

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	182
Number of resolutions voted	2,085
Shareholder meetings at which our clients' shares were voted against management recommendations on one or more resolution	50
Number of resolutions voted against management recommendations	101
Shareholder meetings at which our clients' shares abstained on one or more resolution	18
Number of resolutions abstained	34

Breakdown of votes against management	Total
Remuneration and Share Schemes	49
Pre-emption/Dilution Matters	9
Board Matters	26
Other*	17

* 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	55
Europe ex Uk	15
Canada	4
US	11
Pacific Basin	1
Japan	8
Rest of World	6

Commentary

The third quarter of 2012 was dominated by UK voting as the second tranche of UK company meetings took place. Remuneration was again the prominent issue as shown by the fact that almost half of our votes against during the quarter were on remuneration and share scheme issues. There were some signs of an increase in merger and acquisition activity which led to a number of meetings seeking shareholder approval for specific transactions.

There were also a significant number of votes against relating to board matters during the quarter, which can be explained by a number of Japanese companies holding their meetings outwith the traditional end of June period. Our policy in Japan is 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.

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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