Triodos Investment Management

JONES LANG LASALLE INC

MEETING DATE	Thu, 28 May 2020 9:00 am	TYPE	AGM	ISSUE DATE	Tue, 26 May 2020
MEETING LOCATION	www.virtualshareholdermeeting.com/jll2020				
CURRENT INDICES	PIRC Global				
SECTOR	Real estate agents and managers				
FYE	31 Dec 2019				

	PROPOSALS	ADVICE
1a	**Elect Director Hugo Bague** Independent Non-Executive Director. Support is recommended.	For
1b	**Elect Director Matthew Carter, Jr.** Independent Non-Executive Director. Support is recommended.	For
1c	**Elect Director Samuel A. Di Piazza, Jr.** Independent Non-Executive Director. Support is recommended.	For
1d	**Elect Director Ming Lu** Non-Executive Director. Not considered independent owing to a tenure of over nine years. He is a non-independent member of the nomination and remuneration committees. Triodos opposes this resolution.	Oppose
1e	**Elect Director Bridget A. Macaskill** Independent Non-Executive Director. Support is recommended.	For
1f	**Elect Director Deborah H. McAneny** Independent Non-Executive Director. Support is recommended.	For
1g	**Elect Director Siddharth (Bobby) N. Mehta** Independent Non-Executive Director. Support is recommended.	For
1h	**Elect Director Martin H. Nesbitt** Non-Executive Director. Not considered independent owing to a tenure of over nine years. He is a non-independent member of the nomination and audit committees. Triodos opposes this resolution.	Oppose
1i	**Elect Director Jeetendra (Jeetu) I. Patel** Independent Non-Executive Director. Support is recommended.	For
1j	**Elect Director Sheila A. Penrose** Non-Executive Chair. Not considered independent owing to a tenure of over nine years. Although there is sufficient gender diversity on the board; she is chair the nomination committee and a member of the remuneration and audit committees which are not fully independent. Triodos opposes this resolution.	Oppose
1k	**Elect Director Ann Marie Petach** Independent Non-Executive Director. Support is recommended.	For
1l	**Elect Director Christian Ulbrich** President and Chief Executive.	For

2 Advisory Vote on Executive Compensation **Abstain**

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.

For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Performance shares have a three-year performance period, which is a market standard. The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice.

The compensation rating is: ACA.

Triodos abstains this resolution.

3 Appoint the Auditors **Oppose**

KPMG proposed. Non-audit fees represented 1.57% of audit fees during the year under review and 2.80% 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. Opposition is therefore recommended.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: A The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The company has provided the level of fees paid to the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The grant of performance awards was based on the achievement of set levels of specific performance targets for 2019 were based on the AIP Adjusted EBITDA Measure and the AIP Adjusted Business Unit Measures. The performance-based long term incentive is subject to quantified performance targets for 2019 were based on U.S. GAAP Diluted EPS and Relative TSR measure.

Balance: C For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. The company included non-financial metrics into the annual bonus structure, which is considered best practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. Retention awards made up less than one-third of the awards granted to executives, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Executive compensation is aligned with peer group averages. In addition, executive compensation is aligned with companies of a similar market cap. Performance metrics are replicated under different incentive plans, raising concerns that executives are being rewarded twice for the same performance.

Contract: A The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Cash severance is limited to three times base salary; which is welcomed. Change-in-control payments are subject to double-trigger provisions. Good reason has been appropriately defined. Equity awards are subject to pro-rata vesting, which is line with best practice. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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Researcher: Melina Zoanetti
Email: pircresearch@pirc.co.uk

Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

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

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