

ASN Beleggingsinstellingen Beheer B.V. (ABB) Voting Behaviour – Q1 2017

A summary of Q1 2017 voting for ABB is displayed below.

	Q1	Q2	H1	Q3	Q4	Annual
Total Meetings Voted	23¹					
Voted For Management	14					
Voted Against Management ²	9					
Total Management Resolutions	287					
Votes For	271					
Votes Against	16					
Votes Abstain	0					
Total Shareholder Resolutions	3					
Votes For	0					
Votes Against	3					
Votes Abstain	0					
Total Resolutions	290					
Votes For	271					
Votes Against	19					
Votes Abstain	0					

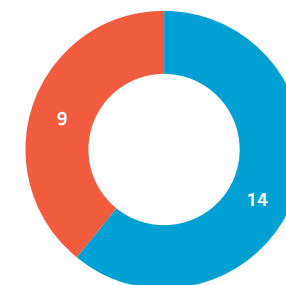
¹ ABB voted its shares at the meetings of 4 companies in Q1 2017, but at that time the full shareholdings had not yet been cleared at the Depository Trust Corporation. This led to the votes being rejected. Votes were rejected for the following meetings: Becton, Dickinson and Company (US0758871091), AGM, 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.

² Opposed management on at least one resolution.

In Q1 2017 we voted a total of 23 company meetings in the ABB accounts, represented by 23 companies. ABB's voting policy was applied to all voting decisions made. We voted with management recommendations at 61 percent of the meetings and voted against management recommendations on at least one resolution at the remaining 39 percent of the meetings.

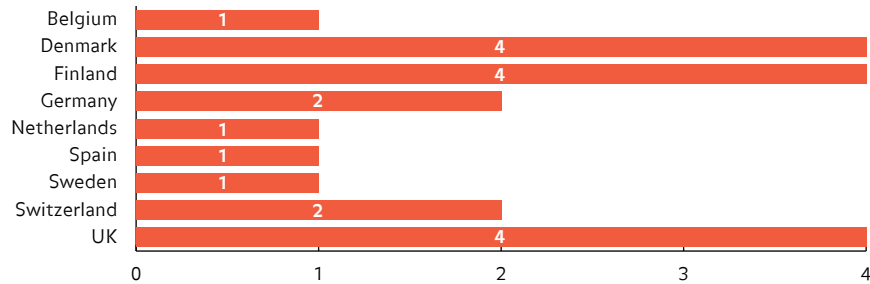
Total Meetings Voted For/Against Management

For Management	61%
Against Management	39%



Out of the 23 meetings voted during Q1 2017, 20 meetings were voted in Europe, 1 meeting was voted in the Americas and 2 in Asia. The first three charts below display the meeting distribution by country in each region.

Meeting Distribution by Country - Europe



Meeting Distribution by Country - Americas

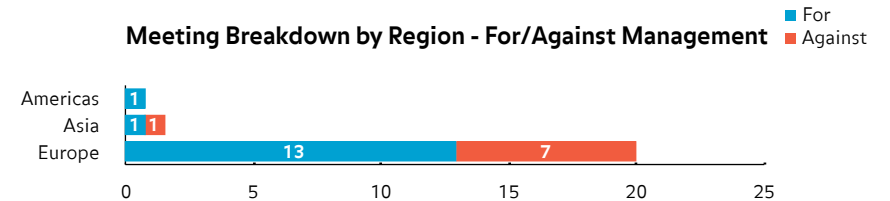


Meeting Distribution by Country - Asia Pacific



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

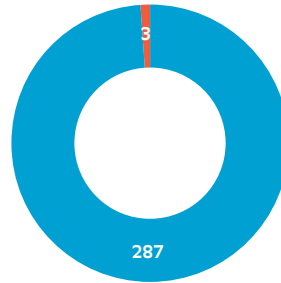
Meeting Breakdown by Region - For/Against Management



A total of 290 voting resolutions were reviewed and voted, of which 287 were management resolutions and 3 were shareholder resolutions. As illustrated in the second chart below, we did not support 7 percent of all resolutions.

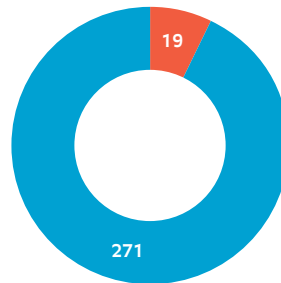
Type of Resolution - Management/Shareholder

Management Resolutions	99%
Shareholder Resolutions	1%



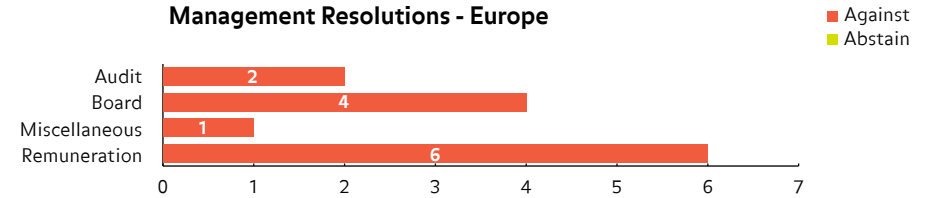
Resolutions - Votes For /Against

For	93%
Against	7%
Abstain	0%

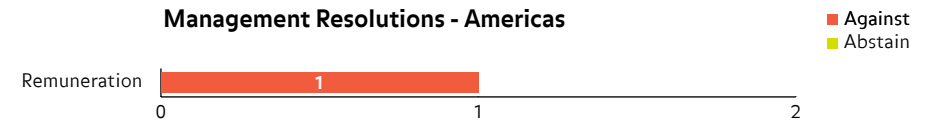


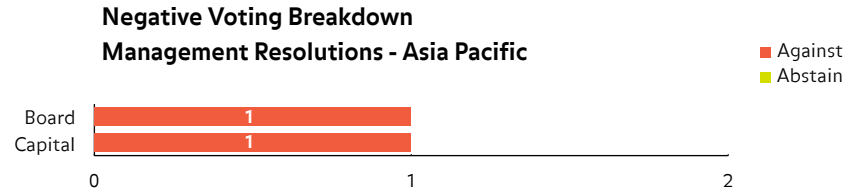
A total of 16 management resolutions were opposed during Q1 2017. The breakdown of these resolutions by region, type of resolution and the vote cast is provided in the charts below.

Negative Voting Breakdown Management Resolutions - Europe



Negative Voting Breakdown Management Resolutions - Americas





The breakdown of the 3 shareholder resolutions that took place in Europe by type of resolution and vote cast is provided in the chart below. There were no shareholder resolutions in the America and Asia regions.

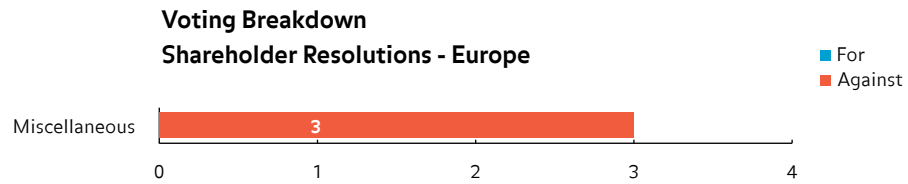


ABB Q1 themes and case studies

In many parts of the world company general meetings tend to be concentrated in the second quarter of the year. However, in the Nordic region of Europe, many companies are already gathering their shareholders for the annual meeting in the first quarter of the year. This can offer a precursor of the issues on which shareholders may assert their voice in the ensuing months. ABB also has significant investments in companies in the US, where political developments may make the voice of shareholders more important than ever.

Spotlight on the Nordic Region

ABB participated in ten meetings of Danish and Finnish companies during this period.

As we had done for the previous two years, ABB reinforced our engagement with Danish pharmaceutical company **Novo Nordisk A/S** (23 March 2017) by attending the company's AGM in person. ABB has been engaging with pharmaceutical companies to encourage them to improve their business conduct and consumer marketing practices.

All members of the board, apart from employee representatives, were standing for election and ABB supported the election or re-election of all members, including the three representative of controlling shareholder Novo A/S. We held some reservations about changes that the company was making to its remuneration guidelines, including the option to offer sign-on awards to new executives and increasing the importance of sales growth when calculating long-term incentive plan awards. In previous dialogue with the company, ABB has encouraged them to decrease reliance on volume-based sales targets for sales personnel and to introduce sales targets linked to different criteria, in order to promote ethical conduct. We therefore voted against these changes to the remuneration guidelines. All management resolutions were passed at the meeting, but we anticipate that our votes, in combination with our continuing engagement efforts, may prompt the company to pause before relying too heavily on sales growth targets in the future.

An interesting feature of corporate governance in Denmark is that there is a very low ownership threshold for shareholders to place an item on the agenda of a general meeting. This means that not only institutional investors (such as banks and pension funds) can put forward shareholder resolutions, but also individual shareholders. While we welcome this very democratic approach, we also recognise that the low barrier to entry can facilitate some rather quirky proposals. At the Novo Nordisk meeting, two individual shareholders Kathe and Flemming Sohn proposed, first, that the company offer free parking for shareholders in connection with the informal shareholders meeting taking place after the AGM, and second, that the buffet after the same meeting would be a sit-down meal. In these instances, we had sympathy with the counter-arguments put forward by the company, for example, that it did not wish to give special treatment to shareholders attending the meeting by car, and, for the second proposal, that catering arrangements of this kind might impose an unreasonable financial cost on the company. A similar type of shareholder resolution was on the agenda of **TDC A/S**, a Danish Telecommunications company that held its AGM on 9 March 2017. The resolution called for the board of TDC to ensure that a specific individual's fixed-line network is constantly working without any interruption. ABB therefore voted against these three shareholder proposals, in common with the majority of shareholders at both the Novo Nordisk and TDC A/S meetings.

At the TDC A/S meeting, shareholders also had the opportunity to vote on the company's changes to its executive pay guidelines. The company made some positive changes, such as increasing the amount of shares that executives are required to own in the company and adding an additional measure of performance in the long-term incentive plan. Nonetheless, the executive pay awards are not based on sustainability performance and the company awarded discretionary payments to executives, as well as a retention award to the CEO that is not linked to performance. Therefore, ABB voted against the remuneration guidelines.

Finnish company **Lassila & Tikanoja Oyj** specialises in environmental management, property and plant support services and held its AGM on 16 March 2017. ABB supported the election of its entirely independent board of directors. However, we observed that the auditor KPMG has received fees for consultancy services that significantly exceeded fees paid for the statutory audit in each of the last two years. This created concerns that the auditor's second revenue stream from the company may impact on its objectivity in conducting its audit obligations. It is very important that the auditor retains its independence as this helps to ensure the accuracy and reliability of the company's financial statements. We therefore voted against the auditor's reappointment. The auditor was reappointed at the meeting, although the company has not yet disclosed the exact level of shareholder opposition. We will continue to maintain pressure on the company over this issue through our voting choices.

Continued engagement with pharmaceutical companies

Like Novo Nordisk, ABB also attended Novartis' AGM in person on 28 February 2017. Board diversity continues to be a concern at Novartis. Less than 30 percent of board members are women. This year, the company asked shareholders to approve the appointment a new male director, who ABB voted against in line with ABB's policy on board diversity. In addition, we voted against the appointment of one director due to the length of time that he has been on the board (over 20 years) and concerns about how this impacts his independence. Like last year, ABB also voted against the company's executive pay report. We remain concerned by the lack of challenging performance targets and the level of potential discretion directors may apply in defining the compensation levels for executives under the annual bonus scheme. In the end, the majority of shareholders supported both the director elections and compensation report. ABB will continue its engagement with pharmaceutical companies to encourage companies to improve their governance in light of high-profile allegations of unethical behaviour.

ABB uses its vote at US meetings

The inauguration of Donald Trump in January 2017 raised the prospect of a change in US policy in a number of areas: a more isolationist approach to foreign trade, repeal of Barrack Obama's healthcare reforms, deregulation of banks and changes to tax laws. In addition, the incoming President has displayed a sceptical approach to climate change and a keenness to promote an economy based on fossil fuels. This may place an additional onus on shareholders to effect oversight of corporate governance and sustainability.

ABB has for a long time embedded sustainability in its policy on voting at general meetings. In particular, we expect the targets that companies link to the pay of executives to promote environmental and social responsibility, and not just financial performance. This issue arose at the AGMs of semiconductor systems company **Micron Technology, Inc** (18 January 2017). ABB took the step of voting against the report on executive pay due to the absence of metrics related to sustainability in the company's pay schemes. The remuneration proposal passed with the majority of shareholders supporting it. We expect that the existence of a minority dissenting view will keep the board open to the possibility of making further improvements to their pay policy.

In March, a group of leading investor organisations representing USD 65 trillion in assets wrote to the Trump administration urging support for the existing shareholder proposal process in the US. This was a response to a letter sent by the Business Roundtable in February to the regulator, encouraging the amendment or repeal of shareholder proposal rights. ABB supports this investor initiative and the right for shareholders to have their say in important decisions on company strategy.

ASN Beleggingsinstellingen Beheer B.V. Q1 2017 Voting Appendix

Company Name	Meeting Type	Item	Proposal	Proposed by	Vote	For/Against Management	Comment
Asics Corporation	Annual General Meeting	2.5	Appoint a director Nishiwaki, Tsuyoshi	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.
Asics Corporation	Annual General Meeting	4	Approve partial amendment and continuance of policy regarding large-scale purchases of company shares (anti-takeover defense measures)	Management	Against	Against	This authority could potentially be used as a takeover defence and is therefore not in the best interests of shareholders.
Givaudan SA, Vernier	Annual General Meeting	2	Consultative vote on the compensation report 2016	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Givaudan SA, Vernier	Annual General Meeting	6.2.2	Compensation of the members of the executive committee: fixed and long term variable compensation (2017 performance share plan - "PSP")	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Lassila & Tikanoja Oyj, Helsinki	Annual General Meeting	15	Election of auditor : the board of directors proposes based on the recommendation of the board's audit committee to the annual general meeting that KPMG OY AB, authorised public accountants, be re-elected as the company's auditor. KPMG OY AB has announced that it will appoint Lasse Holopainen, authorised public accountant, as the principally responsible auditor of the company	Management	Against	Against	As the non-audit fees exceed the audit fees a vote against is warranted.
Micron Technology, Inc.	Annual General Meeting	5.	To approve a non-binding resolution to approve the compensation of our named executive officers as described in the proxy statement.	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Novartis AG, Basel	Annual General Meeting	A.5.2	Binding vote on total compensation for members of the executive committee for the next financial year, i.e. 2018	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>
Novartis AG, Basel	Annual General Meeting	A.5.3	Advisory vote on the 2016 compensation report	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Novartis AG, Basel	Annual General Meeting	A.6.8	Re-election of Pierre Landolt, Ph.D. as a member of the board of directors	Management	Against	Against	The candidate is chair of the nominations committee and so a vote against is warranted given that the company continues to not address the issue of board diversity. The director's tenure on the board also calls into question his independence.
Novartis AG, Basel	Annual General Meeting	A6.13	Election of Frans Van Houten as a member of the board of directors	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.
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	The resolution does not comply with ABB's guidelines.
Novo Nordisk A/S, Bagsvaerd	Annual General Meeting	6	Ratify PricewaterhouseCoopers as auditors	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.
Novo Nordisk A/S, Bagsvaerd	Annual General Meeting	7.3	Approve guidelines for incentive-based compensation for executive management and board	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
Novo Nordisk A/S, Bagsvaerd	Annual General Meeting	8.1	Please note that this resolution is a shareholder proposal: free parking for the shareholders in connection with the shareholders' meeting	Shareholder	Against	For	The proponent has not provided adequate justification for the proposal and therefore 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>Comment</i>
Novo Nordisk A/S, Bagsvaerd	Annual General Meeting	8.2	Please note that this resolution is a shareholder proposal: the buffet after the shareholders' meeting is served as set table catering	Shareholder	Against	For	The proponent has not provided adequate justification for the proposal and therefore a vote against is warranted.
Sage Group Plc, Newcastle Upon Tyne	Annual General Meeting	11	To approve the directors remuneration report	Management	Against	Against	The remuneration policy does not include any metrics related to sustainability and a vote against is therefore warranted.
TDC A/S, Copenhagen	Annual General Meeting	7.B	Amendment of the company's remuneration policy for TDC's top management (board of directors and executive committee), including general guidelines for incentive pay to the executive committee, and amendment to article 16a of the articles of association	Management	Against	Against	The compensation policy does not appear to include metrics related to sustainability and a vote against is therefore warranted.
TDC A/S, Copenhagen	Annual General Meeting	7.D	Proposal from the shareholder Jens Steensgaard Hansen	Shareholder	Against	For	The proponent has not provided adequate justification for the proposal and therefore a vote against is warranted.
WH Smith Plc, Swindon	Annual General Meeting	2	To approve the directors' remuneration report for the year ended 31 August 2016	Management	Against	Against	The compensation policy does not appear to include any metrics related to sustainability and a vote against is therefore warranted.