



RiskMetrics Group

MARKET/REGION REPORT

Voting results in Europe

Understanding shareholder behaviour at general meetings

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EXECUTIVE SUMMARY

The recent financial downturn has led to a series of well-publicised instances of activism during shareholder meetings at key companies in Europe. Most notably, investors appear to have placed management under closer scrutiny and participated more actively in key decisions. This study takes a closer look at this phenomenon by assessing whether there is empirical evidence of change in investor behaviour at shareholder meetings across Europe this year.

Voter turnout

The first section of this study examines the evolution of investor turnout at shareholder meetings in Europe over the past year. The findings indicate that, despite the onset of the financial crisis, there has been little notable increase in the level of participation at shareholder meetings. These results suggest that real world developments in the financial markets do not necessarily have a direct impact on voter turnout at shareholder meetings. Instead, underlying structural features within individual markets appear to remain the key determinants for shareholders to take part.

Voting results

The second section of this study assesses whether or not there have been notable shifts in voting patterns at shareholder meetings across Europe over the past year. Similar to the findings on voter turnout, this year's results also suggest there has been little change in shareholder voting patterns. In addition to minimal increase in overall dissent levels, shareholders continued to exhibit the highest dissent over the same items as last year, namely remuneration and share-based plans.

Noteworthy instances

Although turnout and voting patterns remained largely constant overall, this trend does not mean that shareholder behaviour at all meetings went wholly uninfluenced by the financial crisis. Instead, the study highlights several instances in which concerns related to the financial market turmoil had a direct impact on shareholder attitudes toward key matters put to vote at individual meetings.

1 Introduction

Since last year's proxy season, global investors became witness to the most crippling financial downturn they have known in their lifetime. The sub-prime mortgage crisis and its rippling effects on the banking sector and investment industry had an unprecedented impact on the global financial system. The growing interconnectedness of international capital markets assured that no segment of the financial community in any corner of the globe would be left unaffected. As regulators across the world seek to repair a damaged financial system, market participants have been quick to offer their many interpretations of what went wrong and who is to blame. Complacent auditors, reluctant regulators, and feckless directors are featured prominently on the list of actors whose negligence is cited as part of the underlying causes that fed the spread of the current crisis.

Similarly, shareholders have not managed to escape being placed on the list of parties responsible for allowing imprudent governance practices cited as a contributing factor in the crisis. Some market commentators have noted a disengaged and passive shareholder base as part of the reason company boards were staffed with the wrong kinds of directors, motivated by the wrong kinds of incentives, and given licence to take the wrong kinds of risks. Had shareholders taken a more active role, the argument goes, better governance arrangements would have been set in place, and many companies could have been better positioned to avoid the trappings of the global financial crisis. Some investor groups even went so far as to acknowledge their own complicity due to lack of engagement and oversight.

While various actors are likely to put forth different arguments in this debate, the financial crisis has certainly raised awareness of corporate governance management as one potential factor influencing a company's performance during the financial crisis. A company's corporate governance arrangements are partly a product of decisions taken and authorisations granted at shareholder meetings. In so much as the financial crisis has led shareholders to scrutinise their activity more closely, one way for them to become more engaged is through greater and more active participation at shareholder meetings.

Even the casual reader of the financial press is unlikely to have missed key developments at shareholder meetings in Europe during this proxy season. Whether over state intervention at Belgian banks or compensation proposals at Dutch petrol giants, shareholder meetings in Europe this year have hardly seemed to be business as usual. These well-documented stories clearly demonstrated instances of a more engaged shareholder base and unprecedented examples of activism in the European context. However, whether or not this slew of eye-grabbing headlines is actually testament to a fundamental shift toward a more active and engaged shareholder base across Europe is a question requiring more careful examination.

Last year, RiskMetrics Group (RMG) published an original study assessing shareholder turnout and voting patterns at general meetings across key markets in Europe. On the subject of turnout, our initial study concluded that shareholders participate more readily in general meetings when their level of influence in effecting outcomes is high and when administrative costs attached to participation are low. As for trends in voting patterns, our study found that shareholders exhibited the highest levels of dissent on matters affecting their direct interests or jeopardising their financial and ownership stake.

Market developments during the financial crisis have given us numerous reasons to look more closely at shareholder meetings across Europe's companies this year as well. To begin with, re-examining shareholder behaviour will shed light on whether or not trends noted last year have

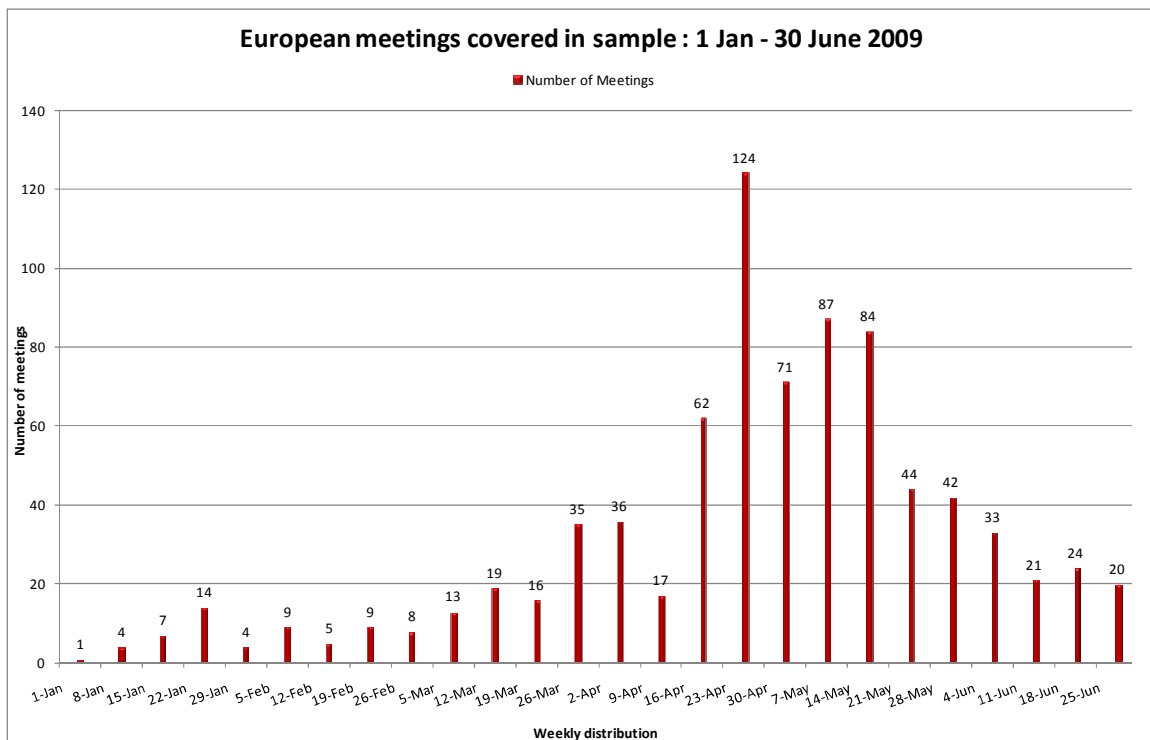
become more pronounced and visible during the financial crisis. Additionally, a systematic study will assess whether a few instances of shareholder activism highlighted in the financial press were part of a larger-scale shift toward a more engaged shareholder base across Europe.

2 Methodology

Overview

This study aims to examine turnout rates and voting results at shareholder meetings in 17 key markets throughout Europe. The data gathered for this report have been taken from both annual as well as extraordinary general meetings held between January 1, 2009, and June 30, 2009, the peak of proxy voting season at companies listed in Europe. The following graph captures the relative weekly frequency of these meetings over the period covered in this study.

Graph 1: general meetings



Market coverage

The report has singled out key markets in Europe with established indices at their respective national stock exchanges. Additionally, the countries included in the scope of the study are core markets for which RMG has established its position as an expert in voting research and governance rating services. The countries and corresponding indices included in this study are presented as follows:

Austria	ATX 20	Luxembourg	LuxX
Belgium	BEL 20	Netherlands	AEX 25 and AMX 25
Denmark	OMXC 20	Norway	OBX 25
Finland	OMX-H 25	Portugal	PSI 20
France	SBF 120	Spain	IBEX 35
Germany	DAX 30 and MDAX 50	Sweden	OMXS 30
Greece	ASE 20	Switzerland	SMI 20
Ireland	ISEQ General	United Kingdom	FTSE 350
Italy	FTSE MIB and MIDCAP		

Key analytical components and topics covered

The report will present key data related to voter turnout at shareholder meetings in Europe. Additionally, the study will examine the voting results for items put to vote at shareholder meetings in these markets and will include a discussion of key issues for these items. Where appropriate, data from 2009 will be compared to results obtained from last year's study, which employed an identical methodology to address a similar set of research questions.

The analysis of the voting results takes a thematic approach and deals with the various voting issues for which data have been collected during the research phase. Namely, the key voting issues that have been identified are as follows:

- Annual Report
- Dividends and profit allocation
- Discharge
- Nominations
- Auditors
- Capital authorisations
- Amendments to articles
- Share plans
- Remuneration
- Mergers and acquisition
- Shareholder proposals
- Other

Indicators

One of the key analytical indicators in the presentation of findings will be the level of dissent at the time of voting on each issue. The discussion will aim to capture noteworthy voting patterns on these issues by presenting data highlighting key examples from specific markets. The analytical content for this section will come from individual analyst contributions based on their specific country or regional expertise.

Coverage gaps

The total number of companies in the sample is 698, a figure corresponding to 72.9% of the 958 companies included in all indices covered in this study. This difference is mainly due to the fact that some companies in these indices have not provided disclosure of shareholder turnout and voting results. In some cases, companies in the indices listed here have been omitted from the sample because they have not held a general meeting during the timespan dealt with in this study.

Voter turnout

When calculating voter turnout, we have taken the total number of votes cast at a given shareholder meeting as a percentage of total voting rights as well as a percentage of shares outstanding. This provision allows us to capture any distortions resulting from double voting rights or multiple voting rights.

Dissent levels

When considering the dissent rate against certain items, we have taken into account all votes not cast in line with management proposals. Under this definition, dissent includes not only outright votes against a proposal but also any abstentions from voting.

Data irregularities

During the data collection phase, researchers had to confront irregularities specific to each market. In the case of Ireland, for instance, most companies disclose voting results only for those votes cast by proxy. In other markets, hardly any companies disclose a breakdown of voting results by each issue. Rather, companies in these countries simply report on whether or not a given item was accepted or rejected. As a result, any analysis of voting results in these markets will be largely based on outcomes alone.

It is also worth noting that in several markets, shareholders regularly proposed items at the meeting itself. As a result, proxy voters were only able to decide on proposals in the initial meeting notice and not on the additional business raised by shareholders at the general meetings. For this study, RMG has taken the final agenda including any shareholder proposals raised at the time of the meeting.

3 Voter turnout

3.1 Disclosure of voter turnout

One significant challenge in analysing voter turnout across Europe is that companies in each market do not engage in uniform disclosure practices. As a result, this study was not able to come up with full details on attendance levels for all shareholder meetings in all markets. Of all companies that did make their results available, average attendance rates for the markets covered in this study are presented below:

Table 1: Attendance rates in capital

Attendance rates in capital					
	Average in capital	Maximum in capital	Company name	Minimum in capital	Company name
Austria	58.7%	73.9%	Mayr-Melnhof Karton	50.4%	Erste Group Bank
Belgium	47.7%	75.0%	Dexia	14.4%	Groupe Delhaize
Denmark	n/a	n/i	n/i	n/i	n/i
Finland	48.9%	79.3%	Cargotec	30.5%	Kesko
France	65.8%	91.6%	Eramet	25.6%	Nicox
Germany	62.0%	90.6%	Hugo Boss	21.9%	Stada Arzneimittel
Greece	50.0%	78.9%	Hellenic Petroleum	23.2%	Bank of Cyprus
Ireland	56.9%	82.7%	Aer Lingus Group	19.4%	FBD Holdings
Italy	59.6%	91.4%	Edison Spa	19.3%	Parmalat

Luxembourg	72.4%	100%	SES	49.9%	ArcelorMittal
Netherlands	47.3%	93.9%	Fugro	22.0%	Nutreco Holdings
Norway	53.3%	76.1%	StatoilHydro	27.8%	DNO International
Portugal	65.9%	87.0%	Cimpor	42.8%	Altri SGPS
Spain	68.5%	90.7%	Banesto	51.5%	Iberia
Sweden	45.9%	55.8%	Alfa Laval	36.0%	Eniro
Switzerland	51.0%	90.2%	Roche Holding	30.6%	Nobel Biocare Holding
United Kingdom	68.4%	100%	Carnival	19.0%	Debenhams
Europe	61.3%	100%	-	14.4%	-

Because of varying disclosure practices, it is important to interpret these figures with caution. In certain markets, companies are required to provide full information concerning voter turnout in capital and in voting rights. This information is then made readily available to shareholders through corporate websites. Therefore, attendance levels in these markets represent figures obtained for all companies included in the national indices presented in the methodology section of this report. In most cases, markets with exemplary disclosure are typically those with high initial quorum requirements (see appendix 1 for specific requirements).

In other markets, information on attendance levels is often made available though not necessarily disclosed in a systematic fashion. Instead, some companies in these markets made voting attendance levels available through their corporate websites, while others provide this information only upon special request. As a result, the figures for some countries do not capture all of the companies included in the national index sampled for each market. Finally, in one market, Denmark, companies never provide disclosure of attendance rates at shareholder meetings. Therefore, average turnout figures have not been presented, and this market has not been taken into consideration when calculating average turnout figures for the aggregate European sample. The following table captures average levels of disclosure on voter turnout for each market in the study.

Table 2: Disclosure on voter turnout

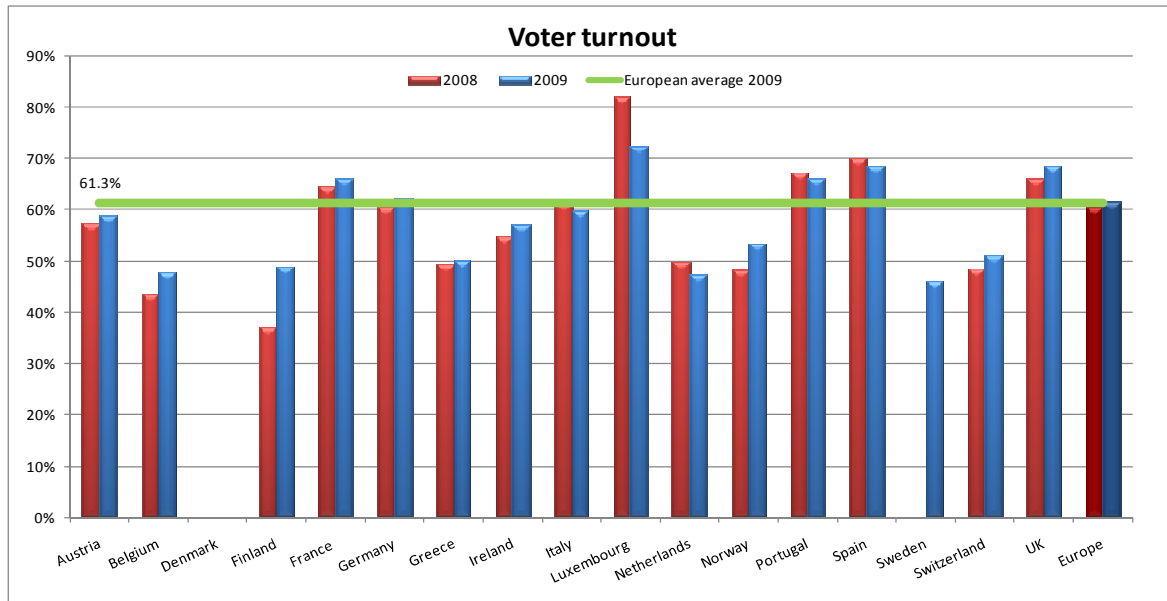
Disclosure on voter turnout								
Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy
18.8%	88.0%	0.0%	28.0%	77.9%	92.4%	100.0%	72.4%	97.2%
Luxembourg	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	United Kingdom	
100.0%	90.0%	85.7%	69.2%	75.8%	8.7%	75.0%	93.4%	

3.2 Changes in voter turnout

One of the key questions this study sets out to answer is whether or not investors at European companies have been more likely to attend shareholder meetings in 2009 as a result of unprecedented negative developments in the financial markets since last year. Participation at general meetings is one of the main ways for shareholders to influence the outcome on key governance-related decisions. In so much as governance is linked to the overall quality of company management, decisions taken at shareholder meetings can have a direct effect on company performance. During a financial downturn, higher participation levels would signal a greater degree of vigilance on the part of investors.

However, the findings from our study suggest that there has not been noteworthy change in participation rates at shareholder meetings this year across companies in Europe. While the average turnout for meetings sampled in 2008 stood at 60.4%, this year's participation rates reached only 61.3%. On average, the difference in attendance rates between 2008 and 2009 only increased by barely 1 percentage point. This observation is largely consistent with results at the individual country level. In most of the markets sampled, there was little evidence of major change in average participation rates at individual countries after accounting for the size of country-level samples. The increase noted in markets such as Finland, Luxembourg, and Norway is mostly due to the smallness of the samples for these particular countries.

Graph 2: voter turnout



	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Ireland	Italy
2009	58.7%	47.7%	n/a	48.9%	65.8%	62.0%	50.0%	56.9%	59.6%
2008	57.1%	43.5%	n/a	37.1%	64.5%	60.5%	49.4%	54.8%	61.2%
	Luxembourg	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	Europe
2009	72.4%	47.3%	53.3%	65.9%	68.5%	45.9%	51.0%	68.4%	61.3%
2008	82.1%	49.8%	48.1%	67.1%	70.0%	n/a	48.3%	65.8%	60.4%

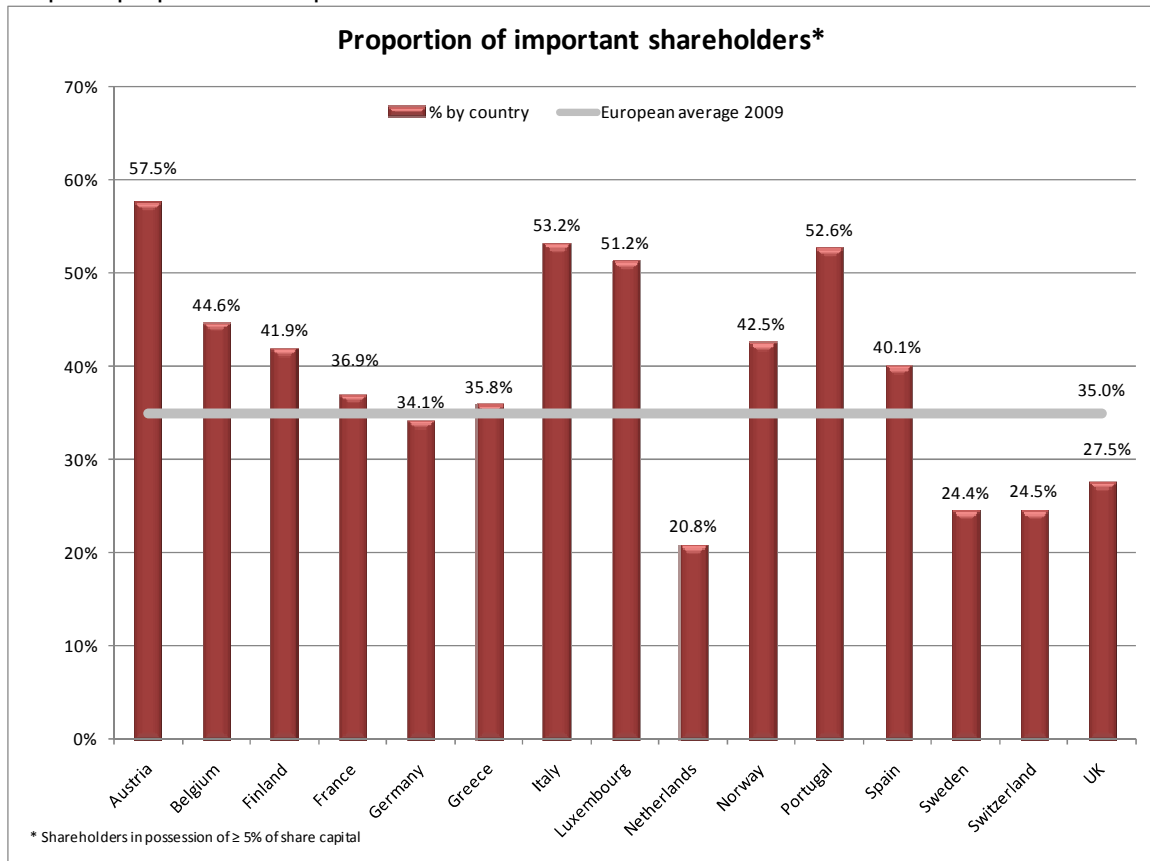
3.3 Explaining observations on voter turnout

This minimal level of change demonstrates that negative developments across European financial markets did not necessarily trigger greater participation at shareholder meetings. Rather, the findings suggest that other factors drive shareholder behaviour and that their effect remains constant regardless of trends in the financial markets. In last year's report, RMG outlined a series of variables that influence voter turnout at shareholder meetings. The interaction among these variables, which differs from market to market, determines the incentive structure for investors to exercise their rights to participate at shareholder meetings. Some of these factors included ownership concentration, multiple voting rights, depository receipt holdings, and administrative requirements.

3.4 Ownership concentration

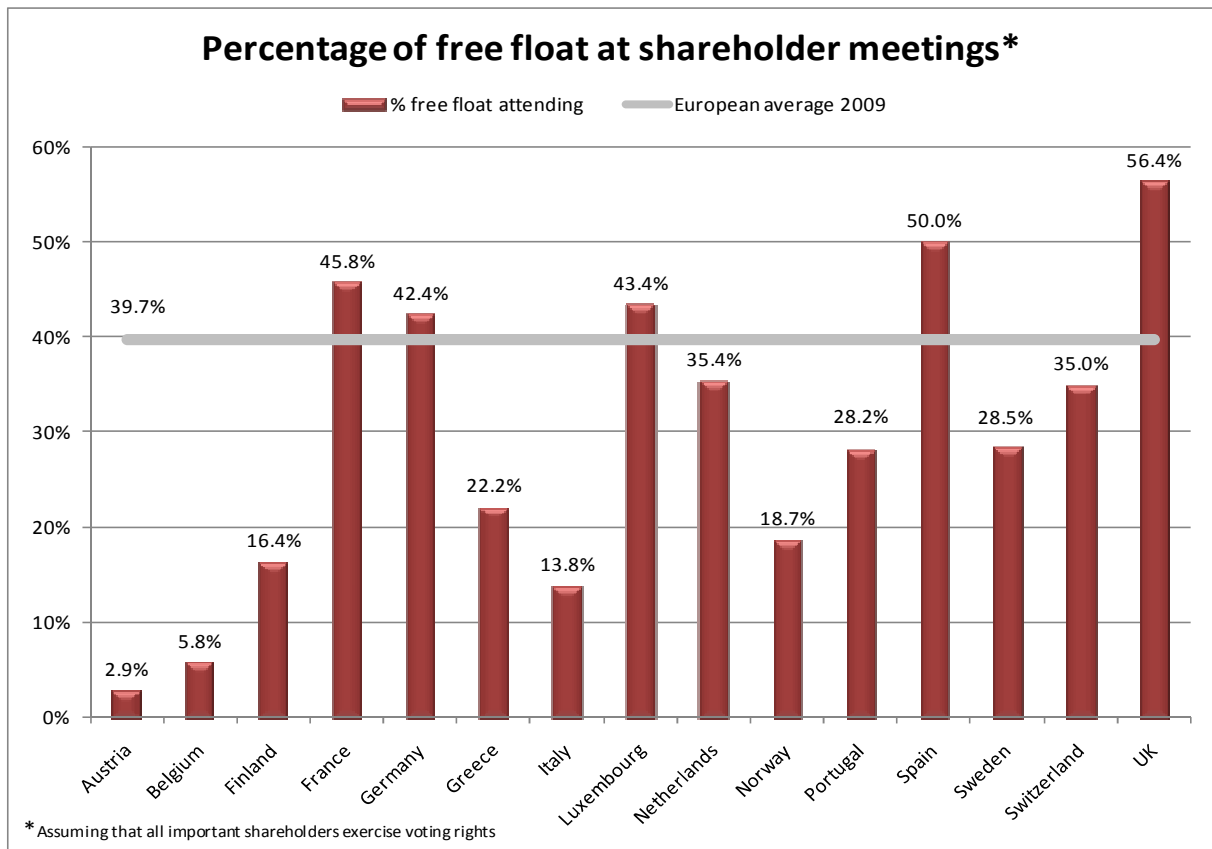
These variables, which have a clear influence on voter turnout, can be considered structural ones not affected by real financial market developments. Ownership concentration, one such variable, is particularly useful in explaining high spreads among shareholder attendance across markets. A closer look at the composition of shareholding across markets provides an appreciation of the types of shareholders making up the voter base at meetings in the sample.

Graph 3: proportion of important shareholders



On average, important shareholders in possession of at least 5.0% of a company's capital made up 35.0% of the capital base at listed companies in the sample across Europe. While these important shareholders in possession of strategic stakes typically exercise their voting rights, this is not always the case among free-float investors with minimal holdings in individual companies. In some instances, low turnout levels can be partly attributed to low participation at shareholder meetings from free float investors. The following graph captures the percentage of free float represented at shareholder meetings in the sample based on the assumption that all important shareholders did indeed exercise their voting rights.

Graph 4: percentage of free float at shareholder meetings



The figures suggest that, apart from the UK, the majority of free float investors in markets across Europe do not exercise their right to vote at shareholder meetings. Rather, attendance from this particular category of shareholders remains notably weak. Low participation rates among this segment of investors suggest that the presence of strategic shareholders possibly has a crowding out effect on the participation of free float holders. Ownership structure, therefore, is clearly a variable that should not be ignored in any discussion of voter turnout.

3.5 Other structural features

Other underlying variables apart from ownership concentration also have an effect on turnout at shareholder meetings. The presence of multiple voting rights, in France for instance, still amounts to a multiplier effect for certain shareholders to increase their influence. Widespread use of depository receipt holdings, particularly in the Netherlands, continues to result in high levels of voter turnout in so much as foundations administering holdings take on shareholder duties. Finally, the continued presence of administrative costs such as share-blocking, power of attorney, and re-registration requirements are ongoing burdens stifling more active shareholder participation in several markets.

Because structural features of companies are strong determinants of voter turnout, one could infer that significant increase in shareholder participation could only stem from real change in the actual features themselves. However, these factors are strongly anchored in historical market practice, national legal frameworks, and market-specific administrative considerations. Given the entrenchment of local corporate culture, concerted regulatory initiatives aimed at boosting shareholder participation appear to be the only way to effect change in these areas.

One such channel to boost attendance at shareholder meetings in key European markets could prove to be the full implementation of EU Directive 2007/36/EC on Shareholder Rights in the various Member States.

This piece of legislation is binding on EU Member States, but only with respect to the results to be achieved. The form and method for achieving these objectives are largely left to the discretion of national actors factoring in local market considerations. The Directive is aimed at enhancing investor rights and facilitating their greater involvement at shareholder meetings in the EU, especially on a cross-border basis. These objectives are expected to be achieved through key provisions relating to the abolition of burdensome administrative requirements such as share-blocking and via more timely access to information related to shareholder meetings. It is regulatory changes of this nature that could help loosen some of the structural underpinnings currently impeding greater investor involvement at shareholder meetings.

At the time this report was finalised, ten EU Member States had met the August 3, 2009 deadline to transpose the Directive into national legislation. However, the Directive had not been implemented in any of the 15 EU countries included in the study at the time shareholder meetings in the sample were held. Even among those countries that had implemented the Directive, the dates provisions for its transposition came into effect ranged from August 1, 2009, to September 1, 2009. As a result, the full impact of changes in the regulatory environment has yet to be felt across Europe. For the purposes of this study, the effects of changes foreseen in the Directive are not yet reflected in this year's results for turnout at shareholder meetings.

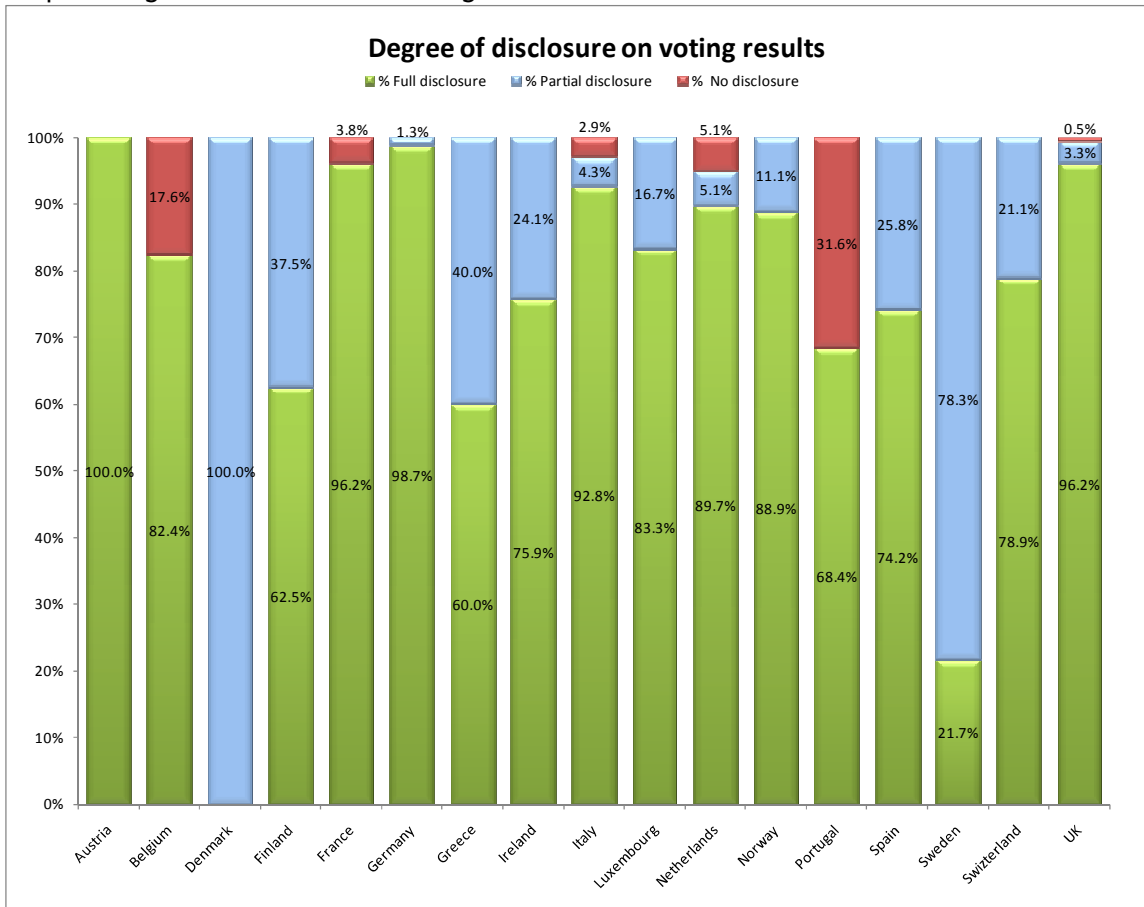
Although the effects of the Directive might become evident as early as next year's proxy season, delays relating to implementation by national regulators could stall its real market impact. Also, shifts in market practice relating to transposition of the Directive into domestic law may take time to settle, especially in countries where legally mandated share-blocking will be abolished and market actors such as sub-custodian banks will need to determine voting mechanics under the new rules. Given that Member States have a certain degree of flexibility in the transposition of the Directive, the realisation of its objectives will also depend on the willingness of national governments to give effect to the spirit of the legislation as well as its letter. In this sense, the regulatory appetite of Member States themselves could ultimately affect the extent to which the Directive drives change in turnout at shareholder meetings.

4 Voting results

4.1 Disclosure of voting results

Similar to figures for turnout, disclosure of voting results at companies listed in Europe also differs across markets. While companies in some markets provided full details on the voting outcomes per item at each shareholder meeting (full disclosure), issuers in other markets disclose information on a more sporadic basis or refrain from doing so altogether. In some cases where information is made available, it is limited to mention of whether or not items were accepted or rejected, rather than providing a complete breakdown of the voting results (partial disclosure). Therefore, this section only takes into account voting results at companies providing full disclosure and vote breakdowns in each market. The following table captures the varying degrees of disclosure on voting results both within and across each market in the study.

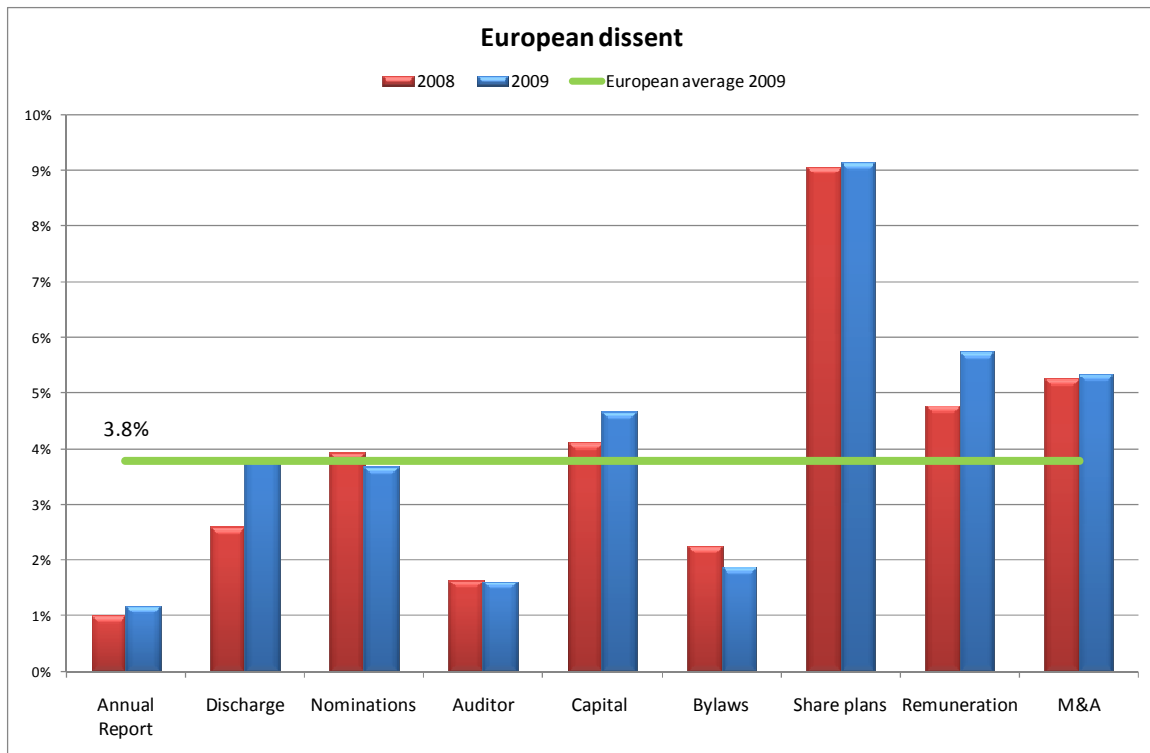
Graph 5: degree of disclosure on voting results



4.2 Changes in dissent

The level of dissent at shareholder meetings is an effective way of gauging whether or not investors find management proposals to be aligned with their own interests and preferences. Dissent over a given voting item typically signals shareholder discontent over the underlying issue being put to vote. But at times a dissenting vote can also serve as a proxy for investors to express concern over more fundamental issues not necessarily linked to the actual agenda item. A closer examination of dissent at shareholder meetings across companies in Europe provides a tool for measuring the pulse of investor sentiment on key corporate governance issues. Moreover, by looking at changes in dissent figures since last year, the study will attempt to assess the extent to which negative financial market developments have altered shareholder voting patterns.

Graph 6: European dissent



	Annual Report	Discharge	Nominations	Auditor	Capital	Bylaws	Share plans	Remuneration	M&A	Average
2009	1.2%	3.8%	3.7%	1.6%	4.7%	1.9%	9.1%	5.7%	5.3%	3.8%
2008	1.0%	2.6%	3.9%	1.6%	4.1%	2.3%	9.1%	4.8%	5.3%	3.7%

The data suggest there has been minimal change in the level of dissent on most key issues examined in this study. Namely, the overall level of dissent for all items on an aggregate basis has risen from 3.7% to 3.8%, a negligible increase. The topics registering the highest change in dissent levels were on votes related to discharge and to remuneration. While dissent levels increased by 0.9 percentage points (from 4.8% to 5.7%) for votes on remuneration, dissent levels for votes on discharge increased by 1.2 percentage points (from 2.6% to 3.8%). That these relatively small increases were still the highest observed for all themes in the sample is indicative of the overall stability of trends over the two years. Apart from these two issues, the level of dissent per theme has not shown any noteworthy change.

The findings suggest consistency not only in the dissent levels themselves, but also in the areas receiving the highest level of dissent. Put differently, there was little change in the types of issues triggering the greatest level of dissent from shareholders. More specifically, votes on remuneration matters and share plans are still the two issues which resulted in the highest dissent figures across Europe. In this year's sample, remuneration-related votes triggered dissent levels of 5.7%, a figure above the 3.8% overall dissent level in all companies sampled. In the case of share incentive plans, dissent stood at 9.1%, notably larger than overall dissent levels (3.8%).

The results of this section suggest that negative developments in the financial markets have not translated in a significant impact on voting patterns at shareholder meetings when considered in terms of dissent levels. While trends in voting appear rather static, any small increases in dissent observed this year typically accentuated existing voting tendencies. In other words, dissent generally increased by similar proportions for each issue across the board.

As a result, there was little observable change in relative dissent levels among individual voting issues since last year.

One area in which there may be evidence of some change is not necessarily dissent, but rather, in the actual voting outcome. More specifically, there was notable change in the level of management resolutions rejected by shareholders as well as proposals from management that were withdrawn. The following table captures this evolution since last year.

Table 3: number of management resolutions rejected and withdrawn in 2009 (vs. 2008)*

European outcome	Annual Report	Discharge	Nominations	Auditor	Capital	Articles	Share plans	Remuneration	M&A	Total
Rejected	0 (1)	17 (1)	12 (18)	0 (3)	12 (24)	0 (9)	12 (16)	5 (3)	0	58 (75)
European outcome	Annual Report	Discharge	Nominations	Auditor	Capital	Articles	Share plans	Remuneration	M&A	Total
Withdrawn	0	0	7 (8)	0 (1)	14 (4)	2 (1)	6 (1)	3 (2)	0 (1)	32 (18)

*Corresponding results for 2008 in parentheses

The number of management resolutions rejected by shareholders decreased from 75 in 2008 to 58 in 2009. This drop is indicative of a seemingly less conflictual approach adopted by shareholders when voting on key items this year. In parallel, the number of management resolutions withdrawn from meeting agendas increased from 18 in 2008 to 32 in 2009. This increase suggests improved dialogue between issuers and investors ahead of the actual meetings might have led management to remove contentious proposals rather than risk dissent from shareholders at the time of the vote. In this fashion, the increase in the number of proposals withdrawn might have had a slight dilutive impact on final dissent levels observed.

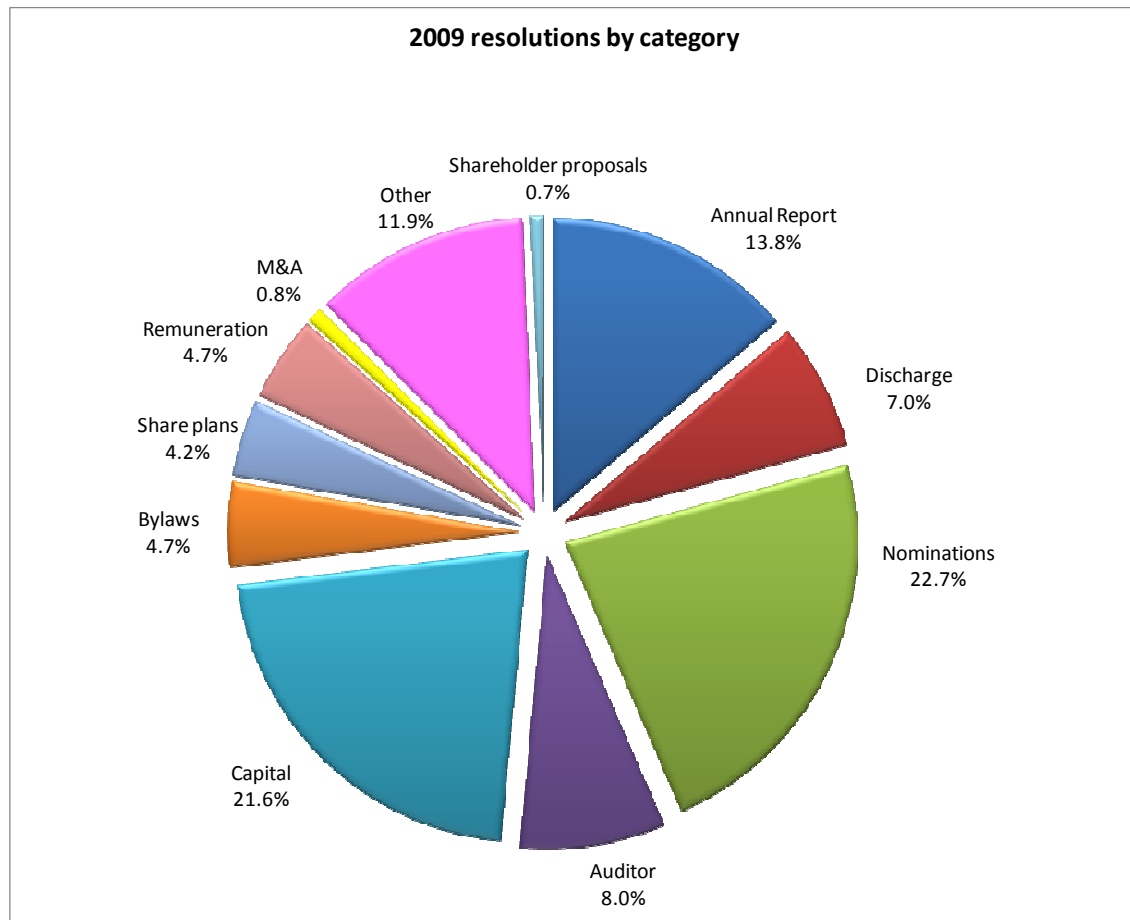
While the backdrop of the financial crisis does not appear to have had a fundamental impact on dissent levels in Europe as a whole, this point does not mean that recent market developments have not influenced dissent patterns at individual shareholder meetings in our sample. Instead, the study confirms that several instances of outstanding dissent can be attributed to factors directly related to this year's financial turmoil at Europe's listed companies. Some noteworthy cases dealing with high dissent at particular companies across markets will provide evidence that, while traditional concerns have not been abandoned altogether, shareholders have registered high dissent on issues stemming directly from the financial crisis itself.

5 Voting patterns per theme

Shareholder meetings provide one of the key venues for reconciling the tension inherent in the relationship between a company's management and its shareholders. Each financial year, investors provide management with a certain degree of leeway to manoeuvre through strategic business considerations and handle routine operations and transactions. However, these same investors also hold the board accountable for actions entered and decisions taken at yearly general meetings. It is at these very general meetings where shareholders grant management licence to act on their behalf in the best interests of the company.

The various items of business that appear on a company's general meeting agenda establish the specific parameters for the decisions to be taken. Each item typically reflects a separate issue related to some aspect with a potential effect on a company's governance. The following graph captures the relative frequency with which each voting item appeared on shareholder meeting agendas in each market.

Graph 7: 2009 resolutions by category



The study now follows a thematic approach and analyses the level of dissent for specific voting issues at markets across Europe. The discussion will take the most common items seen at shareholder meetings in nearly all markets and use dissent levels as a measure of shareholder sentiment on these issues across Europe. A discussion of dissent levels for the key broad themes dealt with in this study will be presented as follows:

1. Annual Report and profit allocation
2. Discharge of board and auditors
3. Nominations to board of directors
4. Appointment of auditors
5. Capital authorisations
6. Share repurchase programmes
7. Amendments to articles of association
8. Share incentive plans
9. Remuneration proposals
10. Mergers and acquisitions
11. Shareholder proposals

The discussion will link dissent levels to the relative impact that a particular voting issue had on shareholder interests in given instances in each market. Greater attention will be paid to issues where the highest dissent levels have been registered across markets, as these items typically have proven to be most contentious for shareholders. The study will also note any

changes in this year's dissent patterns relative to last year's results and examine the extent to which factors related to the financial crisis influenced voting patterns in specific instances.

5.1 Annual Report and profit allocation

In the sample, voting items related to these matters received the lowest percentage of dissent (1.2%). This level increased only slightly against 2008 dissent on these items, which had reached 1.0%. The dissent level was notably below the overall dissent for all items in all markets sampled in 2009, which amounted to 3.8%.

Table 4: Annual Report and profit allocation

Annual Report and profit allocation								
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	12	98.4%	1.4%	0.2%	1.6%	12	0	0
Belgium	17	98.1%	1.9%	0.0%	1.9%	17	0	0
Denmark	43	n/i	n/i	n/i	n/i	43	0	0
Finland	48	98.8%	0.3%	0.9%	1.2%	48	0	0
France	318	98.6%	1.1%	0.3%	1.4%	318	0	0
Germany	68	99.1%	0.8%	0.0%	0.9%	68	0	0
Greece	33	98.3%	0.3%	1.4%	1.7%	33	0	0
Ireland	41	97.6%	0.1%	2.3%	2.4%	41	0	0
Italy	81	99.3%	0.1%	0.6%	0.7%	81	0	0
Luxembourg	17	99.7%	0.1%	0.3%	0.3%	17	0	0
Netherlands	70	98.0%	0.3%	1.6%	2.0%	70	0	0
Norway	21	99.3%	0.1%	0.6%	0.7%	21	0	0
Portugal	31	99.1%	0.0%	0.9%	0.9%	31	0	0
Spain	72	99.2%	0.0%	0.7%	0.8%	72	0	0
Sweden	46	99.6%	0.0%	0.4%	0.4%	46	0	0
Switzerland	40	97.4%	1.1%	1.5%	2.6%	40	0	0
United Kingdom	336	99.1%	0.3%	0.6%	0.9%	336	0	0
Europe	1294	98.8%	0.5%	0.7%	1.2%	1294	0	0

However, the low average dissent figures registered on these issues belie the notable instances where significant dissent was registered at individual companies. Approval of annual accounts, dividend proposals, and profit allocation are among the most routine items at shareholder meetings and are often considered as non-contentious business. At several companies this year, however, the vote on approval of annual accounts and profit allocation proposals served as a channel for investors to voice their grievances over more fundamental issues not necessarily related to the voting items at hand.

At Belgium's financial holding giant **Fortis**, for instance, the dissent level reached 25.4% at the time shareholders voted on approval of the annual accounts. This figure was far larger than the 1.9% dissent level registered on approval of annual accounts in Belgium and greater than the dissent level registered over this item in Europe overall (1.2%). The high dissent in this case could be traced back to oversights noted in a qualified external audit opinion issued in connection with the company's annual accounts. According to the auditors, **Fortis** failed to provide adequate disclosure of transactions and share placements with the national governments of Belgium, Luxembourg, and the Netherlands. The irregularities noted in the annual accounts were part of underlying problems at **Fortis** related to its collapse in October 2008 and subsequent plan to rescue the company through asset sales and major restructuring.

However, shareholder dissent on the annual accounts at **Fortis** was not only a product of their concerns with omissions in the financial statements per se. Instead, the high dissent needs to be understood in the context of the company's handling of its overall rescue scheme. This plan foresaw the split-up and sale of the main business divisions to the Dutch and Belgian governments as well as to French bank **BNP Paribas**. The proposed course of action became the rallying point for angry shareholders, who felt Fortis management had not provided them with adequate information or taken investor interests into account during the debate over key decisions related to the company's future ownership. Because specific points of uncertainty over terms of the rescue scheme were outlined in the audit report accompanying the financial statements, the annual vote on company accounts probably served as a proxy for wider concerns over strategic issues and governance matters at the leading Belgian bank in the wake of the financial crisis.

5.2 Discharge

Dissent against discharge of directors and auditors reached 3.8% in 2009. This figure represented the most noteworthy increase against last year's levels (2.6%) for any topic covered in the study for discharge. This year's dissent on discharge was practically the same as the average level of dissent for all items at the European level (3.8%).

Table 5: discharge

	#	Discharge				Dissent	Accepted	Rejected	Withdrawn
		FOR	AGAINST	ABSTAIN					
Austria	35	98.4%	1.6%	0.0%	1.6%	35	0	0	
Belgium	43	73.7%	26.3%	0.1%	26.3%	27	16	0	
Denmark	3	n/i	n/i	n/i	n/i	3	0	0	
Finland	24	99.5%	0.2%	0.3%	0.5%	24	0	0	
France	9	98.6%	1.4%	0.0%	1.4%	9	0	0	
Germany	361	98.3%	1.5%	0.3%	1.7%	361	0	0	
Greece	18	97.9%	0.5%	1.5%	2.1%	18	0	0	
Ireland	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Italy	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Luxembourg	8	99.6%	0.1%	0.4%	0.4%	8	0	0	
Netherlands	75	94.1%	4.0%	1.8%	5.9%	74	1	0	
Norway	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Portugal	12	97.6%	0.0%	2.4%	2.4%	12	0	0	
Spain	20	99.5%	0.2%	0.3%	0.5%	20	0	0	
Sweden	23	100.0%	0.0%	0.0%	0.0%	23	0	0	
Switzerland	23	94.1%	4.5%	1.4%	5.9%	23	0	0	
United Kingdom	2	n/a	n/a	n/a	n/a	2	0	0	
Europe	656	96.2%	3.3%	0.5%	3.8%	639	17	0	

The annual formal discharge of a company's board, management, and auditors amounts to shareholder approval of actions taken by these parties during a given fiscal year. In 2009, shareholders in several markets proved unwilling to grant this tacit vote of confidence following major disagreements over management strategies and governance practices. At **Banco Comercial Português**, Portugal's main lender, the dissent rate against discharge of the supervisory board reached 28.6%. This figure was far higher than the average dissent rate of 2.4% for this issue in Portugal and the 3.8% dissent rate registered on this issue in Europe.

The vote on discharge at **Banco Comercial Português** likely served as a channel for shareholders to express their discontent over the ongoing allegations of financial improprieties at the bank. Following a lengthy investigation by Portugal's capital market authorities, the bank was found guilty of manipulating its share price by loaning funds to off-shore entities for them to purchase equity in the lender. In so much as the off-shore entities were essentially controlled by the Portuguese bank, management also gained influence over shareholder meetings through these client holdings. This incident resulted in Portugal's biggest ever fine for share price manipulation. Because of its impact on the company and in the market, shareholder dissatisfaction over unlawful practices was probably expressed during the vote on discharge.

In the case of **TUI**, Germany's tourism and shipping giant, high levels of dissent on discharge were part of a wider proxy fight between shareholders backing management and key activist shareholder, John Fredriksen. Fredriksen strongly opposed what he perceived as a lack of strategic planning at **TUI** and noted the company's weak performance in terms of share price and dividend payouts. Fundamental disagreements with company leadership and strategic orientation brought dissent levels for discharge at **TUI** to 28.3% for the management board and 29.6% for the supervisory board. These levels were far higher than average dissent levels for discharge in Germany, which stood at 1.7%, and beyond the overall average dissent on discharge, which was 3.8%.

5.3 Nominations

Dissent against board and management nominations was one of two areas in which the level of dissent decreased since last year. While dissent over nominations reached 3.9% in 2008, it dropped to 3.7% in 2009. This dissent level was also slightly below this year's overall dissent level for all items in Europe, which reached 3.8%.

Table 6: nominations

	Nominations (board and management)							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	12	98.3%	1.5%	0.2%	1.7%	12	0	0
Belgium	58	98.5%	1.4%	0.1%	1.5%	56	0	2
Denmark	54	n/i	n/i	n/i	n/i	54	0	0
Finland	27	99.2%	0.4%	0.4%	0.8%	27	0	0
France	434	93.3%	5.6%	1.2%	6.7%	423	11	0
Germany	132	97.5%	1.7%	0.8%	2.5%	132	0	0
Greece	34	98.6%	0.6%	0.7%	1.4%	34	0	0
Ireland	132	94.1%	3.5%	2.4%	5.9%	132	0	0
Italy	62	n/a	n/a	n/a	n/a	62	0	0
Luxembourg	31	99.2%	0.8%	0.0%	0.8%	31	0	0
Netherlands	102	96.8%	1.3%	1.9%	3.2%	102	0	0
Norway	40	98.1%	1.6%	0.3%	1.9%	40	0	0
Portugal	8	99.4%	0.6%	0.0%	0.6%	8	0	0
Spain	90	97.0%	2.7%	0.3%	3.0%	89	1	0
Sweden	23	100.0%	0.0%	0.0%	0.0%	23	0	0
Switzerland	88	96.2%	2.3%	1.5%	3.8%	88	0	0
United Kingdom	807	97.3%	1.6%	1.1%	2.7%	802	0	5
Europe	2134	96.3%	2.6%	1.1%	3.7%	2115	12	7

However, to dismiss this slight drop in dissent on nomination proposals would mean ignoring several noteworthy instances in which dissent on nominations was indicative of greater

shareholder scrutiny applied toward company directors in light of the financial crisis. At UK mining and exploration giant **Rio Tinto**, shareholders moved away from more traditional concerns such as director independence and focused their attention on the previous performance of directors at other boards. This shift was evident during the re-election of non-executive member, Rod Eddington, when shareholders raised serious doubts over his performance as a board member at the collapsed Australian financial group **Allco**. The 40.9% dissent level registered for his nomination was far greater than the average dissent for nominations in the UK, which stood at 2.7%.

In a similar development, significant dissent over the nomination of Daniel Bouton at French energy group **Total** was probably linked to his involvement at scandal-stricken **Société Générale**. It was under Bouton's watch that the investment community became witness to a shocking rogue trading loss incident highlighting major flaws in the leading French bank's internal control systems. This scandal was coupled with **Société Générale's** undervaluation of credit exposure to sub-prime mortgages and its decision to award top management stock options despite blatant oversight and clear underperformance relative to peers. Investors at **Total** seemed to have reacted against Bouton's questionable performance at **Société Générale**, when registering dissent of 41.1% against his nomination. This high level of dissent was far greater than average dissent levels noted for nominations in France (6.7%) and for nominations in Europe overall (3.7%).

While the financial crisis served as a catalyst for investors to scrutinise the performance of board nominees at other appointments, it did not mean that shareholders abandoned more traditional concerns altogether. At Luxembourg's steel producer **ArcelorMittal**, investors most likely dissented against the inadequate independence profiles of three nominees. Although these candidates could be considered independent under guidelines at the NYSE, where the company is listed, they did not meet more stringent criteria set out in the company's EU-based country of incorporation. Concerns over these candidates ranged from excessive tenure to cross-directorships and personal ties. It was probably questionable independence which led to dissent levels ranging between 6.8% and 8.8% for the election of these directors, which far exceeded average dissent on nominations in Luxembourg (0.8%) and dissent levels for nominations in Europe overall (3.7%).

5.4 Auditor appointments

Dissent against the appointment of auditors showed virtually no change over last year's levels. This year, the dissent level for auditor appointments reached 1.6%, practically the same as last year's. Dissent on this item is below overall dissent in Europe, which reached 3.8% this year.

Table 7: auditor appointments

	Auditor appointments							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	16	98.0%	1.6%	0.5%	2.0%	16	0	0
Belgium	2	100.0%	0.0%	0.0%	0.0%	2	0	0
Denmark	23	n/i	n/i	n/i	n/i	23	0	0
Finland	49	98.7%	1.1%	0.2%	1.3%	49	0	0
France	54	97.6%	2.3%	0.1%	2.4%	54	0	0
Germany	74	99.6%	0.4%	0.0%	0.4%	74	0	0
Greece	20	97.2%	1.6%	1.2%	2.8%	20	0	0
Ireland	28	97.3%	0.9%	1.8%	2.7%	28	0	0
Italy	58	n/a	n/a	n/a	n/a	58	0	0
Luxembourg	5	99.6%	0.4%	0.0%	0.4%	5	0	0
Netherlands	24	97.4%	0.3%	2.4%	2.6%	24	0	0

Norway	18	99.9%	0.1%	0.0%	0.1%	18	0	0
Portugal	2	99.7%	0.0%	0.3%	0.3%	2	0	0
Spain	32	97.0%	2.3%	0.8%	3.0%	32	0	0
Sweden	23	100.0%	0.0%	0.0%	0.0%	23	0	0
Switzerland	21	97.6%	1.1%	1.4%	2.4%	21	0	0
United Kingdom	303	98.4%	0.9%	0.7%	1.6%	303	0	0
Europe	752	98.4%	1.0%	0.6%	1.6%	752	0	0

Where appointment of auditors did register high dissent was mostly at companies where the impartiality of the audit firm came into question. At Spain's energy utility **Enagás**, for instance, the level of fees paid to the audit firm in exchange for services not related to audit far exceeded those paid for audit-related work in 2007 and 2008. In fact, dissent levels on this otherwise routine item reached 39.3%, a figure well above the average dissent over audit appointments in Spain (3.0%) and in Europe overall (1.6%). Investors are likely to have reacted against the audit firm's ability to remain objective, which is brought into question when fees paid to the auditor for non-audit services such as management consulting, general bookkeeping, and special situation audits exceed standard annual audit fees without explanation.

The highest level of dissent from companies included in the Greek sample was also probably linked to inadequate information over audit fees. At **Alpha Bank**, one of Greece's leading lenders, shareholder dissent over approval of the audit firm and its remuneration reached 17.4%. This figure was far higher than dissent on this item in Greece (2.8%) and for this item in Europe overall (1.6%). In the case of **Alpha Bank**, the company failed to provide any breakdown of its audit fees ahead of the meeting. Similar to the Spanish case, this omission is likely to have raised doubts over whether the company contracted the auditors for other services which could have compromised their impartiality. Foreign-based institutional investors in particular, a large part of **Alpha Bank's** capital base, have repeatedly cited their preference for stronger disclosure in this area at Greece's leading companies.

5.5 Capital authorisations

Dissent against capital-related proposals reached 4.7% this year, a level just over last year's dissent figure of 4.1%. The level of dissent on items related to capital is slightly higher than the overall dissent in Europe, which stood at 3.8%.

Table 8: capital authorisations

	Capital authorisations							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	25	95.1%	4.6%	0.3%	4.9%	22	0	3
Belgium	24	96.9%	3.1%	0.1%	3.1%	24	0	0
Denmark	33	n/i	n/i	n/i	n/i	33	0	0
Finland	31	98.6%	1.3%	0.2%	1.4%	29	0	2
France	638	92.5%	7.3%	0.2%	7.5%	636	2	0
Germany	163	95.2%	4.1%	0.1%	4.2%	160	3	0
Greece	22	99.1%	0.8%	0.2%	0.9%	22	0	0
Ireland	89	95.2%	4.5%	0.3%	4.8%	85	3	1
Italy	49	97.1%	2.4%	0.6%	2.9%	48	1	0
Luxembourg	6	97.5%	2.5%	0.0%	2.5%	6	0	0
Netherlands	118	92.0%	6.1%	2.0%	8.0%	116	2	0
Norway	35	95.4%	4.5%	0.1%	4.6%	35	0	0

Portugal	16	98.8%	0.9%	0.3%	1.2%	16	0	0
Spain	67	98.5%	0.8%	0.7%	1.5%	67	0	0
Sweden	21	100.0%	0.0%	0.0%	0.0%	21	0	0
Switzerland	25	95.6%	3.2%	1.2%	4.4%	25	0	0
United Kingdom	667	97.4%	1.8%	0.7%	2.4%	658	1	8
Europe	2029	95.2%	4.2%	0.5%	4.7%	2003	12	14

One of the most striking differences over last year's observations concerning capital-related measures is not necessarily on the dissent rates themselves. Instead, what stands out most is the clear increase in the actual number of proposals related to capital. In 2009, a total of 2,026 proposals related to capital were noted in our sample for all European companies. This figure represents a 21.6% increase against the 1,666 capital-related proposals in last year's sample. Moreover, capital-related measures were the only topic covered where there was a noteworthy increase in frequency since last year.

As a result of the financial crisis, 2009 has seen an increase in the number of companies needing to undertake capital raisings. This imperative has placed demands on shareholders, especially institutional investors, to meet the requests of a rising number of companies across all sectors. In the UK alone, 24 companies in the sample held meetings exclusively aimed at raising capital this year. This figure represents a noteworthy increase over last year's sample, where only five extraordinary meetings were convened for this purpose in the UK. The rationale behind capital raisings observed in the sample varies from company to company. However, in many noteworthy cases, the additional funds were directly linked to negative company financial standing resulting from market downturn.

Shareholders appear to have exhibited sensitivity to the financing needs of most companies. In fact, many instances of dissent on capital-related matters were not so much against the capital requests themselves, but rather, in the form they took. At UK computing and electrical retailer **DSG International**, for example, shareholder dissent on a rights issuance segment of a needed capital increase was low (2.7%), whereas the non-preemptive placing component of the plan registered high dissent (24.1%). The dissent level on the private placement, which far exceeded average dissent for similar items in the UK (2.5%), showed shareholders were probably discontent with the potential dilution they were facing.

What is particularly worth mentioning in the case of **DSG International**, however, is that shareholder dissent over the private placement largely took the form of abstention. In fact, of the 24.1% dissent over the placement, only 0.1% corresponded to outright opposition. The fact that investors used the abstention channel to voice their dissatisfaction and not sway the outcome of the vote suggests they considered the capital needs of the company in the current environment to be more important than the dilution they faced. Shareholders seem to have judged that above and beyond ownership stake, what mattered in a depressed marketplace was their financial stake, which was inextricably linked to the company's capital standing and financial soundness.

However, shareholder altruism over company cash calls was not without exception at several major companies this year. At French cement manufacturer **Lafarge**, for instance, shareholders showed noteworthy dissent (6.5%) over an issuance request without pre-emptive rights. This dissent level was higher than the overall dissent over this item in France (5.0%). While the proposed capital increase was meant to facilitate debt restructuring at the company, shareholders most likely reacted against the excessive terms of the cash call, which they probably felt went beyond the capital needs of the company and could have been used to carry out unrelated operations instead. Although **Lafarge** made the case for the capital increase in

the context of financial market volatility, shareholders voiced their concerns over key aspects of the proposal just the same.

5.6 Share repurchase programmes

The level of dissent for voting items relating to share repurchase scheme authorisations amounted to 2.8%. This figure is less than overall dissent in Europe, which stood at 3.8%. Moreover, this year's levels represent a moderate increase against last year's dissent for share repurchase authorisations, which was 2.3%.

Table 9: share repurchase programmes

	Share repurchase programmes							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	9	99.0%	0.8%	0.2%	1.0%	8	0	1
Belgium	10	95.6%	4.3%	0.0%	4.4%	10	0	0
Denmark	19	n/i	n/i	n/i	n/i	19	0	0
Finland	14	99.8%	0.2%	0.0%	0.2%	13	0	1
France	102	92.6%	7.3%	0.1%	7.4%	102	0	0
Germany	67	97.8%	2.2%	0.0%	2.2%	67	0	0
Greece	4	99.4%	0.4%	0.2%	0.6%	4	0	0
Ireland	18	96.6%	3.4%	0.1%	3.4%	17	1	0
Italy	35	98.8%	0.4%	0.7%	1.2%	35	0	0
Luxembourg	5	97.5%	2.5%	0.0%	2.5%	5	0	0
Netherlands	36	95.7%	2.7%	1.6%	4.3%	36	0	0
Norway	14	94.1%	5.8%	0.0%	5.9%	14	0	0
Portugal	12	99.8%	0.1%	0.1%	0.2%	12	0	0
Spain	31	99.0%	0.6%	0.4%	1.0%	31	0	0
Sweden	9	100.0%	0.0%	0.0%	0.0%	9	0	0
Switzerland	1	90.4%	0.0%	9.5%	9.6%	1	0	0
United Kingdom	177	98.4%	0.6%	0.4%	1.0%	176	0	1
Europe	563	97.0%	2.5%	0.4%	2.8%	559	1	3

Where significant dissent was registered, it typically had to do with the actual terms of the share repurchase proposals. At Norwegian engineering firm **Aker Solutions**, the share buyback scheme registered dissent of 15.2%. This figure was well above dissent on this issue in Norway (5.9%) and far higher than dissent levels on this issue for Europe overall (2.8%). In this instance, the company proposed a repurchase price seven times greater than the share's trading price. Shareholders likely reacted to the excessiveness of this provision in so much as it would constitute an unjustified drain on company funds. Investors probably also reacted to an antitakeover measure within the repurchase authorisation, which would have shielded the company from a takeover bid even if an outside tender offer had been shareholder-friendly.

In other instances, shareholders dissented against share repurchase schemes due to the excessive volume of shares in the proposal. This situation was largely the case this year in the Netherlands, where recent legislative changes to transpose EU Directive 2006/68/EC concerning share buybacks have increased the volume of legal limits on share repurchase schemes from 10% to 50% of outstanding shares. However, voting patterns at several Dutch companies showed investors were probably weary of maximum levels foreseen in amended legislation and viewed them as out of touch with market practice. At maritime services provider **Smit Internationale**, a request to repurchase up to 50% of company shares resulted in

a dissent level of 48.0%, a figure far greater than dissent for similar authorisations in the Netherlands (4.3%) and for share repurchase requests in Europe overall (2.8%).

5.7 Amendments to articles of association

Dissent on proposals related to article amendments stood at 1.9%, a level just below the 2.3% dissent level registered for this item last year. Incidentally, amendment to company articles of association was also the item for which the greatest decrease in dissent, albeit small, was noted this year. The dissent level was also significantly lower than this year's overall dissent level for Europe, which stood at 3.8%.

Table 10: amendments to articles of association

Amendments to articles of association								
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	13	99.6%	0.3%	0.1%	0.4%	13	0	0
Belgium	30	99.4%	0.5%	0.1%	0.6%	30	0	0
Denmark	29	n/i	n/i	n/i	n/i	29	0	0
Finland	9	99.9%	0.0%	0.1%	0.1%	9	0	0
France	71	94.3%	5.4%	0.3%	5.7%	71	0	0
Germany	60	99.2%	0.8%	0.0%	0.8%	60	0	0
Greece	13	99.2%	0.7%	0.1%	0.8%	13	0	0
Ireland	20	99.4%	0.4%	0.3%	0.6%	20	0	0
Italy	15	98.5%	1.3%	0.2%	1.5%	15	0	0
Luxembourg	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Netherlands	24	98.1%	1.6%	0.3%	1.9%	23	0	1
Norway	9	100.0%	0.0%	0.0%	0.0%	9	0	0
Portugal	6	99.9%	0.0%	0.1%	0.1%	6	0	0
Spain	22	99.1%	0.7%	0.2%	0.9%	22	0	0
Sweden	16	100.0%	0.0%	0.0%	0.0%	16	0	0
Switzerland	11	98.5%	0.9%	0.7%	1.5%	11	0	0
United Kingdom	91	98.3%	0.8%	1.0%	1.7%	90	0	1
Europe	439	98.1%	1.5%	0.4%	1.9%	437	0	2

The low dissent levels suggest that amendments to company articles this year have largely been routine ones with little effect on shareholder interests or adverse impact on company governance practices. In the Netherlands, for example, the dissent registered for article amendment proposals (1.9%) was significantly lower than the 12.1% dissent registered for these items in the market last year. This instance demonstrates that low levels of dissent can be just as important as high ones in explaining voting patterns. The article amendments in the Netherlands this year were mostly required updates needed to bring bylaws in line with various legal changes relating to share repurchase programmes, measures facilitating shareholder participation at general meetings, and more timely release of annual accounts. Absent any major points of contention, shareholder dissent over article amendments was not significant.

In other cases, though, proposals to amend company articles were more than mere formalities. Rather, changes to bylaws were closely linked to more fundamental issues with significant impact on real governance outcomes. At Spanish energy company **Iberdrola**, for instance, high dissent on a procedural matter relating to a company bylaw amendment was probably more an expression of shareholder discontent over board entrenchment. Core shareholder **ACS**, one of Spain's largest construction groups, has been vying for board representation at **Iberdrola** since

sale of its stake in Iberdrola's competitor **Unión Fenosa** has freed it from regulatory constraints preventing cross-directorships at energy companies in Spain.

In response to **ACS** initiatives, **Iberdrola** management has been employing legal loopholes to block the key shareholder's representation on the board. These obstructionist tactics included a proposal to amend company bylaws to reduce the maximum number of board seats at **Iberdrola** and eliminate existing age restrictions for board members. These changes effectively served to insulate **Iberdrola**'s current board and prevent **ACS** from electing any directors until next year's annual meeting. The dissent on the bylaw amendments at **Iberdrola** reached 15.4%, a figure well above the average dissent on this topic in Spain (0.9%) and higher than average dissent on this matter in Europe (1.9%). In this case, a key shareholder's greater struggle for board representation manifested itself in a procedural matter with underlying governance implications.

5.8 Share incentive plans

Dissent on proposals relating to share incentive plans reached 9.1% in 2009. This figure was nearly the same as the dissent level registered on this issue in 2008. Nevertheless, share incentive plans were still the topic registering the highest dissent among all items covered in this study. Moreover, dissent levels for share incentive plans (9.1%) were notably higher than dissent levels in Europe overall (3.8%).

Table 11: share incentive plans

	#	Share incentive plans						
		FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	3	87.6%	12.1%	0.3%	12.4%	3	0	0
Belgium	4	98.9%	1.1%	0.0%	1.1%	4	0	0
Denmark	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finland	4	96.2%	3.5%	0.3%	3.8%	4	0	0
France	194	87.1%	12.4%	0.5%	12.4%	179	11	4
Germany	1	85.2%	14.8%	0.0%	14.8%	1	0	0
Greece	11	97.4%	2.5%	0.1%	2.6%	11	0	0
Ireland	7	86.7%	12.9%	0.5%	13.3%	7	0	0
Italy	17	98.1%	1.7%	0.2%	1.9%	17	0	0
Luxembourg	4	97.0%	3.0%	0.0%	3.0%	4	0	0
Netherlands	14	83.9%	12.9%	3.2%	16.1%	12	1	1
Norway	2	79.4%	20.6%	0.0%	20.6%	2	0	0
Portugal	3	98.1%	1.9%	0.0%	1.9%	3	0	0
Spain	18	97.5%	1.9%	0.6%	2.5%	18	0	0
Sweden	30	99.1%	0.6%	0.4%	1.0%	30	0	0
Switzerland	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United Kingdom	85	92.4%	6.1%	1.5%	7.5%	84	0	1
Europe	397	90.6%	8.6%	0.7%	9.1%	379	12	6

At France's concessions company **Vinci**, the shareholder vote on an option plan resulted in a dissent level of 31.9%. This figure was well above the average dissent registered on share incentive plans in France (12.4%) and far greater than dissent on this issue in Europe overall (9.1%). Shareholder concern was partly linked to excessive dilution foreseen under the number of options reserved under the plan. Additionally, shareholders reacted against the absence of disclosure on performance criteria attached to the exercise of options. Although **Vinci** attempted to appease shareholders with an eleventh hour commitment to provide information

on performance criteria, institutional holders voting by proxy were not given adequate time to consider this additional information and cast their votes accordingly. Therefore, untimely disclosure on fundamental components of this company's plan seems to have contributed to shareholders questioning its merits.

Shareholder dissent over incentive plans was also evident at Italy's car manufacturer **Fiat**. This year's vote over share incentive plans registered dissent levels of 11.2%, a figure well above the 1.9% dissent for these plans in Italy and higher than overall dissent levels on this topic for Europe (9.1%). Management asked shareholders to extend the lifespan of the existing option plan so that underwater options could still be exercised at favourable terms. Moreover, the company also sought shareholder approval to drop option schemes in favour of a new incentive plan amounting to a free share attribution. Shareholders most probably reacted against this proposal because free shares protect managers against share price fluctuations and shield them from the risks inherent in stock option grants. This shift in compensation philosophy at the company was compounded by discontent over a decision not to pay dividends. In this sense, a free share grant to management appeared even less balanced in a year where shareholders were asked to forego their own financial gain.

In other instances, national governments proved to be the shareholders most sensitive to share incentive plan proposals. At Sweden's industrial tooling manufacturer **Atlas Copco**, the government's AP pension funds abstained from voting on the company's share plan. This move was linked to the Swedish government's directive for pension funds to work against variable remuneration when voting their shares at annual meetings in Sweden. This stance was echoed by the Swedish Shareholders' Association after it voiced concerns over features of **Atlas Copco's** share plan, which it claimed resembled the more prosaic option schemes no longer championed by market leaders. Consequently, dissent over the plan reached 9.5%, a figure well above the dissent for share plans in Sweden (1.0%) and just above the figure for share plans in Europe overall (9.1%).

5.9 Remuneration proposals

Proposals relating to remuneration resulted in a dissent level of 5.7%. This figure is well above the overall dissent level in Europe (3.8%) and represents a noteworthy increase over last year's dissent levels for remuneration, which stood at 4.8%. Moreover, the change relative to dissent on remuneration proposals since last year (0.9 percentage points) is the second greatest for the topics covered in the study.

Table 12: remuneration proposals

	Remuneration proposals							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	12	98.5%	0.1%	1.2%	1.4%	12	0	0
Belgium	3	99.2%	0.8%	0.0%	0.8%	3	0	0
Denmark	9	n/i	n/i	n/i	n/i	9	0	0
Finland	25	99.6%	0.3%	0.1%	0.4%	25	0	0
France	44	98.0%	1.3%	0.6%	2.0%	44	0	0
Germany	7	98.3%	1.5%	0.2%	1.7%	7	0	0
Greece	20	96.9%	0.7%	2.4%	3.1%	20	0	0
Ireland	2	97.5%	2.5%	0.0%	2.5%	2	0	0
Italy	13	98.5%	0.8%	0.8%	1.5%	13	0	0
Luxembourg	8	99.8%	0.2%	0.0%	0.2%	8	0	0
Netherlands	13	97.3%	2.1%	0.6%	2.7%	10	0	3
Norway	40	96.7%	3.3%	0.1%	3.3%	40	0	0

Portugal	2	96.6%	0.2%	3.1%	3.4%	2	0	0
Spain	16	97.4%	0.2%	2.4%	2.6%	16	0	0
Sweden	36	98.4%	0.2%	1.3%	1.6%	35	1	0
Switzerland	6	91.0%	6.5%	2.5%	9.0%	6	0	0
United Kingdom	185	89.6%	7.1%	3.3%	10.4%	181	4	0
Europe	441	94.3%	3.8%	2.0%	5.7%	433	5	3

Some of the more remarkable instances of dissent at this year's meeting sample concerned votes on remuneration. Evidence from the financial press throughout Europe's proxy seasons suggests that votes on remuneration became the rallying point for investors looking to punish management for financial underperformance and weak governance practices in the context of the financial crisis. In short, shareholders adopted a more robust approach to executive pay by demanding remuneration proposals that reflect the principle of pay for performance. Where there was weak evidence of a link between the two, shareholders became increasingly willing to dissent against remuneration proposals.

The UK property builder **Bellway** saw heightened investor activism over executive remuneration at its annual meeting, where shareholders rejected the company's remuneration report. The level of dissent for this vote reached 59.4%, a figure significantly larger than average dissent on remuneration topics in the UK (10.4%) and far greater than overall dissent on remuneration in Europe (5.7%). Shareholders likely reacted to a decision from the remuneration committee to award executive directors discretionary bonuses based on targets determined retroactively. Shareholders most probably viewed this type of bonus as contrary to UK best practice guidelines, which maintain that bonus payments should be based on the attainment of pre-set performance targets.

Activism in the Nordic markets took the form of state entities coming down hard on remuneration practices at companies where national governments held noteworthy stakes. In Norway, the body managing the state's sovereign wealth fund expressed significant dissatisfaction over remuneration proposals at geo-scientific data company **TGS-NOPEC**, where it holds a significant stake. Dissent on remuneration at this company reached 39.5%, a level far above average dissent figures on remuneration in Norway (3.3%) and greater than overall dissent on remuneration in Europe (5.7%). The fund explained its concerns were over a lack of caps on variable pay, which it felt endangered the alignment of shareholder and management interests. The link between the sovereign fund and the Norwegian government is evident in so much as the current administration, in light of the financial downturn, has set the tone on the advisory votes by voting against a number of well-publicised proposals at various prominent companies in Norway.

While votes on remuneration in the UK and Norway have become established agenda items, shareholder votes on remuneration were a first for some markets covered in the study. In Switzerland, for instance, changes to the Swiss Corporate Governance Code calling on companies to grant shareholders a formal say on pay became evident among companies covered by this study. Of the 19 Swiss companies analyzed, six presented stand-alone resolutions on remuneration, which registered dissent levels of 9.0%. This figure was higher than dissent figures on remuneration votes for Europe overall (5.7%). The introduction of a vote on remuneration and high dissent thereon was part of a sharper focus on executive pay this year in Switzerland, where investors were outraged over hefty bonuses paid out at banking giants **UBS** and **Crédit Suisse** despite massive losses attributed to mismanagement during the financial crisis.

5.10 Mergers and acquisitions

The level of dissent for voting items related to structural reorganisations including mergers and acquisition was 5.3%, a level higher than the overall dissent level for Europe (3.9%). There is little notable change compared to last year's dissent level items related to corporate restructuring, which was practically the same.

Table 13: mergers and acquisitions

	Mergers and acquisitions							
	#	FOR	AGAINST	ABSTAIN	Dissent	Accepted	Rejected	Withdrawn
Austria	1	100.0%	0.0%	0.0%	0.0%	1	0	0
Belgium	12	100.0%	0.0%	0.0%	0.0%	12	0	0
Denmark	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Finland	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
France	5	99.5%	0.2%	0.2%	0.5%	5	0	0
Germany	20	99.3%	0.6%	0.1%	0.7%	20	0	0
Greece	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ireland	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Italy	5	99.1%	0.0%	0.9%	0.9%	5	0	0
Luxembourg	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Netherlands	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Norway	1	n/a	n/a	n/a	n/a	1	0	0
Portugal	2	100.0%	0.0%	0.0%	0.0%	2	0	0
Spain	7	99.9%	0.0%	0.1%	0.1%	7	0	0
Sweden	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Switzerland	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
United Kingdom	24	84.0%	6.9%	9.2%	16.0%	24	0	0
Europe	77	94.7%	2.3%	3.0%	5.3%	77	0	0

Although mergers and acquisitions are often among the most closely followed issues in the media and most carefully watched by shareholders, certain methodological constraints prevent us from drawing broad conclusions for these voting items across markets. Chiefly, in nearly a majority of markets sampled, no voting items related to corporate restructuring through mergers and acquisitions were placed to a shareholder vote. As a result, any patterns observed do not include key markets in Europe. Moreover, any figures on dissent over mergers and acquisitions at the European level are based on such a small number of voting items (77 in total) relative to other voting items that they constitute too small a sample size to make confident statements about general trends across Europe. Given this consideration, and in light of the highly specific concerns related to each corporate restructuring proposal, detailed analysis of voting trends has been omitted for this section.

5.11 Shareholder proposals

In the markets covered for this study, shareholders in possession of more than a certain level of holdings (see appendix 1 for specific market thresholds) are permitted to submit proposals at general meetings. The data collected show that, in most markets, investors with significant holdings attempted to express their dissent against established management lines by putting forth their own proposals altogether. Therefore, shareholder proposals amounted to an alternative form of dissent which must be considered in this discussion as well.

Table 14: shareholder proposals

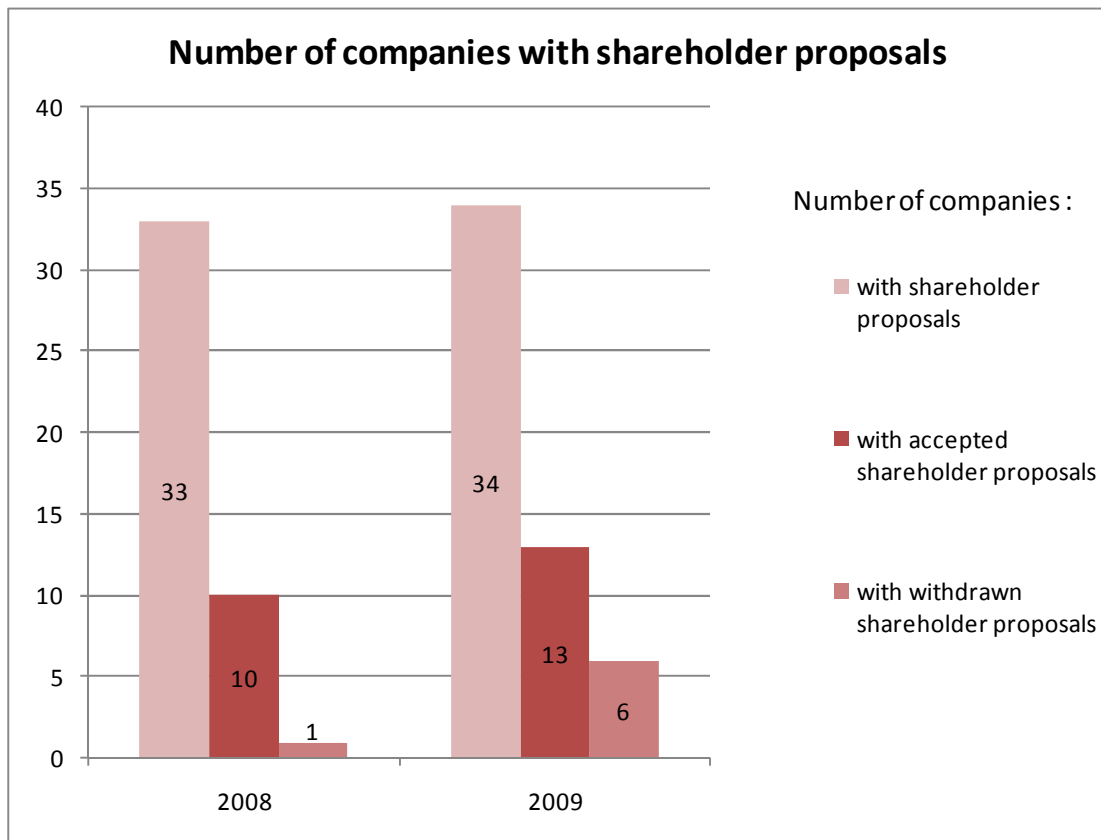
	Shareholder Proposals ¹				Accepted	Rejected	Withdrawn
	#	FOR	AGAINST	ABSTAIN			
Austria	0	n/a	n/a	n/a	n/a	n/a	n/a
Belgium	5	70.6%	29.4%	0.0%	3	1	1
Denmark	4	n/i	n/i	n/i	0	4	0
Finland	8	83.7%	14.8%	0.6%	5	0	3
France	21	20.3%	73.2%	6.5%	2	15	4
Germany	9	38.7%	60.7%	0.6%	2	7	0
Greece	0	n/a	n/a	n/a	n/a	n/a	n/a
Ireland	3	3.6%	95.8%	0.6%	0	3	0
Italy	2	92.2%	7.1%	0.6%	2	0	0
Luxembourg	0	n/a	n/a	n/a	n/a	n/a	n/a
Netherlands	0	n/a	n/a	n/a	n/a	n/a	n/a
Norway	1	0.2%	99.8%	0.0%	0	1	0
Portugal	4	82.8%	14.2%	3.0%	4	0	0
Spain	0	n/a	n/a	n/a	n/a	n/a	n/a
Sweden	3	n/a	n/a	n/a	0	3	0
Switzerland	1	31.1%	65.9%	2.9%	0	1	0
United Kingdom	2	11.5%	88.5%	0.0%	0	2	0
Europe	63	42.5%	54.5%	2.9%	18	37	8

Overall, shareholder proposals represented a tiny fraction of the total items voted on at the meetings included in this study. More specifically, the 63 shareholder proposals observed in the sample make up only 0.7% of the total items voted on at the meetings included in this year's study. Also, the number of companies in the sample that saw shareholder proposals at their general meetings (34) was nearly the same as last year (33). This observation shows that despite well-publicised instances of generalised discontent, investors did not necessarily show a greater willingness to dissent against management lines by submitting their own proposals.

However, a closer comparison of results for shareholder proposals since last year does indicate noteworthy change in some respects. Namely, compared to last year, a higher proportion of proposals submitted by shareholders were either accepted or withdrawn.

¹ Throughout the study, we have treated dissent as a measure of all votes not cast in line with management. However for shareholder proposals, dissent levels depend on the position adopted by management, which varies in each case. Because dissent levels for shareholder proposals do not have the same diagnostic value as they do for other voting items analysed in this section, the column referring to 'Dissent' has been removed from this table.

Graph 8: number of companies with shareholder proposals



At 55.9% (19 out of 34) of the companies that saw proposals from shareholders, these types of resolutions were either accepted or withdrawn. This figure is notably higher than last year's level, which reached only 33.3% (11 out of 33). This finding is significant in that acceptance or withdrawal, rather than outright rejection, suggests that management might have reached consensus with shareholders over the particular proposal ahead of the actual vote. In so much as shareholder proposals typically serve as channels for entering formal dialogue with companies, this year's increase might be indicative of more effective engagement between shareholders and issuers.

Other figures also point to an overall tendency toward investor accord with management. For example, investors systematically voted against shareholder proposals at levels higher than those observed for standard proposals from management. While 58.7% of shareholder proposals captured in the sample were rejected outright, the only ones which were actually accepted were those not opposed by management. Although shareholders voted in favour of proposals coming from their peers only 42.5% of the time, in all such instances, these proposals were supported by management. This finding suggests that shareholders do not automatically adopt the view of their peers on key decisions. Rather, investors mostly end up aligning themselves with management prescriptions when it comes to votes on individual shareholder proposals.

High dissent over shareholder proposals at several Finnish companies included in this year's sample was linked to proposed governance changes that went against established market practice in Finland. The Finnish state used its holdings in several key companies to propose that their nomination committees comprise representatives of the largest shareholders rather than board members. Tepid support levels for shareholder proposals tabled by the Finnish state at energy provider **Fortum Oyj** (84.9%) as well as at engineering firms **Metso Oyj** (67.2%) and

Rautaruukki Oyj (79.6%) were probably linked to concerns over proposed governance changes in this area. The relatively low level of support for these proposals was most likely a reaction from minority investors in their attempt not to be sidelined by entrenchment of majority shareholder interests on an influential body such as the nomination committee. Moreover, proposals to change the composition of nomination committees went against the recommendations of the local best practice code.

In another instance of high dissent over investor proposals, shareholders at Ireland's national carrier **Aer Lingus** reacted strongly against a proposal to reduce non-executive remuneration levels put forward by key shareholder and competitor, **Ryanair**. Absent any evidence of excessiveness over management's proposed remuneration levels for non-executive members, the proposal amounted to an attempt to undercut **Aer Lingus** after **Ryanair** failed to win a much sought-after takeover bid. Because the **Ryanair** proposal was not grounded in legitimate concerns over remuneration, investors shunned the proposal in so much as it served as a destabilising tactic from a hostile shareholder. Curiously, the support for proposed decreases in non-executive remuneration only reached 1.7%, resulting from **Ryanair**'s decision not to vote on its own proposal in the end. This twist demonstrates that shareholder proposals can be employed to serve the narrow interests of a single investor in ways that are not always directly linked to the actual proposal itself.

6 Conclusions

The findings of this study suggest there has been little change in turnout and voting tendencies at shareholder meetings in Europe since last year. Both shareholder participation rates and their dissent patterns remained largely constant despite the onset of the financial crisis. Although episodes of activism at shareholder meetings in Europe received broad media attention this year, these instances were not part of a fundamental shift toward greater participation rates or heightened dissent at a pan-European level.

Turnout at shareholder meetings proved to be largely unaffected by a major downturn in the global financial markets. Rather than a product of market developments, shareholder participation at meetings is more probably grounded in structural features dependent upon local regulatory environments in various European markets. One possible agent of change in this area could be the full implementation of EU Directive 2007/36/EC on Shareholder Rights. In so much as it would lift burdensome administrative obligations and require more timely access to information related to shareholder meetings, this regulatory initiative could induce change in the underlying structural features of many markets and might have a catalytic effect on voter turnout in the near future.

As far as voting patterns are concerned, investors in Europe did not exhibit notably higher dissent levels since last year. In another sign of continuity, shareholders still registered the highest dissent over similar voting items, namely remuneration and share-based plans. However, to say that the financial crisis had no impact on shareholder behaviour whatsoever is to ignore noteworthy instances where shareholder sentiment was influenced by considerations related to the downturn. Several case studies suggest that factors relating to the financial crisis weighed in heavily on shareholder decisions and dissent patterns, particularly with regard to director nominations, capital authorisation requests, and remuneration-related proposals. While negative financial market developments have not proven to be a factor eliciting change in overall voting patterns, they have nonetheless affected shareholder thinking in several instances at the individual company level.

1 Appendix: legal requirements overview

Legal requirements overview						
	QUORUM				Shareholding to call a meeting	Are abstain votes considered as a valid vote?
	Structural quorum		Functional quorum		Shareholding to file an item	
	Ordinary business	Extraordinary business	Ordinary business	Extraordinary business		
<i>Austria</i>	No quorum required	No quorum required	50%+1	75%	5%	Yes
<i>Belgium</i> ¹	No quorum required	1st call: 50% 2nd call: no quorum	50%+1	50%+1	20%	Yes
<i>Denmark</i> ²	No quorum required	No quorum required	50%+1	50%+1	10% (lower ceilings may be set in the bylaws). One share	Yes
<i>Finland</i> ³	No quorum required	No quorum required	50%+1	50%+1	10% (lower ceilings may be set in the bylaws) One share	Yes
<i>France</i>	1st call: 20% 2nd call: none	1st call: 25% 2nd call: 20%	50%+1	66.7%	5% From 0.5% to 5% depending on market capitalisation (20 or 25 days prior to the meeting, depending if the meeting notice was released before or after 45 days prior to the meeting itself)	Yes
<i>Germany</i>	No quorum required	No quorum required	50%+1	75%	5% 5% or EUR 500,000	No
<i>Greece</i>	1st call: 20% 2nd call: no quorum required	1st call: 66.7% 2nd call: 50% 3rd call: 33.3% 4th call: 20%	50%+1	66.7%	5% 5% (15 days prior to the meeting)	Yes
<i>Ireland</i>	Three members, if not differently stated in the bylaws	Three members, if not differently stated in the bylaws	50%+1	75%	10% owned by at least two shareholders	No

1 Belgian law requires a heightened majority of 75% of votes cast in case of amendment to articles of association, limitation of pre-emptive rights, or mergers and spin-offs; 75% of each category of securities is required when modifying rights attached to these securities. For some items, a majority of 4/5 of votes cast is required: changes to corporate purpose, approval of share repurchase proposals, and transformation of the company. In the event of the winding-up of the company if its net assets are below 1/4 of the company's registered capital, a majority of 1/4 of votes cast is required.

2 Article amendments, mergers, and resolutions to waive shareholders' preferential rights need to be approved by 2/3 of votes cast, provided that less than 25% vote against it. The following proposals require 9/10 of votes cast as well as share capital represented at the meetings: that the right to dividend be limited to the benefit of other shareholders or companies employees, that the transferability of shares be limited, that shares be subject to an obligatory redemption, that voting ceilings be established, that shareholders do not receive the same relative ownership in a spun-off company as in the mother company.

3 Article amendments, mergers, and resolutions to waive shareholders' preferential rights need to be approved by 2/3 of the votes cast and shares represented at the meeting. If there are classes of shares with different voting rights, mergers must be approved by 2/3 of shares present at the meeting within each share class. Further restrictions apply in case of proposals which may have an impact on shareholder rights.

Legal requirements overview						
	QUORUM				Shareholding to call a meeting	Are abstain votes considered as a valid vote?
	Structural quorum		Functional quorum		Shareholding to file an item	
	Ordinary business	Extraordinary business	Ordinary business	Extraordinary business		
<i>Italy</i>	1st call: 50%+1	1st call: 50%+1	50%+1	1st call: 50%+1 of outstanding share capital	10%	Yes
	2nd call: no quorum	2nd call: 33.3%		2nd call: 66.7% of votes cast	2.5% (5 days after release of meeting notice)	
		3rd call: 20%				
<i>Luxembourg</i>	No quorum required	50%+1	50%+1	66,7%	10%	Yes
					10% (5 prior to the meeting)	
<i>Netherlands</i>	No quorum required	No quorum required	50%+1	66.7% if attendance rate is lower than 50%	10%, if lower amount is not fixed by the bylaws	no
					1%, if lower amount is not fixed by the bylaws	
<i>Norway</i> ⁵	No quorum required	No quorum required	50%+1	50%+1	5%	Yes
					one share	
<i>Portugal</i>	No quorum required	1st call: 33.3%	50%+1	1st call: 66.67%	5%	No
		2nd call: no quorum		2nd call: 66.67% ⁶	5%	
<i>Spain</i>	1st call: 25%	1st call: 50%	50%+1	1st call: 50%+1	5%	Yes
	2nd call: no quorum required	2nd call: 25%		2nd call: 66.67%	5% (5 days within the publication of the meeting notice)	
<i>Sweden</i> ⁷	No quorum required	No quorum required	50%+1	50%+1	10%	Yes
					One share	
<i>Switzerland</i>	No quorum required	No quorum required	50%+1	66.67% and 50%+1 of the par value of shares represented	10%	Yes
					CHF 1 million holding	
<i>UK</i>	Two shareholders	Two shareholders	50%+1	75%	10%	No
					5% or 100 shareholders	

4 Article amendments, mergers, and resolutions to waive shareholders' preferential rights need to be approved by 2/3 of the votes cast. Unanimity is required when reducing or changing shareholder rights. Proposals which may have an impact on shareholder right to dividends or the company value need to be supported by 2/3 of the votes cast and 90% of the share capital represented at the meeting.

5 Article amendments require 2/3 of votes cast as well as share capital represented at the meeting. Article amendments that reduce a given share class' privileges require support from owners representing 2/3 of the share capital in the affected share class, as well as support from 2/3 of votes cast by shareholders who do not own shares in any other class. The articles of association may provide for stricter majority requirements in these situations. Most proposals that would reduce the right to dividends require support of 9/10 of share capital represented at the meeting as well as having the same requirements as for article amendments. This majority requirement is also applicable for proposals to require the company's consent for shares to be transferred between parties or proposals that would require shareholders to have certain properties. Certain proposals reducing or changing certain shareholder rights require the unanimous support of all shareholders.

6 The quorum falls down to 50%+1 if at least half of the share capital is present at the meeting.

7 Article amendments, mergers, and resolutions to waive shareholders' preferential rights need to be approved by 2/3 of the votes cast. Further limitations apply when reducing or changing certain shareholder rights (2/3 of the votes cast and 90% of the share capital represented at the meeting or even unanimity). The issuance or transfer of shares, subscription rights, or convertible bonds to board members or employees of a listed company require the support of 9/10 of both votes cast and shares represented at the meeting.

2 Appendix: rejected/withdrawn resolutions and shareholder proposals

Rejected resolutions in 2009 (versus 2008 in parentheses):

Country	Annual Report	Discharge	Nominations	Auditor	Capital	Articles	Share plans	Remuneration	M&A	Total
Austria	0	0	0	0	0	0	0	0	0	0
Belgium	0	16 (0)	0	0	0	0	0	0	0	16 (0)
Denmark	0	0	0	0	0	0 (1)	n/a	0	n/a	0 (1)
Finland	0	0	0	0	0	0	0	0	n/a	0
France	0 (1)	0	11 (14)	0	2 (11)	0 (5)	11 (12)	0 (1)	0	24 (44)
Germany	0	0	0	0	3 (6)	0 (2)	0	0	0	3 (8)
Greece	0	0	0	0	0	0	0	0	n/a	0
Ireland	0	n/a	0	0	3	0	0 (1)	0	n/a	3 (4)
Italy	0	n/a	0 (2)	0 (3)	1	0	0	0	0	1 (5)
Luxembourg	0	0	0 (1)	0	0	n/a	0 (1)	0	n/a	0 (2)
Netherlands	0	1 (1)	0	0	2(1)	0 (1)	1 (1)	0	n/a	4
Norway	0	n/a	0	0	0 (2)	0	0 (1)	0 (1)	0	0 (4)
Portugal	0	0	0 (1)	0	0 (1)	0	0	0	0	0 (2)
Spain	0	0	1 (0)	0	0	0	0	0	0	1 (0)
Sweden	0	0	0	0	0	0	0	1 (0)	n/a	1 (0)
Switzerland	0	0	0	0	0	0	n/a	0	n/a	0
UK	0	0	0	0	1 (1)	0	0	4 (0)	0	5 (1)
Europe	0 (1)	17 (1)	12 (18)	0 (3)	12 (24)	0 (9)	12 (16)	5 (3)	0	58 (75)

Withdrawn resolutions in 2009 (versus 2008 in parentheses):

Country	Annual Report	Discharge	Nominations	Auditor	Capital	Articles	Share plans	Remuneration	M&A	Total
Austria	0	0	0	0	3 (0)	0	0	0	0	3 (0)
Belgium	0	0	2 (0)	0	0	0	0	0	0	2 (0)
Denmark	0	0	0	0	0	0	n/a	0	n/a	0
Finland	0	0	0	0	2 (0)	0	0	0	n/a	2 (0)
France	0	0	0 (6)	0	0	0	4 (0)	0	0	4 (6)
Germany	0	0	0	0	0	0	0	0	0	0
Greece	0	0	0	0	0	0	0	0	n/a	0
Ireland	0	n/a	0 (1)	0	1 (3)	0	0	0	n/a	1 (4)
Italy	0	n/a	0	0 (1)	0	0	0	0	0	0 (1)
Luxembourg	0	0	0	0	0	n/a	0	0	n/a	0
Netherlands	0	0	0	0	0	1 (0)	1 (0)	3 (2)	n/a	5 (2)
Norway	0	n/a	0	0	0	0	0	0	0	0
Portugal	0	0	0	0	0	0	0	0	0	0
Spain	0	0	0	0	0	0	0	0	0	0
Sweden	0	0	0	0	0	0	0	0	n/a	0
Switzerland	0	0	0	0	0	0	n/a	0	n/a	0
UK	0	0	5 (1)	0	8 (1)	1 (1)	1 (1)	0	0 (1)	15 (5)
Europe	0	0	7 (8)	0 (1)	14 (4)	2 (1)	6 (1)	3 (2)	0 (1)	32 (18)

Austria

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Telekom Austria AG	May 20 2009	8	Capital	Approve Issuance of Convertible Bonds and/or Bonds with Warrants Attached that Convert into up to 80 Million Shares	For	n/a	Withdrawn
RHI AG	May 28 2009	7	Capital	Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares	For	n/a	Withdrawn
Telekom Austria AG	May 20 2009	9	Capital	Approve Creation of EUR 87.2 Million Pool of Capital without Preemptive Rights to Cover Conversion Rights	For	n/a	Withdrawn

Belgium

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Fortis SA/NV	Apr 28 2009	3.3.1.1	Discharge	Approve Discharge of Maurice Lippens	For	72.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.2	Discharge	Approve Discharge of Jan-Michiel Hessels	For	69.6%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.3	Discharge	Approve Discharge of Jean-Paul Votron	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.4	Discharge	Approve Discharge of Karel De Boeck	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.5	Discharge	Approve Discharge of Philippe Bodson	For	69.5%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.6	Discharge	Approve Discharge of Louis Cheung Chi Yan	For	53.8%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.7	Discharge	Approve Discharge of Richard Delbridge	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.8	Discharge	Approve Discharge of Clara Furse	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.9	Discharge	Approve Discharge of Reiner Hagemann	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.10	Discharge	Approve Discharge of Jacques Manardo	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.11	Discharge	Approve Discharge of Alois Michielsen	For	67.6%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.12	Discharge	Approve Discharge of Ronald Sandler	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.13	Discharge	Approve Discharge of Rana Talwar	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.14	Discharge	Approve Discharge of Piet Van Waeyenberge	For	65.3%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.15	Discharge	Approve Discharge of Herman Verwilt	For	70.0%	Rejected
Fortis SA/NV	Apr 28 2009	3.3.1.16	Discharge	Approve Discharge of Klaas Westdijk	For	70.0%	Rejected
Fortis SA/NV	Feb 11 2009	2.5	Other	Approve Sale of 100 Percent of the Shares of Fortis Bank Nederland N.V., Fortis Verzekeringen Nederland N.V. a	None	n/a	Rejected
Fortis SA/NV	Feb 11 2009	2.7	Other	Approve Sale of 50 Percent Plus One Share of Fortis Bank SA/NV to the Federal Participation and Investment Corporation	None	n/a	Rejected
Fortis SA/NV	Feb 11 2009	3.1	Nominations	Elect Ludwig Criel as Director	For	n/i	Withdrawn
Fortis SA/NV	Feb 11 2009	3.2	Nominations	Elect Guy de Selliers de Moranville as Director	For	n/i	Withdrawn
Fortis SA/NV	Feb 11 2009	2.8	Other	Proposal to Vote on Item 2.8	None	n/i	Withdrawn
Fortis SA/NV	Feb 11 2009	2.9	Other	Approve Sale of 100 Percent of the Shares of Fortis Insurance Belgium SA/NV to BNP Paribas on Oct. 10, 2008, and the	None	n/i	Withdrawn

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Fortis SA/NV	Feb 11 2009	3.4	Shareholder proposal	Elect Jozef De Mey as Director	None	n/a	Accepted
Fortis SA/NV	Feb 11 2009	3.6	Shareholder proposal	Elect Georges Ugeux as Director	None	n/a	Accepted
Fortis SA/NV	Feb 11 2009	3.8	Shareholder proposal	Elect Jan Zegeering Hadders as Director	None	n/a	Accepted
Fortis SA/NV	Feb 11 2009	3.7	Shareholder proposal	Elect Dirk van Daele as Director	None	n/a	Rejected
Fortis SA/NV	Feb 11 2009	3.3	Shareholder proposal	Elect Philippe Casier as Director	None	n/a	Withdrawn

Denmark

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Danske Bank AS	Mar 4 2009	8a	Shareholder proposal	Change Company Name to "Den Danske Landmandsbank A/S"	Against	n/i	Rejected
Danske Bank AS	Mar 4 2009	2d	Shareholder proposal	Existing Board Directors Should Resign	Against	n/i	Rejected
Danske Bank AS	Mar 4 2009	8b	Shareholder proposal	Require that Board Nominees Each Hold at Least DKK 500,000	Against	n/i	Rejected
Danske Bank AS	Mar 4 2009	8c	Shareholder proposal	Limit Individual Board Member Remuneration to Twice the "Basic Amount"	Against	n/i	Rejected

Finland

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Konecranes Oyj	Mar 12 2009	16	Capital	Authorize Repurchase of up to 12 Million Shares	For	n/a	Withdrawn
Konecranes Oyj	Mar 12 2009	17	Capital	Approve Issuance of 18 Million Shares without Preemptive Rights	For	n/a	Withdrawn

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Outokumpu Oyj	Mar 24 2009	17	Shareholder proposal	Establish Shareholders' Nominating Committee	For	11.1%	Accepted
Fortum Oyj	Apr 7 2009	18	Shareholder proposal	Shareholder Proposal: Appoint Nominating Committee	None	n/a	Accepted
Metso Corporation (Valmet-Rauma Corp.)	Mar 31 2009	15	Shareholder proposal	Shareholder Proposal: Establish Nominating Committee	None	n/a	Accepted
NESTE OIL	Apr 3 2009	18	Shareholder proposal	Proposal by the State of Finland to Appoint a Nomination Committee	None	n/a	Accepted
Rautaruukki Oy	Mar 24 2009	21	Shareholder proposal	Proposal by Solidium Oy to Establish a Nominating Committee	None	n/a	Accepted
M-Real Corp.	Mar 12 2009	15	Shareholder Proposal	Proposal by Shareholder Nikkanen to Merge Company's A and B Share Classes With a Ration of 1:1	None	n/a	Withdrawn
NESTE OIL	Apr 3 2009	19	Shareholder Proposal	Proposal by the Shareholder Matti Liimatainen to Call an End to the Use of Palm Oil	Against	n/a	Withdrawn
Stora Enso Oyj	Apr 1 2009	17	Shareholder Proposal	Forbid Company from Procuring Wood from Rare Contiguous Wilderness Areas of Lapland	None	n/a	Withdrawn

France

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Atos Origin	May 26 2009	8	Nomination	Elect Benoit Orfila as Representative of Employee Shareholders to the Board	For	55.2%	Rejected
Atos Origin	May 26 2009	9	Nomination	Elect Daniel Coulon as Representative of Employee Shareholders to the Board	For	56.7%	Rejected
Atos Origin	May 26 2009	10	Nomination	Elect Raymonde Tournois as Representative of Employee Shareholders to the Board	For	57.2%	Rejected
GDF Suez	May 4 2009	6	Nomination	Elect Patrick Arnaud as Representative of Employee Shareholders to the Board	For	71.7%	Rejected
GDF Suez	May 4 2009	7	Nomination	Elect Charles Bourgeois as Representative of Employee Shareholders to the Board	For	72.5%	Rejected
GDF Suez	May 4 2009	8	Nomination	Elect Emmanuel Bridoux as Representative of Employee Shareholders to the Board	For	72.4%	Rejected
GDF Suez	May 4 2009	10	Nomination	Elect Jean-Luc Rigo as Representative of Employee Shareholders to the Board	For	71.4%	Rejected
GDF Suez	May 4 2009	11	Nomination	Elect Philippe Taurines as Representative of Employee Shareholders to the Board	For	71.3%	Rejected
GDF Suez	May 4 2009	12	Nomination	Elect Robin Vander Putten as Representative of Employee Shareholders to the Board	For	71.5%	Rejected
Renault	May 6 2009	8	Nomination	Elect Philippe Chartier as Representative of Employee Shareholders to the Board	For	62.7%	Rejected
Rhodia	May 20 2009	12	Nomination	Elect Marielle Martiny as Representative of Employee Shareholders to the Board	Against	17.7%	Rejected
Renault	May 6 2009	14	Capital	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of	For	51.8%	Rejected
Sperian Protection SA	May 6 2009	16	Capital	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights up to Aggregate Nominal Amount of	For	35.0%	Rejected
Compagnie generale de geophysique Veritas	Apr 29 2009	9	Other	Approve Transaction with Robert Brunck Re Severance Payment	For	50.1%	Rejected
Valeo	Jun 9 2009	A	Other	Approve Transaction with Thierry Morin Re: Severance Payments as of March 20, 2009	Against	1.4%	Rejected
Saft Groupe SA	Jun 3 2009	9	Share Plan	Authorize up to EUR 300,000 of Issued Capital for Use in Stock Option Plan	For	63.4%	Rejected
Nicox SA	Jun 17 2009	14	Share Plan	Authorize up to 1 Million Issued Shares for Use in Restricted Stock Plan	For	36.7%	Rejected
Teleperformance	May 29 2009	19	Share Plan	Authorize up to 3,000,000 Shares for Use in Restricted Stock Plan	For	37.0%	Rejected
Ciments francais	Apr 15 2009	11	Share Plan	Approve Employee Stock Purchase Plan	For	96.5%	Rejected
Derichebourg	Feb 12 2009	9	Share Plan	Approve Employee Stock Purchase Plan	For	92.5%	Rejected
Iliad	Jun 23 2009	27	Share Plan	Approve Employee Stock Purchase Plan	For	78.8%	Rejected
Klepierre	Apr 9 2009	19	Share Plan	Approve Employee Savings-Related Share Purchase Plan	For	79.5%	Rejected
Natixis	Apr 30 2009	18	Share Plan	Approve Employee Stock Purchase Plan	For	90.7%	Rejected
Peugeot SA	Jun 3 2009	9	Share Plan	Approve Employee Stock Purchase Plan	Against	28.8%	Rejected
Sechilienne Sidec	Jun 16 2009	22	Share Plan	Approve Employee Stock Purchase Plan	Against	27.0%	Rejected
Sperian Protection SA	May 6 2009	22	Share Plan	Approve Employee Stock Purchase Plan	For	76.7%	Rejected
Nicox SA	Jun 17 2009	16	Other	Allow Board to Issue Shares under Items 1 to 8 of Special Business Agenda in the Event of a Public Tender Offer or	For	49.2%	Rejected
Atos Origin	Feb 10 2009	4	Other	Approve Transaction with Wilbert Kieboom Re: Severance Payments	For	n/a	Withdrawn
Atos Origin	Feb 10 2009	5	Other	Approve Transaction with Wilbert Kieboom Re: Benefits of Free Shares Granted	For	n/a	Withdrawn
Carrefour	Apr 28 2009	19	Share Plan	Authorize up to 3 Percent of Issued Capital for Use in Stock Option Plan	For	n/a	Withdrawn
Television francaise 1 TF1	Apr 17 2009	26	Share Plan	Authorize Capital for Use in Stock Option Plan	For	n/a	Withdrawn
Carrefour	Apr 28 2009	20	Share Plan	Authorize up to 0.2 Percent of Issued Capital for Use in Restricted Stock Plan	For	n/a	Withdrawn
Danone	Apr 23 2009	31	Share Plan	Authorize up to 2 Million Shares for Use in Restricted Stock Plan	For	n/a	Withdrawn

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
CNP Assurances	Apr 21 2009	8	Shareholder proposal	Elect Francois Perol as Director	For	7.7%	Accepted
Thales	May 19 2009	A	Shareholder proposal	Amend Article 11 of Bylaws Re: Convening of Board Meetings	For	9.6%	Accepted
Electricite de France	May 20 2009	A	Shareholder proposal	Approve Dividends of EUR 0.64 per Share	Against	3.4%	Rejected
Gecina	Jun 15 2009	6A	Shareholder proposal	Removal of Joaquin Rivero Valcarce as Director	Against	3.5%	Rejected
Gecina	Jun 15 2009	6B	Shareholder proposal	Removal of Antonio Truan as Director	Against	3.5%	Rejected
Electricite de France	May 20 2009	B	Shareholder proposal	Approve No Additional Remuneration for Directors for Fiscal Year 2008	Against	3.5%	Rejected
Gecina	Jun 15 2009	15A	Shareholder proposal	Remuneration of Directors from the Fiscal Year 2009	Against	6.9%	Rejected
Schneider Electric SA	Apr 23 2009	A	Shareholder proposal	Limit Remuneration of Supervisory Board Members at the Aggregate Amount of EUR 600,000	Against	12.6%	Rejected
Total SA	May 15 2009	B	Shareholder proposal	Amend Article 11 of Bylaws Re: Nomination of Employees Shareholders Representative to the Board of Directors	Against	18.9%	Rejected
Credit Agricole SA	May 19 2010	A	Shareholder proposal	Elect a Director	n/i	1.8%	Rejected
Gecina	Jun 15 2009	17 A	Shareholder proposal	Authorize Issuance of Equity or Equity-Linked Securities with Preemptive Rights	Against	6.9%	Rejected
Gecina	Jun 15 2009	18A	Shareholder proposal	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Against	3.3%	Rejected
Compagnie generale de geophysique Veritas	Apr 29 2009	B	Shareholder proposal	Approve Disclosure of Distinction Between Grants to Corporate Officers and to Employees in Proposals to Authorize Equity-	Against	52.2%	Rejected
Gecina	Jun 15 2009	24 A	Shareholder proposal	Approve Executive Share Option Plan	Against	11.6%	Rejected
Total SA	May 15 2009	A	Shareholder proposal	Amend Article 19 of Bylaws Re: Disclosure of Individual Stock Plans	Against	20.1%	Rejected
Total SA	May 15 2009	C	Shareholder proposal	Approve Restricted Stock Plan to All Employees	Against	18.3%	Rejected
Compagnie generale de geophysique Veritas	Apr 29 2009	A	Shareholder proposal	Approve Duration of One Year for Authorizations to Grant Equity-Based Compensation Awards	Against	24.1%	Rejected
GDF Suez	May 4 2009	C	Shareholder proposal	Approve Dividends of EUR 0.80 per Share	Against	n/a	Withdrawn
IMS International Metal Service	Jun 16 2009	A	Shareholder proposal	Elect CCAN 2007 Inversiones Internacionales ETVE, S.L. Unipersonal as Supervisory Board Member	Against	n/a	Withdrawn
GDF Suez	May 4 2009	A	Shareholder proposal	Authorize up to 0.5 Percent of Issued Capital for Use in Stock Option Plan to All Employees	Against	n/a	Withdrawn
GDF Suez	May 4 2009	B	Shareholder proposal	Authorize up to 0.5 Percent of Issued Capital for Use in Restricted Stock Plan to All Employees and Officers	Against	n/a	Withdrawn

Germany

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Volkswagen AG (preferred holders)	Apr 23 2009	1	Capital	Approve Creation of EUR 400 Million Pool of Capital without Preemptive Rights	For	26.0%	Rejected
Volkswagen AG (preferred holders)	Apr 23 2009	2	Capital	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to	For	26.1%	Rejected
K+S Aktiengesellschaft	May 13 2009	6	Capital	Approve Issuance of Warrants/Bonds with Warrants Attached/Convertible Bonds without Preemptive Rights up to	For	28.6%	Rejected

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
KUKA AG	Apr 29 2009	9.1	Shareholder proposal	Elect Bernd Minning to the Supervisory Board	For	4.6%	Accepted
KUKA AG	Apr 29 2009	9.2	Shareholder proposal	Elect Till Reuter to the Supervisory Board	For	4.7%	Accepted
Commerzbank AG	May 15 2009	19	Shareholder proposal	Authorize Special Audit Re: Financing of Dresdner Bank Acquisition	Against	10.5%	Rejected
TUI AG	May 13 2009	14	Shareholder proposal	Authorize Special Audit Re: Remuneration Awarded to the Chairman of the Management Board; Appoint Hans-Joachim	Against	36.2%	Rejected
TUI AG	May 13 2009	15	Shareholder proposal	Authorize Special Audit	Against	36.1%	Rejected
TUI AG	May 13 2009	11	Shareholder proposal	Remove Juergen Krumnow from the Supervisory Board	Against	35.4%	Rejected
TUI AG	May 13 2009	12	Shareholder proposal	Remove Abel Matutes Juan from the Supervisory Board	Against	35.0%	Rejected
Commerzbank AG	May 15 2009	17	Shareholder proposal	Approve Vote of No Confidence in Chairman of Management Board	Against	4.4%	Rejected
Commerzbank AG	May 15 2009	18	Shareholder proposal	Adopt New Remuneration System for Supervisory Board Members	Against	4.9%	Rejected

Ireland

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Irish Continental Group plc	Jun 24 2009	6	Capital	Authorize Share Repurchase Program	For	36.6%	Rejected
Aer Lingus Group plc	Jun 5 2009	9	Capital	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	For	37.0%	Rejected
Irish Continental Group plc	Jun 24 2009	5	Capital	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	For	42.1%	Rejected
Greencore Group plc	Feb 12 2009	6	Capital	Authorize Issuance of Equity or Equity-Linked Securities without Preemptive Rights	For	n/a	Withdrawn

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Allied Irish Banks plc	May 13 2009	5	Shareholder proposal	Elect Niall Murphy as Director	Against	9.2%	Rejected
Aer Lingus Group plc	Jun 5 2009	14	Shareholder proposal	Approve Reduction of the Remuneration of the Non-Executive Chairman from EUR 175,000 to EUR 35,000	Against	1.7%	Rejected
Aer Lingus Group plc	Jun 5 2009	15	Shareholder proposal	Approve Reduction of the Remuneration of the Non-Executive Directors from EUR 45,000 to EUR 17,500	Against	1.7%	Rejected

Italy

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
UniCredit SpA	Apr 29 2009	1.1	Capital	Authorize Capital Increase with Preemptive Rights, Through the Capitalization of Reserves	For	54.2%	Rejected

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Banca Monte dei Paschi di Siena SPA	Jun 25 2009	2	Shareholder proposal	Approve Chairman Remuneration	None	n/a	Accepted
Prysmian S.p.A.	Apr 8 2009	4	Shareholder proposal	Revoke Current Board; Fix Number and Term of Directors, Elect Directors, and Approve Their Remuneration	None	n/a	Accepted

Netherlands

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Vastned Retail NV	Apr 7 2009	8	Discharge	Approve Discharge of Supervisory Board	For	65.3%	Rejected
Koninklijke Bam Groep NV	Apr 21 2009	7b	Capital	Grant Board Authority to Issue Preference Shares B	For	50.8%	Rejected
Smit Internationale	May 6 2009	13	Capital	Grant Board Authority to Issue Shares and Restricting/Excluding Preemptive Rights	For	75.8%	Rejected
Koninklijke Bam Groep NV	Apr 21 2009	9a	Other	Maintain Structure Regime	For	87.2%	Rejected
Koninklijke Bam Groep NV	Apr 21 2009	9c	Other	Approve Abandonment of Structure Regime	Against	n/i	Rejected
Vastned Retail NV	Apr 7 2009	12	Share plan	Approve Special Bonus 2008	For	88.0%	Rejected
Vastned Retail NV	Apr 7 2009	13	Articles	Amend Articles	For	n/a	Withdrawn
Koninklijke DSM NV	Mar 25 2009	7	Remuneration	Approve Remuneration Report Containing Remuneration Policy for Management Board Members	None	n/a	Withdrawn
Randstad Holding NV	Mar 31 2009	5 bis	Remuneration	Approve Remuneration Report Containing Remuneration Policy for Management Board Members	For	n/a	Withdrawn
Heineken NV	Apr 23 2009	4a	Remuneration	Approve Remuneration Report Containing Remuneration Policy for Management Board Members	For	n/a	Withdrawn
Heineken NV	Apr 23 2009	4b	Share plan	Approve Long-term Incentive Plan for Management Board Members	For	n/a	Withdrawn

Norway

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
StatoilHydro ASA	May 19 2009	12	Shareholder proposal	Withdraw Company From Tar Sands Activities in Canada	Against	0.2%	Rejected

Portugal

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Banco Comercial Portugues SA (Millennium BCP)	March 30 2009	4.A	Shareholder proposal	Amend Articles: Abolishment of Senior Board	For	14.9%	Accepted
Banco Comercial Portugues SA (Millennium BCP)	March 30 2009	5	Shareholder proposal	Elect Members of the Supervisory Board for the Period Ending 2010 or 2011	For	13.2%	Accepted
Portugal Telecom, SGPS, S.A.	Mar 27 2009	5	Shareholder proposal	Increase Board Size to 25 from 23	For	20.2%	Accepted
Portugal Telecom, SGPS, S.A.	Mar 27 2009	6	Shareholder proposal	Elect Board Committee Members	For	20.5%	Accepted

Spain

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Enagas SA	Mar 26 2009	5.2	Nominations	Re-Elect Ramon Perez as Independent Director	For	50.0%	Rejected

Sweden

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Teliasonera AB	Apr 1 2009	15	Remuneration	Approve Remuneration Policy	For	n/i	Rejected

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Ericsson	Apr 22 2009	14	Shareholder proposal	Authorise the Board of Directors to Explore How to Provide All Shares with Equal Voting Rights	None	n/a	Rejected
Saab AB	Apr 16 2009	17	Shareholder proposal	Approve Payment of Licencing Fee to GP & C	None	n/a	Rejected
Swedbank AB	Apr 24 2009	18	Shareholder proposal	Proposal from Shareholder Christer Dupuis: Dismantle the Sign "Swedbank Arena" on Football Stadium	None	n/a	Rejected

Switzerland

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Novartis AG	Feb 24 2009	5.1	Shareholder proposal	Require Annual Advisory Vote on Remuneration Report	Against	34.1%	Rejected

United Kingdom

Management proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Mitchells & Butlers plc	Jan 29 2009	7	Capital	Authorise Issue of Equity or Equity-Linked Securities without Pre-emptive Rights	For	47.2%	Rejected
Royal Dutch Shell plc	May 19 2009	2	Remuneration	Approve Remuneration Report	For	61.0%	Rejected
Provident Financial plc	May 6 2009	2	Remuneration	Approve Remuneration Report	For	53.5%	Rejected
The Royal Bank of Scotland Group plc	Apr 3 2009	2	Remuneration	Approve Remuneration Report	For	91.5%	Rejected
Bellway plc	Jan 16 2009	8	Remuneration	Approve Remuneration Report	For	59.4%	Rejected
Venture Production plc	May 14 2009	13	Nominations	Re-elect Graeme Sword as Director	For	n/a	Withdrawn
Salamander Energy plc	Jun 30 2009	5	Nominations	Elect Mike Sibson as Director	For	n/a	Withdrawn
BP plc	Apr 16 2009	15	Nominations	Re-elect Sir Tom McKillop as Director	For	n/a	Withdrawn
Lonmin plc	Jan 29 2009	4	Nominations	Re-elect Sir John Craven as Director	For	n/a	Withdrawn
Mitchells & Butlers plc	Jan 29 2009	3d	Nominations	Re-elect George Fairweather as Director	For	n/a	Withdrawn
Taylor Wimpey plc	Jun 19 2009	6	Capital	Authorise Issue of Equity or Equity-Linked Securities with Pre-emptive Rights	For	n/a	Withdrawn
Michael Page International plc	May 22 2009	8	Capital	Authorise Issue of Equity or Equity-Linked Securities with Pre-emptive Rights	For	n/a	Withdrawn
JXK Oil & Gas plc	Jun 3 2009	9	Capital	Authorise Issue of Equity or Equity-Linked Securities with Pre-emptive Rights	For	n/a	Withdrawn
The Rank Group plc	Apr 23 2009	9	Capital	Authorise Issue of Equity or Equity-Linked Securities with Pre-emptive Rights	For	n/a	Withdrawn
Taylor Wimpey plc	Jun 19 2009	7	Capital	Authorise Issue of Equity or Equity-Linked Securities without Pre-emptive Rights	For	n/a	Withdrawn
JXK Oil & Gas plc	Jun 3 2009	12	Capital	Authorise Issue of Equity or Equity-Linked Securities without Pre-emptive Rights	For	n/a	Withdrawn
The Rank Group plc	Apr 23 2009	10	Capital	Authorise Issue of Equity or Equity-Linked Securities without Pre-emptive Rights	For	n/a	Withdrawn
The Rank Group plc	Apr 23 2009	11	Capital	Authorise 58,500,000 Ordinary Shares for Market Purchase	For	n/a	Withdrawn
International Personal Finance plc	May 13 2009	9	Share Plans	Approve the International Personal Finance plc Deferred Bonus and Share Matching Plan	For	n/a	Withdrawn
Regus plc	May 19 2009	22	Articles	Amend Memorandum and Articles of Association	For	n/a	Withdrawn

*Extraordinary business: 75% of votes in favour required.

Shareholder proposals:

Company	Date	Resolution	Issue	Proposals	Mgmt rec	Dissent	Vote result
Tesco plc	27 June 2008	17	Shareholder proposal	Resolved that the Company Sets a Commitment to Take Appropriate Measures	Against	91.1%	Rejected
Aegis Group plc	23 May 2008	14	Shareholder proposal	Elect Philippe Germond, a Shareholder Nominee to the Board	Against	57.1%	Rejected
Aegis Group plc	23 May 2008	15	Shareholder proposal	Elect Roger Hatchuel, a Shareholder Nominee to the Board	Against	57.1%	Rejected

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