

Compliance Policy
Aviva Investors Proxy Voting Policy

Last updated: 08 August 2008



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Purpose

This document sets out Aviva Investors Australia Limited policy in regards to proxy voting. It has been approved by the Aviva Investors Board.

Application

Aviva Investors' voting policy will be applied to all Australian equity holdings, where Aviva Investors holds the power to vote under the scheme constitution, trust deed or investment management agreement.

Policy

Aviva Investors' policy in respect of proxy voting is as follows;

- We will make considered use of our votes in order to meet the best interests of our investors
- We will responsibly vote on all Australian holdings that we have the authority to vote on
- We will vote on resolutions that are proposed at AGMs and EGMs by returning the relevant proxy cards
- As a member of IFSA we will generally follow the objectives and guidance notes of the Association in regards to corporate governance and proxy voting.

Principles

Our proxy voting principles are summarised as follows:

Annual General Meetings

- Companies should count all proxy votes, whether or not a poll is requested. The information provided should include the level of proxies lodged on each resolution, the balance for and against the resolution, and the level of abstentions.
- Such information should be made publicly available.

Board of Directors

- The board should include non-executive directors of sufficient calibre and number for their views to carry significant weight in board decisions.
- Succession plans should be in place to take the company forward. Responsibility rests with the chairman and non-executive directors to ensure a smooth transition of power on the board.
- Aviva Investors supports the re-election of directors where financial performance has been good.

Audit Committees

- In view of the reliance shareholders place on the accuracy and integrity of the annual report and financial statements, all companies should have an audit committee. Executive directors should not be members of audit committees; its composition should comprise independent non-executive directors.

Remuneration Committees

- In order that executive directors are not in a position to decide their own pay, companies should establish remuneration committees comprising only independent non-executive directors.

Independent Non-Executive Directors

- Apart from their directors' fees and share-holdings, independent non-executive directors should be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Purchase Of Own Shares

- While Aviva Investors will judge each case on its own merits, the overriding factor is that the purchase of shares should be in the interests of all shareholders.

Independent Auditors - Fees

- In view of the importance of maintaining an objective and professional relationship between directors and auditors, it is fundamental that the independence of the audit be preserved. Large fees paid to auditors for non-audit work may compromise their independence.
- The Audit Committee should be responsible for determining the tenure of all auditor appointments. Aviva Investors strongly encourages the appointment of auditors to include a rotation of partners during the term.

Directors' Remuneration

- The level of pay and structure of executive pay packages should be the responsibility of Remuneration Committees comprising independent non-executive directors.
- Incentive pay should be explicitly linked to the performance of the company.
- Companies should make full disclosure of emoluments paid to directors including the remuneration committee's justification for large pay rises, in a timely manner.

Voting Policy on Environmental Reporting

- Aviva Investors will consider sustainability issues such as corporate stewardship and human capital, along with environmental, social and ethical issues when casting proxy votes.
- For an expanded description of how Aviva Investors considers Corporate Governance and Environmental issues within its voting please follow this link to the Corporate Governance Policy.

Disclosure

Aviva Investors will disclose on an annual basis, a summary of its proxy voting statistics on its website in accordance with IFSA Standards.