

PRIVATE SECTOR RESPONSE TO THE GIOVANNINI REPORTS

BARRIER 3 - CORPORATE ACTIONS

MARKET STANDARDS FOR GENERAL MEETINGS

CONSULTATION DOCUMENT

2 December 2008

Consultation document submitted by the Joint Working Group on General Meetings.
Please send your comments to info@europeanissuers.eu with the reference “market standards on general meetings”.
Comments will be published on our website www.europeanissuers.eu unless the respondent indicates his objection.
Deadline for comments: 15 February 2009.

I. EXPLANATORY NOTES

a) Objective

The standards have the objective to harmonize and streamline General Meeting¹ (hereinafter “GM”) related operational processes. They are part of the set of measures to remove the obstacles identified as Barrier 3 on corporate actions in the Reports from the Giovannini Group of November 2001, “Cross-Border Clearing and Settlement Arrangements in the European Union”, and April 2003, “Second Report on EU Clearing and Settlement Arrangements”, (hereinafter the “Giovannini Reports”).

In essence, the standards aim at introducing streamlined communication and operational processes so as to ensure that information from the Issuer can reach the Shareholder - and vice versa - in a timely and cost efficient manner. The standards are meant to remove barriers to the free flow of information between the Issuer and the Shareholder. These barriers are inherent to the system of intermediated shareholding, where a Shareholder keeps his shares through book entry in a securities account with an Intermediary. Nowadays securities, especially in a cross-border environment, are held through a Chain of Intermediaries standing between the Issuer and the holder of shares². As a consequence, the identity of the (End) Shareholder is not known to the Issuer (except for shares registered in the register under the (End) Shareholder’s name) which prevents direct communication. The communication therefore has to go through the Chain of Intermediaries. These standards prescribe the communication throughout the Chain of Intermediaries, starting with the Issuer, going via the Issuer (I)CSD, through the entire Chain of Intermediaries (securities account providers), until the (End) Shareholder is reached.³

The standards have to be seen against the background of the Directive of the European Parliament and of the Council on the exercise of certain rights of shareholders in listed companies (hereinafter the “Shareholder Rights Directive” or “SRD”). The three processes covered by the present standards all focus on communicating crucial GM related information which forms also one of the pillars of the SRD. Whereas the SRD provides for the main rights and obligations of the concerned parties in relation to GMs, the present standards provide for best practices (see hereinafter) that are fully compliant with the SRD.

¹ As meant in the DIRECTIVE 2007/36/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, published in the Official Journal on 14 July 2007, L 184/17 .

² For more background information, see also paragraph “2.1. Holding pattern” on page 29 of the Second Advice of the Legal Certainty Group, “Solutions to Legal Barriers related to Post trading within the EU”, published in August 2008 on http://ec.europa.eu/internal_market/financial-markets/docs/certainty/2ndadvice_final_en.pdf.

³ Whereas this direction for the information flow is typical for information originating at the level of the Issuer, the opposite direction, starting at the level of the (End) Shareholder will logically be followed for information originating at the level of the (End) Shareholder.

b) Ultimate goal

- To enhance shareholders' participation in GMs in a cross-border environment, by
 - Removing operational barriers to the free flow of information between the Issuer and the (End) Shareholder
 - Enabling cost efficient communication between all parties involved in GM related processes
 - Ensuring equal operational treatment of all (End) Shareholders
 - Contributing to the efficiency of post trading services.

- To ensure that the End Shareholder receives GM related information and be put in a position to give voting instructions.

STATEMENT:

The cost efficiency achieved by the present standards should benefit the (End) Shareholder.

c) Working Group

End 2005 a cross-sector working group, the "Joint Working Group on General Meetings" (hereinafter the JWGGM), was set up to develop jointly a single set of standards on GM related processes. The JWGGM is composed of delegates from the main European associations representing Issuers (EuropeanIssuers) (previously EALIC), Central Securities Depositories (ECSDA⁴), Intermediaries (ECSAs⁵ (EBF⁶, ESBG⁷ and EACB⁸) and ESSF⁹ (previously ESF)) and the Stock Exchanges (FESE)¹⁰.

Members¹¹:

FRANSENS Dorien, (EuropeanIssuers), Chair of the JWGGM

BLASCHKE Wilfried, Commerzbank (ECSAs)

CREMERS Thiebald, BNP Paribas Securities Services (EuropeanIssuers)

DE LA VILLARMOIS Bruno, L'Air Liquide (EuropeanIssuers)

DE PAUW Edwin, Euroclear (ECSDA)

⁴ European Central Securities Depositories Association

⁵ European Credit Sector Associations

⁶ European Banking Federation

⁷ European Savings Banks Group

⁸ European Association of Cooperative Banks

⁹ European Securities Services Forum

¹⁰ European Federation of Stock Exchanges

¹¹ The composition of the JWGGM somehow varied since its set-up end 2005; the persons listed here reflect its most recent composition.

FARKAS Eszter, European Savings Banks Group (ECSAs)
FICO Paola, Borsa Italiana /London Stock Exchange Group (FESE)
FOSSATI Luca, (FESE)

FREY Werner, European Securities Services Forum (ESSF)
GOSPODINOV Emil, European Banking Federation (EBF) (ECSAs)
MARSAL Pierre, Ansa (EuropeanIssuers)
NIKLY-CYROT Françoise, Arlis (Lagardère) (EuropeanIssuers)
SPATOLA Paola, Assonime (EuropeanIssuers)
VAINIO Hanna, NSCD (ECSDA)

d) Methodology

The JWGGM worked along the following consecutive phases:

- i) Standard setting
- ii) Market consultation¹²
- iii) Revision of standards
- iv) Endorsement by associations involved
- v) Gap analysis
- vi) Implementation

e) Selection of processes

The JWGGM started with drawing up an extensive inventory of GM related processes, listed in 3 categories based on the moment of their occurrence in reference to the GM: PRE, during and POST. However, the JWGGM considers that the major barriers to shareholders participation lie in the phase preceding the GM, namely the PRE phase. It appears indeed that lack of information or difficulty to access such is an important impediment in the exercise of voting rights. It was therefore decided to focus on the PRE phase¹³ and to work out standards for selected processes from the PRE phase that were thought to be most relevant to reach the predetermined goal:

¹² A first market consultation took place in December 2007 and January 2008 limited to Process 1 – Meeting notice; a second consultation took place from May to July 2008 on the three selected processes; a third consultation is scheduled from end November 2008 to 15 February 2009.

¹³ As process 3 covers also the casting of votes prior to the GM it extends therefore to the GM itself.

PRE phase:

- Process 1: Meeting Notice:
informs the (End) Shareholder of the Issuer's notice to convene the GM

- Process 2: Record date and Entitlement:
the process to determine which holdings are entitled to participate in the GM and vote
informs the (End) Shareholder and the Issuer of the Entitlement

- Process 3: Notification of attendance to the General Meeting:
informs the Issuer of the Shareholder's participation (or not) in the GM as well as of his votes, if any.

f) Components of standardisation

The standards cover the following components, where applicable:

- Parties
- Content
- Messaging format
- Language
- Timelines
- Information flow

g) Scope of application

- In accordance with the SRD that does not distinguish between domestic and foreign Shareholders, the standards will apply to both domestic and cross-border operational processes: in other words the same standards will apply for communication with domestic (End) Shareholders and foreign (End) Shareholders.

- All types of GMs for shares, both bearer and Registered, provided they are

i) issued by a company having its registered office in a Member State of the European Union and whose shares are admitted to trading on a regulated market situated or operated in Europe,¹⁴ and

¹⁴ Non listed companies having their registered office in a Member State of the European Union and whose shares are held with a (I)CSD operating in Europe are encouraged to comply also.

ii) held with a (I)CSD operating in Europe.

h) Opt-out of the communication with the (End) Shareholder

As the essence of the standards is about communicating information regarding GMs for the benefit of Shareholders' participation, it is crucial that the communication be continued until it reaches the (End) Shareholder and then brought back up to the Issuer. In intermediated shareholding systems, the Issuer has no other means to communicate with and reach the (End) Shareholder but by communicating via the (I)CSD and the Chain of Intermediaries¹⁵. The present market standards provide for communication by default with the (End) Shareholder. In order to accommodate the situation where the (End) Shareholder does not wish to receive the information, the JWGGM has set forward the parameters for a realistic opt-out scheme for the last Intermediary, that is however not part of the standards.

Parameters for possible opt-outs

- a) Opting out should only be possible at the initiative of the (End) Shareholder (not at any other level in the chain); the (End) Shareholder should be the only one who can trigger the opt-out.
- b) The (End) Shareholder should be able to make an informed decision on the basis of a clear and detailed explanation
 - i) that the information would be offered by default, except in case of opt-out
 - ii) of the price of the services (see e))
 - iii) of the consequences of the opt-out namely: he will not be informed of the GM nor receive the Proof of Entitlement needed to participate and vote at the GM.
- c) Any opt-out should apply to the communication with the (End) Shareholder as covered by Process 1 and Process 2 only, as per definition Process 3 will only take place at the initiative of the Shareholder.
- d) An opt-out can be general (all GMs) or specific (for a given GM). An opt-out is revocable generally and specifically.
- e) General principles on cost/pricing:
 - *Processes 1 and 2*
 - Communication with the (End) Shareholder:

¹⁵ Except for shares registered in the register under the (End) Shareholder's name.

- the minimum deliverable is a basic service, meaning non paper based communication without translation in another language than provided in the meeting notice; this is without prejudice to markets that have a broader definition of a basic service
- this basic service should be part of basic custody services
- as a consequence, there should be no additional costs for the (End) Shareholder¹⁶, so this aspect should have no influence on his decision not to receive the information from the Last Intermediary
- Communications made throughout the chain in order for the Last Intermediary to render the basic service, should be charged at cost, if any
- Costs should be charged only once and such in full transparency at every level
- Possible value added services in addition to the basic service, should be left to contractual arrangements.

- Process 3

The application of process 3 should depend entirely on the decision of the Shareholder whether or not to use a Notification of Attendance. The JWGGM believes that the general principles above could but do not have to be applied.

i) Glossary

Note: Definitions given in this glossary are for the purpose of the present standards only and are not meant to have any legal connotations

Chain of Intermediaries: The sequence of Intermediaries between the Issuer, possibly his Issuer CSD, and the End Shareholder, and vice versa, in respect of securities issued by the Issuer and held by the End Shareholder by book entry in a securities account.

End Shareholder: A Shareholder who holds shares for his own account, if different from the Shareholder.¹⁷

Entitlement: The number and type of shares for which a given End Shareholder is entitled to participate in and vote at a given General Meeting.

General Meeting: A shareholders meeting as meant in the DIRECTIVE 2007/36/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, published in the Official Journal on 14 July 2007, L 184/17.

(I)CSD: (International) Central Securities Depository.

Intermediary Market Deadline: The deadline set by the Intermediary with whom the End Shareholder holds a securities account, for receiving the information to create the Notification of Attendance or any update thereof from the End Shareholder.

Intermediary: A financial institution that provides securities accounts.

¹⁶ In accordance with Art. 5, 2, 3rd al. of the SRD, the company may not charge any specific cost for issuing the convocation,

¹⁷ The (End) Shareholder does not include the holder of a unit in a UCIT (undertakings for collective investment in transferable securities). In this case, the UCIT, *i.e.* the investment company, will be the (End) Shareholder. UCIT is meant here as defined in COUNCIL DIRECTIVE on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), (85/611/EEC) (OJ L 375, 31.12.1985, p. 3).

Issuer: A company having its registered office in a Member State of the European Union and whose shares are admitted to trading on a regulated market situated or operated in Europe.

Issuer Market Deadline: The deadline set by the Issuer for receiving Notifications of Attendance or any updates thereof.

Last Intermediary: The Intermediary with whom the End Shareholder holds the shares concerned by the General Meeting in a securities account.

Meeting Notice: The notice to convene the General Meeting including notices for subsequent calls e.g. in case of quorum requirements.

Notification of Attendance: The notice to inform the Issuer whether or not the End Shareholder will participate in and vote at the General Meeting, including his votes, if any.

Participant: An Intermediary who holds¹⁸ securities accounts with the (I)CSD.

Proof of Entitlement: Uniform evidence of the Entitlement.

Record Date: The date on which the rights of an End Shareholder to participate in a General Meeting and to vote in respect of his shares will be determined on the basis of the shares held by that End Shareholder on that date.

Registered shares: The shares the owner of which is registered in the books of the Issuer or of the Registrar.

Shareholder: The natural or legal person who is recognised as a shareholder under the law governing the Issuer.

j) Additional note on the use of certain definitions in the standards

(End) Shareholder: Indicates the Shareholder including the End Shareholder where different from the Shareholder.

(I)CSD: Indicates always the Issuer (I)CSD meaning the (I)CSD where the Issuer's securities issuance account is maintained.

Issuer: Indicates always the Issuer or the agent mandated by the Issuer for GM related purposes.

¹⁸ In some markets the (I)CSD participant operates the securities accounts held with the (I)CSD.

II. STANDARDS

1. Process 1 – Meeting Notice

A. Parties, information flow, timelines, language and format

I.a) ISSUER TO (I)CSD

Standard 1.1.

The Issuer whose securities are held via a (I)CSD should communicate the Meeting Notice at least to this (I)CSD¹⁹ by close of business on the day he issues the Meeting Notice.²⁰ The Issuer should inform his (I)CSD of any update of the Meeting Notice.

Standard 1.2.

The Meeting Notice and any update thereof should be communicated in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used.²¹

Standard 1.3.

For narrative text²² the Issuer should consider using also a language customary in the sphere of international finance, currently English.

¹⁹ The information will be spread via the (I)CSD as this is the only entity to have access, albeit indirectly via the chain of Intermediaries, to the entire Shareholder population. Although communication via the (I)CSD is the default scenario, the Issuer will remain free to use (an) Intermediar(y)(ies) in addition to the (I)CSD, to spread the information, subject to compliance with certain specific standards.

²⁰ This should help to avoid that the information be spread in an inaccurate manner by information service providers – who fall outside the scope of these standards- which would confuse the market.

²¹ SWIFT, as ISO registration agency, developed very detailed ISO standards. The JWGM is examining to what extent the use of these allowed complying with the present standards. It made suggestions to SWIFT to adapt these standards, bearing in mind that the ISO standards are made for worldwide use, not limited to the EU and would therefore not always fit into the EU legal context.

²² E.g. the description of an agenda item, the summary of a resolution, etc.

I.b) ISSUER TO INTERMEDIARY (optional)

Standard 1.4.

Where, in addition to the communication via the (I)CSD as above, the Issuer communicates the Meeting Notice directly to an Intermediary,
a) the Issuer should communicate the Meeting Notice and any update thereof in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used,
b) the Intermediary should communicate the Meeting Notice and any update thereof

- i) to Intermediaries: in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used
- ii) to (End) Shareholders: in a clear and comprehensible way.

II. (I)CSD TO PARTICIPANT

Standard 1.5.

a) The (I)CSD should without undue delay and at the latest within 1 business day from receiving the Meeting Notice, communicate it to all his Participants who have a holding or pending acquisition in the concerned security. The (I)CSD should also communicate it to not yet informed Participants who would later acquire an entitled holding, without undue delay and at the latest 1 business day from generating the pending settlement transaction.
b) The (I)CSD should inform his Participants of any update of the Meeting Notice, applying the same diligence.

Standard 1.6.

The Meeting Notice and any update thereof should be communicated in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used.

III. PARTICIPANT TO CLIENT (INTERMEDIARY AND SHAREHOLDER)

Standard 1.7.

a) The Participant receiving the Meeting Notice from the (I)CSD, should communicate it to his clients that have a holding or pending acquisition in the concerned security. The Participant should also communicate it to not yet informed clients who would later acquire an entitled holding.
b) The Participant should communicate the Meeting Notice without undue delay from receiving it or from recording the new acquisition, and at the latest
i) within 1 business day to Intermediaries

ii) within 2 business days to (End) Shareholders.²³

Standard 1.8.

The Participant should inform his clients of any update of the Meeting Notice, applying the same diligence.

Standard 1.9.

Any Intermediary further down the chain should comply with Standard 1.7 and Standard 1.8., each at his respective level towards his own clients, until the Meeting Notice reaches the (End) Shareholder.

Standard 1.10.

The Meeting Notice and any update thereof should be communicated

- a) to Intermediaries: in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used*
- b) to (End) Shareholders: in a clear and comprehensible way.*

B. Content

Standard 1.11.

The contents²⁴ of the Meeting Notice should comprise at least the following:

- Identification of the Issuer and, where applicable, his agent, including their contact details*
- Website address where all relevant information on the General Meeting, as required by law, can be found²⁵*
- Indication of where and how the full unabridged text of the documents to be submitted to the General Meeting and of the proposed resolutions can be obtained*
- ISIN of the share(s)*
- Date, time and place of the General Meeting and of all potential meetings for markets with possible subsequent calls*
- Quorum requirements, if any*
- Type of the General Meeting such as annual General Meeting and/or extra-ordinary General Meeting.*

²³ These timelines are maximum timelines, actual timelines should be shorter so as to ensure that the information reaches the (End) Shareholder in a timely manner. The higher the degree of STP, the shorter the communication timelines.

²⁴ The original Meeting Notice should remain unaltered during its communication along the chain, but limited additions to the formatted message are possible for the sake of practicability, to add the identification of the sender, add the date of sending, but not to affect its contents.

²⁵ This information includes at least a) the convocation for the meeting, b) the total number of shares and voting rights at the date of the convocation (including separate totals for each class of shares where the Issuer's capital is divided into two or more classes of shares), c) the documents to be submitted to the General Meeting, d) the proposed resolution, if any, or, if not, the comment from the competent body within the Issuer and e) forms to vote by proxy and by correspondence.

- Requirements for participation in the General Meeting and for voting²⁶
- Proposed agenda items and related proposed resolutions
- Rights
 - Description of the rights available to Shareholders such as the right to ask questions, add items to the agenda and table proposed resolutions²⁷.
 - Conditions for exercising these rights²⁸
 - How these rights can be exercised²⁹
 - Deadlines to exercise these rights
- Whether the Issuer requests to be informed of the Shareholder's Entitlement and provided with the Proof of Entitlement
- Ways of participation in the General Meeting such as physical attendance, by proxy, by correspondence and by electronic means, including by means of a Notification of Attendance.³⁰
- Information to be provided by the (End) Shareholder to the Last Intermediary to create the Notification of Attendance³¹
- The communication flow (direct flow or indirect flow or both³²) of the Notification of Attendance
- Issuer Market Deadline

²⁶ E.g. re-registration of the End Shareholder with the (I)CSD or the registrar.

²⁷ A mere description as meant under the SRD.

²⁸ E.g. threshold of a given size of holdings, or a given type of shares.

²⁹ E.g. practical procedure for exercising the rights.

³⁰ Voting by means of the Notification of Attendance under Process 3 is obviously not the only allowed way of participation. The Meeting Notice should indicate what other ways of participation the Issuer provides for. These other ways fall outside the scope of these standards. However the Proof of Entitlement (see Process 2 and Process 3) should always be required, without prejudice to the Issuer's right to accept an alternative proof of Entitlement.

³¹ For the contents of the Notification of Attendance see Process 3, standard 3.9.

³² See Process 3.

2. Process 2 – Record Date and Entitlement

A. General principles

Standard 2.1.

There should be no blocking of shares prior to a given General Meeting in order to ensure that a Shareholder may participate in and vote at that General Meeting.

Standard 2.2.

The Entitlement should be determined at close of business on the Record Date, starting from

- i) the settled positions as reflected in the books of the (I)CSD³³ or*
- ii) the share register, in the case of registered shares^{34 35}.*

Standard 2.3.

The sequence of relevant events and dates should be as follows:

- 1) Issuance of Meeting Notice, 2) Record Date, 3) Intermediary Market Deadline, 4) Issuer Market Deadline and 5) General Meeting.*

³³ For bearer shares, settled positions as reflected in the (I)CSD's books is the safest criterium, because settled positions are reflected by book entries. Settled positions as held with the (I)CSD offer certainty because these positions are per definition final (completed), as opposed to trading positions that can result in a failure. The (I)CSD's books therefore give an accurate and reliable picture because of the notary function of record keeping carried out by the (I)CSD. As the latter takes care of first level concordance between his books and his participants', the (I)CSD's books are the only trustworthy source from which point on an accurate and exact breakdown can be given of the total holdings excluding any failed transactions. If on the contrary, the Entitlement would be calculated on the basis of trading positions in Intermediaries' books, there would be no guarantee that the information covered the complete securities issuance. In addition, taking settled positions in the books of the (I)CSD is also coherent with the approach taken in the market standards on corporate actions *stricto sensu*. Finally the majority of EU member states uses settled positions as the basis for entitlement calculation.

³⁴ In some markets the (I)CSD and the registrar, who maintains the share register, are one and the same party.

³⁵ These market standards do not provide for an exception of the Record Date system for holders of Registered Shares: in practice one will use a specific date anyway to strike positions for holders of Registered Shares. In addition, a Record Date will be necessary for holders of Registered Shares also in order to allow for participation to the GM by other means than physical attendance or in view of participation before the GM (including by Notification of Attendance). Finally when the Registered Shareholder is a nominee, one will have to go down the Chain of Intermediaries anyway in order to know the identity and the voting instructions of the actual Shareholder. In order to avoid double accounting of positions all categories of registered Shareholders must be subject to the same regime.

B. Parties, information flow, timelines, language and format

I. (I)CSD TO PARTICIPANT

Standard 2.4.

The (I)CSD should inform his Participants of their entitled positions without undue delay after striking the securities positions as indicated in Standard 2.2..³⁶

Standard 2.5.

The entitled positions should be communicated by the (I)CSD to his Participants in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used.

II. PARTICIPANT TO CLIENT (INTERMEDIARY AND SHAREHOLDER)

Standard 2.6.

The Participant, his clients and their clients down to the Last Intermediary in the chain should reconcile the entitled positions in their respective books the day after the Record Date, starting from the positions struck in the (I)CSD's books.

Standard 2.7.

The Last Intermediary should inform the (End) Shareholder of the Shareholder's Entitlement and provide the Shareholder with the Proof of Entitlement without undue delay.³⁷ At the same time, and if so requested in the Meeting Notice, the Last Intermediary should also inform the Issuer of the Shareholder's Entitlement and provide him with the Proof of Entitlement.

Standard 2.8.

Communications of the entitled positions and of the Entitlements should be done

- a) to Intermediaries in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used*
- b) to (End) Shareholders in a clear and comprehensible way.*

³⁶ Communication by the (I)CSD should cover all entitled positions reflected in his books including for Registered Shares.

³⁷ The practicalities about the Proof of Entitlement are to be addressed as part of the implementation.

C. Proof of Entitlement

Note:

In general, more than one way of participation in and voting at the GM is available to the Shareholder: physical attendance, correspondence, electronic voting, including by means of the Notification of Attendance as covered by Process 3 of these standards, etc. Voting by means of the Notification of Attendance is only one way. In order to ensure the integrity of the voting process and to avoid irregular voting (double voting, loss of votes, etc.), the JWGGM proposes the use of a uniform Proof of Entitlement throughout Europe. This Proof of Entitlement could possibly take the form of a unique identifier that could only be used once. This unique identifier would be created by the Last Intermediary as a unique secure combination of data (code) to identify an Entitlement, on the basis of standards to be defined by the securities industry such as the ISO standards. The Last Intermediary should then provide such unique identifier to the Shareholder and to the Issuer in accordance with standard 2.7. This system should prevent that the Entitlement, even by inadvertence, would be exercised more than once. The unique identifier would also facilitate electronic voting and therefore lead to cost reduction and increase efficiency.³⁸

Standard 2.9.

*The Proof of Entitlement should be the only valid proof of Entitlement required by the Issuer for participating in and voting at the General Meeting, irrespective of the means of participation and voting chosen by the Shareholder.*³⁹

D. Content

Standard 2.10.

The communication on entitled positions and on Entitlements⁴⁰ should comprise at least the following:

- *Identification of the account holder or the (End) Shareholder, as the case may be*
- *Identification of the Issuer and, where applicable, his agent, including their contact details⁴¹*
- *ISIN of the share(s)*
- *Date, time and place of the General Meeting and of all potential meetings for markets with possible subsequent calls*
- *Type of the General Meeting such as annual General Meeting and/or extra-ordinary General Meeting*
- *As the case may be*
 - a) *the entitled position or*
 - b) *the Entitlement together with the Proof of Entitlement.*

³⁸ Further details to be discussed as part of the implementation.

³⁹ Indeed the Proof of Entitlement will always be required, without prejudice to the Issuer's right to accept an alternative proof of Entitlement.

⁴⁰ The notion Entitlement covers the individual Shareholder's position as opposed to the aggregated position, i.e. entitled position, at a level "higher" up the Chain of Intermediaries.

⁴¹ What is covered by contact details is to be addressed as part of the implementation phase.

3. Process 3 – Notification of Attendance

A. General principles

Standard 3.1.

The Issuer Market Deadline should not be earlier than 2 business days prior to the General Meeting.

Standard 3.2.

The Intermediary Market Deadline should not be earlier than 2 business days prior to the Issuer Market Deadline.

B. Parties, information flow, timelines and format

Standard 3.3.

The Notification of Attendance should be communicated in accordance with the information flow as determined by the Issuer⁴² namely

a) Direct flow: straight through flow from the Last Intermediary to the Issuer, when the Entitlement can be validated at the level of the Issuer without validation at every level of the Chain of Intermediaries.

or

b) Indirect flow: reverse flow of “Process 1 Meeting Notice” so as to validate the Entitlement at every level of the Chain of Intermediaries as well as at the (I)CSD’s.

a. Direct flow

Standard 3.4.

The last Intermediary, receiving the relevant information from the Shareholder, should without undue delay, validate the Entitlement and create the Notification of Attendance or any update thereof and communicate it directly to the Issuer.

b. Indirect flow

Standard 3.5.

The Last Intermediary, receiving the relevant information from the Shareholder, should without undue delay,

- i) validate the Entitlement, if on or after the Record Date, and*
- ii) create the Notification of Attendance or any update thereof,*

⁴² The Issuer should decide which flow(s) (direct, indirect or both) should be followed on the basis of what would be most efficient in terms of determination of Entitlement and communication of the Notification of Attendance. The direct flow can only be chosen when the Entitlement can be determined unequivocally and communicated to the Shareholder before the Notification of Attendance is sent to the Issuer.

iii) communicate it to the next Intermediary up the chain with whom he holds the concerned entitled position in a securities account. For Notifications of Attendance communicated before the Record Date, the last Intermediary should validate the Entitlement on the Record Date and communicate an updated Notification of Attendance, if required.

Standard 3.6.

Every Intermediary up the chain, each at his respective level, receiving the Notification of Attendance or any update thereof, should, without undue delay,

i) validate the Entitlement, if on or after the Record Date, and

ii) communicate it to the next Intermediary up the chain with whom he holds the concerned entitled position in a securities account, until it reaches the (I)CSD.

Standard 3.7.

The (I)CSD receiving the Notification of Attendance or any update thereof from his Participants, should, without undue delay,

i) validate the Entitlement, if on or after the Record Date, and

ii) communicate it to the Issuer.

Standard 3.8.

Irrespective of the flow chosen, the Notification of Attendance and any update thereof should be communicated in formatted electronic form using standards defined and used by the securities industry such as the ISO standards, irrespective of the communication channel used.

C. Content

Standard 3.9.

The Notification of Attendance should comprise at least the following:

- Identification of the Issuer and, where applicable, the Issuer agent, including their contact details
- ISIN of the share(s)
- Date, time, place and type of the concerned General Meeting⁴³
- Identification of the Last Intermediary including his BIC or equivalent code(s) and contact details⁴⁴
- Identification of the sender including his BIC or equivalent code(s) and contact details⁴⁵
- Identification of the (End) Shareholder including his contact details⁴⁶

⁴³ Markets with possible subsequent calls should determine whether there is a need for subsequent Notifications of Attendance.

⁴⁴ What is covered by contact details is to be addressed as part of the implementation phase.

⁴⁵ What is covered by contact details is to be addressed as part of the implementation phase.

- Entitlement together with the Proof of Entitlement⁴⁷ or, for Notifications of Attendance sent before the Record Date, the provisional entitled position
 - Whether or not the Shareholder will attend, and if so, his intended means of participation to the General Meeting such as physical attendance, by proxy, correspondence and by electronic means
 - Proxy appointment, where applicable, and the identification of the proxy holder including his contact details⁴⁸ and number and type of shares covered by the proxy appointment.
 - Where applicable, votes of the Shareholder and number and type of shares covered by such votes.
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⁴⁶ What is covered by contact details is to be addressed as part of the implementation phase.

⁴⁷ Indeed the Proof of Entitlement should always be required, without prejudice to the Issuer's right to accept an alternative proof of Entitlement.

⁴⁸ What is covered by contact details is to be addressed as part of the implementation phase.