

# Voting Policy

Emerging Markets  
Regional Guidelines

**Standard Life**  
Investments

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# Emerging Markets\* Voting Policy

These are the Regional Voting Policy Guidelines for emerging markets and should be read in conjunction with our overarching Governance and Stewardship Principles & Policy Guidelines. These Guidelines are prepared to assist our investment team in fulfilling its governance and stewardship responsibilities and are applied with professional care and discretion. The Principles & Policy Guidelines and the Regional Voting Policy Guidelines will be reviewed and refreshed at appropriate intervals to ensure they remain compatible with the prevailing corporate governance and stewardship environment.

For further details, please click on the link below.

[http://www.standardlifeinvestments.com/governance\\_and\\_stewardship/index.html](http://www.standardlifeinvestments.com/governance_and_stewardship/index.html)

## Introduction

We will generally support the voting recommendation of a company's board having regard to our Governance and Stewardship Principles & Policy Guidelines.

In the event we vote our clients' shares against a resolution at a shareholder meeting, we will always use best endeavours to inform the company beforehand and explain the reasons when it is practical and cost effective to do so.

We will generally vote against resolutions to approve a company's report and accounts if disclosures or policies are unsatisfactory.

\* Emerging markets exclude the UK, Europe, North America, Asia and Japan.

## Directors

We will generally vote against the re-election of appropriate directors if:

- ▶ we have serious concerns regarding the composition and balance of the company's board and its committees
- ▶ it is the company's policy to appoint directors with service contract notice periods that exceed generally accepted best practice for that country and there is no well-defined and acceptable mitigation policy and/or special justification.

If a company has no policy for future appointments then the guidelines will be interpreted by reference to the policy for existing appointments.

## Remuneration

We will generally vote against share schemes and other forms of remuneration for directors and other senior executives which:

- ▶ do not disclose relevant details, such as grant policy to individual directors, performance measures and targets
- ▶ contribute to levels of dilution that are higher than generally accepted best practice
- ▶ reward participants for achieving average, below average or unchallenging performance targets or do not incorporate appropriate caps on participation
- ▶ do not seek to incentivise participants to achieve significant and sustained improvements in the underlying financial performance of the company, such as total shareholder return (TSR) as the sole performance measure
- ▶ do not, at board level, primarily reflect achievement of group targets
- ▶ may give rise to rewards for participants that are not justified by reference to relevant comparative yardsticks
- ▶ are not consistent with the spirit of relevant institutional investor guidance.

We will generally oppose resolutions that seek approval for remuneration policies that are inconsistent with our Governance and Stewardship Principles & Policy Guidelines.

We will also consider voting against members of the Remuneration Committee in light of poor remuneration practices.

## Accounting & audit

We will generally vote against the re-election of appropriate Audit Committee members and/or the auditors:

- ▶ if at least one member of the Audit Committee does not have recent and relevant financial experience
- ▶ if the company policy on audit tendering is not consistent with the best interests of our clients
- ▶ if the independence of the Audit Committee members and/or the auditors gives rise to concerns.

## Other matters

We will generally oppose mechanisms that seek to enshrine unequal voting rights.

We will generally oppose mechanisms that can be used to prevent a free and open market for corporate control.

We will generally oppose pre-emption authorities that are not consistent with international best practice.

We will generally oppose resolutions seeking approval to make significant political donations unless there is a convincing and acceptable explanation.

We will generally vote against other resolutions that are not consistent with the best interests of our clients as shareholders, present and future. In doing so, we will have regard to the board's approach to determining, implementing and monitoring the values of the company.

We will also generally vote against other resolutions that conflict with the spirit of relevant guidance provided by the representative bodies of institutional investors in each country.

When deciding how to vote at annual general meetings, we shall have regard for the policies and recommendations of Institutional Shareholder Services (ISS). We shall also have regard for international best practice and take into account developing best practice in each country.

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