

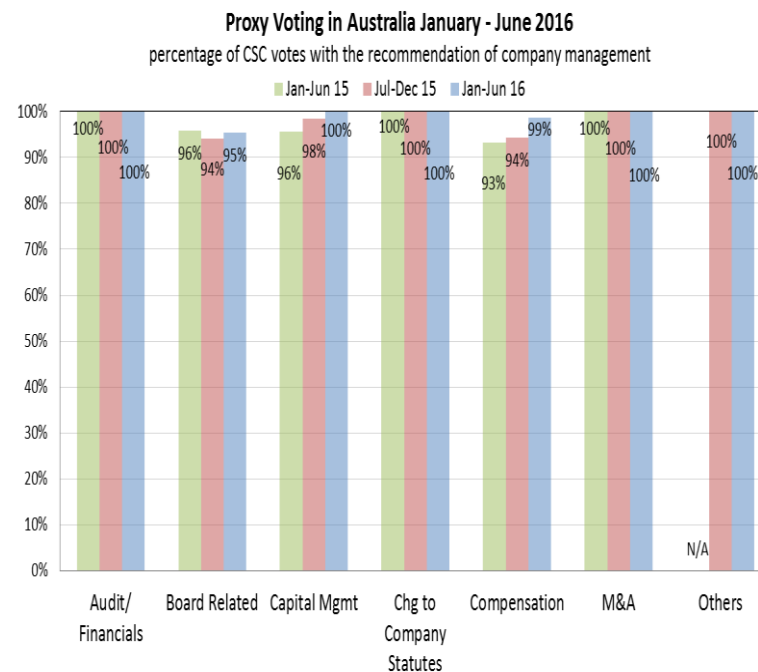
Proxy Voting Activity Report for January to June 2016

1. Proxy Voting in Australia

In the six month period to 30 June 2016 (previous 6 month information in parentheses):

- CSC's votes were exercised on 208 (935) resolutions at 50 (179) meetings of 45 (174) companies.
- There was no abstained vote on any resolutions at any meeting (nil).
- The majority of contentious resolutions continue to relate to the elections of directors and incentive issues, including remuneration.
- CSC supported 98% (96%) of resolutions put to shareholders.

	6 months to:		
	Jun:15	Dec:15	Jun:16
Number of company meetings where votes were submitted	68	285	50
Number of resolutions voted on	350	935	208
% of meetings remuneration reports were considered	69%	60%	70%
% of remuneration reports not supported by CSC	11%	4%	1%
Total resolutions for a board spill considered (in the event of a "second strike")	1	4	2
Resolutions for a board spill supported by CSC	0	0	0
% of resolutions director elections supported	96%	94%	95%



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Details

1.1. Remuneration

CSC supports compensation arrangements for management and directors that are reasonable and fit for the purpose of attracting and rewarding talent. In assessing non-binding resolutions to adopt remuneration reports, CSC expects to see clear and concise remuneration reports that disclose all relevant information, facilitate understanding of the company's remuneration policy and are aligned with shareholder interests.

- Between January and June 2016 CSC's votes were exercised in respect of 77 resolutions seeking support for remuneration reports.
- CSC **voted against 1** of those reports for failure to meet the expectations outlined above.
- CSC's voting adviser CGI Glass Lewis has noted continuous improvements in board remuneration practices since 2013. This is also reflected in the consistent decline in CSC's votes against remuneration reports over the past six and twelve months. The single "against" vote reflects the fact that the payments and share grants were not demonstrably aligned with the performance of the management.

Where a company receives more than 25% of votes against its remuneration report in two consecutive years, the Corporations Act now gives shareholders the right to vote on whether an entire board should stand for re-election. These reforms also prohibit key management personnel from voting on: (1) the remuneration report; (2) any two-strike board spill; and (3) from hedging incentive remuneration. This effectively removes the ability for executives to vote and approve their own pay. Shareholder approval is now also required for a declaration of "no vacancy" (previously used by boards to limit board size).

In line with our investment manager recommendations, CSC voted on 2 spill resolutions during the period and supported company recommendations against the resolution.

Shareholders were asked to approve an increase in the maximum aggregate level of fees that could be paid to the non-executive directors at 6 company meetings during the period. In line with our investment manager recommendations, CSC supported all 6 proposals.

1.2 Director Election

CSC considered 87 proposals for director elections, **rejecting 2 such proposals from the same meeting**. The 2 rejected proposals were not recommended by the company's board due to insufficient time given for shareholder due diligence. Additionally, we believed there was no evidence of the potential benefit for the board to be more independent or effective under the 2 proposals.

1.3 Constitutional matters

CSC supported proposals for a total of 5 constitutional amendments sought by companies.

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2. Proxy Voting at meetings of international companies

CSC contracts CGI Glass Lewis (CGL) to provide research and voting service for all of our unimpeded International Equities holdings. This relationship has increased CSC's voting transparency in international markets.

Over the six months to June 2016, CGL has voted at 1,789 (531) meetings on 23,325 (4,547) resolutions in 56 (51) Countries over 8 (8) regions (excluding Australia).

The high proportion of 'Take No Action' in European ballots was mostly from Switzerland, as it has been in the past. Switzerland allows share blocking (i.e. blocking shares from trading for a period prior to the shareholder meeting) and CSC's voting policy is to vote 'Take No Action' in such cases. Similarly, all of the 'Take No Action' ballots in the Middle East North Africa (MENA) region came from Egypt, which is another share-blocking market.

CSC's International voting January to June 2016

Issues	Resolutions	Resolutions Supported	% not supported in this category
Audit/Financials	3118	2833	9%
Board Related	14024	12170	13%
Capital Management	1329	1143	14%
Changes to Company Statutes	737	569	23%
Compensation	2365	1807	24%
M&A	151	143	5%
Meeting Administration	796	684	14%
Other	113	99	12%
SHP: Compensation	54	7	87%
SHP: Environment	90	20	78%
SHP: Governance	379	157	59%
SHP: Misc	13	0	100%
SHP: Social	156	38	76%

Ballots by Region & Vote Status

