EVALUATION OF THE 2023 AGM SEASON

Introduction

Every year Eumedion[1] prepares an evaluation of the season of annual reports and shareholders meetings, the AGM season. The main substantive findings concerning the annual reports for the year 2022 and the regular shareholders' meetings held in 2023[2] are considered below.

Highlights

- It was a rather chaotic AGM season. Various shareholders' meetings, including those of Ahold Delhaize, ING Groep, Unilever and Shell, were attended by various climate activists who caused disruptions and suspensions of the meetings. It shows the importance of better structured stakeholder dialogues outside the AGM, as also required by the revised Dutch corporate governance code.
- As the temporary Act on holding virtual-only shareholders' meetings terminated on 1 February 2023, all AGMs were held in-person or in a hybrid format.
- Average voter turn-out at the AGMs reached new record levels at AEX and AMX companies.
- In total, 1013 voting items were tabled at this year's AGMs, one of them was a shareholder resolution.[3] Three (2022: seven) resolutions were withdrawn at the start AGM. 29 (2022: 53) Board resolutions received significant shareholder dissent (over 20%). Eight (2022: ten) board resolutions and the only shareholder resolution were voted down. Remuneration-related resolutions continue to represent the category of resolutions most contested: 41% of all controversial resolutions; slightly higher than the level in 2022 (39%). The authority to issue new shares and to exclude pre-emption rights represent the second largest part of controversial resolutions (28%), followed by supervisory director (re-)elections (19%).
- Shareholders increasingly hold executive and supervisory directors personally responsible for policy implementation: the substantial dissent vote against the discharge of the Philips Executive Board was in particular focused on the behaviour and performance of the former CEO, while the chair of the Universal Music Group remuneration committee was not reappointed as she was held responsible for the grant of a $ 100 million transition bonus for the CEO.

[1] Together, the Eumedion participants represent approximately 25% of the shares of the Dutch listed companies.
[2] This evaluation report covers the AGMs of 98 companies that have their registered office in The Netherlands and are listed at the Amsterdam stock exchange, Euronext Amsterdam. As Eumedion also organised dialogues with Flow Traders LTD, Unilever PLC, Shell PLC and B&S Group SA, also these companies are incorporated in this overview. The total sample is therefore 102 companies.
[3] The 21 extraordinary proposals related to the intended business combination of European Healthcare Acquisitions & Growth Company SPAC with Croma-Pharma are not included in this number; these proposals were removed from the agenda one day before the AGM.

- The external auditor acts as the 'last' discipling factor when the internal governance fails: at B&S Group he refused to provide an unqualified auditor's opinion if no action was taken on internal governance.
- We see more extensive presentations by the external auditors at the AGMs, but they vary in informational value and depth and are not always published on the company's website.
- While awareness around the broader themes of biodiversity and the protection of ecosystems is rapidly increasing among Dutch listed companies, most companies are not only in a very early phase of implementing our 2023 Focus Letter request, but also far away from being able to demonstrate readiness for the upcoming reporting requirements.
- We see increased company activity around improving ESG due diligence processes, but not yet a meaningful improvement in actual transparency on the actual effectiveness of due diligence procedures.
- We see more transparency on the tax policies, principles and governance, but hardly on the taxes paid in the countries where the companies have activities ('country-by-country reporting'). We had expected a higher compliance rate with the Dutch Tax Governance Code.

1. A large majority of companies held a fully in-person AGM

As the temporary basis for holding virtual-only shareholders' meetings under the Covid-19 Emergency Act lapsed on 1 February 2023, all Dutch listed companies were required to hold their 2023 AGMs either in person or in a hybrid manner.

Approximately 78% of the listed companies held a fully in-person AGM. The remaining 22% held a hybrid AGM. Of the companies that held a hybrid shareholders' meeting, 62% of the companies offered shareholders attending the AGM virtually the opportunity to vote ánd to ask questions real-time. The remaining 38% offered shareholders attending the AGM virtually only the possibility to ask questions real-time; these shareholders were not able to cast their votes real-time online.

In December 2022, the Dutch Ministry of Justice and Security published a draft bill to permanently enabling Dutch listed companies to hold their shareholders' meetings in a virtual-only format. The bill was recently sent to the Council of State for its advice. Considering this development, two Dutch listed companies (CTP and FL Entertainment) proposed the 2023 AGM to already amend its articles of association to include the possibility to hold virtual-only shareholders' meetings if and when future legislation provides for such possibility. As CTP did not give clarity under what concrete conditions and circumstances a virtual-only shareholders' meeting would be held in the future, many minority shareholders (65.8%) voted against the proposals. As the AGM of this company is dominated by a majority shareholder who is also the CEO, the proposal was formally adopted by the shareholders' meeting. At the FL Entertainment AGM no single, independent minority shareholder attended or was represented at the AGM. In earlier years, SBM Offshore, Ebusco, NX Filtration and Cabka also decided to already incorporate the virtual-only AGM format in their articles of association, in anticipation of the necessary legislation.

2. Some AGMs were severely disrupted by climate activists

Climate activists used this year's shareholders' meetings to turn up the heat on companies such as Ahold Delhaize, BAM Groep, AkzoNobel, Stellantis, ING Groep, Unilever and Shell about their carbon footprints by flooding them with the same question: is the company committed to reduce the total carbon footprint (including scope 3) by at least 45% in 2030 in comparison with the 2019 level as indicated by the Dutch court in the 2021 Shell/Friends of Earth Netherlands climate case?

On top of that, the ING Groep and Shell AGMs were repeatedly interrupted by members of climate activist group Extinction Rebellion. At the ING AGM, some of them demanded the bank to stop financing fossil fuel companies and others accused the executives of having blood on their hands. As the activists made speaking by ING's executives and supervisory directors impossible by chanting and shouting each time, the Supervisory Board Chair had to suspend the AGM four times. The police had to step in to remove the activists. Similar scenes took place at the Shell AGM. The first meeting hour was severely disrupted by coordinated actions of activists. After nearly an hour of consecutive disruptions, two activists sought to storm the stage where the Shell Board directors were sitting. Shell's security team was barely able to stop them, briefly forming a human shield around the CEO and the other Shell directors. Once all the protesters were removed from the room, the AGM could really start. Something different happened before the start of the Ahold Delhaize AGM. We heard from our members that upon entering the meeting venue, several Ahold Delhaize shareholders were spat upon and they were booed by members of Belgian trade unions.

That shareholder meetings are attended by special interest groups is nothing new: as early as 2000, Shell's AGM was attended by Greenpeace. What is new is that these groups are now more focused on either disrupting meetings of a number of high-profile companies or on getting a firm – "yes or no" – commitment that the company will reduce the total carbon footprint (including scope 3) by at least 45% in 2030 than on entering into constructive dialogue with executives, directors and shareholders at the meetings. It is both a reflection of the societal importance of the topic and of growing societal dissatisfaction regarding the (perceived) lack of importance large companies attach to combating climate change.[4] It is also a recognition of the fact that the factor 'capital' is important in effecting change at large companies. As such, it can be expected that also in the upcoming years, an increasing number of stakeholders will show an interest in attending shareholders' meetings of large listed companies.

We believe it is not necessarily a bad thing that special interest groups join the discussion at shareholders' meetings. However, all shareholders, including activist groups, have to respect the rules of the meeting. It is a key task for listed companies to ensure a safe environment at the entrance of and within the venue where the meeting is held. The notice of shareholders' meeting should make it clear that unacceptable behaviour will not be tolerated at the meeting and that it will be dealt with

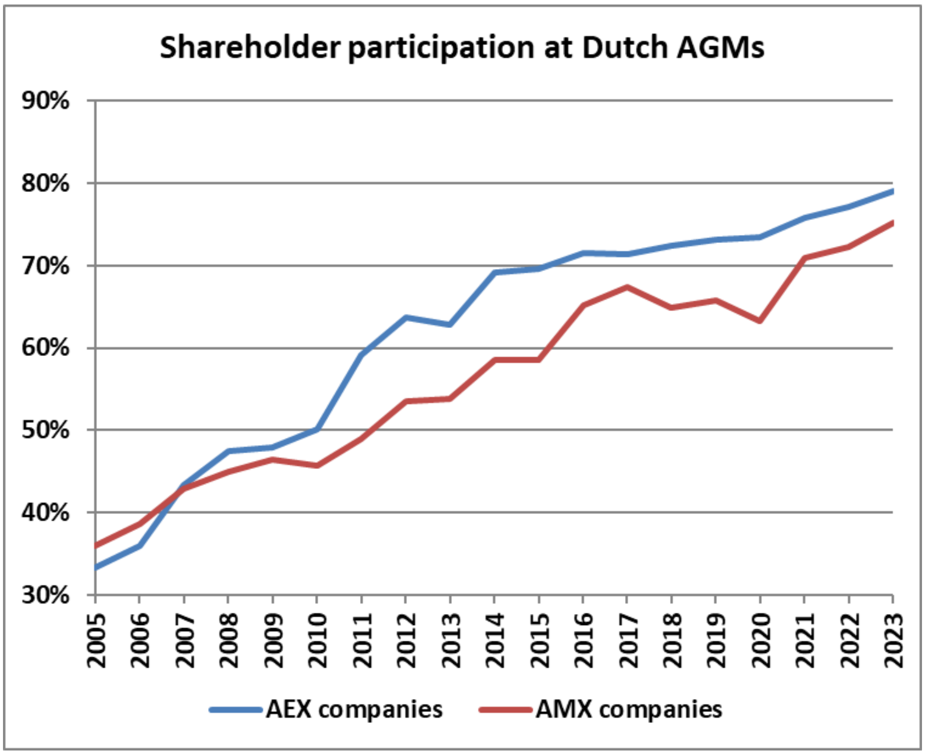
[4] See for example the publication 'Citizens Outlook Barometer 2023-1' of the Netherlands Institute for Social Research that showed a steep decline in public trust in large Dutch multinationals at the end of 2022. Main reasons for this low public trust are the focus on profit maximisation, high executive remuneration and the low attention paid to climate change.

appropriately by the chair. The chair of the meeting has an important role to play in keeping the meeting running and in creating a constructive atmosphere. He or she has the possibility to maximise the speaking time per shareholder and to dedicate a specific (maximum) time on a topic. Such measures to ensure the order are better than taking the easy way out by holding shareholders' meetings fully virtually, as a number of German and US companies have done this year. Avoiding face-to-face dialogue will not help restore public trust in large listed companies. We further believe that better structured stakeholder dialogues outside the shareholders' meeting can help, as also required by the revised Dutch corporate governance code[5]. This can ensure that signals from society are picked up earlier.

3. Increasing trend in voter turnout continues

Also this year, the average voter turnout at the AGMs increased. At the AGMs of both AEX and AMX companies new records were established. At the AGMs of AEX companies on average 79.1% of the total number of votes were cast; up from 77.2% in 2022. At the AGMs of the AMX companies the average number of votes cast increased from 72.3% in 2022 to 75.2% in 2023 (see figure 1).

Figure 1: Average number of votes cast at AGMs of Dutch AEX and AMX companies



We still see a wide divergence between institutional and retail investors' appetite to vote. The companies with a relatively large retail investor shareholding base, such as Pharming Group, RoodMicrotec, Heijmans, Royal BAM Group and Avantium continue to have rather low voter turnouts at their shareholders' meetings: 14.0%, 18.7%, 28.3%, 29.0% and 41.3% respectively.

[5] Best practice provision 1.1.5 of the Dutch corporate governance code.

During this AGM season we saw a clear example of empty voting at a shareholders' meeting. This happened at the AGM of Energy Transition Partners. This special purpose acquisition company (SPAC) repurchased shares from only those shareholders who had given timely instructions to vote in favour of the AGM proposal to extend the deadline for finding a suitable acquisition candidate. The SPAC launched a buyback offer on 5 June 2023. Its shareholders had ten days to reflect on this offer (worth the introductory price + accrued interest) and to provide evidence that they held shares on the voting registration date (1 June 2023) and that they had issued a 'positive' voting instruction on the relevant agenda item. About half of the total number of outstanding ordinary shares were offered under the terms of the offer. As announced in the 2021 IPO prospectus, the SPAC's deadline for finding a suitable acquisition candidate was set on 21 July 2023, unless the AGM gives permission to extend the deadline by six months. The SPAC has so far failed to find an attractive takeover candidate and proposed the 2023 AGM to extend the deadline to 21 January 2024. Possibly Energy Transition Partners had early indications that such a proposal did not have sufficient support. Consequently the SPAC offered its shareholders the possibility to tender their shares under the buyback offer at the redemption price under the condition that they issued a positive voting instruction on the extension proposal. At the AGM held on 29 June 2023, 100% of the capital present or represented ultimately voted in favour of the extension proposal, thus including the parties that were shareholder on the voting record date, but were no longer on the AGM date. It can therefore be said that about half of the voting capital at the AGM engaged in empty voting (i.e. decided on the future of the company, without having an economic interest in the company).

4. Less controversial board resolutions in comparison with 2022

This year, 1013 voting items were tabled at the AGMs, one of them was a shareholder resolution. Three resolutions were withdrawn at the start of the AGM. 29 Board resolutions received significant shareholder dissent (over 20%). Eight board resolutions and the sole shareholder resolution were voted down.

4.1 Controversial shareholder proposal

As in recent years, the shareholder resolution was submitted by Follow This, a group of Shell shareholders that encourages the company to take leadership in the energy transition to a net-zero emission energy system. The shareholder resolution requested the company to align its existing 2030 reduction target covering the greenhouse gas (GHG) emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement. In the supporting statement, Follow This remarked that the company's existing 2030 intensity target covering Scope 3 is not Paris-aligned; it would not lead to large-scale (net) reductions in absolute emissions in this decade. Follow This directed the Shell Board to realise large-scale reductions in (net) absolute GHG emissions in line with the Paris Climate Agreement by 2030.

The shareholder resolution was supported by 20.2% of the share capital present or represented at the Shell shareholders' meeting; roughly similar to last year's support level. As was the case last year, the group of shareholders that supported the Follow This resolution was about the same size as the group of shareholders that voted against Shell's progress report regarding its own energy transition strategy (19.99%). This indicates that a substantial group of Shell shareholders still wants to see an acceleration of the pace of transition of Shell's activities, but that this group is not increasing. After taking note of these votes, Shell remarked that it will continue engagement with shareholders on why the company believes its energy transition strategy is the right one. The company intends to submit an updated strategy for an advisory vote at the 2024 AGM.

4.2 Controversial board proposals

The number of board proposals that appeared to be controversial (in the sense that the proposal received at least 20% dissent or was withdrawn or amended ahead of the AGM) was almost 50% lower than in 2022: 32 in 2023 versus 61 in 2022 (see appendix 1 for the complete overview of the 2023 controversial voting items). It looks like pre-AGM engagement is becoming more effective and that Dutch listed companies take the institutional investors' voting guidelines more into account when proposing resolutions than before. This is particularly the case for the proposal to authorise the board to issue new shares and to exclude pre-emptive rights thereon.

Remuneration-related resolutions continue to represent the category of resolutions most contested: 41% of all controversial resolutions; slightly higher than the level in 2022 (39%). The authority to issue new shares and to exclude pre-emption rights represent the second largest part of controversial resolutions (28%), followed by supervisory director (re-)elections (19%). The remuneration-related resolutions are discussed in more detail in section 5 of this evaluation report.

In last year's AGM evaluation report, we indicated that an increasing number of institutional investors hold individual executive and supervisory directors personally accountable for the performance and/or governance structure of the company, for taking insufficient action on executive remuneration policy or the quantum of remuneration packages when shareholders have shown strong discontent with respect to the remuneration policy and/or the remuneration report, for being insufficient independent and/or for being overboarded. This trend continued this year.

The substantial dissent vote (76.4%) against the discharge of the Philips Executive Board was in particular focused on the behaviour and performance of the former CEO. By 'using' this voting item, the Philips shareholders reprimanded him for stubbornly sticking to the 2022 bonus payments, while the other executives in office in 2022 waived their bonuses in light of Philips' overall performance in 2022. Furthermore, the former CEO was blamed for the costly recall and repair of faulty medical devices, which caused Philips' market value to fall sharply and necessitated sharp cuts in the workforce.

The chair of the Universal Music Group (UMG) remuneration committee was not reappointed (59.1% dissent votes) as she was held responsible for the grant of a $ 100 million 'transition bonus' for the

CEO as he was transitioned from an all-cash compensation package to one that is a combination of equity and cash and includes an equity compensation program with a broad set of performance-based objectives. The proposal to amend the UMG executive remuneration policy itself was only supported by 59.0% of the votes cast; thanks to the support of the major shareholders who are also represented at the UMG Board and to the 'IPO articles of association' which stipulate that only a simple vote majority at the AGM is needed to get a proposal to amend the remuneration policy passed.[6]

The relatively high number of votes (29.3%) that was cast against the reappointment of the Chair of the Board of Flow Traders can also be related to the fact that he is member of the Flow Traders Remuneration & Appointment Committee. This committee was rather unresponsive to earlier shareholders' concerns regarding the company's remuneration report and the executive remuneration policy. The relatively high number of dissent votes with respect to the reappointment of Paul Sekhri as the Chair of the Board of Pharming Group (36.1%) and to the reappointment of Philips' supervisory director Herna Verhagen (31.3%) was related to the number of other (supervisory) board memberships ('overboarding'). The relatively high number of dissent votes with respect to the reappointment of UMG supervisory director Luc van Os (24.3%), who is considered to be non-independent, can be explained by the relatively high number of non-independent UMG supervisory directors (6 out of the 12 supervisory directors are considered to be non-independent).

In total, eight board resolutions were rejected by the AGM; fewer than last year when ten board resolutions were disapproved. Besides the earlier-mentioned discharge of the Philips Executive Board and the reappointment of the UMG Remuneration Committee chair, the rejected proposals related to remuneration reports (BE Semiconductor Industries (BESI) and Unilever), the executive remuneration policy (TomTom), the discharge of the Executive Board (Arcona Property Fund) and the authority to issue up to 20% new shares and to exclude the pre-emption rights on these shares (NSI). That last proposal was not in line with Dutch market practice and many institutional investors' voting guidelines (i.e. a maximum size of 10%). It was also the reason why Pharming decided to withdraw a similar proposal from the agenda at the start of its 2023 AGM.

5. Better responsiveness to shareholder concerns on executive remuneration

33 companies (32% of total sample of Dutch listed companies) submitted a proposal to amend the executive and/or supervisory directors' remuneration policy.

BESI, Flow Traders and Ctac were obliged to submit an amended remuneration policy for a vote at the 2023 shareholders' meeting as their earlier proposals were rejected each time since 2020 (when all Dutch listed companies were legally obliged to renew their remuneration policy). This year, all three companies were successful in winning enough shareholder support (at least a 75% vote majority) for their new proposals after extended pre-AGM engagement with key stakeholders. Consequently, the

[6] Dutch company law stipulates that a vote majority of at least 75% is needed to approve a proposal to amend the remuneration policy, unless the company's articles of association provide otherwise.

voting outcomes reflect that open and constructive engagement is beneficial for companies as well as for shareholders.

BESI's remuneration policy proposal was adopted with a 94.7% vote majority after the supervisory board proposed to eliminate the ability to grant discretionary, additional performance shares to the Executive Board, consisting only of the CEO. Furthermore, the company introduced more stretching performance conditions for the CEO's bonuses and established a more robust peer company selection process. As a result, the at-target total remuneration for the CEO will be around 42% lower than under the current remuneration policy as from 1 January 2024. However, in the 2022 financial year the current, rather generous remuneration policy was still in place, resulting in a total pay of € 8.3 million (including the value of the discretionary grant of additional performance shares) for the CEO. The BESI AGM felt this was an excessive payout and therefore rejected the 2022 remuneration report with 74.3% dissent votes.

The Flow Traders AGM finally approved a new remuneration policy for its executive directors with a majority of 76.0% of the votes cast at the AGM; thus, just above the 75% voting majority required by the company's articles of association. In 2020, 2021 and 2022, a substantial group of Flow Traders shareholders was particularly concerned about the size of the profit-sharing scheme for executive directors and employees of the liquidity provider. In very profitable years, this could lead to very high bonuses for the executive directors. In addition, it was unclear to shareholders on the basis of which performance metrics the executive directors' bonuses were granted. In both areas, the non-executives proposed improvements. For instance, the share of the company's operating profit allocated to executive directors and employees was reduced from 35% to 32.5%. In addition, transparency on the targets of the performance metrics and on the relationship between the outcomes of these targets and the profit allocation to executive directors was increased. These improvements proved just sufficient to achieve the required vote majority of 75%.

The new Ctac remuneration policy achieved this year shareholder support of 78.0% of the votes cast, after rejection of the proposals in 2020, 2021 and 2022. The company explained that during and following the 2022 AGM, it had engaged with various stakeholders following their remarks on the earlier proposed remuneration policy. The company concluded that the proposed remuneration policy could be improved by simplification, pay moderation and more transparency on the performance metrics. In the 2023 proposal, the weighting of the financial performance metrics for the annual bonus was changed, resulting in more focus on profit compared to revenue. Moreover, profit was added to the performance metrics used for the long-term bonus payout and the notice period was limited from six to three months. These amendments were sufficient to get the proposal passed.

At the companies that 'voluntarily' proposed an amended remuneration policy, only the proposed amended TomTom executive remuneration policy was rejected by the AGM. TomTom's supervisory directors proposed to the AGM that the executives should be allowed to participate in the so-called

Management Board Investment Plan 2023 (MBIP) and that this should be embedded in the existing executive remuneration policy (without changing the main elements of the underlying policy). Under the MBIP, executives can choose to convert (part of) their annual bonus into 'restricted shares'. After a period of three years, they are then eligible for a number of additional shares. A substantial part of these additional shares (80%) is subject to certain performance targets, while an additional 15% is not related to any performance metric. The proposal narrowly missed the required vote majority of 75%: 74.2% of the share capital present or represented at the AGM supported the proposal. However, the MBIP was separately approved by the AGM, with 91.3% of the votes cast. The Supervisory Board chairman concluded from these votes that the plan could be implemented as a “deviation” from the existing executive remuneration policy, adopted in 2020. It is somehow questionable whether this is a legally justified conclusion because the proposal to approve the MBIP stated that in order to implement this plan, the executive remuneration should also be amended. The 'split' AGM vote suggests that the AGM can in principle support the MBIP, but has objections to the underlying executive remuneration policy. Indeed, in 2020, some 20% of the share capital present or represented at the AGM voted against the proposed remuneration policy, due to the lack of performance metrics for awarding long-term bonuses to executives. The TomTom remuneration policy will be reviewed in its entirety by the supervisory directors at the end of this year.

Also worth mentioning is the AkzoNobel case. This company refrained from asking the AGM to adopt "specific retention measures" for its CFO. The 2022 remuneration report stated that the supervisory directors were considering retention measures, given the almost halving of the CFO's total remuneration in 2022 (compared to 2021) due to the relatively low 2022 annual bonus and the zero pay-out of the long-term bonus over the 2020-2022 period. The projected limited vesting of the long-term bonus over the 2021-2023 period is, according to the supervisory directors, also “a cause for concern". Considering that the AGM rejected the remuneration report in both 2021 and 2022, the supervisory directors did and do not intend to increase the bonus outcomes on a discretionary basis. Partly for this reason, the supervisory directors announced that specific retention measures for the CFO may therefore be proposed for shareholder consideration. However, at the 2023 AGM agenda no proposal to amend the remuneration policy to grant the CFO a retention bonus was scheduled. The phrases in the remuneration report about the possible awarding of a retention bonus to the CFO caused a lot of public resentment among shareholders. Consequently, the supervisory directors did not proceed with any retention measure.

Unilever's AGM expressed dissatisfaction with the generous remuneration package for its incoming CEO, Hein Schumacher. The AGM issued a negative advice on the 2022 remuneration report detailing Mr Schumacher's remuneration package. Over 58% of the capital present or represented at the AGM voted against the remuneration report. Shareholders particularly questioned why Mr Schumacher should be awarded a 18.5% higher annual fixed pay than his predecessor, Alan Jope. The annual fixed pay of € 1.85 million is also almost double of the fixed pay he earned at his previous employer (FrieslandCampina). Due to the substantially higher fixed pay, the total at-target remuneration (i.e.

including annual and long-term bonus) will be more than € 1 million higher than that of his predecessor at Unilever: € 8.3 million versus € 7.0 million. Unilever defended the new remuneration package rather 'mechanically' by pointing out that under the remuneration policy adopted by the AGM in 2021, the CEO will be remunerated at the median of the peer group. Former CEO Alan Jope's total at-target remuneration was around €1.5 million below the median. The Unilever Compensation Committee believed it was important to use the new succession as an opportunity to restore the CEO’s pay to median. Unilever shareholders were not convinced by this line of reasoning. When announcing the AGM results, including the vote on the 2022 remuneration report, the company remarked that it is committed to shareholder engagement, that it will listen carefully to feedback and determine any next steps. Unilever will publish a further statement detailing the outcome of its shareholder engagement, including any actions taken as a result, within six months of the 2023 AGM.

6. External auditor has shown to be a key player in the effectiveness of the governance framework, but communication can be further enhanced

6.1 External auditor as disciplining factor when internal governance fails

Shareholders face additional risks if the checks and balances within a listed company are failing. This is, for example, the case when a supervisory director has the power to control the decision-taking within the Supervisory and Executive Board via holding the majority of voting rights within the AGM, allowing him to impact the composition of the Supervisory and Executive Board. This situation occurred at B&S Group. Following media reports, late 2022, that there was a financial relation (mortgage loan) between the B&S CEO and a company owned by the majority shareholder/ supervisory director that should have been disclosed in the annual reports of 2020 and 2021, the company decided to initiate a full examination of its control framework and governance practices. The review showed that in addition to this related party transaction, several other transactions between the majority shareholder/supervisory director and certain members of the company’s management (including Executive Board members) were concluded, including a bonus payment, a private loan, an investment loan and an option agreement. In addition to these management transactions, two loans were provided to employees. These related party transactions should have required pre-approval by the Supervisory Board and Executive Board/local management respectively, as stipulated by the company’s Code of Business Ethics and the Dutch Corporate Governance Code, and should have been disclosed in previous annual reports. As a result of the review, the CEO and the supervisory director in question decided to resign from their respective positions in the best interest of the company.

It very much looks like the external auditor of B&S Group (Deloitte partner Jan van Delden) played an important role in initiating the review and in the consequent departure of the CEO and the supervisory director. We expect that the external auditor would not have provided an unqualified opinion to the 2022 annual accounts if the review was not initiated (also considering the fact that ‘related party transactions’ were already a key audit matter in the 2020 and 2021 auditor’s report), if no extra disclosures were provided on the related party transactions and if the CEO and supervisory director in question would have refused to resign. Deloitte decided – after a period of five years – not to stand for re-election at the 2023 AGM. The company has convened an EGM to appoint KPMG as new external auditor for a period of five years. The B&S case shows that the external auditor is a key player in the effectiveness of the governance framework of a listed company if the internal governance bodies (Executive Board, Supervisory Board and the AGM) fail.

6.2 External auditor's communication can be further improved

What is, however, lacking is the possibility for (minority) shareholders to directly engage with the external auditor. From the B&S case it is, for example, not fully transparent what exactly the role of the external auditor was regarding the initiative to examine the governance of the company and the outcomes of this examination, including the departure of the CEO and the supervisory director. It is still not clear what considerations and circumstances led to the decision to not stand for re-election (did the Executive and Supervisory Board not want to continue with Deloitte or did Deloitte not want to continue with the company?). These questions will never be answered until the external auditor is released from his duty of confidentiality.

Also at another company – Sligro Food Group – the lack of communication of the external auditor led to questions among shareholders. Deloitte partner Albert Jan Heitink had included an 'emphasis of matter' paragraph in his auditor's report on Sligro's 2022 annual accounts. By doing so, he wanted to draw the specific attention of the users of Sligro's annual report and accounts to the element "Sustainable Business" in the disclosures of the annual report. Because the auditor had provided no further written explanation on this element, this section in the auditor's report raised questions among shareholders about the content and reliability of Sligro's sustainability policy. It was not the external auditor, but the Sligro Executive Board that provided a further explanation of what the external auditor meant with the 'emphasis of matter' paragraph in his report, ahead of the AGM. According to the CEO and the CFO, the external auditor wanted to emphasise the importance of the theme of 'sustainable business' as a whole and did not in any way aim to highlight any Sligro-specific explanations and/or elements of Sligro's sustainability policy. The executives wrote that the Deloitte partner had concluded that "given the importance of, and public interest in, sustainability, as is the case for all large companies, it is important to draw the attention of the users to the disclosures Sligro has made on sustainability (...) and the steps Sligro has taken in the area of sustainability". The Deloitte partner confirmed the executives' view in his presentation on the 2022 audit at the AGM. Remarkably, however, no other external auditor of a Dutch listed company has included sustainability as an 'emphasis of matter' in the auditor's report.

One of the objectives of this year's renewed NBA[7] Practice Note 1118 on the position of the external auditor in the shareholders' meeting is to achieve a greater understanding of the audit conducted by the external auditor and of the findings. According to this practice note, the auditor's presentation at

[7] The NBA is the Royal Netherlands Institute of Chartered Accountants.

the AGM on the audit conducted should focus primarily on the key audit matters, any fraud and going concern risks identified, how the group audit was conducted, the application of the concept of materiality and other significant audit findings. The external auditor may also include other topics in his presentation if they contribute to shareholders' further understanding of the audit conducted. These are issues that the auditor has "seen" at the company during his work. He may then, for example, decide to focus his presentation on the (main) audit findings included in the management letter, the quality of the internal controls and the administrative organisation, the internal control environment (including 'culture' or 'soft controls'), any identified cyber risks, and certain sustainability information. The revised practice note is applicable from financial year 2023 onwards, but the NBA encouraged external auditors, listed companies and shareholders to use it already this AGM season.

Our review of the auditors’ presentations at the AGM that were published by the listed companies, does not show a material increase in the informational value of the communications as a result of the revised practice note. It is striking that not all auditor presentations are even made public by the companies. The presentations of the KPMG and PwC auditors are very limited and do not contain the extra information as included in the practice note. Some presentations of EY auditors do contain information on next financial year’s audit plan, while many presentations of Deloitte auditors refer to a review of tone at the top when they evaluate the design and implementation of the relevant internal controls. We expect to see an increased informational value of next year’s external auditor AGM presentations and that all presentations are published, preferably ahead of the AGM.

6.3 A high number of audit firm rotations, while a new, foreign audit firm is entering the PIE audit firm pool

As most Dutch listed companies appointed a new audit firm in 2014 and 2015, most companies are currently nearing the end of their auditor's statutory maximum ten year 'term of office'. Fifteen companies concluded their tender process in 2022 or in the beginning of 2023 and have submitted their preferred audit firm for formal appointment by the 2023 AGM. EY has gained the most 'market share' this year: Aegon, IMCD, UMG, Just Eat Takeaway.com, Brunel International and Sligro Food Group selected this audit firm. PwC ‘acquired’ five listed companies: ASML, Philips, Randstad, TomTom and Ajax. KPMG was able to ‘win’ four tenders: Wolters Kluwer, Van Lanschot Kempen, Heijmans and Holland Colours. Deloitte only managed to secure SBM Offshore and TKH Group as new listed clients. B&S Group also had to rotate auditors as Deloitte did not want to continue its audit relationship with this company (see section 6.1). However, the company failed to present a new audit firm at the AGM. B&S therefore withdrew the voting item ‘appointment of the external auditor’ at the AGM. During the meeting, B&S informed its shareholders that the company is currently discussing the 2023 audit and beyond, with two seriously interested audit firms. B&S aims to propose the appointment of a new auditor in the Summer of this year. Consequently, an EGM will be convened to approve the proposal.

Encouragingly, most listed companies also mentioned the audit firm that ranked 'number 2' in their tender process in the notes to the agenda proposal, described which other audit firms participated in the tender process and were transparent on the selection criteria. The disclosures on the Aegon tender procedure can be earmarked as 'best practice' in the Dutch market. However, almost no companies are transparent about the natural person who will sign the auditor's report on behalf of the audit firm and will give a presentation on the audit conducted at the AGM. Most companies were, nevertheless, willing to disclose the name during our pre-AGM dialogues. The disclosure of the name of the audit firm partner is important information for shareholders. They can then factor any experience they have had with this person at other companies and/or AGMs into their voting behaviour. They can also then check whether that person has ever been involved in disciplinary cases at the Auditors Chamber.

Smallcap Value8 surprised many stakeholders with the selection of the Portuguese audit firm Cravo, Fortes, Antão & Associados (CFA) as its new external auditor. CFA is an audit firm licensed by the Portuguese audit regulator (CMVM) to audit the annual accounts of so-called public-interest entities (PIEs, including listed companies). Under EU legislation, such an audit firm is entitled to conduct audits of Dutch listed companies once the firm is registered with the local audit regulator. The Dutch Authority for the Financial Markets (AFM) included CFA in the public register 'Audit firms from other EU Member States' in March 2023. The appointment of CFA as the new external auditor of the Value8 annual accounts was confirmed by the Value8 AGM with – rounded – 100% of the votes cast. As the CFA partner was only able to finish his audit of and sign the auditor's report to the 2022 annual accounts on 20 June 2023 – just ten days before the AGM date – it was too late to put the 2022 annual accounts to a vote at the AGM.[8] Value8 therefore removed the adoption of the 2022 annual accounts from the 2023 AGM agenda and will place it on the agenda of an EGM that will be held on 25 August 2023.

Eumedion will keep a close eye on how many Dutch listed companies will engage this Portuguese audit firm, how the quality of these audits is monitored by audit committees and the AFM, what the track records are of the audit partners signing the auditor's report on behalf of this firm. Eumedion has also initiated a policy debate on the requirements for audit firms that audit Dutch listed companies (wherever listed), the pros and cons of home versus host country supervision by European audit firm supervisors and the possibility to have European instead of national supervision on audit firms.

7. Eumedion Focus Letter 2023: limited progress on biodiversity assessments and human rights due diligence performance information

The 2023 Eumedion Focus Letter formed a central theme in the company engagements conducted in this year's AGM season. The focus points – regarding biodiversity and ecosystems, and performance

[8] Dutch company law requires that the annual accounts, the independent auditor's report and the management report be published at least 42 days prior to the AGM date.

of human rights due diligence programs – are anchored in the on-going scrutinisation by Eumedion members of environmental performance of companies, including emission reduction and net-zero target-setting, and of social performance throughout the company's value chains, including continued activities in Russia and Belarus.

7.1 Natural capital: policies and targets for the protection and restoration of biodiversity and ecosystems

Building on Eumedion's continued focus on climate-related disclosures and net-zero transition plans, in all company engagements, Eumedion members requested companies to also identify, measure and assess the dependencies and impacts of the company on biodiversity and ecosystems, including any risks and opportunities. Having been identified as one of the three most urgent risks over the next ten years by the World Economic Forum, this focus point followed (amongs others) from the October 2021 research report commissioned by Eumedion, in which the researchers from Maastricht University concluded that there is urgent scope for Dutch listed companies 'to align their strategy more formally with planetary boundaries, especially with regards to circularity and biodiversity'.[9] The request also anticipates upcoming reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and the draft European Sustainability Reporting Standards (ESRS), as well as the draft standards of the Taskforce for Nature-Related Financial Disclosures (TNFD). These initiatives will most likely require companies to assess and disclose material information on biodiversity risks, opportunities, impacts and dependencies.

Our review of the 2022 annual reports still reveals limited structured focus on biodiversity-related information, with most companies still in the early phases of exploring the topic more in-depth. In most instances and especially where it concerns companies relying on (e.g. agricultural or mineral) raw materials or industrial processes, information on sub-themes related to biodiversity is provided, such as responsible land-use, water-use and (hazardous) waste. The reporting by Ahold Delhaize is an example of sub-theme focused reporting. But even for companies relying heavily on e.g. agricultural supply chains for their main operations, an overarching approach is usually not (yet) presented. Likewise, a substantial number of companies report that the impact on biodiversity will be assessed more in-depth in the coming year(s), with various statements to this end having been issued over the course of 2022 and early 2023, including announcements for target-setting by the end of 2023. This for now explains the general lack of concrete actions plans, objectives and performance indicators being reported. Few companies explicitly identify and report on risks and dependencies related to the loss of biodiversity. In our engagements with companies, it was frequently mentioned that relevant frameworks are not yet available and that the development of draft standards and science-based target initiatives are being monitored. Specifically for financial institutions, it became clear that some are hesitant to sign up to sector initiatives, because methodologies to set targets and report on progress are insufficiently mature to support such commitments.

[9] 'Sustainability embedding practices in Dutch listed companies', Bauer R., Bauer T., Olaerts M., Van Aartsen C., Maastricht University, October 2021, p. 9. Link to the full report.

While biodiversity is often already mentioned in the 2022 annual reports in the context of the materiality assessment, we find that it is often labelled as immaterial for reporting purposes. This *should* indicate that biodiversity is not a material topic for many Dutch listed companies. However, in most instances, the exact nature of the assessment remains unclear, e.g. whether risks and dependencies have been systematically assessed, whether the dimension of impact materiality has yet been taken fully into account (as per the upcoming CSRD requirements), and/or whether the impact on biodiversity has been considered throughout the company's value chain rather than only for a company's direct operations. Specifically, this value chain approach requires extra attention especially by companies active in service sectors – in many instances these companies do not even mention the impact on biodiversity as an environmental factor to consider. The reporting by ABN AMRO Bank is an example of company reporting focusing on the *impact* on biodiversity-related issues. Biodiversity-related opportunities are mentioned in only a handful of cases and tend to be very industry-specific, as example the Signify report shows by focusing on the company's contributions to mitigating potential negative impact on biodiversity through lighting solutions.

We conclude that while awareness around the broader themes of biodiversity and the protection of ecosystems is rapidly increasing among Dutch listed companies, most companies are not only in a very early phase of implementing our 2023 Focus Letter request, but also from being able to demonstrate readiness for the upcoming reporting requirements.

7.2 Transparency on human rights: effectiveness of management and mitigation strategies

In the 2023 Focus Letter, we again requested companies to provide meaningful disclosures on the effectiveness of their practices regarding identifying, managing and preventing human right impacts that are material to their business, as well as on mitigation strategies. This focus point followed from the 2022 AGM season evaluation report, in which we concluded that while, in general, the annual reports of Dutch listed companies do contain details about various due diligence measures and procedures, very few companies discuss the effectiveness of the due diligence procedures. Companies were also relatively silent on the measures taken to verify whether suppliers comply with the company's code of conduct and on the steps taken to mitigate adverse human rights impacts. This conclusion warranted a reiteration of our request for more transparency.

Our request for more transparency on managing human rights-related impacts is supported by ongoing developments regarding various legislative initiatives both in European Union (EU) and in the Netherlands. In the EU, negotiations are underway to establish a Corporate Sustainability Due Diligence Directive, which would specify obligations for certain companies to not only conduct human rights and environmental due diligence, but possibly also to prevent, bring to an end and/or remediate adverse impacts in these areas. A highly similar legislative initiative is being developed in parallel in the Netherlands. Additionally, the CSRD has already laid down transparency requirements in the area of due diligence on sustainability matters, explicitly targeting human rights as well. This transparency also concerns any actions taken by companies to prevent, mitigate, remediate or bring to an end adverse sustainability impacts, including the results of these actions. Finally, the current reporting requirements under the EU Taxonomy Regulation also force companies to assess compliance with the minimum social safeguards, by respecting basic human rights and follow good business conduct rules. While further guidance in the context of the Taxonomy Regulation is still desirable, it is clear that companies will increasingly need to be able to demonstrate adherence to and compliance with (amongst others) the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The current evaluation of the 2022 annual reports and of the company engagements matches these developments, by showing increased company activity around improving ESG due diligence processes – but not yet a meaningful improvement in actual transparency on the actual effectiveness of due diligence procedures. We recognise that reporting practices are still similar to last year's – a focus on description of procedures and policies, on the number of suppliers signing a code of conduct or completing self-assessments, and occasionally some high-level information on audits and outcomes. While these are important pieces of the 'puzzle', more is needed and companies across the board do appear to be moving in that direction. Driven by the need to be able to actually identify and assess adverse impacts in the value chains (as per the CSRD), we broadly observe companies undertaking (or about to undertake) a redesign of the supplier screening and periodic assessment procedures. Initiatives to explore material impacts deeper into the chain – well beyond the first tier suppliers – are higher on the agenda. Multiple companies have announced structural changes to their third-party risk management systems, driving better insights, data and supply chain transparency going forward. And various companies have indicated to be in the process of reassessing salient human rights issues relevant for their businesses. These developments show that companies are slowly growing into improved practices which are fundamental to drive actual improvements in the companies' value chains. The human rights report of ABN AMRO Bank can be considered a good illustration to such a steadily improving reporting practice. Our observations also confirm that the closely related Taxonomy-alignment disclosures in the area of the minimum social safeguards will ultimately need to be improved, with companies generally limiting their reporting to a confirmation that the minimum requirements are met or adhered to.

In light of this second focus point, the company engagements also focused on the justification for any remaining company presence in Russia and Belarus in 2022 and early 2023, or in any other jurisdictions where the continuation of company activity could be misaligned with a company's own policy on responsible business. Eumedion members specifically focused on e.g. the continued presence of JDE Peet's in Russia, undisclosed tax contributions to the Russian Federation such as by AkzoNobel, and the finalisation of Heineken's exit from Russia following the turmoil after the initial announcement made early in 2022.

8. Dutch Tax Governance Code

In May 2022, the Dutch employers' federation VNO-NCW presented the Dutch Tax Governance Code. At that time already more than 40 listed and non-listed Dutch multinational enterprises endorsed the code and committed themselves to complying with the principles or to explaining any deviation from elements of the code. This will allow stakeholders to engage with companies on, for example, the companies' tax policy, tax compliance, business structure and the tax payments in the countries where they have activities ('country-by-country tax reporting'). The objective of the code is to increase transparency on the tax position of Dutch listed companies and to help building public trust in the Dutch tax system and in large Dutch multinationals.

Eumedion believes a responsible approach to tax by listed companies is an integral part of doing sustainable business in a robust, well-functioning society. Income from direct and indirect taxation, generated as a result of the vigorous economic activity of listed companies, is an important source of revenues for governments. Paying tax is therefore one of the ways in which listed companies contribute to societies on whose legal and financial infrastructure they rely for the orderly execution of their activities. Aggressive tax behaviour undermines the effectiveness of tax systems and may expose investors to reputational, compliance and financial risks. Investment risks can also arise if companies are supporting – via paying taxes – governments that are violating human rights, including warfare (e.g. Russia). Consequently, Eumedion members – who are all responsible and engaged institutional investors with a long-term investment horizon – expect Dutch listed companies to have a responsible approach to tax, as part of their strategy for good corporate citizenship. For that reason Eumedion has supported the development of the Dutch Tax Governance Code by VNO-NCW. By applying the code's principles a Dutch listed company can demonstrate how its tax policy and behaviour contribute to the company's business strategy and view on long-term value creation.

As announced in our position paper on the Dutch Tax Governance Code[10], Eumedion has asked Dutch listed multinationals that have not (yet) signed the code why they have not yet done so. Besides this, we have analysed the progress reports on the implementation of the code by those listed companies that have signed the code. As articulated in the position paper, we do not like to see possible 'Tax Code washing'.

Partly thanks to the code, we see increased disclosures of the tax policy, tax principles, tax governance and the business structure by Dutch listed multinationals. Almost all companies have declared that they do not use so-called tax havens for tax avoidance. If they have entities in tax havens, they only exist for substantive and commercial reasons. We also see a slight increase of companies that have published details of the taxes paid in countries where they have business activities. For example, Heineken was a company that started with publishing such a country-by-country tax report. We believe that the tax reports of Philips, NN Group and Randstad can be earmarked as 'best practice'.

However, with respect to the following findings we are a bit disappointed:

[10] See the Eumedion input of 12 January 2023 for the parliamentary hearing on the Dutch Tax Governance Code: http://bit.ly/3ZH8S0G (in Dutch only).

- From all 41 AEX and AMX companies in our sample, 16 companies (i.e. 39%) have not signed up (yet) to the Dutch Tax Governance Code. During our dialogues, it appeared that some of them were unaware of the code (and were never approached by VNO-NCW to sign up to the code), did not see the added value of the code or were still in the phase of analysing the consequences of endorsement. We have explained all 16 companies the added value of the code and expect them to sign up this year.
- Not all companies that have endorsed the code (according to VNO-NCW's own website) make a reference to this code in their annual report and/or on their website. This is for example the case for Adyen, Unilever and Corbion. We expect that all companies that have signed up to the code report on the application or explain any deviations in the annual report and/or on the company's website.
- At least 18 AEX and AMX companies in our sample (i.e. 44%), including companies that have signed the code, do no publish any tax payments on a 'full' country-by-country basis. Six companies (i.e. 15%) publish only a 'partial' 'country by country' tax report (only the most important countries where the company has activities or do not want to go further than the minimum requirements in EU Directive 2021/2101 on income tax information by certain undertakings and branches, i.e. per EU Member State and per tax haven). The companies that are not willing to publish tax payments on a 'full' country-by-country basis (i.e. including non-EU Member States) refer mostly to (non-fiscal) competitive reasons or remark that the code does not require full country-by-country tax reporting. However, with respect to that last explanation, the VNO-NCW press release in relation to the establishment of the code is clear: "the code is much more ambitious, particularly when it comes to shedding light on tax payments on a country-by-country basis". In our view, the companies that have endorsed the code, but are not willing to disclose full details of tax payments on a country-by-country basis are conducting 'Tax Code washing'. These companies include Ahold Delhaize and AkzoNobel. Without the publication of tax payments on a country-by-country basis, shareholders were not able to verify the extent to which companies supported governments engaging in serious human rights violations, including warfare.
- A number of companies published the 'country-by-country' tax details on a later date than the release date of the annual report. Some companies even delayed the detailed tax payment disclosures to after the AGM date. We urge companies to publish the full country-by-country tax report ahead of the AGM date to allow shareholders to ask questions about tax payment details during the AGM.

Eumedion intends to discuss the findings and conclusions on the first year application of the Tax Governance Code with VNO-NCW and its members.

9. Further increase in gender diversity amongst supervisory directors

The gender diversity level amongst supervisory directors further increased in 2023. Currently, on average 43% of the supervisory directors at Dutch AEX companies is female (up from 42% in 2022), while the average number of female supervisory directors at Dutch AMX companies increased from

37% in 2022 to 40% in 2023 (see tables 1 and 2). These averages are also reflected in the total number of nominations for new supervisory directors at Dutch listed companies during this AGM season: 43% of them were women. All Dutch AEX and AMX companies now comply with the legal quota of having at least one-third of both women and men on supervisory and one-tier non-executive boards. Wolters Kluwer is the only company among the Dutch AEX and AMX companies that has more female than male supervisory directors (4:2). Wolters Kluwer is among the three Dutch AEX companies that have a female Chair (besides Wolters Kluwer, also ASM International and UMG have a female Chair). CTP is the sole Dutch AMX company that has a female Chair.

Gender diversity at statutory executive board level provides a mixed picture. Out of the in total 23 nominations for Executive Board members at Dutch listed companies during this AGM season, only five (22%) were female candidates. And these female candidates were only selected for Dutch AEX companies. Consequently, the average number of female executives at Dutch AEX companies increased from 18% in 2022 to 22% in 2023. Wolters Kluwer, NN Group and KPN are the only Dutch AEX companies with gender balance within the Executive Board (with Wolters Kluwer as the sole Dutch AEX company with a female CEO)[11]. The average number of female executives at Dutch AMX companies showed a steep decline: from 18% in 2022 to only 12% in 2023, back to the level in 2021 (see tables 1 and 2). This is mainly due to the changed composition of the AMX index this year. Three companies with relatively many women on the Executive Board were either 'promoted' to the AEX index (ABN AMRO Bank and ASR Nederland), 'downgraded' to the AScX index (PostNL) or delisted (Accell). Alfen, Arcadis, Fugro, OCI, Signify and Van Lanschot Kempen are the sole Dutch AMX companies that have female, statutory executives. Of this group, Arcadis and Fugro reach gender balance within their Executive Board.

Table 1: gender-diversity in boards of Dutch AEX companies (situation at 1 July each year)

	2009	2014	2018	2021	2022	2023
Female executives	5%	6%	9%	19%	18%	22%
Female supervisory directors	17%	26%	33%	39%	42%	43%

Table 2: gender-diversity in boards of Dutch AMX companies (situation at 1 July each year)

	2009	2014	2018	2021	2022	2023
Female executives	0%	8%	7%	12%	18%	12%
Female supervisory directors	9%	14%	22%	34%	37%	40%

With respect to ethnic diversity we see that the number of Dutch listed companies that have board members with a non-Western background[12] is still rather low, at both AEX and AMX companies (see tables 3 and 4). We see even a drop at Dutch AEX companies. At the AMX companies, we see a gradual increase.

[11] AEX company IMCD will have a female CEO as from 1 October 2023.
[12] We used the definition of Statistics Netherlands (‘CBS’): persons whose background is one of the countries in Africa, Latin America and Asia (excluding Indonesia and Japan) or Turkey.

Table 3: ethnic diversity in boards of Dutch AEX companies (situation at 1 July each year)

	2022	2023
Executives with non-Western background	13%	6%
Supervisory directors with non-Western background	14%	9%

Table 4: ethnic diversity in boards of Dutch AMX companies (situation at 1 July each year)

	2022	2023
Executives with non-Western background	9%	10%
Supervisory directors with non-Western background	2.5%	4%

The following two developments are also worth to mention. First, the trend that a supervisory director of a company was ‘promoted’ to executive director at the similar company continued. After Randstad started this trend in 2022 (supervisory director Sander van ‘t Noordende was selected as CEO), KPN, IMCD, Unilever and Envipco Holding followed in 2023 (at IMCD and Unilever one of the supervisory directors was nominated as new CEO). With the exception of the relevant Unilever supervisory director (Hein Schumacher)[13], the afore-mentioned supervisory directors remained supervisory director of the company until the formal moment of appointment as CEO or as member of the Executive Board. Second, we see that a number of persons who were nominated as supervisory director already participated in supervisory directors’ meetings, were remunerated and also signed the annual accounts, even though they were not formally appointed by the AGM yet. This happened for example at JDE Peet’s and Onward Medical.

Eumedion opines that when the supervisory directors have taken the decision to nominate a supervisory director to the Executive Board, that person should immediately withdraw from the supervisory or non-executive board. In addition, Eumedion believes that supervisory directors not yet appointed by the AGM should not be remunerated by the company in question and should refrain from signing the annual accounts.

[13] Unilever applied a ‘cooling-off period’ of one month.

Appendix 1: AGM proposals with strongest shareholder resistance (more than 20% against votes; excluding votes cast by Trust Offices)

Company	Subject	Result
Shell	Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement	79.81% against **(resolution voted down)**
Philips	Discharge Executive Board	76.4% against **(resolution voted down)**
BESI	Remuneration report	74.3% against **(resolution voted down)**
NSI	Authority to issue new shares, second tranche of 10%	65.9% against **(resolution voted down)**
NSI	Disapplication of pre-emption rights second tranche of 10% share issuance	65.7% against **(resolution voted down)**
Universal Music Group	Reappointment of supervisory director Anna Jones (also Chair Remuneration Committee)	59.1% against **(resolution voted down)**
Arcona Property Fund	Discharge Executive Board	58.6% against **(resolution voted down)**
Unilever	Remuneration report	58.0% against **(resolution voted down)**
Wereldhave	Authority to issue new shares	48.3% against
Wereldhave	Appointment of supervisory director William Bontes	46.1% against
Universal Music Group	Remuneration report	41.0% against
Universal Music Group	Executive remuneration policy	41.0% against
Corbion	Authority to issue new shares, second tranche of 10%	38.0% against
Pharming	Reappointment of supervisory director Paul Sekhri	36.1% against
Eurocommercial Properties	Authority to issue new shares	36.0% against
OCI	Disapplication of pre-emption rights	33.4% against
NEPI Rockcastle	Remuneration report	33.0% against
ING Groep	Reappointment of supervisory director Herna Verhagen	31.3% against
Flow Traders	Reappointment of supervisory director Rudolf Ferscha	29.3% against
TomTom	Executive remuneration policy	25.8% against **(resolution voted down)** [14]
OCI	Authority to issue new shares	25.5% against
Vivoryon	Remuneration policy	24.8% against
KPN	Disapplication of pre-emption rights	24.6% against
Universal Music Group	Reappointment supervisory director Luc van Os	24.3% against
Flow Traders	Executive remuneration policy	24.0% against
OCI	Remuneration report	23.7% against
Vivoryon	Remuneration report	23.4% against
Flow Traders	Remuneration report	23.1% against
Ctac	Executive and Supervisory Board remuneration policy	22.0% against
Ctac	Remuneration report	21.5% against

[14] Approval of this proposal required a 75% vote majority.

Appendix 2: Proposals withdrawn ahead of the AGM

AGM	Proposal
Pharming	Authority to issue new shares, second tranche of 10%
B&S Group	Appointment of the external auditor
Value8	Adoption of annual accounts