

Statement on compliance with the Eumedion Best Practices for Engaged Share-Ownership

March 2014

As a fiduciary asset manager, BlackRock's pursuit of good corporate governance stems from our responsibility to protect and enhance the economic value of the companies in which we invest on behalf of our clients. Encouraging the highest standards of board leadership and executive management in these companies is central to achieving that goal. That is why we have created one of the largest Corporate Governance and Responsible Investment (CGRI) teams in the industry to engage with the management of companies in which we invest and help us deliver long-term value to our clients.

BlackRock believes it complies with the majority of recommendations of the Eumedion Best Practices for Engaged Share-Ownership. We have set out below our approach to the key recommendations and explained our reasons for taking a different approach to that proposed in the Code where relevant. Any questions on this statement or BlackRock's approach to stewardship more generally should be addressed to Amra Balic, EMEA Head of CGRI at europcegri@blackrock.com.

Best Practice 1: Eumedion participants monitor their Dutch investee companies.

BlackRock's fundamental equity portfolio managers and the CGRI team monitor and, when appropriate, engage with investee companies, including Dutch investee companies. Our approach is explained in our Global Corporate Governance and Engagement Principles and our proxy voting guidelines for European securities, both of which are available on our website: <http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment>.

Best Practice 2: Eumedion participants have clear policies with regard to the exercise of their shareholders' rights, which may include entering into dialogue with Dutch investee companies and other engagement activities. They report at least once per year on the implementation of their policies.

BlackRock's Global Corporate Governance and Engagement Principles, as well as our market-specific voting guidelines, are published on our website. In these we explain our philosophy on stewardship (including how we monitor and engage with investee companies), our voting policy, our integrated approach to stewardship matters and how we deal with conflicts of interest. These documents are reviewed and updated annually. Our voting is conducted by the CGRI team. Voting decisions are taken after review of research from a number of global and local proxy advisory firms and the team's own research of company materials, broker research, and other publicly available information. We use an electronic voting platform to execute the vote instructions. In certain markets, we leverage vendors to apply our internal voting policies to filter out routine or non-contentious proposals. This allows us to focus our time on addressing the most pressing governance concerns which are referred to us for decision. We publish an annual review which summarises our activities and, in August each year, a record of our voting. Both can be accessed on our website.

Best Practice 3: Eumedion participants have clear policies for dealing with situations in which it does not prove possible to convince the board of the Dutch investee company of their stances and differences of opinion between the board of the investee company in question and the shareholders remain unsolved.

We may vote against directors where we have concerns that a company might not be dealing with social, environmental, ethical or governance issues appropriately. We might also reflect such concerns by supporting a shareholder proposal addressing the issue, where there seems to be either a significant potential threat or realised harm to shareholders' interests caused by poor management of these matters. In deciding our course of action, we will assess whether the company has already taken sufficient steps to address the concern and whether there is a clear and substantial economic disadvantage to the company if the issue is not addressed.

Best Practice 4: Eumedion participants are willing to deal collectively with other Eumedion participants and other investors where appropriate.

When we believe it is likely to enhance our ability to engage with a company, and it is permitted by law and regulation, BlackRock will work with other investors. To that end, BlackRock is an active member of nearly 40 formal groups and initiatives internationally, including Eumedion, that facilitate communication between shareholders and companies on corporate governance and social, ethical and environmental matters. We will also engage collectively on matters of public policy, when appropriate.

Best Practice 5: Institutional investors may have other business relations with Dutch investee companies apart from the shareholder relationship alone. Eumedion participants take steps to mitigate conflicts of interest arising from these different roles. Eumedion participants have clear and robust procedures in place for the action to be taken in the event that divergent or conflicting interests arise. The procedures are publicly disclosed. Material conflicts of interest will be disclosed to the institutional clients affected.

BlackRock maintains policies and procedures that are designed to prevent undue influence on BlackRock's proxy voting activity that might stem from any relationship between the issuer of a proxy (or any dissident shareholder) and BlackRock, BlackRock's affiliates, a Fund (or BlackRock's segregated client) or a Fund's (or BlackRock's segregated client's) affiliates. Steps BlackRock has taken to prevent conflicts include, but are not limited to:

- BlackRock has adopted a proxy voting oversight structure whereby the Corporate Governance Committees oversee the voting decisions and other activities of the CGRI team, and particularly its activities with respect to voting in the relevant region of each Corporate Governance Committee's jurisdiction.
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- The Corporate Governance Committees have adopted Guidelines for each region, which set forth the firm's views with respect to certain corporate governance and other issues that typically arise in the proxy voting context.
- BlackRock's Global Corporate Governance Committee oversees the Global Head of CGRI, the CGRI team and the Corporate Governance Committees.
- BlackRock maintains a reporting structure that separates the Global Head of CGRI and the CGRI team from employees with sales responsibilities.
- In certain instances, BlackRock may determine to engage an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest or as otherwise required by applicable law.

In all situations the overriding purpose of our responsible investment policy is to protect and enhance the economic interests of our clients.

Best Practice 6: Eumedion participants have a clear policy on voting and publicly disclose this policy. Eumedion participants report at least once per year on the implementation of their voting policy.

BlackRock's voting guidelines are published on our website. In our Global Corporate Governance and Engagement Principles we explain our approach to reporting to clients. We disclose our voting publicly each year in a filing with the US Securities and Exchange Commission, which is also posted to our website.

Best Practice 7: Eumedion participants cast informed votes on all the shares they hold in Dutch companies at the general meeting of these investee companies. In the event that the Eumedion participant casts a withhold or against vote on a management proposal, the Eumedion participant will explain the reasons for this voting behavior to the company management, either voluntarily or on the request of the company in question.

We do not disclose publicly or privately in advance of a meeting how we have voted or intend to vote. The one exception is that in markets where it is expected, such as the Netherlands, we will privately advise the company when we intend to vote against management resolutions to ensure they understand the reason for our vote against and the change we expect of them.

Best Practice 8: Eumedion participants publicly disclose at least once in a quarter how they voted the shares in Dutch investee companies.

BlackRock currently discloses how we voted the shares in Dutch investee companies at least once a quarter upon request to clients who had an interest in the issuer during that period. We disclose our voting publicly each year in a filing with the US Securities and Exchange Commission, which is also posted to our website.

Best Practice 9: Eumedion participants take aspects relating to environmental and social policy and to governance into account in their policies on the exercise of their shareholder rights, which may include entering into dialogue with listed companies and other engagement activities.

Our fiduciary duty to clients is to protect and enhance their economic interest in the companies in which we invest on their behalf. It is within this context that we undertake our corporate governance activities. In our experience, companies seldom have sound practices on the social, ethical and environmental impacts of their business if they do not have sound governance. Therefore, we evaluate those factors of a company's business through the lens of corporate governance.

Best Practice 10: Eumedion participants do not borrow shares solely for the purpose of exercising voting rights on these shares. They consider recalling their lent shares before the voting registration date for the relevant general meeting of the relevant Dutch investee company, if the agenda for this general meeting contains one or more controversial subjects.

BlackRock does not borrow shares solely for the purpose of exercising voting rights. With respect to our stock lending program, BlackRock pays due regard to the economic interests of its clients and it is from this perspective that our policy is defined. There is, therefore, no presumption in favour of either continuing to lend securities or recalling on-loan securities to vote. Each situation is analysed based on client agreements and preferences and on the nature of the voting item. We recall our on-loan stock when we consider it to be in our clients' best economic interests to vote on all of our holdings.

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