

Dear Sir/Madam,

Eumedion, the Dutch corporate governance and sustainability platform of institutional investors, would like to respond on a number of questions incorporated in the documents 'European Policy – General Share Issuance Request Proposals' and 'UK/Ireland Policy and European Policy – Virtual/Hybrid Shareholder Meeting Proposals'.

1. European Policy – General Share Issuance Request Proposals

- We agree with your proposal to limit the authorisation for general share issuances without preemptive rights to 10% of the issued share capital. This is more or less market practice in the European Union.
- We do not support your proposal to authorise the boards to issue new shares up to 50% of the issued share capital with preemptive rights. We believe that this is too generous. We would more in favour of a maximum of 20%. Such a percentage (20%) is in line with the new European Prospectus Regulation. If an issuer intends to issue up to 20% new shares, he is not required to prepare a prospectus for the issuance. However, if he intends to issue more than 20% new shares, he is obliged to prepare a prospectus – for the sake of investor protection. It seems odd that shareholders themselves would allow a higher percentage without explicit AGM approval and to investigate for which purpose the proceeds are used for. Why should a shareholder in that situation be 'protected' via a prospectus? We believe the two percentages should be aligned: an up-front authorisation to issue 20% new shares with preemptive rights without the need of preparing a prospectus. An explicit AGM approval for issuances above 20% with extensive information on the purpose of such an issuance and risks in the prospectus.
- We would not be in favour of exceptions for certain sectors or industries. Selecting specific sectors that would be granted specific exceptions would be arbitrary.

2. UK/Ireland Policy and European Policy – Virtual/Hybrid Shareholder Meeting Proposals

- We strongly believe that so-called virtual general meetings should supplement – not replace – physical meetings. Such hybrid general meetings allow shareholders to attend a physical meeting in person, but also provide a means for remote attendance, e.g. via teleconference or web-based portal. Physical meetings ensure that shareholders have a face-to-face opportunity to engage and ask questions to management and directors at least once a year. The long history of physical general meetings has given shareholders the ability to communicate – in an unfiltered and in a real-time way – to company management and boards as well as to fellow shareholders, which shareholders believe plays an important role in holding management and boards accountable to shareholders. Virtual-only meetings, by contrast, not only deny shareholders this long-held right, but also allow companies:
 - filter company exchanges with shareholders;
 - 'cherry-pick' the shareholders that are allowed to ask questions;
 - Insulate management and directors from investor frustration on such issues as executive remuneration or environmental or social or other controversies with a potentially significant adverse impact on long-term value creation; and
 - prevent shareholder proposal proponents from presenting their resolutions directly to management, boards and fellow shareholders.Put simply, shareholders should always have the choice of whether to attend the general meeting in person or virtually. Therefore, we cannot support changes to the articles of association allowing for such "virtual-only" shareholder meetings.

We hope you will take our comments on board when finalising the 2018 benchmark policies. Please do not hesitate to contact us if you have any question or if you need more information.

Kind regards,

Rients Abma
Executive Director

Stichting Eumedion
Zuid Hollandlaan 7
2596 AL THE HAGUE
THE NETHERLANDS
T +31 (0)70 2040 303
M +31 (0) 6 5326 1876
E rients.abma@eumedion.nl
W www.eumedion.nl