

Mr H Kamp
Minister of Economic Affairs
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The Netherlands
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Mr D Nava
Secretariat of Committee of Economics Affairs of Tweede Kamer
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31 May 2017

Dear Mr Kamp and Mr Nava,

Proposed new legislation regarding takeover bids in the Netherlands

Baillie Gifford is an independent asset management company based in Edinburgh. Founded in 1908 and still structured as a partnership, we manage assets for clients across the world. We currently have €185,579 million assets under management and advice invested across active equity, multi asset and fixed income mandates.

As a long term global investor, Baillie Gifford takes an active interest in the evolution of corporate governance in countries around the world. Our approach is to encourage governance structures that are most likely to protect shareholder value, support the long term sustainable growth of companies and help generate long term returns for savers and pensioners. We are responsible stewards of our clients' investments and exercise shareholder rights in a considered manner. This means that we support the management of investee companies when sound proposals for long term value creation are presented.

It is in this context, and as investors in Dutch companies, that we are writing to make known our concern regarding the new legislation being considered in relation to hostile bids in the Netherlands. Our particular focus is on the proposal for a one year legal "time out" in the event of a contested bid which would have the effect of suspending shareholder rights. Such a development might not only be detrimental to the interests of investors, but may be counterproductive and cause damage to the reputation of the Dutch market.

From an investor's perspective, we would consider the suspension of shareholder rights to be a highly undesirable break in the chain of accountability between those who manage the capital entrusted to Dutch companies and those who provide it. The "time out" may also have unintended consequences that undermine the potential for long term sustainable growth. This may be the case, for example, if management use the 12 month period to drive short term returns in an effort to

avoid being taken over - but are unable thereafter to sustain the growth momentum. More generally, a suspension of shareholder rights would most likely be viewed as a backward step in terms of corporate governance and may lessen the confidence of international investors in the Dutch market.

It is in all our interests to ensure that the discussion of proposed change to the legal and governance framework relating to hostile takeovers in the Netherlands reaches a conclusion that can be widely endorsed. We trust that the content of this letter from Baillie Gifford as a stakeholder in the debate will be considered constructive and helpful to the process.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Andrew Cave', written over a horizontal line.

Andrew Cave

Head of Corporate Governance