

Mr D. Nava  
Secretariat of Committee of Economics Affairs of Tweede Kamer  
Binnenhof 4  
2513 AA Den Haag  
The Netherlands

26th May 2017

Dear Mr Nava,

Schroders manages £416 billion on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives. We are long term investors in the Dutch stock market.

We are writing to you ahead of Thursday 1st June 2017, when we understand that the Committee of Economic Affairs will hold a public hearing to discuss Mr Henk Kamp's letter regarding an anti-takeover law. We understand that Mr Kamp's proposal allows a Dutch target company to have a one-year 'time-out period' during which shareholder rights will be suspended.

At Schroders we believe that how we exercise stewardship over the companies in which we invest on behalf of our clients to be of utmost importance. It is part of our fiduciary duty and also part of how we create value for clients. Our ability to exercise stewardship is dependent on shareholder rights being upheld in the markets in which we invest. Our current Environmental, Social and Governance policy is publically available from the link following by email.

It states that:

*We will oppose any proposal or action which materially reduce or damage shareholders' rights.*

We would argue that a one year suspension of shareholder rights is a material dilution, regardless of the circumstance, and therefore urge you not to adopt the recommendation.

Our policy also sets down how we view Poison Pills and Takeover Defences:

*Poison pill arrangements, takeover defences or other equivalent arrangements have as their purpose the benefit of management rather than the owners of the company and are frequently contrary to shareholder interests. Such arrangements should not be introduced and existing arrangements that have been put in place should be removed.*

We believe that the current proposal is in effect a country wide takeover defence, despite it being for one year.

We would stress that we take a long term perspective on takeovers:

*Takeovers are an important part of an efficient market. However, takeovers do not always create value for shareholders. Accordingly, each case will be judged on its merits. Factors considered will include the quality of a company's management, the long-term prospects for the company's share price and investors and, ultimately whether the price offered should be accepted in the best interests of our clients.*

We urge you to uphold the rights of our clients. This law would be a backwards step for corporate governance and effective stewardship.

Yours faithfully

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Jessica Ground  
Global Head of Stewardship



Rory Bateman  
Head of Pan European Equities