

PPF UK Voting Disclosure Report: October 2008 to December 2008

Introduction

As set out in the Statement of Investment Principles, the PPF is committed to exercising its voting rights and to disclosing details of its UK voting activities.

To the end of September 2008, responsibility for voting the shares held in the PPF's UK equity portfolio was delegated to its UK fund managers (Lazard & SSgA). The PPF previously approved the corporate governance and voting policies of these managers after reviewing them against UK and International best practice guidelines (e.g. those of the NAPF, OECD and ICGN).

As of the 1st October 2008, responsibility for UK voting was passed to F&C, the PPF's newly-appointed voting and engagement specialist.

During the period of 1st October to 31st December 2008, F&C voted on behalf of the PPF 140 resolutions at 17 company meetings. For 99% of votes cast the PPF supported management. For 1% of votes cast the PPF abstained, and no votes were placed against management. Details of these votes are provided below.

PPF UK voting record – October 2008 to December 2008

Company	Meeting Type	Meeting Date	Resolution No.	Resolution Type	Resolution Text	Vote Cast	Reason
AB Foods	AGM	05-Dec-08	2	Mgmt	Approve Remuneration Report	Abstain	Lack of disclosure of targets associated with interim payments. In addition we strongly encourage the company to satisfy such awares in deferred shares. We also note the sustained increase in total compensation. Although we recognise the remuneration may have fallen behind sector peers, we question the timing of the increase.
Diageo Plc	AGM	15-Oct-08	6	Mgmt	Re-Elect William Shanahan as Director	Abstain	We abstained because Mr Shanahan sits on the audit & remuneration committees, but does not meet the combined code independence requirements and was appointed in May 1999. We recommend that the company review board independence.