

VOTING POLICY



We introduced our own customised voting policy in the second quarter of 2014. This is run in parallel with ISS's policy recommendations. The majority of areas in which our policy differs from that of ISS are within the smaller company sector, where we are a leading UK participant, and relates to capital raising with pre-emptive shareholder rights and the composition of boards; these issues are by their nature often associated with smaller companies. It is not inconceivable that we will make exceptions and vote against our own policy: as with all our voting, we proceed on a case by case basis. We review our policy annually to ensure it is consistent with current best practice. Below are the specifics of the policy. It is worth noting that we regard a smaller company as having a market capitalisation of £1.5bn or less.

Agenda Type	ISS policy	Majedie Policy
Smaller Company Board Structure	Where Non-Executive Directors (NEDs) are members of internal boards, or where members of the board sit on more than one internal committee, this is regarded as being against best practice, and therefore the recommendation is to vote against such proposals.	Give smaller companies greater flexibility in the composition of their boards for practical reasons, given personnel limitations.
Issuances with Pre-emptive Rights	Proposals of greater than 33% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	As shareholders we will be given the right to take up the issuance, and therefore will not be diluted. We therefore vote for such proposals if they protect or increase shareholder value.
Issuances without Pre-emptive Rights	Proposals of greater than 10% of Issued Share Capital are against best practice and therefore the recommendation is to vote against.	Vote in line with ISS as such issuances are potentially dilutive for shareholders. However, in a few limited cases we may support the management if they are making the issuance without pre-emptive rights in the course of a re-financing exercise.
Political Contributions	Vote for.	Vote against. We want to maintain an independent stance.

VOTING SUMMARY

Please see below a breakdown of the meetings and resolutions which pertain to your portfolio.

SUMMARY	VOTES	PERCENT
Number of meetings voted at this period	41	
Number of resolutions	534	
Where we voted in line with Management	520	97.4
Where we have not voted in line with Management	14	2.6
Where we have voted against ISS's recommendation	27	5.1

Source: Majedie, ISS (Institutional Shareholder Services)

The table below is a breakdown of the number of resolutions where we have either voted against Management or against the recommendation of ISS.

CATEGORY	AGAINST MANAGEMENT	AGAINST ISS	AGAINST POLICY
Board election & related proposals	2	5	4
Capitalisation	0	0	1
Miscellaneous	0	0	0
Remuneration	0	5	5
Reorganisations, mergers & anti-takeover	0	0	0
Routine/Business	12	17	5
Total	14	27	15

Sources: Majedie, ISS (Institutional Shareholder Services)

VOTING BREAKDOWN

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE	IN LINE WITH ISS
ACCROL GROUP HOLDINGS*	22 Sep 2017	AGM	Abstain on Resolution 5	No
ACCSYS TECHNOLOGIES	21 Sep 2017	AGM	Voted for all	Yes
ATALYA MINING*	13 Jul 2017	AGM	Voted for all	No
BIFFA	19 Jul 2017	AGM	Voted for all	Yes
BLOOMSBURY PUBLISHING	18 Jul 2017	AGM	Voted for all	Yes
BRITISH AMERICAN TOBACCO	19 Jul 2017	EGM	Voted for all	Yes
BT GROUP*	12 Jul 2017	AGM	Against Resolution 23	No
CARPETRIGHT*	07 Sep 2017	AGM	Against Resolution 15	No
CARPHONE WAREHOUSE GROUP*	07 Sep 2017	AGM	Against Resolutions 10, 16	No
CHARLES STANLEY GROUP	27 Jul 2017	AGM	Voted for all	Yes
CONVIVIALITY RETAIL	07 Sep 2017	AGM	Voted for all	Yes
DE LA RUE*	20 Jul 2017	AGM	Against Resolution 15	No
ECKOH*	20 Sep 2017	AGM	Voted for all	No
ELECTROCOMPONENTS	20 Jul 2017	AGM	Voted for all	Yes
EQUINITI GROUP	28 Sep 2017	EGM	Voted for all	Yes
FIRSTGROUP*	18 Jul 2017	AGM	Against Resolution 19	No
GREENE KING	08 Sep 2017	AGM	Voted for all	Yes
HORIZON DISCOVERY	07 Aug 2017	EGM	Voted for all	Yes
KCOM GROUP	21 Jul 2017	AGM	Voted for all	Yes
KONINKLIJKE KPN	04 Sep 2017	EGM	Voted for all	Yes
LMS CAPITAL	11 Aug 2017	EGM	Voted for all	Yes
MARKS & SPENCER*	11 Jul 2017	AGM	Against Resolution 22	No
MOTHERCARE*	31 Jul 2017	AGM	Against Resolution 14	No
MOTHERCARE*	31 Jul 2017	EGM	Voted for all	No
NATIONAL GRID*	31 Jul 2017	AGM	Against Resolution 18	No
NCC	21 Sep 2017	AGM	Voted for all	Yes
NCC	21 Sep 2017	EGM	Voted for all	Yes
NOVAE GROUP	29 Aug 2017	Court	Voted for all	Yes
NOVAE GROUP	29 Aug 2017	EGM	Voted for all	Yes
OXFORD INSTRUMENTS	12 Sep 2017	AGM	Voted for all	Yes
PURPLEBRICKS	29 Sep 2017	AGM	Voted for all	Yes
RENEWI*	13 Jul 2017	AGM	Against Resolution 13	No
RYANAIR*	21 Sep 2017	AGM	Voted for all	No
SHANTA GOLD*	03 Jul 2017	AGM	Voted for all	No
SPEEDY HIRE*	12 Jul 2017	AGM	Against Resolution 18	No
TUNGSTEN*	15 Sep 2017	AGM	Against Resolution 10	No
VERTU MOTORS	26 Jul 2017	AGM	Voted for all	Yes
VODAFONE*	28 Jul 2017	AGM	Against Resolution 22	No
WYG	21 Sep 2017	AGM	Voted for all	Yes

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE	IN LINE WITH ISS
XAFINITY	14 Sep 2017	AGM	Voted for all	Yes

Source: Majedie
* See notes overleaf

VOTING NOTES

- Accrol, AGM: On Resolution 3, ISS recommended a vote against the re-election of Peter Cheung as he is an Executive Director and sits on both the Audit and Remuneration Committees, which does not adhere to best practice. We feel that smaller companies should be afforded greater flexibility in the composition of their boards, so in line with our UK Smaller Companies voting policy, we voted in favour of his appointment. On Resolution 5, we voted to abstain from the re-election of Stephen Crossley as Director, which was in line with the recommendation of ISS. The Director was stepping down from the Board before the AGM, and therefore we took the decision to abstain from voting on this item. On Resolution 7, we voted with the Board in favour of the re-election of Joanne Lake as Director, against the recommendation of ISS. We had confidence that the Director's external commitments at other listed companies would not prevent the fulfilment of their duties.
- Atalya Mining, AGM: On Resolution 12, we voted for the grant of options to directors, against the recommendation of ISS, who had flagged the length of the vesting period as a concern. We voted in favour as we judged that there was a need for more equity exposure across the management team.
- BT, AGM: On Resolution 1, we voted in favour of approving the Financial Statements and Statutory Reports, which was against the recommendation of ISS. ISS had recommended a vote against due to the accounting scandal at BT Italia, not because there had been disclosure failures since the accounting issues emerged. We are supportive of BT's management and therefore voted in favour. On Resolution 17, we voted for the reappointment of PricewaterhouseCoopers (PwC). We had discussed the nature of the BT Italia fraud at a company meeting that included the BT Group Finance Director, Simon Lowth, and he did not attribute blame to PwC. ISS noted KPMG would replace PwC and had recommended a vote of abstention. On Resolution 23, our guidelines are against the granting of political donations.
- Carpetright, AGM: On Resolution 15, our guidelines are against the granting of political donations.
- Carphone Warehouse Group, AGM: On Resolution 10, we voted against the Board's recommendation as we concluded this Director had significant external time commitments. Furthermore, the company requires close attention at this time. On Resolution 16, we voted against the Board and the recommendation of ISS, as our guidelines are against the granting of political donations.
- De La Rue, AGM: On Resolution 15, our guidelines are against the granting of political donations.
- Eckoh, AGM: On Resolution 5, we feel that smaller companies should be afforded greater flexibility in the composition of their boards. Consequently, in line with our UK Smaller Companies Voting Policy, we voted in favour of Peter Simmonds's election, which was against the recommendation of ISS and in line with the Board's.
- FirstGroup, AGM: On Resolution 19, our guidelines are against the granting of political donations.
- Marks and Spencer, AGM: On Resolution 22, our guidelines are against the granting of political donations.
- Mothercare, AGM: On Resolution 14, our guidelines are against the granting of political donations.
- Mothercare, EGM: On Resolutions 1 and 2, we voted with the Board to approve the Remuneration Policy and the company's Value Creation Plan, which was against the position of ISS. The Fund Manager had been consulted by both the company's Chairman and the Chair of the Remuneration Committee. We were supportive of the new plan and remuneration arrangements, which were necessary to retain and incentivise the incumbent CEO and drive value creation at the company. The company had recently lost its CFO to a better

financial offer and thus it was critical to keep the CEO who was delivering the turnaround and to facilitate the recruitment of a good new CFO.

- National Grid, AGM: On Resolution 18, our guidelines are against the granting of political donations.
- Renewi, AGM: On Resolution 13, our guidelines are against the granting of political donations.
- Ryanair, AGM: On Resolution 2, we voted to approve the Remuneration Report against the recommendation of ISS. This was an advisory vote and we will engage with the Board ahead of the next binding vote. On Resolution 3a, we voted to re-elect David Bonderman, who is the non executive Chairman of Ryanair, and on Resolution 3k, we voted to re-elect James Osborne (who has since died) as Director, against the recommendations of ISS. The management have consistently delivered for shareholders and the Board are very closely aligned in terms of share ownership. We support the strategy and its execution, hence our support for the Board.
- Shanta Gold, AGM: On Resolution 9, we voted for the item, and against ISS, who had recommended a vote against on the basis of insufficient disclosure by the company on the proposed new articles of incorporation. We contacted the company, who advised that the new articles included the latest Guernsey company law and allowed for a majority of directors to be resident in the UK.
- Speedyhire, AGM: On Resolution 18, our guidelines are against the granting of political donations.
- Tungsten, AGM: On Resolution 1, we voted to accept the Financial Statements and Statutory Reports, against the recommendation of ISS. We noted the comments of ISS, however we were content with the arrangements due to it being a smaller company and we recognised the need to incentivise and maintain the quality of management to turn the company around. On Resolution 5, we voted to authorise the Board to fix the remuneration of the auditors, against the recommendation of ISS. We were content with the arrangements due to it being a smaller company. On Resolution 10, our guidelines are against the granting of political donations.
- Vodafone, AGM: On Resolution 22, our guidelines are against the granting of political donations.

HARRIS ASSOCIATES L.P.

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Harris Associates L.P.

Institution Account(s): 5984 -Shropshire County Pension Fund

Experian plc

Meeting Date: 07/20/2017 Country: United Kingdom Primary Security ID: G32655105
 Record Date: 07/18/2017 Meeting Type: Annual Ticker: EXPN

Primary CUSIP: G32655105 Primary ISIN: GB00B19NLV48 Primary SEDOL: B19NLV4

Shares Voted: 146,900

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For	For
2	Approve Remuneration Report	Mgmt	For	For	For	For
3	Approve Remuneration Policy	Mgmt	For	For	For	For
4	Elect Caroline Donahue as Director	Mgmt	For	For	For	For
5	Elect Mike Rogers as Director	Mgmt	For	For	For	For
6	Re-elect Brian Cassin as Director	Mgmt	For	For	For	For
7	Re-elect Roger Davis as Director	Mgmt	For	For	For	For
8	Re-elect Luiz Fleury as Director	Mgmt	For	For	For	For
9	Re-elect Deirdre Mahlan as Director	Mgmt	For	For	For	For
10	Re-elect Lloyd Pitchford as Director	Mgmt	For	For	For	For
11	Re-elect Don Robert as Director	Mgmt	For	For	Refer	For
12	Re-elect George Rose as Director	Mgmt	For	For	For	For
13	Re-elect Paul Walker as Director	Mgmt	For	For	For	For
14	Re-elect Kerry Williams as Director	Mgmt	For	For	For	For
15	Reappoint KPMG LLP as Auditors	Mgmt	For	For	For	For
16	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For	For	For
17	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For	For
18	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For	For
19	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Mgmt	For	For	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Harris Associates L.P.

Institution Account(s): 5984 -Shropshire County Pension Fund

Compagnie Financiere Richemont SA

Meeting Date: 09/13/2017

Country: Switzerland

Primary Security ID: H25662182

Record Date:

Meeting Type: Annual

Ticker: CFR

Primary CUSIP: H25662158

Primary ISIN: CH0210483332

Primary SEDOL: BCRWZ18

Shares Voted: 60,804

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For	For
2	Approve Allocation of Income and Dividends of CHF 1.80 per Registered A Share and CHF 0.18 per Registered B Share	Mgmt	For	For	For	For
3	Approve Discharge of Board of Directors	Mgmt	For	For	Refer	For
4.1	Reelect Johann Rupert as Director and Board Chairman	Mgmt	For	Against	Against	For
4.2	Reelect Josua Malherbe as Director	Mgmt	For	Against	Against	For
4.3	Reelect Jean-Blaise Eckert as Director	Mgmt	For	Against	Against	For
4.4	Reelect Ruggero Magnoni as Director	Mgmt	For	Against	Against	For
4.5	Reelect Jeff Moss as Director	Mgmt	For	For	For	For
4.6	Reelect Guillaume Pictet as Director	Mgmt	For	For	For	For
4.7	Reelect Alan Quasha as Director	Mgmt	For	Against	Against	For
4.8	Reelect Maria Ramos as Director	Mgmt	For	For	For	For
4.9	Reelect Jan Rupert as Director	Mgmt	For	Against	Against	For
4.10	Reelect Gary Saage as Director	Mgmt	For	Against	Against	For
4.11	Reelect Cyrille Vigneron as Director	Mgmt	For	Against	Against	For
4.12	Elect Nikesh Arora as Director	Mgmt	For	For	For	For
4.13	Elect Nicolas Bos of Clifton as Director	Mgmt	For	Against	Against	For
4.14	Elect Clay Brendish as Director	Mgmt	For	For	For	For
4.15	Elect Burkhardt Grund as Director	Mgmt	For	Against	Against	For
4.16	Elect Keyu Jin as Director	Mgmt	For	For	For	For
4.17	Elect Jerome Lambert as Director	Mgmt	For	Against	Against	For
4.18	Elect Vesna Nevistic as Director	Mgmt	For	For	For	For
4.19	Elect Anton Rupert as Director	Mgmt	For	Against	Against	For
5.1	Appoint Clay Brendish as Member of the Compensation Committee	Mgmt	For	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Harris Associates L.P.

Institution Account(s): 5984 -Shropshire County Pension Fund

Compagnie Financiere Richemont SA

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
5.2	Appoint Guillaume Pictet as Member of the Compensation Committee	Mgmt	For	For	Refer	For
5.3	Appoint Maria Ramos as Member of the Compensation Committee	Mgmt	For	For	Refer	For
6	Ratify PricewaterhouseCoopers as Auditors	Mgmt	For	For	For	For
7	Designate Francoise Demierre Morand as Independent Proxy	Mgmt	For	For	For	For
8.1	Approve Maximum Remuneration of Directors in the Amount of CHF 8.4 Million	Mgmt	For	Against	Refer	For
8.2	Approve Maximum Fixed Remuneration of Executive Committee in the Amount of CHF 11 Million	Mgmt	For	For	For	For
8.3	Approve Maximum Variable Remuneration of Executive Committee in the Amount of CHF 12.3 Million	Mgmt	For	For	For	For
9	Transact Other Business (Voting)	Mgmt	For	Against	Refer	Against

Diageo plc

Meeting Date: 09/20/2017

Country: United Kingdom

Primary Security ID: G42089113

Record Date: 09/18/2017

Meeting Type: Annual

Ticker: DGE

Primary CUSIP: G42089113

Primary ISIN: G80002374006

Primary SEDOL: 0237400

Shares Voted: 134,430

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For	For
2	Approve Remuneration Report	Mgmt	For	For	For	For
3	Approve Remuneration Policy	Mgmt	For	For	For	For
4	Approve Final Dividend	Mgmt	For	For	For	For
5	Re-elect Peggy Bruzelius as Director	Mgmt	For	For	For	For
6	Re-elect Lord Davies of Abersoch as Director	Mgmt	For	For	For	For
7	Re-elect Javier Ferran as Director	Mgmt	For	For	Refer	For
8	Re-elect Ho KwonPing as Director	Mgmt	For	For	For	For
9	Re-elect Betsy Holden as Director	Mgmt	For	For	For	For
10	Re-elect Nicola Mendelsohn as Director	Mgmt	For	For	For	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Harris Associates L.P.

Institution Account(s): 5984 -Shropshire County Pension Fund

Diageo plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
11	Re-elect Ivan Menezes as Director	Mgmt	For	For	For	For
12	Re-elect Kathryn Mikells as Director	Mgmt	For	For	For	For
13	Re-elect Alan Stewart as Director	Mgmt	For	For	For	For
14	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For	For	For
15	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For	For	For
16	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For	For
17	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For	For
18	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For	For
19	Authorise EU Political Donations and Expenditure	Mgmt	For	For	Refer	For
20	Adopt Share Value Plan	Mgmt	For	For	For	For



Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Burberry Group plc

Meeting Date: 07/13/2017

Country: United Kingdom

Primary Security ID: G1700D105

Meeting ID: 1151690

Record Date: 07/11/2017

Meeting Type: Annual

Ticker: BRBY

Primary CUSIP: G1699R107

Primary ISIN: GB0031743007

Primary SEDOL: 3174300

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Policy	Mgmt	For	For
3	Approve Remuneration Report	Mgmt	For	For
4	Approve Final Dividend	Mgmt	For	For
5	Re-elect Sir John Peace as Director	Mgmt	For	For
6	Re-elect Fabiola Arredondo as Director	Mgmt	For	For
7	Re-elect Philip Bowman as Director	Mgmt	For	For
8	Re-elect Ian Carter as Director	Mgmt	For	For
9	Re-elect Jeremy Darroch as Director	Mgmt	For	For
10	Re-elect Stephanie George as Director	Mgmt	For	For
11	Re-elect Matthew Key as Director	Mgmt	For	For
12	Re-elect Dame Carolyn McCall as Director	Mgmt	For	For
13	Re-elect Christopher Bailey as Director	Mgmt	For	For
14	Elect Julie Brown as Director	Mgmt	For	For
15	Elect Marco Gobetti as Director	Mgmt	For	For
16	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
17	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For
18	Authorise EU Political Donations and Expenditure	Mgmt	For	For
19	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
20	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
21	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
22	Authorise the Company to Call General Meeting with Two Weeks' Notice	Mgmt	For	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Microchip Technology Incorporated

Meeting Date: 08/22/2017	Country: USA	Primary Security ID: 595017104	Meeting ID: 1164527
Record Date: 06/28/2017	Meeting Type: Annual	Ticker: MCHP	
Primary CUSIP: 595017104	Primary ISIN: US5950171042	Primary SEDOL: 2592174	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Steve Sanghi	Mgmt	For	For
1.2	Elect Director Matthew W. Chapman	Mgmt	For	For
1.3	Elect Director L.B. Day	Mgmt	For	For
1.4	Elect Director Esther L. Johnson	Mgmt	For	For
1.5	Elect Director Wade F. Meyercord	Mgmt	For	For
2	Amend Omnibus Stock Plan	Mgmt	For	For
3	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For
4	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
5	Advisory Vote on Say on Pay Frequency	Mgmt	One Year	One Year

Akzo Nobel NV

Meeting Date: 09/08/2017	Country: Netherlands	Primary Security ID: N01803100	Meeting ID: 1165952
Record Date: 08/11/2017	Meeting Type: Special	Ticker: AKZA	
Primary CUSIP: N01803100	Primary ISIN: NL0000009132	Primary SEDOL: 5458314	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Special Meeting	Mgmt		
1	Elect Thierry Vanlancker to Management Board	Mgmt	For	For
2	Discuss Public Offer by PPG	Mgmt		

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Compagnie Financiere Richemont SA

Meeting Date: 09/13/2017	Country: Switzerland	Primary Security ID: H25662182	Meeting ID: 1106848
Record Date:	Meeting Type: Annual	Ticker: CFR	
Primary CUSIP: H25662158	Primary ISIN: CH0210483332	Primary SEDOL: BCRWZ18	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Allocation of Income and Dividends of CHF 1.80 per Registered A Share and CHF 0.18 per Registered B Share	Mgmt	For	For
3	Approve Discharge of Board of Directors	Mgmt	For	For
4.1	Reelect Johann Rupert as Director and Board Chairman	Mgmt	For	Against
4.2	Reelect Josua Malherbe as Director	Mgmt	For	Against
4.3	Reelect Jean-Blaise Eckert as Director	Mgmt	For	Against
4.4	Reelect Ruggero Magnoni as Director	Mgmt	For	Against
4.5	Reelect Jeff Moss as Director	Mgmt	For	For
4.6	Reelect Guillaume Pictet as Director	Mgmt	For	For
4.7	Reelect Alan Quasha as Director	Mgmt	For	For
4.8	Reelect Maria Ramos as Director	Mgmt	For	For
4.9	Reelect Jan Rupert as Director	Mgmt	For	Against
4.10	Reelect Gary Saage as Director	Mgmt	For	Against
4.11	Reelect Cynille Vigneron as Director	Mgmt	For	Against
4.12	Elect Nikesh Arora as Director	Mgmt	For	For
4.13	Elect Nicolas Bos of Clifton as Director	Mgmt	For	Against
4.14	Elect Clay Brendish as Director	Mgmt	For	For
4.15	Elect Burkhardt Grund as Director	Mgmt	For	Against
4.16	Elect Keyu Jin as Director	Mgmt	For	For
4.17	Elect Jerome Lambert as Director	Mgmt	For	Against
4.18	Elect Vesna Nevistic as Director	Mgmt	For	For
4.19	Elect Anton Rupert as Director	Mgmt	For	Against
5.1	Appoint Clay Brendish as Member of the Compensation Committee	Mgmt	For	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Compagnie Financiere Richemont SA

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
5.2	Appoint Guillaume Pictet as Member of the Compensation Committee	Mgmt	For	For
5.3	Appoint Maria Ramos as Member of the Compensation Committee	Mgmt	For	For
6	Ratify PricewaterhouseCoopers as Auditors	Mgmt	For	For
7	Designate Francoise Demierre Morand as Independent Proxy	Mgmt	For	For
8.1	Approve Maximum Remuneration of Directors in the Amount of CHF 8.4 Million	Mgmt	For	Abstain
8.2	Approve Maximum Fixed Remuneration of Executive Committee in the Amount of CHF 11 Million	Mgmt	For	For
8.3	Approve Maximum Variable Remuneration of Executive Committee in the Amount of CHF 12.3 Million	Mgmt	For	For
9	Transact Other Business (Voting)	Mgmt	For	Against

Diageo plc

Meeting Date: 09/20/2017	Country: United Kingdom	Primary Security ID: G42089113	Meeting ID: 1166230
Record Date: 09/18/2017	Meeting Type: Annual	Ticker: DGE	
Primary CUSIP: G42089113	Primary ISIN: GB0002374006	Primary SEDOL: 0237400	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Remuneration Report	Mgmt	For	For
3	Approve Remuneration Policy	Mgmt	For	For
4	Approve Final Dividend	Mgmt	For	For
5	Re-elect Peggy Bruzelius as Director	Mgmt	For	For
6	Re-elect Lord Davies of Abersoch as Director	Mgmt	For	For
7	Re-elect Javier Ferran as Director	Mgmt	For	For
8	Re-elect Ho KwonPing as Director	Mgmt	For	For
9	Re-elect Betsy Holden as Director	Mgmt	For	For
10	Re-elect Nicola Mendelsohn as Director	Mgmt	For	For

Vote Summary Report

Date range covered: 07/01/2017 to 09/30/2017

Location(s): Massachusetts Financial Services

Institution Account(s): MFS Investment Fund - Global Equity Fund

Diageo plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
11	Re-elect Ivan Menezes as Director	Mgmt	For	For
12	Re-elect Kathryn Mikells as Director	Mgmt	For	For
13	Re-elect Alan Stewart as Director	Mgmt	For	For
14	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
15	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For
16	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
17	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
18	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
19	Authorise EU Political Donations and Expenditure	Mgmt	For	For
20	Adopt Share Value Plan	Mgmt	For	Against

Praxair, Inc.

Meeting Date: 09/27/2017

Country: USA

Primary Security ID: 74005P104

Meeting ID: 1169451

Record Date: 08/08/2017

Meeting Type: Special

Ticker: PX

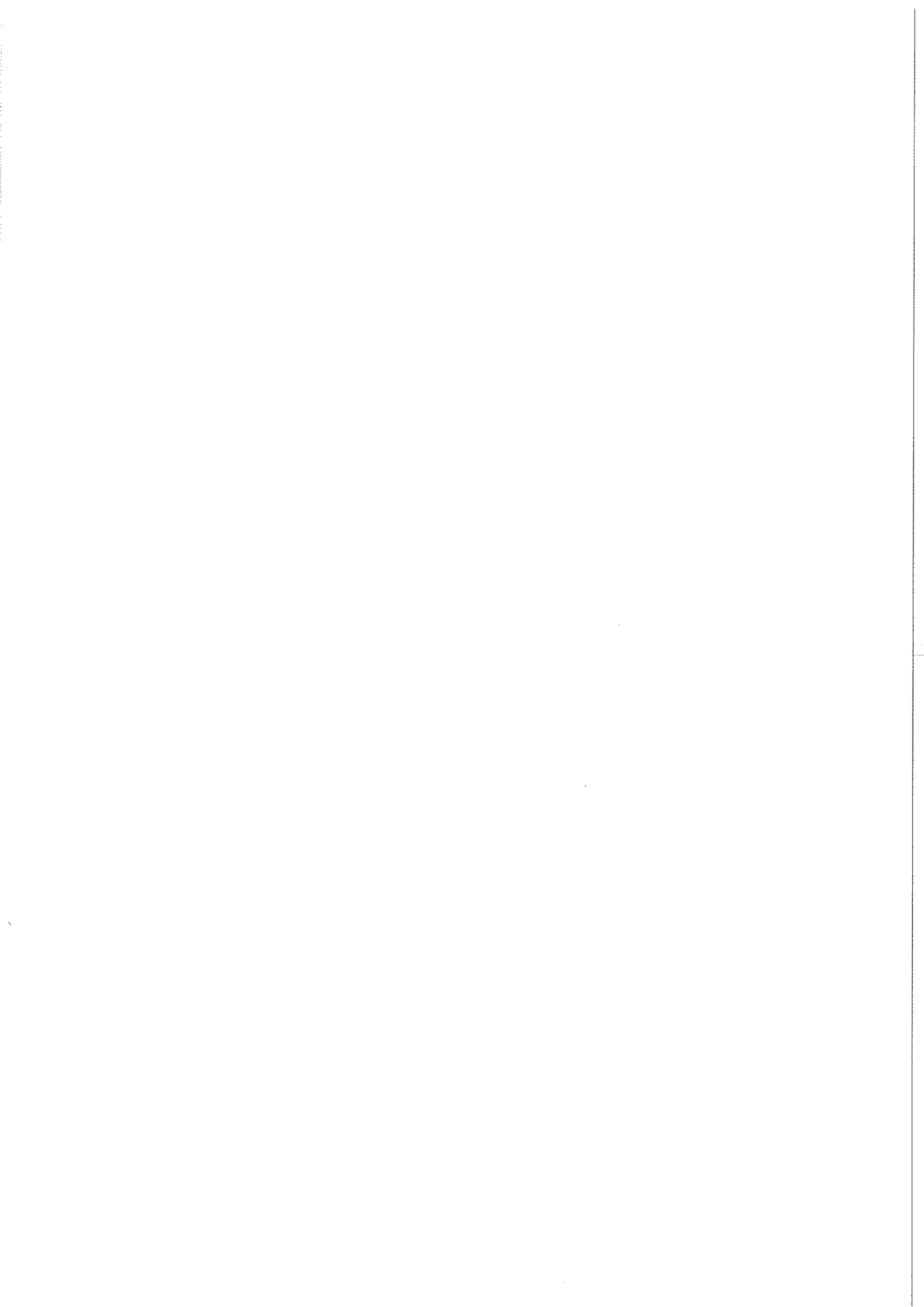
Primary CUSIP: 74005P104

Primary ISIN: U574005P1049

Primary SEDOL: 2699291

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Merger Agreement	Mgmt	For	For
2	Approve the Creation of Distributable Reserves	Mgmt	For	For
3	Advisory Vote on Golden Parachutes	Mgmt	For	For
4	Adjourn Meeting	Mgmt	For	For



Vote Summary Report

Date range covered : 07/01/2017 to 09/30/2017

Institution Account(s): Investec Funds Series iii - Global Dynamic

British American Tobacco plc

Meeting Date: 07/19/2017

Country: United Kingdom

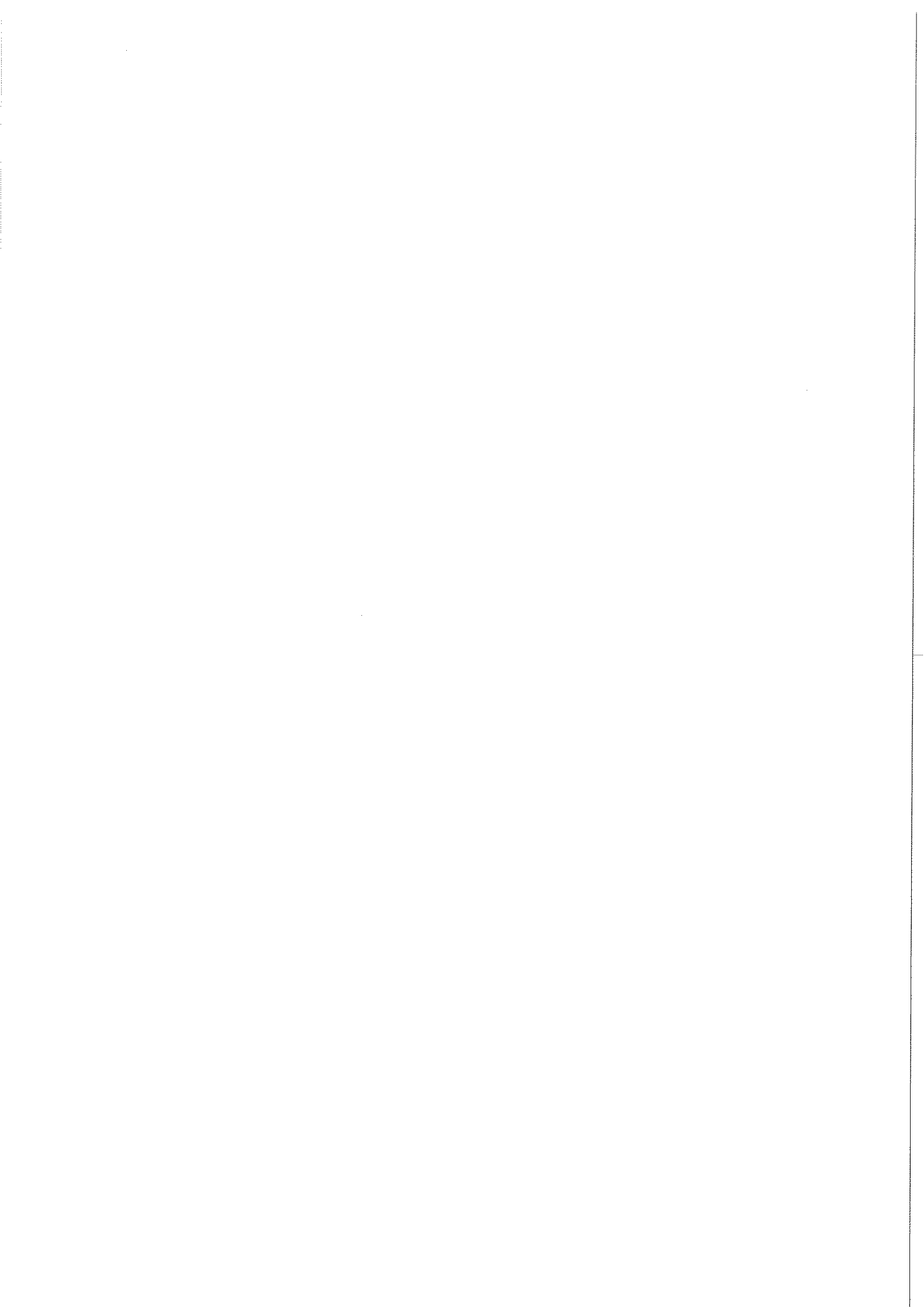
Meeting Type: Special

Ticker: BATS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Approve Matters Relating to the Acquisition of the Remaining Common Stock of Reynolds American Inc.	Mgmt	For	For	Refer	For

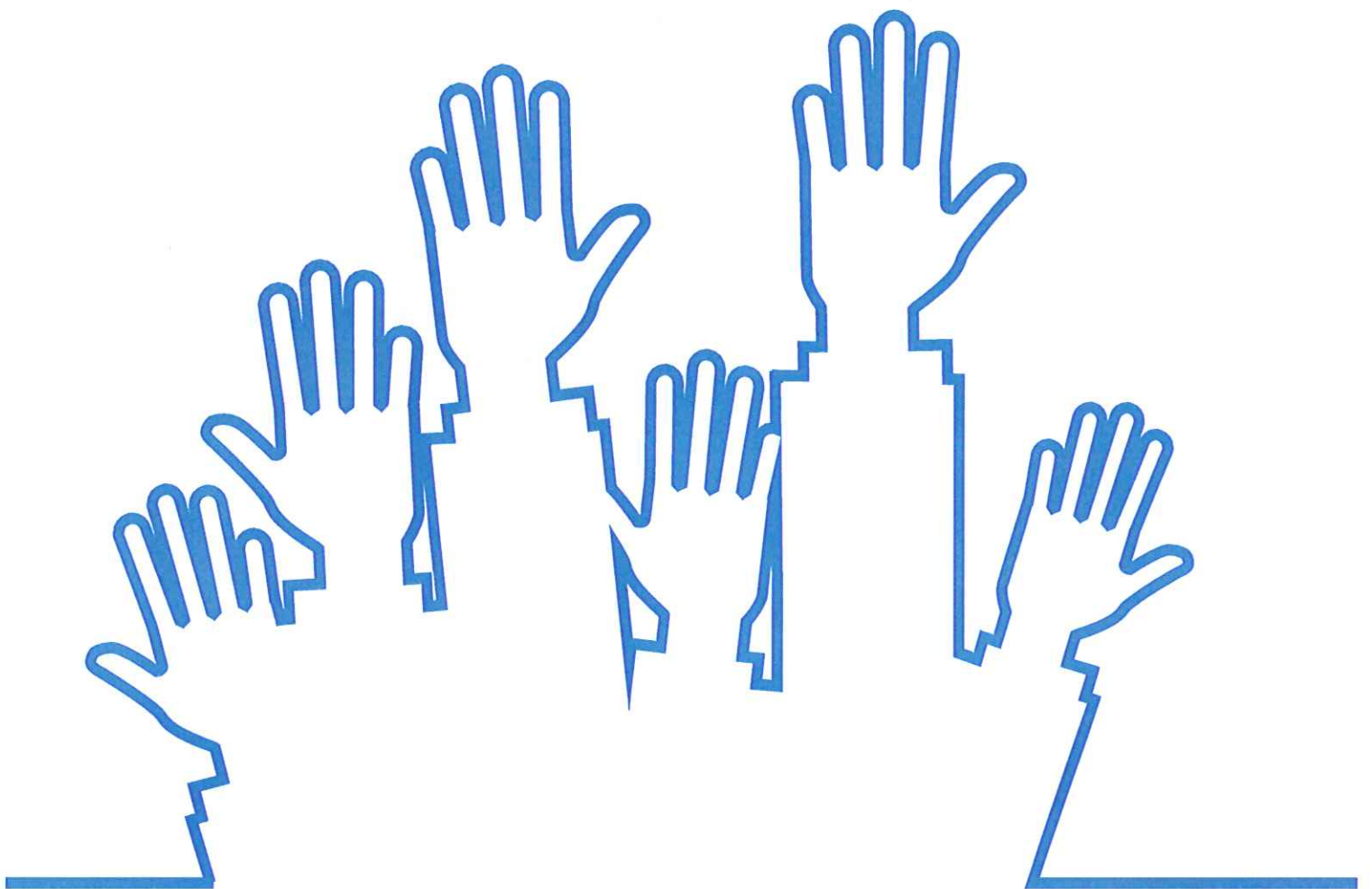


Investec
Asset Management



Active ownership

Q3 2017 ESG Impact Report

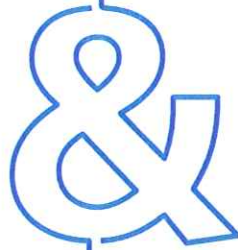


Active ownership means using our scale and influence to bring about **real, positive change to create sustainable investor value.**

Our mission

To use our influence to ensure that:

Companies integrate **environmental, social and governance** (ESG) factors into their culture and everyday thinking.



Markets and regulators create an **environment** in which **good management** of ESG factors is valued and supported.



Our focus

1 Holding boards to account

To be successful, companies need to have people at the helm who are well equipped to create resilient long-term growth. By voting and engaging directly with companies, we encourage management to control risks and benefit from emerging opportunities.

We seek to protect and enhance our clients' assets by engaging with companies and holding management to account for their decisions. Voting is an important tool in this process, and one which we use extensively.

2 Creating sustainable value

We believe it is in the interest of all stakeholders for companies to build sustainable business models that are also beneficial to society. We work to prevent market behaviour that destroys long-term value creation.

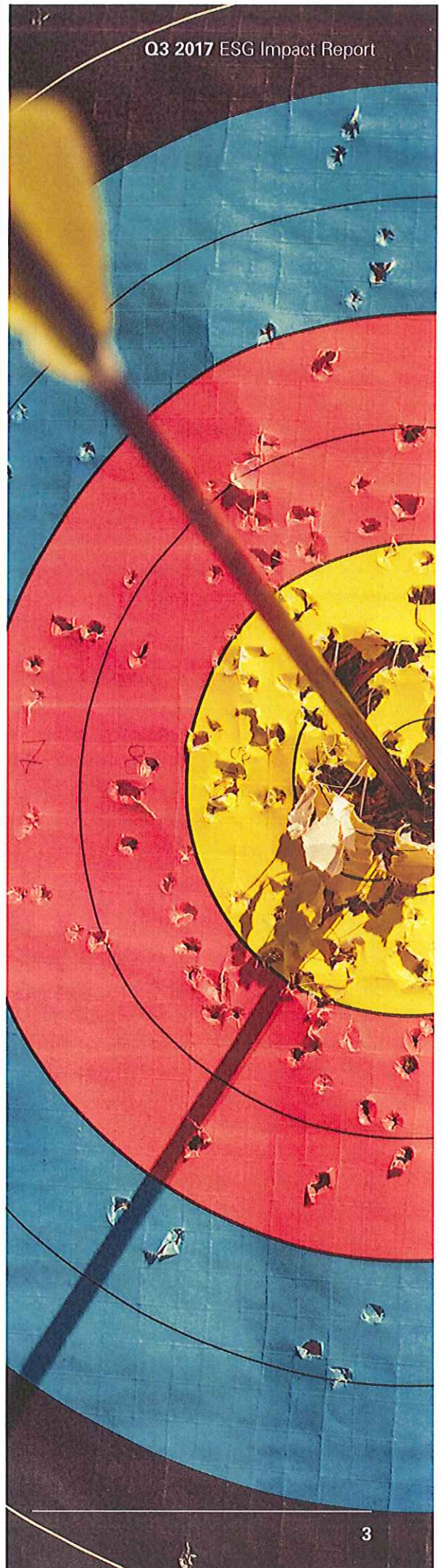
LGIM wants to safeguard and grow our clients' assets by ensuring that companies are well positioned for sustainable growth. Our investment process includes an assessment of how well companies incorporate relevant ESG factors into their everyday thinking.

We engage directly and collaboratively with companies to highlight key challenges and opportunities, and to support strategies that can deliver long-term success.

3 Promoting market resilience

As a long-term investor for our clients, it is essential that markets are able to generate sustainable value. In doing so, companies should become more resilient to change and therefore benefit the whole market.

We use our scale and influence to ensure that issues impacting the value of our clients' investments are recognised and appropriately managed. This includes working with key decision-makers such as governments and regulators, and collaborating with asset owners to bring about positive change.



Action and impact

Our focus areas in the third quarter

CORPORATE GOVERNANCE REFORM

In September 2017, the UK Government released its findings to the Corporate Governance Reform inquiry. LGIM responded to the wide-ranging consultation at the beginning of the year. The government proposed two mandatory changes to corporate reporting, both of which LGIM has been endorsing, and made a number of recommendations in relation to the UK corporate governance code.

Pay Ratios

Under the proposed reform companies will be required to disclose their 'pay ratio' – the ratio between CEO pay and average employee pay. We have been vocal in our support for the disclosure of pay ratios, calling for this information in our 2016 Mind the Gap¹ report which discussed the growing difference between CEO and employee remuneration.

Director Duties

The proposed reform will also require companies to provide more information on how directors are considering other stakeholders, such as employees, suppliers, impact on communities and environment as per the directors' duties set out in the UK Companies Act 2006. LGIM called for such disclosure in its formal response to the government's consultation as we find this information useful when assessing the performance of the board.

LGIM'S ANNUAL NON-EXECUTIVE DIRECTOR (NED) BREAKFAST AND INVESTOR PRESENTATION IN DUBLIN IRELAND

In September, LGIM welcomed 75 non-executive directors, chairs and company secretaries of FTSE 350 companies to

our second annual NED Breakfast. This event provides an opportunity for large UK companies to hear about LGIM's policies and hot topics in preparation for 2018. This year we discussed a wide range of issues including best practice in an M&A situation, expectations on executive pay, the stewardship role of the company secretary, our views on the current regulatory environment and the board's responsibility to address climate change.

Later in the month, we presented in Dublin. Over 50 attendees from companies including NEDs, company secretaries and their advisors attended the event. The objective of our presentation was to provide an investor perspective on what is considered to be best practice on corporate governance and how it relates to Irish boards. The Irish Sunday Times also provided coverage for the event.

PROPOSED PREMIUM LISTING SEGMENT FOR SOVEREIGN OWNED COMPANIES

In July 2017, the Financial Conduct Authority (FCA) launched its formal consultation on their proposals to add a new 'premium' listing segment to the UK market. The segment would only be eligible for companies that were controlled by sovereign states. Importantly, the proposals waive the current premium listing rules on the disclosure of related party transactions and the guidelines for controlled companies which provide protection for minority shareholders. LGIM is concerned that these important protections could be removed from the premium segment of the UK market. We have engaged privately with the Investment Association and FCA over the summer and have formally submitted a response in October.

1. See http://www.lgim.com/library/knowledge/thought-leadership-content/fundamentals/Fundamentals_Oct_2016.pdf

UN PRI BERLIN (SEPTEMBER 2017)

LGIM attended and presented at the annual PRI in Person conference – an opportunity for signatories to learn and collaborate on key ESG issues affecting the investment industry. While climate remains the key topic of concern for investors, there was a heightened focus on the often neglected ‘S’ of ESG; social factors. Also prominent on the agenda was how investors systematically integrate ESG across asset classes, particularly credit, and how they are actively pursuing ways to integrate the Sustainable Development Goals (SDGs) into investment strategies. In addition, we participated in a panel discussion on the implications of the energy transition for the future of stranded assets.

AWARDS

LGIM’s Corporate Governance team received the “2017 ESG Manager of the Year” by Global Investor Group in July 2017. This award recognises our innovative approach to ESG through the launch of the FutureWorld Fund and our demonstrable commitment to ESG.

EXTERNAL PRESENTATIONS

LGIM actively presented on the topic of climate change at various events during the quarter. We participated along with experts in a panel discussion on innovative finance and the planet, at the Investing for Good Europe conference organised by the FinancialTimes in September. We also presented on a low carbon index at a conference organised by Triple Bottom Line Investing (TBLI) hosted by Nasdaq in Stockholm.

NEWS/MEDIA COVERAGE

Following an extensive cyber-attack in July that spread globally and affected a number of large corporates, LGIM made a statement in the FinancialTimes (FT) highlighting the rising financial risk for investors and why boards need to manage cyber security better strategically.

In addition, LGIM was mentioned in the FT stressing the importance of voting rights and why stocks with no or limited voting rights should be excluded from the main indices. Furthermore, through voting, we believe it is important to establish protection for investors and voting power should be reflective of economic investment in a company.

Lastly, in an article published by FT Advisor on better workplaces, LGIM emphasised information on a company’s culture and employee engagement to be crucial in understanding the sustainability of business practices and long-term prospects.

For more information, please go to:
www.lgim.com/cgupdate

Regional updates

UK

KEY UK COMPANY ENGAGEMENTS

Abstentions

Most, if not all, proxy cards stipulate that a 'Withheld' option is provided to enable shareholders to abstain on any particular resolution. However, it should be noted that a **'Withheld' vote is not a vote under company law and will not be counted** in the calculation of the proportion of votes 'For' or 'Against' a resolution.

We know from our meetings with companies that an abstention is often considered a non-vote. For example, we have heard from many Chairmen that they ignore "abstain" votes. In addition we have seen examples where we have told companies of our intention to vote against a resolution and have lobbied LGIM to abstain instead.

Therefore, where some shareholders have concerns but choose to abstain rather than vote against, the signal of the vote is diluted and can be unhelpful in effecting change.

LGIM acknowledges that its clients, in giving us their mandate, require us to vote their shares on their behalf. We believe that to abstain is the equivalent to sitting on the fence. That is why LGIM's policy is not to abstain.

<p>Sports Direct International plc</p>	<p>Sports Direct has been criticised over the past year by MPs, trade unions and shareholders on their treatment of workers for many years, and poor governance.</p>
<p>General retailers</p>	<p>After direct engagement failed to deliver change, LGIM voted against the Chairman's re-election in 2014. Poor progress caused us to escalate this further by voting against the independent directors on the board in 2016. The Chairman failed to gain sufficient support of the company's minority shareholders (53% voted against) and he gave an undertaking to step down should he fail to secure their support in 2017.</p>
<p>Market Cap £2.3bn</p>	<p>At this September's AGM, although some improvement to working conditions and governance practices were noted, the Company failed on its promise to disclose the findings of its independent review of their governance and labour practices. As this was the responsibility of the Chairman of the Board we voted against his re-election for the fourth consecutive year.</p> <p>Although 46.8% of minority shareholders voted against, 5.4% of investors elected to abstain. As abstain votes are not counted in the total number of votes received, the resolution was carried in support of the Chairman's re-election. This meant significant shareholders who abstained and showed some protest at the Company were prevented from effecting change. Those who abstained, and had presumably some opinion of the company, had zero impact on the decision.</p>

KEY UK COMPANY ENGAGEMENTS

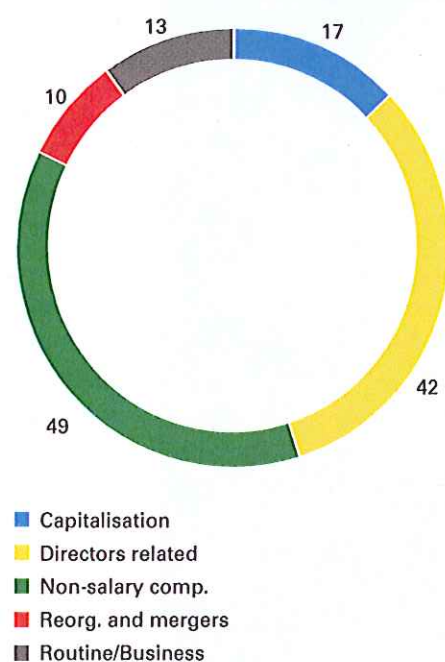
BT Group Plc	What is the issue?
Telecommunications	At the start of the year, the company announced a profit warning connected to an accounting scandal at the company's Italian business. Write-downs of approximately
Market Cap £27.68bn	<p>£530m were disclosed by the company after concerns were raised by a whistle-blower. This resulted in over a fifth of the company's value being wiped off the stock market.</p> <p>Why is it an issue? Limited oversight of management over global businesses, lack of appropriate internal controls and poor audit processes carried out by the company's auditor, PwC, are all factors that could have contributed to this event.</p> <p>What did LGIM do? Following the profit warning, LGIM engaged with the Board Chairman and Chairman of the Audit Committee regarding the incident. The Company informed LGIM that an investigation was being carried out and sought to reassure investors that this was an isolated incident.</p> <p>In addition, in previous meetings with the Chairman, LGIM encouraged the company to change its long-serving auditors, PwC, who have been in place for 33 years. Following the accounting issue, we encouraged this process to be sped up given that the company has already completed its tender process and ready to appoint KPMG as their new auditors. We also wanted assurance that internal controls and audit processes were strengthened.</p> <p>Lastly, LGIM highlighted bonus outcomes for Executive Directors this year should take into account the material impact on shareholder value as a result of the Italian scandal.</p> <p>At the company's AGM in July, LGIM opposed the Annual Report and Accounts and re-election of PwC because of the failure of internal controls linked to the accounting irregularities at BT Italy and the fraud was not uncovered by the auditor.</p> <p>What was the outcome? During the year, BT confirmed the appointment of KPMG as its new auditor to replace PwC in the wake of the fraud scandal in Italy. Furthermore, PwC is being investigated by the UK's accounting watchdog, the Financial Reporting Council, in relation to accounting issues in BT's Italian operations.</p> <p>In terms of remuneration, no bonuses were paid out during the year. The company disclosed that the CEOs total pay has been reduced by approximately £4m as a result of the profit warning connected with the Italian fraud case. Furthermore, the Remuneration Committee exercised its discretion, revising bonus pay-outs and applying clawback and malus provisions in the Deferred Bonus Plan for both Executive Directors and other senior management who sit on the Operating Committee.</p> <p>Going forward, we will engage with the new Board Chairman to discuss the company's current performance and its future strategic direction.</p>

Q3 2017 VOTING SUMMARY UK

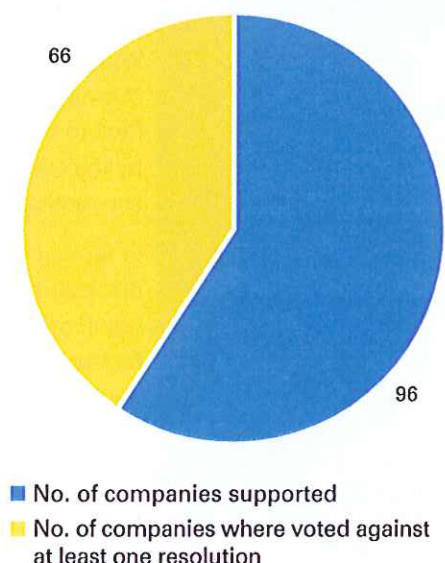
Proposal category	UK		
	For	Against	Abstain
Antitakeover Related	101		
Capitalisation	508	17	
Directors Related	960	42	
Non-Salary Comp.	239	49	
Reorg. and Mergers	25	10	
Routine/Business	603	13	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
SH-Health/Environ.			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	2436	131	
Total resolutions		2567	
No. AGMs		145	
No. EGMs		31	
No. of companies voted		162	
No. of companies where voted against at least one resolution		66	
% no. of companies where at least one vote against		41%	

'LGIM voted against at least one resolution at 41% of UK companies over the quarter.'

Voting issue breakdown (against)



Number of companies voted for/against



Source for all data LGIM. The votes above represents against management voting instructions for our main FTSE pooled index funds

Regional updates

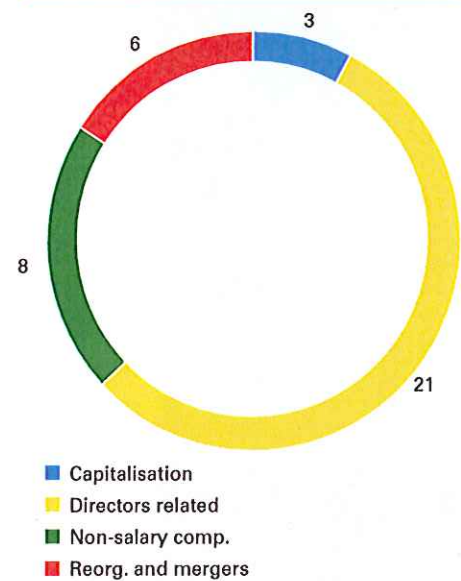
Europe

Q3 2017 VOTING SUMMARY EUROPE

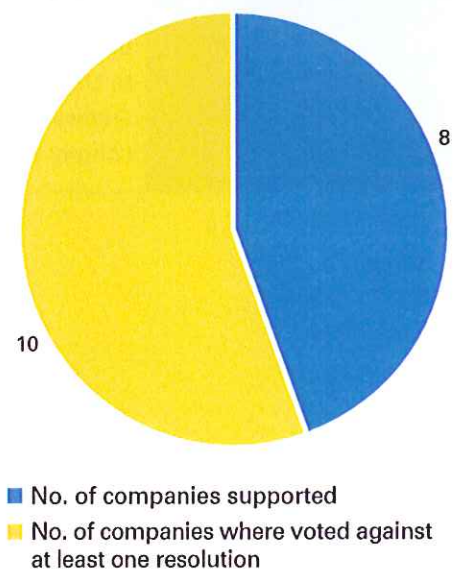
Proposal category	EUROPE		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	11	3	
Directors related	59	21	
Non-salary compensation	14	8	
Reorganisations and mergers	2	6	
Routine/Business	59		
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	145	38	
Total resolutions		183	
No. AGMs		9	
No. EGMs		9	
No. of companies voted		18	
No. of companies where voted against at least one resolution		10	
% no. of companies where at least one vote against		56%	

'LGIM voted against at least one resolution at 56% of European companies over the quarter.'

Voting issue breakdown (against)



Number of companies voted for/against



Regional updates

North America

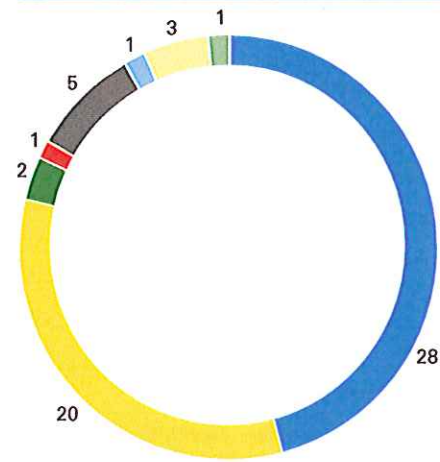
KEY NORTH AMERICA COMPANY ENGAGEMENTS

<p>Procter & Gamble (P&G)</p> <p>Market cap \$234.98bn</p> <p>Consumer goods</p>	<p>What is the issue?</p> <p>Trian Partners, an activist investor, announced earlier this year that it had purchased over 1% of P&G shares and that its CEO, Nelson Peltz, is seeking a board seat. The activist claims that P&G has been losing market share and needs to re-structure in order to revitalise the business. Investors were asked to vote on whether to award Nelson Peltz a seat on the board at P&G’s October AGM.</p> <p>Why is it an issue?</p> <p>LGIM believes that the make-up of a company board is critical. The campaign led by the activist investor to get a seat on the board can potentially be disruptive for the company. As long-term investors in P&G, it is therefore important for us to understand and assess the current board structure as well as to hear the activists’ approach and concerns.</p> <p>What did LGIM do?</p> <p>When an activist takes a position in a stock, we ensure that we engage with both the activist and the company to understand both perspectives. We met with Trian to hear their strategic ideas for the company and we also spoke with David Taylor, CEO of P&G to get a better insight into the transformation of the company that is already underway.</p> <p>What was the outcome?</p> <p>Following our meetings with P&G and Trian and team discussions, we acted in the best interests of our clients and supported the company board elections.</p>
<p>US ESG Stakeholder Event</p>	<p>Council of Institutional Investors conference</p> <p>What did LGIM do?</p> <p>Various topical corporate governance issues were raised and discussed at the event. This includes the SEC’s regulatory agenda, the decline in IPOs, shareholder rights, the opioid crisis in the US and human capital management reporting and analysis.</p> <p>In addition, following the recent release of Corporate Governance Principles applicable to US companies by the Investor Stewardship Group (ISG), we met with fellow endorsers. We discussed the next steps of our strategy to encourage US companies to comply with these principles.</p>

Q3 2017 VOTING SUMMARY NORTH AMERICA

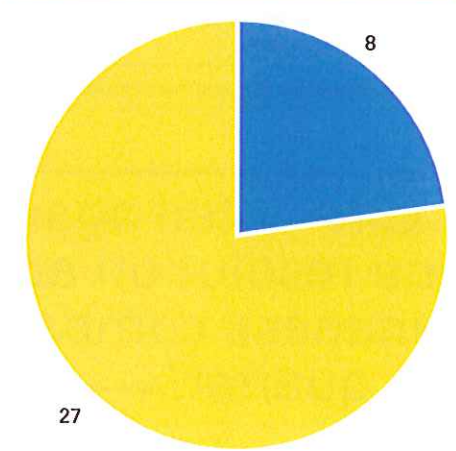
Proposal category	NORTH AMERICA		
	For	Against	Abstain
Anti-takeover Related	6		
Capitalisation	9		
Directors related	219	28	
Non-salary compensation	53	20	
Reorganisations and mergers	6		
Routine/Business	29		
SH-Compensation		2	
SH-Corp Governance	1	1	
SH-Dirs' Related	1	5	
SH-Gen Econ Issues			
SH-Health/Environment	1	1	
SH-Other/misc.	1	3	
SH-Routine/Business		1	
SH-Soc./Human Rights			
Social Proposal			
Total	326	61	
Total resolutions		387	
No. AGMs		28	
No. EGMs		7	
No. of companies voted		35	
No. of companies where voted against at least one resolution		27	
% no. of companies where at least one vote against		77%	

Voting issue breakdown (against)



- Directors related
- Non-salary comp.
- SH-compensation
- SH-corp governance
- SH-dirs' related
- SH-health/enviro.
- SH-other/misc.
- SH-routine/business

Number of companies voted for/against



- No. of companies supported
- No. of companies where voted against at least one resolution

'LGIM voted against at least one resolution at 77% of North American companies over the quarter.'

Source for all data LGIM. The votes above represents against management voting instructions for our main FTSE pooled index funds

Regional updates

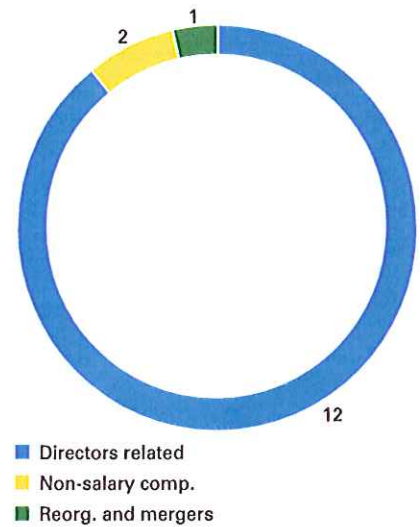
Japan

Q3 2017 VOTING SUMMARY JAPAN

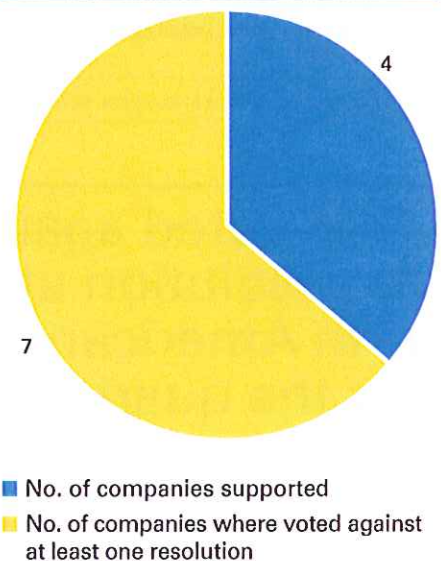
Proposal category	JAPAN		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation			
Directors related	79	12	
Non-salary compensation	3	2	
Reorganisations and mergers	3	1	
Routine/Business	9		
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	94	15	
Total resolutions		109	
No. AGMs		11	
No. EGMs		0	
No. of companies voted		11	
No. of companies where voted against at least one resolution		7	
% no. of companies where at least one vote against		64%	

'LGIM voted against at least one resolution at 64% of Jananese companies over the quarter.'

Voting issue breakdown (against)



Number of companies voted for/against



Source for all data LGIM. The votes above represents against management voting instructions for our main FTSE pooled index funds

Regional updates

Asia Pacific

KEY ASIA PACIFIC COMPANY ENGAGEMENTS

Commonwealth Bank of Australia (CBA)	What is the issue? CBA is the largest bank in Australia, and operates a number of businesses including insurance and asset management.
Market cap AUD 132.16bn	In August 2017, the Australian Financial Conduct Authority launched legal action against CBA for a failure in anti-money laundering controls in relation to over 53,000 transactions.
Banking	<p>In response to these concerns, the Australian Prudential Regulation Authority announced an inquiry into the culture, governance and accountability within CBA.</p> <p>Why is it an issue? Money laundering regulators are extremely strict, and banks are rightly held to high standards to prevent illegal earnings from being transferred around the world. Breaches of these standards can result in substantial reputational, regulatory and monetary costs for the bank. Additionally, the prudential regulator has the authority to increase capital held by the bank.</p> <p>LGIM also believes that the strength of internal controls and compliance culture is a key indicator of bank quality. Where this is questioned, it may raise broader implications.</p> <p>Finally, the case raised questions on the strength of the whistleblowing procedures and the lack of early disclosure of the regulator's investigation to the market.</p> <p>What did LGIM do? In addition to being a large shareholder, we are also a large fixed income investor in CBA. We liaised internally across the teams to share knowledge and information on CBA and the allegations put forward.</p> <p>The Corporate Governance team alongside our Active Fixed Income team met CBA executives within a month of the announcement. The objective of the meeting was to understand:</p> <ul style="list-style-type: none"> • When and how the board and executives became aware of the allegations; • The processes and oversight now being put in place and changed to ensure lessons are learnt; • The appropriate individuals are held accountable; • Whether the controls are working as required. <p>What was the outcome? Whilst the legal case is on-going, there have already been changes announced by the board. Recognising the severity of the allegations, the board has:</p> <ul style="list-style-type: none"> • Reduced Non-Executive Director fees by 20% for the current financial year; • Withdrawn the short-term bonus originally awarded to the CEO and Group Executives for the year ended June 2017; • Set up an independent committee of the board to oversee the response to the legal action and the changes to be implemented by CBA; • Announced the CEO will be standing down by June 2018. <p>We will continue to engage with CBA on the issue to ensure the commitments made are implemented.</p>

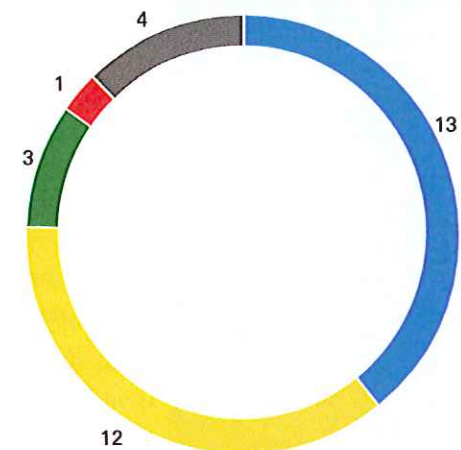
KEY ASIA PACIFIC COMPANY ENGAGEMENTS

<p>Market wide</p>	<p>What is the issue?</p>
<p>Hong Kong Stock Exchange Consultation</p>	<p>The Hong Kong Stock Exchange (HKEX) launched a consultation regarding the development of a new listing segment called the "New Board." The purpose of the New Board is to provide a 'lighter approach' to initial listing requirements. This includes allowing issuers to list with Weighted Voting Rights which does not align with the 'One Share – One Vote' principle.</p> <p>Why is it an issue?</p> <p>Voting rights are a fundamental characteristic of equity capital. It underpins effective investor stewardship, and is the central mechanism through which shareholders exercise their ownership rights.</p> <p>We support the 'One Share – One Vote' principle which embeds the fair and equal treatment of all shareholders by allocating control in direct proportion to the level of economic interest and exposure to risk.</p> <p>Furthermore, as an index investor, a fair voting system is crucial to ensuring directors on boards are held accountable for their decisions and actions.</p> <p>What did LGIM do?</p> <p>We provided a formal written response to the HKEX consultation. In addition, through our Hong Kong office, we were able to engage directly with the HKEX regarding our concerns.</p> <p>A copy of our submission is available on: http://www.lgim.com/library/capabilities/LGIM_HKEX_New_Board_Concept_Paper.pdf</p> <p>Lastly, as members of the Asian Corporate Governance Association (ACGA), LGIM supported their submission, alongside other investors, to push back on the HKEX proposals.</p> <p>What was the outcome?</p> <p>We await the results of the consultation but will continue to push globally, with others, fundamental shareholder principles of equal voting rights.</p> <p>Our submission to other consultations connected to this topic can be found at: http://www.lgim.com/uk/en/capabilities/corporate-governance-responsible-investment/influencing-the-debate/</p>

Q3 2017 VOTING SUMMARY ASIA PACIFIC

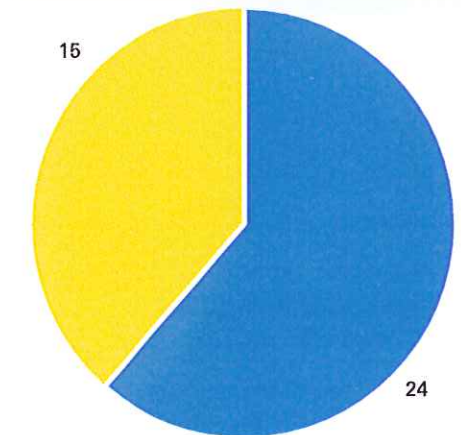
Proposal category	ASIA PACIFIC		
	For	Against	Abstain
Anti-takeover Related	2		
Capitalisation	27	13	
Directors related	107	12	
Non-salary compensation	33	3	
Reorganisations and mergers	12	1	
Routine/Business	54	4	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business	2		
SH-Soc./Human Rights			
Social Proposal			
Total	237	33	
Total resolutions		270	
No. AGMs		18	
No. EGMs		11	
No. of companies voted		39	
No. of companies where voted against/abstain at least one resolution		15	
% no. of companies where at least one vote against		38%	

Voting issue breakdown (against)



- Capitalisation
- Directors related
- Non-salary comp.
- Reorg. and mergers
- Routine/Business

Number of companies voted for/against



- No. of companies supported
- No. of companies where voted against/abstain at least one resolution

'LGIM voted against at least one resolution at 38% of Asia Pacific companies over the quarter.'

Source for all data LGIM. The votes above represents against management voting instructions for our main FTSE pooled index funds

Regional updates

Emerging markets

KEY EMERGING MARKET COMPANY ENGAGEMENTS

JBS SA	What is the issue?
Market cap BRL 22.87bn	JBS, the world’s largest meat processing company by revenue, has been plagued by a series of scandals. These include bribery of politicians, health concerns over tainted meat, revelations of slave labour and unsustainable supply chains.
Food, Beverage & Tobacco	Why is it an issue?
Brazil	With senior executives (including its former CEO) now under arrest on corruption charges, the company has suffered losses to its stock price, credit rating and reputation. Shareholders are not the only ones affected. It was also revealed that the company purchased cattle raised by slave workers on illegally deforested land. This is a pressing problem considering that Brazil having seen an estimated 13,000 workers freed from modern-day slavery on cattle farms ¹ . Deforestation is also responsible for nearly 20 per cent of global carbon emissions, more than the entire transportation system ² .
	What did LGIM do?
	Given our concerns around board independence, we opposed the election of five directors at the company’s AGM in April 2017.
	LGIM also put its weight behind a coalition of investors with a combined \$4 trillion in AUM, writing to the company’s management to express their concern and request significant improvements to the governance of the company and the oversight of ESG factors. Moreover, with cattle raising being identified as the main driver of tropical deforestation in Brazil, we focused particularly on the lack of sustainability expertise on the board. As part of our proposed solutions, we asked for a clear link between ESG performance and the long-term compensation of its executives.
	What was the outcome?
	The investor coalition will now seek direct engagement with the company’s leadership team in order to press for change.

1. <https://www.theguardian.com/global-development/2017/jun/06/waitrose-pulls-its-corned-beef-off-shelves-after-guardian-reveals-alleged-slavery-links-brazil>

2. <https://www.forestry.gov.uk/forestry/infd-7m8mnm>

KEY EMERGING MARKET COMPANY ENGAGEMENTS

<p>China A-shares Inclusion in MSCI</p>	<p>What is the issue?</p> <p>After a four year review process, at the end of June 2017, MSCI announced that China domestically listed companies (A-shares) will be included in the MSCI Emerging Market index for the first time.</p> <p>Currently, Chinese companies eligible for MSCI Emerging market inclusion had to be listed outside of China, normally through the H-share market in Hong Kong.</p> <p>Whilst initially the allocation in the index to domestic A-shares will be minimal, however this is expected to increase over time.</p> <p>Why is it an issue?</p> <p>We would welcome stronger corporate governance standards and improved transparency of many companies listed on China's two stock markets, Shenzhen and Shanghai Stock Exchange.</p> <p>China's first corporate governance code was released in 2002, and has not been updated since. The China Securities Regulatory Commission has announced a review into the code. With increasing interest and inflow of foreign capital we also have concerns with the minimal disclosures on governance and other environmental and social issues in addition to disclosure in English.</p> <p>What did LGIM do?</p> <p>In September 2017, LGIM visited China along with other investors, as part of an engagement event organised by the Asian Corporate Governance Association. We met with representatives from regulators, government, the stock exchanges and both company and domestic asset managers.</p> <p>The key message from LGIM was setting out our expectations for the corporate governance code, improving transparency in company reporting and the development of the concept of investor stewardship.</p> <p>What was the outcome?</p> <p>Following our discussions in China, we are now pursuing a number of follow-up activities before inclusion of the A-shares in the index.</p>
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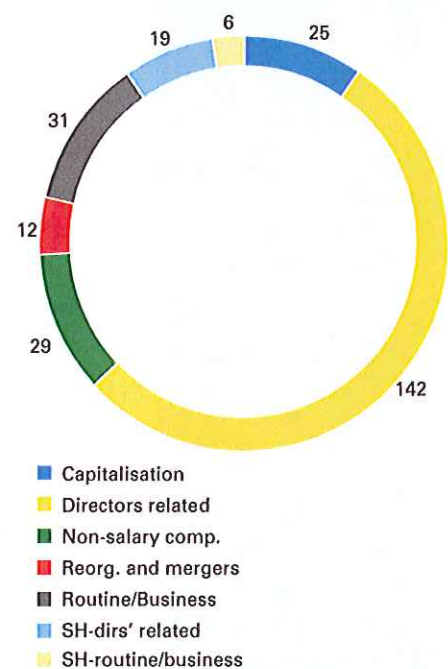
Regional updates

Emerging markets

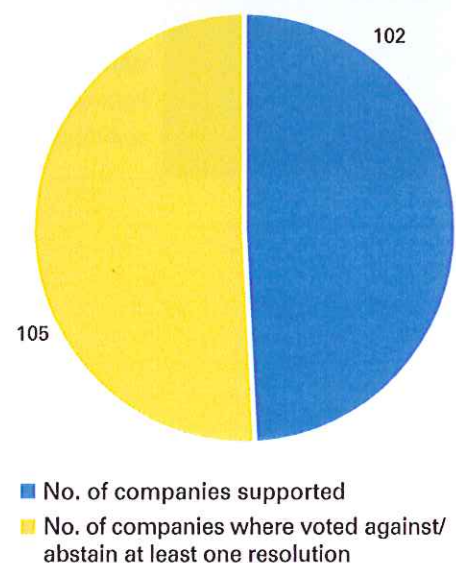
Q3 2017 VOTING SUMMARY EMERGING MARKETS

Proposal category	EMERGING MARKETS		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	298	25	
Directors related	452	142	
Non-salary compensation	98	29	
Reorganisations and mergers	65	12	
Routine/Business	588	30	1
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related	1	19	
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business		6	
SH-Soc./Human Rights			
Social Proposal			
Total	1502	263	1
Total resolutions		1766	
No. AGMs		131	
No. EGMs		94	
No. of companies voted		207	
No. of companies where voted against/abstain at least one resolution		105	
% no. of companies where at least one vote against		51%	

Voting issue breakdown (against and abstain)



Number of companies voted for/against/abstain



'LGIM voted against at least one resolution at 51% of emerging markets companies over the quarter.'

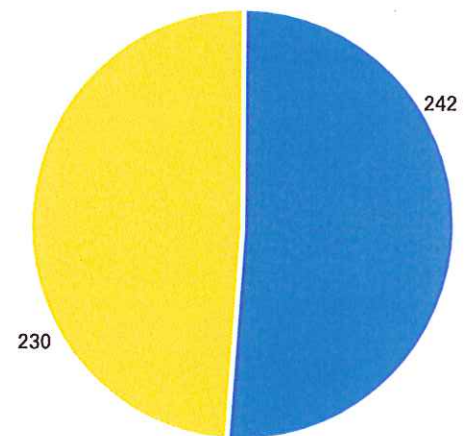
Source for all data LGIM. The votes above represents against management voting instructions for our main FTSE pooled index funds

Global summary

VOTING TOTALS

Proposal category	For	Against	Abstain	Total
Anti-takeover Related	109			109
Capitalisation	853	58		911
Directors related	1876	257		2133
Non-salary compensation	440	111		551
Reorganisations and mergers	113	30		143
Routine/Business	1342	47	1	1390
SH-Compensation		2		2
SH-Corp Governance	1	1		2
SH-Dirs' Related	2	24		26
SH-Gen Econ Issues	0	0	0	0
Shareholder - Health/Environment	1	1		2
SH-Other/misc.	1	3		4
SH-Routine/Business	2	7		9
SH-Soc./Human Rights	0	0	0	0
Social Proposal	0	0	0	0
Total resolutions	4740	541	1	5282
No. AGMs	342			
No. EGMs	152			
No. of companies voted	472			
No. of companies where voted against/abstain at least one resolution	230			
% no. of companies where at least one vote against	55%			

Number of companies voted for/against/abstain



- No. of companies supported
- No. of companies where voted against/abstain at least one resolution

Top three engagement themes this quarter

Strategy

Board composition

Succession planning

COMPANY ENGAGEMENT STATISTICS

Proposal category	Total
Total number of companies	56
Total number of meetings	66
Number of meetings where environmental topics discussed	15
Number of meetings where social topics discussed	22
Number of meetings where governance topics discussed	41
Number of meetings where other topics (e.g. financial and strategy) discussed	50
% of meetings including environmental and social issues discussed	50%

To read more about LGIM's engagement activity in 2016, including many more examples of where we have helped deliver long-term positive change, please visit www.lgim.com/activeowner



CONTACT US FOR MORE INFORMATION

For further information on anything you have read in this report or to provide feedback, please contact us at corporategovernance@lgim.com. Please visit our website www.lgim.com/corporategovernance where you will also find more information including frequently asked questions.

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