

Voting Policy

US and Canada
Regional Guidelines

Standard Life
Investments

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US and Canada Voting Policy

These are the Regional Voting Policy Guidelines for the United States and Canada 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

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 use best endeavours to inform the company beforehand and explain the reasons when it is practical and cost effective to do so.

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
- ▶ the role of Chairman and CEO is not split. In applying this guideline, we will have regard for whether there is a strong and recognised leader among the non-executives.

It is our preference that voting be for individual directors rather than for a recommended slate.

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
- ▶ provide for the payment of 'Golden Parachutes' or similar provisions with values outside normal termination payments.

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 the re-election of Compensation Committee members in light of poor compensation 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 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 resolutions that conflict with the spirit of relevant guidance provided by the representative bodies of institutional investors where available in each country, for example, the Canadian Coalition for Good Governance.

When deciding how to vote at the annual meetings of US and Canadian companies, 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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