



INSTITUTIONAL SHAREHOLDER SERVICES

ISS Europe Contentious Issues Alert

Meeting Date 2007	Company Name	Type
26/04/07	Barco (Belgium) ISIN: BE0003790079, BE0003791085	EGM/AGM
Agenda Item	Contentious Issues	
1 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 Barco, 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.	



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Meeting Date 2007	Company Name	Type
16 May 2007 (first call) 31 May 2007 (second call)	Sanofi Aventis (France) ISIN: FR0000120578, FR0000884009, FR0010412312	AGM/EGM
Agenda Item	Contentious Issues	
15: Allow Board to Use Authorizations and Delegations Granted in Items 6 to 14 Above in the Event of a Public Tender Offer	This resolution would authorise the board to use all previous autorisation, i.e. : <ul style="list-style-type: none"> - increase in share capital (with or without pre-emptive rights), - grant stock options - increase share capital for employees - grant free shares - reduce the share capital via cancellation of repurchased shares - share repurchase program in case of a takeover. <p>These authorisations could be used based on the reciprocity rule, meaning that if the party launching a takeover has takeover defences, Sanofi-Aventis will activate its own takeover defences.</p>	



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05 May 2007 (first call) 11 May 2007 (second call)	Essilor International (France) ISIN : FR0000121667, FR0010414383	AGM/EGM
Agenda Item	Contentious Issues	
25: Authorize Board to Issue Free Warrants with Preemptive Rights During a Public Tender Offer or Share Exchange	<p>This resolution relates to the authorization to be granted to the board of directors by shareholders to issue free warrants in case of a public offer targeting the company.</p> <p>This authorization is proposed following new articles L.233-32 and L.233-33 of the French Commercial Code, introduced by the March 31, 2006 Act (N°2006-387).</p> <p>This Act introduces article L.233-32, so that the extraordinary general meeting (with the rules applying to ordinary general meetings as regards the quorum and the majority needed to vote a resolution) may decide to issue (or empower the board of directors or the management board, as the case may be, to issue) free warrants during a public offer targeting the issuer. The new articles L.233-32 and L.233-33 of the Commercial Code also provide that this authorization may be used only when the company launching the public offer itself benefits from equivalent takeover defenses (as the issuance of warrants) available in case of a hostile bid against it.</p> <p>Such warrants, if issued, are granted to all the shareholders for free and enable them to subscribe for shares (of the same issuer) under preferential conditions. Even if the general meeting of shareholders decided to delegate to the board the power to issue the warrants, it would belong to the general meeting of shareholders to fix the maximum amount of the share capital increase that could result from these warrants being exercised and the maximum number of warrants to be issued. The general meeting of shareholders may also fix specific conditions under which the board may issue the bonds, postpone the issuance, or renounce it. The conditions regarding the exercise of the warrants and the other specific terms (including the exercise price or the different formulae to fix the price) that may be fixed by the general meeting or the board must relate to the term of the relevant public offer or any other competing offer. Above all, these warrants, once</p>	

	<p>issued, automatically terminate as soon as the relevant public offer or any other competing offer fails or is removed.</p> <p>This resolution clearly qualifies as an antitakeover device since the warrant issue would take place during a public offer and would be automatically cancelled if the offer fails or is removed. The shareholders would, in fact, waive in advance their ability to make this choice.</p>
<p>27 Amend Article 24 of Association to introduce Voting Rights Ceiling</p>	<p>This resolution would introduce a voting right ceiling, which is a deviation from the one share – one vote principle.</p>



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26/04/07	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.	



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Meeting Date 2007	Company Name	Type
24/04/07	Teliasonera (Sweden) ISIN: US87960M1062 , SE0000667925	AGM
Agenda Item	Contentious Issues	
16. The shareholder TeliaSonera Aktieägarförening's proposal to oblige the Board of Directors to employ at least one customerombudsman	<p>The item is a shareholder proposal put forward by the TeliaSonera Share Owner Association. This association is not linked to the company.</p> <p>The company has not received further information on the issue nor provided information about management's stance on the proposal</p>	
17. The shareholder TeliaSonera Aktieägarförening's proposal that Annual General Meetings take place at the same time in both Stockholm and Helsinki	<p>This item proposes to hold shareholder meetings simultaneously in Stockholm and Helsingfors (Helsinki). The item is a shareholder proposal put forward by the TeliaSonera Share Owner Association. This association is not linked to the company.</p> <p>The company has not received further information on the issue nor provided information about management's stance on the proposal.</p> <p>TeliaSonera will hold a shareholders' information meeting in Helsinki the day before the AGM in Stockholm. At this meeting, the Finnish shareholders will have the possibility to meet representatives from the management and the board in person.</p> <p>Although we sympathize with the shareholder's cause and believe that as many shareholders as possible should have the possibility to participate in general meetings, we note that there are expenses associated with allowing shareholder participation from multiple locations, and such a practice is very unusual among Swedish companies.</p>	
18. The shareholder TeliaSonera Aktieägarförening's proposal that also the shareholders with few and medium number of shares shall be represented in the nomination	<p>The item is a shareholder proposal put forward by the TeliaSonera Share Owner Association. This association is not linked to the company.</p> <p>The company has not received further information on the issue nor provided information about management's stance on the proposal</p>	

committee	
<p>19. The shareholder TeliaSonera Aktieägarförening's proposal that the instructions for the nomination committee should clearly state that the committee in its work should aim at increased equality between men and women</p>	<p>The item is a shareholder proposal put forward by the TeliaSonera Share Owner Association. This association is not linked to the company. The company has not received further information on the issue nor provided information about management's stance on the proposal</p>
<p>20. The shareholder Murray Swanson's proposal that the Annual General Meeting authorizes and instructs the Management and Board of Directors of TeliaSonera to enlist the good offices of the Swedish Ambassador to the United States and the United States Ambassador to Sweden to assist them in crafting a settlement with Murray Swanson and the Sonera US Management Team that fairly respects and recognizes their contributions to TeliaSonera and that is consistent with TeliaSonera's Shared Values and Business Ethics as well as all applicable Organisation for Cooperation and Development Guidelines.</p>	<p>Murray Swanson is the former CEO of Sonera in the United States. He sued the company for \$75 million in 2001 over some remuneration issues involving stock options. Swanson claimed he was personally responsible for a sharp rise in the company's stock price, for which he was never compensated. The court concluded that TeliaSonera does not have any responsibility in compensating the former management team of Sonera Corporation U.S.</p> <p>This shareholder proposal seeks to micromanage the company. In addition, a court ruling has concluded that TeliaSonera does not need to compensate the former management team of Sonera Corporation U.S.</p>



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24/04/07	Svenska Handelsbanken (Sweden) ISIN: SE0000152084, SE0000193120 , SE0000189417 , SE0000718876 , SE0000738882 , SE0000796575 , SE0000836033	AGM
Agenda Item	Contentious Issues	
22 Allocate SEK 100 Million to 'The Institute for Integration and Growth in Landskrona'	The item is a shareholder proposal. We currently have no further information on the issue nor does the company provide information about management's stance on the proposal	