

VOTING AND ENGAGEMENT ACTIVITY

Welcome to your Quarterly Report's new Engagement Activity section. Here we share company engagement reports and voting notes on particular issues that we trust you will find of interest.

Please note that these company reports are firm wide to give you a full picture of Majedie's stewardship work on behalf of all clients. However, the voting record table which follows is bespoke.

- During the quarter, we responded to the Financial Reporting Council's (FRC) consultation on changes to the UK Corporate Governance Code, as well as some high-level questions it asked on the UK Stewardship Code. We welcomed the continuation of the principles of comply or explain as we support companies and investors taking the opportunity to explain their approach rather than merely provide box-ticking returns. We believe the new emphasis on companies' explanation of how the Principles have been applied and the outcomes will be a helpful addition. Our response can be read in the consultation section of the FRC's website.
- We worked on our first submission to the PRI, having become a signatory in January 2017. We submitted our report, which is a voluntary option for first-year signatories, at the start of April 2018.
- We completed our 2017 Responsible Capitalism Report, which was distributed to clients in early April 2018.

We engaged with a number of company management teams over the quarter, examples of which we give below.

- We met **Pearson's** Chief Technology Officer and product development executives to discuss next generation digital adaptive software. This applies machine learning and leverages IBM's artificial intelligence system Watson. For example, it uses innovative maths software to scan a student's handwritten maths problems. It can provide feedback on not only the correct solution, but also the steps the student has taken to get there before automatically relaying advice to the student and feedback to teachers.
- At **Parsley Energy**, 2017 had been disappointing on execution due to a number of poor oil well results, compounded by weak communication with the market (they had raised guidance early in the year, then downgraded it in the second half). In Q1, we met with the company's new CEO at a conference we were attending. In the meeting, we focused on simplification of the 2018 capital program, management capabilities, internal hires in the last year and the longer-term strategy.
- **Saga** consulted us on their proposed changes to the company's Remuneration Policy. In our response we noted that our preference is for a greater shareholding requirement for the CEO and CFO in order to achieve closer alignment with shareholder interests. We also mentioned the trend towards companies giving more data, with contextual analysis, on the ratio between the executive committee and average employee earnings. The company then made the following adjustments:
 - *'Under the new Policy the Committee has raised the minimum shareholding requirement for the CEO from 200% of salary to 250% and for the CFO from 150% of salary to 200%;*
 - *The disclosure of compensation ratios is not common at the moment in listed companies (although it will become more so when the Regulations are changed); however Saga as an early adopter is providing this information in the Company's 2017/18 Remuneration Committee Report.'*

- **Tesco, EGM:** We voted to approve Tesco's acquisition of Booker Group. The acquisition took place just over a year since it was first mooted, following the UK Competition and Markets Authority's inquiry and subsequent approval of the deal.
- **GVC and Ladbrokes Coral, EGMs:** We voted in favour of agenda items at both companies' meetings to approve the acquisition of Ladbrokes Coral by GVC.
- **AmerisourceBergen, AGM:** We voted in favour of a shareholder resolution that required the company to report on governance measures that the company has implemented regarding opioids. The Board felt that the report was unnecessary as it already had relevant disclosures in place, however we agreed with third-party research that it would be worthwhile to have more specific information about proactive steps the Board is taking to oversee and mitigate risks related to opioid distribution. Thus, our vote was against the Board's position.
- **MegaFon, EGM:** We voted against approving the remuneration of the directors, as the company proposed making severance payments to two independent directors who left the Board in January 2018. We did not view this as good practice; retrospective payment of fees for service in previous years falls short of best corporate governance practices and these arrangements are regarded as unusual. We have since sold our position.
- **CareTech, AGM:** We voted in favour of the company's Remuneration Report. We noted that the Finance Director had received a significant increase of approximately 22% over his base salary. External research had recommended a vote against the Report, as the company had not provided a reason for the increase. We engaged with the company, which advised us that the Remuneration Committee had commissioned Deloitte to produce an independent benchmarking and advisory report, and the Report's recommendations were subsequently adopted. This resulted in the significant increase to the Finance Director's salary, to bring it into line with market levels. We were therefore content to approve the Report given the company had provided a suitable reason, however we do not expect to see such increases in future, given the significant boosts to pay granted to executive directors in recent years.

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 £1.7bn 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 RECORD 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	18	
Number of resolutions	204	
Where we voted in line with Management	202	99.0
Where we have not voted in line with Management	2	1.0

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 abstained.

CATEGORY	AGAINST MANAGEMENT	ABSTAIN
Board election & related proposals	1	0
Capitalisation	1	0
Miscellaneous	0	0
Remuneration	0	0
Reorganisations, mergers & anti-takeover	0	0
Routine/Business	0	0
Total	2	0

Sources: Majedie, ISS (Institutional Shareholder Services)

VOTING RECORD DETAILS

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE
CARETECH	06 Mar 2018	AGM	Against Resolution 9
CENTAMIN	26 Mar 2018	AGM	Voted for all
CHEMRING	20 Mar 2018	AGM	Voted for all
CONYGAR INVESTMENT	25 Jan 2018	AGM	Voted for all
EI GROUP	08 Feb 2018	AGM	Voted for all
EUROMONEY	01 Feb 2018	AGM	Voted for all
GVC HOLDINGS	08 Mar 2018	EGM	Voted for all
ITE GROUP	25 Jan 2018	AGM	Voted for all
KAO CORP	23 Mar 2018	AGM	Voted for all
LONMIN	15 Mar 2018	AGM	Against Resolution 9
PATISSERIE	30 Jan 2018	AGM	Voted for all
PROVIDENT FINANCIAL	21 Mar 2018	EGM	Voted for all
RM	21 Mar 2018	AGM	Voted for all
RWS HOLDINGS	13 Feb 2018	AGM	Voted for all
SAGE GROUP	28 Feb 2018	AGM	Voted for all
TESCO	28 Feb 2018	EGM	Voted for all
TRINITY MIRROR	27 Feb 2018	EGM	Voted for all
XAFINITY	04 Jan 2018	EGM	Voted for all

Source: Majedie

HARRIS ASSOCIATES L.P.

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Harris Associates L.P.

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

Samsung Electronics Co. Ltd.

Meeting Date: 03/23/2018

Country: South Korea

Primary Security ID: Y74718100

Record Date: 12/31/2017

Meeting Type: Annual

Ticker: A005930

Primary CUSIP: Y74718100

Primary ISIN: KR7005930003

Primary SEDOL: 6771720

Shares Voted: 140

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Approve Financial Statements and Allocation of Income	Mgmt	For	For	For	For
2.1.1	Elect Kim Jeong-hun as Outside Director	Mgmt	For	For	For	For
2.1.2	Elect Kim Sun-uk as Outside Director	Mgmt	For	For	For	For
2.1.3	Elect Park Byung-gook as Outside Director	Mgmt	For	For	For	For
2.2.1	Elect Lee Sang-hoon as Inside Director	Mgmt	For	Against	For	For
2.2.2	Elect Kim Ki-nam as Inside Director	Mgmt	For	For	For	For
2.2.3	Elect Kim Hyun-suk as Inside Director	Mgmt	For	For	For	For
2.2.4	Elect Koh Dong-jin as Inside Director	Mgmt	For	For	For	For
2.3	Elect Kim Sun-uk as a Member of Audit Committee	Mgmt	For	For	Refer	For
3	Approve Total Remuneration of Inside Directors and Outside Directors	Mgmt	For	For	For	For
4	Amend Articles of Incorporation	Mgmt	For	For	Refer	For



Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Visa Inc.

Meeting Date: 01/30/2018

Country: USA

Primary Security ID: 92826C839

Meeting ID: 1190870

Record Date: 12/01/2017

Meeting Type: Annual

Ticker: V

Primary CUSIP: 92826C839

Primary ISIN: US92826C8394

Primary SEDOL: B2PZN04

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Lloyd A. Carney	Mgmt	For	For
1b	Elect Director Mary B. Cranston	Mgmt	For	For
1c	Elect Director Francisco Javier Fernandez-Carbajal	Mgmt	For	For
1d	Elect Director Gary A. Hoffman	Mgmt	For	For
1e	Elect Director Alfred F. Kelly, Jr.	Mgmt	For	For
1f	Elect Director John F. Lundgren	Mgmt	For	For
1g	Elect Director Robert W. Matschullat	Mgmt	For	For
1h	Elect Director Suzanne Nora Johnson	Mgmt	For	For
1i	Elect Director John A.C. Swainson	Mgmt	For	For
1j	Elect Director Maynard G. Webb, Jr.	Mgmt	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Ratify KPMG LLP as Auditors	Mgmt	For	For

Monsanto Company

Meeting Date: 01/31/2018

Country: USA

Primary Security ID: 61166W101

Meeting ID: 1193235

Record Date: 12/15/2017

Meeting Type: Annual

Ticker: MON

Primary CUSIP: 61166W101

Primary ISIN: US61166W1018

Primary SEDOL: 2654320

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Dwight M. 'Mitch' Barns	Mgmt	For	For
1b	Elect Director Gregory H. Boyce	Mgmt	For	For
1c	Elect Director David L. Chicoine	Mgmt	For	For
1d	Elect Director Janice L. Fields	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Monsanto Company

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1e	Elect Director Hugh Grant	Mgmt	For	For
1f	Elect Director Laura K. Ipsen	Mgmt	For	For
1g	Elect Director Marcos M. Lutz	Mgmt	For	For
1h	Elect Director C. Steven McMillan	Mgmt	For	For
1i	Elect Director Jon R. Moeller	Mgmt	For	For
1j	Elect Director George H. Poste	Mgmt	For	For
1k	Elect Director Robert J. Stevens	Mgmt	For	For
1l	Elect Director Patricia Verduin	Mgmt	For	For
2	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Amend Bylaws to Create Board Human Rights Committee	SH	Against	Against

Sally Beauty Holdings, Inc.

Meeting Date: 02/01/2018

Country: USA

Primary Security ID: 79546E104

Meeting ID: 1192253

Record Date: 12/07/2017

Meeting Type: Annual

Ticker: SBH

Primary CUSIP: 79546E104

Primary ISIN: US79546E1047

Primary SEDOL: B1GZ005

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Katherine Button Bell	Mgmt	For	For
1.2	Elect Director Christian A. Brickman	Mgmt	For	For
1.3	Elect Director Marshall E. Eisenberg	Mgmt	For	For
1.4	Elect Director David W. Gibbs	Mgmt	For	For
1.5	Elect Director Linda Heasley	Mgmt	For	For
1.6	Elect Director Joseph C. Magnacca	Mgmt	For	For
1.7	Elect Director Robert R. McMaster	Mgmt	For	For
1.8	Elect Director John A. Miller	Mgmt	For	For
1.9	Elect Director Susan R. Mulder	Mgmt	For	For
1.10	Elect Director Edward W. Rabin	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Sally Beauty Holdings, Inc.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Ratify KPMG LLP as Auditors	Mgmt	For	For

Accenture plc

Meeting Date: 02/07/2018

Country: Ireland

Primary Security ID: G1151C101

Meeting ID: 1192342

Record Date: 12/11/2017

Meeting Type: Annual

Ticker: ACN

Primary CUSIP: G1151C101

Primary ISIN: IE00B4BNMY34

Primary SEDOL: B4BNMY3

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Jaime Ardila	Mgmt	For	For
1b	Elect Director Charles H. Giancarlo	Mgmt	For	For
1c	Elect Director Herbert Hainer	Mgmt	For	For
1d	Elect Director Marjorie Magner	Mgmt	For	For
1e	Elect Director Nancy McKinstry	Mgmt	For	For
1f	Elect Director Pierre Nanterme	Mgmt	For	For
1g	Elect Director Gilles C. Pelisson	Mgmt	For	For
1h	Elect Director Paula A. Price	Mgmt	For	For
1i	Elect Director Arun Sarin	Mgmt	For	For
1j	Elect Director Frank K. Tang	Mgmt	For	For
1k	Elect Director Tracey T. Travis	Mgmt	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Amend Omnibus Stock Plan	Mgmt	For	For
4	Approve KPMG LLP as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
5	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights	Mgmt	For	For
6	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Mgmt	For	For
7	Determine the Price Range at which Accenture Plc can Re-issue Shares that it Acquires as Treasury Stock	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Accenture plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
8	Approve Merger Agreement	Mgmt	For	For
9	Amend Articles of Association to No Longer Require Shareholder Approval of Certain Internal Transactions	Mgmt	For	For

Compass Group PLC

Meeting Date: 02/08/2018

Country: United Kingdom

Primary Security ID: G23296208

Meeting ID: 1188195

Record Date: 02/06/2018

Meeting Type: Annual

Ticker: CPG

Primary CUSIP: G23296182

Primary ISIN: G800BD6K4575

Primary SEDOL: BD6K457

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 Dominic Blakemore as Director	Mgmt	For	For
6	Re-elect Richard Cousins as Director (Withdrawn Resolution)	Mgmt	For	Abstain
7	Re-elect Gary Green as Director	Mgmt	For	For
8	Re-elect Johnny Thomson as Director	Mgmt	For	For
9	Re-elect Carol Arrowsmith as Director	Mgmt	For	For
10	Re-elect John Bason as Director	Mgmt	For	For
11	Re-elect Stefan Bomhard as Director	Mgmt	For	For
12	Re-elect Don Robert as Director	Mgmt	For	For
13	Re-elect Nelson Silva as Director	Mgmt	For	For
14	Re-elect Ireneena Vittal as Director	Mgmt	For	For
15	Re-elect Paul Walsh as Director	Mgmt	For	For
16	Reappoint KPMG LLP as Auditors	Mgmt	For	For
17	Authorise the Audit Committee to Fix Remuneration of Auditors	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Compass Group PLC

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
18	Authorise EU Political Donations and Expenditure	Mgmt	For	For
19	Approve Long Term Incentive Plan	Mgmt	For	For
20	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For
21	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For
22	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Mgmt	For	For
23	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For
24	Authorise the Company to Call General Meeting with 14 Working Days' Notice	Mgmt	For	For

Franklin Resources, Inc.

Meeting Date: 02/14/2018

Country: USA

Primary Security ID: 354613101

Meeting ID: 1194657

Record Date: 12/18/2017

Meeting Type: Annual

Ticker: BEN

Primary CUSIP: 354613101

Primary ISIN: US3546131018

Primary SEDOL: 2350684

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Peter K. Barker	Mgmt	For	For
1b	Elect Director Mariann Byerwalter	Mgmt	For	For
1c	Elect Director Charles E. Johnson	Mgmt	For	For
1d	Elect Director Gregory E. Johnson	Mgmt	For	For
1e	Elect Director Rupert H. Johnson, Jr.	Mgmt	For	For
1f	Elect Director Mark C. Pigott	Mgmt	For	For
1g	Elect Director Chutta Ratnathicam	Mgmt	For	For
1h	Elect Director Laura Stein	Mgmt	For	For
1i	Elect Director Seth H. Waugh	Mgmt	For	For
1j	Elect Director Geoffrey Y. Yang	Mgmt	For	For
2	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
3	Report on Lobbying Payments and Policy	SH	Against	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

The Walt Disney Company

Meeting Date: 03/08/2018

Country: USA

Primary Security ID: 254687106

Meeting ID: 1196130

Record Date: 01/08/2018

Meeting Type: Annual

Ticker: DIS

Primary CUSIP: 254687106

Primary ISIN: US2546871060

Primary SEDOL: 2270726

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director Susan E. Arnold	Mgmt	For	For
1b	Elect Director Mary T. Barra	Mgmt	For	For
1c	Elect Director Safra A. Catz	Mgmt	For	For
1d	Elect Director John S. Chen	Mgmt	For	For
1e	Elect Director Francis A. deSouza	Mgmt	For	For
1f	Elect Director Robert A. Iger	Mgmt	For	For
1g	Elect Director Maria Elena Lagomasino	Mgmt	For	Against
1h	Elect Director Fred H. Langhammer	Mgmt	For	For
1i	Elect Director Aylwin B. Lewis	Mgmt	For	For
1j	Elect Director Mark G. Parker	Mgmt	For	For
2	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
3	Amend Executive Incentive Bonus Plan	Mgmt	For	For
4	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
5	Report on Lobbying Payments and Policy	SH	Against	For
6	Proxy Access Bylaw Amendment	SH	Against	Against

Carlsberg

Meeting Date: 03/14/2018

Country: Denmark

Primary Security ID: K36628137

Meeting ID: 1195868

Record Date: 03/07/2018

Meeting Type: Annual

Ticker: CARL B

Primary CUSIP: K36628137

Primary ISIN: DK0010181759

Primary SEDOL: 4169219

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Receive Report of Board	Mgmt		

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Carlsberg

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Accept Financial Statements and Statutory Reports; Approve Discharge of Management and Board	Mgmt	For	For
3	Approve Allocation of Income and Dividends of DKK 16 Per Share	Mgmt	For	For
4a	Approve Remuneration of Directors in the Amount of DKK 1.85 Million for Chairman, DKK 618,000 for Vice Chair, and DKK 412,000 for Other Directors; Approve Remuneration for Committee Work	Mgmt	For	Abstain
4b	Authorize Share Repurchase Program	Mgmt	For	For
5a	Reelect Flemming Besenbacher as Director	Mgmt	For	For
5b	Reelect Lars Reblen Sorensen as Director	Mgmt	For	For
5c	Reelect Carl Bache as Director	Mgmt	For	For
5d	Reelect Richard Burrows as Director	Mgmt	For	For
5e	Reelect Donna Cordner as Director	Mgmt	For	For
5f	Reelect Nancy Cruickshank as Director	Mgmt	For	For
5g	Reelect Soren-Peter Fuchs Olesen as Director	Mgmt	For	For
5h	Reelect Nina Smith as Director	Mgmt	For	For
5i	Reelect Lars Stemmerik as Director	Mgmt	For	For
5j	Elect Magdi Batato as New Director	Mgmt	For	For
6	Ratify PricewaterhouseCoopers as Auditors	Mgmt	For	For

THE COOPER COMPANIES, INC.

Meeting Date: 03/19/2018

Country: USA

Primary Security ID: 216648402

Meeting ID: 1199100

Record Date: 01/23/2018

Meeting Type: Annual

Ticker: COO

Primary CUSIP: 216648402

Primary ISIN: US2166484020

Primary SEDOL: 2222631

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director A. Thomas Bender	Mgmt	For	For
1.2	Elect Director Colleen E. Jay	Mgmt	For	For
1.3	Elect Director Michael H. Kalkstein	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

THE COOPER COMPANIES, INC.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.4	Elect Director William A. Kozy	Mgmt	For	For
1.5	Elect Director Jody S. Lindell	Mgmt	For	For
1.6	Elect Director Gary S. Petersmeyer	Mgmt	For	For
1.7	Elect Director Allan E. Rubenstein	Mgmt	For	For
1.8	Elect Director Robert S. Weiss	Mgmt	For	For
1.9	Elect Director Stanley Zinberg	Mgmt	For	For
2	Ratify KPMG LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Report on the Feasibility of Achieving Net Zero GHG Emissions	SH	Against	Against

Kubota Corporation

Meeting Date: 03/23/2018

Country: Japan

Primary Security ID: J36662138

Meeting ID: 1203837

Record Date: 12/31/2017

Meeting Type: Annual

Ticker: 6326

Primary CUSIP: J36662138

Primary ISIN: JP3266400005

Primary SEDOL: 6497509

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Kimata, Masatoshi	Mgmt	For	For
1.2	Elect Director Kubo, Toshihiro	Mgmt	For	For
1.3	Elect Director Kimura, Shigeru	Mgmt	For	For
1.4	Elect Director Ogawa, Kenshiro	Mgmt	For	For
1.5	Elect Director Kitao, Yulchi	Mgmt	For	For
1.6	Elect Director Yoshikawa, Masato	Mgmt	For	For
1.7	Elect Director Sasaki, Shinji	Mgmt	For	For
1.8	Elect Director Matsuda, Yuzuru	Mgmt	For	For
1.9	Elect Director Ina, Koichi	Mgmt	For	For
1.10	Elect Director Shintaku, Yutaro	Mgmt	For	For
2.1	Appoint Statutory Auditor Fukuyama, Toshikazu	Mgmt	For	For
2.2	Appoint Statutory Auditor Hiyama, Yasuhiko	Mgmt	For	For

Vote Summary Report

Date range covered: 01/01/2018 to 03/31/2018

Location(s): Massachusetts Financial Services

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

Kubota Corporation

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2.3	Appoint Statutory Auditor Fujiwara, Masaki	Mgmt	For	For
3	Approve Compensation Ceiling for Directors	Mgmt	For	For
4	Approve Annual Bonus	Mgmt	For	For

Samsung Electronics Co. Ltd.

Meeting Date: 03/23/2018

Country: South Korea

Primary Security ID: Y74718100

Meeting ID: 1198691

Record Date: 12/31/2017

Meeting Type: Annual

Ticker: A005930

Primary CUSIP: Y74718100

Primary ISIN: KR7005930003

Primary SEDOL: 6771720

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Financial Statements and Allocation of Income	Mgmt	For	For
2.1.1	Elect Kim Jeong-hun as Outside Director	Mgmt	For	For
2.1.2	Elect Kim Sun-uk as Outside Director	Mgmt	For	For
2.1.3	Elect Park Byung-gook as Outside Director	Mgmt	For	For
2.2.1	Elect Lee Sang-hoon as Inside Director	Mgmt	For	Against
2.2.2	Elect Kim Ki-nam as Inside Director	Mgmt	For	For
2.2.3	Elect Kim Hyun-suk as Inside Director	Mgmt	For	For
2.2.4	Elect Koh Dong-jin as Inside Director	Mgmt	For	For
2.3	Elect Kim Sun-uk as a Member of Audit Committee	Mgmt	For	For
3	Approve Total Remuneration of Inside Directors and Outside Directors	Mgmt	For	For
4	Amend Articles of Incorporation	Mgmt	For	For

Vote Summary Report

Date range covered : 01/01/2018 to 03/31/2018

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

Vantiv, Inc.

Meeting Date: 01/08/2018

Country: USA

Meeting Type: Special

Ticker: VNTV

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Issue Shares in Connection with Acquisition	Mgmt	For	For	Refer	For
2	Adjourn Meeting	Mgmt	For	For	For	For

Samsung Electronics Co. Ltd.

Meeting Date: 03/23/2018

Country: South Korea

Meeting Type: Annual

Ticker: A005930

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1	Approve Financial Statements and Allocation of Income	Mgmt	For	For	For	For
2.1.1	Elect Kim Jeong-hun as Outside Director	Mgmt	For	For	For	For
2.1.2	Elect Kim Sun-uk as Outside Director	Mgmt	For	For	For	Against
2.1.3	Elect Park Byung-gook as Outside Director	Mgmt	For	For	For	Against
2.2.1	Elect Lee Sang-hoon as Inside Director	Mgmt	For	Against	For	Against
2.2.2	Elect Kim Ki-nam as Inside Director	Mgmt	For	For	For	For
2.2.3	Elect Kim Hyun-suk as Inside Director	Mgmt	For	For	For	For



Investec
Asset Management

Vote Summary Report

Date range covered : 01/01/2018 to 03/31/2018

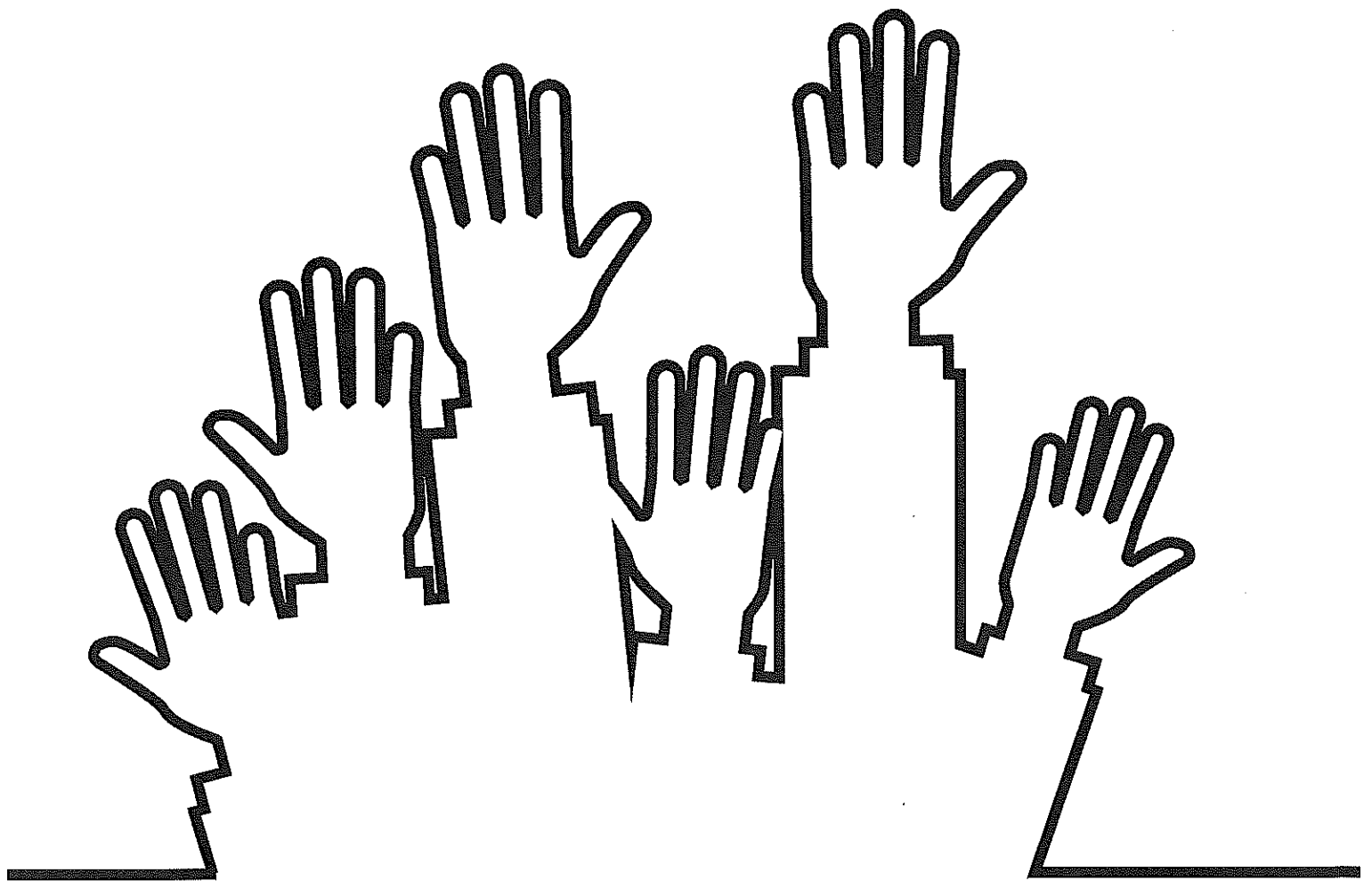
Institution Account(s): Investec Funds Series III - Global Dynamic

Samsung Electronics Co. Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
2.2.4	Elect Koh Dong-jin as Inside Director	Mgmt	For	For	For	For
2.3	Elect Kim Sun-uk as a Member of Audit Committee	Mgmt	For	For	For	Against
3	Approve Total Remuneration of Inside Directors and Outside Directors	Mgmt	For	For	For	For
4	Amend Articles of Incorporation	Mgmt	For	For	For	For

Active ownership

Q1 2018 ESG Impact Report

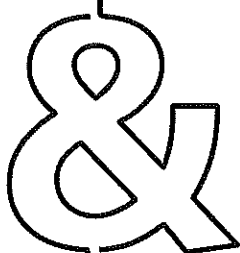


Active ownership means using our scale and influence to bring about **real, positive change to create sustainable investor value.**

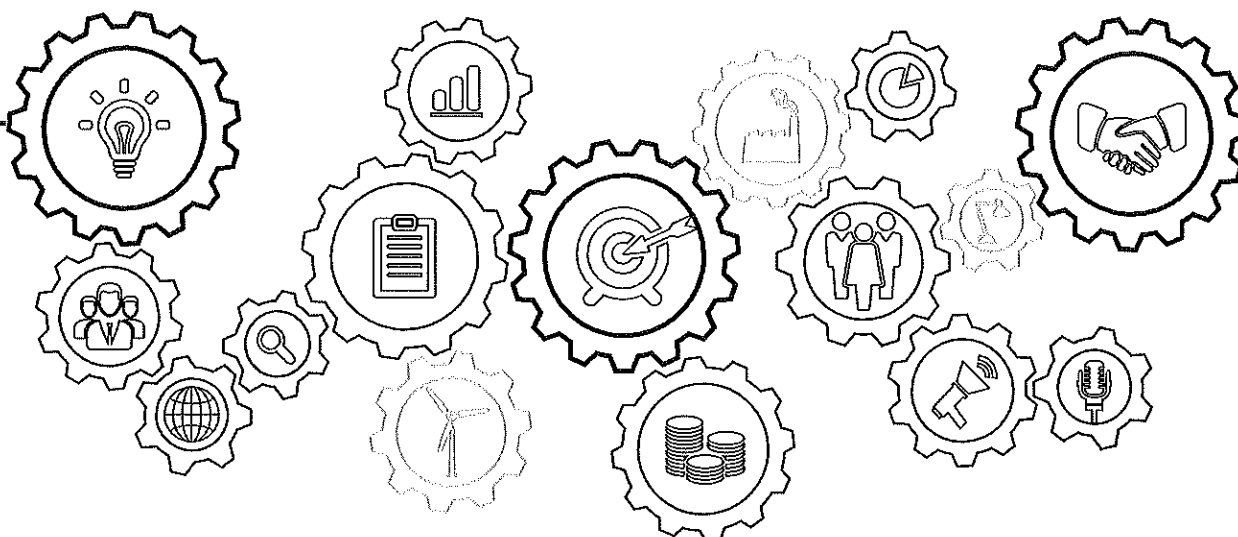
Our mission

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 active and enhanced index mandates incorporate ESG factors in the investment process and we consider ESG factors when voting our holdings in all strategies.

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 first quarter

UK CORPORATE GOVERNANCE AND STEWARDSHIP CODE CONSULTATION

In February, LGIM responded to the consultation by the Financial Reporting Council (FRC) on proposed changes to the UK Corporate Governance and Stewardship Codes.

LGIM highlighted its support for the changes to the Corporate Governance Code, which has been strengthened in key areas such as board diversity, director independence and consideration of the stakeholder voice. Furthermore, a key feature of our submission to the FRC included new recommendations to improve stewardship in the UK. We highlighted how a number of areas of the Stewardship Code, including those related to disclosure by signatories, assurance and oversight of the Code can be enhanced to reinforce good stewardship.

LGIM's response is publicly disclosed and can be found on the **FRC's website**.

PUBLIC POLICY RESPONSES IN ASIA

We responded to a consultation launched by the Hang Seng Index on the inclusion of issuers with Weighted Voting Rights (WVR) in its indices. LGIM explained that this framework prevents mechanisms in the market from working effectively and that we are not supportive of its implementation. This is a message we have sent consistently to all indices.

A similar response was also given to the Hong Kong Stock Exchange on its consultation relating to biotech, innovative companies and issuers with WVR. We recommended the strengthening of corporate governance protections for investors and the establishment of sunset provisions to mitigate risks associated with unequal voting rights.

LGIM also submitted a response to the Monetary Authority of Singapore on its recommendations to improve the Corporate Governance Code. We highlighted a proposal to implement a two-tier voting regime to enhance the voice of minority shareholders where a controlling shareholder is present.

LAUNCH OF L&G FUTURE WORLD EQUITY FACTORS INDEX FUND

In January, LGIM launched the **L&G Future World Equity Factors Index Fund** for UK retail investors. This new fund mirrors the Future World Fund launched in November 2016 for institutional DB and DC investors.

NEW LGIM VOTING AND ENGAGEMENT POLICIES

We reviewed and updated all our voting policies to ensure they remain aligned with evolutions in the corporate landscape and that they continue to respect our clients' investment beliefs and represent their interests. We also took into account the outcomes of our stakeholder roundtables on governance and sustainability.

LGIM's new policies include our **Global Corporate Governance & Responsible Investment Principles** document, which sets out LGIM's approach and minimum expectations with respect to key topics we believe are essential for an efficient governance framework and for building a sustainable business model globally.

We took a stronger approach on some topics such as boardroom diversity by expecting at least one woman on the board, board independence with a minimum threshold of 30% of independent directors, and director tenure. We also added new sections on stakeholder engagement and virtual-only shareholder meetings.

This Principles document is to be read in conjunction with our stricter region-specific policies such as **North America**, the **UK** and **Japan**. These policies set out where LGIM's expectations differ from our Principles document or where issues are specific to their market. These policies were also reviewed and updated.

In addition, LGIM has made the rationale for all votes against management globally publicly available in our **monthly voting reports**, available on our website.

EXTERNAL PRESENTATIONS

As LGIM is developing its Future World strategy, we met various actors in the pension industry in the US to present LGIM's products, strategy and actions in the field of ESG and responsible investment.

Furthermore, as part of the 7th annual World Pensions & Investment Forum held in Paris, we participated in a panel discussion on how institutional investors are filling the gap of ESG and sustainability after the Paris Agreement.

We also took part in a panel discussion at the European Bank for Reconstruction and Development on the topic of the effective board, including what needs to be done further.

NEWS/MEDIA COVERAGE

In response to the collapse of construction company Carillion, our director of corporate governance published an **editorial** in the Financial Times on structural problems of UK companies and the key corporate governance principles that can act as a remedy to these issues.

LGIM was also mentioned in an **article** by The Times on the importance of pre-emption rights for shareholders in relation to the decision of the telecoms company TalkTalk to raise the equivalent of 20% of its share capital on a non-pre-emptive basis through a placing.

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

Regional updates

UK

KEY UK COMPANY ENGAGEMENTS

<p>Aviva Plc</p>	<p>What is the issue? At the company's full-year results presentation on 8 March 2017, the CEO announced Aviva's intention to reduce its hybrid debt by cancelling its preference shares.</p>
<p>Insurance</p>	
<p>Market Cap £19.7 billion</p>	<p>Whilst the preference shares are "irredeemable", it appears that there is a mechanism to cancel the preference shares through a court-approved reduction of capital. However, there was debate about whether this was in fact permissible.</p> <p>Why is it an issue? LGIM is a holder of both ordinary and preference shares, which have suffered material losses since the announcement.</p> <p>There has also been negative media coverage of the proposed cancellation, including comments from retail investors who were large holders of the preference shares.</p> <p>Furthermore, the Treasury Select Committee has written a letter to the head of the Financial Conduct Authority (FCA) requesting answers. The FCA responded by also questioning Aviva's decision.</p> <p>What did LGIM do? LGIM collaboratively engaged on this matter with other investors representing approximately 35% of the company's issued share capital.</p> <p>A joint meeting was held with the board Chairman to better understand the decision-making process behind the cancellation of irredeemable preference shares.</p> <p>Furthermore, a message was sent to the company that LGIM would vote against such a move if a shareholder vote was required to cancel the preference shares.</p> <p>What was the outcome? On 23 March 2017, Aviva announced that it had reversed its decision to cancel the preference shares. LGIM welcomed the response and stated this publicly. Aviva's decision followed constructive engagement with shareholders, where the company listened to our concerns.</p> <p>We will be examining the wider implications of similar companies potentially seeking to cancel irredeemable preference shares, and will monitor future action closely.</p>

KEY UK COMPANY ENGAGEMENTS

Victrex plc	<p>What is the issue?</p>
Materials	<p>LGIM noted that the Chair of the audit committee of Victrex had also been Chair of the audit committee of construction company Carillion for six years. This director was up for re-election at Victrex's shareholder meeting in February 2018.</p>
Market Cap £2.07 billion	<p>In January this year, Carillion entered compulsory liquidation.</p> <p>Shortly after the announcement, UK regulators launched investigations into some of Carillion's directors, including its former Chair of the audit committee.</p> <p>These events affected our confidence in this director's ability to exercise his duties as Chair of the audit committee at Victrex and to commit sufficient time to the role.</p> <p>Why is it an issue?</p> <p>The audit committee plays a vital role in safeguarding investors' interests. It is responsible for monitoring the integrity of the financial statements of the company, appointing external auditors, and monitoring their qualifications and independence as well as their effectiveness and resource levels. The committee is also responsible for the overall risk management of the company to ensure sound and robust internal controls are in place to appropriately manage the company's financial, operational and reputational risks.</p> <p>In addition, the Chair of the audit committee plays an essential role in leading and overseeing the activities of the committee.</p> <p>What did LGIM do?</p> <p>LGIM took part in a private, collaborative initiative launched by an investor group of which we are a member.</p> <p>The objective was to communicate our concerns to the board of Victrex on the role of this director on the audit committee and push for him to step down from this position.</p> <p>What was the outcome?</p> <p>A few days later, before the AGM, this director offered his resignation to the board of Victrex. He has now left the company.</p>

Regional updates

UK

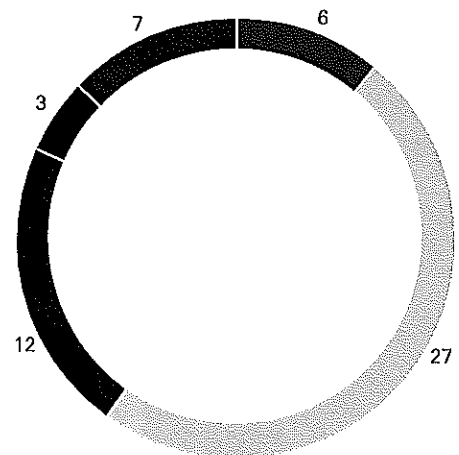
KEY UK COMPANY ENGAGEMENTS

<p>Tesco/Booker</p>	<p>What is the issue?</p>
<p>Food retailers</p>	<p>In January 2017, Tesco made a recommended offer of £3.7 billion to merge with Booker.</p>
<p>Market Cap £20 billion</p>	<p>The proposed merger resulted in the resignation of one non-executive director that disagreed with the deal.</p> <p>Why is it an issue?</p> <p>Following several years of turbulence, including issues around overseas expansions and acquisitions, profit warnings and accounting scandals, Tesco started to demonstrate improved performance. We believe the CEO's strategy, which consisted of rebuilding the UK business and enhancing its reputation with customers and suppliers, has begun to show results.</p> <p>LGIM therefore had concerns around the strategic implications of the deal.</p> <p>In addition, we were concerned as to whether the premium being offered to Booker shareholders was sufficient.</p> <p>What did LGIM do?</p> <p>LGIM is a shareholder of both companies. In order to make an informed assessment, we expect management to be transparent on the terms of the merger and its financial and cultural integration implications on long-term business strategy.</p> <p>We therefore met the management teams of Tesco and Booker to get better insight into the rationale for the decision to integrate the two businesses and consider the merits presented by both companies.</p> <p>Prior to making a decision, the corporate governance team sought views from our investment teams. However, the decision was taken independently from them, in accordance with our conflicts of interest policy.</p> <p>We decided to support the management of Tesco in this merger. As the company continues to grow its UK operations, we believe this merger would help it access a new customer base of smaller retailers.</p> <p>However, as a Booker shareholder, we considered the premium that was being offered insufficient. We had concerns around the strategic fit or the synergies that could be extracted from such a deal. We therefore decided to oppose the transaction.</p> <p>What was the outcome?</p> <p>Both companies secured sufficient support from their shareholder base. As a large shareholder, we will continue to monitor the merged entity.</p>

Q1 2018 VOTING SUMMARY UK

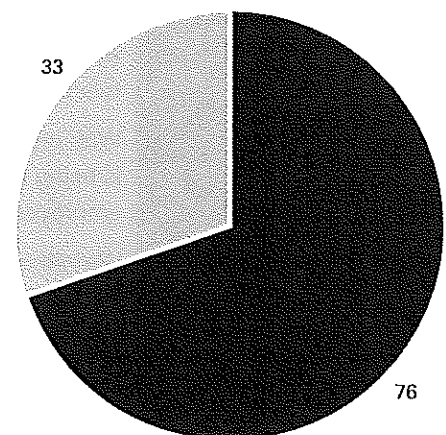
Proposal category	UK		
	For	Against	Abstain
Anti-takeover Related	53		
Capitalisation	291	6	
Directors Related	501	27	
Non-Salary Comp.	115	12	
Reorg. and Mergers	23	3	
Routine/Business	343	7	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
SH-Health/Environ.			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	1326	55	0
Total resolutions	1381		
No. AGMs	82		
No. EGMs	33		
No. of companies voted	109		
No. of companies where voted against at least one resolution	33		
% no. of companies where at least one vote against	30%		

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 at least one resolution

'LGIM voted against at least one resolution at 30% of UK companies over the quarter.'

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

Regional updates

Europe

KEY EUROPEAN COMPANY ENGAGEMENTS

Volkswagen	What is the issue?
Automobiles	Since its emissions scandal in 2015, Volkswagen has been trying to rebuild its public reputation and make changes to its internal culture.
Market Cap €81.2 billion	<p>Volkswagen is one of LGIM’s key engagement targets as part of our Climate Impact Pledge.</p> <p>Why is it an issue? The board has been slow to deal efficiently with the fallout of the emissions scandal, raising concerns about the ability of the company to restore trust by the public in its products. We opposed the discharge of liability of all management and supervisory board members at the company’s 2016 and 2017 AGMs.</p> <p>As one of the largest global automotive companies, Volkswagen also stands to be significantly impacted by the regulatory changes and physical risks associated with climate change.</p> <p>What did LGIM do? This quarter, another meeting was held with the supervisory board Chairman to understand how the company is responding to the challenges related to its culture. Additionally, our team sought to gain insight into the company’s long-term strategy related to product development and its response to new regulations impacting the industry.</p> <p>The meeting was attended by LGIM representatives from both the Corporate Governance and Active Equity teams.</p> <p>What was the outcome? During the meeting, the Chairman explained that Volkswagen believes the direction of regulation will benefit makers of electric vehicles, which is why the company has announced it plans to introduce a new range of electric battery-powered cars by 2025. Additionally, the company recently announced that its fully electric ID range is aimed at meeting the needs of the everyday consumer.</p> <p>With regards to company culture, the Chairman stated that it is changing and progress is being made, but that ultimately it will take time. The company has conducted global employee surveys as a tool to measure how its culture is evolving.</p> <p>We will continue to engage with the company on its climate change strategy through LGIM’s Climate Pledge and continue to seek improvements in its governance framework.</p> <p>LGIM will take into account this information when we decide on our voting at the company’s 2018 AGM to be held in May.</p>

KEY EUROPEAN COMPANY ENGAGEMENTS

Compagnie de Saint Gobain SA	<p>What is the issue?</p> <p>Since 2014, the company has been involved in a takeover battle with Sika AG. Saint Gobain is attempting to acquire a 16.1% share interest in Sika from the company's founding family, which would provide it with 52% of the voting rights. A provision in the articles of Sika has exempted Saint Gobain from having to make an offer for the remaining shares. The board of Sika has been dealing with the takeover attempt and the matter is still being considered by the Swiss Courts.</p> <p>LGIM is concerned about the long running nature of this takeover and its potential financial and strategic impact on the company.</p> <p>In these sensitive times, we expect companies to have a strong governance structure in place. We have concerns around the combination of the roles of Chair and Chief Executive and the level of independence of the board. In addition, we note transparency issues, especially with regards to remuneration and board matters.</p> <p>Why is it an issue?</p> <p>When a company becomes involved in a protracted and disputed investment/takeover, it is important there is sufficient oversight by the board to ensure the investment is and remains in the best interest of all shareholders.</p> <p>What did LGIM do?</p> <p>As a long-term shareholder, we have been engaging and monitoring the company over many years.</p> <p>LGIM held a meeting with the newly elected Lead Independent Director. This meeting was an opportunity to reaffirm our expectations around succession planning and request that the board consider a separation of the roles of Chairman and Chief Executive when a new appointment is made.</p> <p>In addition, we asked that the board be refreshed to improve its level of independence.</p> <p>We also discussed the disputed takeover. We challenged the board on the validity of the deal and how it is impacting the attention of management on running the company.</p> <p>Finally, we asked the company to provide more transparency on board attendance, performance reviews and performance conditions under incentive plans.</p> <p>What was the outcome?</p> <p>Our concerns and views were taken into account by the Lead Independent Director of the board. We will continue to actively monitor and engage with the company.</p>
Construction materials	
Market Cap €23 billion	

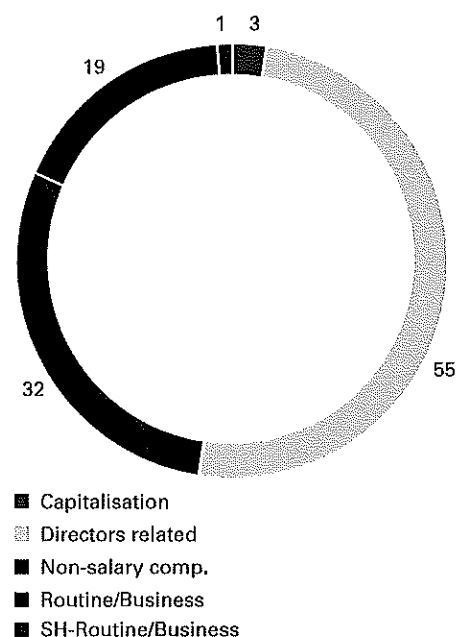
Regional updates

Europe

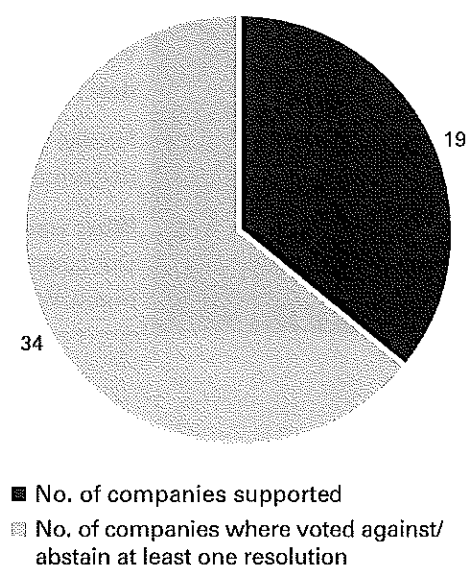
Q1 2018 VOTING SUMMARY EUROPE

Proposal category	EUROPE		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	71	3	
Directors related	432	48	7
Non-salary compensation	67	32	
Reorganisations and mergers	8		
Routine/Business	296	19	
SH-Compensation	1		
SH-Corp Governance	1		
SH-Dirs' Related			
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.	4		
SH-Routine/Business	2	1	
SH-Soc./Human Rights			
Social Proposal			
Total	882	103	7
Total resolutions	992		
No. AGMs	52		
No. EGMs	1		
No. of companies voted	53		
No. of companies where voted against at least one resolution	34		
% no. of companies where at least one vote against	64%		

Voting issue breakdown (against and abstain)



Number of companies voted for/against/abstain



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

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

Regional updates

North America

KEY NORTH AMERICA COMPANY ENGAGEMENTS

<p>Broadcom/Qualcomm</p> <p>Technology</p> <p>Combined Market Cap USD £172.6bn</p>	<p>What is the issue?</p> <p>Broadcom, a chipmaker based in Singapore, made a hostile bid to acquire a US rival Qualcomm. If this was executed, this transaction would have been the largest deal in the technology sector to date. When the offer was rejected by Qualcomm Broadcom decided to approach shareholders directly asking them to elect its nominees to Qualcomm's board.</p> <p>Why is it an issue?</p> <p>Broadcom launched a proxy fight for six board seats out of 11 at Qualcomm's annual meeting.</p> <p>What did LGIM do?</p> <p>We talked to both companies to understand their perspectives. We supported four out of the six candidates proposed by Broadcom. We believed these directors would be a positive addition to the Qualcomm board, bringing independent views and holding the board account for their financial targets and operational plan.</p> <p>What was the outcome?</p> <p>The meeting was delayed due to an announcement by the Committee on Foreign Investment in the United States which oversees the national security implications of foreign transactions in the US. The Committee stated that it would conduct a review into the takeover. In the meantime, Broadcom requested shareholders vote for its reincorporating from China to the US, which may make it easier to acquire a US company. We will stay engaged on the issue.</p>
<p>Council of Institutional Investors conference</p>	<p>What is the issue?</p> <p>A conference of US investors and asset owners.</p> <p>What did LGIM do?</p> <p>We attended the spring conference of the Council of Institutional Investors (CII) and spoke on a panel to discuss 'Beyond the Balance Sheet: how ESG can drive voting considerations'.</p> <p>The conference included keynote sessions from the Chair of the Securities and Exchange Commission; the Chair and CEO of MSCI; CEO of FTSE Russell; as well as academics and representatives from issuers, investors and asset owners.</p> <p>What was the outcome?</p> <p>A range of issues were discussed, including the role of index providers in the changing world of investments, corporate culture, dual-class stock, climate change, Sustainability Accounting Standards Board guidelines, human capital management, board composition, cyber security and proxy voting plumbing.</p>

Regional updates

North America

KEY NORTH AMERICA COMPANY ENGAGEMENTS

Various US listed companies	<p>What is the issue? Many US listed companies receive proposals from their shareholders addressing issues such as climate change, human rights and governance structures.</p> <p>Why is it an issue? Despite some shareholder proposals receiving majority support, many companies still do not take action to implement changes.</p> <p>What did LGIM do? Through a collaborative engagement led by a UK investor, LGIM signed a letter requesting the company respond to majority supported shareholder proposals. LGIM signed letters to nine US companies.</p> <p>What was the outcome? To date, the collaborative initiative has received three responses. The investor group will implement an engagement process to encourage progress at these companies. We will also review our voting decisions.</p>
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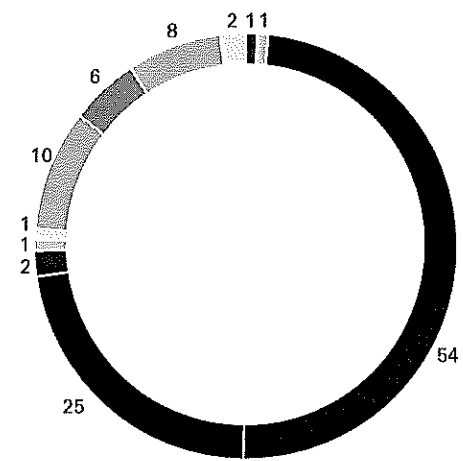
Regional updates

North America

Q1 2018 VOTING SUMMARY NORTH AMERICA

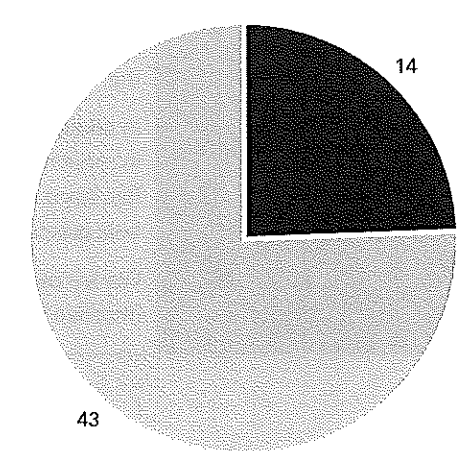
Proposal category	NORTH AMERICA		
	For	Against	Abstain
Anti-takeover Related	11	1	
Capitalisation	11	1	
Directors related	354	54	
Non-salary compensation	58	25	
Reorganisations and mergers	11		
Routine/Business	62	2	
SH-Compensation		1	
SH-Corp Governance		1	
SH-Dirs' Related	8	10	
SH-Gen Econ Issues			
SH-Health/Environment		6	
SH-Other/misc.		8	
SH-Routine/Business		2	
SH-Soc./Human Rights			
Social Proposal	1		
Total	516	111	
Total resolutions		627	
No. AGMs		46	
No. EGMs		12	
No. of companies voted		57	
No. of companies where voted against at least one resolution		43	
% no. of companies where at least one vote against		75%	

Voting issue breakdown (against)



- Antitakeover Related
- ▨ Capitalisation
- Directors Related
- Non-Salary Comp.
- Routine/Business
- ▨ SH-Compensation
- ▨ SH-Corp Governance
- ▨ SH-Dirs' Related
- ▨ SH-Health/Environ.
- ▨ 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 75% of North American companies over the quarter.'

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

Regional updates

Japan

KEY JAPAN COMPANY ENGAGEMENTS

<p>Toyota Motor Corp</p>	<p>What is the issue?</p>
<p>Automobiles</p>	<p>As one of the largest car manufacturers in the world, Toyota is a company we have engaged with for a number of years to improve its corporate governance structure.</p>
<p>Market cap JPY 53.8bn</p>	<p>In addition, the company is a key engagement target for LGIM's Climate Impact Pledge (CIP). Therefore, a meeting was held to understand how Toyota is addressing climate change by transitioning to low-emission vehicle models and its readiness for a low-carbon economy.</p> <p>Why is it an issue?</p> <p>The move towards electrification and driverless vehicles poses a threat and potentially severe disruption for traditional car firms such as Toyota. As an investor, we have a responsibility to engage to ensure the company is prepared to thrive in a carbon-constrained environment and support robust policy action to encourage the transition to clean vehicles.</p> <p>What did LGIM do?</p> <p>As part of our CIP and continuing engagement with the company, we sent a formal letter to the chairman last year highlighting key areas for improvement in terms of transparency as to how the business is approaching the low-carbon transition.</p> <p>A meeting was then held with the company to understand to what extent these suggested improvements have been implemented and to discuss any additional information on how Toyota is mitigating climate risk and taking advantage of the opportunities presented.</p> <p>What was the outcome?</p> <p>In the meeting, the company stated it was very receptive to the requests made in LGIM's CIP letter and outlined areas where it has begun to take positive action.</p> <p>For example, on board governance, LGIM argued there was need for improvement on diversity to reflect the global nature of the company's customer base. In response, Toyota has appointed its first female director to the board and has committed to further improvements in the future.</p> <p>In addition, LGIM requested that the board explicitly commit the company to playing a key part in meeting the global climate target of limiting temperature rise to 2°C or less. The company has since included this written commitment in its public disclosures, in line with international best practice.</p> <p>We are pleased with the progress made and will continue to work with the company to improve its transparency as part of our CIP.</p>

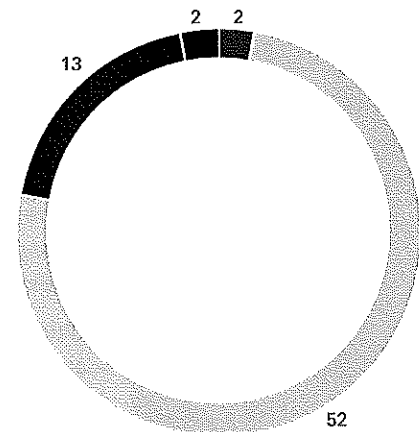
Regional updates

Japan

Q1 2018 VOTING SUMMARY JAPAN

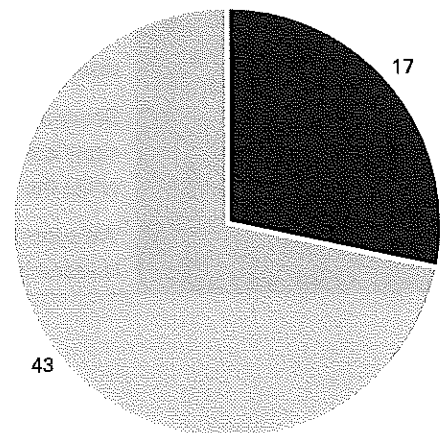
Proposal category	JAPAN		
	For	Against	Abstain
Anti-takeover Related		2	
Capitalisation			
Directors related	490	52	
Non-salary compensation	26	13	
Reorganisations and mergers	14	2	
Routine/Business	45		
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related			
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	575	69	
Total resolutions	644		
No. AGMs	58		
No. EGMs	2		
No. of companies voted	60		
No. of companies where voted against at least one resolution	43		
% no. of companies where at least one vote against	72%		

Voting issue breakdown (against)



- Antitakeover related
- ▨ Directors related
- Non-salary comp.
- Reorg. and mergers

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 72% of Japanese companies over the quarter.'

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

Regional updates

Asia Pacific

KEY ASIA PACIFIC COMPANY ENGAGEMENTS

<p>Samsung Electronics</p>	<p>What is the issue?</p>
<p>Technology</p>	<p>As highlighted in the Q4 2017 ESG Impact Report, the CEO was arrested in a corruption investigation and sentenced to five years in prison in August 2017. Since February this year, it has been announced that the CEO has been released from prison.</p>
<p>Market cap KRW 355.8tn</p>	<p>LGIM has been engaging with the company on its corporate governance practices for a number of years and sought an explanation from the company on how it has responded to such significant leadership issues.</p> <p>Why is it an issue?</p> <p>The arrest of the CEO meant that he was physically unable to attend board meetings. This emphasised a key-man risk problem in the company and highlighted the composition of its board.</p> <p>Additionally, the lack of independence, diversity and succession planning on the board remain significant concerns, given the control over the company by the family shareholding.</p> <p>What did LGIM do?</p> <p>Last year, LGIM worked collaboratively with other investors to request more information from the company on its decision-making process, specifically related to changes in leadership in response to the investigation.</p> <p>This quarter, LGIM continued this discussion, holding a meeting with the company directly to discuss these issues and the agenda for the upcoming AGM.</p> <p>What was the outcome?</p> <p>During the meeting, the company highlighted some changes to the board composition, made in response to investor concerns about company leadership.</p> <p>Firstly, the company has split the roles of Chairman and CEO. Although, the Chairman is not considered independent, the division of responsibilities alleviates key-man risk on the board. Additionally, the company stated that the Chairman would be willing to meet with investors to discuss his duties and responsibilities.</p> <p>Secondly, responding to concerns around diversity on the board, the company has made two significant appointments. One of the new directors is a US citizen with technology experience, while the second appointment is the first female external director.</p> <p>We support the company in making these important changes and will be engaging with the leadership going forward.</p>

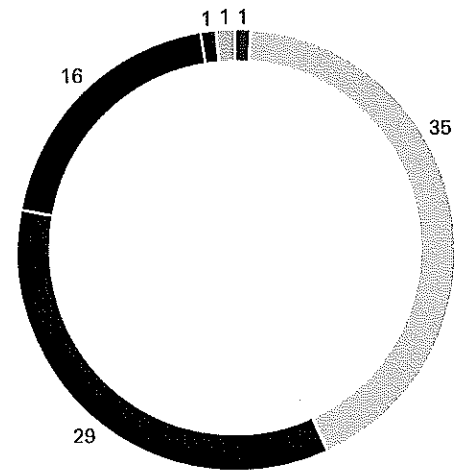
Regional updates

Asia Pacific

Q1 2018 VOTING SUMMARY ASIA PACIFIC

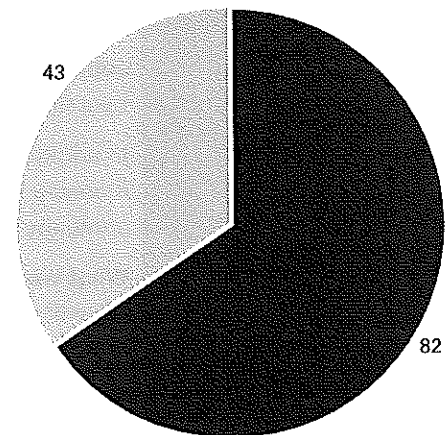
Proposal category	ASIA PACIFIC		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	3	1	
Directors related	327	35	
Non-salary compensation	115	29	
Reorganisations and mergers	9		
Routine/Business	282	16	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related	1	1	1
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business	2	1	
SH-Soc./Human Rights			
Social Proposal			
Total	739	83	1
Total resolutions		823	
No. AGMs		120	
No. EGMs		9	
No. of companies voted		125	
No. of companies where voted against/abstain at least one resolution		43	
% no. of companies where at least one vote against		34%	

Voting issue breakdown (against and abstain)



- Capitalisation
- Directors related
- Non-salary comp.
- Routine/Business
- SH- dirs' related
- SH-routine/business

Number of companies voted for/against/abstain



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

'LGIM voted against at least one resolution at 34% of Asia Pacific companies over the quarter.'

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

Regional updates

Emerging markets

KEY EMERGING MARKETS COMPANY ENGAGEMENTS

<p>CCR SA</p>	<p>What is the issue?</p>
<p>Industrials Market Cap BRL 24.75 bn</p>	<p>2018 marks the first year that Brazilian companies will be required to adopt the comply-or-explain corporate governance report developed by the country’s regulator.</p> <p>We noted that the Chief Executive of CCR SA has held this role for 19 years and had concerns around the level of independence of board directors.</p> <p>In addition, we noted the lack of disclosures on remuneration and use of cash instead of equity in incentive arrangements.</p> <p>Why is it an issue?</p> <p>CCR operates in an industry that has historically been at high risk of bribery and corruption. We therefore expect the company to observe high governance standards.</p> <p>An independent board is essential to ensure it exercises efficient oversight and consistently acts in the best interests of the company and its stakeholders. Moreover, the regular refreshment of the board helps to ensure its members remain independent from management and third parties. It also ensures that different perspectives feed into board discussions and that skillsets remain relevant.</p> <p>On remuneration, LGIM expects a proportion of executive pay to be linked to performance, measured over the long term and payable in shares. Transparency is also key for shareholders to form an informed view.</p> <p>What did LGIM do?</p> <p>LGIM engaged with the company to highlight our concerns around the lack of independence of the board, the CEO’s tenure and the remuneration structure. We discussed the issue of succession planning with the company and set out our expectations.</p> <p>At the company’s AGM in April, LGIM took a step further in escalating our concerns. We voted against the re-election of the non-independent members of the board and supported a shareholder resolution to elect a Fiscal Council member to provide further oversight and represent the interests of minority shareholders.</p> <p>In addition, we voted against the compensation resolution because the size of the increase in total remuneration is not justified given the underperformance of the company’s shares.</p> <p>What was the outcome?</p> <p>We will continue to engage with the company to ensure it improves its governance practices.</p>

Regional updates

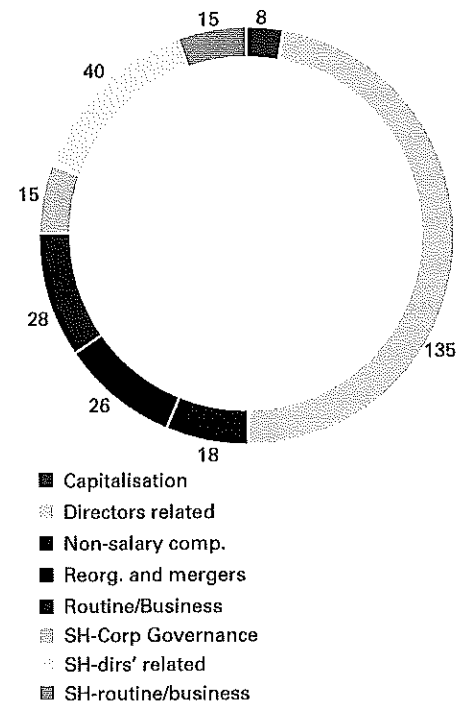
Emerging markets

Q1 2018 VOTING SUMMARY EMERGING MARKETS

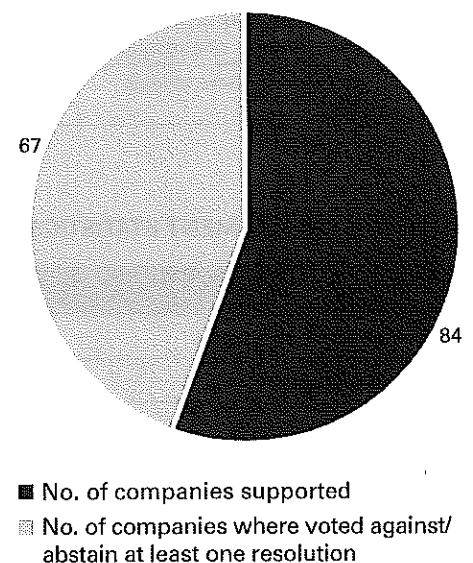
Proposal category	EMERGING MARKETS		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	119	7	1
Directors related	322	82	53
Non-salary compensation	31	18	
Reorganisations and mergers	138	25	1
Routine/Business	337	26	2
SH-Compensation			
SH-Corp Governance	1	15	
SH-Dirs' Related	10	40	
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business	1	15	
SH-Soc./Human Rights			
Social Proposal			
Total	959	228	57
Total resolutions	1244		
No. AGMs	41		
No. EGMs	118		
No. of companies voted	151		
No. of companies where voted against/abstain at least one resolution	67		
% no. of companies where at least one vote against	44%		

'LGIM voted against at least one resolution at 44% of emerging markets companies over the quarter.'

Voting issue breakdown (against and abstain)



Number of companies voted for/against/abstain



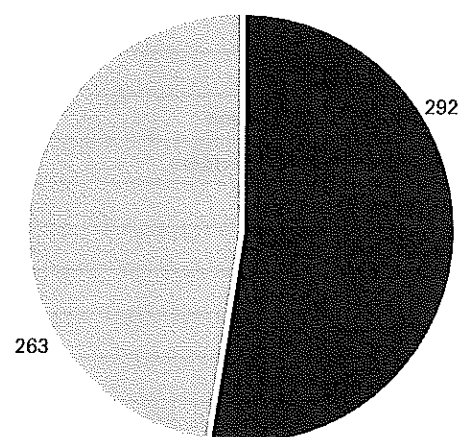
Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

Global summary

VOTING TOTALS

Proposal category	For	Against	Abstain	Total
Anti-takeover Related	64	3		67
Capitalisation	495	18	1	514
Directors related	2426	298	60	2784
Non-salary compensation	412	129		541
Reorganisations and mergers	203	30	1	234
Routine/Business	1365	70	2	1437
SH-Compensation	1	1		2
SH-Corp Governance	2	16		18
SH-Dirs' Related	19	51	1	71
SH-Gen Econ Issues				
Shareholder - Health/Environment		6		6
SH-Other/misc.	4	8		12
SH-Routine/Business	5	19		24
SH-Soc./Human Rights				
Social Proposal	1			1
Total resolutions	4997	649	65	5711
No. AGMs	399			
No. EGMs	175			
No. of companies voted	555			
No. of companies where voted against/abstain at least one resolution	263			
% no. of companies where at least one vote against	47%			

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

Board composition

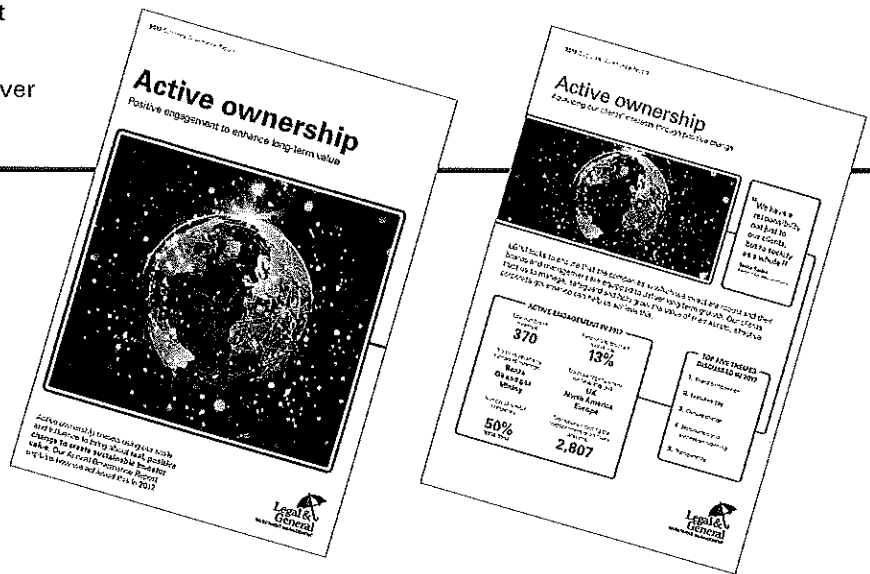
Strategy

Climate Change

COMPANY ENGAGEMENT STATISTICS

Proposal category	Total
Total number of companies	45
Total number of meetings	51
Number of meetings where environmental topics discussed	22
Number of meetings where social topics discussed	14
Number of meetings where governance topics discussed	37
Number of meetings where other topics (e.g. financial and strategy) discussed	29
% of meetings including environmental and social issues discussed	55%

To read more about LGIM’s engagement activity in 2017, 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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