Triodos Investment Management

BOSTON PROPERTIES INC.

MEETING DATE	Wed, 23 May 2018 9:00 am	TYPE	AGM	ISSUE DATE	Wed, 16 May 2018
MEETING LOCATION	Salesforce Tower, 415 Mission Street, Lobby Level, San Francisco, California				
CURRENT INDICES	S&P500				
SECTOR	Real estate investment trusts				

	PROPOSALS	ADVICE
1.1	**Elect Director Kelly A. Ayotte** Independent Non-Executive Director. However, there are concerns over the director's potential aggregate time commitments.	**Abstain**
1.2	**Elect Director Bruce W. Duncan** Independent Non-Executive Director.	**For**
1.3	**Elect Director Karen E. Dykstra** Independent Non-Executive Director.	**For**
1.4	**Elect Director Carol B. Einiger** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. She is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
1.5	**Elect Director Jacob A. Frenkel** Independent Non-Executive Director. At the AGM in 2017, this director received 11.38% votes against their election.	**For**
1.6	**Elect Director Joel I. Klein** Lead Independent Director	**For**
1.7	**Elect Director Douglas T. Linde** President and co-founder.	**For**
1.8	**Elect Director Matthew J. Lustig** Independent Non-Executive Director.	**For**
1.9	**Elect Director Owen D. Thomas** Chief Executiv	**For**
1.10	**Elect Director Martin Turchin** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	**For**
1.11	**Elect Director David A. Twardock** Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**

2 **Advisory Vote to Ratify Named Executive Officers' Compensation** **Oppose**

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.

he Company has achieved a below average level of disclosure due to non-disclosure of performance targets. The Company identifies certain performance goals, however, there is no indication of targets or measuring of the performance goals. The Compensation Committee is allowed discretion in determining awards. Long-term awards are granted in the form of performance-based units (PSUs) and time-based restricted stock units (RSUs).

Rewarded CEO pay was in line with peer group averages and the average of companies of a similar market capitalisation. The annual bonus and the long-term incentive are considered excessive and are not in line with best practice, which considers that variable pay should be capped at 400% of base salary (200% for the annual bonus and 200% for the long-term). Performance awards vest after a three year performance period, which is a market standard. However, a five year performance period is considered best practice. Furthermore, time-based restricted stock units (RSUs) have no performance conditions and vest in three equal installments beginning on the first anniversary of the grant, which is not considered best practice as it does not link pay with company performance.

The compensation rating is: EDC.

Triodos opposes this resolution.

3 **Ratify PricewaterhouseCoopers LLP as Auditors** **Oppose**

PwC proposed. Non-audit fees represented 7.10% of audit fees during the year under review and 10.40% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. 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.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote to Ratify Named Executive Officers' Compensation

Disclosure: E - The Company has achieved a below average level of disclosure due to non-disclosure of performance targets. The Company identifies certain performance goals, however, there is no indication of targets or measuring of the performance goals. The Compensation Committee is allowed discretion in determining awards. Long-term awards are granted in the form of performance-based units (PSUs) and time-based restricted stock units (RSUs).

Balance: D - Rewarded CEO pay was in line with peer group averages and the average of companies of a similar market capitalisation. The annual bonus and the long-term incentive are considered excessive and are not in line with best practice, which considers that variable pay should be capped at 400% of base salary (200% for the annual bonus and 200% for the long-term). Performance awards vest after a three year performance period, which is a market standard. However, a five year performance period is considered best practice. Furthermore, time-based restricted stock units (RSUs) have no performance conditions and vest in three equal installments beginning on the first anniversary of the grant, which is not considered best practice as it does not link pay with company performance.

Contract: C - The Company has a compensation claw back policy in place. However, upon termination, cash severance is more than 300% of base salary, which is not in line with best practice.

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