

22 January 2016

PROPOSAL FOR A REVISION OF THE SHAREHOLDER RIGHTS DIRECTIVE (COM(2014)0213 – C7 0147/2014 – 2014/0121(COD))

EuropeanIssuers' position in view of the trilogue negotiations

In preparation for the trilogue discussions, EuropeanIssuers, representing the interests of European quoted companies, would like to share with policy makers its concerns. In order to help the debate we comment on the currently discussed amendments.

Explanations:

- Differences between the EP position and the Commission's proposal are indicated in ***bold/italics*** in the first and third column. Differences between the Council's General approach and the Commission's proposal are indicated in **bold/underlined** and strike-through in the second column.
- In most cases, EuropeanIssuers proposals are fully based on Commission, Council or Parliament wording or a combination thereof. When EuropeanIssuers wording proposals are different from the wording of the three institutions, differences are indicated in ***bold/italics/underlined***.
- For an easier read, **wording supported by EuropeanIssuers in each institution's text is highlighted in green** and **wording opposed by EuropeanIssuers is highlighted in red**.
- Justifications and explanations are provided on the far right side.

Commission proposal	Council mandate (25/03/15)	EP Position	EuropeanIssuers' proposals	Justification
0. DEFINITIONS				
Directive 2007/36/EC is amended as follows:	Directive 2007/36/EC is amended as follows:	Directive 2007/36/EC is amended as follows:		

<p>(2) In Article 2 the following points (d) -(j) are added:</p> <p>(h) ‘shareholder engagement’ means the monitoring by a shareholder alone or together with other shareholders, of companies on matters such as strategy, performance, risk, capital structure and corporate governance, having a dialogue with companies on these matters and voting at the general meeting.</p> <p>(l) ‘Director’ means any member of the administrative, management or supervisory bodies of a company;</p>	<p>(2) In Article 2 the following points (d) -(jl) are added:</p> <p>(h) ‘shareholder engagement’ means the monitoring by a shareholder alone or together with other shareholders, of companies on matters such as strategy, financial and non-financial performance, risk, capital structure and corporate governance, having a dialogue with companies on these matters and voting at the general meeting, exercising voting rights and other rights attached to shares;</p> <p>(l) ‘Director’ means any member of the administrative, management or supervisory bodies of a company;</p>	<p>(2) In Article 2, the following points (d) to (jc) are added:</p> <p>(h) ‘shareholder engagement’ means the monitoring by a shareholder alone or together with other shareholders, of companies on relevant matters including strategy, financial and non-financial performance, risk, capital structure, human resources, social and environmental impact and corporate governance, having a dialogue with companies and their stakeholders on these matters and exercising voting rights and other rights attached to shares;</p> <p>(l) ‘Director’ means</p> <p>– any member of the administrative, management or supervisory bodies of a company;</p> <p>– chief executive officer and deputy chief executive officers, where they are not members of administrative, management or supervisory bodies;</p>	<p>(h) ‘shareholder engagement’ means the monitoring by a shareholder alone or together with other shareholders, of companies on matters such as strategy, financial and non-financial performance, risk, capital structure and corporate governance, having a dialogue with companies on these matters and exercising voting rights and other rights attached to shares;</p> <p>(l) ‘Director’ means</p> <p>– any member of the administrative, managerial or supervisory bodies of a company;</p> <p>– chief executive officer and deputy chief executive officers, where they are not members of administrative, management or supervisory bodies</p>	<p><u>Justification</u></p> <p>Both at the EU and national level, there is already legislation dealing with corporate social responsibility, sustainability and the involvement of stakeholders, as well as the recognition that Europe needs to focus on growth. There is therefore no need to complement this directive on shareholders’ rights with provisions concerning other stakeholders, including employees, as these might discourage companies from accessing capital markets.</p> <p><u>Justification</u></p> <p>The Parliament's and Council's definition of directors improve the original wording as they are more or less in line with the definition included in the EU recommendation as regards the role of non-executive or supervisory directors of listed companies (15 February 2005).</p>
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				But in order to avoid different interpretation, the definition should be strictly aligned: “Director means any member of any administrative, managerial or supervisory body of a company”. However, the provision extending the definition of director to other individuals that cover similar position is unclear and should be deleted.
	<p><u>(k) ‘Director’ means:</u></p> <p><u>(i) a member of the administrative, management or supervisory bodies of a company;</u></p>			
	<p><u>(ii) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive officer and, if such function exists in a company, the deputy chief executive officer;</u></p> <p><u>Member States may also include in the definition of director other persons who perform functions similar to those of the members of the administrative, management or supervisory bodies of a company;</u></p>		(deleted)	

	(l) 'information regarding shareholder identity' means any information allowing to establish the identity of a shareholder including at least the following information:	(jc)'information regarding shareholder identity' means any information allowing to establish the identity of a shareholder including at least:	(jc)'information regarding shareholder identity' means any information allowing to establish the identity of a shareholder including at least:	
	<p><u>(i) name and contact details of the shareholders;</u></p> <p><u>(ii) the number of shares and where available the number of voting rights they hold;</u></p>	<p>– the names of shareholders and their contact details (including full address, telephone number and e-mail address), and, where they are legal persons, their unique identifier or, in case the latter is not available, other identification data;</p> <p>– the number of shares owned and voting rights associated with those shares."</p>	<p>– the names of shareholders and their contact details (including full telephone number and e-mail address), and, where they are legal persons, their unique identifier or, in case the latter is not available, other identification data;</p> <p>– the number of shares owned and voting rights associated with those shares."</p>	<p><u>Justification</u> Companies, in order to be able to comply with the spirit and discussed requirements of the revised directive need to know who their shareholders are to be able to engage with them. In order to achieve the goal of a connected digital single market, electronic means of communication should be promoted. Therefore, email addresses should be the default method of communication.</p> <p><u>Justification</u> Companies need the information on the number of shares owned and voting rights held by respective shareholders for the purpose of the facilitation of the exercise of shareholder rights.</p>
	<u>(iii) for legal persons, the registration number or where available their unique identifier, such as Legal Entity Identifier".</u>			

(2a) In Article 2, the following paragraph is added:

"Member States may include in the definition of Director referred to in point (l) of the first paragraph, for the purposes of this Directive, other individuals that cover similar positions."

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1. SHAREHOLDER IDENTIFICATION

<p>Article 3a</p> <p>Identification of shareholders</p> <p>1. Member States shall ensure that intermediaries offer to companies the possibility to have their shareholders identified.</p>	<p>Article 3a</p> <p>Identification of shareholders</p> <p>1. Member States shall ensure that intermediaries offer to companies the possibility to have the right to identify their shareholders identified.</p>	<p>Article 3a</p> <p>Identification of shareholders</p> <p>1. Member States shall ensure that companies have the right to identify their shareholders, taking account of existing national systems.</p>	<p>Article 3a</p> <p>Identification of shareholders</p> <p>1. Member States shall ensure that companies have the right to identify their shareholders.</p>	<p><u>Justification</u></p> <p>It is important to ensure that intermediaries cannot shield themselves with national privacy laws or existing national systems to avoid provision of shareholder information data to companies.</p>
	<p>Member States may provide that companies having registered office on their territory can only request identification with respect to shareholders holding more than 0.5% of shares or voting rights.</p>		<p>(deleted)</p>	<p><u>Justification</u></p> <p>The threshold would preserve the opacity of shareholdings, would not achieve shareholder identification and companies would be prevented from dialogue and engagement with their shareholders.</p> <p>a) An operational impediment to thresholds would occur in</p>

				<p>some markets, given the existence of omnibus or nominee accounts.</p> <p>In those situations, even if you go up the chain, there is no possibility for an issuer to see whether the holding of the nominee corresponds to several shareholders with small amounts, or to one shareholder that acquired a larger amount of shares (e.g. if ABC Nominees holds x%, the issuer would not know whether behind the nominee there is one shareholder or many shareholders). Moreover, if an end investor holds the shares of a company via several accounts in different financial institutions, the aggregate position will not be visible (unless the issuer performs the shareholder identification exercise down to the level of the end beneficial owner).</p> <p>b) If the goal is to allow companies and shareholders to communicate better, then the opportunity for communication should be open to all shareholders equally.</p> <p>Some of the biggest European</p>
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				<p>listed companies have hundreds of thousands or even millions of widely dispersed shareholders, of which a very small number hold positions of more than 0,1%, and an even smaller number over 0,5%. For example, one of the large German blue-chip companies in the DAX30 currently has nearly 200 000 shareholders in its register. If you set a threshold at 0,1% only between 30-50 shareholders would be identified, if at 0,5% <u>not even 10 shareholders would be identified.</u></p>
<p>2. Member States shall ensure that, on the request of the company, the intermediary communicates without undue delay to the company <i>the name and contact details of the shareholders and, where the shareholders are legal persons, their unique identifier where available.</i> Where there is more than one intermediary in a holding chain, the request of the company and the identity and contact details of the shareholders shall be transmitted between intermediaries without undue</p>	<p>2. Member States shall ensure that, on the request of the company, the intermediary communicates <i>or of a third party designated by the company, the intermediaries communicate</i> without undue delay to the company the name and contact details of the shareholders and, where the shareholders are legal persons, their unique identifier where available. Where there is more than one intermediary in a holding chain, the request of the company and the <i>information regarding</i></p>	<p>2. Member States shall ensure that, on the request of the company, the intermediary communicates without undue delay to the company <i>the information regarding shareholder identity.</i></p>	<p>2. Member States shall ensure that, on the request of the company or of a third party designated by the company, the intermediaries communicate without delay to the company the information regarding shareholder identity.</p>	

delay.	shareholder identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.			
	<p><u>Where there is more than one intermediary in a holding chain, Member States shall ensure that the company is able to obtain information regarding shareholder identity from any intermediary in the chain at least through one of the following ways:</u></p> <p><u>(a) the request of the company, or of a third party designated by the company, is transmitted between intermediaries without delay. The information regarding shareholder identity is transmitted to the company or to a third party designated by the company without delay by the intermediary who holds the requested information.</u></p> <p><u>Member States may also provide that the central</u></p>	<p><u>Where there is more than one intermediary in a holding chain, the request of the company shall be transmitted between intermediaries without undue delay. The intermediary having the information regarding shareholder identity shall transmit it directly to the company.</u></p> <p><u>Member States may provide that central security depositories</u></p>	<p>Where there is more than one intermediary in a holding chain, the request of the company shall be transmitted between intermediaries without undue delay. The intermediary having the information regarding shareholder identity shall transmit it directly to the company.</p> <p>Member States may provide that central security</p>	<p><u>Justification</u></p> <p>The best model is to create a legislative system whereby shareholder identification can be provided under different models from different service providers, not only a model where it goes down and up the intermediary chain. Obtaining information via the chain of intermediaries, given the complexities of cross-border chains, can take up to 8 weeks, which in the event of takeovers or other unforeseen events in capital markets, may mean that the information risks being inaccurate or out of date by the time it is obtained. It is therefore essential to allow issuers the maximum choice of method, instead of creating monopolies. Allowing choice and competition in the market would also ensure fair prices through market forces.</p> <p><u>Justification</u></p> <p>No monopoly for collection of</p>

	securities depository or other service provider is in charge of collecting the information regarding shareholder identity, including from the intermediaries in the holding chain;	<i>(CSDs) are the intermediaries to be responsible for collecting the information regarding shareholder identity and for providing it directly to the company.</i>	depositories (CSDs) are amongst the intermediaries to be responsible for collecting the information regarding shareholder identity and for providing it directly to the company.	shareholder identification data desirable We acknowledge that in some countries they provide shareholder identification services to companies (e.g. Scandinavian countries). However, we want to make sure that no monopoly for the collection of shareholder identification data is created, and that various service providers can freely compete among themselves. Companies should thus have the right to choose their service provider to conduct investigations into shareholder identification, including competitors for issuer services such as independent registrars or custodian banks. See our position for more detailed explanations ¹
	(b) at the request of the company, or of a third party designated by the company, the intermediary communicates to the company without delay the details of the next intermediary in the holding chain.		(deleted)	<u>Justification</u> The best model is to create a legislative system whereby shareholder identification can be provided under different models from different service providers, not only a model where it goes down and up the

¹ http://www.europeanissuers.eu/_mdb/position/281_20141104_EI_position_SH_ID__communication_final_v3.pdf
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				intermediary chain. For more see above
<p>3. Shareholders shall be duly informed by their intermediary that <i>their name and contact details</i> may be <i>transmitted for the purpose of identification</i> in accordance with this article. This information may only be used for the purpose of facilitation of the exercise of the rights of the shareholder. The company and the intermediary shall ensure that natural persons are able to rectify or erase any incomplete or inaccurate data and shall not conserve the information relating to the shareholder for longer than 24 months after receiving it.</p>	<p>3. Shareholders shall be duly informed by their intermediary that their name and contact details may be transmitted for the purpose of identification in accordance with this article. This information may only be used for the purpose of facilitation of the exercise of the rights of the shareholder. The company and the intermediary shall ensure that natural persons are able to rectify or erase any incomplete or inaccurate data and shall not conserve the information relating to the shareholder for longer than 24 months after receiving it. <u>Without prejudice to paragraph 3a of this Article and to any longer storage period laid down by EU sectorial legislation, Member States shall ensure that the companies and the intermediaries do not store the information regarding shareholder identity transmitted to them in accordance with this Article for longer than necessary and, in any event, for longer than two</u></p>	<p>3. Shareholders shall be duly informed by their intermediary that <i>information regarding their identity</i> may be <i>processed</i> in accordance with this article <i>and, where applicable, that the information has actually been forwarded to the company.</i> This information may only be used for the purpose of facilitation of the exercise of the rights of the shareholder, <i>of engagement and dialogue between the company and the shareholder on company-related matters. Companies shall in any case be allowed to give third parties an overview of the shareholding structure of the company by disclosing the different shareholder categories.</i> The company and the intermediary shall ensure that natural <i>and legal</i> persons are able to rectify or erase any incomplete or inaccurate data. <i>Member States shall ensure that the companies and the intermediaries do not store the information regarding shareholder identity transmitted to them in accordance with this Article for longer than necessary and, in any event, for longer than 24 months</i></p>	<p>3. Shareholders shall be duly informed by their intermediary that <i>information regarding their identity</i> may be <i>processed</i> in accordance with this article <i>and, where applicable, that the information has actually been forwarded to the company.</i> This information may only be used for the purpose of facilitation of the exercise of the rights of the shareholder, <i>of engagement and dialogue between the company and the shareholder on company-related matters. Companies shall in any case be allowed to give third parties an overview of the shareholding structure of the company by disclosing the different shareholder categories.</i> The company and the intermediary shall ensure that natural <i>and legal</i> persons are able to rectify or erase any incomplete or inaccurate data. <i>Member States shall ensure that the companies and the intermediaries do not store the information regarding shareholder identity transmitted to them in accordance with this Article for</i></p>	

[illegible]

	<p><u>down by EU law regarding the protection of personal data are complied with.</u></p> <p><u>3b. Member States shall ensure that shareholders are duly informed by their intermediary that the information regarding their identity may be processed in accordance with this Article. If Member States allow further processing for other purposes than the initial purpose, in accordance with paragraph 3a of this Article, they shall ensure that shareholders are duly informed on those other purposes.</u></p>		Deleted	
<p>4. Member States shall ensure that an intermediary that reports <i>the name and contact details of a shareholder</i> is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.</p>	<p>4. Member States shall ensure that an intermediary that reports the name and contact details of a <u>information regarding shareholder identity in accordance with the rules laid down in this Article</u> is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.</p>	<p>4. Member States shall ensure that an intermediary that reports <i>to the company the information regarding shareholder identity in accordance with paragraph 2</i> is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.</p>	<p>4. Member States shall ensure that an intermediary that reports <i>to the company the information regarding shareholder identity in accordance with paragraph 2</i> is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.</p>	
	<p><u>4a. Member States shall communicate to ESMA whether or not they have provided that identification can only be</u></p>		(deleted)	<p><u>Justification</u></p> <p>We oppose the threshold for the reasons elaborated on above.</p>

<p>5. The Commission shall be empowered to adopt implementing acts to specify the requirements to transmit the information laid down in paragraphs 2 and 3 including as regards the information to be transmitted, the format of the request and the transmission and the deadlines to be complied with. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p style="text-align: center;"><i>Article 3b</i> Transmission of information</p>	<p>requested with respect to shareholders holding more than 0,5% of the shares or voting rights in accordance with paragraph 1 of this Article by [the date of transposition]. ESMA shall publish this information on its website.</p> <p>5. To ensure uniform application of this Article the Commission shall be empowered to adopt implementing acts to specify the minimum requirements to transmit the information laid down in paragraphs 2 and 3 including as regards the format of information to be transmitted, the format of the request and the transmission and the deadlines to be complied with. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p style="text-align: center;"><i>Article 3b</i> Transmission of information</p>	<p>5. To ensure uniform application of this Article, the Commission shall be empowered to adopt delegated acts in accordance with Article 14a to specify the minimum requirements to transmit the information laid down in paragraphs 2 and 3 as regards the format of the information to be transmitted, the format of the request, including the secure formats to be used, and the deadlines to be complied with.</p> <p style="text-align: center;">Article 3b Transmission of information</p>	<p>5. To ensure uniform application of this Article the Commission shall be empowered to adopt implementing acts to specify the minimum requirements to transmit the information laid down in paragraphs 2 and 3 including as regards the format of information to be transmitted, the format of the request and the transmission and the deadlines to be complied with. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p style="text-align: center;">Article 3b Transmission of information</p>	
<p>1. Member States shall ensure that if a company chooses not to directly communicate with its shareholders, the information</p>	<p>1. Member States shall ensure that if a company chooses is not able to directly communicate directly with its shareholders,</p>	<p>1. Member States shall ensure that if a company does not directly communicate with its shareholders, the information</p>	<p>1. Member States shall ensure that if a company does not communicate directly with its shareholders, the</p>	

related to their shares shall be transmitted to them or, in accordance with the instructions given by the shareholder, to a third party, by the intermediary without undue delay in all of the following cases:	the information related to intermediaries transmit without delay from the company to their shares shall be transmitted to them the shareholders or, in accordance with the instructions given by the shareholders, to a third party, by the intermediary without undue delay in all of the following cases the information which:	related to their shares shall be <i>made available via the company's website and</i> transmitted to them or, in accordance with the instructions given by the shareholder, to a third party, by the intermediary without undue delay in all of the following cases:	intermediaries transmit without delay from the company to the shareholders or, in accordance with the instructions given by the shareholders, to a third party, the information which:	
(a) the information is necessary to exercise a right of the shareholder flowing from its shares;	(a) the information company is necessary required to exercise a right of provide to the shareholder flowing from its shares, and;	(a) the information is necessary to exercise a right of the shareholder flowing from its shares;	(a) the company is required to provide to the shareholder, and;	
(b) the information is directed to all shareholders in shares of that class.	(aa) is necessary to exercise rights of the shareholder flowing from its shares, and; (b) the information is directed to all shareholders in shares of that class.	(b) the information is directed to all shareholders in shares of that class.	(aa) is necessary to exercise rights of the shareholder flowing from its shares, and; (b) is directed to all shareholders in shares of that class.	
2. Member States shall require companies to provide and deliver the information to the intermediary related to the exercise of rights flowing from shares in accordance with paragraph 1 in a standardised and timely manner.	2. Member States shall require companies to provide and deliver to intermediaries the information to the intermediary related referred to the exercise of rights flowing from shares in accordance with in paragraph 1 in a standardised and timely manner.	2. Member States shall require companies to provide and deliver the information to the intermediary related to the exercise of rights flowing from shares in accordance with paragraph 1 in a standardised and timely manner.	2. Member States shall require companies to provide and deliver to intermediaries the information referred to in paragraph 1 in a standardised and timely manner.	
3. Member States shall oblige the intermediary to transmit to	3. Member States shall oblige the intermediary intermediaries	3. Member States shall oblige the intermediary to transmit to the	3. Member States shall oblige intermediaries to transmit	

the company, in accordance with the instructions received from the shareholders, without undue delay the information received from the shareholders related to the exercise of the rights flowing from their shares.	to transmit without delay to the company, in accordance with the instructions received from the shareholders, without undue delay the information received from the shareholders related which is necessary to the exercise of the rights flowing from their shares.	company, in accordance with the instructions received from the shareholders, without undue delay the information received from the shareholders related to the exercise of the rights flowing from their shares.	without delay to the company, in accordance with the instructions received from the shareholders the information received from the shareholders which is necessary to exercise rights flowing from their shares.	
4. Where there is more than one intermediary in a holding chain, information referred to in paragraphs 1 and 3 shall be transmitted between intermediaries without undue delay.	4. Where there is more than one intermediary in a holding chain, information referred to in paragraphs 1 and 3 shall be transmitted between intermediaries without undue delay , unless the information can be directly transmitted by the intermediary to the company or to the shareholder or, in accordance with the instructions given by the shareholder, to a third party.	4. Where there is more than one intermediary in a holding chain, information referred to in paragraphs 1 and 3 shall be transmitted between intermediaries without undue delay.	4. Where there is more than one intermediary in a holding chain, information referred to in paragraphs 1 and 3 shall be transmitted between intermediaries without delay, unless the information can be directly transmitted by the intermediary to the company or to the shareholder or, in accordance with the instructions given by the shareholder, to a third party.	
5. The Commission shall be empowered to adopt implementing acts to specify the requirements to transmit information laid down in paragraphs 1 to 4 including as regards the content to be transmitted, the deadlines to be complied with and the types and format of information to be transmitted. Those	5. To ensure uniform application of this Article the Commission shall be empowered to adopt implementing acts to specify the minimum requirements to transmit information laid down in paragraphs 1 to 4 including as regards the content to be transmitted , the deadlines to be complied with and the types	5. To ensure uniform application of this Article , the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a , to specify the minimum requirements to transmit information laid down in paragraphs 1 to 4 as regards the content to be transmitted, the deadlines to be complied with and the types and format of	5. To ensure uniform application of this Article the Commission shall be empowered to adopt implementing acts to specify the minimum requirements to transmit information laid down in paragraphs 1 to 4 as regards the content to be transmitted , types and format of information to be transmitted and the deadlines to be complied with.	

<p>implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p>Article 3c Facilitation of the exercise of shareholder rights</p>	<p>and format of information to be transmitted and the deadlines to be complied with. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p>Article 3c Facilitation of the exercise of shareholder rights</p>	<p>information to be transmitted, including the secure formats to be used.</p> <p>Article 3c Facilitation of the exercise of shareholder rights</p>	<p>Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p> <p>Article 3c Facilitation of the exercise of shareholder rights</p>	
<p>1. Member States shall ensure that the intermediary facilitates the exercise of the rights by the shareholder, including the right to participate and vote in general meetings. Such facilitation shall comprise at least either of the following:</p>	<p>1. Member States shall ensure that the intermediary facilitates intermediaries facilitate the exercise of the rights by the shareholder, including the right to participate and vote in general meetings. Such facilitation shall comprise at least either of the following:</p>	<p>1. Member States shall ensure that the intermediaries facilitate the exercise of the shareholder rights by the shareholder, including the right to participate and vote in general meetings. Such facilitation shall comprise at least one of the following:</p>	<p>1. Member States shall ensure that the intermediaries facilitate the exercise of the shareholder rights by both the shareholder under national law and by the end investor, including the right to participate and vote in general meetings. Such facilitation shall comprise the following:</p>	<p><u>Justification</u> In some national company laws, the shareholder on the register is an intermediary rather than the end investor. We wish to ensure that the end investors are able to exercise their rights over the intermediaries, as well as towards the company.</p>
<p>(a) the intermediary makes the necessary arrangements for the shareholder or a third person nominated by the shareholder to be able to exercise themselves the rights;</p>	<p>(a) the intermediary makes the necessary arrangements for the shareholder or a third person party nominated by the shareholder to be able to exercise themselves the rights;</p>	<p>(a) the intermediary makes the necessary arrangements for the shareholder or a third person party nominated by the shareholder to be able to exercise themselves the rights;</p>	<p>(a) the intermediary makes the necessary arrangements for the shareholder or a third party nominated by the end investor to be able to exercise themselves the rights;</p>	
<p>(b) the intermediary exercises the rights flowing from the shares upon the explicit</p>	<p>(b) the intermediary exercises the rights flowing from the shares upon the explicit</p>	<p>(b) the intermediary exercises the rights flowing from the shares upon the explicit authorisation and</p>	<p>(b) the intermediary exercises the rights flowing from the</p>	

<p>authorisation and instruction of the shareholder and for his benefit.</p> <p>2. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of shareholders. In case the intermediary casts the vote, it shall transmit the voting confirmation to the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without undue delay.</p>	<p>authorisation and instruction of the shareholder and for his benefit.</p> <p>2. Member States shall ensure that companies confirm the <u>when</u> votes <u>are</u> cast in general meetings by or on behalf of shareholders. In case the intermediary casts the vote, it shall transmit the voting <u>electronically an electronic confirmation of receipt of the votes is sent</u> to the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without undue delay <u>person that casts the vote</u>.</p>	<p>instruction of the shareholder and for his benefit.</p> <p>2. Member States shall ensure that companies publicly disclose, via their website, the minutes of the general meetings and the results of votes. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of shareholders, when they are cast by electronic means. In case the intermediary casts the vote, it shall transmit the voting confirmation to the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without undue delay.</p>	<p>shares upon the explicit authorisation and instruction of the <u>end investor</u> and for his benefit”</p> <p><u>(c) at the request of the issuer, the intermediary shall forward the data of the end investor and, if their client is not the end investor, the data of their client(s) to the issuer.”</u></p>	<p><u>Justification</u></p> <p>No consensus amongst our members re publication of minutes. Although there is consensus that only votes cast electronically may be confirmed on the request of the shareholder.</p> <p>For practical reasons, the confirmation of vote can only be made when the vote is cast electronically and upon request since there is no system in place in all the countries that could manage a mandatory confirmation process.</p>
	<p>Member States shall ensure that after the general meeting the shareholder or a third party nominated by the shareholder</p>		(deleted)	

	can obtain, at least upon request, a confirmation that their votes have been validly recorded and counted by the company, unless this information is already available to them. Member States may define the time-period which shall not be longer than 3 months within which the shareholder can request such confirmation.			
	In case the intermediary receives the confirmation referred to in the first or second subparagraph, it shall transmit it without delay to the shareholder or a third party nominated by the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without delay, unless the information can be directly transmitted to the shareholder or a third party nominated by the shareholder.		In case the intermediary receives the confirmation referred to in the first or second subparagraph, it shall transmit it without delay to the shareholder or a third party nominated by the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without delay, unless the information can be directly transmitted to the shareholder or a third party nominated by the shareholder.	
3. The Commission shall be empowered to adopt implementing acts to specify the requirements to facilitate the exercise of shareholder rights laid down in paragraphs 1	3. To ensure uniform application of this Article , the Commission shall be empowered to adopt implementing acts to specify the minimum requirements to	3. To ensure uniform application of this Article , the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a , to specify the minimum requirements to	(delete: "the format for the transmission of the confirmation that the votes have been validly recorded and counted through the chain of intermediaries")	

and 2 of this Article **including** as regards the **type and content** of the facilitation, the form of the voting confirmation and the deadlines to be complied with. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a(2).**

Article 3d
Transparency on costs

1. Member States **shall** allow intermediaries to charge **prices or fees for** the service to be provided under this chapter. Intermediaries shall publicly disclose prices, fees and any other charges separately for each service referred to in this chapter.

facilitate the exercise of shareholder rights laid down in paragraphs 1 and 2 of this Article **including** as regards the **type and content types** of the facilitation, the form **format** of the voting **electronic** confirmation **of receipt of the votes, the format for the transmission of the confirmation that the votes have been validly recorded and counted through the chain of intermediaries** and the deadlines to be complied with. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a(2).

Article 3d
Non-discrimination, proportionality and transparency on costs

1. Member States shall **allow require** intermediaries to charge prices or fees for the service to be provided under this chapter. Intermediaries shall publicly disclose prices, fees and any other charges **that may be levied for services provided under this chapter** separately for each service

facilitate the exercise of shareholder rights laid down in paragraphs 1 and 2 of this Article as regards the **types** of the facilitation, the form of the voting confirmation and the deadlines to be complied with.

Article 3d
Transparency on costs

1. Member States **may** allow intermediaries to charge **the costs of** the service to be provided **by the companies** under this chapter. Intermediaries shall publicly disclose prices, fees and any other charges separately for each service referred to in this chapter.

Article 3d
Non-discrimination, proportionality and transparency on costs

1. Member States shall require intermediaries to publicly disclose prices, fees and any other charges that may be levied for services provided under this chapter separately for each service.

	referred to in this chapter.			
<p>2. Member States shall ensure that any charges that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory and proportional. Any differences in the charges levied between domestic and cross-border exercise of rights shall be duly justified.</p>	<p>2. Member States shall ensure that any charges that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory and proportional. Any differences in the charges levied between domestic and cross-border exercise of rights shall be duly justified. proportional and non-discriminatory.</p> <p>3. Member States may provide that intermediaries are not allowed to charge fees for the services provided under this chapter.</p>	<p>2. Where intermediaries are permitted to charge costs in accordance with paragraph 1, Member States shall ensure that intermediaries publicly disclose, separately for each service, the costs for the services referred to in this chapter.</p> <p>Member States shall ensure that any costs that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory, reasonable and proportionate. Any differences in the charges levied between domestic and cross-border exercise of rights shall only be permitted where duly justified and shall reflect the variation in actual costs incurred for delivering the services.</p>	<p>deleted</p> <p>Member States shall ensure that any costs that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory, reasonable and proportionate. Any differences in the costs levied between domestic and cross-border exercise of rights shall only be permitted where duly justified and shall reflect the variation in actual costs incurred for delivering the services.</p> <p>3. Member States may provide that intermediaries are not allowed to charge fees for the services provided under this chapter.</p>	<p><u>Justification</u> Fees charged by intermediaries should be reasonable, proportionate and non-discriminatory.</p> <p><u>Justification</u> Otherwise intermediaries would be free to charge for meeting their obligations under this chapter, and might put such charges at such a level as to discourage companies from communicating with their shareholders. Member States should have discretion over this</p>

Article 3e Third country intermediaries	Article 3e Third country intermediaries	Article 3e Third country intermediaries	Article 3e Third country intermediaries	issue.
A third country intermediary who has established a branch in the Union shall be subject to this chapter."	A third country intermediary who has established a branch in the Union shall be subject to this chapter." This Chapter also applies to intermediaries which have their registered office or head office outside the Union in so far they provide services with respect to shares of companies which have their registered office in a Member State and whose shares are admitted to trading on a regulated market situated or operating within a Member State.	A third country intermediary who has established a branch in the Union shall be subject to this chapter."	This Chapter also applies to intermediaries which have their registered office or head office outside the Union in so far they provide services with respect to shares of companies which have their registered office in a Member State and whose shares are admitted to trading on a regulated market situated or operating within a Member State.	<u>Justification</u> Provisions should also apply to third country intermediaries

3. REMUNERATION POLICY & REMUNERATION REPORT

"Article 9a Right to vote on the remuneration policy	"Article 9a Right to vote on the remuneration policy	"Article 9a Right to vote on the remuneration policy		
1. Member States shall ensure that shareholders have the right to vote on the remuneration policy as regards directors . Companies shall only pay remuneration to their directors in accordance with a remuneration policy that has	1. Member States shall ensure that companies establish a remuneration policy as regards directors and that the general meeting of shareholders have has the right to vote on the remuneration policy as regards directors. Companies shall only	1. Member States shall ensure that companies establish a remuneration policy as regards directors and submit it to a binding vote of the general meeting of shareholders . Companies shall only pay remuneration to their directors in	1. Member States shall ensure that companies establish a remuneration policy as regards directors and that the general meeting of shareholders has the right to vote on the remuneration policy-	

been **approved by** shareholders. The policy shall be submitted for approval by the **shareholders** at least **every three years**.

Companies may, in case of recruitment of new board members, decide to pay remuneration to an individual director outside the approved policy, where the remuneration package of the individual director has received prior approval by shareholders on the basis of information on the matters referred to in paragraph 3. The remuneration may be awarded provisionally pending approval by the shareholders.

pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The policy shall be submitted for approval by the shareholders at least every three years.

Companies shall only pay remuneration to their directors in accordance with that remuneration policy.

Companies Member States may, in case of recruitment of new board members, decide to pay **provide that the** remuneration to an individual director outside the approved policy, where **may foresee exceptional circumstances in which the** remuneration package of **paid to individual directors may be not in accordance with the** individual director has received prior approval by shareholders on the basis of information on the matters referred to in paragraph 3. **rules laid down in** the remuneration may be awarded provisionally pending approval by the **shareholders policy applicable**

accordance with a remuneration policy that has been **voted on at the general meeting of shareholders. Any change to the policy shall be voted on at the general meeting of shareholders and** the policy shall be submitted **in any case** for approval by the **general meeting** at least **every three years**.

However, Member States may provide that the votes by the general meeting on the remuneration policy are advisory. In cases where no remuneration policy has been implemented previously and shareholders reject the draft policy submitted to them, the company may, while reworking the draft and for a period of no longer than one year before the draft is adopted, pay remuneration to its directors in accordance with existing practices.

Companies shall only pay remuneration to their directors in accordance with that remuneration policy. Member States may provide that the remuneration may foresee exceptional circumstances in which the remuneration paid to individual directors may be not in accordance with rules laid down in the remuneration policy applicable to all other directors. In cases where no remuneration policy has been implemented previously and shareholders reject the draft policy submitted to them, the company may, while reworking the draft and for a period of no longer than one year before the draft is adopted, pay remuneration to its directors in accordance with existing practices

	<p>to all other directors.</p> <p>Member States shall ensure that the vote by the general meeting on the remuneration policy is binding. A remuneration policy shall continue to apply until a new one is approved by the general meeting.</p> <p>However Member States may provide that the vote by the general meeting on the remuneration policy is advisory, provided that where the general meeting votes against the remuneration policy, a revised policy is submitted to a vote at the next general meeting.</p>	<p><i>In cases where there is an existing remuneration policy and shareholders reject a draft policy submitted to them in line with the first subparagraph, the company may, while reworking the draft and for a period of no longer than one year until the draft is adopted, pay remuneration to its directors in accordance with the existing policy.</i></p>	<p>Member States shall ensure that the vote by the general meeting on the remuneration policy is binding. A remuneration policy shall continue to apply until a new one is approved by <u>the next</u> general meeting.</p> <p>In cases where there is an existing remuneration policy and shareholders reject a draft policy submitted to them in line with the first subparagraph, the company may, while reworking the draft and for a period of no longer than one year until the draft is adopted, pay remuneration to its directors in accordance with the existing policy by the general meeting.</p> <p>However Member States may provide that the vote by the general meeting on the remuneration policy is advisory.</p>	<p><u>Justification</u></p> <p>We welcome the positions of the Parliament and the Council, which foresee that Member States can choose between a binding and an advisory vote on the remuneration policy. However, we are concerned that companies would need to organise two votes: one on the remuneration policy and one on the remuneration report. It would be preferable to allow Member States to decide</p>
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				whether there should be two votes or only one of the two.
	Member States shall ensure that companies submit the remuneration policy to a vote by the general meeting at every material change and in any case at least every five years.		Member States shall ensure that companies submit the remuneration policy to a vote by the general meeting at every material change and in any case at least every five years.	
2. Member States shall ensure that the policy <i>is</i> clear, understandable, in line with the business strategy, objectives, values and long-term interests of the company and that it incorporates measures to avoid conflicts of interest.	2. Member States shall ensure that the policy is clear, understandable, in line with the business strategy, objectives, values and long-term interests of the company and that it incorporates measures to avoid conflicts of interest.	2. The policy shall be clear, understandable, in line with the business strategy, objectives, values and long-term interests of the company and shall incorporate measures to avoid conflicts of interest.	(deleted)	
3. The policy shall explain how it contributes to the long-term interests and sustainability of the company. It shall set clear criteria for the award of fixed and variable remuneration, including all benefits in whatever form.	3. The policy shall explain how it contributes to the business strategy, long-term interests and sustainability of the company. It shall set be clear criteria for and understandable and describe the award different components of fixed and variable remuneration, including all benefits in whatever form, which can be awarded to directors.	3. The policy shall explain how it contributes to the long-term interests and sustainability of the company. It shall set clear criteria for the award of fixed and variable remuneration, including all bonuses and all benefits in whatever form.	3. The policy shall explain how it contributes to the business strategy, long-term interests and sustainability of the company. It shall be clear and understandable and describe the different components of fixed and variable remuneration, including all benefits in whatever form, which can be awarded to directors.	
	Member States may provide that the policy indicates the maximum amount of remuneration that can be		(deleted)	

<p>The policy shall indicate the maximum amounts of total remuneration that can be awarded, and the corresponding relative proportion of the different components of fixed and variable remuneration. It shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration by explaining the ratio between the average remuneration of directors and the average remuneration of full time employees of the company other than directors and why this ratio is considered appropriate. The policy may exceptionally be without a ratio in case of exceptional circumstances. In that case, it shall explain why there is no ratio and which measures with the same effect have been taken.</p>	<p>awarded.</p> <p>The policy shall indicate the maximum amounts of total remuneration that can be awarded, and the corresponding relative proportion of the different components of fixed and variable remuneration. ItThe policy shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration by explaining the ratio between the average remuneration of directors and the average remuneration of full time employees of the company other than directors and why this ratio is considered appropriate. The policy may exceptionally be without a ratio in case of exceptional circumstances. In that case, it shall explain why there is no ratio and which measures with the same effect have been taken.</p>	<p>The policy shall indicate the appropriate relative proportion of the different components of fixed and variable remuneration. It shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration.</p>	<p>The policy shall indicate the relative proportion of the different components of fixed and variable remuneration.</p> <p>The policy shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration.</p>	<p><u>Justification</u></p> <p>Flexibility when rewarding a director is a key element: the reference to a maximum amount of remuneration must be avoided, as it would interfere with the negotiation of the remuneration.</p> <p>As provided by the Parliament and the Council, the pay ratio should be removed from the text as this information could be misleading specifically in the case of multinational companies, when employees are mostly located in countries with different costs of living.</p>
<p>For variable remuneration, the policy shall indicate the financial and non-financial performance criteria to be used and explain how they contribute to the</p>	<p>ForWhere applicable the policy shall set clear criteria for the award of the variable remuneration, the policy. It shall indicate the financial and</p>	<p>For variable remuneration, the policy shall indicate the financial and non-financial performance criteria, including, where appropriate, consideration for</p>	<p>Where applicable the policy shall set clear criteria for the award of the variable remuneration. It shall indicate the financial and non-financial</p>	

long-term interests and sustainability of the company, and the methods to be applied to determine to which extent the performance criteria have been fulfilled; it shall specify the deferral periods, vesting periods for share-based remuneration and retention of shares after vesting, and information on the possibility of the company to reclaim variable remuneration.	non-financial performance criteria to be used and explain how they contribute to the business strategy , long-term interests and sustainability of the company, and the methods to be applied to determine to which extent the performance criteria have been fulfilled; Where applicable it shall specify the deferral periods, vesting periods for share-based remuneration and retention of shares after vesting, and information on the deferral periods and on the possibility of the company to reclaim variable remuneration.	programmes and results relating to corporate social responsibility , to be used and explain how they contribute to the long-term interests and sustainability of the company, and the methods to be applied to determine to which extent the performance criteria have been fulfilled; it shall specify the deferral periods, vesting periods for share-based remuneration and retention of shares after vesting, and information on the possibility of the company to reclaim variable remuneration.	performance criteria to be used and explain how they contribute to the business strategy, long-term interests and sustainability of the company, and the methods to be applied to determine to which extent the performance criteria have been fulfilled. Where applicable it shall specify vesting periods for share-based remuneration and retention of shares after vesting, and information on the deferral periods and on the possibility of the company to reclaim variable remuneration.	
		Member States shall ensure that the value of shares does not play a dominant role in the financial performance criteria.	(deleted)	Flexibility when rewarding a director is a key element: the directive should not adopt prescriptive measures as regards the part of share-based remuneration in variable remuneration or for the choice of the financial criteria. Start-up companies in particular need to pay mostly in shares for their first years on the stock market.
		Member States shall ensure that share-based remuneration does not represent the most significant part of directors' variable	(deleted)	Flexibility when rewarding a director is a key element: the directive should not adopt prescriptive measures as

<p>The policy shall indicate the main terms of the contracts of directors, including its duration and the applicable notice periods and payments linked to termination of contracts.</p>	<p>The policy shall indicate the main terms duration of the contracts of arrangements with directors, including its duration and the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of the termination and payments linked to termination of contracts.</p>	<p>remuneration. Member States may provide for exceptions to the provisions of this subparagraph under the condition that the remuneration policy includes a clear and reasoned explanation as to how such an exception contributes to the long-term interests and sustainability of the company.</p> <p>The policy shall indicate the main terms of the contracts of directors, including its duration and the applicable notice periods and terms of termination and payments linked to termination of contracts and the characteristics of supplementary pension or early retirement schemes. Where national law allows companies to have arrangements with directors without a contract, the policy shall in that case indicate the main terms of the arrangements with directors, including their duration and the applicable notice periods and terms of termination and payments linked to termination and the characteristics of supplementary pension or early retirement schemes.</p>	<p>The policy shall indicate the duration of the arrangements with directors, and the applicable notice periods, the main characteristics of supplementary pension or early retirement schemes and the terms of the termination and payments linked to termination.</p>	<p>regards the part of share-based remuneration in variable remuneration or for the choice of the financial criteria. Start-up companies in particular need to pay mostly in shares for their first years on the stock market.</p>
		<p>The policy shall specify the company's procedures for the determination of the</p>	<p>(deleted)</p>	

<p>The policy shall explain the decision-making process leading to its determination. Where the policy is revised, it shall include an explanation of all significant changes and how it takes into account the views of shareholders on the policy and report in the previous years.</p> <p>4. Member States shall ensure that after approval by the shareholders the policy is made public without delay and available on the company's website at least as long as it is applicable.</p>	<p>The policy shall explain the decision-making process leading to followed for its determination, review and implementation, including, where applicable, the role of the committees concerned. Where the policy is revised, it shall include an explanation of describe and explain all significant changes and how it takes into account the views of shareholders on the policy and report in the previous years. reports since the last vote on the remuneration policy by the general meeting of shareholders.</p> <p>4. Member States shall ensure that after approval the vote on the remuneration policy by the shareholders general meeting the policy is made public published with the date and the results of the vote without delay and available is kept on the company's website at least as long as it is applicable.</p>	<p>remuneration of directors, including the role and functioning of the remuneration committee.</p> <p>The policy shall explain the <i>specific</i> decision-making process leading to its determination. Where the policy is revised, it shall include an explanation of all significant changes and how it takes into account the votes and views of shareholders on the policy and report in at least the previous three consecutive years.</p> <p>4. Member States shall ensure that after approval by the shareholders the policy is made public without delay and available, free of charge, on the company's website at least as long as it is applicable.</p>	<p>The policy shall explain the decision-making process followed for its determination, review and implementation, including, where applicable, the role of the committees concerned. Where the policy is revised, it shall describe and explain all significant changes and how it takes into account the views of shareholders on the policy and reports since the last vote on the remuneration policy by the general meeting of shareholders.</p> <p>4. Member States shall ensure that after the vote on the remuneration policy by the general meeting the policy is published with the date and the results of the vote without delay and is kept on the company's website at least as long as it is applicable.</p>	
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<p>Article 9b</p> <p>Information to be provided in the remuneration report and right to vote on the remuneration report</p>	<p>Article 9b</p> <p>Information to be provided in the remuneration report and right to vote on the remuneration report</p>	<p>Article 9b</p> <p>Information to be provided in the remuneration report and right to vote on the remuneration report</p>	<p>Article 9b</p> <p>Information to be provided in the remuneration report and right to vote on the remuneration report</p>	
<p>1. Member States shall ensure that the company draws up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, granted to individual directors, including to newly recruited and former directors, in the last financial year. It shall, where applicable, contain all of the following elements:</p>	<p>1. Member States shall ensure that the company draws up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, grantedawarded or due over the last financial year to individual directors, including to newly recruited and to former directors, in the last financial year. It shall,the remuneration report shall contain all of the following elementsinformation:</p>	<p>1. Member States shall ensure that the company draws up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, granted, in accordance with the remuneration policy referred to in Article 9a, to individual directors, including to newly recruited and former directors, in the last financial year. It shall, where applicable, contain all of the following elements:</p>	<p>1. Member States shall ensure that the company draws up a clear and understandable remuneration report, providing a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due over the last financial year to individual directors, including to newly recruited and to former directors. Where applicable, the remuneration report shall contain the following information:</p>	
<p>(a) the total remuneration awarded or paid split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration is linked to long-term performance and information on how the performance criteria where applied;</p>	<p>(a) the total remuneration awarded or paid split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration is linked to long-term performancecomplies with the adopted remuneration policy and information on how theits performance criteria where applied;</p>	<p>(a) the total remuneration awarded, paid or due split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration is linked to long-term performance and information on how the financial and non-financial performance criteria where applied;</p>	<p>a) the total remuneration awarded, paid or due split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration is linked to long-term performance and information on how the financial and non-financial performance criteria where applied;</p>	

<p>(b) the relative change of the remuneration of directors over the last three financial years, its relation to the development of the value of the company and to change in the average remuneration of full time employees of the company other than directors;</p>	<p>(b) the relativeannual change of the remuneration of directors over at least the last threefive financial years, its relation to the developmentevolution of the valueperformance of the company and to change in the average remuneration of full time employees of the company other than directors;— during that period, presented together in a manner which permits comparison;</p>	<p>(b) the relative change of the remuneration of executive directors over the last three financial years, its relation to the development of the general performance of the company and to change in the average remuneration of employees over the same period;</p>	<p>(b) the relative change of the remuneration of executive directors over the last three financial years, its relation to the development of the general performance of the company and to change in the average remuneration of employees over the same period;</p>	
<p>(c) any remuneration received by directors of the company from any undertaking belonging to the same group;</p> <p>(d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;</p> <p>(e) information on the use of the possibility to reclaim variable remuneration;</p> <p>(f) information on how the remuneration of directors was established, including on the</p>	<p>(c) any remuneration received byawarded or due to directors of the company from any undertaking belonging to the same group as defined in point (11) of Article 2 of Directive 2013/34/EU;</p> <p>(d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;</p> <p>(e) information on the use of the possibility to reclaim variable remuneration;</p> <p>(f) information on how the remuneration of directors was established, including on the</p>	<p>(c) any remuneration received or due to directors of the company from any undertaking belonging to the same group;</p> <p>(d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;</p> <p>(e) information on the use of the possibility to reclaim variable remuneration;</p> <p>(f) information on how the remuneration of directors was established, including on the role</p>	<p>c) any remuneration received or due to directors of the company from any undertaking belonging to the same group as defined in point (11) of Article 2 of Directive 2013/34/EU;</p> <p>(d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;</p> <p>e) if permitted under national law, information on the use of the possibility to reclaim variable remuneration; (deleted)</p>	

role of the remuneration committee.	role of the remuneration committee.	of the remuneration committee.		
2. Member States shall ensure that the right to privacy of natural persons is protected in accordance with Directive 95/46/EC when personal data of the director are processed.	2. Member States shall ensure that <u>companies do not include in the right to privacy remuneration report special categories of natural persons is personal data of individual directors which are</u> protected in accordance with <u>Article 8 of</u> Directive 95/46/EC <u>when or</u> personal data <u>of which refer to the family situation of an individual director are processed.</u> <u>2a. Without prejudice to paragraph 2b of this Article and to any longer period laid down by EU sectorial legislation, Member States shall ensure that companies no longer make publicly available the remuneration report or personal data of directors included in the remuneration report in accordance with this Article after 10 years from the publication of the remuneration report. Member States shall ensure that at the end of this period, and during an additional period of 5 years, companies disclose the remuneration report or those</u>	2. Member States shall ensure that the right to privacy of natural persons is protected in accordance with Directive 95/46/EC when personal data of the director are processed.	2. Member States shall ensure that the right to privacy of natural persons is protected in accordance with Directive 95/46/EC when personal data of the director are processed. (deleted)	<u>Justification</u> The provisions as regards personal data are too detailed in the Council text. We do not see the rationale for the provisions related to liability.

	data only to shareholders upon request.			
	<p>2b. Data regarding directors' remuneration included in the remuneration report shall be processed under this Article for the purposes of increasing transparency and directors' accountability and of further facilitating the exercise of shareholders' rights. Member States may allow further processing of such data for other purposes than this initial purpose provided that those data are not further processed in a way incompatible with this initial purpose or that the further processing has a legal basis at least in one of the grounds referred to in Article 7 of Directive 95/46/EC.</p> <p><u>Member States shall ensure that the requirements laid down by EU law regarding the protection of personal data are complied with.</u></p> <p>2c. Member States shall ensure that directors are duly informed by the company that the information regarding their remuneration may be processed in accordance with this Article. If Member States</p>		(deleted)	
			2c. Member States shall ensure that directors are duly informed by the company that the information regarding their remuneration may be processed in accordance with this Article. If Member States allow further	

	allow further processing for other purposes than the initial purpose, in accordance with paragraph 2b of this Article, they shall ensure that directors are duly informed on those other purposes.		processing for other purposes than the initial purpose, in accordance with paragraph 2b of this Article, they shall ensure that directors are duly informed on those other purposes.	
3. Member States shall ensure that shareholders have the right to vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote against the remuneration report the company shall explain in the next remuneration report whether or not and, if so, how, the vote of the shareholders has been taken into account.	3. Member States shall ensure that shareholders have the right to hold an advisory vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote against the remuneration report, the company shall explain in the next remuneration report whether or not and, if so, how, the vote of the shareholders general meeting has been taken into account. However, for companies that had an average market capitalisation of less than EUR 200 000 000 on the basis of end-year quotes for the previous three calendar years, Member States may provide, as an alternative to the vote, that the remuneration report of the last financial year is submitted	3. Member States shall ensure that shareholders have the right to hold an advisory vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote against the remuneration report the company shall, where necessary, enter into a dialogue with the shareholders in order to identify the reasons for the rejection. The company shall explain in the next remuneration report how the vote of the shareholders has been taken into account.	3. Member States shall ensure that the annual general meeting has the right to hold an advisory vote on the remuneration report of the past financial year. The company shall explain in the next remuneration report how, the vote by the general meeting has been taken into account. However, for companies that had an average market capitalisation of less than EUR 200 000 000 on the basis of end-year quotes for the previous three calendar years, Member States may provide, as an alternative to the vote, that the remuneration report of the last financial year is submitted	<u>Justification</u> We welcome the positions of the Parliament and the Council, which foresee an advisory vote on the remuneration report. However, we are concerned that companies would need to organise two votes: one on the remuneration policy and one on the remuneration report. It would be preferable to allow Member States to decide whether there should be two votes or only one of the two.

	<p>for discussion in the annual general meeting as a separate item of the agenda. The company shall explain in the next remuneration report how the discussion in the general meeting has been taken into account.</p> <p>3a. Member States shall ensure that after the annual general meeting the remuneration report is published without delay on the company's website. The statutory auditor or audit firm shall check that the information required by this Article has been provided.</p>		<p>for discussion in the annual general meeting as a separate item of the agenda. The company shall explain in the next remuneration report how the discussion in the general meeting has been taken into account.</p> <p>3a. Member States shall ensure that after the annual general meeting the remuneration report is published without delay on the company's website.</p>	
	<p>Member States shall ensure that the directors of the company, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the remuneration report is drawn up and published in accordance with the requirements of this Directive. Member States shall ensure that their laws, regulations and administrative provisions on liability, at least towards the company, apply to the directors of the company for breach of the duties referred to</p>		(deleted)	

	in this paragraph.			
<p>4. The Commission shall be empowered to adopt implementing acts to specify the standardised presentation of the information laid down in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p>	<p>4. In order to ensure consistent harmonisation in relation to this Article, the Commission shall be empowered to adopt implementing acts non-binding guidelines to specify the standardised presentation of the information laid down in paragraph 1 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).</p>	<p>3a. The provisions on remuneration in this Article and in Article 9a shall be without prejudice to national systems of wage formation for employees and, where applicable, to national provisions on the representation of employees on boards.</p> <p>4. To ensure uniform application of this Article, the Commission shall be empowered to adopt delegated acts in accordance with Article 14a to specify the standardised presentation of the information laid down in paragraph 1 of this Article.</p>	<p>3a. The provisions on remuneration in this Article and in Article 9a shall be without prejudice to national systems of wage formation for employees and, where applicable, to national provisions on the representation of employees on boards.</p> <p>In order to ensure consistent harmonisation in relation to this Article, the Commission shall adopt non-binding guidelines to specify the standardised presentation of the information laid down in paragraph 1 of this Article.</p>	<p><u>Justification</u></p> <p>We do not see the need to adopt delegated act as regard the presentation of the information relating to remunerations that may interfere in existing national legislation or corporate governance codes: non-binding guidelines should be preferable to tackle this issue.</p>

4. RELATED PARTY TRANSACTIONS

Summary of suggestions for the section below:

The text of the Council is preferred as it better sets out standards, identifies common principles and allows for clearer exemptions.

Notably, the Council text provides that paragraphs 1, 1a and 2 shall not apply to transactions entered into in the ordinary course of business and concluded on normal market terms, whereas the European Parliament's position provides that Member States may exclude these transactions. However, the Member State option to apply these requirements should be removed.

In addition, some changes should be made to this text, notably:

- The public announcement of material transactions should occur at the closing/effective date of the transaction;
- Exemptions for intra groups transactions should apply without limitations;

- There should be no specific reference to minority shareholders in paragraph 1: the fairness and reasonableness of the transaction should only be assessed from the perspective of the company as a whole, which includes the interests of all shareholders, not only minority shareholders. This reference would be particularly absurd if the related party with which the transaction is concluded is a minority shareholder, a frequent situation.
- The provision in paragraph 6(a) is impossible to assess.

<p>Article 9c</p> <p>Right to vote on related party transactions</p>	<p>Article 9c</p> <p>Right to vote on Transparency and approval of related party transactions</p>	<p>Article 9c</p> <p>Right to vote on related party transactions</p>		
<p>1. Member States shall ensure that companies, in case of transactions with related parties that represent more than 1% of their assets, publicly announce such transactions at the time of the conclusion of the transaction, and accompany the announcement by a report from an independent third party assessing whether or not it is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. The announcement shall contain information on the nature of the related party relationship, the name of the related party, the amount of the transaction and any other information necessary to assess the transaction.</p>	<p>1. Member States shall ensure that companies, in case of publicly announce material transactions with related parties that represent more than 1% of their assets, publicly announce such transactions at the latest at the time of the conclusion of the transaction, and accompany the announcement by a report from an independent third party assessing whether or not it is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. The announcement shall contain at least information on the nature of the related party relationship, the name of the related party, the amount date and the value of the transaction and any other information</p>	<p>1. Member States shall ensure that companies, in case of material transactions with related parties, publicly announce such transactions at the latest at the time of the conclusion of the transaction, and accompany the announcement by a report assessing whether or not it is on market terms and confirming that the transaction is fair and reasonable from the perspective of the company, including minority shareholders, and providing an explanation of the evaluations the assessment is based on. The announcement shall contain information on the nature of the related party relationship, the name of the related party, the amount of the transaction and any other information necessary to assess the economic fairness of the transaction from the perspective of the company, including minority</p>	<p>1. Member States shall ensure that companies, publicly announce material transactions with related parties at the latest at the time of the conclusion of the transaction.</p> <p>The announcement shall contain at least information on the nature of the related party relationship, the name of the related party, the date and the value of the transaction and other information necessary to assess whether or not the transaction is fair and reasonable from the perspective of the company.</p>	

<p>Member States may provide that companies can request their shareholders to exempt them from the requirement of subparagraph 1 to accompany the announcement of the transaction with a related party by a report from an independent third party in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after granting the exemption. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance exemption.</p>	<p>necessary to assess the transaction. whether or not the transaction is fair and reasonable from the perspective of the shareholders who are not related party, including minority shareholders.</p> <p>Member States may provide that companies can request their shareholders to exempt them from the requirement of subparagraph 1 to accompany the announcement of the transaction with a related party by a report from an independent third party in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after granting the exemption. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance exemption.</p>	<p><i>shareholders.</i></p> <p>Members States shall define specific rules with regard to the report to be adopted in accordance with the first subparagraph, including the actor responsible for providing the reports, which shall be one of the following:</p> <p>– an independent third party;</p>		
		<p>– the supervisory body of the company; or</p>		
		<p>– a committee of independent directors</p>		

	1a. Member States may provide that the announcement published according to paragraph 1 is accompanied by a report assessing whether or not the transaction is fair and reasonable from the perspective of the shareholders who are not related party, including minority shareholders and explaining the assumptions it is based upon together with the methods used. This report shall be produced by:		1a. Member States may provide that the announcement published according to paragraph 1 is accompanied by a report assessing whether or not the transaction is fair and reasonable from the perspective of the company and explaining the assumptions it is based upon together with the methods used. This report shall be produced by:	
	(-a) an independent third party or;		(-a) an independent third party or;	
	(a) the administrative or the supervisory body of the company or;		(a) the administrative or the supervisory body of the company or;	
	(b) the audit committee or any committee the majority of which is composed of independent directors; provided that the related parties are excluded from the preparation of the report.		(b) the audit committee or any committee the majority of which is composed of independent directors; provided that the related parties are excluded from the preparation of the report.	
2. Member States shall ensure that transactions with related parties representing more than 5% of the companies' assets or transactions which can have a significant impact on profits or	2. Member States shall ensure that material transactions with related parties representing more than 5% of the companies' assets or transactions which can have a	2. Member States shall ensure that material transactions with related parties are approved by the shareholders or by the administrative or supervisory body of the companies, in	2. Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company according	

<p>turnover are submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder, this shareholder shall be excluded from that vote. The company shall not conclude the transaction before the shareholders' approval of the transaction. The company may however conclude the transaction under the condition of shareholder approval.</p>	<p>significant impact on profits or turnover are submitted to a vote are <u>approved</u> by the shareholders in a general meeting. Where the <u>or by the administrative or supervisory body of the company according to procedures which prevent a</u> related party transaction involves a shareholder, this shareholder shall be excluded from that vote. The company shall not conclude <u>taking advantage of its position and provide adequate protection for the transaction before the shareholders' approval of the transaction. The company may however conclude the transaction under the condition</u> <u>interests of shareholder approval</u> <u>shareholders who are not related party, including minority shareholders.</u></p>	<p><u>accordance with procedures which prevent a related party from taking advantage of its position and provide adequate protection for the interests of the company and of shareholders which are not related parties, including minority shareholders.</u></p>	<p>to procedures which prevent a related party from taking advantage of its position and provide adequate protection for the interests of shareholders who are not related party, including minority shareholders.</p>
<p>Member States may provide that companies can request the advance approval by shareholders of the transactions referred to in subparagraph 1 in case of clearly defined types of recurrent transactions with an identified related party in a</p>	<p>Member States may provide that companies can request the advance approval by shareholders of <u>general meeting</u> <u>has the transactions referred right to in</u> subparagraph 1 in case of clearly defined types of recurrent <u>vote on material</u></p>	<p><u>Member States may provide that shareholders have the right to vote on material transactions approved by the administrative or supervisory body of the company.</u></p>	<p>Member States may provide that general meeting has the right to vote on material transactions with parties which have been approved by the administrative or supervisory body of the company.</p>

<p>period of not longer than 12 months after the advance approval of the transactions. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance approval.</p>	<p>transactions with an identified related party in a period of not longer than 12 months after parties which have been approved by the advance approval administrative or supervisory body of the transactions. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance approval company.</p>			
	<p>Where the related party transaction involves a director or a shareholder, this director or shareholder shall be excluded from the vote.</p> <p>Member States may allow the shareholder who is a related party to take part in the vote provided that national law ensures appropriate safeguards which apply before or during the voting process to protect the interests of shareholders who are not related party, including minority shareholders, by preventing the related-party from approving the transaction despite the opposing opinion of the majority of shareholders</p>	<p><i>The intention is to prevent related parties from gaining an advantage from a special position and to provide proper protection for the company's interest.</i></p>	<p>Where the related party transaction involves a shareholder, this shareholder shall be excluded from the vote.</p> <p>Member States may allow the <i>director or the</i> shareholder who is a related party to take part in the vote provided that national law ensures appropriate safeguards which apply before or during the voting process to protect the interests of shareholders who are not related party, including minority shareholders, by preventing the related-party from approving the transaction despite the opposing opinion of the majority of shareholders who</p>	

	<p>who are not related parties or despite the opposing opinion of the majority of the independent directors.</p> <p>2a. Paragraphs 1, 1a and 2 shall not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. The administrative or supervisory body of the company shall establish an internal procedure to periodically assess whether these conditions are fulfilled. The related parties shall be excluded from this assessment.</p>		<p>are not related parties or despite the opposing opinion of the majority of the independent directors.</p> <p>2a. Paragraphs 1, 1a and 2 shall not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. The administrative or supervisory body of the company shall establish an internal procedure to periodically assess whether these conditions are fulfilled. The related parties shall be excluded from this assessment.</p>	
	<p>However, Member States may provide that companies apply the requirements in paragraphs 1, 1a or 2 to transactions entered into in the ordinary course of business and concluded on normal market terms.</p>	<p><i>2a. Member States shall ensure that related parties and their representatives are excluded from the preparation of the report referred to in paragraph 1 and from the votes and decisions that take place in accordance with paragraph 2. Where the related party transaction involves a</i></p>	<p>(deleted)</p> <p>(deleted)</p>	

<p>3. Transactions with the same related party that have been concluded during the previous 12 months period and have not been approved by shareholders shall be aggregated for the purposes of application of paragraph 2. If the value of these aggregated transactions exceeds 5% of the assets, the transaction by which this threshold is exceeded and any</p>	<p>3. — Transactions with the same related party that have been concluded during the previous 12 months period and have not been approved by shareholders shall be aggregated for the purposes of application of paragraph 2. If the value of these aggregated transactions exceeds 5% of the assets, the transaction by which this threshold is exceeded and</p>	<p><i>shareholder, this shareholder shall be excluded from any vote regarding the transaction. Member States may allow the shareholder who is a related party to take part in the vote provided that national law ensures adequate safeguards which apply during the voting process to protect the interests of shareholders who are not related parties, including minority shareholders, by preventing the related-party from approving the transaction despite the opposing opinion of the majority of shareholders which are not related parties or despite the opposing opinion of the majority of the independent directors.</i></p> <p>3. Member States shall ensure that transactions with the same related party that have been concluded in any 12 months period or in the same financial year and have not been subject to the obligations listed in paragraphs 1, 2 and 3 are aggregated for the purposes of application of those paragraphs.</p>	<p>(deleted)</p>	
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subsequent transactions with the same related party shall be submitted to a shareholder vote and may only be unconditionally concluded after shareholder approval.	any subsequent transactions with the same related party shall be submitted to a shareholder vote and may only be unconditionally concluded after shareholder approval.			
4. Member States may exclude transactions entered into between the company and one or more members of its group from the requirements in paragraphs 1, 2 and 3, provided that those members of the group are wholly owned by the company.	4. Member States may exclude transactions entered into between the company and one or more members of its group may allow companies to exclude from the requirements in paragraphs 1, 1a and 2 and 3, provided that those members of the group are wholly owned by the company.	4. Member States may exclude from the requirements in paragraphs 1, 2 and 3:	4. Member States may exclude or may allow companies to exclude from the requirements in paragraphs 1, 1a and 2÷	
	(a) [deleted] (b) transactions entered into between the company and its subsidiaries provided that they are wholly owned or that no other related party of the company has an interest in the subsidiary undertaking or that	– transactions entered into between the company and one or more members of its group or joint ventures, provided that those members of the group or joint ventures are wholly owned by the company or that no other related party of the company has an interest in those members or in the joint ventures; – transactions entered into in the ordinary course of business and concluded on normal market terms.	(a) transactions entered into between the company and one or more members of its group or joint ventures. (b) transactions entered into between the company and its subsidiaries provided that they are wholly owned or that no other related party of the company has an interest in the subsidiary undertaking or that	

	national law provides for adequate protection of interests of shareholders who are not related party, including minority shareholders in such transactions;		national law provides for adequate protection of interests of shareholders who are not related party, including minority shareholders in such transactions;	
	(c) clearly defined types of transactions for which national law requires approval by the general meeting , provided that fair treatment of all shareholders and the interests of shareholders who are not related-party, including minority shareholders are specifically addressed and adequately protected in such provisions of law;		(c) clearly defined types of transactions for which national law requires approval by the general meeting , provided that fair treatment of all shareholders and the interests of shareholders who are not related-party, including minority shareholders are specifically addressed and adequately protected in such provisions of law;	
	(d) transactions regarding remuneration of directors, or certain elements of remuneration of directors, awarded or due in accordance with the requirements of Articles 9a. (e) transactions entered into by credit institutions on the basis of measures, aiming at safeguarding their stability, adopted by the competent authority in charge of the prudential supervision within the meaning of European legislation;		(d) transactions regarding remuneration of directors, or certain elements of remuneration of directors, awarded or due in accordance with the requirements of Articles 9a. e) transactions entered into by credit institutions on the basis of measures, aiming at safeguarding their stability, adopted by the competent authority in charge of the prudential supervision within the meaning of European legislation;	

	(f) :		(deleted)	
	(g) transactions offered to all shareholders on the same terms where equal treatment of all shareholders is ensured.		g) transactions offered to all shareholders on the same terms where equal treatment of all shareholders is ensured.	
	5. Member States shall ensure that companies publicly announce material transactions concluded between the related party of the company and that company's subsidiary. Member States may also provide that the announcement is accompanied by a report assessing whether or not the transaction is fair and reasonable from the perspective of the shareholders who are not related party, including minority shareholders and explaining the assumptions it is based upon together with the methods used. The exemptions provided in paragraph 2a and 4 shall also apply to the transactions specified in this paragraph.		(deleted)	
	6. For the purposes of this Article material transactions are defined by Member States taking into account:	4a. Member States shall define material transactions with related parties. Material transactions with related parties shall be defined taking into account:	6. For the purposes of this Article material transactions are defined by Member States taking into account:	
	(a) the influence that the	(a) the influence that the	(deleted)	

	<p>information about the transaction may have on the economic decisions of shareholders of the company;</p> <p>(b) the risk that the transaction creates for the company and its shareholders who are not related party, including minority shareholders.</p> <p>When defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalisation or turnover of the company or take into account the nature of transaction and the position of the related party.</p> <p>Member States may adopt materiality definitions for the application of paragraphs 1 and 1a different from those for the application of paragraph 2 and may differentiate the definitions according to the company size.</p>	<p>information about the transaction may have on the decisions of the subjects involved in the approval process;</p> <p>(b) the impact of the transaction on the company's results, assets, capitalisation or turnover and the position of the related party;</p> <p>(c) the risks that the transaction creates for the company and its minority shareholders.</p> <p>When defining material transactions with related parties, Member States may set one or more quantitative ratios based on the impact of the transaction on the revenues, assets, capitalization or turnover of the company or take into account the nature of the transaction and the position of the related party."</p>	<p>(deleted)</p> <p>(b) the risk that the transaction creates for the company and its shareholders who are not related party, including minority shareholders.</p> <p>When defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalisation or turnover of the company or take into account the nature of transaction and the position of the related party.</p> <p>Member States may adopt materiality definitions for the application of paragraphs 1 and 1a different from those for the application of paragraph 2 and may differentiate the definitions according to the company size.</p>	
	<p>7. Member States shall ensure that transactions with the</p>		<p>7. Member States shall ensure that transactions with the same</p>	

	<p>same related party that have been concluded in any 12 months period or in the same financial year and have not been subject to the obligations listed in paragraphs 1, 1a or 2 are aggregated for the purposes of those paragraphs.</p> <p>8. This Article is without prejudice to the rules on public disclosure of inside information defined in Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council.</p>		<p>related party that have been concluded in any 12 months period or in the same financial year and have not been subject to the obligations listed in paragraphs 1, 1a or 2 are aggregated for the purposes of those paragraphs.</p> <p>8. This Article is without prejudice to the rules on public disclosure of inside information defined in Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council.</p>	
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5. COUNTRY-BY-COUNTRY REPORTING AND TRANSPARENCY OF TAX RULINGS

JUSTIFICATION FOR THE CHANGE:

The current revision is not the right place to include amendments on country-by country reporting (CBCR) on profits, taxes and subsidies and on tax rulings. This is already being dealt in other initiatives such as the 2015 Commission communication on tax transparency (the Commission is currently conducting an impact assessment), the accounting directive, which foresees a review clause on this issue in 2018, as well as at international level (e.g. OECD and G20).

Article 2 Amendments to Directive No 2013/34/EU	Article 2 Amendments to Directive No 2013/34/EU	Article 2 Amendments to Directive 2013/34/EU		
		Directive 2013/34/EU is amended as follows:	(deleted)	
		(-1) In Article 2, the following point is added:	(deleted)	
		"(17) 'tax ruling' means any advance interpretation or application of a legal provision for	(deleted)	

		<p>a cross-border situation or transaction of a company which might lead to a loss of tax in Member States or which might lead to tax savings for the company resulting from artificial intra-group transfers of profits."</p> <p>(-1a) In Article 18, the following paragraph is inserted after paragraph 2:</p> <p>"2a. In the notes to the financial statements large undertakings and public-interest entities shall also disclose, specifying by Member State and by third country in which they have an establishment, the following information on a consolidated basis for the financial year:</p> <p>(a) name(s), nature of activities and geographical location;</p>	(deleted)	
		(b) turnover;	(deleted)	
		(c) number of employees on a full time equivalent basis;	(deleted)	
		(d) value of assets and annual cost of maintaining those assets;	(deleted)	
		(e) sales and purchases;	(deleted)	
		(f) profit or loss before tax;	(deleted)	
		(g) tax on profit or loss;	(deleted)	
		(h) public subsidies received;	(deleted)	
		(i) parent companies shall provide a list of subsidiaries operating in each Member State or third	(deleted)	

		country alongside the relevant data."		
		(-1b) In Article 18, paragraph 3 is replaced by the following:	(deleted)	
		"3. Member States may provide that point (b) of paragraph 1 and paragraph 2a are not to apply to the annual financial statements of an undertaking where that undertaking is included within the consolidated financial statements required to be drawn up under Article 22, provided that that information is given in the notes to the consolidated financial statement."	(deleted)	
		(-1c) The following article is inserted:	(deleted)	
		"Article 18a Additional disclosure for large undertakings	(deleted)	
		1. In the notes to the financial statements, large undertakings shall, in addition to the information required under Articles 16, 17, 18 and any other provisions of this Directive, publicly disclose essential elements of and information regarding tax rulings, providing a break-down by Member State and by third country in which the large undertaking in question has a subsidiary. The Commission shall	(deleted)	

		be empowered to set out, by means of delegated act in accordance with Article 49, the format and content of publication.		
		2. Undertakings of which the average number of employees on a consolidated basis during the financial year does not exceed 500 and which, on their balance sheet dates, have on a consolidated basis either a balance sheet which does not exceed a total of 86 million euros or a net turnover which does not exceeds 100 million euros shall be exempt from the obligation set out in paragraph 1 of this Article.	(deleted)	
		3. The obligation set out in paragraph 1 of this Article shall not apply to any undertaking governed by the law of a Member State whose parent undertaking is subject to the laws of a Member State and the information of which is included in the information disclosed by that parent undertaking in accordance with paragraph 1 of this Article.	(deleted)	
		4. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC."	(deleted)	

		<p>Article 2a</p> <p>Amendments to Directive 2004/109/EC</p> <p>Directive 2004/109/EC of the European Parliament and of the Council is amended as follows:</p> <p>(1) In paragraph 1 of Article 2, the following point is added:</p> <p>"(r) 'tax ruling' means any advance interpretation or application of a legal provision for a cross-border situation or transaction of a company which might lead to a loss of tax in Member States or which might lead to tax savings for the company resulting from artificial intra-group transfers of profits.".</p> <p>(2) The following articles are inserted:</p>	<p>(deleted)</p> <p>(deleted)</p> <p>(deleted)</p> <p>(deleted)</p> <p>(deleted)</p>	
		<p>"Article 16a</p> <p>Additional disclosure for issuers</p> <p>1. Member States shall require each issuer to annually publicly disclose, specifying by Member State and by third country in which it has a subsidiary, the following information on a consolidated basis for the financial year :</p>	<p>(deleted)</p> <p>(deleted)</p>	
		<p>(a) name(s), nature of activities</p>	<p>(deleted)</p>	

		and geographical location		
		(b) turnover	(deleted)	
		(c) number of employees on a full-time equivalent basis	(deleted)	
		(d) profit or loss before tax	(deleted)	
		(e) tax on profit or loss	(deleted)	
		(f) public subsidies received	(deleted)	
		2. The obligation set out in paragraph 1 shall not apply to any issuer governed by the law of a Member State whose parent company is subject to the laws of a Member State and of which the information is included in the information disclosed by that parent company in accordance with paragraph 1.	(deleted)	
		3. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the issuer concerned.	(deleted)	

		Article 16b Additional disclosure for issuers	(deleted)	
		1. Member States shall require each issuer to publicly disclose annually, on a consolidated basis for the financial year, essential elements of and information regarding tax rulings, providing a break-down by Member State and by third country in which it has a subsidiary. The Commission shall be empowered to set out, by means of delegated acts in accordance with Article 27(2a), (2b) and (2c), the format and content of publication.	(deleted)	
		2. The obligation set out in paragraph 1 of this Article shall not apply to any issuer governed by the law of a Member State whose parent company is subject to the laws of a Member State and whose information is included in the information disclosed by that parent company in accordance with paragraph 1 of this article.	(deleted)	
		3. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and shall be published, where possible, as an annex to the annual financial	(deleted)	

		statements or, where applicable, to the consolidated financial statements of the issuer concerned."	(deleted)	
		(3) In Article 27, paragraph 2a is replaced by the following:	(deleted)	
		"2a. The power to adopt the delegated acts referred to in Article 2(3), Article 5(6), Article 9(7), Article 12(8), Article 13(2), Article 14(2), Article 16a(1), Article 17(4), Article 18(5), Article 19(4), Article 21(4), Article 23(4), Article 23(5) and Article 23(7) shall be conferred on the Commission for a period of 4 years from January 2011. The Commission shall draw up a report in respect of delegated power at the latest 6 months before the end of the four-year period. The delegation of power shall be automatically extended for periods of an identical duration, unless the European Parliament or the Council revokes it in accordance with Article 27a."	(deleted)	

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