

Proxy Voting Activity Report for January to June 2017

1. Proxy Voting in Australia

Table 1 and **Figure 1** below summarise three six-month periods of CSC's proxy voting activities in Australia. Over the most recent six-month period to 30th June 2017:

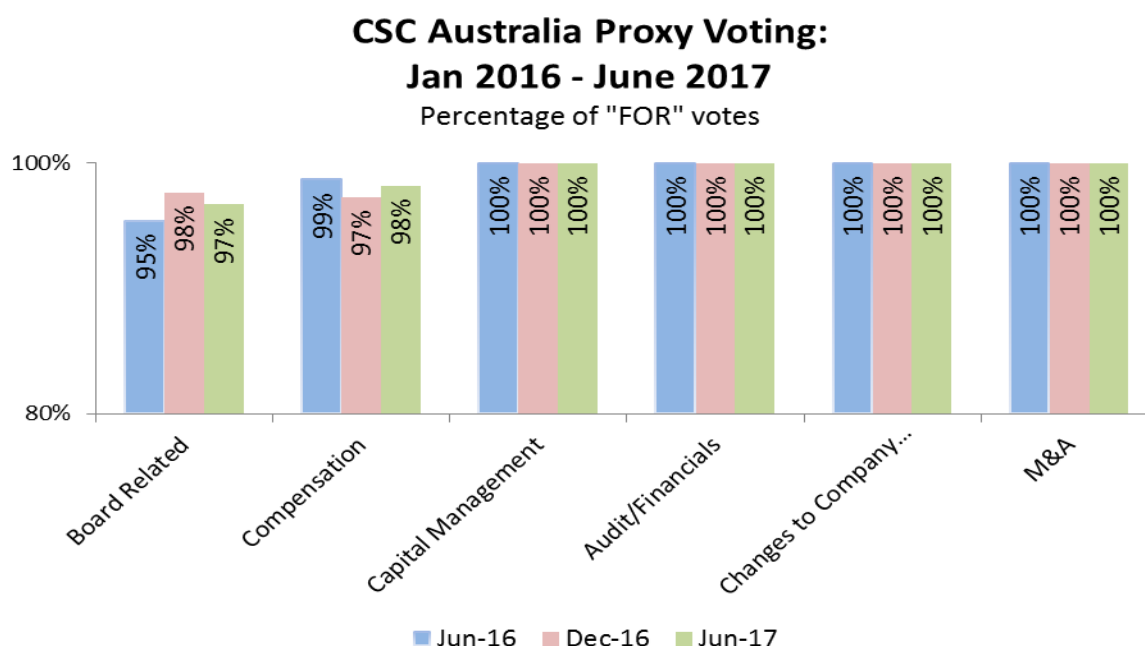
- CSC exercised its vote on 172 proposals in respect of 31 Australian companies.
- As is common, the majority of proposals related to director elections and executive compensation structures, making up 53% and 32% of the total resolutions put to shareholders, respectively.
- Within the director and compensation categories, CSC voted against approximately 3% and 2% of proposals, respectively.

Table 1: CSC proxy voting activities in Australia.

	6-month period to		
	Jun-16	Dec-16	Jun-17
Total number of companies	45	136	31
Total number of meetings	49	139	32
Total number of proposals	208	776	172
Board Related	42%	44%	53%
Compensation	37%	43%	32%
Capital Management	12%	6%	2%
Audit/Financials	3%	2%	2%
Changes to Company Statutes	2%	5%	5%
M&A	4%	1%	4%
Shareholder Proposals	0%	0%	1%
Other	0%	0%	1%
Total number of board spills*	2	7	2

*Occurs when the company receives a second-strike on its remuneration report.

Figure 1: Summary statistics of CSC's exercised votes.



Proxy Voting Activity Report for January to June 2017

1.1 Compensation

- 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 compensation reports, CSC expects to see clear and concise compensation reports that disclose all relevant information, facilitate understanding of the company's compensation policy and are aligned with shareholder interests.
- Between January and June 2017, CSC's votes were exercised in respect of 55 resolutions seeking support for compensation reports. CSC voted against 1 of those reports for failure to meet the expectations outlined above.
- Where a company receives more than 25% of votes against its remuneration report in two consecutive years, the Corporations Act grants shareholders the right to vote on whether the entire board should be re-elected. 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. It 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 board spill resolutions during the period, supporting company recommendations against the resolution.

1.2 Director Election

- CSC considered 87 proposals for director elections, rejecting 1 proposal.

Proxy Voting Activity Report for January to June 2017

2. Proxy Voting in International Markets

CSC contracts CGI Glass Lewis (CGL) to provide research and voting services for all of its unimpeded International Equities holdings. This relationship has increased CSC's voting transparency in international markets. Over the most recent six-month period to 30th June 2017:

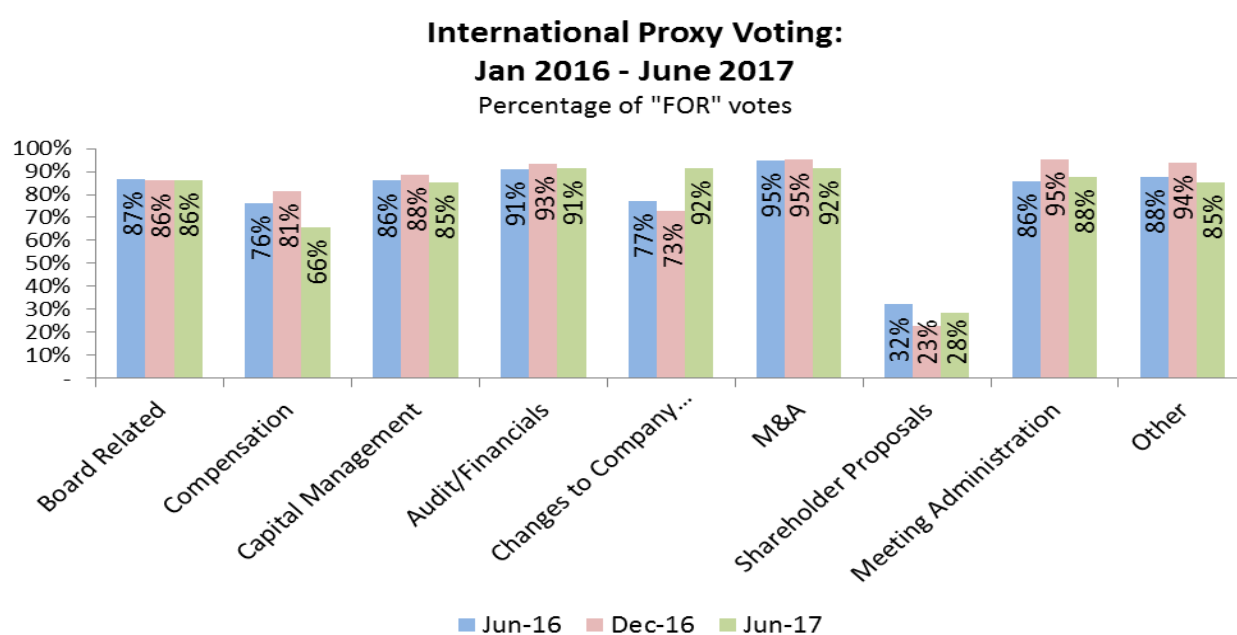
- CSC exercised its vote on 24,218 proposals in respect of 1,647 international companies.
- Of these, 58% were board-related proposals, followed by compensation and audit/financials, 13% each.

Table 2 and **Figure 2** summarise CSC's voting activities throughout the world (ex Australia) over three six-month periods.

Table 2: CSC proxy voting activities in international markets.

	6-month period to		
	Jun-16	Dec-16	Jun-17
Total number of companies	1655	326	1647
Total number of meetings	1787	374	1780
Total number of proposals	23330	3481	24218
Board Related	60%	49%	58%
Compensation	10%	12%	13%
Capital Management	6%	10%	6%
Audit/Financials	13%	12%	13%
Changes to Company Statutes	3%	6%	3%
M&A	1%	3%	0%
Shareholder Proposals	3%	1%	3%
Meeting Administration	3%	5%	3%
Other	0%	2%	0%

Figure 2: Summary statistics of CSC's exercised votes.



Proxy Voting Activity Report for January to June 2017

Figure 3: CSC international ballot vote status.

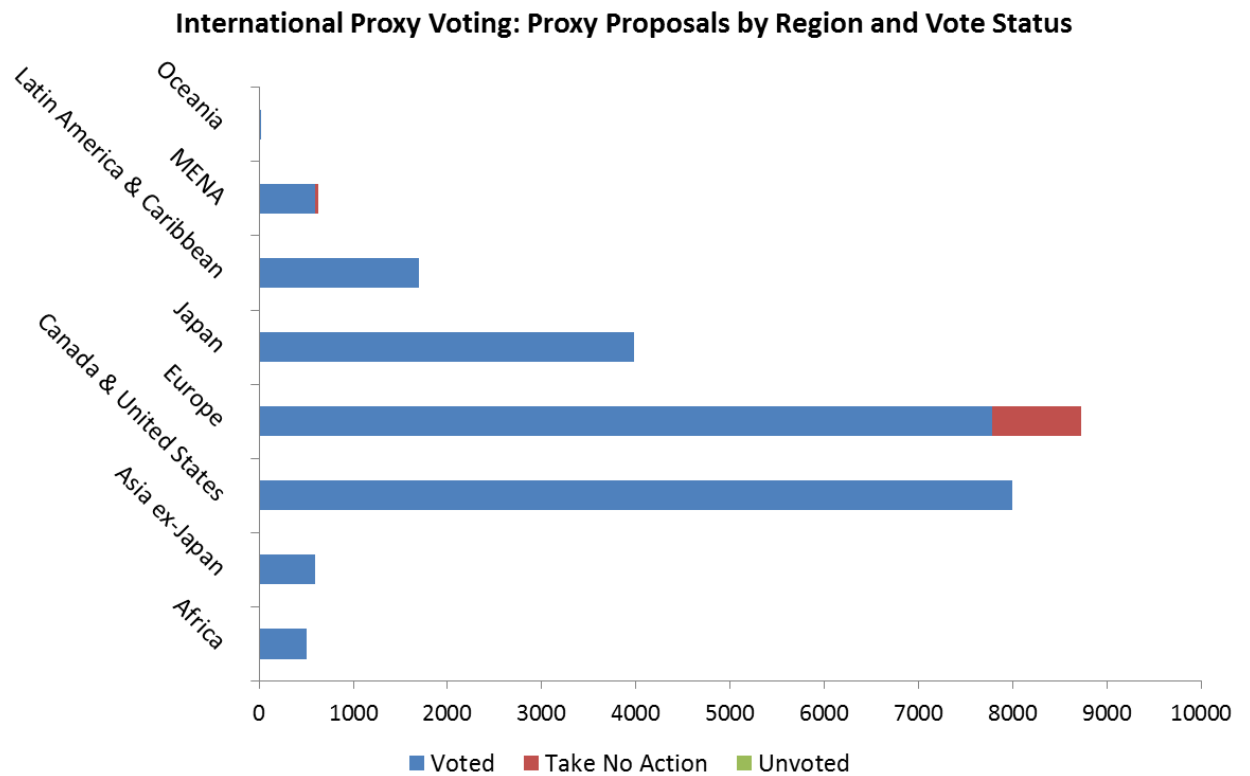


Figure 3 presents CSC ballot vote status in each international region. The high proportion of 'Take No Action' in European ballots was mostly from Switzerland. As in the past, Switzerland allows share blocking (i.e. blocking shares from trading for a period prior to the shareholder meeting) and CSC's voting policy is to vote Take No Action in such cases.