

EXAMPLE 1

Company A: owns 40% in Company B

Company B: owns 70% in a Licensee

$$40\% \times 70\% = 28\%$$

Company A would be deemed to hold a 28% ownership interest in the Licensee

EXAMPLE 2

Company A: owns 40% in Company B

Company B: owns 40% in Company C

$$40\% \times 40\% = 16\%$$

Company A would be deemed to Hold a 16% ownership interest in Company C.

$$16\% \times 70\% = 11.2\%$$

Company A would be deemed to hold a 11.2% ownership interest in Licensee.