Deutsches Aktieninstitut
Kapital. Markt. Kompetenz.

# Driving forward the objectives of the Shareholder Rights Directive

Efficient digital shareholder communication is key to improving the exercise of shareholder rights

Position of Deutsches Aktieninstitut on Update of the rules on shareholder rights: evaluation and review of the Shareholder Rights Directive, May 6 2026.

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# Executive Summary:
# Moving forward the objectives of the SRD

Effective shareholder communication is a key component of the success of the Savings and Investments Union. Well-functioning capital markets depend on trust: Investors need to know that companies inform them in a timely, complete and understandable manner and that they can exercise their rights across borders just as effectively as in their home market.

The second Shareholder Rights Directive already significantly improved shareholder communication. We recommend, that the legislator pursues the objectives of effective shareholder communication further and promote more direct interaction between companies and their shareholders. Intermediaries should therefore always transmit shareholders' email addresses whenever they hold this information. For institutional investors, intermediaries should also provide specific contact details of a contact person; a generic postal address does not serve this purpose.

Effective shareholder communication requires full identification of all shareholders. For this reason, Member States should no longer have the option to introduce ownership thresholds for shareholder identification.

In practice, communication will often still run through a chain of intermediaries in the future. In order to improve communication between companies and their shareholders, legislator should promote further digitalisation and standardisation of processes in the chain of intermediaries. For example, many last intermediaries still manually draft an AGM invitation for each company every year instead of automatically incorporating the provided data into a standard letter.

The legislator should reflect to proposals above a third Shareholder Rights Directive in due course and use it to advance the objectives already set out in the second Directive.

# Position on the specific consultation questions

## 1 Shareholders

### Definition of Shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

**Q1**: To what extent does the lack of a common definition of 'shareholder' in the SRD lead to legal uncertainty?

☐ To a very large extent

☐ To a large extent

☐ To a moderate extent

☒ To a small extent

☐ Not at all

☐ Don't know / No opinion

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| We welcome the EU's efforts towards harmonising the identification of who is the shareholder. As the identification of shareholders is carried out by the last intermediary, the concept of the last intermediary needs harmonisation first. We are aware that the definition of a shareholder is difficult and carries the risk that intermediaries rather than beneficial shareholders will be identified. It will be important to prevent that outcome. |

How should the EU tackle it?

☐ By introducing a common definition of 'shareholder' applicable to the entire directive, including the exercise of shareholder rights

☐ To a large extent

☐ By introducing a common definition of 'shareholder' only for the identification of shareholders

☒ By publishing a list of different definitions of 'shareholder' applicable in different Member States

☐ By other means

If you would like, please explain your answer (max 500 characters):

The introduction of a single EU-wide definition of the term "shareholder" could significantly affect well-established national company laws and ownership regimes, thereby creating the risk of considerable legal uncertainty. Publishing a central, official list of national definitions would provide cross-border investors and intermediaries with the clarity they need to navigate the EU market more effectively.

**Q2**: In case a common definition of 'shareholder' was to be introduced, which of the following definitions would you advise?

☐ The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)

☐ The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end-investor definition)

☒ Other

If you would like to, please explain your answer (max 500 characters):

We prefer to harmonize the term "last intermediaries"; however, if one is introduced, it must designate the end-investor (who bears the economic risk) in order to prevent creeping takeovers. At the same time, issuers must be informed about the person who actually exercises the voting rights, where this is not the end-investor, since knowing who controls the votes is essential for effective stewardship and good corporate governance.

### Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

**Q3**: To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?

☒ To a very large extent

☐ To a large extent

☐ To a moderate extent

☐ To a small extent

☐ Not at all

☐ Don't know / No opinion

If you would like to, please explain your answer (max 500 characters):

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|---|
| Identifying shareholders is a prerequisite for the effective exercise of shareholder rights. A good example is when a company is able to communicate directly with shareholders digitally. This process can be carried out very quickly and without any issues, since the shareholder's entitlement is clear and digital communication is very fast. If direct communication with shareholders is possible, many potential obstacles can be avoided. |

**Q4**: Are you aware of any problems related to the identification of shareholders?

☒ Companies cannot identify all shareholders they would like to identify

☐ Companies do not know who they can identify

☒ Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (*Please note that communication problems will be treated in-depth in the next section*)

☒ The quality of shareholder information companies receive is insufficient

☐ It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

While SRD II improved capital mapping, critical enhancements remain:

1) **Mandatory Digital Contact Information:** Issuers must receive shareholders' email addresses, which some intermediaries currently withhold despite having this information.
2) **Specific Contacts for Institutional Investors:** Issuers need the name and email address of a designated contact person.
3) **Eliminating the 0-0.5% threshold:** Only the issuer should therefore be able to determine the threshold for shareholder identification.

**Q5**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Companies' right to identify shareholders without any threshold limiting this right | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table) | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders) | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Issuing or recording shares with Distributed Ledger Technology (such as blockchain) | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Specific obligations regarding omnibus accounts, i.e., account enabling any | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

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| participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant | | | | | | |
| A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the chain of custody to process the information in the same manner | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders) | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Improving the possibility of companies to directly contact their shareholders | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

If you would like to, please explain your answer (max 500 characters):

## 2. Interaction between Companies, Shareholders, and Intermediaries

Transmission of information (Article 3b)

The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

**Q6**: To what extent have the following measures contributed to the smooth flow of information between shareholders and companies? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting) | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Companies' obligation to provide intermediaries with the relevant information in a standardised manner | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Intermediaries' obligation to transmit the | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

| | | | | | | |
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| information provided by the companies to the shareholders without delay | | | | | | |
| Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Intermediaries' obligation to transmit information in a standardised manner | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement of more than one intermediary (chain of intermediaries) | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

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| Digital communication from the issuer to the end investor, digitally and through a straight-through process (STP), is key. This also applies to the forwarding of information from the last intermediary to the shareholder. For example, information about the AGM invitation can be automatically transferred from interbank communication to a standard letter. If a letter is drafted manually for each company every year, this hinders the forwarding process. |

**Q7**: Are you aware of any problems related to the transmission of information?

☒ Information does not reach recipients

☒ Information is received late

☐ Information quality is insufficient (e.g., the information is incomplete)

☐ Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)

☐ High costs for information transmission services (please note that costs are also treated in a section below)

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

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| Some intermediaries in the EU do not comply with SRD (Straight-Through Processing) requirements regarding end-to-end data processing.<br><br>Furthermore, neobrokers apparently do not provide shareholders with sufficient support in exercising their rights. Upon a shareholder's request, a separate authorization confirmation is issued for a fee. This separate confirmation also requires a manual process, which inevitably leads to delays. |

**Q8**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Facilitating direct communications between companies and shareholders | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Facilitating communication through technical | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

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| solutions which allow automatic and instantaneous access to information | | | | | | |
| Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Other | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

Problems only arise in cross-border situations where the shareholder does not receive the information in good time or where intermediaries fail to provide adequate support.

It is precisely in such cases that direct digital communication would be helpful. That is why not having an email address is a practical blocker.
A separate authorisation confirmation is a practical blocker, too.

If you would like to, please explain your answer (max 500 characters):

Issuer already possesses the necessary information to verify shareholder authorization. In these cases, an additional authorization confirmation is leads to duplicated work and increased complexity, as systems are not designed for the efficient processing of parallel documents with identical information. Furthermore, the manual process carries the risk of information not being received in time. Standardized, fully automated processes are therefore essential for exercising shareholder rights.

<u>Facilitation of the exercise of shareholder rights (Article 3c)</u>

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

**Q9**: To what extent have the following measures facilitated the exercise of shareholder rights? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Requiring an electronic confirmation of receipt of the votes when votes are cast electronically | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Requiring standardised notifications for corporate events such as general meetings and | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| shareholder participation therein | | | | | | |

If you would like to, please explain your answer (max 500 characters):

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**Q10**: Are you aware of any problems related to the facilitation of shareholder rights?

☒ Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles

☒ Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based

☐ Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights

☒ Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of shareholder rights difficult

☒ Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information

☐ Convocation date may be too close to the date of the general meeting

☐ Meeting material may be provided too close to the date of the general meeting

☒ Lack of transparency in post-meeting confirmations and information

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

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| The requirement for a separate confirmation of entitlement under Implementing Regulation (EU) 2018/1212 results in unnecessary duplication and complicates communication between intermediaries and issuers. When voting instructions are already forwarded via intermediaries, the issuer receives all necessary information to verify shareholders' entitlement, making an additional confirmation redundant and operationally burdensome. |

**Q11**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Introducing a standardised proof of entitlement for the exercise of shareholder rights | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business Wallet) | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Enabling automated functions in the shares and programmable shares to exercise shareholders rights | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Introducing (more detailed) EU-wide deadlines/timelines for: | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| a) Convocation of general meetings | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| b) Publication of meeting materials | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| c) Record dates | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| d) Cut-off dates | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| e) Updating shareholder registers | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Shortening the 15-day maximum deadline for publishing voting results | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Requiring publication of voting results for each class of shares | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Enabling instantaneous and automated receipt of vote confirmation | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Other | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

Communication under the Implementing Regulation should be sufficient.

If you would like to, please explain your answer (max 500 characters):

A Notification of Participation sent via SWIFT cannot include a power of attorney (PDF attachments are not permitted); therefore, the intermediary's confirmation in the notice that a power of attorney exists should suffice.
The Notification of Participation should also include the portfolio confirmation; two messages are not required because all necessary information is included.

Non-discrimination, proportionality and transparency of costs (Article 3d)

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

**Q12**: Are you aware of any problems related to the fees or charges imposed by intermediaries?

☐ High costs in cross-border settings disincentivise the exercise of shareholder rights

☐ Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services

☒ Lack of transparency as to how intermediaries calculate their charges

☐ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

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| |

**Q13**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Fixed charges for specific services | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Maximum ceilings for charges for specific services | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Clarification of who (company, intermediary, shareholder) pays for which request | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Standardised terminology for the types of charges and services | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| Standardised format for disclosure of charges | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Central database or comparator of intermediaries' charges structures to ensure transparency | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

If you would like to, please explain your answer (max 500 characters):

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

**Q14**: Are there any problems with the Directive's provision on third-country intermediaries? (max 500 characters):

**Q15**: If you see any problems, which measures would improve the situation? (max 500 characters):

## 3. Institutional Investors and Asset Managers

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

**Q16**: To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?

☐ To a very large extent

☐ To a large extent

☒ To a moderate extent

☐ To a small extent

☐ Not at all

☐ Don't know / No opinion

If you would like to, please explain your answer (max 500 characters):

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|---|
| |

**Q17**: To what extent have the following measures increased the level of engagement of institutional investors and asset managers?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Institutional investors and asset managers must publicly disclose – on a "comply or explain" basis – a shareholder engagement policy | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Institutional investors and asset managers must publicly disclose each year – on a "comply or explain basis" – how their engagement policy has been implemented | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Institutional investors must publicly disclose – on a "comply or explain" basis – details regarding their arrangements with their asset managers | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Asset managers must annually report to their institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds. | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| Voting guidelines, voting records, and information on the use of external providers (such as proxy advisors, ESG rating agencies, or other vendors) are valuable for understanding how investments are assessed. Broader disclosure of the rationale behind individual votes would further help issuers comprehend negative voting decisions. In addition, providing email addresses for the investor teams responsible for engagement and voting would be beneficial. |

**Q18**: Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting? (max 500 characters):

| |
|---|
| |

**Q19**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Expanding public disclosure related to engagement policy and investment strategy of institutional investors and asset managers | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Clarifying the elements of the engagement policy and the equity investment strategy | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Turning certain reporting or "comply or explain" obligations into mandatory requirements | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Introducing an EU-wide stewardship code of best practices | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Other | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

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| |

If you would like to, please explain your answer (max 500 characters):

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|---|
| Voting policies and engagement reports are essential for issuers when preparing AGMs and governance roadshows; reducing disclosure would seriously weaken corporate governance. As current reporting is often generic, an EU framework, inspired by the UK Stewardship Code, should shift the focus from boilerplate policies to concrete engagement outcomes and require transparency on the resources investors devote to meaningful, direct dialogue. |

## 4. Proxy Advisors (Article 3j)

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.

**Q20**: To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Application of a code of conduct on a "comply-or-explain" basis | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| Disclosure to the client of conflicts of interests and actions taken to address them | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

While transparency has improved, issuers would welcome greater insight into how voting recommendations are prepared. In addition, we support a harmonised dialogue framework under which issuers have a systematic right to review draft voting recommendation reports before publication in order to correct factual inaccuracies.

**Q21**: Are you aware of any problems related to proxy advisors?

☒ Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently

☐ It is unclear which actors fall under the provisions on proxy advisors

☒ Proxy advisors' disclosure on dialogue with companies is not satisfactory

☐ Handling of company complaints is not satisfactory

☒ Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently

☐ Proxy advisors' adherence to a code of conduct is not transparent

☒ Accountability and transparency of proxy advisors are limited

☐ Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

Issuers acknowledge some progress in terms of transparency and interaction. However, key concerns persist. In particular, there is still no harmonised 'right of reply': issuers should have a systematic opportunity to review draft voting recommendation reports before publication, in order to correct factual inaccuracies, and this should not entail any fees for accessing or rectifying their own information.

**Q22**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Clarifying the definition of proxy advisor under the SRD | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| EU-wide code of conduct for proxy advisors | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Specifying key features an industry code of conduct should have | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Additional transparency and disclosure requirements for proxy advisors | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Reducing disclosure requirements for proxy advisors | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| EU-wide basic registration of proxy advisors with activity in the EU | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| EU-centralised supervision of proxy advisors | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| National competent authority oversight of proxy advisors | ☐ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

| |
|---|
| |

If you would like to, please explain your answer (max 500 characters):

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|---|
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## 5. General Meetings of Shareholders

General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

**Q23**: What is the best format for the exercise of shareholder rights?

☐ In-person general meeting

☐ Virtual only general meeting

☐ Hybrid general meeting

☐ Exercise of rights prior to (outside) general meetings

☒ Other

☐ Don't know / No opinion

If other, please specify the format(s) (max 500 characters):

| |
|---|
| It should be up to issuers to decide the best format for the exercise of shareholder rights. |

**Q24**: Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| In-person only general meetings | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| Virtual-only general meetings | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance) | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Requiring shareholders to exercise certain rights prior to the general meeting | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Adopting shareholder resolutions outside general meetings | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Other | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

Companies decide flexibly on the most suitable format for their AGMs, in line with their specific needs. It is hard to imagine a European harmonisation of the format, as it is tied to national circumstances.

The law governing defects in resolutions would need to be harmonized if there were regulations governing the conduct of the annual general meeting.

If you would like to, please explain your answer (max 500 characters):

The law governing defects in resolutions would also have to be fully harmonised. In Germany, annual general meetings are characterised by a desire to avoid even the slightest error, as this could have serious consequences for the company. This is one of the reasons why hybrid AGMs are rarely held in Germany. In the hybrid format, the legal risks of the virtual and in-person formats are combined.

**Q25**: To what extent is there a need for common EU rules on the format of general meetings?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings) | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Each shareholder must be able to exercise their rights during the general meeting | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Each shareholder must have the possibility to also exercise their rights prior to the general meeting | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| There should be minimum standards to safeguard shareholder rights and legal certainty in the context of virtual participation | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Other | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

| |
|---|
| Shareholders should be given sufficient time to inform themselves about shareholder proposals and motions submitted by other shareholders. We therefore demand that motions be announced in a timely manner (14 days) before the AGM, if possible. If there are new and important facts, then this would of course not be possible. |

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| Shareholder should receive information in a timely manner. In the case of shareholder motions that are raised at short notice at the AGM, other shareholders are unable to adequately consider the motions. Furthermore, the vast majority of shareholders are not even aware of these motions, as they have cast their votes before the AGM and are not present at all. There is even a risk of random majorities. In addition, these motions complicate the proceedings of the AGM and reduce its attractiveness. |

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

**Q26**: To what extent were the following shareholder rights strengthened by the SRD?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Right to receive information prior to the general meeting | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to put items on the agenda | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to table draft resolutions | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to vote in the general meetings | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to vote by correspondence | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to ask questions | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Right to appoint a chosen proxy holder | ☒ | ☐ | ☐ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

**Q27**: Are you aware of any problems related to the exercise of shareholder rights, among the following?

☐ Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments

☐ Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment

☐ Existing shareholder rights are not sufficient to ensure sound corporate governance

☐ Delays and inefficiencies regarding the vote casting and counting infrastructures

☐ Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)

☐ Persisting practices impede split voting

☐ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

**Q28**: To what extent would the following measures lead to improvements?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Enabling shareholders to speak at the general meeting or to submit opinions prior to it | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Enabling shareholders to challenge resolutions under certain common conditions | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| EU-wide conditions for | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| attendance of shareholders and proxy holders | | | | | | |
| Standardised protocols for vote casting and counting | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

If you would like to, please explain your answer (max 500 characters):

Link between directors' pay and companies' performance (Articles 9a and 9b)

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors' pay to the long-term performance of the company.

**Q29**: To what extent is the objective of the Shareholder Rights framework of increasing the link between directors' pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?

☐ To a very large extent

☒ To a large extent

☐ To a moderate extent

☐ To a small extent

☐ Not al all

☐ Don't know / No opinion

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| |

**Q30**: To what extent have the following measures contributed to the alignment between directors' pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Companies must publish a remuneration policy based on which remuneration to directors is paid | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Companies must publish a report on directors' remuneration for the most recent financial year | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |
| Shareholder vote on the remuneration policy and reports | ☐ | ☒ | ☐ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| We oppose further legislation in this area and believe that the existing framework should not be negotiated anew. |

**Q31**: Are you aware of any problems related to the existing rules on the long-term performance of the company and the link between directors' pay and companies' performance?

☐ Current rules are too burdensome

☐ Member States can make the vote of shareholders on the remuneration policy only advisory

☐ Shareholders' vote on the remuneration report is only advisory

☐ Member States can replace the shareholders' vote on the remuneration report by a discussion requirement

☐ Executive remuneration is not comparable across companies

☐ The Directive is insufficiently applied/enforced

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

| |
|---|
| We are not aware of any problems concerning the link between directors' pay and companies 'performance. |

**Q32**: To what extent would the following measures lead to an improvement?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Binding vote of shareholders on director remuneration | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Simplified rules on remuneration policy | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Simplified rules on remuneration reports | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

| |
|---|
| |

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| We oppose further legislation in this area and believe that the existing framework should not be negotiated anew. |

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

**Q33**: To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long-term performance of the company, still relevant today?

☐ To a very large extent

☒ To a large extent

☐ To a moderate extent

☐ To a small extent

☐ Not al all

☐ Don't know / No opinion

If you would like to, please explain your answer (max 500 characters):

| |
|---|
| The SRD II provisions on related-party transactions have, overall, strengthened the identification, disclosure, and oversight of conflict-prone dealings. By requiring greater transparency and clearer approval procedures, they have enabled shareholders and regulators to monitor such transactions more effectively and to help ensure they are conducted on fair terms.<br>We therefore oppose additional legislation in this area and consider that the existing framework should remain unchanged. |

**Q34**: To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Public announcement of related party transactions | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

| | | | | | | |
|---|---|---|---|---|---|---|
| (transparency) | | | | | | |
| Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Extension of transparency requirements to transactions between related parties of the company and its subsidiaries | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Report as to whether the related party transaction is fair and reasonable (optional for Member States) | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |

If you would like to, please explain your answer (max 500 characters):

Germany had already, even before the regulations introduced under the label "related party transactions", strict rules and case law on the repayment of capital contributions, including in group company law, among others.

**Q35**: Are you aware of any problems with the provisions on related party transactions?

☐ It is unclear which transactions qualify as material related party transactions

☐ Too many options for Member States, lead to fragmentation

☐ Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

We are not aware of any problem

**Q36**: To what extent would the following measures lead to improvements?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Specifying which transactions qualify as material related party transactions (including quantitative ratios) | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Providing fewer options for Member States and introducing more rules on related party transactions | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |

If other, please specify the other measure (max 500 characters):

If you would like to, please explain your answer (max 500 characters):

## 6. Enforcement

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive. This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

**Q37**: Are you aware of any problems regarding enforcement?

☐ Insufficient supervision by Member States' competent authorities

☐ Unclear which Member State is competent for the enforcement of the Directive

☐ Legal uncertainty, especially on scope of the SRD and the definition of central concepts

☒ Other

☐ Don't know / No opinion

If other, please specify the other problem(s) (max 500 characters):

| |
|---|
| The sanctions regime (particularly for intermediaries) and its enforcement vary from one country to another. |

**Q38**: To what extent would the following measures lead to improvements?

| | To a very large extent | To a large extent | To a moderate extent | To a small extent | Not at all | Don't know/no opinion |
|---|---|---|---|---|---|---|
| Transferring certain SRD provisions into a regulation | ☐ | ☐ | ☐ | ☐ | ☒ | ☐ |
| Codes of conduct developed by the private sector | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Peer review mechanisms | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| EU guidelines | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Supervision by an EU authority, e.g., ESMA | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Other | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

If other, please specify the other measure (max 500 characters):

If you would like to, please explain your answer (max 500 characters):

## 7. Additional information

**Q39**: Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework? (max 1500 characters)

**Q40**: Feel free to attach any relevant documents to support or complement your replies.

**Q41**: Do you give your consent to be contacted by the Commission for a possible follow-up?

☒ Yes

☐ No

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