

UniSuper Proxy Voting and Corporate Engagement Report

March Quarter, 2008

How we voted our Australian and international equities

This report covers the 1 January 2008 – 31 March 2008 quarter. Over this period, UniSuper voted on 656 corporate governance resolutions, which were 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 8 international equity managers that 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 are not entitled to 'ABSTAIN' unless there is a conflict of interest. Votes are cast in accordance with the Australian Council of Superannuation Investors (ACSI) Corporate Governance Guidelines (www.acsi.org.au), which have been adopted by UniSuper. UniSuper also obtains 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 proxy voting and international proxy voting in the US. In particular:

- » Votes pertaining to individual Directors are not cast as 'AGAINST' votes, rather they 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 January, 2008 – 31 March, 2008	Number	%
S&P/ASX 200 (Australia)		
Number of corporate governance related resolutions	35	
Voted 'FOR' in line with UniSuper recommendation (more than half of the total shares voted)	26	74
Voted 'AGAINST' in line with UniSuper recommendation (more than half of the total shares voted)	3	9
Number of instances where the majority of votes lodged were contrary to UniSuper recommendations	6	17
Total Instances where votes split 'FOR' and 'AGAINST'	5	14

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

Summary of International Proxy Voting

1 October, 2007 – 31 December, 2007	Number	%
Total number of corporate governance related resolutions	621	
FTSE 350 (UK)		
Number of corporate governance related resolutions	110	100
Voted For in line with UniSuper's recommendation	87	79
Voted Against in line with UniSuper's recommendation	23	21
S & P 500 (US)		
Number of corporate governance related resolutions	244	100
Voted For in line with UniSuper's recommendation	176	72
Voted Against in line with UniSuper's recommendation	19	8
Vote Withhold in line with UniSuper's recommendation	49	20
FTSE Eurofirst 300		
Number of corporate governance related resolutions	267	100
Voted For in line with UniSuper's recommendation	195	73
Voted Against in line with UniSuper's recommendation	72	27

Overview of Australian Voting

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

UniSuper voted on 35 corporate governance resolutions put forward by companies in the S&P/ASX 200. The highest numbers of AGAINST votes were in relation to company resolutions at the shareholder meetings of Tower Australia Group Limited and AWB Limited.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Approval of remuneration reports; and
- » Approval of executive share and option plans.

The most frequent FOR votes lodged by UniSuper pertained to the election of directors, adopting a new constitution, the approval the grant of shares, performance shares and performance options to company executives and the approval of remuneration reports.

Overview of International Voting

Voting in the FTSE 350 (UK)

UniSuper voted on 110 corporate governance resolutions, put forward by companies in the FTSE 350 (UK). The highest numbers of votes AGAINST were in relation to company resolutions at the shareholder meetings of Punch Taverns PLC, Daily Mail & General Trust PLC and Reuters Group PLC.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Approval of remuneration reports;
- » Approval of stock incentive plans; and
- » Appointment of certain directors.

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

Voting in the S&P 500 (US)

UniSuper voted on 244 corporate governance resolutions, put forward by companies in the S&P 500 (US). The highest numbers of votes AGAINST were in relation to company resolutions at the shareholder meetings of Apple Inc, DR Horton and Tyson Foods.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Approval of performance plans;
- » Amendments to long term incentive plans; and
- » The appointment of certain directors.

The highest WITHHOLD votes lodged by UniSuper regarding the election of certain Directors were in relation to Qualcomm Inc, Deere & Co and International Game Technology 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 267 corporate governance resolutions, put forward by companies in the FTSE Eurofirst 300. Votes recorded AGAINST were in relation to company resolutions at shareholder meetings of Siemens, Sodexo and Koninklijke Philips Electronic.

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

- » The appointment of certain directors;
- » The discharge of management and supervisory board members; and
- » Various remuneration related matters (including the amendment of long term incentive plans and the amendment of board of management remuneration policy).

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

Proxy Voting Report — March Quarter, 2008

Voting

Meeting Date	Meeting Type	Company	Resolution	Ballot Issue	Percentage Votes Cast		Resolution passed Y/N
					"FOR"	"AGAINST"	
29/01/08	EGM	Bendigo Bank Limited	2	Adopt New Constitution	100%	0%	Y
			3	Approve Grant of Performance Rights to Jamie McPhee, Executive Director Under the Executive Incentive Plan	100%	0%	Y
			4	Approve Increase in Non-Executive Director Fee Limit from A\$1.2 Million to A\$1.7 Million	100%	0%	Y
			1	Approve Remuneration Report for the Year Ending Sept. 30, 2007	0%	100%	Y
			2	Elect Michael Jeffries as Director	100%	0%	Y
			3	Elect Robert Thomas as Director	100%	0%	Y
			4	Elect Ralph Pliner as Director	100%	0%	Y
06/02/08	AGM	Tower Australia Group Limited	5	Elect Peter Lewinsky as Director	100%	0%	Y
			6	Elect Elana Rubin as Director	100%	0%	Y
			7	Approve PricewaterhouseCoopers as Auditors and Authorize Board to Fix Their Remuneration	100%	0%	Y
			8	Approve TOWER Executive Share and Option Plan	0%	100%	Y
			9	Amend Constitution Re: Direct Voting	100%	0%	Y
			2(a)	Elect Patricia Cross as Director	100%	0%	Y
			2(b)	Elect Daniel Gilbert as Director	100%	0%	Y
07/02/08	AGM	National Australia Bank Limited	2(c)	Elect Jillian Segal as Director	100%	0%	Y
			2(d)	Elect Malcolm Williamson as Director	100%	0%	Y
			3	Adopt New Constitution	100%	0%	Y
			4	Approve Remuneration of Non-executive Directors in the Amount of A\$4.5 Million Per Annum	60%	40%	Y
			5(a)	Approve Grant of Shares to John Stewart	100%	0%	Y
			5(b)	Approve Grant of Performance Rights to John Stewart	52%	48%	Y
			6(a)	Approve Grant of Shares, Performance Options and Performance Shares to Ahmed Fahour	100%	0%	Y
12/02/08	AGM	AWB Limited	6(b)	Approve Grant of Shares, Performance Options and Performance Shares to Michael Ullmer	100%	0%	Y
			7	Approve Remuneration Report for Financial Year Ended Sept 30, 2007	100%	0%	Y
			1	Amend Constitution Re: Removal of Article 2 in AWB Ltd's Constitution	100%	0%	Y
			2	Amend Constitution Re: Amending the Shareholding Limit in Article 12.18	100%	0%	Y
			3d	Elect Peter Polson as Director	100%	0%	Y
5	Approve Remuneration Report for the Financial Year Ended Sept. 30, 2007	0%	100%	Y			

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Meeting Date	Meeting Type	Company	Resolution	Ballot Issue	Percentage Votes Cast		Resolution passed Y/N
					"FOR"	"AGAINST"	
14/02/08	AGM	Lion Nathan Limited	2	Approve Remuneration Report for Financial Year Ended Sept 30, 2007	79%	21%	Y
			3(a)	Elect Glenn Lawrence Lord Barnes as Director	100%	0%	Y
			3(b)	Elect Peter Hallam Bush as Director	100%	0%	Y
			3(c)	Elect Fumio Miki as Director	79%	21%	Y
			3(d)	Elect Koichi Matsuzawa as Director	100%	0%	Y
			3(e)	Elect Hirotake Kobayashi as Director	100%	0%	Y
			4	Approve Remuneration of Directors in the Amount of A\$1.25 Million	100%	0%	Y
			5	Approve Participation in the Achievement Rights Plan by Robert Andrew Murray	79%	21%	Y