Voted Withhold in line with UniSuper	445	18
FTSE Eurofirst 300		
» Resolutions	1,071	100
» Voted For in line with UniSuper	758	71
» Voted Against in line with UniSuper	291	27
» Voted Abstain in line with UniSuper	22	2

Voting in the FTSE 350 (UK)

UniSuper voted on 742 corporate governance resolutions, put forward by companies in the FTSE 350 (UK).

- » The most frequent AGAINST votes lodged by UniSuper, pertained to the:
 - Election of certain Directors;
 - Approval of Executive Share Plans; and
 - Remuneration Reports.
- » The most frequent FOR votes lodged by UniSuper pertained to the issuance of shares.

Voting in the S&P 500 (US)

UniSuper voted on 2,474 corporate governance resolutions, put forward by companies in the S&P 500 (US).

- » The most frequent AGAINST votes lodged by UniSuper pertained to approval of Executive Share Plans and Executive Incentive Plans.
- » The highest WITHHOLD votes lodged by UniSuper that pertained to election of certain Directors, were in Home Depot, Motorola, United Health and Pfizer, as they did not meet ACSI guidelines on length of tenure.
- » The most frequent FOR votes lodged on shareholder resolutions pertained to:
 - Simple majority vote for director elections;
 - Performance based equity compensation;
 - Disclosure of executive severance payments; and
 - The separation of the role of Chairman from CEO.

Voting in the FTSE Eurofirst 300 (Europe)

UniSuper voted on 1,071 corporate governance resolutions, put forward by companies in the FTSE Eurofirst 300.

- » The most frequent AGAINST votes recorded by UniSuper, pertained to:
 - Remuneration schemes that potentially dilute a company's current capital;
 - Income increases for employees at discounted stock prices; and
 - The election of certain Directors.
- » The most frequent FOR votes recorded by UniSuper pertained to:
 - Director elections;
 - Issuance of new stock option plans; and
 - Authorisation of share repurchases.

Disclaimer

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Information in this publication regarding investment returns, administration charges, and benefit structures is current as at the date of publication, but may change in future.

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