



Capital Analytics

*Bringing Transparency to
the Depository Bank
Review & Selection Process*

Background

Capital Analytics is a boutique advisory firm

- *Specialising in the evaluation and selection of Depositary (DR) Banks*
- *Founded in 2004*
- *Based in London; offices in San Diego, California and Dubai*
- *The only DR-specific advisory firm in the industry*
- *Completely independent of the DR Banks and their agents; no conflicts of interest*

Mission Statement

“To ensure our clients obtain best-market practice financial terms and contractual conditions from their DR Bank”

Capital Analytics' Footprint



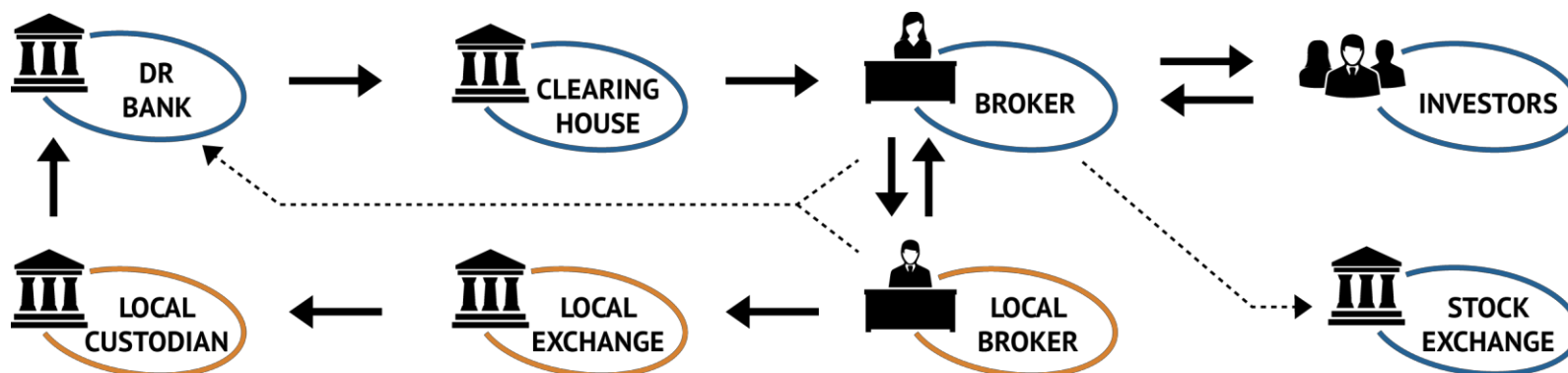
- **Global client base:** UK, Western Europe, Russia, Middle East, Latin America and Africa
- **Sectors:** Oil & Gas, Food & Beverage, Banking, Mining & Metals, Telecommunications, Pharmaceutical, Chemicals, Insurance, Forestry & Paper, Media, Transportation, Utilities
- **Repeat Clients:** Many companies appoint us every five years to manage their DR Bank tender (e.g.: AstraZeneca, Barclays, BP, GlaxoSmithKline, Rio Tinto, Sanofi, and Shell)

Definition & Mechanics

Depository Receipts (DRs)

- Represent an underlying share trading in the home market
- Attract foreign investors, raise new equity, provide acquisition currency or used for employee compensation structures
- Circumvent the complexities involved in buying shares of a foreign company
- Trade on the NYSE, NASDAQ or “OTC” in the U.S. (ADRs); on the LSE, Luxemburg, Hong Kong exchanges & others (GDRs, HDRs, etc.)

DR Trading Mechanics



Your DR Programme

DR programmes are a unique combination of variables

- *Programme history*
- *DRs outstanding*
- *Agreement duration*
- *Regulatory environment*
- *Yearly reimbursements*
- *Corporate actions*
- *Fees assessed*
- *Banking relationship(s)*

Is your current DR agreement...

Flexible

**FAIR AND
EQUITABLE**

“Best-practice”

Comprehensive

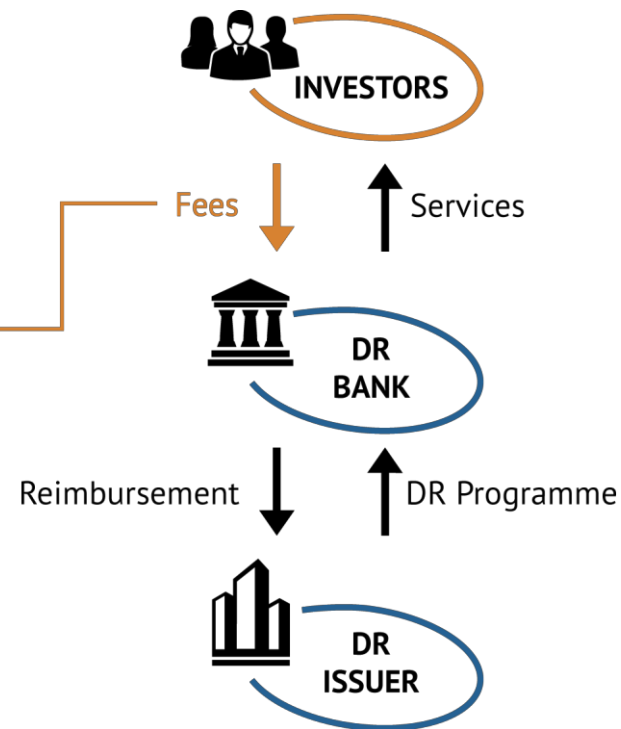
**Operationally
Sound**

BALANCED



DR Programme Revenue Drivers

- *Issuance and Cancellations*
- *F/X and float on the dividend*
- *Dividend Fees*
- *Depositary Servicing Fees (DSF)*
- *Corporate Action Processing Fees*
- *Pre-release*
- *Cross-book trading*



Additional Considerations

Forward-looking Provisions

- *The DR agreement should include provisions that address potential future increases in DRs outstanding*

Other Areas of Focus



- *Termination Language*
- *“What if” scenarios*
- *Pre-release limits & controls*
- *Operations/Invoicing*
- *Roll-over terms*



- *Shareholder servicing*
- *Transfer Agent*
- *Dividend payment turnaround*



- *E-communications*
- *Direct Registration System (DRS)*
- *Notice provision*

Contact Us



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