

Introduction

Standard Life Investments is a strong supporter of the principles of good stewardship that are set out in the UK Stewardship Code published by the Financial Reporting Council in July 2010 and revised in September 2012. We believe that it is mutually beneficial for companies and long-term investors such as Standard Life Investments to have a relationship based on accountability, engagement and trust. Such a relationship helps to ensure that each has a good understanding of the other's views and expectations and it enables us to exercise constructive influence as and when appropriate. We believe that this serves to enhance the long-term value of our clients' investments and to protect their interests when necessary.

Engagement Profile

Standard Life Investments recognises the importance of effective communication. We generally meet representatives of investee companies at least once a year. These meetings enable us to review corporate progress and prospects. They provide us with an opportunity to ask questions and to challenge constructively strategic and other issues that may influence the value of our clients' investments.

More specifically, as part of our stewardship monitoring, our Governance and Stewardship team has a regular engagement programme to discuss a range of relevant corporate governance issues including board balance and composition, remuneration policies, and audit and risk issues. This programme ensures engagements are planned on a systematic basis using specific criteria to identify target companies. We will generally meet with board level representatives and, for significant holdings or where it is otherwise appropriate, we will meet with the Chairman. In addition, our Sustainable and Responsible Investment (SRI) team meet with investee companies in relevant industries and sectors on a planned basis to discuss a range of environmental, social and governance issues.

When we identify issues that we believe are not consistent with the best interests of our clients, we shall engage with the board of the investee company with a view to ensuring it is aware of our views and, when appropriate, to achieving a satisfactory resolution. In this regard, we shall consider carefully explanations given for departures from the UK Corporate Governance Code.

Engagement summary

Total number of Governance and Stewardship engagements	313
1 to 1 meeting	27
Collective meeting	3
Investment meeting	3
Remuneration consultation	29
Ongoing remuneration consultation	39
Voting engagement	101
Ongoing voting engagement	54
Other engagement*	57

*Please note that 'Other engagement' can include emails, letters and phone calls.

Below is a complete list of all companies that our Governance and Stewardship team have met with on a 1 to 1 basis this quarter. Note that we may engage with the same company more than once during the quarter.

TOPICS DISCUSSED						
	Board Composition & Development	Strategy	Audit & Control	Remuneration	Structural Governance	Other
Afren PLC	✓		✓	✓		
BHP Billiton PLC	✓	✓		✓		
Centrica PLC	✓	✓	✓			
Cineworld Group	✓	✓	✓	✓	✓	
Close Brothers Group PLC	✓	✓	✓	✓		
Computacenter PLC			✓			
DS Smith PLC	✓					
Fusionex International PLC	✓	✓	✓	✓		
Galliford Try PLC	✓	✓	✓			✓
GKN PLC	✓	✓	✓	✓		
International Personal Finance PLC	✓	✓	✓	✓		✓
Marks & Spencer Group PLC	✓	✓	✓	✓		
Paddy Power PLC	✓					
Premier Farnell PLC	✓			✓		✓
Prudential PLC				✓		
Royal Dutch Shell PLC			✓			
Serco Group PLC	✓	✓	✓	✓		
Smiths Group PLC	✓	✓				
Standard Chartered PLC	✓		✓	✓		
Tesco PLC	✓	✓	✓	✓		✓
Tullow Oil PLC	✓	✓	✓			
Vedanta Resources PLC	✓	✓	✓	✓	✓	
Vodafone Group PLC			✓			
William Hill PLC	✓	✓	✓	✓		

Contact us

To find out more about our fund range, visit our website standardlifeinvestments.com. Alternatively, please speak to your usual contact at Standard Life Investments.

Useful numbers



Market information

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Customer information

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Standard Life Investments Inc., with offices in Calgary, Montréal and Toronto, is a wholly owned subsidiary of Standard Life Investments Limited.

Calls may be monitored and/or recorded to protect both you and us and help with our training.

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