

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.

Voting Profile

We vote our clients' shares at all General Meetings and other shareholder meetings unless, for practical reasons (such as share blocking), this is not appropriate. We implement considered policies based on the Corporate Governance Guidelines approved by our board when voting our clients' shares.

In the event that we vote our clients' shares against a resolution at a UK shareholder meeting, we will always use best endeavours to discuss this with the company beforehand and explain the reasons. We will use reasonable endeavours to do so in respect of abstentions.

Although it is not practical for us to attend the General Meetings of all companies in which we have a major holding, we will attend and speak at shareholder meetings when it is in our clients' best interests. Also, we shall make public statements at appropriate times when we deem such statements as consistent with our responsibilities.

To enable a clear audit trail, we have a bespoke database that allows us to record both our engagement and the details of our voting analysis in contentious situations. Full records of votes cast are available on the proxy voting platforms provided by our proxy voting providers.

Voting Summary

Number of shareholder meetings at which our clients' shares were voted	170
Number of resolutions voted	1,733
Shareholder meetings at which our clients' shares were voted against management recommendations on one or more resolution	30
Number of resolutions voted against management recommendations	74
Shareholder meetings at which our clients' shares abstained on one or more resolution	16
Number of resolutions abstained	29

Breakdown of votes against management	Total
Remuneration and Share Schemes	20
Pre-emption/Dilution Matters	1
Board Matters	42
Other *	11

* Please note that 'Other' votes against management can include areas such as auditor appointment/remuneration, political donations, changes to articles of association and shareholder proposals.

Regional breakdown of votes against management	%
UK	37
Europe ex UK	10
Canada	8
US	8
Pacific Basin	3
Japan	23
Rest of the World	11

Commentary

There were a significant number of votes against director elections in the first quarter of 2014. This was due to the fact that a number of Japanese companies held their Annual General Meetings during this period, and director independence is still an ongoing issue in this market. We have recently amended our policy on director elections in Japan, such that we require a minimum of two outside directors on the board. As a result the number of votes against is down on last year, however we hope to continue engaging with Japanese companies over the coming years, with the aim of increasing independent representation on Japanese boards gradually over time.

Elsewhere, with the introduction of a binding vote on remuneration policy in the UK, remuneration continues to be a prominent issue, with more than one in every four votes against during the quarter relating to remuneration matters.

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	0845 60 60 062
	Customer information	0845 27 93 003
	standardlifeinvestments.co.uk	

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

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