



POLICY PLAN 2007

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1. Foreword

The effects of the newly acquired rights for shareholders became visible in 2006, when shareholders began using the new rights as everyone had hoped they would after the publication of the Dutch Corporate Governance Code. The balance of power between the management board, the supervisory board and the general meeting of shareholders gradually shifted. Shareholders had been given more influence and this change did not go unnoticed. Emotional and politically-charged debates on shareholders' activities occurred from time to time, but growing numbers of companies are fortunately coming to realize that a good relationship with shareholders is of increasing importance. The resulting knowledge of shareholders' thoughts and insights will be instrumental in preventing possible surprises in future and offers companies the opportunity of explaining their strategy effectively.

With a new cabinet taking office in 2007, Eumedion will make every effort to ensure that the clock is not turned back on shareholders' rights. Eumedion wants to contribute ideas to the "refinement" of the present legislation and regulations in the field of corporate governance. What Eumedion mainly envisages is intensification of the dialogue between listed company and shareholder and possibilities of increasing the number of votes cast at the shareholders' meeting in order to achieve a more balanced decision-making process. These ideas principally require facilitating legislation from national and European legislators, such as making it easier to exercise voting rights across borders. What is principally required from listed companies is more investment in the voting infrastructure, in addition to the maintenance of good contacts with the most important shareholders and greater efforts to manage the shareholder base as well as possible. Eumedion will urge the European Commission to take measures to advance the creation of a level playing field for takeovers inside the European Union and the publication of the study on the use of the "one share, one vote" principle in the European Union in the spring of 2007 may lay a basis for this process.

As in 2006, Eumedion will again play a facilitating role in 2007 with regard to attendance at the general meetings of shareholders of Dutch listed companies. One of the participants will attend a shareholders' meeting at which this participant can also speak and vote on behalf of other participants if required. Eumedion will be continuing to streamline this process in 2007 and to further encourage the participants to use this channel to cast their votes, so that they are also better able to vote in accordance with the principles and recommendations of Eumedion.

Furthermore, Eumedion will endeavour to be and to remain an opinion maker in the field of corporate governance with regard to policymakers and to the listed business community. One of the preconditions for success in this respect is the efforts of Eumedion participants in preparing policy by means of

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membership of policy committees. It is also of great importance to adopt stances that are widely supported by institutional investors and Eumedion will again continue its active recruitment of participants in 2007.

The successful launch of Eumedion in 2006 offers a good basis for further expansion of the organization in 2007, both in terms of activities and of registered participants. In addition, it provides a good basis for completion of the ambitious programme of work for 2007, with everything depending on the underpinning and quality of Eumedion's opinions and the level of support for these. The active efforts of participants remain crucial once more in 2007.

Schiphol, 4 December 2006.

Roderick Munsters
(Chairman)

Rients Abma
(Executive Director)

2. Corporate governance developments in 2006 and the points for attention in 2007

2006 was an eventful year where corporate governance was concerned. The most distinctive aspect was that shareholders started to make more use of their new controlling rights. Shareholders in ASMI, Stork and Euronext used their right to put subjects onto the agenda for the shareholders' meeting, while VNU shareholders used the right to approve important management decisions by mobilizing other shareholders to oppose an intended major takeover. There was robust discussion of the role of hedge funds and private equity firms in the corporate governance debate and about the question of whether the policy and strategy of a company is determined by the management board and supervisory board, or by the shareholders' meeting. Due in part to the influence of this debate, the Lower House of the Dutch Parliament marked time in 2006 on the further strengthening of the position of the shareholders, particularly during a public takeover bid, nor is the legislature expected to present initiatives in 2007 for further widening of the powers of shareholders. A number of European directives will have to be implemented, however, and attempts will be made at European level to make further progress on anti-takeover measures. Only when a truly level playing field has been created for takeovers in the European Union, will there no longer be any room for national anti-takeover measures. Expectations at a more micro level are that listed companies will want to strengthen their relationship with their shareholders by engaging in dialogue with them, outside the shareholders' meetings as well. In addition, it cannot be ruled out that companies will take initiatives to encourage long-term shareholdership in order to stabilize the shareholder base.

2.1 the Netherlands

2.1.1. Developments in 2006

The Tabaksblat Code proved to be well integrated into the Dutch listed business community and its shareholders in 2006. Almost all listed companies report on their corporate governance structure in their annual reports and on the degree of their compliance with the Tabaksblat Code. Shareholders, both Dutch and non-Dutch, regard the Tabaksblat Code as the corporate governance anchor for Dutch listed companies and hold the companies accountable for the level of compliance. Listed companies have become more transparent, certainly when compared with a few years ago. Compliance with the Tabaksblat Code is generally high, although the reasons given for non-compliance are still summary and the quality of the reasons generally deficient on those points where there is a failure to comply. Eumedion participants also brought this up for discussion several times at the shareholders' meetings in 2006. The transparency of the system of remuneration for executives remains a point for attention and at shareholders' meetings the Eumedion participants have repeatedly pressed for more clarity on executive remuneration. This has not yet had the desired effect, which is part of the reason why

Eumedion has designated executive remuneration as one of the spearheads for 2007 and has issued new recommendations on the structure of the remuneration policy¹.

The number of votes cast at shareholders' meetings increased only slightly in 2006, from 33 to 36 percent at the largest listed companies. There are apparently still barriers for shareholders, including the necessity of share blocking in order to make use of voting rights and information being provided too late to enable them to cast their votes at a Dutch shareholders' meeting. It is of great importance to increase the number of votes cast at the shareholders' meeting, in order to achieve a more balanced decision-making process.

A number of gains were made in the legislative field in 2006. The main objective of the legislation drafted in 2006 was to facilitate the exercise of their controlling rights by shareholders. The bill on the use of electronic means of communication in the decision-making process at legal persons, for example, was passed by the Upper House of the Dutch Parliament in the autumn of 2006. The new law enables shareholders to take part and to vote in the general meeting of shareholders by electronic means of communication. Furthermore, it was made possible to bring the record date forward from seven to thirty days before the date of the general meeting. The parliamentary debate on the modernization of the Disclosure of Major Holdings Act was also concluded in 2006. The Bill will ensure more transparency with regard to controlling interests in Dutch listed companies. The increased responsibilities of institutional investors as shareholders were underlined by the passing of a bill relating to the legal embedding of the "comply or explain" rule with regard to the provisions in the Tabaksblat Code concerning institutional investors. As from 1 January 2007, institutional investors have a statutory obligation to report on their policy on the exercise of controlling rights and on the implementation of this policy. Finally, it was possible to finalize the bills relating to the introduction of supervision (by the Netherlands Authority for the Financial Markets) of accountants' organizations and of the financial reporting by listed companies. These proposals were part of the Minister of Finance's action programme to restore investor confidence in the Dutch capital market, following a number of accounting scandals at the beginning of this century. The legislator did not prove able to implement the European Takeover Directive in time. The latest date for implementation was 20 May 2006 and was not met as a result of the social debate on shareholders' rights and anti-takeover measures. The lower house of the Dutch Parliament did not pass the Bill until 24 October 2006.

2.1.2. Points for attention in 2007

On the basis of its mission to maintain and further develop good corporate governance at listed companies, Eumedion is committed to further improvement of the Dutch corporate governance climate

¹ Can be downloaded at http://www.eumedion.nl/page/downloads/Aanbevelingen_bestuurdersbeloning_def_1_.pdf

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in 2007, further restoration of the balance of power at Dutch listed companies and adequate protection for minority shareholders. Eumedion is convinced that this will improve the risk-reward profile of the listed companies and the Netherlands will become an even more attractive country for institutional investors to invest in.

Points for attention in legislation and regulations

Parliamentary debate on the bill to implement the European Takeover Bids Directive will be completed in 2007 and the introduction of the mandatory tender offer is an important part of this directive. Eumedion regrets the delayed implementation of the Takeover Bids Directive and the negative consequences of the late implementation of the mandatory tender bid in particular were already visible in 2006. In addition, the proposed legislation was “watered down” by the lower house in 2006; the breakthrough rule on anti-takeover measures was scrapped, the issue of depositary receipts for shares was permitted to retain its protective nature, and there is no obligation to discuss existing anti-takeover measures in the shareholders’ meeting – all deeply regrettable amendments in Eumedion’s view. Eumedion has urged the upper house of the Dutch Parliament to finalize the proposed legislation with dispatch². The delay in the proposed legislation has also led to a delay in the required modernization of the rules for public offers. Eumedion responded in early 2006 to a draft for what is known as the Decree on Public Offers [Besluit openbare biedingen³] and will urge the speedy completion and entry into force of this Decree in 2007.

The European Transparency Directive must be implemented in Dutch legislation and regulations in 2007. On the grounds of the Transparency Directive, listed companies must bring forward publication of their annual reports and annual accounts and must provide more information in their half-yearly reports, while listed companies which publish no quarterly figures must prepare a management report on the most important events and financial position in the past quarter. In September 2006 Eumedion provided comments on a draft (not made officially public) of the Bill to implement the Transparency Directive. Eumedion will endeavour in 2007 to have the comments incorporated into the Bill or into the explanatory memorandum to the Bill.

The Bill for the implementation of the European directive on cross border mergers will be debated in 2007. The directive will make it easier for companies incorporated in different EU member states to merge. The proposed legislation also provides for the protection of minority shareholders who do not wish to become a shareholder in a foreign company as a result of the merger and they will be able to offer their shares in exchange for compensation. Eumedion can support this proposal, but believes that

² Can be downloaded at www.eumedion.nl

³ Can be downloaded at http://www.eumedion.nl/page/downloads/160206_Brief_inz_Besluit_openbare_biedingen.pdf

a right of this kind should also apply in the case of a merger inside national borders. Eumedion will make its comments known to the lower house of the Dutch Parliament in 2007.

In 2007 the Netherlands Minister of Justice will also have to initiate implementation of the European directive on amendments to European accounting rules. The obligation of all European listed companies to include a corporate governance statement in their annual accounts is embedded in this directive, which also includes transparency obligations with regard to transactions with related parties and instruments that do not currently find expression in the annual accounts (off-balance arrangements). Eumedion will submit its comments on the bill for implementation of the directive.

The Minister of Justice intends to submit a bill to the lower house of the Dutch parliament in 2007 to facilitate the introduction of a one-tier structure at listed companies. A number of Dutch listed companies have already decided to introduce the one-tier structure and it is anticipated that further internationalization of the shareholder base and the possibility of forming a European Company will lead more companies to adopt the one-tier structure. Eumedion is not opposed to the use of a one-tier structure by more Dutch listed companies, but Eumedion does believe that the bill must furnish clarity on the position of executive and non-executive members of the board of management in a one-tier structure and the implications that the division of tasks between them will have for the liability of board members.

It cannot be ruled out that a new cabinet will put forward new proposals on corporate governance in 2007, in addition to the proposals referred to above. The present Minister of Economic Affairs already made a number of suggestions in September 2006 for amendments to Book 2 of the Netherlands Civil Code and the Disclosure of Major Holdings Act. Should these suggestions lead to concrete cabinet proposals, Eumedion will naturally respond to these.

Just as it did in 2006, Eumedion will send its findings on the annual reports and AGM season to the Dutch Monitoring Committee Corporate Governance Code in 2007, so that the Committee can take these findings into consideration in formulating its conclusions at the end of 2007. It goes without saying that Eumedion will also respond to any consultation rounds organized by the Monitoring Committee.

Points for attention shareholders' meetings 2007

Eumedion has identified a number of spearheads for the listed companies with regard to the general meetings of shareholders in 2007. The listed companies are expected to take these into account when organizing the coming shareholders' meetings and when preparing their annual reports. In the event of

inadequate compliance, the Eumedion participants will put these points forward for discussion during the shareholders' meetings.

These spearheads can be briefly summarized as follows:

- 1) Improvement of the process surrounding and the procedure at the general meeting of shareholders, such as earlier provision of information on subjects to be dealt with at the general meeting, facilitation of voting in absentia and transparency on the outcome of votes taken. The objective of the spearhead is to achieve an increase in the number of votes cast at the general meeting of shareholders, since higher attendance leads to more balanced decision-making. Eumedion also makes a number of suggestions to improve how business is conducted at the general meetings themselves and to place a number of concrete subjects on the agenda. The first subject concerns the facilitation of electronic voting and participation in the general meeting, and the second relates to a discussion of the merits of the company's existing anti-takeover measures.
- 2) Improvement of the transparency and structure of executive remuneration. Eumedion has drawn up recommendations on executive remuneration to this end, with the objective of aligning executive remuneration more closely with the long-term goals of the company and – by extension – to make the long-term bonus a more important component of the remuneration than the short-term bonus, under normal circumstances. In addition, the recommendations are intended to improve the transparency of executive remuneration, which can contribute to the quality of the accountability of management boards and supervisory boards in this respect to the general meeting of shareholders.

The "spearheads letter" was sent at the end of October 2006 to the companies listed on the AEX, AMX, and AScX indexes. The letter is also available on the Eumedion website (www.eumedion.nl).

2.2 International

2.2.1. Developments

Supported by relatively low interest rates, 2006 was marked by increasing merger and takeover activities. The value of all these transactions amounted to more than \$ 3100 billion, which is a new record. The share of private equity parties in this wave of acquisitions was between 20 and 25 percent, much higher than in previous years, when the share of these financial parties was between 10 and 15 percent. A consolidation drive developed in the steel sector in particular and more and more cross-border merges are taking place in the financial sector as well. Neo-protectionism sometimes raises its head, however, especially when the bidder comes from another country far away, and this was noticeable in many parts of the world. Many companies in the Far East in particular are including anti-takeover measures in their articles of association. Politicians in both Europe and the United States openly interfered with takeovers on several occasions, certainly when the bidders were from a different

continent. On other occasions, politicians were the driving force behind the formation of national champions. Possible takeovers of stock exchanges attracted their attention in the financial sector. The New York Stock Exchange and Euronext have announced their intention to merge, which may have long-term implications for companies listed on the combined market as well as for the investors who use the stock exchanges to invest.

There were a number of significant international developments relating to policy. In January 2006 the European Commission presented a proposal for a directive on the exercise of voting rights by shareholders. The proposed directive contains a number of important provisions that make it easier for shareholders to exercise controlling rights across national borders. Throughout the European Union, for instance, share blocking may no longer be set as a condition for taking part in the general meeting of shareholders. Listed companies must introduce a record date system instead, to establish who is entitled to attend the meeting and to vote. Furthermore, the agenda and other documents for the meeting must be published no later than six days prior to the record date, and shareholders who represent a certain capital interest will be given an EU-wide right to add subjects to the agenda of the general meeting of shareholders. Negotiations on the text of the directive continued throughout the year between the European Commission, the European Council and the European Parliament and it appears that the text of the directive will be adopted at the end of 2006. What is missing in the text, however, is a solution to the problem of establishing who is entitled to cast a vote when the shares are held via a chain of intermediaries (the problem of the ultimate investor). Eumedion's position during the negotiations was that the proposed directive should include the stipulation that a securities intermediary has an obligation to provide his client with the opportunity to vote directly (in absentia) or that the client can give his securities intermediary binding voting instructions for the shares that this intermediary holds on behalf of the client.

In the United States discussion still continues on the Sarbanes-Oxley Act, i.e. the American answer to the accounting scandals at the start of this century. American corporations and the American Minister of Finance too believe some elements to be too stifling for successful entrepreneurship and too expensive for the business community. Chiefly under attack is the requirement that the financial statements must include a management statement on the effectiveness of the internal system of risk management and controls, which is attested to by the external auditor. It is not inconceivable that Congress in its new composition will debate a proposal for easing the legislation in 2007.

2.2.2. Points for attention 2007

Expectations are that the European proposal for a directive on shareholders' rights will be adopted in 2007. This proposed directive contains a number of proposals intended to achieve greater

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harmonization in the exercise of shareholders' rights throughout the European Union. The negotiations on the proposed directive received Eumedion's constructive support in 2006 and will continue to do so in 2007. Eumedion continues to believe that more measures must be taken to facilitate cross-border voting.

In the spring of 2007 the results of the study on the "one share, one vote" principle commissioned by the European Commission will be submitted. Institutional Shareholder Services, the European Corporate Governance Institute and Shearman & Sterling are presently investigating the use of anti-takeover measures by European listed companies and it is possible that, on the grounds of this study, the European Commission will present a recommendation in the autumn of 2007 relating to the use of the proportionality principle of one share one vote. Eumedion is in favour of a recommendation at least, as was also stated in Eumedion's comments on the European consultation document on the second phase of the implementation of the European Corporate Governance Action Plan⁴. The principle of one share, one vote, should certainly apply in non-takeover situations; in other words, no legal anti-takeover measures should be in place in situations of this kind. In Eumedion's opinion, it should be possible in the event of hostile takeovers to depart from this principle temporarily, by means of temporary anti-takeover measures.

The European Commission also intends to evaluate its 2004 recommendations on executive remuneration and the independence of supervisory directors, and an assessment will be made of whether these recommendations have been adequately incorporated into national corporate governance codes. It is Eumedion's opinion that these recommendations have been adequately incorporated into the Tabaksblat Code in the Dutch context at least, which is the reason why Eumedion is not in favour of possible European legislation in these respects.

Finally, the European Commission has announced a consultation document on possible proposals to restrict auditors' liability. Eumedion is not presently convinced of the usefulness of a restriction of this kind, but Eumedion will respond to the consultation document in any event.

Eumedion will closely monitor the agenda of the European expert advisory group for corporate governance and will press the European Commission to provide clarification on the definitions of "acting in concert" in the European Transparency Directive and in the European Takeover Directive, within the context of the simplification and streamlining of existing European legislation.

⁴ Can be downloaded at http://www.eumedion.nl/page/downloads/Reaction_Cons_Doc_Phase_2_EU_CG_Action_Plan_def.pdf

3. Research and development of best practices

Eumedion intends either to carry out or to complete a number of studies in 2007.

3.1 Research into bottlenecks for institutional investors in exercise of voting rights

In 2006 Eumedion commissioned the Erasmus University in Rotterdam to carry out research into the existing bottlenecks for institutional investors in exercising their voting rights. The results of this study will be clarified in a seminar organized by Eumedion early in 2007 and Eumedion will also assess in the spring of 2007 whether further policy action and other follow-ups are required. Possible further study in this connection might consider interference with the exercise of voting rights as a consequence of share lending.

3.2 Research into authorization to issue shares

Eumedion commissioned the Van der Heijden Institute of the Radboud University in Nijmegen to study existing best practices and codes of conduct in other countries relating to the designation of the management board as the body authorized to issue shares. This research is presently being carried out, the concrete focus being on the length of the authorization period, the maximum number of new ordinary shares, financing preference shares and protective preference shares to be issued, and the exclusion or restriction of pre-emptive rights. The study is intended to produce handles that will enable institutional investors to assess the authorization to issue shares point on the agenda during the general meeting of shareholders. The research will be completed before the start of the 2007 AGM season.

3.3. Research into the issue of various types of shares with varying voting rights and dividend rights

On 27 September 2006 DSM announced that they were considering the introduction of a new dividend initiative, the so-called *loyalty dividend*. Shares held for longer than three years by the same shareholder qualify for a loyalty dividend bonus of 30 percent of the average dividend in the previous three-year period and of 10 percent per year in the period thereafter. Shareholders who wish to qualify for the scheme must register with DSM however. Partly in response to this announcement, Eumedion is researching the advantages and disadvantages of issuing different types of share with varying dividend rights and voting rights. A number of people have been asked to write papers on this subject, focusing on various angles of approach, viz. from the point of view of institutional investors, the point of view of the business community, the legal point of view, and from the point of view of the operation of the capital market. The papers will be discussed during a seminar on 14 February 2007.

4. Events

As in previous years, Eumedion will in 2007 once more organize a symposium in the autumn on a corporate governance subject of current interest. The Research Committee will propose a theme in the course of 2007, partly depending on developments during the coming AGM season.

In addition, Eumedion will organize a number of seminars at which the results of the studies commissioned by Eumedion will be presented (see paragraph 3). Seminars will definitely take place on the bottlenecks experienced by institutional investors in exercising voting rights and on the handles for assessing the point on the agenda dealing with the authorization to issue shares. If there is a corresponding demand, a new meeting on the development of a voting policy and reporting on this can be organized as a follow-up to the meeting in November 2006. Eumedion can imagine that the statutory obligation for institutional investors to report on voting policy as from 1 January 2007 means that the smaller institutional investors in particular require more information on establishing a voting policy.

In addition, ad hoc meetings can be organized on subjects of current interest, to which a speaker is invited for example, to set out his point of view on relevant developments.

5. Services

EUMEDION offers its participants services related to corporate governance, to provide them with information on current developments in corporate governance and to assist them in formulating and implementing a voting policy of their own. The following services are offered.

5.1 Provision of information

- Newsletter

Just as in 2006 Eumedion will also prepare a monthly newsletter in 2007, containing the latest developments in corporate governance in the Netherlands and the European Union. The newsletter examines significant issues at listed companies, Eumedion's stated positions, national and European legislation initiatives, and developments relating to the Tabaksblad Code. As from January 2007, the newsletter will also appear in English.

- Alert service

Participants are informed immediately of corporate governance developments in the Netherlands that are of major importance to institutional investors. Such developments may be related to events at individual listed companies (with the emphasis on the Dutch AEX and Midcap shares), or might refer to legislation and regulations. The alerts may lead to further action on the part of Eumedion, ranging from

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the facilitation of contacts between institutional investors about the events in question, to the drafting of letters to policymakers.

- Informative meeting on the status of corporate governance

Eumedion will organize an afternoon meeting for its participants in the spring of 2007, at which the status of the various corporate governance files will be outlined and when the policy issues that are (will be) of interest will be explained.

- Corporate Governance Manual

The Corporate Governance Manual that was published by the SCGOP in 2004 will be revised in 2007, in response to the expansion of the organization, the new house style, the coming into force of new legislation and regulations, and the publication of the Eumedion recommendations on executive remuneration and the authorization to issue shares. In addition, the manual will include the Eumedion guidelines for the interpretation of the provisions of the Tabaksblat Code that refer to institutional investors. The manual provides institutional investors with a tool for formulating their own voting policy and reporting on this, as well as with handles for assessing the concrete points on the agenda for the general meeting of shareholders. Participants and other interested parties are sent the manual free of charge.

- Brochure

In 2007, shortly after the Act implementing the Takeover Bids Directive comes into force, Eumedion will publish a brochure setting out the implications this new law and the secondary legislation will have for institutional investors. Other brochures will be published when other proposed legislation that is important for institutional investors comes into force.

- Overview of providers of voting information

Eumedion annually provides its participants with information on the various providers of voting information and, if required, negotiates a bulk discount on this information when possible.

- Website

The new website launched in 2006 is working well and is also attracting many visitors, also from outside the Netherlands. Since the number of non-Dutch participants in Eumedion is growing, the English section of the website will be given a clearer layout and expanded in 2007.

5.2 Participants' Meetings

Eumedion will hold at least two Participants' Meetings in 2007. The meetings will start with a "routine business" part, following which a guest speaker will shed light on a corporate governance theme of current interest.

- Spring meeting on 13 June 2007

At this meeting, the General Board of Eumedion must account for their management in the past year. The annual report is discussed and a proposal is put to the Participants' Meeting to approve the annual accounts. The Board will also ask the Meeting to grant them discharge from all liability. The 2007 AGM season will be evaluated during this meeting as well, and the most important and most notable matters put forward for discussion at the various shareholders' meetings will be reviewed. The extent to which difficulties occurred in casting votes will also be considered and the information supplied by Eumedion itself with regard to implementation of the voting policy. The services provided by Eumedion will also be evaluated and the evaluation will produce input for the letter to the Monitoring Committee, which will contain the most important findings.

- Autumn meeting on 28 November 2007

The 2008 policy plan will be discussed and adopted at this meeting, as will the budget for 2008. The membership of the General Board will also be discussed and the General Board and the participants will discuss (non-incident-driven) spearheads and the strategy to be pursued at the shareholders' meetings.

6. Committees

Eumedion policy is prepared in five committees, whose members are representatives of the individual participants.

6.1 Legal Committee

In 2007 the Legal Committee will address the policy issues set out in section 2. The Legal Committee takes the lead in preparing commentaries on consultation documents and on bills relating to the subjects referred to in section 2. Furthermore, the Legal Committee cherishes the ambition to draw up pro-active discussion memos about topical corporate governance issues for the benefit of the subsequent establishment of Eumedion's position on these matters.

6.2. Audit Committee

The Audit Committee addresses policy aspects with regard to financial reports, risk control and management, and the role and independence of the external auditor. The following subjects are on the

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agenda of the Audit Committee in 2007: the implementation of the European Transparency Directive; the question of auditors' liability; developments concerning the "in control statement"; the discussion of disclosure of the main points of the management letter; monitoring the first year of public supervision of accountants' organizations and the financial reporting of listed companies; and the convergence of IFRS and US GAAP. Furthermore, Eumedion (Michel Hameleers) will be a member of the Dutch Accounting Standards Board (DASB) with effect from 2007. Subjects on the agenda of the DASB are discussed in the audit committee and feedback will be provided on the decision-making process.

6.3. Research Committee

The Research Committee will supervise the research fields referred to in section 3 and will address the theme for the 2007 Eumedion Symposium.

6.4. Investment Committee

Throughout the year, the Investment Committee discusses current and material corporate governance issues of importance at individual listed companies. It also informs the Executive Board of Eumedion of flagrant breaches of the accepted corporate governance standards by individual listed companies and advises the Executive Board on taking concrete steps with respect to the listed companies in question or the policymakers. The question of which participant attends which general meeting of shareholders is also discussed in the Investment Committee. This participant is responsible for preparing an analysis of the points on the agenda for the relevant shareholders' meeting and the prompt delivery of this analysis to the Eumedion secretariat. The objective is to send the analysis to the Eumedion participants and to place it on the closed section of the Eumedion website at least ten days in advance of the shareholders' meeting. The Investment Committee is also responsible for drafting the letter to the Monitoring Committee on the evaluation of the 2007 AGM season and for preparing the spearheads letter for the 2008 season. In ad hoc situations, the advice of the Investment Committee will also be sought regarding the comments to be prepared by the Legal Committee relevant to proposed legislation or a consultation document.

6.5. Public Relations Committee

The PR Committee meets shortly after the close of every meeting of the General and Executive Boards to advise on whether the positions taken by the Board are suitable themes for generating media attention. The PR Committee endeavours to ensure Eumedion is regularly in the news with opinions and research results. In addition, the PR Committee is actively involved in setting up and updating the Eumedion website and in the revision of the Eumedion Corporate Governance Manual 2007.

7. Internal organization

7.1. Recruitment of new participants and maintaining contacts

Eumedion is seeking to further expand its participant basis in 2007. Specifically, a number of non-pension funds will be approached to become participants. The Executive Director of Eumedion will also hold periodic discussions with participants on how Eumedion is functioning and the quality of the service and representation, which will make it possible to gain better insight into what participants want from Eumedion and also how they value Eumedion's activities. In addition, the Executive Director will also consult regularly with the policy-makers in the Hague and Brussels, with the supervisory authority, the Monitoring Committee and a number of social organizations like DUFAS, the Netherlands Association of Insurers, the Dutch Investors' Association [Vereniging van Effectenbezitters (VEB)], the Confederation of Netherlands Industry and Employers [VNO-NCW], the Association of Securities-Issuing Companies [Vereniging Effecten Uitgevende Ondernemingen (VEUO)], the Dutch Centre of Executive and Non-executive Directors, [Nederlands Centrum van Directeuren en Commissarissen (NCD)], and the Royal Netherlands Institute of Registered Accountants [Koninklijk Nederlands Instituut van Registeraccountants (NIVRA)]. There will also be regular contact with sister organizations outside the Netherlands, such as NAPF, ABI, EFRP, AEIP, ICGN and GIGN.

7.2. Secretariat

A policy adviser was appointed at the end of 2006. No further expansion of the secretariat is planned for 2007. Eumedion will continue to be housed in the offices of the Dutch Pension Fund for the Public and Educational Sectors [Stichting ABP] at Schiphol.

7.3. Possible alliances with corporate governance service providers

In 2007 the Eumedion board will discuss the advantages and disadvantages of and the models for possible alliances between Eumedion and corporate governance service providers. Possible decisions in this respect will be discussed with the participants.

8. Contact details

You will find more information about Eumedion on the Eumedion website: www.eumedion.nl.

You can also contact the Eumedion secretariat:

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Please contact Mr Rients Abma, the Executive Director of Eumedion, if you have any questions with regard to this policy plan. He can be reached at the above address and telephone number.