

UniSuper Proxy Voting and Corporate Engagement Report

September Quarter, 2007

How we voted our Australian and international equities

This report covers the 1 July 2007 – 30 September 2007 quarter. Over this period, UniSuper voted on 710 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. In addition to this, UniSuper 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, these differences include:

- » 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 July — 30 September, 2007	Number	%
S&P/ASX 200 (Australia)		
Number of corporate governance related resolutions	34	
Voted 'FOR' in line with UniSuper recommendation (more than half of the total shares voted)	22	64
Voted 'AGAINST' in line with UniSuper recommendation (more than half of the total shares voted)	6	18
Number of instances where the majority of votes lodged were contrary to UniSuper recommendations	6	18
Total Instances where votes split 'FOR' & 'AGAINST'	5	15

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 July — 30 September, 2007	Number	%
Total number of corporate governance related resolutions		
	676	
FTSE 350 (UK)		
Number of corporate governance related resolutions	280	100
Voted For in line with UniSuper	234	83
Voted Against in line with UniSuper	44	16
Voted Abstain in line with UniSuper	2	1
S & P 500 (US)		
Number of corporate governance related resolutions	304	100
Voted For in line with UniSuper	178	59
Voted Against in line with UniSuper	34	11
Voted Abstain in line with UniSuper	4	1
Vote Withhold in line with UniSuper	88	29

1 July — 30 September, 2007	Number	%
FTSE Eurofirst 300		
Number of corporate governance related resolutions	92	100
Voted For in line with UniSuper	55	60
Voted Against in line with UniSuper	37	40

Overview of Australian Voting

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

UniSuper voted on 34 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 APN, Metcash Limited and United Group Limited.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Remuneration reports; 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 280 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 Marks & Spencer Group, British Airways PLC and Vodafone Group PLC.

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » The re-appointment of external financial auditors, as fees for non-audit services exceeded UniSuper guidelines; and
- » The approval of remuneration reports as a result of performance targets deemed to be insufficiently challenging. However, despite this, disclosure in remuneration reports was generally considered to be reasonable.

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

Voting in the S&P 500 (US)

UniSuper voted on 304 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 Constellation Brands, Legg Mason Inc. and General Mills Inc..

The most frequent AGAINST votes lodged by UniSuper pertained to:

- » Restatement of targets in Long Term Incentive Plans;
- » Amending the company certificate of incorporation to increase the number of shares; and
- » The re-appointment of external financial auditors, as fees for non-audit services exceeded UniSuper guidelines.

The highest WITHHOLD votes lodged by UniSuper regarding the election of certain Directors were in relation to Freeport McMorgan CP & GLD, Legg Mason Inc., Constellation Brands and FedEx Corporation, 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 92 corporate governance resolutions, put forward by companies in the FTSE Eurofirst 300. Votes recorded AGAINST were in relation to company resolutions at shareholder meetings at companies such as Richemont and CNP Assurances.

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

- » The election of certain directors; and
- » The proposed buy-back of company shares.

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

Disclaimer

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Voting

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage Votes Cast		Resolution passed Y/N
					"FOR"	"AGAINST"	
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
24/04/2007	AGM	Caltex Australia Ltd	5	Approve Remuneration Report for the Year Ended Dec 31, 2006	100%	0%	Y
3/07/2007	AGM	APN News & Media Limited	1	Elect Peter M Cosgrove as Director	0%	100%	Y
			2	Elect Albert E Harris as Director	0%	100%	Y
			3	Elect Liam P Healy as Director	0%	100%	Y
			4	Elect Kevin J Luscombe as Director	100%	0%	Y
			5	Approve Remuneration Report for the Year Ended Dec 31, 2006	0%	100%	Y
5/07/2007	EGM	A.B.C. Learning Centres Limited	1.1	Ratify Past Issuance of 262,547 Shares to Carers of Centres Operated by Licensees and Staff Members Made on Dec 21, 2006	100%	0%	Y
			1.2	Ratify Past Issuance of 357,905 Shares to Carers of Centres Operated by Licensees and Staff Members Made on March 26, 2007	100%	0%	Y
5/07/2007	AGM	CSR Limited	1	Accept Financial Statements and Statutory Reports for the Year Ended March 31, 2007	100%	0%	Y
			2	Approve Remuneration Report for the Year Ended March 31, 2007	100%	0%	Y
			3a	Elect Ian Blackburne as Director	100%	0%	Y
			3b	Elect Jerry Maycock as Director	100%	0%	Y
			3c	Elect Ray Horsburgh as Director	100%	0%	Y
19/07/2007	AGM	Macquarie Bank Limited	2	Approve Remuneration Report for the Year Ended March 31, 2007	85%	10%	Y
			3	Elect DS Clarke as Director	100%	0%	Y
			4	Elect CB Livingstone as Director	100%	0%	Y
			5	Elect PH Warne as Director	100%	0%	Y
			6	Approve the Increase in Voting Directors' Maximum Aggregate Remuneration for Acting as Voting Directors from A\$2.0 Million per Annum to A\$3.0 Million per Annum	88%	12%	Y
			7	Approve Participation as to a Maximum of 159,400 Options to AE Moss, Managing Director, in the Macquarie Bank Employee Share Option Plan	100%	0%	Y

Proxy Voting Report — September Quarter, 2007

Meeting Date	Type	Company	Resolution	Ballot Issue	Percentage Votes Cast		Resolution passed Y/N
					"FOR"	"AGAINST"	
			8	Approve Participation as to a Maximum of 9,000 Options to LG Cox, Executive Director in the Macquarie Bank Employee Share Option Plan	100%	0%	Y
25/07/2007	EGM	Transpacific Industries Limited	1	Approve the Giving of Financial Assistance by the Subsidiaries	100%	0%	Y
26/07/2007	EGM	Zinifex Limited	2	Amend the Terms of the Long-Term Incentive Opportunities (LTIOs) Held by the Continuin Executives	100%	0%	Y
16/08/2007	EGM	United Group Limited	2	Approve Issuance of 176,470 Ordinary Shares at an Issue Price of A\$17.00 Each for a Conditional Placement to Protech Holdings (WA) Pty Ltd	26%	74%	Y
			5	Ratify Past Issuance of 2.1 Million Options Under the Australian and United States of America Employee Share Option Plans	100%	0%	Y
30/08/2007	AGM	Metcash Limited	2a	Elect Carlos dos Santos as Director	100%	0%	Y
			2b	Elect Andrew Reitzer as Director	100%	0%	Y
			2c	Elect Edwin Jankelowitz as Director	90%	10%	Y
			2d	Elect Michael Butler, AM as Director	100%	0%	Y
			3	Approve Remuneration Report for the Financial Year Ended April 30, 2007	51%	49%	Y
26/09/2007	AGM	Alesco Corporation Limited	1	Approve Remuneration Report for the Financial Year Ended May 31, 2007	0%	100%	Y
			2	Elect James William Hall as Director	100%	0%	Y
			3	Elect Ernest John James Pope as Director	100%	0%	Y
			4	Elect Neil Alexander Thompson as Director	100%	0%	Y
			7	Approve Grant of 100,000 Shares to Neil Alexander Thompson, Finance Director and Chief Financial Officer, Under the Performance Share Acquisition Plan	0%	100%	Y
			8	Amend Constitution Re: Retirement and Election of Directors	100%	0%	Y