

BOSTON PROPERTIES INC.

MEETING DATE	Tue, 19 May 2015 10:00 am	TYPE	AGM	ISSUE DATE	Fri, 15 May 2015
MEETING LOCATION	Boston Properties, Inc. 399 Park Avenue, 13th Floor, New York, NY 10022				
CURRENT INDICES	S&P500				
SECTOR	Real estate investment trusts				

PROPOSALS		ADVICE
1.02	Elect Carol B. Einiger Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1.03	Elect Jacob A. Frenkel Independent Non-Executive Director. He is chair of the Nomination committee and less than 20% of the Board are women which Triodos does not support.	Oppose
1.04	Elect Joel I. Klein Independent Non-Executive Director.	For
1.05	Elect Douglas T. Linde Executive Director	For
1.06	Elect Matthew J. Lustig Independent Non-Executive Director. There are concerns over his aggregate time commitments.	Abstain
1.07	Elect Alan J. Patricof Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	Oppose
1.08	Elect Ivan G. Seidenberg Lead Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1.09	Elect Owen D. Thomas Chief Executive Officer	For
1.10	Elect Martin Turchin Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board.	Oppose
1.11	Elect David A. Twardock Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	Oppose
1.12	Elect Mortimer B. Zuckerman Non-Executive Chairman & Co-founder. Former Executive Chairman until January 2015, he was the CEO until April 2013. There is insufficient independent representation on the board.	Oppose
2	Advisory vote on executive compensation The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. 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: CDC. As specific targets that determine the award of annual cash incentives and long term incentives are not disclosed in the compensation analysis and the Company grants award with no performance criteria other than continued employment, Triodos opposes this resolution.	Oppose

- 3 Appoint the auditors** **Oppose**
PwC LLP proposed. Non-audit fees represented 31.7% of audit fees during the year under review and 23% on a three-year aggregate basis. This level of non-audit fees raises concerns about the independence of the statutory auditors. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. Triodos opposes this resolution.
- 4 Shareholder Resolution: Introduce an independent chairman rule** **For**
Proposed by the Massachusetts Laborers' Pension Fund. The Proponent requests the Board of Directors to adopt a policy that the board's chairman should be an independent director who has not previously served as an executive officer of the Company. The Proponent argues that an independent Chairman can enhance board oversight of management and help ensure the objective functioning of an effective board and can improve accountability to shareowners. The Board recommends shareholders oppose and argues that adoption of the proposal and would only serve to limit the Board of Directors' flexibility in determining the best candidate to serve as the company's Chairman. The Board argues that the proposal is unnecessary as: the Company has a lead independent director; 73% of the Board members are independent under the NYSE rules; the Committees are comprised entirely of independent directors; and the Company's Corporate Governance Guidelines.
The separation of roles by adopting a policy to have an independent Chairman is viewed as being best practice in corporate governance. It is considered that combined roles may be mitigated by a high degree of board independence and a strong lead independent director, however, these conditions are not thought to be in place as the Lead Director is not considered to be independent due to length of tenure and there are insufficient independent directors on the Board. Triodos supports this resolution.
- 5 Shareholder Resolution: adoption of proxy access.** **For**
Proposed by the City of Philadelphia Public Employees Retirement System. The Proponent requests the Board of Directors to adopt a proxy access bylaw. According to the proposed bylaw, a Nominator must: have beneficially owned 3% or more of Boston Properties' outstanding common stock continuously for at least three years before the nomination is submitted; give written notice within the time period identified in the Company's bylaws of the information required by the bylaws and any rules of the Securities and Exchange Commission about the nominee and the Nominator; and certify that to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at Boston Properties. The Board recommends shareholders oppose and argues that the company adopted proxy access By-law provisions with terms consistent with those set forth in this proposal. In particular, the proxy access By-law provisions permit a stockholder or a group of no more than five stockholders that have held at least 3% of the Company's issued and outstanding common stock for at least three years, with issued and outstanding common units of BPLP counting as issued and outstanding common stock, to include director nominees in annual meeting proxy materials.
The move would strengthen shareholder democracy and it is considered that the proposal would help to increase independent representation on the Board which currently is insufficient. Furthermore, the requested threshold for holding requirement for nominators is considered sufficient. In addition, in light of the major governance concerns with director compensation, lack of Board independence and poor compensation package rating, the nomination of new Board members would facilitate greater independence in the oversight of the company. Triodos supports this resolution.

6 Shareholder Resolution: policy regarding accelerated vesting of equity awards of senior executives upon a change in control. For

Proposed by the AFL-CIO Equity Index Fund. The Proponent requests the Board of directors to adopt a policy that in the event of a change in control, there shall be no acceleration of vesting of any equity award granted to any senior executive officer, provided, however, that the board's Compensation Committee may provide in an applicable grant or purchase agreement that any unvested award will vest on a partial, pro rata basis up to the time of the named executive officer's termination, with such qualifications for an award as the Committee may determine. According to the Proponent, the Company allows executives to receive an accelerated award of unearned equity under certain conditions after a change of control of the Company. The Board recommends shareholders oppose and argues that the Committee modified time-based equity awards made in 2015 or later to include "double-trigger" vesting. According to this, if there is a change of control and the awards are not otherwise cancelled in connection with the change of control transaction, they only become fully vested if, within 24 months after the change of control, the executive's employment is terminated by the Company or its successor without cause or the executive resigns for good reason. The Board argues that the proposal, would only allow for vesting on a partial, pro rata basis even if an executive's employment was terminated in connection with the change of control. The Board argues that the proposal seeks to create a policy that the Board of Directors believes would restrict the Company's ability to structure executive compensation program and it would prohibit time-based equity awards with double-trigger vesting.

The acceleration of unvested stock pursuant to a change in control where there is no reference to performance is not supported. Triodos supports this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory vote on executive compensation

Disclosure: C- Specific targets that determine the award of annual cash incentives and long term incentives are not disclosed in the compensation analysis.

Balance: D- The Company awarded long term incentives in the form of performance-based MYLTIP awards and time-based equity awards. The performance-based stock units cliff-vest one year after the three-year performance period. The time-based equity awards vest over four years, 25% per year.

Contract: C- In the event of an involuntary not for cause termination or a good reason termination following a change in control or a change in control without termination, all outstanding equity awards become fully vested.

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