JANUARY 2019

Statement on compliance with the Dutch Stewardship Code

As a fiduciary asset manager, BlackRock's pursuit of good corporate governance stems from our responsibility to protect and enhance the long-term economic value of our clients' assets. Investment Stewardship is focused on assessing the quality of management, board leadership and standards of operational excellence – in aggregate, corporate governance – at the public companies in which we invest on behalf of our clients. We see this responsibility as part of our fiduciary duty, through which we contribute to BlackRock's mission to create a better financial future for our clients. BlackRock's Investment Stewardship (BIS) team of dedicated specialists engage with the management and boards of companies in which we invest to encourage governance and business practices consistent with generating long-term value for our clients.

We set out below our approach to the recommendations of the Dutch Stewardship Code and explain our reasons for taking a different approach where relevant. Any questions on this statement or BlackRock's approach to stewardship more generally should be addressed to Amra Balic, Head of BIS EMEA at stewardshipemea@blackrock.com.

Principle 1: Asset owners and asset managers have a stewardship policy that describes how they integrate stewardship towards Dutch listed investee companies in their investment strategy. The stewardship policy should be aimed at preserving and enhancing value for their beneficiaries and/or clients, and should promote long-term value creation at Dutch listed investee companies. The stewardship policy should at least include the matters described in the principles of this Code and should be publicly disclosed on the asset owner's and asset manager's website. Asset owners and asset managers shall at least once a year publicly report on their website how they have implemented their stewardship policy, asset owners shall also report if and how they have integrated that policy into their arrangements with their asset managers.

BlackRock's number one focus, as a fiduciary investor, is on generating the long-term sustainable financial returns on which our clients depend to meet their financial goals. BIS is considered an investment function, and carries out BlackRock's stewardship activities on behalf of BlackRock's funds and for the accounts of our segregated clients ("Fund" or "Funds") where they have delegated authority to us. The BIS team fulfils this duty on behalf of all clients invested in public company equity and credit, irrespective of investment vehicle (e.g., fund or separate account) or strategy (e.g., index or alpha-seeking, core or thematic).

BlackRock's approach to corporate governance and stewardship is explained in our Global Corporate Governance and Engagement Principles. These high-level principles are the framework for our more detailed, market-specific voting guidelines, all of which are published on the BlackRock website. The Principles describe our philosophy on stewardship (including how we monitor and engage with companies), our policy on voting, our integrated approach to stewardship matters and how we deal with conflicts of interest. These apply across different asset classes and products as permitted by investment strategies. Our Global Corporate Governance and Engagement Principles can be found here: https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf.

BlackRock frames its stewardship program, including the treatment of environmental and social issues, within an investment context. We have long believed that a sound corporate governance framework promotes strong leadership by boards of directors as well as good management practices, and contributes to the long-term financial success of companies.

Our voting statistics are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history. In addition, our regional quarterly commentary and annual reports include case studies of votes and engagements which we consider significant.

Principle 2: Asset owners and asset managers monitor their Dutch listed investee companies on material issues, including, but not limited to, the company's business model for creating long-term value, the company's strategy, performance and risks and opportunities, the capital structure, social and environmental impact, corporate governance and corporate actions such as mergers and acquisitions. Material issues are those matters that are likely to significantly affect the company's ability to create long-term value.

BlackRock's fundamental equity portfolio managers and the BIS team on behalf of all other equity investment teams monitor and, when appropriate, engage with investee companies.

The BIS team consists of over 40 employees responsible for encouraging sound corporate governance practices at the companies in which we invest on behalf of clients. The team does this primarily through engagement and proxy voting. Because BlackRock views stewardship as an investment function, the team exchanges views on companies' governance, strategy and performance with BlackRock's active portfolio management teams. We have committed to increase the size of the investment stewardship team over the next few years, which will enable BlackRock to significantly increase its engagement activities and foster more effective engagement.

Strategically located in BlackRock's US, UK, Japan, Singapore, Hong Kong and Australia offices, the team leverages regional and local market expertise to facilitate constructive dialogue with portfolio companies and contribute to the global discourse on ESG trends in investment. From our vantage point, effective and meaningful stewardship requires a global team in order to build a deep understanding of the risks and opportunities of our portfolio companies across markets, regions, and sectors. We need to understand the local market's culture and regulatory environment. No single governance model works best universally, and even when comparing developed markets, such as the Netherlands, the US and Japan, we find significant differences.

At a minimum, BlackRock would expect companies to observe the accepted corporate governance standards in their domestic market or to explain why doing so is not in the interests of shareholders. Where company reporting and disclosure is inadequate or the approach taken is inconsistent with our view of what is in the best interests of shareholders, we will engage with the company and/or use our vote to encourage a change in practice. Additionally, we evaluate how companies manage the material ESG risks to their businesses and may engage when there is an indication of a lack of operational excellence in this regard. We hold company leadership accountable for performance against the strategy it sets out to achieve.

In determining which companies to engage with, BlackRock uses a number of additional information sources to enhance our in-house research. These can include analysis published by investment banks, specialist consultancies and NGOs, ESG-related specialist databases, and news flow. We screen a subset of our portfolios representing broad regional indexes across the globe in which we have significant shareholdings on a quarterly basis. The aim is to identify companies that seem out of line with their peers in managing ESG matters material to their businesses. We then identify candidates for proactive engagement where there is a clear nexus between the ESG matter and financial risk. We prioritise individual engagements based on the materiality of the issue under consideration and the size of our holding (or the value at risk).

Further details on the BIS team's approach to monitoring and engagement can be found on our website at: https://www.blackrock.com/corporate/literature/publication/blk-profile-of-blackrock-investment-stewardship-team-work.pdf.

Principle 3: Asset owners and asset managers are prepared to enter into dialogue with the executive and/or supervisory directors of their Dutch listed investee companies and are prepared to escalate their stewardship activities in case issues remain unresolved, where appropriate and at their discretion. In the event that an asset owner or asset manager enters into dialogue with a Dutch listed investee company on certain issues, outside the context of a general meeting, the asset owner or asset manager will disclose its full equity holding (long and short) at the request of that company.

BlackRock views engagement as an important activity; engagement provides us with the opportunity to improve our understanding of investee companies and their governance structures to better inform our voting decisions. Engagement also allows us to share our philosophy and approach to investment and corporate governance with companies to enhance their understanding of our objectives. Our engagements often focus on providing our feedback on company disclosures, particularly where we believe they could be enhanced. There are a range of approaches we may take in engaging companies depending on the nature of the issue under consideration, the company and the market.

BlackRock takes an engagement-first approach, emphasising direct dialogue with companies on governance issues that have a material impact on financial performance. We generally prefer to engage in the first instance where we have concerns and give management time to address or resolve the issue. As a long-term investor, we are patient and persistent in working with our portfolio companies to have an open dialogue and develop mutual understanding of governance matters, to promote the adoption of best practices and to assess the merits of a company's approach to its governance. We monitor the companies in which we invest and engage with them constructively and privately where we believe doing so helps protect shareholders' interests. We do not try to micro-manage companies, or tell management and boards what to do. We present our views as a long-term shareholder and listen to companies' responses. The materiality and immediacy of a given issue will generally determine the level of our engagement and whom we seek to engage at the company, which could be management representatives or board directors.

Engagement themes - 2019 Engagement priorities

The Investment Stewardship team released its 2019 engagement priorities here:
https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-priorities

By publishing our engagement priorities, we aim to provide clients, companies, and industry participants more visibility into the areas on which we will be focusing and how we will engage companies on those topics.

The priorities are consistent with our existing policies, which have been developed over many years and have evolved in line with market norms and emerging practice.

BlackRock's Investment Stewardship 2019 priorities are:

- Governance – quality leadership is essential to performance. Hence, board composition, effectiveness, diversity, and accountability remain a top priority
- Corporate strategy and capital allocation – a clear articulation of corporate strategy and capital allocation provide a clear sense of the direction a company intends to take
- Compensation that promotes long-termism – executive pay policies and outcomes should link closely to long-term strategy, goals, and performance
- Environmental risks and opportunities – disclosure provides enhances understanding of board and management oversight of policies, risk factors and opportunities that drive long-term financial performance
- Human capital management – in a talent constrained environment, companies should focus on sound business practices that create an engaged and stable workforce.

We attend the company general meetings in person only when we believe we will be able to obtain information relevant to making our vote decision which we could not otherwise obtain. We believe we better serve our clients' interests by dedicating our time to one-to-one meetings throughout the year.

We will disclose our full equity holdings as per the legal requirements of the market. In some cases, the requirements of disclosure at the issuer level are more stringent than the market practice.

Principle 4: Asset owners and asset managers cooperate with other shareholders in exercising stewardship activities towards Dutch listed investee companies.

BlackRock participates in a number of formal coalitions, shareholder groups or initiatives, on both international and market-specific levels, which aim to further responsible share ownership and facilitate high-level 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, to help shape the policy debate and represent our clients' interests. In our approach to public policy, we partner with BlackRock's Global Public Policy Group to establish the BlackRock view on emerging policy issues or existing policies that are under review.

When we believe it is likely to enhance our ability to engage with a company or to achieve the desired outcome, and it is permitted by law and regulation, BlackRock may work with other shareholders. For example, in markets where it is accepted practice, we may participate in joint shareholder-company meetings where we believe it will advance the engagement more effectively. Generally, though, BlackRock's approach to engagement has long been one of having a private dialogue with companies, setting out our views and concerns and discussing ways these could be addressed. Where we have sizable holdings, we believe it is important to engage in a discreet manner, rather than to publicly criticise or confront management, and to build relationships with companies that will enable us to provide constructive feedback when necessary.

Principle 5: Asset owners and asset managers communicate with relevant stakeholders of Dutch listed investee companies, where appropriate and at their discretion.

We will seek to engage in dialogue with whom we determine to be relevant stakeholders of Dutch listed investee companies when and if we believe this dialogue can lead to an improved understanding of the company and the issues at stake, including to make a better informed vote decision.

Principle 6: Asset owners and asset managers identify, manage and remedy actual and potential conflicts of interest in relation to their stewardship activities towards Dutch listed investee companies. Asset owners and asset managers publicly disclose their conflicts of interest policy in relation to their stewardship activities.

BIS maintains the following policies and procedures that seek to prevent undue influence on BlackRock's proxy voting activity. Such influence might stem from any relationship between the investee company (or any shareholder proponent or dissident shareholder) and BlackRock, BlackRock's affiliates, a Fund or a Fund's affiliates, or BlackRock employees. The following are examples of sources of perceived or potential conflicts of interest:

- BlackRock clients who may be issuers of securities or proponents of shareholder resolutions
- BlackRock business partners or third parties who may be issuers of securities or proponents of shareholder resolutions
- BlackRock employees who may sit on the boards of public companies held in Funds managed by BlackRock
- Significant BlackRock, Inc. investors who may be issuers of securities held in Funds managed by BlackRock
- Securities of BlackRock, Inc. or BlackRock investment funds held in Funds managed by BlackRock
- BlackRock, Inc. board members who serve as senior executives of public companies held in Funds managed by BlackRock

BlackRock has taken certain steps to mitigate perceived or potential conflicts including, but not limited to, the following:

- Adopted proxy voting guidelines covering markets within each respective region ("Guidelines") which are designed to protect and enhance the economic value of the companies in which BlackRock invests on behalf of clients.
- Established a reporting structure that separates BIS from employees with sales, vendor management or business partnership roles. In addition, BlackRock seeks to ensure that all engagements with corporate issuers, dissident shareholders or shareholder proponents are managed consistently and without regard to BlackRock's relationship with such parties. Clients or business partners are not given special treatment or differentiated access to BIS. BIS prioritises engagements based on factors including but not limited to our need for additional information to make a voting decision or our view on the likelihood that an engagement could lead to positive outcome(s) over time for the economic value of the company. Within the normal course of business, BIS may engage directly with BlackRock clients, business partners and/or third parties, and/or with employees with sales, vendor management or business partnership

roles, in discussions regarding our approach to stewardship, general corporate governance matters, client reporting needs, and/or to otherwise ensure that proxy-related client service levels are met.

- Determined to engage, in certain instances, an independent fiduciary to vote proxies as a further safeguard to avoid potential conflicts of interest, to satisfy regulatory compliance requirements, or as may be otherwise required by applicable law. In such circumstances, the independent fiduciary provides BlackRock's proxy voting agent with instructions, in accordance with the Guidelines, as to how to vote such proxies, and BlackRock's proxy voting agent votes the proxy in accordance with the independent fiduciary's determination. BlackRock uses an independent fiduciary to vote proxies of (i) any company that is affiliated with BlackRock, Inc., (ii) any public company that includes BlackRock employees on its board of directors, (iii) The PNC Financial Services Group, Inc., (iv) any public company of which a BlackRock, Inc. board member serves as a senior executive, and (v) companies when legal or regulatory requirements compel BlackRock to use an independent fiduciary. In selecting an independent fiduciary, we assess several characteristics, including but not limited to: independence, an ability to analyze proxy issues and vote in the best economic interest of our clients, reputation for reliability and integrity, and operational capacity to accurately deliver the assigned votes in a timely manner. We may engage more than one independent fiduciary, in part in order to mitigate potential or perceived conflicts of interest at an independent fiduciary. BlackRock's Investment Stewardship Global Oversight Committee, a risk-focused committee, comprised of senior representatives from various BlackRock investment teams, BlackRock's Deputy General Counsel, the Global Head of Investment Stewardship and other senior executives with relevant experience and team oversight, appoints and reviews the performance of the independent fiduciar(ies), generally on an annual basis.

Principle 7: Asset owners and asset managers exercise their voting rights and other rights attached to shares in Dutch listed investee companies in an informed manner. They publicly disclose on their website: a) at least once every quarter how they have voted their shares in Dutch listed investee companies, at an individual company level and per voting item, and b) at least annually a general description of their voting behaviour at general meetings of Dutch listed investee companies and an explanation of the most significant votes. In the event that the asset owner or asset manager casts an against or a withhold vote on a management proposal, he should explain the reasons for this voting behaviour to the company's board either pro-actively or at the request of the company.

As a fiduciary investor and acting in the best long-term economic interest of our clients, we see voting at a company annual general or extraordinary general meetings as one of our responsibilities. Voting is an essential part of our efforts to protect and enhance shareholder value. It is the most broad-based form of engagement we have with companies, and provides a channel for feedback to the board and management about investor perceptions of their performance and governance practices. Our analysis is informed by our internally-developed proxy voting guidelines, our company engagements, research, and the situation at a particular company.

We intend to vote at all shareholder meetings of companies in which our clients are invested. In cases where there are significant obstacles to voting, such as share blocking or requirements for a power of attorney, we will review the resolutions to assess the extent of the restrictions on voting against the potential benefits. We generally prefer to engage in the first instance where we have concerns, and give management time to address or resolve the issue. We will vote in favour of proposals where we support the approach taken by a company's management or where we have engaged on matters of concern and anticipate management will address them. BlackRock will vote against management proposals where we believe the board or management may not have adequately acted to protect and advance the interests of long-term investors. We will abstain on proposals where we wish to indicate to the company we are concerned about its approach to certain issues and expect them to be responsive to investors' views. In all situations the economic interests of our clients will be paramount.

Our market-specific voting guidelines are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines.

Our voting statistics are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history. Our team also publishes on a very limited basis statements on our analysis, engagements and votes in relation to certain high profile proposals at company shareholder meetings. These vote bulletins aim to explain our approach and decision publicly on the day of the meeting, or shortly thereafter, so interested clients and others can be aware of BlackRock's vote when it is of most relevance to them. We do not disclose our vote intentions in advance of shareholder meetings as we do not see it as our role to influence other investors. Our role is to send a signal to the company about how well we believe the board and management has done in delivering long-term shareholder value. In addition, our regional quarterly commentary and annual reports include case studies of votes and engagements which we consider significant.

We will be adhering to article 3g of the revised Shareholder Rights Directive to disclose votes cast on an annual basis, which we feel is the appropriate frequency at this point in time. Our voting records are filed with the Securities and Exchange Commission each August; these disclosures are available on our website.

Principle 8: Asset owners and asset managers publicly disclose their voting policy and at least annually if and how they use proxy search and/or voting services. Asset owners and asset managers that use proxy research and/or voting services ensure that their votes are cast in line with their own voting policy.

BlackRock's proxy voting guidelines are intended to help companies understand our thinking on key governance matters. They are the benchmark against which we assess a company's approach to corporate governance and the items on the agenda for the shareholder meeting. We apply our guidelines pragmatically, taking into account a company's unique circumstances where relevant. We take vote decisions to achieve the outcome that we believe best protects our clients' long-term economic interests. BlackRock reviews our voting guidelines annually and amends them as necessary to reflect evolutions in market trends and standards, governance practices, public policy developments, and insights gained from engagement over the prior year.

Our market-specific proxy voting guidelines are available on our website at https://www.blackrock.com/corporate/about-us/investment-stewardship#principles-and-guidelines.

BlackRock uses research firms to help us deploy our resources to greatest effect on behalf of clients.

- BlackRock sees its investment stewardship program, including proxy voting, as part of its fiduciary duty to protect and enhance the value of clients' assets, using our voice as a shareholder on their behalf to ensure that companies are well led and well managed
- We use proxy research firms in our voting process, primarily to synthesise information and analysis into a concise, easily reviewable format so that our analysts can readily identify and

prioritise those companies where our own additional research and engagement would be beneficial

- In most markets we subscribe to two research providers and use several other inputs, including a company's own disclosures, in our voting and engagement analysis
- We do not follow any proxy research firm's voting recommendations; our vote decision, as mentioned previously, is determined based on a number of inputs – primarily, how the company's practices sit relative to our internally developed Global Corporate Governance and Engagement Principles and our relevant regional voting guidelines, our engagements with the companies, and the insights of our active investment analysts.
- In certain markets, we also work with proxy research firms who apply our internally developed proxy voting guidelines to filter out routine or non-contentious proposals and refer to us any meetings where additional research and possibly engagement might be required to inform our voting decision

Proxy advisor oversight

BlackRock uses ISS' electronic platform to execute our vote instructions, manage client accounts in relation to voting and facilitate client reporting on voting.

BlackRock works closely with ISS, monitors the firm's work and routinely performs due diligence. BlackRock conducts an annual due diligence visit at ISS. We also conduct a quarterly review of vote recommendations, a monthly review of unexecuted international ballots including a root cause analysis, and a weekly account level reconciliation to ensure all accounts are voted. In addition, BlackRock conducts regular conference calls with ISS to manage ongoing production and service needs.

Each year, we have an in-person due diligence meeting with an extended group at ISS and cover a range of issues including research and vote execution quality, operations processes and controls, conflicts management, business continuity, current and planned projects and product improvements, corporate developments (e.g. ownership, key personnel and resources) and the regulatory landscape.

Principle 9: Asset owners and asset managers that consider exercising their right to submit a request for convening an extraordinary general meeting or for tabling a shareholder resolution at a general meeting of a Dutch listed investee company should have consulted the company's board prior to exercising this right.

Generally, we do not file shareholder resolutions either directly or on behalf of clients. Our approach to engagement has long been one of having a private dialogue with companies, setting out our views and concerns and discussing ways these could be addressed. We believe it is important to engage in a discreet manner, rather than to publicly criticise or confront management, and to build relationships with companies that will enable us to provide constructive feedback when necessary.

Shareholder resolutions tend to cover a wide-range of business issues that are complex and nuanced, particularly in relation to social or environmental factors. In our view, this makes the issue more suitable for engagement than the binary and blunt mechanism of voting. Where, following engagement, we are still concerned that a company might not be dealing with the business-relevant social or environmental factor raised in the shareholder proposal, we may vote against the election of directors.

Principle 10: If a resolution proposed by an asset owner or asset manager has been put on the agenda of a general meeting of a Dutch listed investee company, the asset owner or asset manager should be present or represented at that meeting in order to explain this resolution and, if necessary, answer questions about it.

Please refer to our response to Principle 9.

Principle 11: Asset owners and asset managers will abstain from voting if their short position in the Dutch listed investee company in question is larger than their long position. Asset owners and asset managers should recall their lent shares before the voting record date for a general meeting of a Dutch listed investee company, if the agenda for that general meeting contains one or more significant matters.

As a fiduciary investor, BlackRock has a duty to protect and enhance the value of our clients' assets. BlackRock's holdings in companies are spread across a number of portfolios and across a number of different clients invested in these portfolios through different strategies. Acting in the best long-term economic interest of our clients, we see voting at a company annual general meeting and special meetings as one of our responsibilities. We intend to vote at all shareholder meetings of companies in which our clients are invested through long positions, fulfilling our fiduciary duty to each of these clients. The holders of short positions do not influence BlackRock's voting policy or behaviour on long positions. We note that the recommendation to abstain from voting if the short position is larger than the long position in a Dutch listed investee company is not applicable at group level and for the legal entities within the group that manage long positions in the same Dutch listed investee company.

When so authorised, BlackRock acts as a securities lending agent on behalf of Funds. With regard to the relationship between securities lending and proxy voting, BlackRock's approach is driven by our clients' economic interests. The decision whether to recall securities on loan to vote is based on a formal analysis of the revenue producing value to clients of loans, against the assessed economic value of casting votes. Generally, we expect that the likely economic value to clients of casting votes would be less than the securities lending income, either because, in our assessment, the resolutions being voted on will not have significant economic consequences or because the outcome would not be affected by BlackRock recalling loaned securities in order to vote. BlackRock also may, in our discretion, determine that the value of voting outweighs the cost of recalling shares, and thus recall shares to vote in that instance.

Periodically, BlackRock reviews our process for determining whether to recall securities on loan in order to vote and may modify it as necessary.