



INSTITUTIONAL SHAREHOLDER SERVICES

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ISS Europe Contentious Issues Alert

Meeting Date 2007	Company Name	Type
28 March 2007	Iberdrola S.A. (Spain) ISIN: ES0144580018	AGM
Agenda Item	Contentious Issues	
Instructions: Attendance Premium	The company has announced that there will be an attendance bonus payable. A gross attendance bonus of EUR 0.02 (\$0.026) per share will be distributed for every share present or represented at the meeting. Registration date is 23 March 2007.	

Meeting Date 2007	Company Name	Type
11 April 2007	Belgacom (Belgium) ISIN: BE0003810273	EGM
Agenda Item	Contentious Issues	
2 Authorize Board to Repurchase Shares in the Event of a Public Tender Offer or Share Exchange Offer	This authorization contains two resolutions: the classic share repurchase authorization which is granted for at most 18 months and on the basis of which the company is allowed to repurchase own shares up to at most 10 per cent of the share capital. ISS usually supports this kind of resolutions. However in some cases in Belgium - and in the case of Belgacom this year, such resolutions go hand in hand with a resolution to repurchase own shares in the event of a 'grave and imminent danger'. Such authorization can be used to fend off hostile takeovers.	
3 Authorize Board to Issue Shares in the Event of a Public Tender Offer or Share Exchange Offer	This authorization contains a takeover defences as it allows companies to issue shares in the event of a 'grave and imminent danger'. Such authorization can be used to fend off hostile takeovers.	

Meeting Date 2007	Company Name	Type

11 April 2007	Wereldhave Belgium SCA (Belgium) ISIN: DE0005403901, DE000A0MFX97 , DE000A0MFYM7, DE000A0LR902	AGM/EGM
Agenda Item	Contentious Issues	
5 (EGM) Authorize Board to Repurchase Shares in the Event of a Public Tender Offer or Share Exchange Offer	This authorization contains two resolutions: the classic share repurchase authorization which is granted for at most 18 months and on the basis of which the company is allowed to repurchase own shares up to at most 10 per cent of the share capital. ISS usually supports this kind of resolutions. However in some cases in Belgium - and in the case of Wereldhave Belgium this year, such resolutions go hand in hand with a resolution to repurchase own shares in the event of a 'grave and imminent danger'. Such authorization can be used to fend off hostile takeovers.	

Meeting Date 2007	Company Name	Type
12 April 2007	Bekaert (Belgium) ISIN : BE0003780948 , BE0005569406	EGM
Agenda Item	Contentious Issues	
2: Authorize Board to Repurchase Shares in the Event of a Public Tender Offer or Share Exchange Offer	This authorization contains two resolutions: the classic share repurchase authorization which is granted for at most 18 months and on the basis of which the company is allowed to repurchase own shares up to at most 10 per cent of the share capital. ISS usually supports this kind of resolutions. However in some cases in Belgium - and in the case of Bekaert, such resolutions go hand in hand with a resolution to repurchase own shares in the event of a 'grave and imminent danger'. Such authorization can be used to fend off hostile takeovers.	

Meeting Date 2007	Company Name	Type
12 April 2007	Buhrmann (the Netherlands) ISIN: NL0000343135 , NL0000371755	AGM
Agenda Item	Contentious Issues	
6c Extension of the period during which the Executive Board is authorised to issue Preference Shares B	A proposal is submitted to the General Meeting to extend the period during which the Executive Board is authorised to resolve to issue Preference Shares B, including the granting of rights to subscribe for Preference Shares B as provided for in Article 10 of the Articles of Association, to a date 18 months after the date of this General Meeting, on the understanding that this authority extends to such a number of Preference Shares B as corresponds to the issued number of ordinary shares and Preference Shares A at the time of the issue. This resolution allows the board to issue protective preference shares, which constitute an anti-takeover defence. In its notice of meeting, the company states the following:	

	<p>“The Preference Shares B can be placed with the Stichting Preferente Aandelen Buhrmann pursuant to an agreement concluded between the Stichting and Buhrmann on the placing of, and the option to acquire, Preference Shares B. This agreement imposes the obligation on the Stichting and entitles it to subscribe for Preference Shares B in the capital of Buhrmann. This mechanism would enable us to further define our position vis-à-vis a bidder for our shares and his plans or to counter a concentration of power, and consider our options, including – to the extent relevant – the negotiation of a more beneficial transaction or other alternatives. Reference is made to the Corporate Governance chapter of the Annual Report. The Preference Shares B will be outstanding no longer than strictly necessary. Once the reason for the placing of the Preference Shares B no longer exists, we will propose to the General Meeting of Shareholders to cancel the Preference Shares B entirely as a class. To maintain the effectiveness of the issue of Preference Shares B as a protection instrument, the scope of the authority to issue these shares should extend to such a number of Preference Shares B as corresponds to at the most the issued number of ordinary shares and Preference Shares A at the time of the issue.</p> <p>Resolutions whereby the Executive Board exercises these powers to issue ordinary shares, to issue Preference Shares B and to limit or exclude the preferential right when issuing ordinary shares are subject to approval by the Supervisory Board.”</p> <p>In general, ISS will recommend voting for protective preference shares only if:</p> <ul style="list-style-type: none"> - The supervisory board must approve an issuance of shares and the supervisory board is independent within the meaning of ISS' categorization rules and the Dutch Corporate Governance Code (i.e., a maximum of one member can be non-independent). - No call/put option agreement exists between the company and a foundation for the issuance of protective preference shares. - There is a qualifying offer clause (i.e., shareholders are able to redeem the preference shares within three months), or there are annual management and supervisory board elections. - The issuance authority is for a maximum of 18 months.
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Meeting Date 2007	Company Name	Type
18 April 2007	Heijmans (The Netherlands) ISIN: NL0000341931	AGM

Agenda Item	Contentious Issues
<p>5.1 Grant Board Authority to Issue Ordinary Shares and Financing Preference Shares Up To 10 Percent of Issued Capital Plus Additional 10 Percent in Case of Takeover/Merger and to Issue All Preference Shares</p>	<p>This is the proposal to authorize the management board to issue all authorized but not yet issued shares (ordinary shares, preference B shares, and preference shares) up to 10 percent of the issued share capital and additional shares up to 10 percent of the issued share capital in the case of a merger or acquisition. This is partially a general capital request (that is, the company is seeking the authority to issue shares for no specific purpose), yet it is also a request for authorization to apply antitakeover measures, by issuing preference shares that carry 50 votes per share.</p> <p>This would authorize the company to issue protective preference shares to a company-friendly foundation. Voting rights of the ordinary shares are effectively diluted to defer or even thwart the takeover bid.</p> <p>In general, ISS will recommend voting for protective preference shares only if:</p> <ul style="list-style-type: none"> - The supervisory board must approve an issuance of shares and the supervisory board is independent within the meaning of ISS' categorization rules and the Dutch Corporate Governance Code (i.e., a maximum of one member can be non-independent). - No call/put option agreement exists between the company and a foundation for the issuance of protective preference shares. - There is a qualifying offer clause (i.e., shareholders are able to redeem the preference shares within three months), or there are annual management and supervisory board elections. - The issuance authority is for a maximum of 18 months. - The board of the company friendly foundation is independent. - The company has disclosed under what circumstances it expects to make use of the possibility to issue preference shares; there are no priority shares or other egregious protective or entrenchment tools. - The company released its proxy circular, with details of the poison pill proposal, at least three weeks prior to the meeting to allow shareholders sufficient time to study the details of the proposal and question management about them. - Article 2:359c Civil Code of the legislative proposal has been implemented, in effect limiting the life to the

	<p>preference shares to six months.</p> <p>ISS will recommend a vote against in all other situations, including where the information disclosed is insufficient to evaluate the request.</p>
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Meeting Date 2007	Company Name	Type
20 April 2007	TNT NV (The Netherlands) ISIN: US8923391028 , NL0000009066, NL0000009058	AGM
Agenda Item	Contentious Issues	
16b Grant Board Authority to Issue All Unissued Preference Shares B	<p>The company seeks approval to authorize the management board to issue all preference shares B. The authorized share capital includes 899,999,999 preference shares B, none of which are currently issued.</p> <p>The company has a capital structure composed of ordinary shares and preference shares. The preference share B is an antitakeover instrument. The Foundation for the Protection of TNT, a company-friendly foundation, has an option to acquire preference shares B up to the amount of the outstanding ordinary share capital in case of a hostile takeover. TNT also has a put option to this effect. Upon exercise of the option, only 25 percent of the par value of EUR 0.48 (\$0.53) needs to be paid by the foundation. The remainder only becomes payable upon request of the board. By exercising the option, the foundation effectively holds a majority vote in the general meeting, as it already holds one share.</p> <p>If certain safeguards are in place, ISS' policy allows for the approval of authorizations to issue this type of preference share.</p> <p>In general, ISS will recommend voting for protective preference shares only if:</p> <ul style="list-style-type: none"> - The supervisory board must approve an issuance of shares and the supervisory board is independent within the meaning of ISS' categorization rules and the Dutch Corporate Governance Code (i.e., a maximum of one member can be non-independent). - No call/put option agreement exists between the company and a foundation for the issuance of protective preference shares. - There is a qualifying offer clause (i.e., shareholders are able to redeem the preference shares within three months), or there are annual management and supervisory board elections. 	

	<ul style="list-style-type: none"> - The issuance authority is for a maximum of 18 months. - The board of the company friendly foundation is independent. - The company has disclosed under what circumstances it expects to make use of the possibility to issue preference shares; there are no priority shares or other egregious protective or entrenchment tools. - The company released its proxy circular, with details of the poison pill proposal, at least three weeks prior to the meeting to allow shareholders sufficient time to study the details of the proposal and question management about them. - Article 2:359c Civil Code of the legislative proposal has been implemented, in effect limiting the life to the preference shares to six months. <p>ISS will recommend a vote against in all other situations, including where the information disclosed is insufficient to evaluate the request.</p>
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Meeting Date 2007	Company Name	Type
23 April 2007	Alfa Laval (Sweden) ISIN: SE0000695876	AGM
Agenda Item	Contentious Issues	
<p>17: Resolution regarding approval of the sale of Alfa Laval Biokinetics Inc to the members of the executive management of that company.</p>	<p>Any decision regarding this resolution will have to be based on disclosed details about the transaction. In its notice of meeting, the company states the following:</p> <p>On the 13 December 2006 Alfa Laval announced that the company has taken the strategic decision to divest its engineering and validation services by the divesting of Alfa Laval Biokinetics Inc. The company has entered into a purchase agreement with the management of Alfa Laval Biokinetics Inc to this effect. The primary reason for divesting the engineering activity is that the project part for applications for the biopharma industry, which comprises, i.a. the offering of process technology and validation services, has a limited connection to Alfa Laval's core business, i.e special products and process technology solutions based on the key technologies heat transfer, separation and fluid handling products. The divestment is not anticipated to have any negative impact on Alfa Laval's Life Science activity. The turnover of the divested activity is slightly more than MSEK 100 and it employs approximately 110 people. The transaction was finalized as per December 29, 2006.</p> <p>The Board of Directors proposes that the Meeting approves the sale of Alfa Laval Biokinetics Inc to the management of Alfa Laval Biokinetics Inc.</p>	

	A decision according to this proposal falls under chapter 16 of the Swedish Companies Act (2005:551) on certain directed issues etc, and requires the support of shareholders holding at least nine tenths of both the votes cast and of shares represented at the Meeting.
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Meeting Date 2007	Company Name	Type
26 April 2007	BASF AG (Germany) ISIN: DE0005151005	AGM
Agenda Item	Contentious Issues	
7 Approve Change of Corporate Form to Societas Europaea (SE)	Under this item, the company asks shareholders to approve the change of the corporate form from a German Stock Corporation (Aktiengesellschaft, AG) into an European Public Company (Societas Europaea, SE). Accordingly, the company will change its corporate structure and amend its articles pursuant to the change. The proposed change usually has a positive effect on shareholder value and helps a company become more internationally focused.	

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