



SHEARMAN & STERLING^{LLP}



european corporate governance institute

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Institutional Shareholder Services (ISS), Shearman & Sterling LLP and the European Corporate Governance Institute (ECGI) win European Commission contract to study the proportionality between ownership and control in EU listed companies

The European Commission has commissioned a research report to understand an important corporate governance issue: the proportionality between ownership and control. This study is part of the Commission's efforts to base any policy initiatives it might wish to take in this area on objective data.

Institutional Shareholder Services (ISS), the leading global proxy voting and corporate governance solutions provider, has been appointed to deliver this research in collaboration with the global law firm Shearman and Sterling LLP and the European Corporate Governance Institute (ECGI).

"The study represents the essential starting point for any further discussion on the adequacy of control to capital," said Charlie McCreevy, European Commissioner for Internal Market and Services. *It will provide a full, systematic picture of the essential features of Corporate Europe that the European public opinion is waiting for. Any discussion about how to move on, about possible initiatives in this area, needs to be based on sound facts."*

To date, there has been no comprehensive, factual analysis on control-enhancing mechanisms in corporate governance. ISS will produce a profile of the structure of over 450 companies in 16 EU member states. It has also been asked by the EC to survey investors in European and international markets about their views on control-enhancing mechanisms. The report will include an overview of European regulatory frameworks by Shearman and Sterling plus a review of existing theoretical and empirical research by the ECGI, which will both contain a comparison with the situation in some key jurisdictions outside the European Union.

"With so many different legal frameworks and market practices across the European Union, this is no small exercise," said Jean-Nicolas Caprasse, Managing Director of ISS Europe. *Our remit is to conduct a comprehensive and factual analysis across the EU, which will lay the groundwork for informed decision making."*

"Shearman & Sterling is delighted to take part in this study on control enhancing mechanisms, which are widespread in Europe, the United States and throughout other jurisdictions," said Christophe Clerc, from the firm's Paris office. *We have been advising on these issues for a long time, and we look forward to sharing our experience and collaborating with both our partners in this project."*

"The ECGI is enthusiastic about contributing the latest academic knowledge and thinking to this study," said Marco Becht, Executive Director of the ECGI. This project is totally in line with our mission to further corporate governance through independent scientific research."

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About Institutional Shareholder Services - www.issproxy.com

Founded in 1985, Institutional Shareholder Services (ISS) is the world's leading provider of proxy voting and corporate governance solutions to the institutional marketplace. ISS serves more than 1,667 clients worldwide with its core business — analysing proxies and issuing informed impartial research and objective vote recommendations for more than 35,000 companies across 115 markets worldwide. ISS' mission is to provide corporate governance solutions that enhance the interaction between shareholders and companies, designed to help shareholders manage risk and drive value.

About Shearman & Sterling LLP - www.shearman.com

Shearman & Sterling LLP is a global law firm with more than 1,000 lawyers located in 19 offices around the world, including over 300 lawyers across 8 offices in Europe. The firm's clients include many of the world's leading corporations and financial institutions, most of them engaged in international business activities in multiple jurisdictions. The firm is a leader in mergers and acquisitions, capital markets, project development and finance, bank finance, complex business litigation and international arbitration, asset management and tax.

About the ECGI - www.ecgi.org

The European Corporate Governance Institute (ECGI) was founded in 2002. It has been established to improve corporate governance through fostering independent scientific research and related activities. The ECGI produces high quality independent scientific research while remaining close to the concerns and interests of corporate, financial and public policy makers. It draws on the expertise of scholars from numerous countries and brings together a critical mass of expertise and interest to bear on this important subject.