

VOTING AND ENGAGEMENT ACTIVITY

Welcome to your Quarterly Report's 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 summary which follows is bespoke.

- During the quarter, Majedie's Head of Stewardship, Sarah Maynard, joined the Investment Association's Stewardship Committee.

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

- We met with Andrew Parsons, who covers Group Sustainable Development at the Mining company Gold Fields, to discuss Environmental, Social and Governance (ESG) factors facing the company. We discussed employee healthcare, education and living conditions in their African and South American operations. We also spoke about their approach to safety, environmental protection, and relationship with the government and regulators.
- We had several meetings with the managements of Barrick Gold and Randgold after they announced their intention to merge. We wanted to fully understand the rationale for the combination, and how it would change the risk profile of the business. After some relatively tough questioning, we concluded that it was in the best interests of shareholders and would bring a much-needed infusion of operational talent to Barrick Gold.

Colruyt, EGM: The company proposed the issuance of equity without pre-emptive rights but the amount proposed (99.8%) far exceeded our policy limit of 10%. We therefore voted against. The company also wanted the ability to be able to issue shares without pre-emptive rights as an anti-takeover tool. We were content to allow this previously, however given the company continued to seek this practice at a time when corporate governance standards have been raised, we decided to vote against.

Photo-Me International, AGM: We voted against the appointment of Grant Thornton as the company's auditors. We supported a change of auditor, but we did not agree with the choice of Grant Thornton following the issues surrounding Patisserie Valerie. We also voted against the re-election of two directors, John Lewis and Francoise Coutaz-Replan. In the case of the former, this Director had served on the Board for a decade and we believed that refreshing the leadership would be a benefit to the company. On the latter, best practice requires an independent non-executive director in this role. In our view, this Director could not be regarded as independent, therefore we voted against her re-election.

Oracle, AGM: We shared third-party research concerns on the level of remuneration paid to executives and therefore voted against the ratification of named executive officers' compensation. We also withheld votes from the elections of three Compensation Committee members, George H. Conrades, Leon E. Panetta, and Naomi O. Seligman, as we agreed there had been an insufficient response to last year's failed say-on-pay vote. We also withheld votes from the election of Governance Committee members, Bruce R. Chizen, Jeffrey S. Berg and Leon E. Panetta, as the CEO, Larry Ellison, can pledge shares, approximately \$14bn worth, to secure indebtedness. This could potentially expose shareholders to risk and raises the issue of risk oversight. The practice had not changed from last year and therefore we decided it was time to oppose this activity. In addition, we backed shareholder proposals, opposed by management, to report on the gender pay cap, to report on political contributions, to report on lobbying payments and policy, and to require the company to have an independent board chairman.

Petra Diamonds, AGM: We voted against the re-election of CEO, Christoffel Dippenaar. This was due to poor performance, and consistent with our previous opposition to his re-election. We noted he was remaining in the

post until the company found a successor, however we believed the company could have managed without him in the interim, and thus avoid the expense of keeping him in the post.

Conygar Investments, AGM: We voted in favour of Michael Wigley's re-election as Director given the Board had been effective. However, we will speak to the CEO about the length of this Director's tenure (15 years). We also voted against the issue of equity without pre-emptive rights as the amount proposed (approximately 14%) exceeded our Voting Policy's limit of 10%.

BAIC Motor Group, EGM: We voted against the amendment to the Articles of Association regarding the Chinese Communist Party Committee, as we disagreed with the presence of a political committee within a company. Third party research also noted that the amendment was not considered to adequately provide for accountability and transparency to shareholders.

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	27	
Number of resolutions	234	
Where we voted in line with Management	215	91.9
Where we have not voted in line with Management	19	8.1

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 abstained.

CATEGORY	AGAINST MANAGEMENT	ABSTAIN
Board election & related proposals	3	0
Capitalisation	0	0
Miscellaneous	9	0
Remuneration	0	0
Reorganisations, mergers & anti-takeover	0	0
Routine/Business	7	0
Total	19	0

Sources: Majedie, ISS (Institutional Shareholder Services)

VOTING RECORD DETAILS

SECURITY NAME	MEETING DATE	MEETING TYPE	MAJEDIE VOTE
ASSOCIATED BRITISH FOODS	07 Dec 2018	AGM	Against Resolution 14
BARRICK GOLD	05 Nov 2018	EGM	Voted for all
BERKELEY ENERGIA	22 Nov 2018	AGM	Against Resolution 4
BHP GROUP	17 Oct 2018	AGM	Voted for all
CARETECH	15 Oct 2018	EGM	Voted for all
CASH FUNDS	26 Nov 2018	EGM	Voted for all
COMMUNISIS	28 Nov 2018	EGM	Voted for all
COMMUNISIS	28 Nov 2018	Court	Voted for all
CONYGAR INVESTMENT	21 Dec 2018	AGM	Against Resolution 10
DFS FURNITURE	30 Nov 2018	AGM	Against Resolution 18
DUNELM	29 Nov 2018	AGM	Voted for all
FASTJET	07 Dec 2018	EGM	Voted for all
GRC INTERNATIONAL	26 Oct 2018	AGM	Voted for all
HAYS	14 Nov 2018	AGM	Against Resolution 14
JARDINE LLOYD THOMPSON	07 Nov 2018	EGM	Voted for all
JARDINE LLOYD THOMPSON	07 Nov 2018	Court	Voted for all
KENMARE RESOURCES	05 Dec 2018	EGM	Voted for all
MCBRIDE	23 Oct 2018	AGM	Against Resolution 11
NORSEMAN GOLD	31 Dec 2018	AGM	Withhold on Resolutions 1, 2, 3, 4, 5, 6
PATISSERIE	01 Nov 2018	EGM	Voted for all
PETRA DIAMONDS	23 Nov 2018	AGM	Against Resolution 6
PHOTO-ME INTERNATIONAL	24 Oct 2018	AGM	Against Resolutions 4, 6, 8
RANK GROUP	18 Oct 2018	AGM	Against Resolutions 14, 15
SIG	07 Nov 2018	EGM	Voted for all
SPEYMILL DEUTSCHE	28 Dec 2018	AGM	Did not vote on Resolutions 1, 2, 3, 4
SYLVANIA PLATINUM	23 Nov 2018	AGM	Voted for all
VOLUTION	12 Dec 2018	AGM	Against Resolution 13

Source: Majedie

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Harris Associates L.P.

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

Oracle Corp.

Meeting Date: 11/14/2018	Country: USA	Primary Security ID: 68389X105
Record Date: 09/17/2018	Meeting Type: Annual	Ticker: ORCL

Primary CUSIP: 68389X105	Primary ISIN: U568389X1054	Primary SEDOL: 2661568
---------------------------------	-----------------------------------	-------------------------------

Shares Voted: 96,100

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1.1	Elect Director Jeffrey S. Berg	Mgmt	For	Withhold	For	For
1.2	Elect Director Michael J. Boskin	Mgmt	For	For	For	For
1.3	Elect Director Safra A. Catz	Mgmt	For	For	For	For
1.4	Elect Director Bruce R. Chizen	Mgmt	For	Withhold	For	For
1.5	Elect Director George H. Conrades	Mgmt	For	Withhold	For	For
1.6	Elect Director Lawrence J. Ellison	Mgmt	For	For	For	For
1.7	Elect Director Hector Garcia-Molina	Mgmt	For	For	For	For
1.8	Elect Director Jeffrey O. Henley	Mgmt	For	For	For	For
1.9	Elect Director Mark V. Hurd	Mgmt	For	For	For	For
1.10	Elect Director Renee J. James	Mgmt	For	For	For	For
1.11	Elect Director Charles W. Moorman, IV	Mgmt	For	For	For	For
1.12	Elect Director Leon E. Panetta	Mgmt	For	Withhold	For	For
1.13	Elect Director William G. Parrett	Mgmt	For	For	For	For
1.14	Elect Director Naomi O. Seligman	Mgmt	For	Withhold	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against	For	For
3	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For	For	For
4	Report on Gender Pay Gap	SH	Against	For	Against	Against
5	Report on Political Contributions	SH	Against	For	Against	Against
6	Report on Lobbying Payments and Policy	SH	Against	For	Against	Against
7	Require Independent Board Chairman	SH	Against	For	Against	Against

CNH Industrial NV

Meeting Date: 11/29/2018	Country: Netherlands	Primary Security ID: N20944109
Record Date: 11/01/2018	Meeting Type: Special	Ticker: CNHI

Primary CUSIP: N20944109	Primary ISIN: NL0010545661	Primary SEDOL: BDY85Z1
---------------------------------	-----------------------------------	-------------------------------

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Harris Associates L.P.

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

CNH Industrial NV

Shares Voted: 718,942

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
	Special Meeting Agenda	Mgmt				
1	Open Meeting	Mgmt				
2.a	Elect Hubertus M. Mühlhäuser as Executive Director	Mgmt	For	For	For	For
2.b	Elect Suzanne Heywood as Executive Director	Mgmt	For	Against	Against	For
3	Close Meeting	Mgmt				

Vote Summary Report

Date range covered : 10/01/2018 to 12/31/2018

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

Microsoft Corp.

Meeting Date: 11/28/2018

Country: USA

Meeting Type: Annual

Ticker: MSFT

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Voting Policy Rec	Vote Instruction
1.1	Elect Director William H. Gates, III	Mgmt	For	For	For	For
1.2	Elect Director Reid G. Hoffman	Mgmt	For	For	For	For
1.3	Elect Director Hugh F. Johnston	Mgmt	For	For	For	For
1.4	Elect Director Teri L. List-Stoll	Mgmt	For	For	For	For
1.5	Elect Director Satya Nadella	Mgmt	For	For	For	For
1.6	Elect Director Charles H. Noski	Mgmt	For	For	Against	For
1.7	Elect Director Helmut Panke	Mgmt	For	For	Against	For
1.8	Elect Director Sandra E. Peterson	Mgmt	For	For	For	For
1.9	Elect Director Penny S. Pritzker	Mgmt	For	For	For	For
1.10	Elect Director Charles W. Scharf	Mgmt	For	For	For	For
1.11	Elect Director Arne M. Sorenson	Mgmt	For	For	For	For
1.12	Elect Director John W. Stanton	Mgmt	For	For	For	For
1.13	Elect Director John W. Thompson	Mgmt	For	For	For	For
1.14	Elect Director Padmasree Warrior	Mgmt	For	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For	For
3	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For	For	For

Vote Summary Report

Date range covered : 10/01/2018 to 12/31/2018

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



Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

Whitbread Plc

Meeting Date: 10/10/2018	Country: United Kingdom	Primary Security ID: G9606P197	Meeting ID: 1269366
Record Date: 10/08/2018	Meeting Type: Special	Ticker: WTB	

Primary CUSIP: G9606P197	Primary ISIN: GB0081KJ408	Primary SEDOL: B1KJ40
---------------------------------	----------------------------------	------------------------------

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Approve Sale by the Company of Costa Limited	Mgmt	For	For

Coty, Inc.

Meeting Date: 11/06/2018	Country: USA	Primary Security ID: 222070203	Meeting ID: 1269246
Record Date: 09/12/2018	Meeting Type: Annual	Ticker: COTY	

Primary CUSIP: 222070203	Primary ISIN: US2220702037	Primary SEDOL: BBBSMJ2
---------------------------------	-----------------------------------	-------------------------------

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Lambertus J.H. Becht	Mgmt	For	For
1.2	Elect Director Sabine Chalmers	Mgmt	For	For
1.3	Elect Director Joachim Faber	Mgmt	For	For
1.4	Elect Director Olivier Goudet	Mgmt	For	For
1.5	Elect Director Peter Harf	Mgmt	For	For
1.6	Elect Director Paul S. Michaels	Mgmt	For	For
1.7	Elect Director Camillo Pane	Mgmt	For	For
1.8	Elect Director Erhard Schoewel	Mgmt	For	For
1.9	Elect Director Robert Singer	Mgmt	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
3	Ratify Deloitte & Touche LLP as Auditors	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

Akzo Nobel NV

Meeting Date: 11/13/2018	Country: Netherlands	Primary Security ID: N01803100	Meeting ID: 1271245
Record Date: 10/16/2018	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	Approve Capital Repayment and Share Consolidation	Mgmt	For	For

Oracle Corp.

Meeting Date: 11/14/2018	Country: USA	Primary Security ID: 68389X105	Meeting ID: 1270058
Record Date: 09/17/2018	Meeting Type: Annual	Ticker: ORCL	

Primary CUSIP: 68389X105	Primary ISIN: US68389X1054	Primary SEDOL: 2661568
---------------------------------	-----------------------------------	-------------------------------

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Jeffrey S. Berg	Mgmt	For	For
1.2	Elect Director Michael J. Boskin	Mgmt	For	For
1.3	Elect Director Safra A. Catz	Mgmt	For	For
1.4	Elect Director Bruce R. Chizen	Mgmt	For	For
1.5	Elect Director George H. Conrades	Mgmt	For	For
1.6	Elect Director Lawrence J. Ellison	Mgmt	For	For
1.7	Elect Director Hector Garcia-Molina	Mgmt	For	For
1.8	Elect Director Jeffrey O. Henley	Mgmt	For	For
1.9	Elect Director Mark V. Hurd	Mgmt	For	For
1.10	Elect Director Renee J. James	Mgmt	For	For
1.11	Elect Director Charles W. Moorman, IV	Mgmt	For	For
1.12	Elect Director Leon E. Panetta	Mgmt	For	For
1.13	Elect Director William G. Parrett	Mgmt	For	For
1.14	Elect Director Naomi O. Seligman	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

Oracle Corp.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	Against
3	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For
4	Report on Gender Pay Gap	SH	Against	For
5	Report on Political Contributions	SH	Against	For
6	Report on Lobbying Payments and Policy	SH	Against	For
7	Require Independent Board Chairman	SH	Against	For

Pernod Ricard SA

Meeting Date: 11/21/2018

Country: France

Primary Security ID: F72027109

Meeting ID: 1267952

Record Date: 11/16/2018

Meeting Type: Annual/Special

Ticker: RI

Primary CUSIP: F72027109

Primary ISIN: FR0000120693

Primary SEDOL: 4682329

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
	Ordinary Business	Mgmt		
1	Approve Financial Statements and Statutory Reports	Mgmt	For	For
2	Approve Consolidated Financial Statements and Statutory Reports	Mgmt	For	For
3	Approve Allocation of Income and Dividends of EUR 2.36 per Share	Mgmt	For	For
4	Approve Auditors' Special Report on Related-Party Transactions	Mgmt	For	For
5	Reelect Martina Gonzalez-Gallarza as Director	Mgmt	For	Against
6	Reelect Ian Gallienne as Director	Mgmt	For	Against
7	Reelect Gilles Samyn as Director	Mgmt	For	Against
8	Elect Patricia Barbizet as Director	Mgmt	For	For
9	Approve Remuneration of Directors in the Aggregate Amount of EUR 1.25 Million	Mgmt	For	For
10	Approve Remuneration Policy of Alexandre Ricard, Chairman and CEO	Mgmt	For	For
11	Approve Compensation of Alexandre Ricard, Chairman and CEO	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

Pernod Ricard SA

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
12	Authorize Repurchase of Up to 10 Percent of Issued Share Capital	Mgmt	For	For
	Extraordinary Business	Mgmt		
13	Authorize Capital Issuances for Use in Employee Stock Purchase Plans	Mgmt	For	For
14	Authorize Capital Issuances for Use in Employee Stock Purchase Plans Reserved for Employees of the Group's Subsidiaries	Mgmt	For	For
15	Amend Article 11 of Bylaws Re: Shareholding Disclosure Thresholds, Notification Limit	Mgmt	For	Against
16	Amend Article 11 of Bylaws Re: Shareholding Disclosure Thresholds, Shares Held Indirectly	Mgmt	For	For
17	Amend Article 29 of Bylaws Re: Alternate Auditors	Mgmt	For	For
18	Authorize Filing of Required Documents/Other Formalities	Mgmt	For	For

Medtronic Plc

Meeting Date: 12/07/2018

Country: Ireland

Primary Security ID: G5960L103

Meeting ID: 1262560

Record Date: 10/09/2018

Meeting Type: Annual

Ticker: MDT

Primary CUSIP: G5960L103

Primary ISIN: IE00BTN1Y115

Primary SEDOL: BTN1Y11

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1	Elect Director Richard H. Anderson	Mgmt	For	For
1b	Elect Director Craig Arnold	Mgmt	For	For
1c	Elect Director Scott C. Donnelly	Mgmt	For	For
1d	Elect Director Randall J. Hogan, III	Mgmt	For	For
1e	Elect Director Omar Ishrak	Mgmt	For	For
1f	Elect Director Michael O. Leavitt	Mgmt	For	For
1g	Elect Director James T. Lenehan	Mgmt	For	For
1h	Elect Director Elizabeth G. Nabel	Mgmt	For	For
1i	Elect Director Denise M. O'Leary	Mgmt	For	For
1j	Elect Director Kendall J. Powell	Mgmt	For	For

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

Medtronic Plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
2	Approve PricewaterhouseCoopers LLP as Auditors and Authorize Board to Fix Their Remuneration	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For

Cisco Systems, Inc.

Meeting Date: 12/12/2018

Country: USA

Primary Security ID: 17275R102

Meeting ID: 1276245

Record Date: 10/15/2018

Meeting Type: Annual

Ticker: CSCO

Primary CUSIP: 17275R102

Primary ISIN: US17275R1023

Primary SEDOL: 2198163

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1a	Elect Director M. Michele Burns	Mgmt	For	For
1b	Elect Director Michael D. Capellas	Mgmt	For	Against
1c	Elect Director Mark Garrett	Mgmt	For	For
1d	Elect Director Kristina M. Johnson	Mgmt	For	For
1e	Elect Director Roderick C. McGeary	Mgmt	For	For
1f	Elect Director Charles H. Robbins	Mgmt	For	For
1g	Elect Director Arun Sarin	Mgmt	For	For
1h	Elect Director Brenton L. Saunders	Mgmt	For	For
1i	Elect Director Steven M. West	Mgmt	For	For
2	Amend Qualified Employee Stock Purchase Plan	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For
4	Ratify PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For
5	Require Independent Board Chairman	SH	Against	Against
6	Adjust Executive Compensation Metrics for Share Buybacks	SH	Against	Against

Vote Summary Report

Date range covered: 10/01/2018 to 12/31/2018

Location(s): Massachusetts Financial Services

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

AutoZone, Inc.

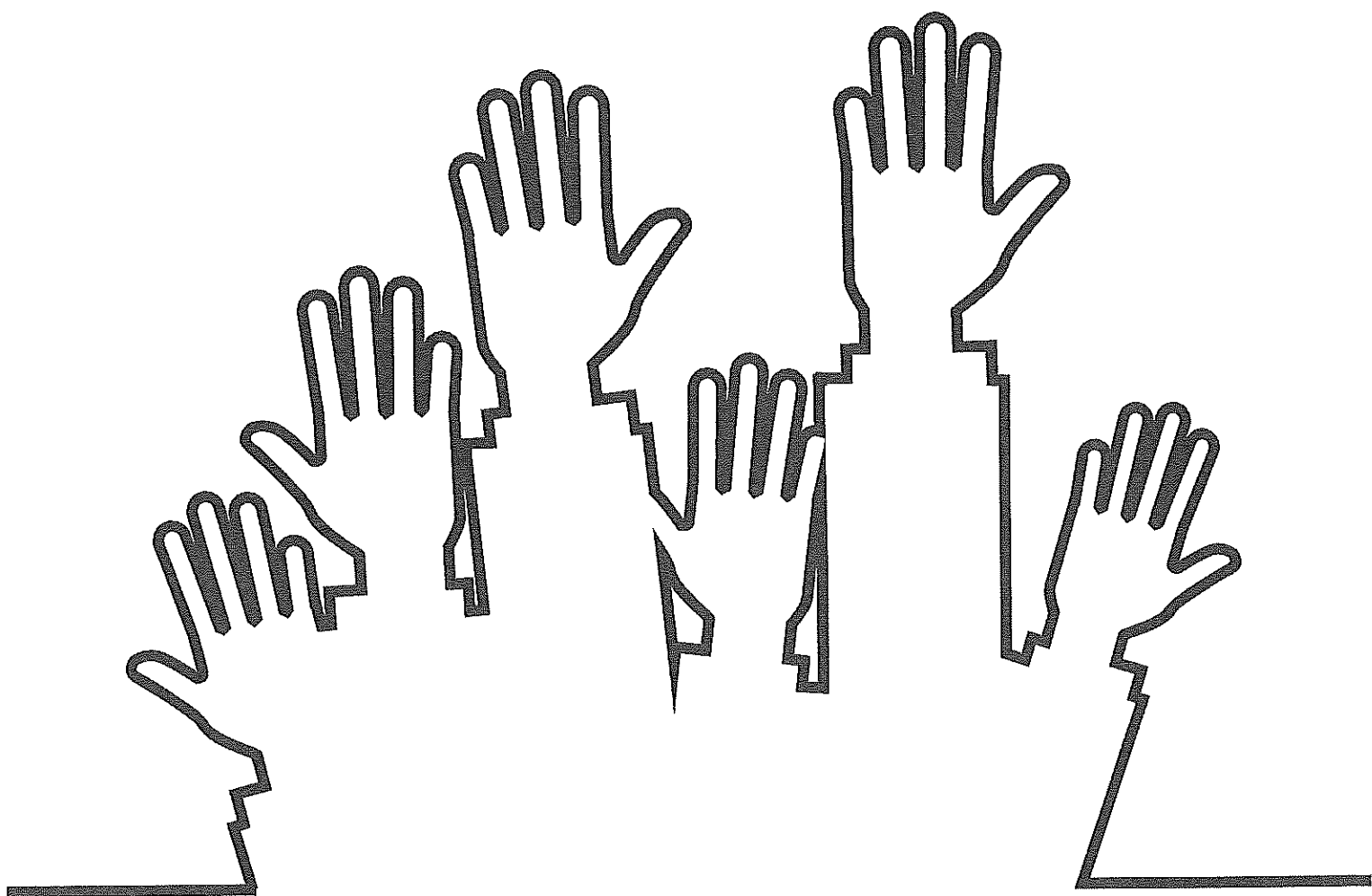
Meeting Date: 12/19/2018	Country: USA	Primary Security ID: 053332102	Meeting ID: 1277219
Record Date: 10/22/2018	Meeting Type: Annual	Ticker: AZO	
Primary CUSIP: 053332102	Primary ISIN: US0533321024	Primary SEDOL: 2065955	

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Vote Instruction
1.1	Elect Director Douglas H. Brooks	Mgmt	For	For
1.2	Elect Director Linda A. Goodspeed	Mgmt	For	For
1.3	Elect Director Earl G. Graves, Jr.	Mgmt	For	For
1.4	Elect Director Enderson Guimaraes	Mgmt	For	For
1.5	Elect Director D. Bryan Jordan	Mgmt	For	For
1.6	Elect Director Gale V. King	Mgmt	For	For
1.7	Elect Director W. Andrew McKenna	Mgmt	For	For
1.8	Elect Director George R. Mrkonjic, Jr.	Mgmt	For	For
1.9	Elect Director Luis P. Nieto	Mgmt	For	For
1.10	Elect Director William C. Rhodes, III	Mgmt	For	For
1.11	Elect Director Jiff Ann Soltau	Mgmt	For	For
2	Ratify Ernst & Young LLP as Auditors	Mgmt	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For

Active ownership

Q4 2018 ESG Impact Report

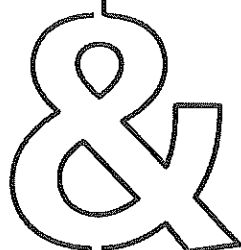


Active ownership means using our scale and influence to bring about **real, positive change** to create sustainable investor value.

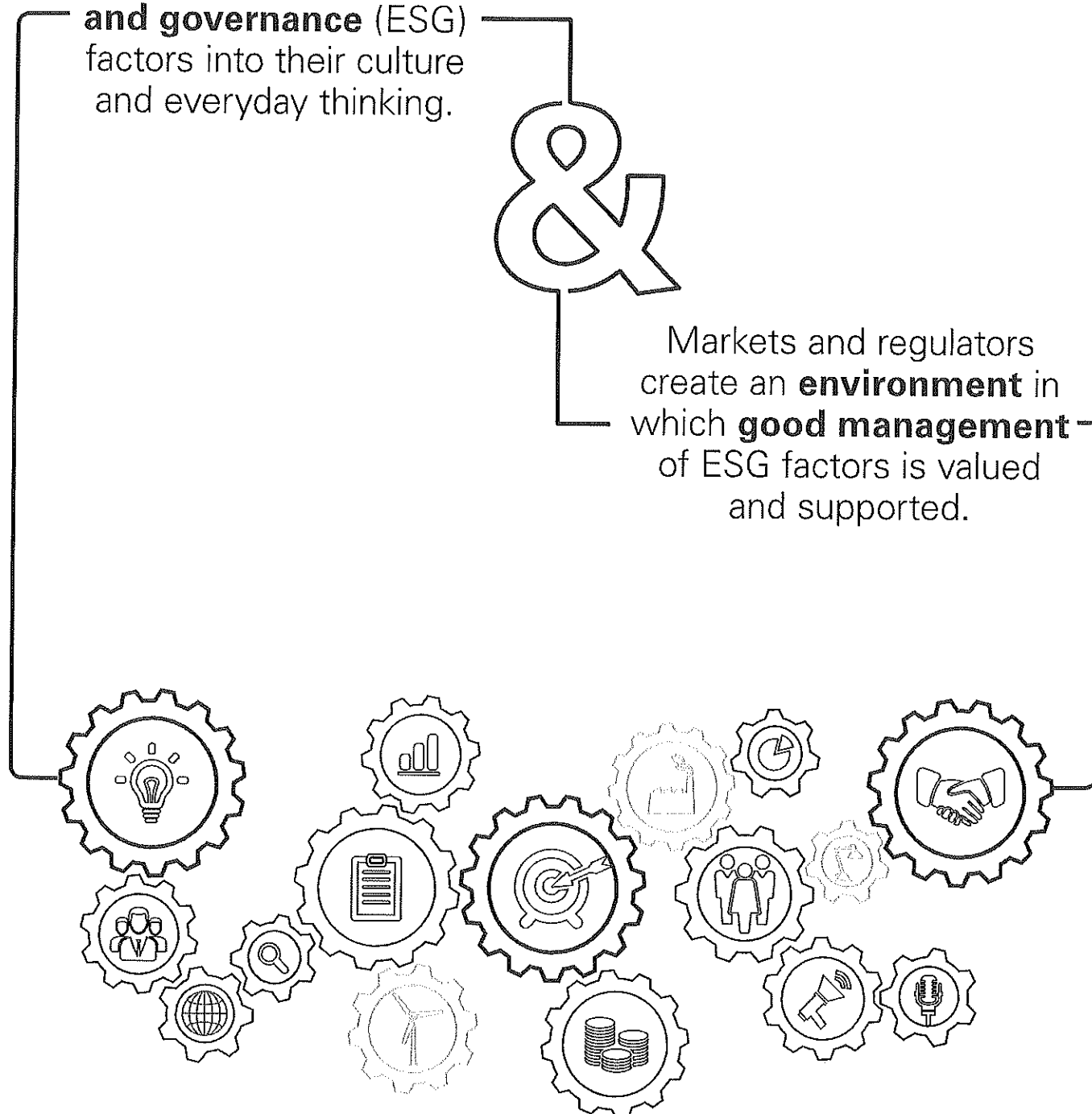
Our mission

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.

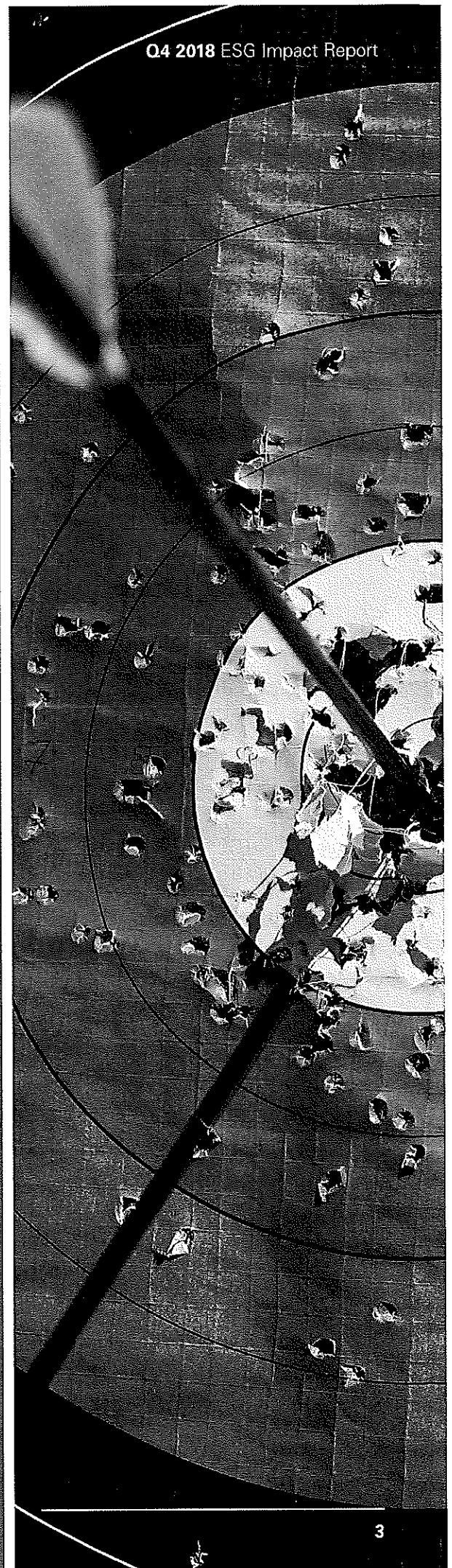
At LGIM, we want to safeguard and grow our clients' assets by ensuring that companies are well positioned for sustainable growth. Our active and enhanced index mandates incorporate ESG factors in the investment process and we consider ESG factors when voting on our holdings in all strategies.

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 fourth quarter

AWARDS



For the fourth consecutive year, LGIM's Corporate Governance team received the 2018 ICSA award for Best Investor Engagement. This award rewards the investor who, in the judgment of FTSE 350 company

secretaries, conducted the most constructive engagement during the year. It recognises LGIM for demonstrating a high standard of stewardship engagement in the market.

LGIM's efforts to promote greater diversity in the workplace and in the companies in which we invest were recognised by the Diversity Initiative of the Year award at the 17th annual Financial News Asset Management Awards Europe. LGIM was particularly noted for being a strong advocate of diversity on boards since 2011, and for voting against companies with no women on the board since 2015.

LGIM'S STAKEHOLDER ROUNDTABLE

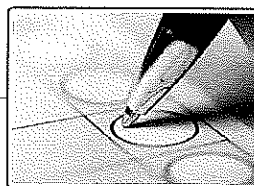
For the second consecutive year, LGIM invited a number of stakeholders including clients and practitioners to provide their views and feedback on our corporate governance and sustainability policies. Many topics were discussed and this included diversity, executive remuneration, global health challenges, income inequality and sustainable development goals.

This roundtable was an opportunity for LGIM to help get a better understanding of various stakeholders' views. We regularly review our policies and seek to incorporate feedback to ensure our policies continue to reflect their investment beliefs and are aligned with best practice. We will be using the outcomes from the discussion to strengthen our 2019 policies.

COUNCIL OF INSTITUTIONAL INVESTORS CONFERENCE IN NEW YORK

LGIM attended this important conference that gathers together US and international investors, asset owners and thought leaders to discuss key ESG topics. The conference sessions included human rights, diversity, climate change, and ESG integration. It is also an opportunity for us to meet with some of our investee companies one on one. We met with a number of S&P 500 companies including McDonalds, Southern Company, UnitedHealth Group, Bank of America, Wells Fargo, and Intel. We raised various engagement issues such as climate change, board structure and sustainability.

LGIM's Principles on executive remuneration



NEW PAY PRINCIPLES

As executive pay remains an issue, LGIM updated its **Principles on Executive Remuneration document**¹ to reflect and align with recent legislative and best practice developments in the area. For instance, we took into account recent changes introduced in the UK Corporate Governance

Code and The Companies (Miscellaneous Reporting) Regulations 2018.

1. <https://documentlibrary.lgim.com/documentlibrary/literature.html?cid=12649&lib=55458>

We also decided to strengthen our stance on a number of topics including:

- Pensions – by requiring companies to reduce the pension provisions in line with the general workforce for new executives or where there is a change in role. Failure to do so by companies will result in LGIM voting against their pay policy from 2020.
- Annual bonuses – by not supporting annual bonus limit increases.
- Shareholding guidelines – we now expect executive shareholdings to be at least 4 to 5 times their salaries for FTSE 100 companies.

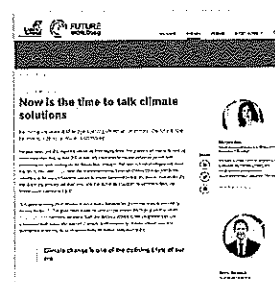
FUTURE WORLD BLOGS: INFLUENCING THE INVESTMENT DEBATE

Earlier this year, LGIM's **FutureWorld blog**² was launched. It provides a platform for our investment professionals and colleagues across the business to explore the major themes and issues that are shaping the investment landscape, both today and in the future.

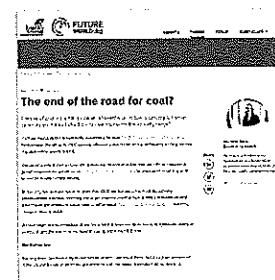


The Corporate Governance team has taken advantage of this new platform to highlight the investment implications of ESG issues:

- Following the release of the IPCC report on a 1.5°C pathway, we discussed the importance of **redirecting private capital flows towards low-carbon energy investments**³. The price tag for keeping global temperature rise below 1.5°C and averting a climate catastrophe is estimated at \$2.4 trillion – presenting investors with a significant opportunity.



- The world needs to begin an urgent and large-scale **phase-out of coal-fired power generation**⁴, in order to stay within the 1.5°C limit. While the economic outlook for coal in the US and Europe is dim, thanks to the rise of shale gas and higher carbon prices, major Asian economies such as India and China remain dependent on this most polluting of fossil fuels.
- Our most recent blog lays out **investors' expectations on housing associations**⁵ in the wake of the Grenfell Tower tragedy.



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

2. <https://futureworldblog.lgim.com/home>

3. <https://futureworldblog.lgim.com/categories/themes/now-is-the-time-to-talk-climate-solutions/>

4. <https://futureworldblog.lgim.com/categories/themes/the-end-of-the-road-for-coal/>

5. <https://futureworldblog.lgim.com/categories/insights/why-housing-associations-must-focus-on-their-core-purpose/>

Strengthening the board composition of European companies

LGIM has launched two engagement campaigns on board composition aimed at strengthening the board of 43 of the largest European companies.

By putting in place these targeted engagement campaigns, LGIM seeks to engage in a dialogue with board members of Europe's largest companies on board composition issues. Progress will be monitored and absence of action may result in voting sanction.

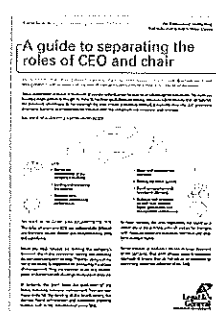
THE SEPARATION OF THE ROLES OF BOARD CHAIR AND CEO

LGIM has been expressing its concerns to companies who combine the roles of board chair and CEO for many years. And it seems that companies increasingly recognise the benefits of separation of the two functions. In 2008 just 39% of US boards were splitting the two roles compared to 51%⁶ in 2017.

Whilst the combination of the two functions is not always allowed or common practice in some markets, we note **France** and **Spain** have high numbers of combined chair & CEOs.

LGIM believes the two positions should be separated. We find that the perceived advantages of the concentration of power in the hands of a single individual do not outweigh the risks of such a structure. A separate chair and CEO provides a balance of authority and responsibility that is in both the company's and investors' best interests.

We are currently engaging with 14 CAC 40 (France) companies and 3 IBEX 35 (Spain) companies to encourage their boards to split the two roles when putting in place a new succession plan.



For more details on LGIM's position, please consult our Board Guide on the topic available on our [website](#)⁷.

THE APPOINTMENT OF A LEAD INDEPENDENT DIRECTOR (LID) ON THE BOARD

LGIM believes the presence of a LID is indispensable on a well-run board as they play a key role in supporting the board chair and are also an independent counter-power. Their presence on boards is however not established in all markets.

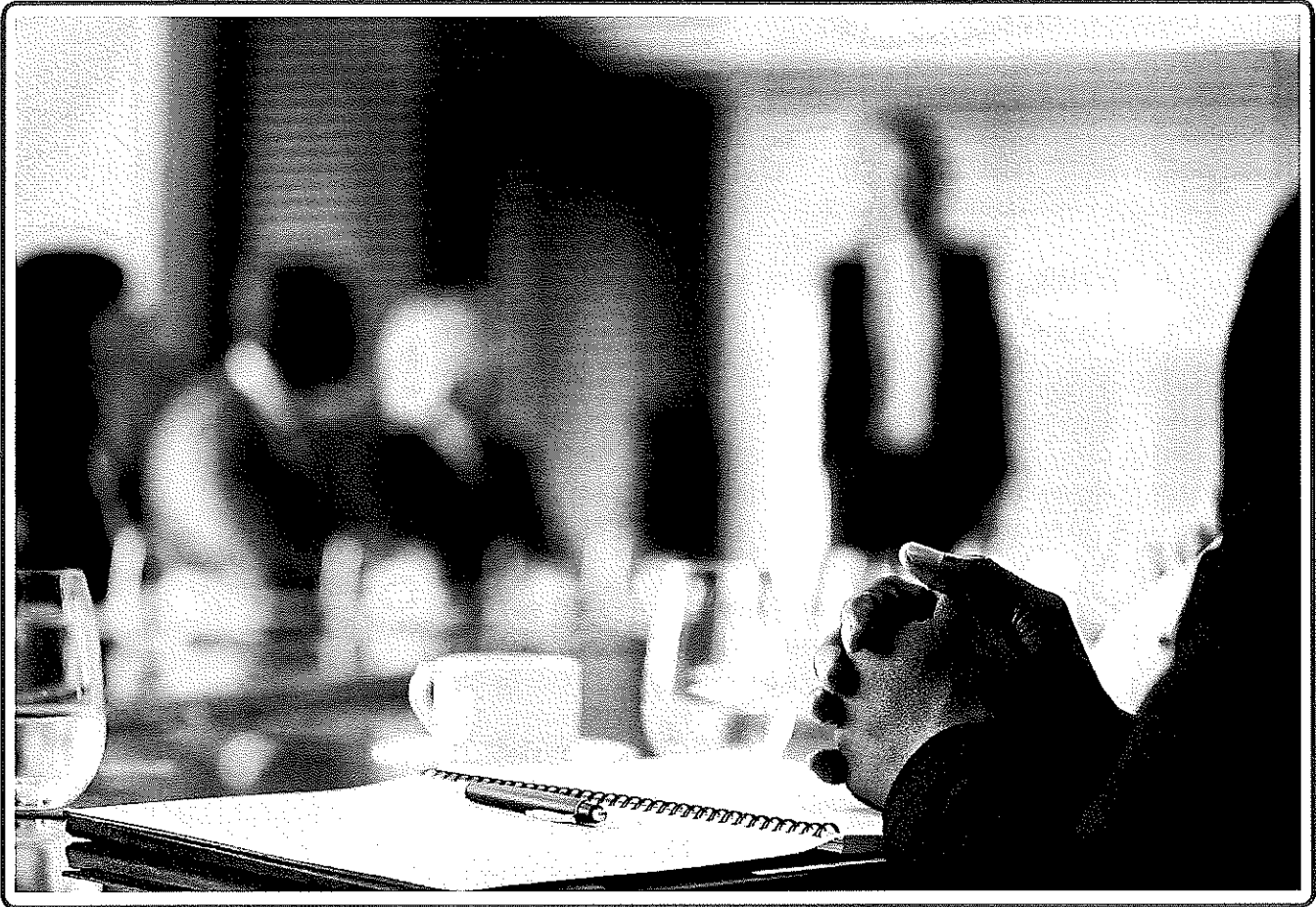
LGIM encourages all companies to appoint a LID, whether or not such a role is incorporated within national corporate governance codes. We ask companies to go beyond what is in the code and better align with what is considered global best practice.

In France, whilst it is common practice to see a LID on the board, it is almost always in cases where there is also a combined chair & CEO. The French Governance Code is not prescriptive on the topic. It says companies "may" appoint an independent LID, "particularly when it has been decided to combine" the role of chair and CEO⁸.

6. Source: Spencer Stuart Board Index 2018 – United States

7. <http://www.lgim.com/files/document-library/capabilities/separating-the-roles-of-ceo-and-board-chair.pdf>

8. Corporate Governance Code of Listed Corporations, AFEP MEDEF, June 2018



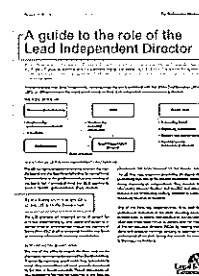
For LGIM, a LID does not replace a board chair. The two roles are distinct and complementary. A LID's presence on the board is vital to ensure there is an independent counter-balance to the chair.

We are currently discussing the benefits of appointing a LID with 8 CAC 40 companies. We are also pushing on this topic at public policy level. In our response to the 2018 consultation on the French Governance Code, LGIM formally asked the bodies responsible for the drafting of the code (AFEP and MEDEF) to consider raising the profile of the LID on the board.

In Germany, the corporate governance code does not recommend the appointment of a LID on the board. It is common to see the presence of a deputy chair who is an employee representative and therefore not independent. Again, LGIM believes the roles of the deputy chair and the LID are different and designed to be complementary. This is a conversation we are currently having with 18 DAX 30 companies.

As Germany is currently consulting stakeholders on its Corporate Governance Code, LGIM will formally ask in our response for a

recommendation to appoint a LID on German boards to be introduced.



For more details on LGIM's position, please consult our Board Guide on the topic available on our [website](#)⁹.

This piece also recently featured on the [Harvard Law School Forum on Corporate Governance and Financial Regulation](#)¹⁰.

9. <http://www.lgim.com/files/document-library/capabilities/the-role-of-the-lead-independent-director.pdf>

10. <https://corpgov.law.harvard.edu/2018/11/25/the-role-of-the-lead-independent-director/>

Sustainability

FUTUREWORLD PROTECTION LIST – REDUCING CLIENT EXPOSURE TO ESG RISKS

The Future World Protection List (FWPL) is an exclusion list which has been specifically developed for LGIM's Future World fund range, as a measure to reduce our clients' exposure to ESG risks. Companies are incorporated into the list if they fail to meet minimum standards of globally accepted business practices. Future World funds will not hold securities issued by these companies, or will significantly reduce their exposure. **In 2019, LGIM will also vote against the election of the chair of the board, across our entire equity holdings.** Where the chair of the board is not up for a vote at the AGM, then LGIM will vote against the next most senior board representative.

The FWPL includes companies which meet any of the following criteria:

- Involvement in the manufacture and production of controversial weapons.
- Perennial violators of the United Nations Global Compact (UNGC), a set of sustainable and socially responsible business principles.
- Pure coal miners – companies solely involved in the extraction of coal.

US pharmaceutical company Johnson & Johnson provides an example of the kinds of risk the FWPL is designed to try and help mitigate.

In Q4 the company was identified as a perennial violator of the UNGC, subsequently added to the FWPL and divested from all relevant funds. This was due to their involvement in multiple lawsuits regarding the possible tainting with carcinogenic asbestos of its baby powder, in addition to other product-related incidents of alleged corporate malfeasance. In December, a **Reuters report**¹¹ alleged that Johnson & Johnson had known for decades about traces of asbestos in its talcum powder. The company's share price subsequently fell by more than **10%**¹².

HELPING OUR CLIENTS ACHIEVE IMPACT

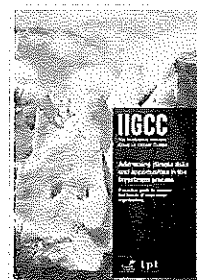
'We know climate change is an important issue – but what do we need to do to take action tomorrow?' This is a question we often get asked.

From our food to our travel, there is much we can change in in our personal lives, but we know that, ultimately, it is money that will help us reach a low-carbon future.

So how can we take action through investments? To help clients answer this question, LGIM has co-authored a guide for pension scheme trustees and the boards of asset owner organisations, published by the Institutional Investors Group on Climate Change (IIGCC).

The guide offers practical suggestions, from getting climate change onto the board agenda to developing an investment strategy, managing risk and setting targets. It includes, among other things, discussion of:

- The link between climate change and **fiduciary duty**¹³
- How climate risk relates to asset allocation
- Carbon footprinting and climate scenario analysis



Access the new guide: **Addressing climate risks and opportunities in the investment process**¹⁴.

11. <https://www.reuters.com/investigates/special-report/johnsonandjohnson-cancer/>

12. <http://www.cityam.com/270605/johnson-johnson-shares-plunge-wake-asbestos-report>

13. <https://futureworldblog.lgim.com/categories/forum/will-climate-change-get-trustees-hot-under-the-collar/>

14. http://www.lgim.com/files/_document-library/capabilities/iigcc-guide-addressing-climate-risks-and-opportunities-in-the-investment-process.pdf

Climate change is one of the defining trials of our era. But many people who can effect real change, including trustees and board members, are unsure as to how they can address it. We know much can be done and it has to be now – the guide outlines key steps through which we can all work towards a prosperous, low-carbon future.

TRANSITION RISK / RETURN INITIATIVE

We remain concerned about the quality and lack of urgency related to climate risk disclosure in the US private sector, as compared to the European market. This is of particular consequence given the political polarisation in the country on matters related to climate change.

Therefore, our US office (LGIMA) has lent its support to the Transition Risk/Return Initiative (TRRI). This is a joint corporate and investor-led roundtable series focused on market and policy efforts, to reconcile existing climate-related corporate risk governance best practices with US financial regulation and sustainable finance system innovation. The forum aims to bridge gaps between companies and investors to establish guidance for the US market on the measurement, accounting and financial valuation of short-and long-term climate risk

management, within the Task force on Climate-related Financial Disclosures (TCFD) framework.

LGIMA has provided financial support, content and participant input to the roundtable series, in addition to speaking at the TRRI's inaugural event, sharing our perspective as an investor on climate risk and our actions on the topic.

SUSTAINABILITY ACCOUNTING STANDARD BOARD INVESTOR ADVISORY GROUP

As part of our efforts to improve the availability and quality of corporate ESG reporting globally, LGIMA has joined the internationally recognised Sustainability Accounting Standards Board (SASB) Investor Advisory Group.

The SASB is a non-profit organization established to enable businesses

around the world to identify, manage and communicate financially-material sustainability information to their investors. The Investor Advisory Group is comprised of leading asset owners and asset managers who recognise the need for consistent, comparable and reliable disclosure of material and decision-useful ESG information.

To this end, SASB is undertaking crucial work, attempting to codify material ESG standards. LGIM strongly supports the organisation's rigorous, transparent and collaborative process, and we encourage the broader adoption of SASB's standards by the private sector. We believe our leadership on climate issues and our experience engaging with companies to improve ESG disclosure will be an asset to SASB, as the organisation grows in scale and expands globally.



SASB connects businesses and investors on the financial impacts of sustainability

77 industry-specific disclosure standards

Used by companies and investors globally



ESG in Asia

In November, LGIM attended various meetings in Hong Kong and China to discuss green finance and corporate governance in the region. The Asian Corporate Governance Association (ACGA) also held its conference this year in Beijing and Shanghai which was an opportunity to meet with local companies, regulators and other investment institutions to better understand topical governance issues in China.

MEETING WITH SECURITIES AND FUTURES COMMISSION (SFC) IN HONG KONG ON GREEN FINANCE

The SFC is the independent statutory body charged with regulating the securities and futures markets in Hong Kong. The SFC is responsible for fostering orderly securities and futures markets, to protect investors and help promote Hong Kong as an international financial centre.

As part of its remit, the SFC is examining Green Finance and announced a five pronged approach to promote greater interest in this area.

A meeting was held between LGIM and the SFC to share ideas on how this objective could be achieved including mandating disclosure by companies of environmental and climate-related information (such

as the Task Force on Climate-related Financial Disclosures) and developing a regulatory framework to help asset owner understanding of green products.

LGIM will continue to engage and share our experiences with the SFC as it develops its policy in this area.

ACGA CONFERENCE IN BEIJING AND SHANGHAI

LGIM attended a three day conference in Beijing on corporate governance developments in Chinese companies. Discussions mainly centred around the role and influence of the Chinese government on corporate boards. This follows amendments in the constitutional documents of Chinese companies to set up a Party Committee. The lack of transparency and uncertainty on the function of

the Party Committee increases the governance risk in companies.

Other topical issues discussed at the conference include the changing ownership models in companies, the role of ESG data and better stewardship by investors and companies.

A two day delegation trip was also held in Shanghai where investors met representatives of the Shanghai Stock Exchange to understand developments in standard setting of corporate governance. Local companies were also present. This enabled investors to ask questions on how boards manage risk, including bribery and corruption, and understand how they consider emerging issues such as climate change.

Company engagement

Case studies

Case study:

Royal Dutch Shell plc

Market cap: £208 bn

Sector: Oil and gas



What is the issue? In May 2018, a shareholder resolution was put forward by an activist group, calling on Shell to adopt binding targets to reduce its carbon emissions, with the ultimate aim to turn Shell into a renewable energy provider.

Why is it an issue? Up to two-thirds of the world's fossil fuels cannot be burned if the world is to avoid catastrophic climate change. Meeting this challenge will have a profound effect on the oil and gas industry. Under the Climate Impact Pledge, LGIM has been putting pressure on the world's largest oil & gas companies, including Shell, to align their business with a low-carbon future.

What did LGIM do? At the time of the AGM, LGIM agreed with Shell's management that the resolution was too prescriptive, and decided to vote against it.

We believe the use of carbon emission targets is essential in the fight against climate change. Since the vote, we have joined forces with other investors to encourage Shell to clarify its plans to reduce emissions and improve its climate resilience.

What was the outcome? In a win for investors, Shell announced in December 2018 that they will introduce comprehensive emission targets, linked to executive pay. An industry-leading move, the targets will include not just emissions from Shell's operations, but also from burning its oil and gas products, by far the largest contributor to the company's carbon footprint.

Linking these targets to the pay of executives represents another important step, particularly as the sector has historically incentivised its executives to continually grow their oil and gas reserves. By contrast, the targets encourage Shell to prepare for a world where the use of its main products eventually begins to decline, helping to usher in a low-carbon future.

Case studies

Case study:

Energa SA and Enea SA

Market cap: £1.67bn (joint)

Sector: Utilities

Country: Poland

What is the issue? Coming just as Poland was due to host the annual UN climate change negotiations, state-run utilities Enea and Energa announced joint plans to build a large new coal power station at Ostrołęka C.

Why is it an issue? Burning coal to generate electricity has severe impacts on human health and is a major driver of climate change.

With a history of uneven support from the Polish government, the project had not secured financing when the two utilities approved it. Described by ratings agency Fitch as 'credit-negative', the coal project is under pressure from tightening EU regulations and cleaner, cheaper technologies.

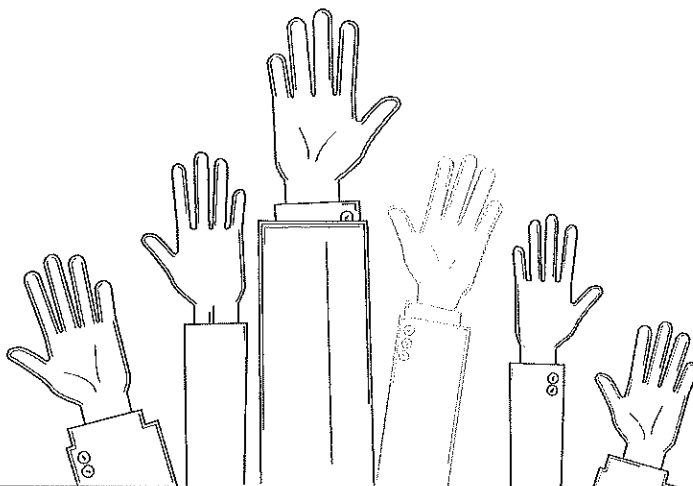
Through its index funds, LGIM is by default invested in Enea and Energa. The decision to go ahead poses a financial risk for LGIM and other shareholders, in addition to having negative environmental and health effects.

What did LGIM do? LGIM opposed the proposal to build the plant, when it was put to a vote at Enea's extraordinary general meeting in September 2018.


We then coordinated a letter to the two Polish utilities reiterating our opposition. This letter was signed by four other major institutional investors, representing a total of £2,078 bn assets under management as at 30 June 2018.

Even as their competitors pivot to renewable energy, the two utilities appear to remain committed to the coal project. We therefore decided to speak out publicly about its environmental and financial risks, receiving press coverage from major news agencies¹⁵.

What was the outcome? In a world first, in late October 2018 an environmental law group has launched a lawsuit against Enea. Citing LGIM's concerns, the group claim the utility's directors are failing in their duty to manage climate-related financial risks. We will continue to engage and monitor the situation as it develops.



15. <https://news.bloombergenvironment.com/environment-and-energy/giant-pension-fund-says-polish-coal-power-plan-doesnt-stack-up>



Case study:
Unilever plc

Market cap: £111bn

Sector: Personal Goods

What is the issue? Following an unsolicited bid from US company Kraft Heinz in 2017, Unilever initiated a strategic review.

In March 2018, Unilever announced their intention to remove the dual corporate structure and make the Netherlands the company's country of incorporation.

Why is it an issue? The change of domicile would have had a number of material implications for many of our clients.

Due to the Plc shares no longer being eligible for inclusion in FTSE UK Indices, LGIM would have been forced sellers across many of our index funds. In our Life funds, the forced sale would have crystallised a capital gain tax liability equating to millions of pounds. In addition, the reinvestment would have created stamp duty implication. Also, the Netherlands have strong protection rules against hostile takeovers.

Clients invested in the Dutch shares could have been impacted by the Dutch Dividend Withholding Tax.

What did LGIM do? LGIM engaged with the Unilever board privately on a number of occasions on our own and also collectively with other investors through the Investor Forum. Each time, emphasising our long-term interest and support for the company and asking them to safeguard the ability of our clients to maintain their investment in Unilever and benefit from its continued success.

The board remained resolute in their decisions and therefore, LGIM voted against the restructuring, voiced our concerns in public and declared our voting intention publicly in advance of the shareholder meeting.

What was the outcome? The board of Unilever subsequently decided to withdraw the resolutions to simplify the company's dual structure shortly before the shareholder meeting. They took into account that a significant group of shareholders had expressed concerns.

What's next? LGIM will be meeting with the Chairman of the company in 2019 to discuss the matter further.

Public Policy

LGIM believes that confidence in audited numbers is a fundamental part of an investor's decision making process. We have made this a key topic of engagement. During the last quarter, LGIM responded to two important public policy consultations on audit quality and audit firm competition in the UK.

Kingman Review of the Financial Reporting Council (FRC)

In April, the Secretary of State requested an independent review of the FRC which is the UK's financial reporting regulator overseeing audit quality work by audit firms. The government also requested that the review sets out proposals to make the regulator a beacon for the best in governance, transparency and independence.

LGIM submitted a response to the consultation in August advocating for major reform in company regulation and to set high corporate governance standards and promote reliable financial reporting from companies. **Our proposals included setting up a new company regulator with an established purpose and function set out in primary legislation and to have wider powers to help achieve its objective. A stronger regulator would help restore public trust in the financial system, ensure the effective functioning of UK capital markets and safeguard the UK as a world-leading financial and commercial hub.**

Following our submission, the outcome of the review was released in December. **We were pleased to see that proposals from the review included replacing the FRC with a new independent regulator with clear statutory powers and objectives and named the Audit, Reporting and Governance Authority.** We will monitor the regulatory landscape as the new regulator is established and provide feedback on its function.

Competition Market Authority (CMA) review of the Audit Market

As a significant equity and credit investor, there is a responsibility to ensure that global markets operate efficiently and uphold the highest levels of transparency to protect the integrity over the long term.

Following on our response to the CMA's 2012 consultation to improve the audit market by mandating auditor rotation, LGIM also responded to their recent consultation on the review of the audit market.

LGIM believes that the primary concern in the audit market is that of poor audit quality and that trust in audit has been shaken due to recent high profile cases arising. This has had a knock-on-effect on not only investors but other stakeholders such as employees and the public.

In an effort to improve the functioning of the audit market, increase professional scepticism and promote better competition, we proposed a number of solutions for the CMA to consider. This included the operational separation of the assurance side of the audit firm from the rest of its advisory services, strengthening the role of audit committees to hold auditors to account for the quality of work they undertake and realigning the remuneration structure of audit partners to audit quality over the longer term. A copy of our submission can be found [here](https://www.gov.uk/cma-cases/statutory-audit-market-study)¹⁶.

In December, at the time the Kingman Review findings were released, the CMA published its interim report taking into account some of our main suggestions.

16. <https://www.gov.uk/cma-cases/statutory-audit-market-study>

Regional updates

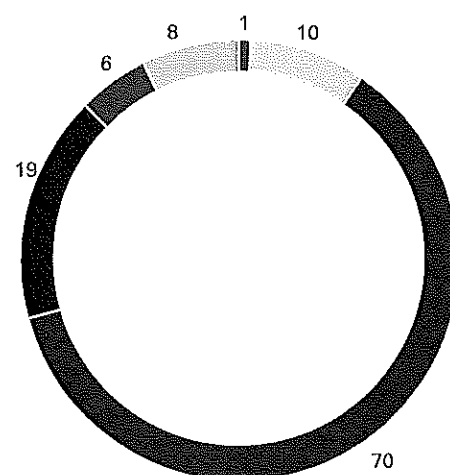
UK

Q4 2018 VOTING SUMMARY UK

Proposal category	UK		
	For	Against	Abstain
Anti-takeover Related	40	1	
Capitalisation	272	10	
Directors Related	377	70	
Non-Salary Comp.	96	19	
Reorg. and Mergers	27	6	
Routine/Business	327	8	
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	1139	114	
Total resolutions	1253		
No. AGMs	78		
No. EGMs	52		
No. of companies voted	120		
No. of companies where voted against at least one resolution	56		
% no. of companies where at least one vote against	47%		

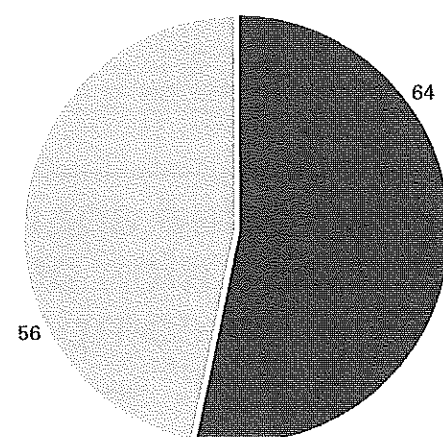
'LGIM voted against at least one resolution at 47% of UK companies over the quarter.'

Voting issue breakdown (against)



- Antitakeover
- 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 management

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

Regional updates

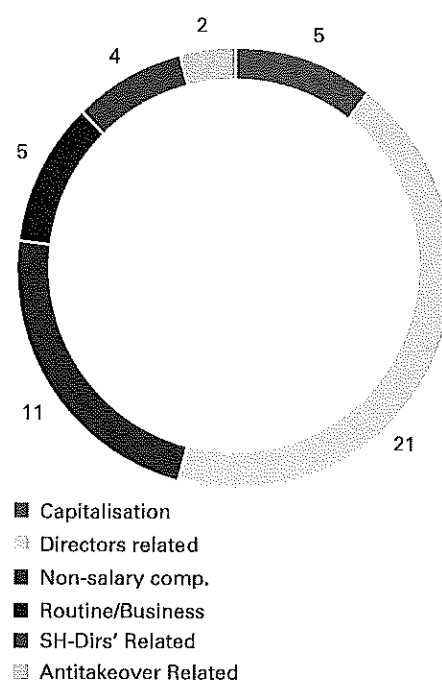
Europe

Q4 2018 VOTING SUMMARY EUROPE

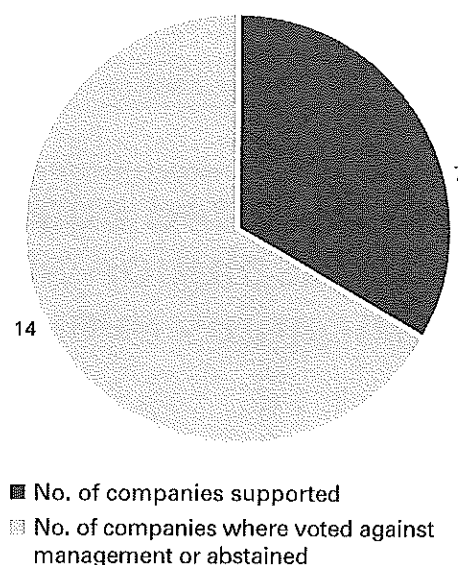
Proposal category	EUROPE		
	For	Against	Abstain
Anti-takeover Related	1	2	
Capitalisation	17	5	
Directors related	41	19	2
Non-salary compensation	18	11	
Reorganisations and mergers	5		
Routine/Business	55	5	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related		4	
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business			
SH-Soc./Human Rights			
Social Proposal			
Total	137	46	2
Total resolutions	185		
No. AGMs	9		
No. EGMs	12		
No. of companies voted	21		
No. of companies where voted against at least one resolution	14		
% no. of companies where at least one vote against	67%		

'LGIM voted against at least one resolution at 67% of European 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

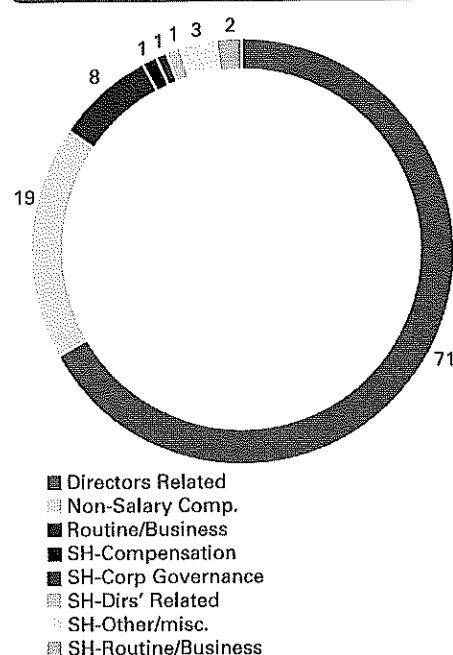
Regional updates

North America

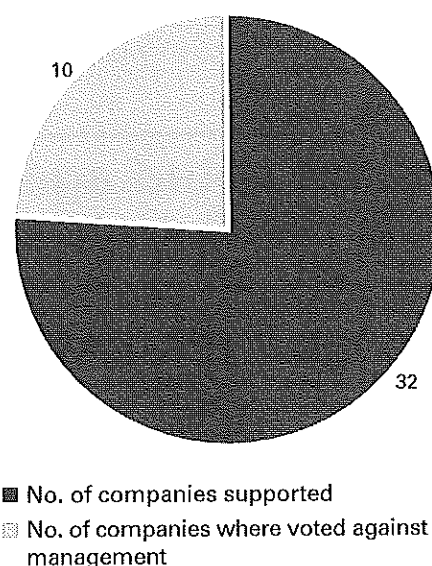
Q4 2018 VOTING SUMMARY NORTH AMERICA

Proposal category	NORTH AMERICA		
	For	Against	Abstain
Anti-takeover Related	5		
Capitalisation	7		
Directors related	249	71	
Non-salary compensation	31	19	
Reorganisations and mergers	7		
Routine/Business	27	8	
SH-Compensation	2	1	
SH-Corp Governance		1	
SH-Dirs' Related		1	
SH-Gen Econ Issues			
SH-Health/Environment			
SH-Other/misc.		3	
SH-Routine/Business		2	
SH-Soc./Human Rights			
Social Proposal			
Total	328	106	
Total resolutions	434		
No. AGMs	32		
No. EGMs	10		
No. of companies voted	42		
No. of companies where voted against at least one resolution	32		
% no. of companies where at least one vote against	76%		

Voting issue breakdown (against)



Number of companies voted for/against



'LGIM voted against at least one resolution at 76% 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

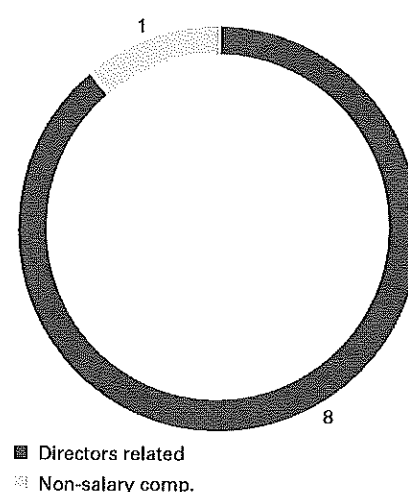
Regional updates

Japan

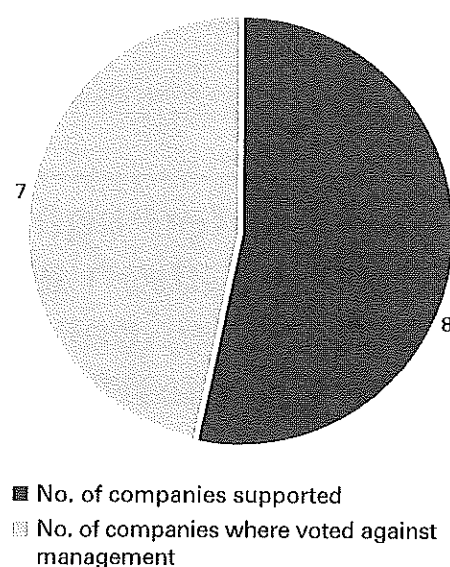
Q4 2018 VOTING SUMMARY JAPAN

Proposal category	JAPAN		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation			
Directors related	82	8	
Non-salary compensation	1	1	
Reorganisations and mergers	8		
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	100	9	
Total resolutions	109		
No. AGMs	9		
No. EGMs	6		
No. of companies voted	15		
No. of companies where voted against at least one resolution	7		
% no. of companies where at least one vote against	47%		

Voting issue breakdown (against)



Number of companies voted for/against



'LGIM voted against at least one resolution at 47% 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

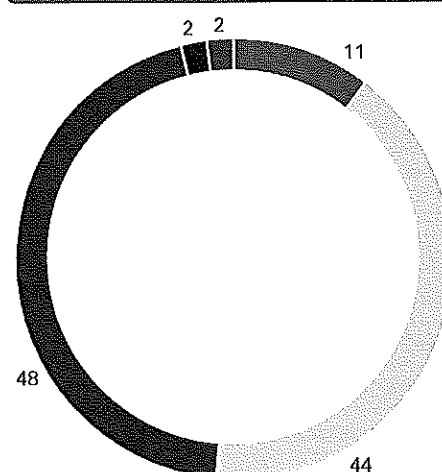
Asia Pacific

Q4 2018 VOTING SUMMARY ASIA PACIFIC

Proposal category	ASIA PACIFIC		
	For	Against	Abstain
Anti-takeover Related	9		
Capitalisation	19	11	
Directors related	248	44	
Non-salary compensation	129	48	
Reorganisations and mergers	14		
Routine/Business	40	2	
SH-Compensation			
SH-Corp Governance			
SH-Dirs' Related	1		
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment	2	2	
SH-Other/misc.			
SH-Routine/Business	4		
SH-Soc./Human Rights	2		
Social Proposal	1		
Total	469	107	
Total resolutions	576		
No. AGMs	83		
No. EGMs	17		
No. of companies voted	97		
No. of companies where voted against/abstain at least one resolution	47		
% no. of companies where at least one vote against	48%		

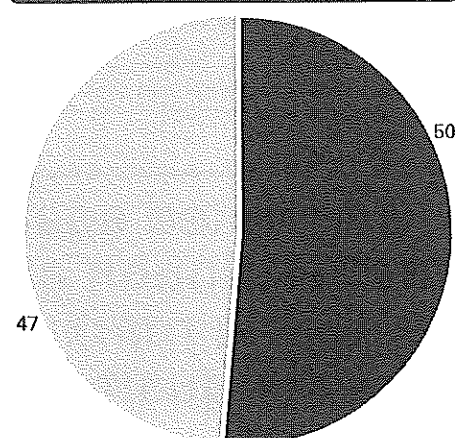
'LGIM voted against at least one resolution at 48% of Asia Pacific companies over the quarter.'

Voting issue breakdown (against)



- Capitalisation
- Directors related
- Non-salary comp.
- Routine/Business
- SH-Health/Environ.

Number of companies voted for/against



- No. of companies supported
- No. of companies where voted against management

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

Regional updates

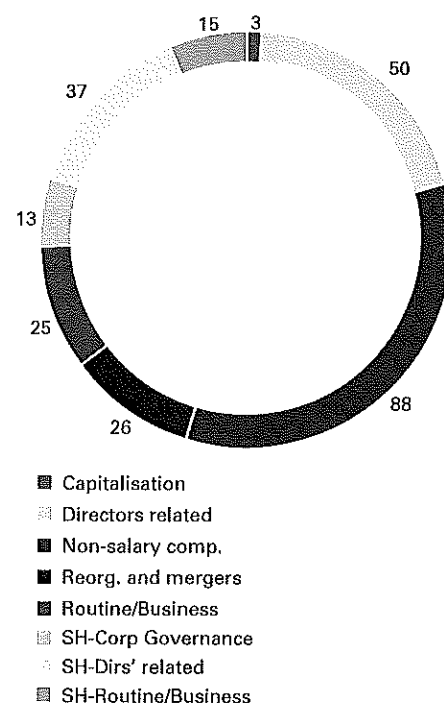
Emerging markets

Q4 2018 VOTING SUMMARY EMERGING MARKETS

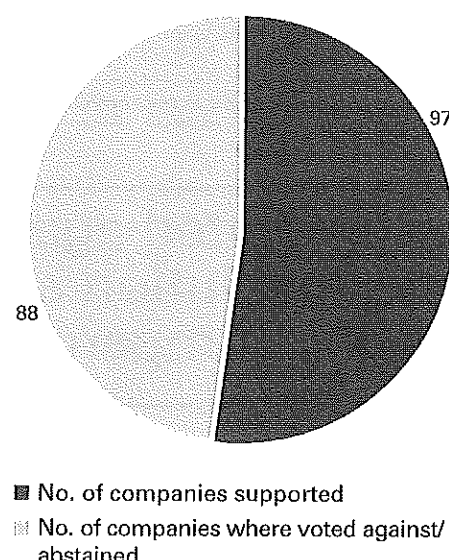
Proposal category	EMERGING MARKETS		
	For	Against	Abstain
Anti-takeover Related			
Capitalisation	226	3	
Directors related	480	48	2
Non-salary compensation	44	88	
Reorganisations and mergers	253	26	
Routine/Business	295	25	
SH-Compensation	1		
SH-Corp Governance	3	13	
SH-Dirs' Related	22	37	
SH-Gen Econ Issues			
Shareholder resolution - Health/Environment			
SH-Other/misc.			
SH-Routine/Business	2	15	
SH-Soc./Human Rights			
Social Proposal			
Total	1326	255	2
Total resolutions	1583		
No. AGMs	46		
No. EGMs	143		
No. of companies voted	185		
No. of companies where voted against/abstain at least one resolution	88		
% no. of companies where at least one vote against	48%		

'LGIM voted against at least one resolution at 48% of emerging markets companies over the quarter.'

Voting issue breakdown
(against and abstain)



Number of companies voted
for/against/abstain



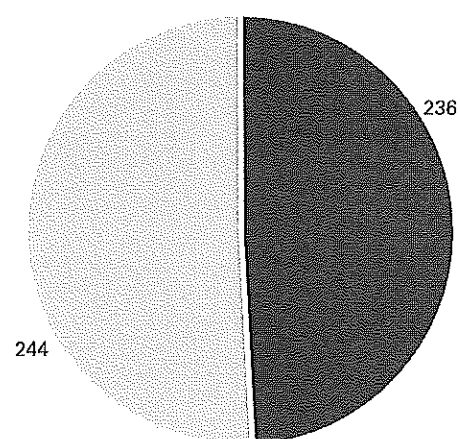
Source for all data LGIM. The votes above represent voting instructions for our main FTSE pooled index funds

Global summary

VOTING TOTALS

Proposal category	For	Against	Abstain	Total
Anti-takeover Related	55	3		58
Capitalisation	541	29		570
Directors related	1477	260	4	1741
Non-salary compensation	319	186		505
Reorganisations and mergers	314	32		346
Routine/Business	753	48		801
SH-Compensation	3	1		4
SH-Corp Governance	3	14		17
SH-Dirs' Related	23	42		65
SH-Gen Econ Issues	0	0		0
Shareholder - Health/Environment	2	2		4
SH-Other/misc.	0	3		3
SH-Routine/Business	6	17		23
SH-Soc./Human Rights	2	0		2
Social Proposal	1	0		1
Total resolutions	3499	637	4	4140
No. AGMs	257			
No. EGMs	240			
No. of companies voted	480			
No. of companies where voted against/abstain at least one resolution	244			
% no. of companies where at least one vote against	51%			

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

Climate Change

Remuneration

COMPANY ENGAGEMENT STATISTICS

Proposal category	Total
Total number of companies	74
Total number of meetings	80
Number of meetings where environmental topics discussed	37
Number of meetings where social topics discussed	20
Number of meetings where governance topics discussed	52
Number of meetings where other topics (e.g. financial and strategy) discussed	27
% of meetings including environmental and social issues discussed	58%

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.

Important Notice

The information presented in this document (the "Information") is for information purposes only. The Information is provided "as is" and "as available" and is used at the recipient's own risk. Under no circumstances should the Information be construed as: (i) legal or investment advice; (ii) an endorsement or recommendation to investment in a financial product or service; or (iii) an offer to sell, or a solicitation of an offer to purchase, any securities or other financial instruments.

Unless otherwise stated, the source of all information is Legal & General Investment Management Ltd.

LGIM, its associates, subsidiaries and group undertakings (collectively, "Legal & General") makes no representation or warranty, express or implied, in connection with the Information and, in particular, regarding its completeness, accuracy, adequacy, suitability or reliability.

To the extent permitted by law, Legal & General shall have no liability to any recipient of this document for any costs, losses, liabilities or expenses arising in any manner out of or in connection with the Information. Without limiting the generality of the foregoing, and to the extent permitted by law, Legal & General shall not be liable for any loss whether direct, indirect, incidental, special or consequential howsoever caused and on any theory of liability, whether in contract or tort (including negligence) or otherwise, even if Legal & General had been advised of the possibility of such loss.

LGIM reserves the right to update this document and any Information contained herein. No assurance can be given to the recipient that this document is the latest version and that Information herein is complete, accurate or up to date.

All rights not expressly granted to the recipient herein are reserved by Legal & General.

Issued by Legal & General Investment Management Ltd. Registered in England No.02091894. Registered office: One Coleman Street, London, EC2R 5AA. Authorised and regulated by the Financial Conduct Authority.

M1854