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To Our Clients:

Two-tier Voting Structures

Last week Great Universal Stores, one of Great Britain's leading and most successful companies, announced that it is eliminating its two-tier voting structure under which 2½% of the equity controlled the company. The move was met with wide acclaim and a significant increase in the market price of the nonvoting shares. There has been similar reaction to such changes by Swiss and other European companies. It may be expected that activist institutions in the United States will cite these examples in their corporate governance campaigns.

M. Lipton