

Schedule of Voting



Aviva Investors (in respect of Aviva Investors Global Services Limited in the UK and Aviva Investors Ireland Limited in Ireland) voted at 265 shareholder meetings in the quarter of 1 January to 31 March 2010. At 151 of these meetings we voted against or abstained on at least one resolution.

The first quarter is usually the lull before the storm of the reporting and AGM season. This year, much attention has been focussed on the ongoing debate around responsible investment and banks have, unsurprisingly, been central to this debate. One obvious development in this area was the very public letter from Lord Myners to leading institutions asking for an accounting of their engagement with banks and, in particular, bank pay. We were both happy to respond to that letter and to make our response public on our website.

January also saw the publication of the Financial Reporting Council (FRC) consultation on the proposed Stewardship Code for Institutional Investors. The Government has asked the FRC take responsibility for the stewardship code as envisaged in the Walker report on the governance of banks and other financial institutions, which we believe is a sensible approach – as a comply or explain framework is introduced. Although the primary focus of the Stewardship Code will be on investment managers, pension funds are major institutional investors who will also be covered by the Code. To assist pension funds to decide how they approach dealing with the Code, the NAPF has prepared an initial, practical guide for them, with the intention of producing more detailed guidance in due course.

February saw our annual letter to FTSE chairmen issued, outlining where Aviva Investors will focus over the forthcoming year. This year the importance of having the right people with the right skills and experience on boards with non-executive directors who are sufficiently independent to challenge management and the need for the strong leadership in developing a culture of integrity, was strongly re-emphasised, as was the need for better reporting on risk both at board level and operationally.

Although we set out quite a detailed and clear position on pay issues and expectations last year, we have again underlined our continuing robust approach to evaluating pay practices at companies where we will be looking for prudence, alignment with performance, alignment with pay and conditions for the rest of the company and simplicity. We would be unlikely to support pay arrangements unless the information is easily understood and clear as to: (1) how much was paid the previous year and for what performance and (2) looking forward, what are the key performance conditions, over what timescale will performance be measured and what is the expected minimum and maximum payout.

Aviva Investors has an ongoing initiative to encourage global stock market listing authorities to make it a listing requirement for companies to: (1) consider how responsible and sustainable their business model is; and (2) put a forward-looking sustainability strategy to the vote at their AGM. We are very pleased to say that, in support of our initiative, Aviva Group has agreed to set an example and take the lead by becoming the first large UK company to put its Corporate Responsibility Report to a shareholder vote at the AGM in April.

If you have any comments, points of view or any other feedback, please feel free to e-mail us at corpgovernance.uk@avivainvestors.com. We are always eager to find out what is important to our clients.

Schedule of Voting



Number of meetings voted	265	
Meetings voted against or abstained on at least one resolution	151	
Number of resolutions	2355	
Votes for	1871	
Votes against	431	
Abstentions	53	
Breakdown of opposition issues		
Resolution	Against votes	Abstentions
Acquisitions, mergers and disposals	1	0
Amendment to investment objective	1	0
Approval of / amendments to Incentive Schemes	37	5
Articles of Association	2	0
Auditors	37	3
Board/Committee nomination process	9	2
Charitable donations	0	1
Continuation of Company/Investment Trust	3	0
Discharge of Management Board	12	2
Discharge of Management Board (Governance & SEE issues)	1	0
Discharge of Management Board (SEE issues)	1	0
Discharge of Supervisory Board	5	0
Executive Directors	43	4
Miscellaneous	2	0
Non-Executive Directors	191	12
Poison pill arrangements	2	0
Political Donations	1	2
Related party transactions	1	1
Remuneration Policy	27	11
Report & Accounts (Governance)	3	1
Report & Accounts (SEE)	0	1
Rule 9 Waiver	3	0
Share Buybacks	5	3
Share Issues with Pre-Emptive Rights	3	3
Share issues without pre-emptive rights	16	1
Shareholder Resolutions	23	1
Transact any other business	2	0
Engagement/activism issues covered during the quarter (i.e separate from routine meetings with companies as part of our investment process) ¹	1395	
Acquisition/Merger strategies	0	
Management succession, Board and auditor issues	30	
Re-structuring discussions	1	
Management buy-out discussions	0	
Social and environmental issues ²	656	
Remuneration	26	
AGM/EGM issues ²	682	

¹Please note that on occasions, we engage with the same company on more than one issue.

² These numbers include the letters sent to the Chairman of the FTSE UK Allshare in relation to our expectations on governance, social and environmental matters.