

Aberdeen Asset Management Company Limited

Proxy Voting Policies, Procedures and Guidelines

Version 2.1

Introduction

Aberdeen Asset Management Company Limited (“Aberdeen”) is committed to responsible stewardship and administration of proxy voting rights, diligently analysing issues put before the shareholders and exercising proxy voting rights accordingly.

Aberdeen invests in companies throughout the world and actively targets companies with sound policies on corporate governance as investments in its client portfolios. Aberdeen believes that companies which adopt best practice in corporate governance will be more successful in their core activities and will deliver enhanced returns to shareholders. Where companies fall short on corporate governance, Aberdeen will encourage them to improve their performance. To date, this has been achieved both by the systematic and disciplined exercise of proxy voting rights attached to our clients’ shareholdings, and by an increase in dialogue with company chairmen, executive and non-executive directors on specific matters of corporate governance as well as strategy and capital usage.

Aberdeen’s approach to proxy voting in Thailand is consistent with the firm’s approach across the world. With the aim of promoting investor transparency and good corporate governance in Thailand, Aberdeen follows the SEC notification “Regulation of proxy voting in shareholders’ meeting by AMC in name of fund and information disclosure”.

This document is divided into three sections: (i) Voting Policies that outlines the basic principles underlining Aberdeen’s approach to proxy voting; (ii) Voting Procedures that outlines the internal procedures and work-flow for deciding upon and administering proxy voting decisions; and (iii) Voting Guidelines that outlines the firm’s position on the most frequent issues that arise for proxy voting.

This policy was approved by the Board of Directors of Aberdeen Asset Management Company Limited in June 2007. This policy may be amended from time to time as necessary, but with all amendments requiring the approval of the Board of Directors.

VOTING POLICIES

1. The proxy voting authority and, specifically, the decision to vote for or against or abstain from voting, must follow the fiduciary duties and be exercised for the interests of the funds under management.
2. Aberdeen exercises proxy voting on behalf of all funds under its management. The only exceptions to this are those cases where the proxy authority must be exercised in accordance with the instructions of the beneficiaries of the investments (where the clients for whom the funds are managed exercise the right to vote). In these cases, the “Proxy Voting Policies, Procedures and Guidelines” do not apply.
3. Aberdeen urges companies to contact us on any Annual General Meeting of Shareholders (AGM) or Extraordinary General Meeting of Shareholders (EGM) motions that might be considered to be contentious. This allows a fair and fully-informed judgement on these issues. The dialogue between a company and its shareholders surrounding a company’s AGM or EGM is an important part of the voting process.
4. The voting right in an AGM or EGM shall be exercised for significant issues affecting the fund’s interests, including:
 - a. Events affecting the company’s financial position, operations and dividend payment
 - b. Asset purchase or sale and company merger or acquisition or take-over
 - c. Appointing and removing directors
 - d. Change in capital structure of the company
 - e. Remuneration of directors and staff, especially Employee Stock Option Plans and other bonus schemes
 - f. Transactions that may cause a conflict of interest for any shareholders, management or related persons
 - g. Change of business type or objective of business
 - h. Amending the articles of association of the company
 - i. Appointing and removing the company’s independent auditor

VOTING PROCEDURES

1. The investment manager, in consultation with the Investment Committee, shall consider and make a decision to exercise the voting right on behalf of the funds. The primary responsibility for analysis and decision-making on proxy voting resides with the responsible investment managers on the equity teams, which allows us to keep proxy voting as an integral part of the investment process. However, the final decision rests with the Investment Committee as a whole. The Investment Committee may choose to consult the Head of Asian Equities or the Head of Corporate Governance for Asia.
2. Investment Managers are responsible for finding the AGM and EGM dates for all Aberdeen holdings in Thailand.
3. The Investment Committee shall nominate a representative to attend the shareholders' meeting or give proxies to the appropriate person to vote on behalf of funds under management.
4. The rationale of voting and related written documents will be maintained as a record of all proceedings and actions relating to proxy voting.
5. Record Retention. All records and documentation relating to the voting procedures and proxy votes are retained for at least 5 years after the voting date. These records are available for review by the Office of the Securities & Exchange Commission (SEC) or submission to the SEC as requested.
6. Aberdeen's voting record for the previous calendar year is available to the general public on the Aberdeen website, with additional information given on proxy voting decisions in any circumstances with potential for conflicts of interest:
<http://www.aberdeen-asset.com/aam.nsf/thailand/proxyvoting>
7. The proxy voting decisions by the Bangkok-based Investment Committee and investment managers will be communicated to other investment managers across the Aberdeen group to ensure consistency of voting decisions across funds domiciled and managed in Thailand and those funds that hold Thai shares, but which are domiciled and managed outside Thailand.
8. In case there is any conflict of interest, the Investment Committee and investment manager shall exercise on an arm's length basis and perform strictly in accordance to any applicable regulations.
9. The Investment Committee may choose to abstain from voting in these circumstances:
 - a. On any issues where Aberdeen has not received sufficient information to make an informative decision. For open-ended resolutions, for example "Other Business," where no information is provided Aberdeen may elect to vote against on the basis of prudence as the resolution would allow additional items to be tabled at the AGM which Aberdeen would have unknowingly voted in favour.

- b. In those cases where an abstention can be used to signal a recognition of a company's momentum towards best practice without this having yet been achieved. Proxy voting should not be portrayed in simple terms of black and white, simply voting for or against.
 - c. On any issues where resolutions are bundled, for example director elections, where resolutions individually may not comply with the Voting Guidelines.
10. Conflicts of Interest. Aberdeen recognizes that material conflicts of interest may arise between beneficiaries of the investments and any of the following:
- a. Investment Manager.
 - b. Aberdeen Asset Management Company Limited or its related persons or companies, where "related persons or companies" are defined as:
 - i. Any juristic persons or persons who are not part of government agencies, the Financial Institution Development Fund and the Crown Properties Bureau, which hold the shares in the manner as stated below:
 - 1. The person specified holds the shares of the Asset Management Company (AMC) in an amount exceeding 5% of the AMC's shares sold.
 - 2. The person who holds the shares of the related person specified in (1.), where the amount of such shareholding is more than 30% of the shares sold of the person specified
 - 3. The person specified in (i) where the person specified in (2.) holds the shares of the person specified in (i) in an amount exceeding 30% of the shares sold of the person specified in (i)
 - ii. The persons who have the shares held by AMC.
 - iii. The persons that director, manager or person who is in management level of the AMC (i.e. executive director, deputy manager, assistant manager, head of the department including any person with equivalent position which may be called as other whereby such person is responsible for department or unit providing service in securities, securities operation, securities or capital market analysis or other line of business in the same aspect whether such business is performed for other person or for the AMC itself) hold shares exceeding 30% of such person's shares sold.
 - iv. The person whom the fund manager holds the shares more than 30% of such person's shares sold.
 - v. The person who are the investment adviser of the AMC or the Fund.
 - vi. The unit-holder who holds investment unit of the fund more than 10% of the fund's units sold.

- c. All actual or potential conflicts of interest will be taken to the Investment Committee to judge the materiality of the conflict.
 - d. In the case of a material conflict of interest for a particular investment manager, the investment manager will be excluded from the proxy voting decision, which will pass to the Investment Committee as a whole, excluding the conflicted investment manager.
 - e. In the case of a material conflict of interest for Aberdeen Asset Management Company Limited or related companies, the matter will first be taken to the Managing Director of Aberdeen Asset Management Asia Limited and the Head of Equities for Asia. If the matter is not resolved, the trustees of the funds will be invited to determine the proxy voting decision. If the trustees are not able to give specific voting instructions, Aberdeen will abstain from voting on the particular issue.
11. The Investment Committee shall nominate investment managers to exercise the voting right in the shareholders' meeting. However, in case there is any necessary incident that prevents investment managers from exercising the right by themselves, the Investment Committee shall:
- a. Nominate a representative from another business line or outsiders such as the custodian or the trustee to vote on behalf of funds as stipulated by the Investment Committee.
 - b. Prepare a letter of resolution by registered mail and/or send to responsible person.
12. In the case where other appropriated persons are nominated, who are not investment managers, to attend the shareholders' meeting and voting on behalf of funds, the Investment Committee shall specify that if there is any other agenda item put to a vote but the company does not provide sufficient information for shareholders before the meeting, the nominated person shall abstain from voting on such agenda items.
13. The AMC shall prepare an audit system to check the process of voting right exercising and disclose guidelines of proxy voting and implementation of voting right exercising for investors as prescribed by the SEC.
14. The Compliance Department shall monitor the exercise of the voting right and report such monitoring to the Board of Directors and check the completeness and accuracy in compliance with prescribed regulations.
15. The Compliance Department shall prepare a summary of voting rights exercised in a calendar year (Jan 1 – Dec 31) specifying the name of the company, number of shares, the number of votes and a description of the votes for, votes against and abstentions.
16. This document, "Proxy Voting Policies, Procedures and Guidelines", is available on the Aberdeen website:

<http://www.aberdeen-asset.co.th>

VOTING GUIDELINES

1. As a general policy, the Voting Guidelines shall be followed for proxy voting decisions. However, we assess each resolution on a case by case basis, avoiding a simple box-ticking approach and implementing our policy in a flexible manner.
2. Deviations from the Voting Guidelines may be allowed in exceptional circumstances where justified by the specific case, but a rationale must be given by the investment manager and the decision is subject to approval by the Investment Committee.
3. Aberdeen will take into account the recommendations made by management on each resolution put to a vote. However, Aberdeen will maintain an independent view on all resolutions and will not systematically follow management recommendations.
4. Aberdeen will take into account the recommendations made by proxy analysis firms, especially for non-standard agenda items and for those cases where their recommendations conflict with Aberdeen's position. However, Aberdeen will maintain an independent view on all resolutions, with in-house research and consideration of each issue, and will not systematically follow recommendations from proxy analysis firms.
5. Annual Financial Statements. Aberdeen will generally vote to receive the Annual Financial Statements, unless there are concerns about the accounts presented or audit procedures used or, the company is not responsive to shareholder questions about specific items that should be publicly disclosed.
6. Appointment and compensation of auditors. Aberdeen generally relies on the board's recommendation on the appointment and compensation of auditors as the board is in the best position to assess the performance and independence of the auditors. However, in deciding how to vote, Aberdeen will take into account factors including the following:
 - i. The independence of the auditors
 - ii. Whether there has been any rotation of audit partners
 - iii. Whether the auditors receive a substantial amount of non-audit fees from the company or related parties, which could compromise their independence
7. Dividend payments. Aberdeen will generally support the approval of the dividend payments unless the amount is either significantly excessive or significantly inadequate based upon the company's financial position and prospects.
8. Board of Directors.
 - a. Election of directors is decided on a case-by-case basis, taking into account factors including the following:

- i. The report of the Board’s Nominations Committee
 - ii. The attendance record of the director and explanations for absences
 - iii. The role and contributions of the directors
 - iv. Whether there is evidence that the director has been supportive of minority shareholders’ concerns
 - v. Whether the designated “independent” directors appear to be fully independent from management and major controlling or influential shareholders
 - b. Board structure and size
 - i. Aberdeen will generally vote for proposals to fix the board size
 - ii. Aberdeen will generally vote against proposals that give management the ability to alter the size of the board without specific shareholder approval
 - c. Term and age limits for directors. Aberdeen will generally vote for the adoption of retirement ages for directors and periodic rotation of directors. Aberdeen will vote against resolutions proposing to entrench directors.
 - d. Board Independence. Aberdeen will generally vote for proposals that would increase the representation of independent directors on the Board or on the Board’s committees.
 - e. Director Remuneration. Aberdeen is as concerned with the structure of the compensation packages as with the total amount. Voting for or against the proposed remuneration of directors is decided on a case-by-case basis, taking into account factors including the following:
 - i. Report of the company’s Remuneration Committee
 - ii. Role of the directors in the company management, on the Board and on the Board committees
 - iii. Best practices in the industry and in the country
 - iv. Benchmarking against comparable companies
- 9. Management compensation and incentives.
 - a. One of the most contentious and closely examined areas of corporate governance is that of executive remuneration, comprising directors’ service contracts, long-term incentive plans, pensions and other benefits. Aberdeen is supportive of a remuneration policy which rewards success but includes sensible hurdles and allows employees as well as directors to share financially in the success of the company.
 - b. Incentive compensation plans, stock option plans & employee share purchase plans. Aberdeen believes that it is in the interests of the company to align the interests of the directors and employees with the shareholders. Aberdeen will balance the benefits of stock options against the cost to the company. Aberdeen will consider stock option plans on a case-by-case basis. However, Aberdeen will vote against such plans if:

- i. The issue of share options under such plans has the potential to be excessively dilutive (with a maximum cumulative dilution from all share issuance, including issuance under a “general mandate”, of 10% in any one financial year)
- ii. The structure of the plan would allow abuse, such as re-pricing of options or options being granted at a strike price which is below the share price of the company at the time of issue

10. Related Party Transactions

- a. Where shareholders’ approval is sought for a mandate for related party transactions, Aberdeen will only vote in favour of such mandates provided that:
 - i. The company has undertaken that all transactions entered into pursuant to the mandate will be at arm’s length and on normal commercial basis
 - ii. The scope of the mandate is defined and limited
 - iii. Transactions entered into pursuant to the mandate will be disclosed to shareholders
 - iv. The mandate is renewable every year
 - v. There is a compelling business rationale for undertaking the particular transaction with the related party
- b. For specific related party transactions, Aberdeen will decide on a case-by-case basis, taking into account the business rationale and the pricing structure for the transaction.

11. Capital Structure

- a. Increase in authorised capital. This will be decided on a case-by-case basis, taking into account the rationale for the increase.
- b. Issue of shares, rights or debt. Where shareholders’ approval is sought for a mandate for the company to issue shares, rights or debt (sometimes termed a “general mandate”), Aberdeen will vote against such mandates unless:
 - i. There is an acceptable cap on the amount which can be issued, which, in particular, should protect against excessive dilution (with a maximum cumulative dilution from all share issuance, including issuance under a employee stock option plan, of 10% in any one financial year)
 - ii. There are acceptable assurances that any share issuance would not occur at a substantial discount to the market price
 - iii. The mandate must renewed on an annual basis
- c. Where there is a specific issue of shares, rights or debt, Aberdeen will decide on a case-by-case basis taking into account factors such as the following (where available):

- i. Terms and price of the issue
 - ii. Financial effects of the issue
 - iii. Resultant dilutive effects
 - iv. Business rationale for the issue
 - v. Availability of alternative funding sources
- d. Where a new class of shares is issued with voting rights that differ from the voting rights of ordinary shares, Aberdeen will decide on a case-by-case basis. However, Aberdeen will generally vote against the creation of share classes that will give greater protections or influence to some shareholders than others and which conflict with the principle of equitable treatment of all shareholders.
- e. Reduction of share capital and share buy-backs. Aberdeen will generally vote in favour of a mandate for the company to buy-back its own shares provided that:
 - i. There is an acceptable cap on the amount which can be bought back
 - ii. There is equal opportunity for all shareholders to sell their shares to the company
 - iii. The price at which the company may buy back its shares is limited
 - iv. The mandate is renewed on an annual basis
- f. For specific reduction of share capital and share buy-back, this will be decided on a case-by-case basis, taking into account factors including the following:
 - i. Terms and price
 - ii. Financial effects
 - iii. Resulting shareholding changes
 - iv. Business rationale

12. Major Transactions and Corporate Reorganizations

- a. Major transactions and corporate reorganizations, which mergers and significant acquisitions, are decided on a case-by-case basis, taking into account factors including the following:
 - i. The business rationale for the transaction
 - ii. The financial effects of the transaction
 - iii. The resultant dilutive effect
 - iv. The track-record of the company in similar transactions
- b. Aberdeen will generally vote in favour of such transactions where the terms are fair and the transaction or reorganisation allows the company to reap the benefits of economies and be run more effectively or efficiently.

- c. Acquisitions or disposals. This is decided on a case-by-case basis, taking into account factors including the following:
 - i. The terms of the transaction
 - ii. The business rationale for the transaction
 - iii. The financial effects of the transaction
 - iv. The financial condition of the company.
- d. Aberdeen will generally vote in favour of such transactions where the terms are favourable and the acquisition allows the company to strengthen its market position or the disposal reaps economic benefits for the company.
- e. Aberdeen will generally vote against motions that introduce “poison pills” or other takeover defences designed to protect the incumbent major shareholder and management.
- f. Aberdeen will generally vote in favour of motions that introduce additional protections to ensure the fair treatment of shareholders during takeovers or other major transactions.
- g. Aberdeen will pay particular attention to any major transactions involving related parties.

13. Other Non-standard Agenda Items. For non-standard agenda items, the investment manager will:

- a. Contact the company for more information.
- b. Seek guidance from the Investment Committee, the Head of Asian Equities and the Head of Corporate Governance for Asia.

April 2009