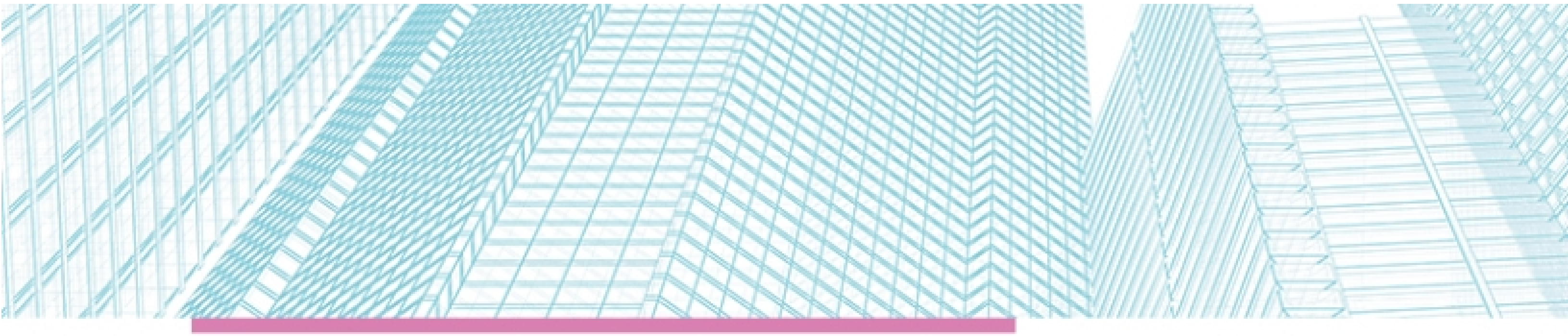
Algemeen Pensioenfonds KLM

ROBECO
The Investment Engineers



Proxy Voting Report

Period: January 01, 2017 - March 31, 2017

Votes Cast	**3500**	**Number of meetings**	**358**
For	2972	With management	3027
Withhold	7	Against management	473
Abstain	6		
Against	462		
Other	53		
Total	**3500**	**Total**	**3500**

In 216 (60%) out of 358 meetings we have cast one or more votes against management recommendation.

General Highlights

The European Shareholder Rights Directive: A Step Forward in Active Ownership
Robeco believes that active ownership is an important responsibility of all shareholders, and that encouraging companies to improve on the most material ESG topics is a long term driver of companies' performance. For this reason, we closely follow legislative developments aimed at strengthening shareholder rights and enhancing the ability of shareholders to be active owners. During the last few years, a number of such initiatives have come into force, including positive changes to the Dutch Corporate Governance Code, and the introduction several stewardship codes, such as the Japanese Stewardship Code Taiwanese Stewardship Principles for Institutional Investors, or the Principles for Responsible Ownership in Hong Kong.

However, arguably the broadest development in improving shareholder rights during the last number of years is the introduction of the new European Shareholder Rights Directive. First launched in 2007, the original directive aimed to establish a set of minimum rights and responsibilities for shareholders of European companies, to encourage improvements in corporate governance, and to reorientation the thinking of shareholders and companies to a more long term perspective. Since that time the directive has undergone a number of significant revisions, the most recent of which occurred in 2016.

Formally approved by the EU's committee of permanent representatives (COREPER) in December 2016, the updated directive aims to further strengthen engagement and accountability between shareholders and the companies in which they invest in a number of ways. European member states now have up to two years to incorporate the new provisions into domestic law. The revised directive includes a number of new and strengthened requirements, specifically with regards to:

- remuneration of directors;
- identification of shareholders;
- facilitation of exercise of shareholders rights;
- transmission of information;
- transparency for institutional investors, asset managers and proxy advisors and;
- related party transactions

Robeco supports the new requirements contained within the directive, having already complied with each requirement of the directive for a number of years. One example of this is on the remuneration of directors and executives. The new directive states that a company's remuneration policy should "contribute to the overall business strategy, long-term interests and sustainability of the company and should not be linked to short-term objectives."

An appropriately structured remuneration policy should align executive pay with company strategy, by incentivizing executives to create long term, sustainable shareholder value. How company executives are incentivized financially can have significant and wide ranging consequences on firm performance and the subsequent creation of long term shareholder value. For this reason, Robeco uses a propriety remuneration assessment framework to assess the structure, transparency, overall height and sustainability of a company's remuneration policy and subsequent implementation. We believe that this approach allows us to identify remuneration plans which inappropriately incentivise directors, and do not encourage and promote long term value creation.

Another important component of the new directive is that institutional investors and asset managers be more transparent on their approach to shareholder engagement, including by developing and publicly disclosing a policy on shareholder engagement or explaining why they have chosen not to do so. An active approach to the stewardship of the assets in which Robeco and our clients invest is an important part of our Sustainability Investing approach. Robeco fully supports the approach of stewardship and has put in place several robust policies to adhere to its responsibilities in this respect.

Our stewardship policy explains our general approach to the stewardship of our investee companies, including our policy for managing conflict of interests and ethical conduct, the process we use for monitoring of investee companies, our approach to engagement as well as outlining our approach to proxy voting and disclosure of our voting activities. More information on our stewardship policy can be found at: https://www.robeco.com/images/robeco -stewardship-policy.pdf

One final development of note relates to proxy advisors and the significant role they play in influencing the voting behaviour of institutional investors. Robeco's approach to proxy voting uses a number of different research sources to guide our voting instructions. We use a number of sources of information, including but not limited to baseline research from proxy advisors, input from RobecoSAM's Sustainability Investing Analysts, Robeco portfolio managers and investment analysts, the in-house knowledge of Robeco's Governance & Active Ownership Team, as well as the use of our preparatory frameworks for assessing remuneration and board composition where relevant.

We believe our strong but balanced approach to researching the meetings at which we vote allows us to formulate well informed vote instructions on behalf of our clients. By integrating research from a large variety of sources, we can ensure our voting instructions always encourage long term focus at the companies in which we invest.

Voting Highlights

Becton, Dickinson And Co. - 01/24/2017 - United States
Becton, Dickinson and Company is a global medical technology company engaged principally in the development, manufacture, and sale of medical devices, instrument systems, and reagents used by healthcare institutions, life science researchers, clinical laboratories, the pharmaceutical industry, and the general public.

At the 2017 general meeting of Becton, Dickinson and Co. a shareholder proposal was filed requesting the board to appoint an independent chair. At present, the company currently combined the roles of CEO and Chair of the Board, which we see as far from best practice. To achieve effective management supervision, it is imperative that the board can exercise independent judgment and is free of conflicts of interest.

One important criteria when assessing board independence is the 'key person risk' which can develop, particularly if the CEO is also chairman of the board. It is therefore of upmost importance is that the board are in a position to act as sparing partners for the management team. The CEO must be accountable to a board composed of members who have an in-depth understanding the business and the topics at hand, whilst possessing sufficient independence to oppose senior management when things go wrong. With this in mind, it is essential that the board possess the tools to take action when things go wrong, including the power to terminate the CEO. For this reason, combining the roles of CEO and chairman of the board cannot be considered best practice.

Robeco therefore supports efforts to ensure that the chair of the board is an independent director, to provide a better oversight of the company's executives by exercising independent judgment. We therefor supported the shareholder proposal requesting an independent chair of the board was included in the annual general meeting agenda for this year.

The proposal was supported by 22% of shareholders at the 2017 annual general meeting

Capitol Federal Financial - 01/24/2017 - United States
Capitol Federal Financial, Inc. is a bank holding company. The Company's banking subsidiary provides a wide range of banking products and services, including home loans, checking and savings accounts, insurance, and online banking services.

At the 2017 annual general meeting of Capitol Federal Financial, shareholders were asked to vote on a number of agenda items such as the election of several directors, advisory vote on executive compensation and ratification of auditor. Whilst we were able to support most agenda items, significant issues with the companies executive compensation practices led us to vote against the advisory vote on executive compensation.

We see several issues with the company's executive compensation package, particularly with regard to its variable remuneration plan structure. When analysing remuneration guidelines we aim to verify if incentives awarded to executives are appropriately aligned with shareholders' interests. This includes ensuring that metrics used to evaluate their performance truly reflect the business development, and that the type of award encourages a long-term focus among executives.

We believe the company’s lack of long-term incentive plan could create an excessive focus on short-term performance, evaluating executives’ performance on a yearly basis. This type of compensation structure could encourage short-term orientated and potentially risky strategies that might not be align with long term, sustainable shareholder value creation.

Moreover, the company does not disclose the performance goals and thresholds assigned for short-term incentives, which hinders the ability of shareholders to evaluate how the company quantifies executive’s performance when making pay-outs under the plan. For these reasons, we voted against the advisory vote on executive compensation, owing to our belief that the remuneration structure places excessive focus on short term performance, combined with insufficient transparency and disclosure regarding how it is implemented.

At the annual general meeting, 81,82% of shareholders supported the advisory vote on executive compensation.

Amdocs - 01/27/2017 - United States

Amdocs Limited provides product-driven information system solutions to major telecommunications companies in the United States and internationally. The Company provides integrated customer care and billing systems for wireless and wireline network operators and service providers, as well as for companies that offer multiple service packages.

During the 2017 shareholder meeting of Amdocs Limited, Robeco voted against the re-election of one current member of the board of directors for a new term, due to a lack of transparency on related party transactions between the director and a company in which he is a significant shareholder.

Corporate boards should be sufficiently independent to make sure that independent judgment has been applied in the boards supervisory tasks and that management is counterbalanced if needed. At the same time board members should have sufficient understanding of business practices in order to monitor a company. This often is more complicated for outsiders, than for insiders.

To achieve effective management supervision, it is imperative that the board can exercise independent judgment and is free of conflicts of interest. For this reason, non-independent directors should disclose the nature of their affiliation and potential conflicts of interest.

In this instance, the director is also a significant shareholder of Radcom Ltd., which received at least $18 million from the Company in fiscal year 2016 for value added resale work and other contracts. Amdocs disclose that these transactions account for less than 1% of the Company's total operating expenses, and therefor do not pose a significant conflict of interest for the director in questions. However, the amounts released by Radcom indicate the transaction represent a much larger percentage of its total revenue for the year, which could therefore preclude the director in question from exercising independent judgement on such contracts Due to the lack of transparency, primarily through the discrepancy between the figures provided by each company, we are unable to assess the level to which level the director can be considered to have a conflict of interest. For these reasons we opposed his re-nomination.

In addition, we have a slight concern as to the relatively high average tenure of the company’s current board of directors, which currently averages 12.3 years. We note that seven directors have served for between 13 and 20 years, which raises questions as to the entrenchment of the board, and if a mix has been achieved between strong experience and a fresh perspective.

At the Annual General Meeting, 18% of shareholders opposed the re-election of this nominee.

Compass Group Plc - 02/02/2017 - United Kingdom

Compass Group PLC provides catering and support services in countries throughout the world. The Company's clients are in locations including offices, factories, hospitals and care homes, schools and universities, sports venues, military facilities, offshore platforms and other remote locations.

During the Compass Group Plc annual general meeting, shareholders were asked to vote several proposals such as election of directors, advisory vote on the company's remuneration report and authority to issue shares.

Maintaining a diverse balance of knowledge, experience, age, background and gender, amongst other representative characteristics, ensures that boards of directors reflect the reality of their operating environments and bring a wide set of skills to the strategic management of a business. However, in order to properly full their duties of supervising the companies executive management, it is essential that board members are able to dedicate sufficient time to their roles. Accordingly, we expect from directors to hold a sensible number of additional directorships, as well as to register an adequate attendance record of the board and committee meetings.

With this in mind, we voted against one of the directors nominated for the board as they currently serve on a total of seven public company boards. This potentially undermines their ability to carry out their duties effectively as member of the board due to time constraints, which should concern shareholders in regard to her expected performance as a board member.

At the shareholder meeting, 36.55% of shareholders voted against the nominees re-election to the board.

Nordea Bank AB - 03/16/2017 - Sweden

Nordea Bank AB is a financial services group that provides banking services, financial solutions, and related advisory services. The Group attracts deposits and offers credit, investment banking, securities trading, and insurance products to private individuals, companies, institutions, and the public sector. Nordea services the Scandinavian countries and the Baltic Sea region.

At the 2017 annual general meeting of Nordea Bank, several shareholder proposals were included in the agenda seeking shareholder approval to adopt a vision on equality on all levels within the company, with particular focus on gender equality. We believe corporate policies promoting gender diversity are a reflection of a well-managed company recognizing the importance of the retention of talented employees to its long-term success. A wide range of academic studies in recent years have found board diversity to be connected to a diverse range of factors such as greater creativity and understanding of a market place, increased access to resources and different perspectives, career incentives, increased competitiveness in tendering for contracts and stakeholder legitimacy. Additionally, recent studies by both Robeco and Morgan Stanley have connected gender diversity to financial performance, with the latter finding that the stocks of American companies with the highest scores on diversity beat those scored the lowest by 2.3 percent on a monthly annualized basis over the last 5 years.

Whilst the company already has a significantly gender-diverse board, we believe this level of commitment and disclosure to enhance equality and gender diversity across the entire company will increase transparency on material ESG issues, positively influencing Nordea Bank's capacity to generate shareholder value. In addition, the proposal gives sufficient discretion and scope to management to allow for this to be implemented in a practical way. We therefore supported these proposals at the annual general meeting.

In regard to the remuneration guidelines included in the agenda, Nordea Bank does not have a long-term incentive plan in place, and its short-term variable is based in one year performance period paid solely in the form of cash. In order to align the interests of management and shareholders, we believe the awarding of equity is desirable, and therefore annual bonus payments should be made predominantly in stock rather than cash. Our concern here is further amplified by that lack of share ownership guidelines for senior executives.

We therefore voted against this remuneration policy as it places excessive focus on short term performance and it does not sufficiently align executive and long-term shareholder interests.

Hewlett Packard Enterprise Co - 03/22/2017 - United States

HP Inc. provides imaging and printing systems, computing systems, mobile devices, solutions, and services for business and home. The Company offers products which includes laser and inkjet printers, scanners, copiers and faxes, personal computers, workstations, storage solutions, and other computing and printing systems. HP sells its products worldwide.

During the Annual General Meeting of HP Inc., shareholders are asked for an advisory vote on the implementation of the executive compensation policy for the previous year. However, during the year in review, the company took a number of actions on executive pay which we deem far from best practices, leading us to vote against the implementation of the plan.

When assessing compensation plan structure, we believe it is essential that an appropriate balance is struck between fixed and variable compensation, and short and long term performance. Performance must be measured over a sufficiently long period to capture the degree of long term shareholder value creation. A portion of this compensation must also be truly 'at risk' to appropriately align pay with performance, including reduced pay-outs when the company underperforms its peers.

The company has established a clear long term incentive (LTI) plan for its executives, based upon multiple metrics including Total Shareholder Return (TSR), Return on Investor Capital (ROIC) and Share Price. However, it appears that in calculating the level of 2017 awards made under the LTI, the entirety of these awards will be tied to absolute share price, with performance measured over a period of less than 3 years. This is a clear departure from the plan approved by shareholders in the past, and we view this development as a regressive step for the company.

Furthermore, the company made a number of one off additional payments to executives totalling USD38 million, the most significant of which was made to the CEO of USD 15 million. If it is accepted that the compensation plan has failed to sufficiently incentivise executives, and align pay for performance, we believe companies should redesign their compensation programs going forward rather than make additional discretionary grants. These grants were tied to a rolling, absolute share price hurdle, the maximum target of which has already been met for the year, resulting in full pay out of these awards. The early accomplishment of all performance conditions for these grants therefor leads us to believe that the performance conditions attached to these awards were not sufficiently stretching for the executives in question. Targets used for variable compensation should be sufficiently challenging to incentivise added value and outperformance, and in this case we do not believe this to be the case.

For these reasons, we voted against the advisory vote on composition at the 2017 shareholder meetings. The advisory vote on executive compensation was approved by shareholders with 71% of the vote.

Samsung Electronics - 03/24/2017 - South Korea

Samsung Electronics Co., Ltd. manufactures a wide range of consumer and industrial electronic equipment and products such as semiconductors, personal computers, peripherals, monitors, televisions, and home appliances including air conditioners and microwave ovens. The Company also produces Internet access network systems and telecommunications equipment including mobile phones.

During the annual general meeting (AGM) of Samsung Electronics, Robeco supported the return and remuneration policies of the company. The dividend policy proposed by the company captured the positive financial results that it experienced over the last year, and its financial statements have been audited by an internationally recognized auditing firm. In regard to the remuneration policy, Samsung Electronics disclosure on this matter exceeds Korean standards, approaching best practices in the U.S. The recent increase of the long-term incentive plan is mainly due to an increase of directors entitled to receive remuneration and the vesting of the last performance period.

Our primary concern however is the lack of new nominations to the board, especially because the company had voiced its ambitions to improve its governance and specifically the composition of the board. Governance structures in Korea tend to be both more complex and complex than in other markets, particularly around holding structures, oversight and board composition. This results in a greater challenge for investors when monitoring managerial decision making. A lack of robust board independence can therefore be especially damaging. For this reason, we were encouraged by indications that Samsung was preparing to nominate additional independent members to its board at the 2017 AGM.

A conference call was held with the company at the beginning of March to discuss the agenda items for the upcoming AGM. Due to the current corruption charges on one of the top executives they stated that, whilst it is still a long term objective to increase board independence, at present it is too difficult to find nominees with the right skills profile, experience and background to nominate someone at this time.

We appreciate the companies willingness to enter into dialogue on these issues, and hope to see nominations of additional independent board members next year.

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