

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.

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	1,019
Number of resolutions voted	13,219
Shareholder meetings at which our clients' shares were voted against management recommendations on one or more resolution	267
Number of resolutions voted against management recommendations	1,094
Shareholder meetings at which our clients' shares abstained on one or more resolution	57
Number of resolutions abstained	159

Breakdown of votes against management	Total
Remuneration and Share Schemes	203
Pre-emption/Dilution Matters	103
Board Matters	662
Other*	126

* 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	8.2
Europe ex Uk	10.9
Canada	6.5
US	18.2
Pacific Basin	10.0
Japan	42.1
Rest of World	4.1

Commentary

The majority of Japanese companies hold their Annual General Meetings at the end of June. The issue that dominates this market is board independence. Although efforts have been made by many investors and corporate bodies to effect change, independent representation on Japanese boards remains very low when compared to the UK and US markets. It is our policy in Japan to vote against director election in situations where the board is less than one third independent, although we will not vote against key executives or independent directors. As a result of this, there were a considerable number of votes against relating to board matters during the quarter.

Quarter 2 also covered the UK and European voting seasons. Once again remuneration was the main issue, with a number of remuneration report resolutions being voted down. More generally, our votes against were mainly in the area of remuneration and share schemes where we focus particularly on the link between pay and performance and the need to avoid payments for failure.

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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