

March 2017

Summary of Material Changes to SSGA's 2017 Proxy Voting and Engagement Principles and Market Specific Guidelines

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SSGA updated its proxy voting policies on March 20, 2017 as part of its annual update to voting guidelines. The significant policy changes for 2017 are summarized below:

United States, United Kingdom and Australia:

Board Diversity

SSGA believes board diversity enhances board quality as it brings together directors with different skills, background and expertise. There are many ways to achieve board diversity including through the appointment of directors with different ethnicity, race, and gender. We support all forms of diversity but at the least, we expect boards of Russell 3000, FTSE 350 and ASX 300 listed companies to have at least one female director.

Europe:

Board Independence

SSGA has strengthened its director independence requirements for board in the following markets: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.

In 2017, SSGA will vote against the election or re-election of any non-independent director, (and excluding CEO) if:

- Overall independence of the board is less than one third (33%) independent; OR
- Overall independence is less than 50% independent after excluding from calculation employee-representatives and/or director elected in accordance with local laws and are not elected by shareholders).

New Zealand:

SSGA expanded the scope of its Australia policy to include all companies listed in New Zealand. Consequently, in 2017, the following guidelines will apply to all New Zealand listed companies:

- Full Board — SSGA will vote against all non-independent directors if the overall board independence is less than 50%.
- Audit Committee — SSGA will vote against non-independent directors sitting on audit committee companies.
- Remuneration Committee — SSGA will vote against executives (excluding MD/CEO) sitting on the Remuneration Committee if the committee is less than a majority independent.
- Director Overboarding — SSGA will vote against sitting CEO who serves on more than three company boards and other directors who serve on six company boards.
- Director Attendance — SSGA will vote against directors who attend less than 75% of board meetings without appropriate explanations.

Japan:

In evaluating the adoption or renewal of a Japanese issuer's shareholder rights plans ("poison pill"), SSGA considers the following conditions: (i) release of proxy circular with details of the proposal with adequate notice in advance of meeting, (ii) minimum trigger, flip-in or flip-over of 20%, (iii) maximum term of three years, (iv) sufficient number of independent directors, (v) presence of an independent committee, (vi) no other protective or entrenchment features.

These policies are available on the SSGA website at [Provide link](#)

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