PROPORTIONALITY BETWEEN OWNERSHIP AND CONTROL IN EU LISTED COMPANIES:

COMPARATIVE LEGAL STUDY

EXHIBIT A

METHODOLOGY

SHEARMAN & STERLING LLP

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1. DESCRIPTION OF EACH CEM

The description of the CEMs used to answer the legal questionnaire sent to all jurisdictions was the following:

1) Multiple Voting Rights Shares: shares issued by a company giving different voting rights based on an investment of equal value. For example, one type of stock gives one vote per unit of par value, a second type of stock gives (for instance) 0.25, 2, 5 or 10 votes per unit of par value. In some countries, the stock can be of the same type, but some shares have multiple voting rights. In other countries, time-phased multiple voting rights shares provide for the acquisition of multiple voting rights for shareholders who have held shares for a certain time.

2) Non-Voting Shares (without preference): shares with no voting rights that carry no special cash-flow rights (such as a preferential dividend) to compensate for the absence of voting rights. Securities that are not called "shares" but carry equivalent cash-flow rights should be included.

3) Non-Voting Preference Shares: non-voting stock issued with special cash-flow rights to compensate for the absence of voting rights. For example, such shares may have no voting rights but have a preferential (higher or guaranteed) dividend. Securities that are not called "shares" but carry equivalent cash-flow rights should be included.

4) Pyramid Structures: this situation occurs when an entity (such as a family or a company) controls a corporation, which in turn holds a controlling stake in another corporation. This process can be repeated a number of times.

5) Priority Shares: these shares grant their holders specific powers of decision or veto rights in a company, irrespective of the proportion of their equity stake. The rights attributed to the holders of priority shares vary from company to company and can range from the entitlement to propose specific candidates to the board of directors, to the right to directly appoint board members, or to veto a decision taken at the general meeting.

6) Depositary Certificates: negotiable financial instruments issued by a foundation on a local stock exchange that represents the financial ownership of the shares, but lacks the voting rights of the underlying shares. The actual underlying shares are held by a foundation that issues the depositary certificates and executes the votes (not to be confused with ADRs).

7) Voting Right Ceilings: a restriction prohibiting shareholders from voting above a certain threshold irrespective of the number of voting shares they hold. Voting right ceilings can be expressed as a percentage of all outstanding voting rights or as a percentage of all votes cast at a general meeting. For example, there is a Voting Right Ceiling when no shareholder may vote for more than 3 percent of the company's registered share capital. The Voting Right Ceiling category includes the "one head – one vote" rule, where there is a limit in the number of shares that can be held by any one shareholder and each member is entitled to a single vote, regardless of the number of shares held.

8) Ownership Ceilings: a restriction prohibiting investors from taking a participation in a company above a certain threshold.

9) Supermajority Provisions: provisions of company bylaws requiring a large majority of shareholders to approve certain important corporate changes.

10) Golden Shares: golden shares confer special rights used by national or local governments or government controlled vehicles to maintain control in privatized companies by granting themselves rights that go beyond those associated with normal shareholding. They enable governments to block takeovers, limit voting rights, and/or veto management decisions. They are typically found in laws or regulations and/or in the company's by-laws or articles of association.

11) Partnerships Limited by Shares: a legal structure where there are two different categories of partners (without having two types of shares): the general partners (unlimited liability partners) who run the company and the limited sleeping partners (limited liability partners), who contribute equity capital but whose control rights are limited.

12) Cross-Shareholdings: a situation where company X holds a stake in company Y which, in turn, holds a stake in company X (direct cross-shareholding) or where company X holds a stake in company Y which holds a stake in company Z, which, in turn, holds a stake in company X (circular cross-shareholding).

13) Shareholders' Agreements: formal and/or informal shareholders alliances.

2. GLOSSARY

The following issues are addressed in this glossary:

1.	**Types of Rules**	Laws, Administrative Rules, Regulatory Authority Rules, Stock Exchange Rules, Corporate Governance Codes, Binding and Non Binding Rules, Federal and State Rules
2.	**Clear Situations, Grey areas**	Clear Situations, Unclear Situations (Disputed Situations, Untested Situations, Insufficiently Tested Situation, Challenge Situations, Evolving Situations)
3.	**Court Decisions**	Highest Court Case Law, Higher Court Case Law, Lower Court Case Law, Decisive Ruling, Principle Ruling, Incidental Ruling
4.	**General Meetings of Shareholders**	General Meeting of Shareholders, Quorum, First Call, Second Call, Third Call
5.	**Types of Majorities**	Simple Majority, Enhanced Simple Majority, Absolute Majority, Qualified Majority
6.	**Disclosure Requirements**	Initial disclosure requirements and ongoing disclosure requirements

1 - Types of Rules[1]

Laws	All Rules that have been effectively voted or ratified by Parliament.
Administrative Rules	All Rules issued by governmental bodies and administrations, such as Rules issued by ministries.
Regulatory Authority Rules	All Rules issued by any authority supervising the stock exchange and/or public offering or trading of securities.
Stock Exchange Rules	All Rules issued by stock exchanges.
Corporate Governance Codes	Rules proposed by, or established after discussion with, self-regulatory organizations, business confederations or any other representatives of companies, financial institutions or other institutions that may be affected by the issues addressed in the code. Corporate Governance Codes are usually non-binding.
Federal Rules or State Rules	In federal states, Rules issued at the federal level or at state level.
Binding Rules	All Rules that are compulsory for corporations subject to the study.
Non Binding Rules	All Rules that are recommended but not compulsory for corporations subject to the study. For instance, Non Binding Rules may take the form of Corporate Governance Codes, recommendations from governmental bodies, Regulatory Authority or stock exchange, or recommendations made in reports officially commissioned by the foregoing bodies.

[1] "Rule" is used as the most general term to describe any type of rule applicable to CEMs.

2 - Clear situations, grey areas

When comparing legal systems, it may be difficult to compare “grey areas”, where it is not clear whether the specific CEM is authorized or not, or the conditions under which it is authorized. Therefore a distinction has been made between Clear Situations, Unclear Situations, when there are significant doubts on what the Rules are (corresponding to Disputed Situations, Untested Situations, Insufficiently tested Situation, Challenge Situations), and Evolving Situations.

Clear Situations	When there are no significant doubts on what the Rules are. For instance, the Rules (i) are clear on their face, (ii) are unclear but have been clearly interpreted by Highest Court Case Law or (iii) are unclear but have been clearly interpreted by Higher Court Case Law and there is a general expectation that such case law would be substantially likely to be upheld by Highest Court Case Law.
Disputed Situations	When there is an open conflict or contradiction on what the Rules are. For instance, (i) a clear Rule is interpreted by Courts, Regulatory Authority or Stock Exchange is a way that is in clear conflict with what such Rule states on its face, (ii) a Rule is given different interpretations by different Higher Courts (and there is no decision by the Highest Court) or by different Lower Courts (and there is no decision by Higher Courts or the Highest Court).
Untested Situations	When unclear Rules have not been tested before at least one Court.
Insufficiently Tested Situation	When unclear Rules have been tested (i) before Lower Courts only or (ii) before Higher Courts and there is no general expectation that such Higher Court Case Law would be substantially likely to be upheld by Highest Court Case Law.
Challenge Situation	Applicable Rules clearly prohibit the use of a CEM (and thus the situation should qualify as a Clear Situation), however, there are significant examples of companies using such CEM and no significant enforcement action has been taken to enforce the applicable Rules.
Evolving Situations	When new Rules have been announced or are pending, or when significant court decisions are pending. A situation may be an Evolving Situation irrespective of whether the existing situation is a Clear Situation or an Unclear Situation.

3 - Court decisions

Highest Court Case Law	Case law of the highest court having jurisdiction on the subject matter. For instance, in the US, Highest Court Case Law may be issued by the state Supreme Courts on corporate law matters and by the US Supreme Court on some securities law matters.
High Court Case Law	Case law of courts whose decisions are subject to review by the Highest Court and that review decisions issues by Lower Courts.
Lower Court Case Law	Case law of all other courts.
Decisive Ruling	The Court actually *decided* on the issue that is discussed. For instance, in a case regarding the legality of Pyramid Structures, the Court specifically decided that Pyramid Structures are prohibited or permitted.

Principle Ruling	The Court laid down a principle that is significant for the issue that is discussed and applied this principle to reach its decision. For instance, in a case regarding *Non-Voting Shares*, the Court may (in substance) state that "the right for shareholders freely to decide on the articles of incorporation or by-laws of their company is of stronger/weaker importance than the right for shareholders to vote" and accordingly rule that such Non-Voting Shares are authorized/prohibited. When commenting on *Non-Voting Preference Shares*, if this decision is cited, it would then be a Principle Ruling.
Incidental Ruling	The Court incidentally commented on the issue that is discussed but may have come to its decision without such comments. For instance, in a case regarding *Depositary Certificates*, the Court may (in substance) incidentally state that "the right for shareholders freely to decide on the articles of incorporation or by-laws of their company is of stronger/weaker importance than the right for shareholders to vote" and, based on different grounds, rule that such *Depositary Certificates* are authorized/prohibited. When commenting on *Non-Voting Preference Shares*, if this decision is cited, it would then be an Incidental Ruling.

4 - General Meetings

Q	Quorum
FC	First Call
SC	Second Call
TC	Third Call
GMS	General Meeting of Shareholders

5 – Types of Majorities

Simple Majority (SM)	More shares voting “yes” than voting “no”.
Enhanced Simple Majority (ESM)	More shares voting “yes” than voting “no” when shares of shareholders present or represented at the meeting who do not vote on the resolution (abstentions) or vote neither yes or no (blank vote) are counted as voting “no”.
Absolute Majority (AM)	Half of all issued shares + 1.
Qualified Majority (QM)	Any other applicable majority.

Example on how majority is computed:

Assumptions	(a) There are 100 voting shares in a company. (b) 80 voting shares are present or represented during a meeting. (c) On a specific resolution during the meeting, 5 voting shares do not participate in the vote, 5 voting shares return a blank vote and 70 voting shares vote either yes or no.
Computation	(a) "Simple Majority" would require 36 "Yes" votes (i.e. 50% of 70 plus one vote). (b) "Enhanced Simple Majority" would require 41 "yes" votes (i.e. 50% of 80 plus one vote). (c) "Absolute Majority" would require 51 votes (i.e. 50% of 100 plus one vote)

6 – Disclosure Requirements

a) Initial disclosure requirements:

Filing of AoA	Filing/registration of the Articles of Association ("AoA")/by-laws with a specific authority.
Publication in a Legal Gazette	Publication in an official journal regarding the amended AoA.
Auditors' Reports	Reports issued by the Auditors (includes various valuation reports, etc.)
Specific Filings	Filings with the local stock exchange, and/or regulatory authorities seeking the relevant authority's or agency's approval.
Specific Notifications	Specific information required to be provided in some countries to employees and notifications to be provided to other companies (for example, in the case of implementation of cross-shareholding arrangements).
Information to shareholders	Information given by the company to its shareholders, in connection with the GM. It includes management reports to shareholders, circulars or any other means of communication with the shareholders.
Admission documentation	Prospectus, listing documentation. In the summaries, it is assumed that, when Multiple Voting Rights Shares, Non-Voting Shares, Non-Voting Preference Shares, Priority Shares and Depository Certificates are issued, they are also admitted to trading.

b) Ongoing disclosure requirements:

Annual Reports	These reports typically include a description of the capital structure, of the different classes of shares, rights and obligations, and of the restrictions on the transfer of shares or depositary receipts. It also contains a description of the special rights regarding control, as well as the names of the holders and the limitation of voting rights. These reports also typically include the financial accounts of the company as well as explanatory notes to the accounts.

Periodic Reports	These reports include the Annual Reports described above and annual proxy statements as well as monthly, quarterly and semi annual reports and announcements.
Special Reports	Reports prepared to disclose a specific event, such as an adoption of a particular resolution by the company.
Article 10 Reports	Reports made compulsory under article 10 of the Directive of April 21, 2004 (“Takeover Directive”).
Website	Requirement to publish certain information on the company’s website.

3. GENERAL ASSUMPTIONS AND COMMENTS ON EXHIBIT B

When preparing Exhibit B, a number of assumptions have been made in order to narrow down the number of potential situations and thus facilitate comparisons between jurisdictions. General assumptions and comments are described hereafter. Comments and assumptions that are specific to each CEM are explained in Exhibit B at the end of the section relating to such CEM.

The comments and assumptions are specific to each column:

1 - Column under "Type of rule prohibiting or authorizing a CEM"

When a Rule is binding, this fact is not specified. On the contrary, "Non-Binding" Rules are specified as such.

2 - Column under "Significant restrictions to the CEM"

Breakthrough mechanisms provided only in By-Laws or Articles of Association do not qualify as Breakthrough Rules[2] for purposes of this summary, as they are not compulsory for all companies. In particular, we have not included the opt-in provision provided by article 12.3 of the Takeover Directive in our definition of the Breakthrough Rule, as this restriction is not mandatory but self-imposed by companies.

3 - Column under "Body deciding CEM implementation + specific conditions"

For purposes of the summary, it has been assumed that (i) the CEM is implemented once the company is existing and listed, (ii) prior to the implementation of the CEM, the company has issued only one type of security: common voting shares, and (iii) when the CEM is a specific type of share, it is created by way of issuance and not conversion from another type of shares.

Board: A reference to the Board is made when the CEM may be implemented by the Board

(a) either as an "Autonomous decision", on the basis of: (i) a Rule (in which case the Board will always have the power to implement the CEM), or (ii) the articles of association or the by-laws.

(b) or upon delegation of the GMS, in which case the following has been specified:

(i) the maximum duration of the delegation,

(ii) whether the authorization given by the GMS to the Board of Directors to implement the CEM must be confirmed, if a tender offer is filed between the authorization and such implementation. If such confirmation is required, we have indicated "Article 9 Confirmation" (as a reference to Article 9 of the Takeover Directive that provides for such confirmation for EU Member States that have opted to implement Article 9).

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[2] In connection with a specific CEM, a Breakthrough Rule is a Rule which provides that, in the event of a successful tender offer, the CEM is no longer applicable to allow the effective takeover of the target company by the successful bidder. Generally speaking, reference is made to the breakthrough rule which is provided for in Article 11 of the Takeover Directive. However, if a different type of breakthrough rule is applied, with the purpose described in the first sentence of this paragraph, it is described as part of the answer to question number 3 of the legal questionnaire.

GMS: A reference to the GMS is made when the CEM is implemented by the General Meeting of Shareholders. In this case, the following has been specified:

(a) the applicable quorum ("Q") on First Call ("FC"), Second Call ("SC") and, if applicable, on Third Call ("TC"). If the quorum is the same on First, Second and Third Call, no other specification has been added (for instance: Q = 25).

(b) the applicable majority rules have been categorized (see the Glossary)

Specific Conditions: Under this heading, the following has been mentioned: (i) authorizations required from a governmental entity, a regulatory authority, or a stock exchange and (ii) mechanisms specifically protecting shareholders, such as withdrawal rights or indemnification rights.

4 - Column under "Disclosure requirements"

A distinction has been made between initial and ongoing disclosure requirements and terms defined in the Glossary have been used.

For a number of CEMs, notification of the acquisition or disposal of major holdings is significant information for shareholders. This issue is addressed in the Directive 2004/109/EC of the European Parliament and of the Council of 15 December, 2004 (the "Transparency Directive"). In order to address this issue in the summary, a specific table has been prepared, comparing the rules applicable in each jurisdiction to the minimum requirement of the Transparency Directive.

5 - Column under "Substantive grounds for challenging CEM implementation"[3]

(a) As this column focuses on "Substantive grounds", answers such as "violation of law" or "acting without power"[4] have generally not been included.

(b) In the summary, substantive grounds linked to the implementation of the CEM in connection with a tender offer have not been included (for instance, references to the prohibition of frustrating action have not been included).

[3] Substantive grounds for challenging CEMs are a complex matter, requiring in each case a detailed review of all relevant facts. The summary highlights some of the most relevant tests that may be applied. In most cases, the precise manner in which such tests may be or should be combined to reach a final determination on the validity of a CEM is highly dependent upon the facts of the matter.

[4] As an exception, we have included « violation of transparency requirements » as a substantive ground to challenge the enforcement of Shareholders' Agreement.

4. LEGAL QUESTIONNAIRE

1) The study addresses the following 13 control-enhancing mechanisms ("CEMs"):

A. Multiple voting rights shares B. Non-voting shares (*without preference*) C. Non-voting preference shares D. Pyramid structures E. Priority shares F. Depositary certificates G. Voting right ceilings	H. Ownership ceilings I. Supermajority provisions J. Golden shares K. Partnerships limited by shares L. Cross-shareholdings M. Shareholders agreements

2) For each CEM, local counsel in each jurisdiction has been asked to answer the questions set forth in part A below. Questions set forth in part B are general background questions that are not related to any specific CEM. Various exchanges with local counsels have lead to clarify the questions to ensure consistency of the answers.

A – Questions asked for each CEM	B – General background questions
1) Is this CEM available? 2) Please specify the type of Rule which either explicitly or implicitly (i) prohibits or (ii) authorizes (or mandates) and regulates the use of this CEM and indicate whether such Rules are binding or non binding. Significant Court Decisions should also be mentioned. 3) If this CEM is available, is it subject to any restrictions? 4) Who decides whether this CEM should be implemented and removed, and under what conditions? 5) Are there on-going disclosure requirements regarding such CEM? 6) When a CEM is implemented, on what substantive grounds may such decision be challenged?	1) What are the rules for board elections? How many corporate votes are required to appoint or remove corporate directors? 2) What shareholders' decisions require a vote from more than a simple majority?