

# ASN Beleggingsinstellingen Beheer B.V. (ABB) Voting Behaviour – Q3 2017

A summary of Q3 2017 voting for ABB is displayed below.

|                                       | Q1                    | Q2                     | H1          | Q3         | Q4 | Annual       |
|---------------------------------------|-----------------------|------------------------|-------------|------------|----|--------------|
| <b>Total Meetings Voted</b>           | <b>23<sup>1</sup></b> | <b>127<sup>2</sup></b> | <b>150</b>  | <b>28</b>  |    | <b>178</b>   |
| Voted For Management                  | 14                    | 40                     | 54          | 10         |    | 64           |
| Voted Against Management <sup>3</sup> | 9                     | 87                     | 96          | 18         |    | 114          |
| <b>Total Management Resolutions</b>   | <b>287</b>            | <b>1764</b>            | <b>2051</b> | <b>350</b> |    | <b>2,401</b> |
| Votes For                             | 271                   | 1541                   | 1812        | 310        |    | 2,122        |
| Votes Against                         | 16                    | 221                    | 237         | 40         |    | 277          |
| Votes Abstain                         | 0                     | 2                      | 2           | 0          |    | 2            |
| <b>Total Shareholder Resolutions</b>  | <b>3</b>              | <b>41</b>              | <b>44</b>   | <b>1</b>   |    | <b>45</b>    |
| Votes For                             | 0                     | 22                     | 22          | 1          |    | 23           |
| Votes Against                         | 3                     | 19                     | 22          | 0          |    | 22           |
| Votes Abstain                         | 0                     | 0                      | 0           | 0          |    | 0            |
| <b>Total Resolutions</b>              | <b>290</b>            | <b>1805</b>            | <b>2095</b> | <b>351</b> |    | <b>2,446</b> |
| Votes For                             | 271                   | 1563                   | 1834        | 311        |    | 2,145        |
| Votes Against                         | 19                    | 240                    | 259         | 40         |    | 299          |
| Votes Abstain                         | 0                     | 2                      | 2           | 0          |    | 2            |

<sup>1</sup> ABB voted its shares at the meetings of 4 companies in Q1 2017, but at that time the full shareholdings had not yet been cleared at the Depositary Trust Corporation. This led to the votes being rejected. Votes were rejected for the following meetings: Becton, Dickinson and Company (US0758871091), AGM, 24 January 2017; Starbucks Corporation (US8552441094), AGM, 22 March 2017; Acuity Brands, Inc. (US00508Y1029), AGM, 6 January 2017; and Lindsay Corporation (US5355551061), AGM, 31 January 2017. These meetings are not included in the total meetings voted figure in this table or any other figures and charts in this report.

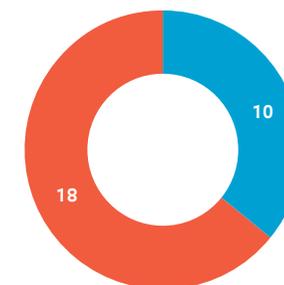
<sup>2</sup> A meeting of French company Elis SA took place on 19 May 2017. ABB's holding in this company was reported to the custodian on 16 May, which was after the voting deadline of 8 May. Accordingly ABB's vote instruction on this meeting was not accepted. This meeting is excluded from the figures above.

<sup>3</sup> Opposed management on at least one resolution.

In Q3 2017 we voted a total of 28 company meetings in the ABB accounts, represented by 27 companies. ABB's voting policy was applied to all voting decisions made. We voted with management recommendations at 36 percent of the meetings and voted against management recommendations on at least one resolution at the remaining 64 percent of the meetings.

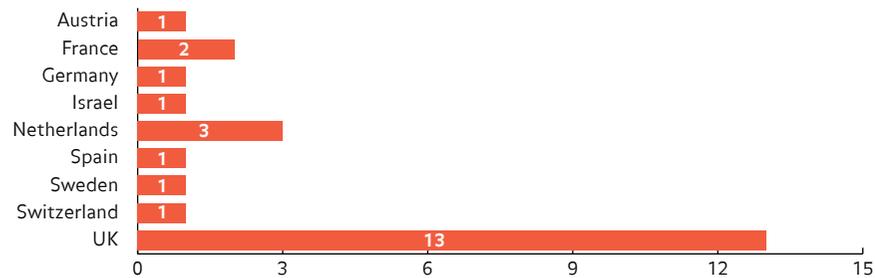
## Total Meetings Voted For/Against Management

|                    |     |
|--------------------|-----|
| For Management     | 36% |
| Against Management | 64% |

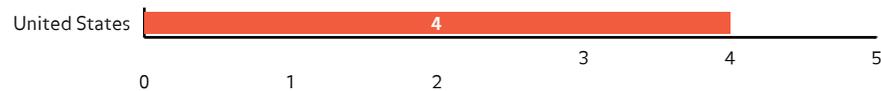


Out of the 28 meetings voted during Q3 2017, 24 meetings were voted in Europe and 4 meetings were voted in the Americas. There were no meetings in the Asia Pacific region. The two charts below display the meeting distribution by country in each region.

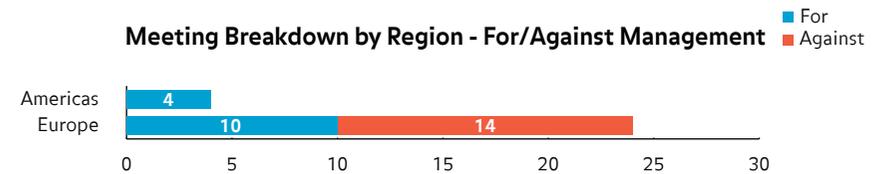
**Meeting Distribution by Country - Europe**



**Meeting Distribution by Country - Americas**



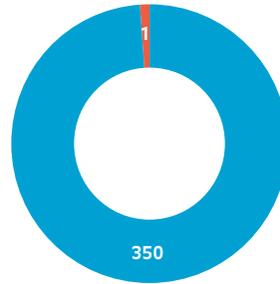
The chart below shows meetings voted by region broken down by votes cast for and against.



A total of 351 voting resolutions were reviewed and voted, of which 350 were management resolutions and 1 was a shareholder resolution. As illustrated in the second chart below, we did not support 11 percent of all resolutions.

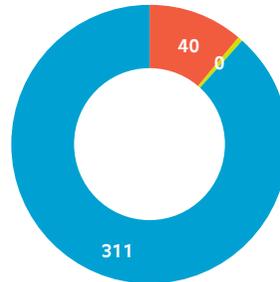
### Type of Resolution - Management/Shareholder

|                         |      |
|-------------------------|------|
| Management Resolutions  | 100% |
| Shareholder Resolutions | 0%   |



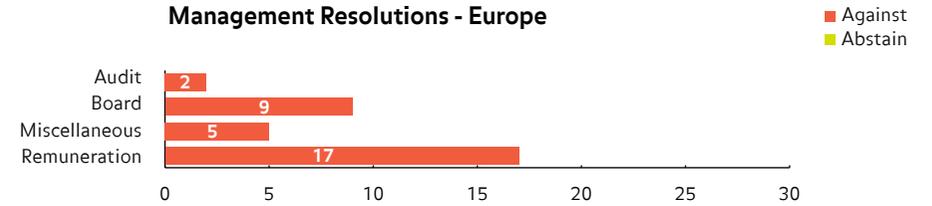
### Resolutions - Votes For /Against

|         |     |
|---------|-----|
| For     | 89% |
| Against | 11% |
| Abstain | 0%  |

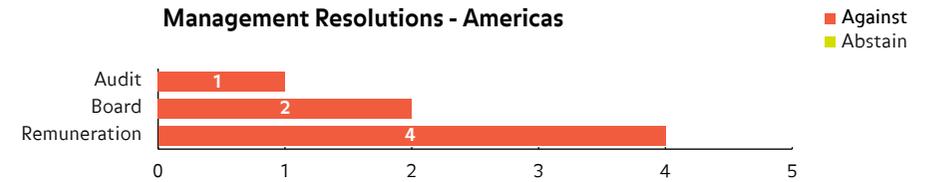


A total of 40 management resolutions were opposed during Q3 2017. The breakdown of these resolutions by region, type of resolution and the vote cast is provided in the charts below.

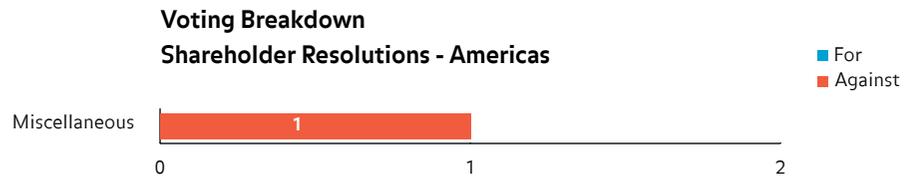
### Negative Voting Breakdown Management Resolutions - Europe



### Negative Voting Breakdown Management Resolutions - Americas



The breakdown of the shareholder resolutions that took place in the Americas by country, type of resolution and vote cast is provided in the chart below. There were no shareholder resolutions in the Europe region.



## Q3 2017 themes and case studies

During the period from July to September ABB participated in general meetings of companies in a wide range of sectors, from real estate to transport to information technology. As always we voted our shares at these meetings with regard not only for corporate governance best practice, but also the wider interests of promoting sustainability. Our approach sets clear expectations of companies to act progressively on key issues such as board composition and executive pay. At the same time, we recognise the market dynamics that drive businesses to buy other companies – or offer their shares for sale. We illustrate some of the distinctive elements of ABB's voting policy, as well as our position on corporate transactions, in these case studies from Q3 2017.

### Increasing diversity in the boardroom

Boardroom diversity has been a focal point for investors in recent years. This has been driven by a heightened interest in boardroom effectiveness and decision-making due to the fall-out from the 2008 financial crisis, equality concerns and the growing body of evidence that suggests that gender-diverse boards can have a positive impact on company performance. There has been regulatory intervention, with some European countries, such as Belgium, France, Germany, Italy, Norway, and Spain, bringing in mandatory quotas for the number of women on a company's board. There have also been voluntary initiatives, such as the UK Government's Davies Review, which has set a target for the top 350 UK listed companies to have women occupy 33 percent of their board seats by 2020.

ABB supports diverse boardrooms and has strict boardroom diversity requirements embedded in our voting policy. If more than 70 percent of all board members are of the same gender, then ABB will vote against all new board candidates of this gender.

ABB aimed to enhance diversity at a number of companies in the third quarter of 2017, including **Sophos Group plc**, **Companhia de Saneamento Basico do Estado**, **Electrocomponents plc** and **Renewi plc**. At UK-based IT company **Sophos Group plc's**

Annual General Meeting on 7 September 2017, ABB voted against director Rick Medlock's election to the board, as women occupied only 20 percent of all board seats. **Companhia de Saneamento Basico do Estado**, a Brazilian water and waste management company, held an EGM on 21 August 2017, asking shareholders to elect Lucas Navarro Prado to the board. ABB voted against this candidate as there were no women on the board. **Electrocomponents plc**, a UK distributor of electronics and industrial products, held its AGM on 20 July 2017. As women only made up 25 percent of the company's board, ABB voted against the election of Simon Pryce, who joined the board in September 2016. Finally, at UK-based waste management company **Renewi plc's** AGM on 13 July 2017, ABB voted against the election of director Allard Castelein, observing that women represented only 17 percent of the company's board members. All directors were elected to these boards with majority support from shareholders. Nonetheless, this will send a message that companies should strive to have greater gender diversity at board level and throughout senior management.

### Stationery and packaging companies clinch big deals

It has been an eventful quarter for UK packaging business **D S Smith Plc**. At an extraordinary general meeting (EGM) on 25 July, shareholders were asked to consider the company's acquisition of 80 percent of Interstate Resources Inc (IRI), a packaging and paper producer based on the east coast of the United States. The company put forward a number of reasons for seeking to buy IRI, which earned revenues of USD 618 million in 2016. A key factor was the desire to expand its reach into the US market, where some multi-national customers, such as Mondelez and Nestle, had indicated an interest in working with the company. Furthermore, they described IRI as a well-established business with an experienced management team. Taking these factors into account, ABB decided to vote in favour of this deal, as did nearly 100 percent of other shareholders. We envisage that adding IRI to the group will help open up a new market for the company and strengthen financial returns for shareholders.

A little over a month after the EGM, the company gathered its shareholders once again for its Annual General Meeting on 5 September. While ABB were generally supportive of the company's board, we consider it important that a company operating in this sector integrates sustainability targets in directors' pay packages. This reflects the fact the company is exposed to various sustainability risks, such as health and safety and the carbon footprint of its operations. However, the company's bonus and long-term share plans are focused entirely on financial criteria. ABB therefore voted against both the company's remuneration report and its new Performance Share Plan. Both resolutions were passed by a significant majority, but the appearance of dissenting votes from committed shareholders like ABB should give the company pause to consider its approach.

The day after the D S Smith AGM, US business **Staples Inc**, which runs office products superstores, held an EGM to consider a merger. This time the company was the target of an acquisition by Sycamore Partners LP. Sycamore offered USD 6.7 billion for Staples, equal to USD 10.25 for each share – 18 percent higher than the market price shortly before the bid. The management of Staples were in favour of this takeover, partly because of the handsome premium being offered, but also because they considered selling the company to be the best strategic alternative – and preferable to continuing as an independent company. This mirrored a concern about the challenging market conditions faced by the company, including declining office product sales, a shift from retail to online sales and greater competition. In view of these considerations, ABB voted in favour of the merger, as did 96 percent of shareholders. This deal will allow shareholders to sell out of the company while making a healthy profit.

While ABB supported the sale to Sycamore, we held reservations about the 'golden parachute' awards that would be made to executive managers of Staples on its completion. These are payments made to executives that are triggered by a change in the control of their company. ABB believes that such payments serve a fair purpose when they compensate managers for losing their job after a take-over. However, in this case, over two thirds of the awards were what is known as 'single trigger' – in other words the executive enjoys the pay-out even if they keep their job after the company changes hands. We were concerned that these payments would be unjustified and therefore voted against them – as did shareholders representing 67% of shares. As this was an advisory vote it is not legally binding, but the defeat of the resolution creates a significant reputational incentive to the company to review these awards.

# ASN Beleggingsinstellingen Beheer B.V. Q3 2017 Voting Appendix

| <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>Comment</i>                                                                                                                                                            |
|------------------------------------------|------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accsys Technologies Plc                  | Annual General Meeting | 2           | To approve the directors' remuneration report for the financial year ended 31 March 2017 (excluding the remuneration policy)                                                                   | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                           |
| Accsys Technologies Plc                  | Annual General Meeting | 6           | To authorise the directors to determine the auditors' remuneration                                                                                                                             | Management         | Against     | Against                       | As the non-audit fees exceed the audit fees a vote against is warranted.                                                                                                  |
| Addtech AB, Stockholm                    | Annual General Meeting | 15          | Resolution regarding guidelines for remuneration of members of senior management                                                                                                               | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                           |
| Addtech AB, Stockholm                    | Annual General Meeting | 16          | Resolution regarding issuing call options for repurchased shares and the transfer of repurchased shares to management personnel (the "2017 share-related incentive scheme")                    | Management         | Against     | Against                       | The plan does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                          |
| Advanced Drainage Systems, Inc./Wms      | Annual                 | 1B.         | Election of director: Tanya Fratto                                                                                                                                                             | Management         | Against     | Against                       | We have concerns over the candidate's suitability for the audit committee in light of accounting restatements and weaknesses in internal controls in recent years.        |
| Advanced Drainage Systems, Inc./Wms      | Annual                 | 3.          | Approval, in a non-binding advisory vote, of the compensation for named executive officers.                                                                                                    | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                           |
| Companhia De Saneamento Basico Do Estado | Special                | II          | To elect a member of the board of directors to complete the remaining term of office, which expires at the company's 2018 annual shareholders' meeting: Lucas Navarro Prado                    | 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. |
| Companhia De Saneamento Basico Do Estado | Special                | III         | To rectify the annual overall compensation of management and members of the fiscal council for fiscal year 2017 approved at the company's annual shareholders' meeting held on April 28, 2017. | Management         | Against     | Against                       | We recommend a vote against as we do not support the company's policy of granting bonuses on a purely discretionary basis.                                                |

| <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>Comment</i>                                                                                                                                                                                                |
|----------------------------------------------------|--------------------------|-------------|------------------------------------------------------------------------------------|--------------------|-------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DS Smith Plc                                       | Annual General Meeting   | 4           | To approve the annual report on remuneration                                       | Management         | Against     | Against                       | The compensation framework does not include metrics related to sustainability and a vote against is therefore warranted.                                                                                      |
| DS Smith Plc                                       | Annual General Meeting   | 16          | To approve the performance share plan rules                                        | Management         | Against     | Against                       | The plan does not include metrics related to sustainability and a vote against is therefore warranted.                                                                                                        |
| DS Smith Plc                                       | Annual General Meeting   | 22          | To authorise an increase in the company's borrowing powers                         | Management         | Against     | Against                       | The proposed increase in the company's borrowing powers to up to GBP 5 billion seems excessive in view of the company's net assets (GBP 1.3 billion) and relatively modest profits (GBP 257 million in 2017). |
| Electrocomponents Plc                              | Annual General Meeting   | 2           | Approve directors' remuneration report                                             | Management         | Against     | Against                       | The compensation policy does not include metrics related to sustainability and a vote against is therefore warranted.                                                                                         |
| Electrocomponents Plc                              | Annual General Meeting   | 5           | Elect Simon Pryce (member of the audit, nomination and remuneration committees)    | 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.                                     |
| Hella Kga Hueck & Co.                              | Annual General Meeting   | 8           | Election to the shareholders' committee: Dr. Juergen Behrend                       | Management         | Against     | Against                       | The director is not independent and the committee overall lacks a sufficient level of independence.                                                                                                           |
| Industria De Diseno Textil S.A., Arteixo, La Corog | Ordinary General Meeting | 6           | Consultive vote regarding the annual remuneration report of the board of directors | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                                               |
| Logitech International SA, Apples                  | Annual General Meeting   | 2           | Advisory vote to approve executive compensation                                    | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                                               |
| Logitech International SA, Apples                  | Annual General Meeting   | 6.D         | Re-election of board of director: ms. sally davis                                  | Management         | Against     | Against                       | The candidate attended less than 75 percent of board meetings in the last year, and it seems the company has not provided an explanation for this.                                                            |

| <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>Comment</i>                                                                                                                                                                              |
|-----------------------------------|--------------------------|-------------|-----------------------------------------------------------------------------------------------------------|--------------------|-------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Logitech International SA, Apples | Annual General Meeting   | 8.B         | Re-election of compensation committee: ms. sally davis                                                    | Management         | Against     | Against                       | The candidate attended less than 75 percent of board meetings in the last year, and it seems the company has not provided an explanation for this.                                          |
| Logitech International SA, Apples | Annual General Meeting   | 10          | Approval of compensation for the group management team for fiscal year 2019                               | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                             |
| Nike, Inc.                        | Annual                   | 2.          | To approve executive compensation by an advisory vote.                                                    | Management         | Against     | Against                       | The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.                                                                        |
| Nike, Inc.                        | Annual                   | 6.          | To ratify the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm. | Management         | Against     | Against                       | The audit firm's tenure raises concerns about their continuing independence.                                                                                                                |
| Nike, Inc.                        | Annual                   | 5.          | To consider a shareholder proposal regarding political contributions disclosure.                          | Shareholder        | For         | Against                       | We recommend a vote for this proposal as we consider that shareholders would benefit from enhanced disclosure in this area.                                                                 |
| Renewi Plc, Glasgow               | Annual General Meeting   | 3           | To approve the directors' remuneration policy                                                             | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                             |
| Renewi Plc, Glasgow               | Annual General Meeting   | 5           | To elect Mr Allard Castelein as a director of the company                                                 | 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 policy on board diversity. |
| Renewi Plc, Glasgow               | Annual General Meeting   | 11          | To re-appoint PricewaterhouseCoopers LLP as auditors 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.                                       |
| Safestore Holdings Plc            | Ordinary General Meeting | 1           | To approve the directors' remuneration policy                                                             | Management         | Against     | Against                       | The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore 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>Comment</i>                                                                                                                                                                                                                                                          |
|----------------------------|--------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safestore Holdings Plc     | Ordinary General Meeting | 2           | To approve the company's Long Term Incentive Plan ('LTIP')                                                                                                                     | Management         | Against     | Against                       | The plan does not appear to include metrics related to sustainability and a vote against is therefore warranted.                                                                                                                                                        |
| Sophos Group Plc, Abingdon | Annual General Meeting   | 2           | To receive and approve the annual report on remuneration set out on pages 77 to 87 of the annual report and accounts                                                           | Management         | Against     | Against                       | Paying out of awards under the long-term incentive plan is based on three year one-year performance periods (rather than a single three-year performance period) which fails to incentivise a long-term perspective in our view. We therefore recommend a vote against. |
| Sophos Group Plc, Abingdon | Annual General Meeting   | 4           | To elect Rick Medlock as director of the company                                                                                                                               | 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 policy on board diversity.                                                                             |
| Sophos Group Plc, Abingdon | Annual General Meeting   | 10          | To re-elect Roy Mackenzie as director of the company                                                                                                                           | Management         | Against     | Against                       | The director is not independent and the board overall lacks a sufficient level of independence.                                                                                                                                                                         |
| Sophos Group Plc, Abingdon | Annual General Meeting   | 16          | To authorise the company to make political donations                                                                                                                           | Management         | Against     | Against                       | A vote against this resolution is warranted because political donations are not supported under the ABB guidelines.                                                                                                                                                     |
| Stagecoach Group Plc       | Annual General Meeting   | 2           | To approve the directors' remuneration report (other than the directors' remuneration policy)                                                                                  | Management         | Against     | Against                       | We have concerns over the company's decision to lower performance conditions under the long-term incentive plan part of the way through the performance cycle. We therefore recommend a vote against.                                                                   |
| Stagecoach Group Plc       | Annual General Meeting   | 19          | To authorise political donations                                                                                                                                               | Management         | Against     | Against                       | The resolution does not comply with ABB's guidelines.                                                                                                                                                                                                                   |
| Staples, Inc.              | Special                  | 2.          | To approve, on a nonbinding advisory basis, the "golden parachute" compensation that may be payable to Staples, Inc.'s named executive officers in connection with the merger. | Management         | Against     | Against                       | We are concerned that a significant proportion of equity awards will vest following the change of control even if the relevant executives retain their jobs. We therefore recommend a vote against.                                                                     |

| <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>Comment</i>                                                                                                                                                                                                                                          |
|----------------------------------------|------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Berkeley Group Holdings Plc        | Annual General Meeting | 2           | To approve the annual report on remuneration for the financial year ended 30 april 2017                                          | Management         | Against     | Against                       | The compensation policy does not include metrics linked to sustainability and a vote against is therefore warranted.                                                                                                                                    |
| The Berkeley Group Holdings Plc        | Annual General Meeting | 12          | To re-elect A Li as a director of the company                                                                                    | Management         | Against     | Against                       | The directors hold a large number of other executive or supervisory positions. We therefore question the amount of the time he/she will be able to devote to company business. Consequently, a vote against is warranted in accordance with guidelines. |
| The Berkeley Group Holdings Plc        | Annual General Meeting | 21          | To authorise the company to make political donations                                                                             | Management         | Against     | Against                       | A vote against this resolution is warranted because political donations are not supported under the ABB guidelines.                                                                                                                                     |
| United Utilities Group Plc, Warrington | Annual General Meeting | 23          | To authorise political donations and political expenditure                                                                       | Management         | Against     | Against                       | A vote against this resolution is warranted because political donations are not supported under the ABB guidelines.                                                                                                                                     |
| Vodafone Group Plc                     | Annual General Meeting | 6           | To re-elect Dr Mathias Dopfner as a director                                                                                     | Management         | Against     | Against                       | The candidate attended less than 75 percent of board meetings in the last year, and it seems the company has not provided an explanation for this.                                                                                                      |
| Vodafone Group Plc                     | Annual General Meeting | 14          | To approve the directors' remuneration policy contained in the remuneration report of the board for the year ended 31 March 2017 | Management         | Against     | Against                       | No element of remuneration is subject to performance against sustainability criteria. We therefore recommend a vote against both the remuneration policy and implementation report, in line with guidelines.                                            |
| Vodafone Group Plc                     | Annual General Meeting | 15          | To approve the annual report on remuneration contained in the remuneration report of the board for the year ended 31 March 2017  | Management         | Against     | Against                       | No element of remuneration is subject to performance against sustainability criteria. We therefore recommend a vote against both the remuneration policy and implementation report, in line with guidelines.                                            |