

Policies and Procedures on voting at Annual General Meetings

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UCA Funds Management is a registered business name of Uniting Growth Fund Limited ABN 46 102 469 821 AFSL 294 147.

INTRODUCTION

The substantial increase in funds invested in companies by superannuation and funds managers, together with the prominence given to issues of corporate governance, has significantly added to pressure on the funds managers to vote at annual general meetings and to use their voting power to persuade companies to conduct their business in a manner acceptable to the ultimate holders.

UCAFM, through its operating companies, UCA Growth Fund Limited and Uniting Growth Fund Limited, invests in a number of companies listed on the Australian Stock Exchange.

As an ethical fund the companies do not invest in companies in certain industries:

- Armaments
- Uranium mining
- Alcohol
- Gambling
- Companies which are considered to infringe human rights
- Companies which are considered to cause undue environmental damage

VOTING POLICIES

In respect of the companies in which the Funds do invest, the Boards have adopted the following policies on voting at general meetings on the range of resolutions that may be put to shareholders. The Funds will not necessarily vote on all matters at all general meetings.

Election or re-election of directors

In general the Funds will not vote on the re-election or election of directors unless they consider the performance of the company warrants a review of the board in totality or of the directors individually. In reviewing the board or director, the Funds will consider:

- The suitability of candidate, including those nominated by other than the Board
- The performance of company during period of office
- Whether other directorships / appointments could conflict with appointment or restrict the director in providing sufficient attention
- Time in office

Non-executive director remuneration

The Funds will consider voting on significant proposed changes in the remuneration policies and practices proposed for non-executive directors and in doing so will consider:

- Reasons put forward by the Board for any proposed increase – period since last increase, changing circumstances, including board size, responsibilities and location of operations, quantum of increase, performance of company
- Appropriateness of other forms of remuneration – retirement benefits, share schemes
- Comparisons with peer group companies

Executive share and option schemes

The Funds will consider voting on significant proposed changes if they consider the proposed benefit for executive directors is inappropriate and in doing so will consider.

- Quantum and relationship with cash and other benefits
- Appropriateness of performance hurdles and any in-built protection for executive
- Comparisons with peer group companies

Remuneration Reports

The Funds will consider voting on the acceptance or otherwise of the remuneration report (if any) if they consider the report discloses inappropriate practices or fails to adequately disclose amounts paid to executives and non-executive directors:

Changes to constitution

The Funds will only vote in respect of proposed changes to the constitution of the company if they consider there is a substantial impact on their holdings, including dilution or priority in event of failure of company.

Operational issues, including environmental and social matters

The Funds will vote on all matters raised by shareholders and will consider each resolution

in the context of current ethical policies and guidelines adopted in selecting and retaining investments.

VOTING PROCEDURES

Upon receipt of the notice of general meeting, UCAFM management will identify those matters that it considers should be voted upon within the policy parameters set out above. In identifying those matters, management may take guidance on such issues as can be discerned from voting recommendations by bodies such as the Australian Shareholders Association, proxy and corporate governance advisors to investment funds.

Where management considers it appropriate to vote on such matters, it will advise the Board of both its intention to vote and the proposed direction in which it intends to vote.

Consideration will also be given to whether the Funds should use their voting power, either individually or in conjunction with other like-minded funds, in persuading companies to adopt preferred actions or policies. The Funds recognise in addition that the Church has a history of direct engagement with companies and that this is potentially more effective than simply using voting power.

DISCLOSURE OF POLICIES

The Funds will disclose these policies and procedures on the UCAFM website.

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