

## 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	1,042
Number of resolutions voted	14,164
Shareholder meetings at which our clients' shares were voted against management recommendations on one or more resolution	371
Number of resolutions voted against management recommendations	916
Shareholder meetings at which our clients' shares abstained on one or more resolution	106
Number of resolutions abstained	190

Breakdown of votes against management	Total
Remuneration and Share Schemes	232
Pre-emption/Dilution Matters	143
Board Matters	414
Other *	127

\* 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	14
Europe ex UK	16
Canada	7
US	15
Pacific Basin	14
Japan	27
Rest of the World	7

## Commentary

The majority of Japanese companies hold their Annual General Meetings at the end of June. Although board independence is still an issue that dominates the Japanese market, we are now seeing the first signs of change, with the efforts of institutional investors and representative bodies having an effect on Japanese companies. More companies than ever now have at least one outside director, and independent representation on Japanese boards is also on the increase.

Quarter 2 also covered the UK and European voting seasons. Once again remuneration was the main issue, with 2014 being the first year of the binding vote on remuneration policy.

## Contact us

To find out more about our fund range, visit our website [standardlifeinvestments.com](http://standardlifeinvestments.com). Alternatively, please speak to your usual contact at Standard Life Investments.

## Useful numbers

	<b>Market information</b>	<b>0845 60 60 062</b>
	<b>Customer information</b>	<b>0845 27 93 003</b>
	<b><a href="http://standardlifeinvestments.co.uk">standardlifeinvestments.co.uk</a></b>	

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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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