

ASN Beleggingsinstellingen Beheer B.V. (ABB) Voting Behaviour – Q1 2018

A summary of Q1 2018 voting for ABB is displayed below.

In Q1 2018, we voted a total of 36 company meetings in the ABB accounts,

	Q1	Q2	H1	Q3	Q4	Annual
Total Meetings Voted	36					
Voted For Management	12					
Voted Against Management ¹	24					
Total Management Resolutions	414					
Votes For	372					
Votes Against	42					
Votes Abstain	0					
Total Shareholder Resolutions	5					
Votes For	5					
Votes Against	0					
Votes Abstain	0					
Total Resolutions	419					
Votes For	377					

¹ Opposed management on at least one resolution

Votes Against	42
Votes Abstain	0

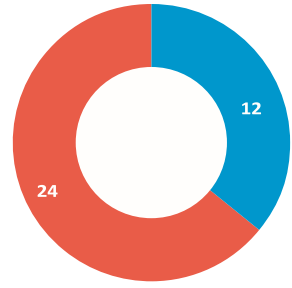
resolution at the

represented by 36 companies. ABB's voting policy was applied to all voting decisions made. We voted with management recommendations at 33 percent of the meetings and voted against management recommendations on at least one remaining 67 percent of the meetings.

Out of the 36 meetings voted during 2018, 26 meetings were voted in Europe, 8 meetings were voted in the Americas and 2 meetings were voted in the Asia Pacific region. The three charts below display the meeting distribution by country in each region.

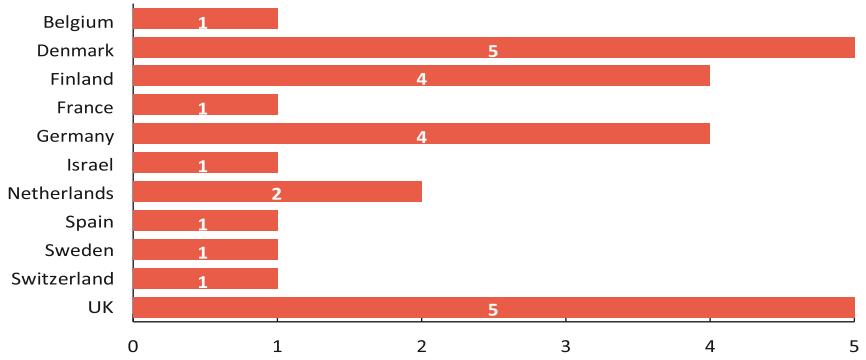
Total Meetings Voted For/Against Management

For Management	33%
Against Management	67%



Bermuda
United States

Meeting Distribution by Country - Europe

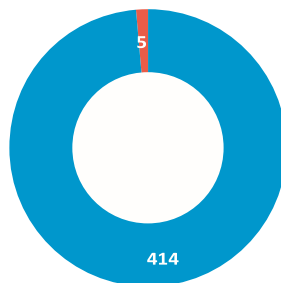


Distribution by Country - Asia Pacific

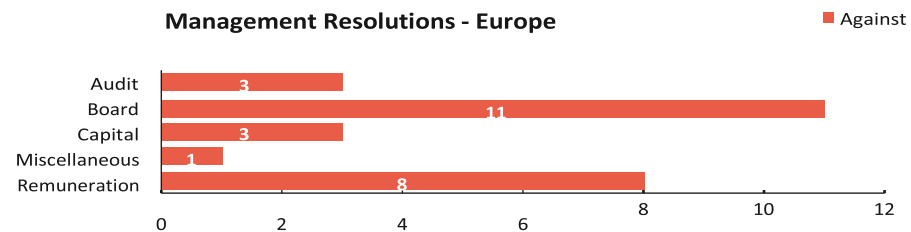
Meeting Distribution by Country - Americas

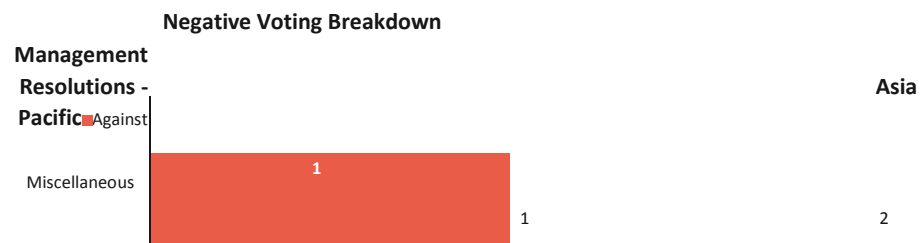
Type of Resolution - Management/Shareholder

Management Resolutions	99%
Shareholder Resolutions	1%

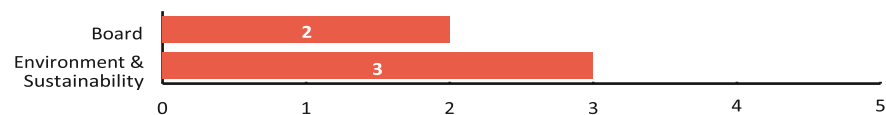


Negative Voting Breakdown Management Resolutions - Europe





The breakdown of the 5 shareholder resolutions by region, type of resolution and vote cast is provided in the chart below. No shareholder resolutions were put forward in the Asia Pacific and Europe regions in Q1 2018



■ Against **Voting Breakdown**

Shareholder Resolutions - Europe

Q1 2018 ABB themes and case studies

As the AGM season gets underway in Q1, ABB voted at upwards of 30 meetings in markets ranging from the Netherlands to the US to South Korea. We have reinforced our dialogue with companies in the pharmaceutical sector by visiting two meetings in person and witnessed interesting developments at other companies, including controversy over pay practices and concern over the bulging schedules of board directors. We will follow with interest the companies' response to these issues over the next year.

Tesla breaks the speed limit on CEO pay

US company **Tesla, Inc** has garnered a lot of media attention in recent years for its rapid growth as a manufacturer of electric vehicles and energy storage products. Founder and CEO Elon Musk has played a major part in propelling the company's development. At a Special Meeting on 21 March 2018, the company sought to reward Mr Musk with a stock option agreement, worth a breath-taking USD 2.62 billion (according to the company's own valuation). This would be paid in 12 tranches, each one tied to market value milestones as well as operational milestones. Although we acknowledge the major contribution Mr Musk has made to the company's success and commend the company's vision in expanding the electric vehicle market, we had significant doubts about the proportionality of such an enormous award. Furthermore, we were not convinced that stock market performance – a key driver of one of the measures used, market

capitalisation – would necessarily reflect improved financial performance. In addition, ABB expects executive remuneration to be tied in some way to sustainability metrics, a feature lacking in this programme. ABB therefore decided to vote against the stock option agreement. 73 percent of shareholders (excluding the founders' votes) voted in favour of the agreement. The sizeable dissenting minority should indicate to the company that there are still concerns with the pay package.

Concerns about excessive executive pay surfaced at the AGM of another company operating out of the US, diversified technology business **Johnson Controls International plc**, on 7 March 2018. Former Chairman and CEO Alex Molinaroli left the board in August 2017 and received a termination payment worth USD 64 million, including cash severance, pro rata bonus and early pay-out of long-term incentive awards. This occurred less than 12 months after he was appointed as CEO in connection with the merger of Johnson Controls with Tyco International plc. Although the company has since tightened its policy on severance payments, the new CEO George Oliver may still be entitled to a pay-out worth three times his salary and bonus if his employment is terminated. In view of the disproportionate nature of these arrangements, ABB voted against the advisory vote on executive compensation. The resolution passed only by the narrowest of margins – with 51 percent of votes being in favour. This will surely compel the company to engage with its shareholders on these issues.

ABB had concerns of a different kind about the remuneration policy of Danish pharmaceuticals company **Novo Nordisk A/S**. As with Novartis, ABB visited the company's AGM on 22 March 2018 as part of our pharmaceuticals sector engagement. Although there are some positive features of the company's pay practices, such as the use of non-financial criteria (linked to, for example, quality/compliance, employees and sustainability), we noted that the company does not disclose the precise performance targets utilised under the bonus scheme for each executive director, while pensions are tied to salary and bonus, rather than salary only. Furthermore, the company's long-term incentive plan remains highly focused on sales growth, which enhances the risk of the type of unethical sales practices that have affected the reputation of the pharmaceuticals industry in recent years. ABB therefore voted against the remuneration guidelines.

The director's dilemma: experience versus commitment

It is often the case that directors at listed companies have board roles at other businesses. Indeed, investors see this as a positive trait for board appointments, as experience from other areas can complement the skills needed to contribute to the management of the company. However, it also creates a risk that the director will take on too many external commitments, compromising his or her ability to devote sufficient time to company matters.

This issue came to the fore at three companies in the ABB portfolio in the first quarter of 2018: **Novartis AG (Switzerland), Osram Licht AG and Infineon Technologies AG (both Germany)**.

ABB attended the Novartis AGM on 2 March 2018 in person as part of our continuing engagement with the pharmaceuticals sector. We voted in favour of all nominees to the board of directors, with the exception of independent director Frans van Houten. Although he appeared to have the necessary skills and expertise, he attended less than three-quarters of the board meetings held in 2017. The company explained that this was due to scheduling conflicts between Novartis' board meetings and Royal Phillips' board meetings, which he had to attend as he was the CEO. While we welcome the company's explanation, we were nonetheless concerned that his role as CEO at another public company may have a continuing impact on his attendance at Novartis' board meetings. We therefore voted against his re-election, although this resolution was approved by the majority of shareholders.

At the AGM of lighting products company Osram Licht on 20 February 2018, six candidates were standing for election to the supervisory board, including a new candidate Margarete Haase. Ms Haase was also CFO of engine manufacturer Deutz AG, a supervisory board member at airport operator Fraport AG and had just been elected to the board of banking institution ING Groep NV. It would have been difficult for her to maintain all of these commitments at the same time. However, she had decided to step down from the Deutz Group board and was not going to start her role at ING until then. We therefore took the view that her schedule would allow her to do justice to her responsibilities at Osram Licht and supported her re-election, in line with 91 percent of the total votes cast.

ASN Beleggingsinstellingen Beheer B.V. Q1 2018 Voting Appendix

Company Name	Meeting Type	Item	Proposal	Proposed by	Vote	For/Against Management	Comments
Acuity Brands, Inc.	Annual	1B.	Election of director: G. Douglas Dillard, Jr.	Management	Against	Against	The candidate joined the board in the last year. As female directors represent less than 30 percent of the board, a vote against is recommended in line with ABB's policy on board diversity.
Acuity Brands, Inc.	Annual	3.	Advisory vote to approve named executive officer compensation.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.
Acuity Brands, Inc.	Annual	5.	Approval of amended and restated Acuity Brands, Inc. 2012 omnibus incentive compensation plan.	Management	Against	Against	The plan does not include metrics related to sustainability and consultants may participate in the plan. We do not consider it the responsibility of the company to remunerate consultants. A vote against is therefore warranted.
Acuity Brands, Inc.	Annual	6.	Approval of Acuity Brands, Inc. 2017 management cash incentive plan.	Management	Against	Against	The plan does not include metrics related to sustainability and a vote against is therefore warranted.
Acuity Brands, Inc.	Annual	7.	Approval of stockholder proposal regarding ESG reporting (if properly presented).	Shareholder	For	Against	We consider that that shareholders would benefit from enhanced transparency on the companies ESG policies and performance, as well as discussion of greenhouse gas management strategies and metrics.

A similar situation arose at the AGM of semiconductor maker Infineon Technologies on 22 February 2018, where the company proposed the election of Wolfgang Eder to the supervisory board. Dr Eder serves as the CEO of technology and capital goods group Voestalpine AG and as a member of the supervisory board of Austria bank Oberbank. We regarded his total commitments as being within manageable limits, but were aware of the company's announcement that Dr Eder may also become chair of the supervisory board in the medium term, although it was appointing another member of the board (Eckard Sunner) to that post for the time being. Dr Eder's current term as CEO at Voestalpine would come to an end in March 2019, but it was not clear whether it would be renewed. On balance we decided to vote in

favour Mr Eder's election to Infineon Board, in line with 83 percent of votes, cast. We will keep a close eye on Mr Eder's package of directorships as it develops.

Amiad Water Systems Ltd To appoint Mr Arie Schor as a statutory external director of the company commencing on 1 April	ExtraOrdinary 1 General Meeting Management	The candidate joined the board in the last year. As female directors represent less than 30 percent Against Against of the board, a vote against is recommended in
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2018 and expiring on 31 March line with ABB's policy on board diversity. 2021.

Basware Oyj, Espoo	Annual General Meeting	14	Election of auditor: the board of directors proposes, on the recommendation of board's audit committee, to the general meeting the election of Ernst & Young Oy, authorized public accounting firm, as the company's auditor. Ernst & Young Oy has advised that it will appoint Ms Terhi Makinen, authorized public accountant, as the principally responsible auditor of the company.	Management	Against	Against	The level of non-audit fees raises concerns about the auditor's independence and therefore a vote against is warranted in accordance with guidelines.
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Company Name	Meeting Type	Item	Proposal	Proposed by	Vote	For/Against Management	Comments
Basware Oyj, Espoo	Annual General Meeting	16	Authorizing the board of directors to decide on share issue as well as on the issuance of options and other special rights entitling to shares.	Management	Against	Against	The authority sought to issue shares without preemptive rights (12.8 percent of issued share capital) exceeds the limit recommended by ABB guidelines.
Becton, Dickinson and	Annual 3.	Management	Advisory vote to approve named Against Against linked to sustainability and a vote against is Company				The compensation policy does not include metrics executive officer compensation. therefore warranted.
Becton, Dickinson and Company	Annual	4.	Shareholder proposal to amend the company's proxy access by-law.	Shareholder	For	Against	Approval of the proposal would enhance shareholder rights.
Beijing Enterprises Water Group Limited	Special General Meeting	2	To re-elect Dr.Lee Man Chun Raymond as an independent non-executive director of the company and authorise the board of directors of the company to fix his remuneration.	Management	Against	Against	The candidate joined the board in the last year. As female directors represent less than 30 percent of the board, a vote against is recommended in line with ABB's policy on board diversity.
Fluidra, SA, Barcelona	ExtraOrdinary General Meeting	3.4	Set as twelve the number of directors, in case of approval of the amendment of the articles of association referred to in item 2.4 of the agenda, knowledge and acceptance of the resignation of a director and appointment of directors by the board of directors. Statutory term with effect from the inscription in the commercial register corresponding to the registered office of Fluidra, SA of the deed of fusion to which it is referred in point 1 of the agenda: elect Sebastien Mazella di Bosco as director.	Management	Against	Against	The candidate joined the board in the last year. As there are no female directors on the board, a vote against is recommended in line with ABB's policy on board diversity.

<i>Company Name</i>	<i>Meeting Type</i>	<i>Item</i>	<i>Proposal</i>	<i>Proposed by</i>	<i>Vote</i>	<i>For/Against Management</i>	<i>Comments</i>
Fluidra, SA, Barcelona	ExtraOrdinary General Meeting	3.5	Set as twelve the number of directors, in case of approval of the amendment of the articles of association referred to in item 2.4 of the agenda, knowledge and acceptance of the resignation of a director and appointment of directors by the board of directors. Statutory term with effect from the inscription in the commercial register corresponding to the registered office of Fluidra, SA of the deed of fusion to which it is referred in point 1 of the agenda: elect Jose Manuel Vargas Gomez as director.	Management	Against	Against	The candidate joined the board in the last year. As there are no female directors on the board, a vote against is recommended in line with ABB's policy on board diversity.
Johnson Controls International PLC	Annual	1B.	Election of director: W. Roy Dunbar.	Management	Against	Against	The candidate joined the board in the last year. As female directors represent less than 30 percent of the board, a vote against is recommended in line with ABB's policy on board diversity.
Johnson Controls International PLC	Annual	1G.	Election of director: Juan Pablo del Valle Perochena.	Management	Against	Against	The director holds a large number of other executive or supervisory positions. We therefore question the amount of the time he will be able to devote to company business. Consequently, a vote against is warranted in accordance with guidelines.
Johnson Controls International PLC	Annual	1K.	Election of director: John D. Young.	Management	Against	Against	The candidate joined the board in the last year. As female directors represent less than 30 percent of the board, a vote against is recommended in line with ABB's policy on board diversity.
Johnson Controls International PLC	Annual	5.	To approve, in a non-binding advisory vote, the compensation of the named executive officers.	Management	Against	Against	We recommend a vote against this resolution due to severance payments being excessive.

<i>Company Name</i>	<i>Meeting Type</i>	<i>Item</i>	<i>Proposal</i>	<i>Proposed by</i>	<i>Vote</i>	<i>For/Against Management</i>	<i>Comments</i>
Lindsay Corporation	Annual	3.	Non-binding vote on resolution to approve the compensation of the Company's named executive officers.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.
Lassila & Tikanoja Oyj	Annual General Meeting	15	Election of auditor: KPMG Oy AB.	Management	Against	Against	The level of non-audit fees raises concerns about the auditor's independence and therefore a vote against is warranted in accordance with guidelines.
LG Electronics Inc, Seoul	Annual General Meeting	1	Approval of financial statements.	Management	Against	Against	Given the lack of disclosure on the status of the audit, a vote against the resolution is warranted.
Metro AG	Annual General Meeting	3	Approve discharge of management board for fiscal 2016/17.	Management	Against	Against	A vote against is warranted given the ongoing investigation into insider trading allegations in relation to the COO on the management board and the inability to vote on the ratification of the management and/or supervisory board members individually.
Metro AG	Annual General Meeting	4	Approve discharge of supervisory board for fiscal 2016/17.	Management	Against	Against	A vote against is warranted given the ongoing investigation into insider trading allegations in relation to the chair of the supervisory board and the inability to vote on the ratification of the management and/or supervisory board members individually.
Metro AG	Annual General Meeting	7	Approve remuneration system for management board members.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.
Novartis AG, Basel	Annual General Meeting	6.8	Re-election of Frans van Houten as a member of the board of directors.	Management	Against	Against	Mr van Houten failed to attend 75 percent of the meetings this year. While the company explains his low attendance level, we have concerns that this director, who is also a public company CEO, may have too many time commitments and therefore recommend a vote against his re-election.

Company Name	Meeting Type	Item	Proposal	Proposed by	Vote	For/Against Management	Comments
Micron Technology, Inc.	Annual	4.	To ratify the appointment of PriceWaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending August 30, 2018.	Management	Against	Against	The long-lasting tenure of 32 years raises concerns about the auditor's independence and therefore a vote against is warranted in accordance with guidelines.
Micron Technology, Inc.	Annual	5.	To approve a non-binding resolution to approve exec compensation ...(due to space limits, see proxy statement for full proposal).	Management	Against	Against	No performance hurdles have been disclosed for the long-term incentive plan and no portion of remuneration appears to be subject to the achievement of the sustainability measures. A vote against is therefore warranted.
Novartis AG, Basel	Annual General Meeting	B	If alternative motions under the agenda items published in the notice of annual general meeting and/or motions relating to additional agenda items (article 700 paragraph 3 of the swiss code of obligations) are proposed at the annual general meeting, I/we instruct the independent proxy to vote as follows: (yes = according to the motion of the board of directors, against = against alternative/additional motions, abstain = abstain from voting).	Management	Against	Against	As shareholders are not in a position to make an informed decision on this potential item, we recommend a vote against this resolution.
Novo Nordisk A/S	Annual General Meeting	7.3	Proposal from the board of directors: approval of changes to the remuneration principles.	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Novozymes A/S, Bagsvaerd	Annual General Meeting	6.A	Election of vice chairman: Agnete Raaschou-Nielsen.	Management	Against	Against	The director holds a large number of other executive or supervisory positions. We therefore question the amount of the time she will be able to devote to company business. Consequently, a vote against is warranted in accordance with guidelines.
Novozymes A/S, Bagsvaerd	Annual General Meeting	8.A	Election of auditor: re-election of PWC.	Management	Against	Against	As the non-audit fees exceed the audit fees a vote against is warranted.

<i>Company Name</i>	<i>Meeting Type</i>	<i>Item</i>	<i>Proposal</i>	<i>Proposed by</i>	<i>Vote</i>	<i>For/Against Management</i>	<i>Comments</i>
Novozymes A/S, Bagsvaerd	Annual General Meeting	9.E	Proposal from the board of directors: approval of revised general guidelines for remuneration of the board of directors and executive management.	Management	Against	Against	The compensation policy is introducing discretionary bonus awards without performance conditions. A vote against is therefore warranted.
NV Bekaert SA, Zwevegem	ExtraOrdinary General Meeting	2	Extension of the authority to purchase the company's shares.	Management	Against	Against	This authority could potentially be used as a takeover defence and is therefore not in the best interests of shareholders.
NV Bekaert SA, Zwevegem	ExtraOrdinary General Meeting	3	Extension of certain provisions relative to the authorized capital.	Management	Against	Against	This authority could potentially be used as a takeover defence and is therefore not in the best interests of shareholders.
Refresco Group N.V., Rotterdam	ExtraOrdinary General Meeting	5.D	Conditional appointment as per the settlement date of Mr. Brugere as member of the supervisory board.	Management	Against	Against	The candidate joined the board in the last year. As there are no female directors on the board, a vote against is recommended in line with ABB policy on board diversity.
Safestore Holdings PLC	Annual General Meeting	2	To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the year ended 31 October 2017.	Management	Against	Against	We note that the CEO received a long-term incentive award of over 2 million shares, which is worth over GBP 10 million at the current share price. We consider this award excessive and therefore recommend a vote against.
Soitec S.A.	MIX	0.3	Ratification of the co-optation of Mr. Nabeel Gareeb as director.	Management	Against	Against	The director is not independent and the board overall lacks a sufficient level of independence.
Starbucks Corporation	Annual	2.	Advisory resolution to approve our executive compensation.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.
Starbucks Corporation	Annual	4.	Proxy Access Bylaw Amendments.	Shareholder	For	Against	Approval of the proposal would enhance shareholder rights.
Starbucks Corporation	Annual	5.	Report on Sustainable Packaging.	Shareholder	For	Against	We recommend a vote for this proposal as we consider that shareholders would benefit from enhanced disclosure in this area.
							We recommend a vote for this proposal as we consider that shareholders would benefit from

Company Name	Meeting Type	Item	Proposal	Proposed by	Vote	For/Against Management	Comments
Refresco Group N.V., Rotterdam	ExtraOrdinary General Meeting	5.C	Conditional appointment as per the settlement date of Mr. Stevenin as member of the supervisory board.	Management	Against	Against	The candidate joined the board in the last year. As there are no female directors on the board, a vote against is recommended in line with ABB policy on board diversity.
Starbucks Corporation	Annual	7.	Diversity Report.	Shareholder	For	Against	enhanced disclosure regarding employee diversity.
TDC A/S	Annual General Meeting	7.B	Adoption of the board of directors' remuneration for 2018.	Management	Against	Against	Given the discretionary nature of the bonus awards and the poor disclosure of targets under the long-term incentive plan, a vote against this resolution is warranted.
Tesla, Inc.	Special	1.	To approve the grant of a performance-based stock option award to Elon Musk.	Management	Against	Against	The plan does not include metrics related to sustainability and a vote against is therefore warranted.
The Sage Group PLC	Annual General Meeting	14	To approve the directors' remuneration report.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.
The Sage Group PLC	Annual General Meeting	19	To approve and adopt The Sage Group PLC share option plan.	Management	Against	Against	The plan does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Svenska Cellulosa SCA AB, Stockholm	Annual General Meeting	12.8	Re-election of director: Bert Nordberg.	Management	Against	Against	The director holds a large number of other executive or supervisory positions. We therefore question the amount of the time he will be able to devote to company business. Consequently, a vote against is warranted in accordance with guidelines.
Svenska Cellulosa SCA AB, Stockholm	Annual General Meeting	15	Resolution on guidelines for remuneration for the senior management.	Management	Against	Against	The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.