Triodos Investment Management

SIMON PROPERTY GROUP INC.

Meeting Date:	Thu, 15 May 2014 8:30am	**Type:**	AGM	**Issue date:**	Fri, 09 May 2014
Meeting Location:	225 West Washington Street, Indianapolis, Indiana 46204				
Current Indices:	S&P500				
Sector:	Retail REITs				

	PROPOSALS	ADVICE
1a	**Elect Melvyn E. Bergstein** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Oppose**
1b	**Elect Larry C. Glasscock** Independent Non-Executive Director.	**For**
1c	**Elect Karen N. Horn, Ph.D.** Non-Executive Director. Independent by Company, but not considered to be independent as she has served on the Board for more than nine years. There is insufficient independence on the Board.	**Oppose**
1d	**Elect Allan Hubbard** Independent Non-Executive Director.	**For**
1e	**Elect Reuben S. Leibowitz** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board of the company or the Board of an acquired company (Chelsea Property Group Inc.) for more than nine years in aggregate. There is insufficient independence on the Board.	**Oppose**
1f	**Elect Daniel C. Smith, Ph.D.** Independent Non-Executive Director.	**For**
1g	**Elect J. Albert Smith, Jr.** Non-Executive Director. Independent by Company, but not considered to be independent as he has served on the Board for more than nine years. There is insufficient independence on the Board.	**Oppose**
2	**Approve Executive Compensation.** The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: BDA (For 2013 it was CEA) Disclosure rating: B Balance rating: D - There are LTIP awards which only have time-based vesting requirements. The CEO's pay package includes a retention award with a grant date value of approximately $120 million. His direct compensation for 2013 was USD 15,695,528, up from over USD 13 million in 2012 and over USD 10 million in 2011. Contracts rating: A - A clawback policy and double trigger provision for equity acceleration in change of control were introduced for 2013. Based upon the lack of performance conditions for some LTIP awards and the excessive retention award granted to the CEO, Triodos opposes this resolution. At the 2013 AGM, 42.33% of shareholders opposed this resolution.	**Oppose**

3	**Amend the 1998 Stock Incentive Plan** The Board is seeking several amendments to the Plan approved by shareholders in 2012 as a result of a legal challenge from a shareholder, as described in the notes below. The changes include: 1) a reduction in the number of shares reserved for the Plan - setting the aggregate number of shares of the Company's common stock available for awards under the 1998 Plan at 16,300,000, such that immediately thereafter there will remain approximately 3,931,178 shares available to be awarded. 2) a reduction in the per person award limit from 600,000 to 500,000 shares per calendar year; and : 3) a prohibition on non-performance based units - the prohibiting the Committee from making non-performance based awards of performance units (including long-term incentive performance units ("LTIP units")) without future stockholder approval of an amendment authorizing such awards. An oppose vote was recommended on the original Plan in 2012 and although these changes are considered to be improvements, the maximum cap is still considered to be excessive and performance targets are not disclosed which prevents shareholder assessment whether future payouts will be commensurate with performance. Based on these concerns, Triodos does not support this resolution.	**Oppose**
4	**Ratify the appointment of the auditors** Ernst & Young LLP proposed. The total unacceptable non-audit fees were approximately 9% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 10% of audit and audit related fees. Acceptable proposal. **** = Special resolution***	**For**

Supporting Information for Resolutions

Proposal 3 - The Board are seeking stockholder ratification and approval of the Current Plan, because the amendments approved by stockholder vote in May 2012 have been challenged in a pending derivative lawsuit commenced by a stockholder who claims that the May 2012 vote was invalid due to allegedly inaccurate or misleading disclosures made to stockholders in the 2012 Proxy Statement. In a telephonic conference with counsel for the parties on March 28, 2014, in which the court presiding over the derivative lawsuit ruled on certain motions the court expressed a belief that the alleged misrepresentations and omissions on which this disclosure claim is based are of a type that could be cured with a ratifying vote of stockholders. The court did not, however, issue a ruling or provide any assurance that a ratifying vote would be found to cure the alleged misrepresentations and omissions. If the Current Plan is ratified and approved, the Company intends to seek dismissal of this derivative lawsuit. Dismissal of the suit would permit the Company to focus on continuing to increase long-term stockholder value without the cost, expense and distraction associated with further litigation of this claim.

For Private Circulation only

Researcher: Adam Rose
Email: pircresearch@pirc.co.uk

PIRC

Pensions & Investment Research Consultants Limited
6th Floor
9 Prescot Street
London E1 8AZ

Tel: 020 7247 2323
Fax: 020 7247 2457
http://www.pirc.co.uk

Regulated by the Financial Conduct Authority

Version 2