

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. 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	211
1 to 1 meeting	67
Collective meeting	30
Investment meeting	16
Remuneration consultation	12
Ongoing remuneration consultation	34
Voting engagement	16
Ongoing voting engagement	35
Other engagement*	20

*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.

Company name	Topics Discussed					
	Board Composition & Development	Strategy	Audit & Control	Remuneration	Structural Governance	Other
Aurora Russia Ltd	✓	✓	✓			
BAE Systems PLC	✓	✓	✓			
Barclays PLC				✓		
Bloomsbury Publishing PLC	✓	✓	✓	✓		
Bodycote PLC	✓	✓	✓			
British American Tobacco PLC	✓		✓	✓		
Cookson Group PLC	✓	✓	✓	✓		
Debenhams PLC	✓	✓		✓		
Dialight PLC	✓	✓				
Domino's Pizza UK & IRL PLC	✓	✓	✓	✓		
DS Smith PLC	✓		✓			
DTZ Holdings PLC				✓		
EMIS Group PLC	✓	✓	✓	✓		
Enterprise Inns PLC	✓		✓	✓		
F&C Asset Management PLC	✓		✓	✓		
Fiberweb PLC	✓	✓	✓			
First Derivatives PLC	✓		✓	✓	✓	
Galliford Try PLC	✓	✓	✓	✓		
GlaxoSmithKline PLC	✓		✓	✓		
Glencore International PLC	✓		✓			✓
Grainger PLC	✓	✓		✓		
Homeserve PLC			✓		✓	
Howden Joinery Group	✓			✓		
HSBC Holdings PLC	✓			✓		✓
Hunting PLC	✓	✓	✓			
Informa PLC	✓	✓	✓			
Invensys PLC		✓				
Kesa Electricals PLC	✓	✓	✓	✓		✓
Latchways PLC	✓	✓	✓	✓		
Lloyds Banking Group PLC	✓			✓		
Moneysupermarket.com Group PLC				✓		
Mouchel Group PLC	✓	✓	✓			
Next PLC			✓			✓
Paragon Group of Cos PLC	✓	✓		✓		
Pendragon PLC		✓	✓			
Pfizer Inc	✓		✓	✓		
Premier Farnell PLC	✓	✓	✓	✓		

Company name	Topics Discussed					
	Board Composition & Development	Strategy	Audit & Control	Remuneration	Structural Governance	Other
Rio Tinto PLC				✓		
Royal Dutch Shell PLC	✓	✓	✓			
St Ives PLC	✓	✓	✓			
St James's Place PLC	✓	✓	✓			
Standard Life Equity Income Trust PLC	✓					✓
Sthree PLC	✓		✓	✓		
Storebrand ASA		✓				
Swiss Re AG	✓	✓	✓	✓		
Telecom Plus PLC	✓	✓	✓	✓		
Tesco PLC	✓	✓				✓
Vedanta Resources PLC	✓					✓
Weir Group PLC	✓	✓	✓			
Wincanton	✓	✓	✓	✓		

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.

Contact numbers



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