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2014 - 2019

Committee on Legal Affairs

2014/0121(COD)

6.2.2015

AMENDMENTS

84 - 289

Draft report
Sergio Gaetano Cofferati
(PE544.471v01-00)

Amendment to Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and to Directive 2013/34/EU as regards certain elements of the corporate governance statement

Proposal for a directive
(COM(2014)0213 – C7-0147/2014 – 2014/0121(COD))

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AM_Com_LegReport

Amendment 84
Pascal Durand

Proposal for a directive
Title

Text proposed by the Commission

Proposal for a
DIRECTIVE OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
amending Directive 2007/36/EC as regards
the encouragement of long-term
shareholder engagement *and* Directive
2013/34/EU as regards certain elements of
the corporate governance statement

(Text with EEA relevance)

Amendment

Proposal for a
DIRECTIVE OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
amending Directive 2007/36/EC as regards
the encouragement of long-term
shareholder engagement *in listed
companies, large companies and large
groups*, Directive 2013/34/EU as regards
certain elements of the corporate
governance statement *and Directive
2004/109/EC*

(Text with EEA relevance)

Or. fr

Amendment 85
Pascal Durand
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 1

Text proposed by the Commission

(1) Directive 2007/36/EC of the European
Parliament and of the Council¹⁵ establishes
requirements in relation to the exercise of
certain shareholder rights attaching to
voting shares in relation to general
meetings 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.

Amendment

(1) Directive 2007/36/EC of the European
Parliament and of the Council¹⁵ establishes
requirements in relation to the exercise of
certain shareholder rights attaching to
voting shares in relation to general
meetings 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. *This Directive
should also cover large companies and
large groups, as defined in Directive*

2013/34/EU of the European Parliament and of the Council^{15a}, which do not have shares admitted to trading on a regulated market, given that they also do business which has a major impact.

¹⁵ Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17).

Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17).

^{15a} Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

Or. fr

Amendment 86
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive
Recital 2

Text proposed by the Commission

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking. ***Moreover, there is clear evidence that the current level of 'monitoring' of investee companies and engagement by institutional investors and asset managers is inadequate, which may lead to suboptimal corporate governance and performance of listed companies.***

Amendment

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking.

Or. en

Amendment 87

Pascal Durand

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking. Moreover, there is clear evidence that the current level of “monitoring” of investee companies and engagement by institutional investors and asset managers is inadequate, ***which may lead to suboptimal corporate governance and performance of listed companies.***

Amendment

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking, ***which leads to suboptimal corporate governance and performance in the long term.*** Moreover, there is clear evidence that the current level of “monitoring” of investee companies and engagement by institutional investors and asset managers is inadequate.

Or. fr

Amendment 88

Philippe De Backer

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking. ***Moreover, there is clear evidence that the current level of ‘monitoring’ of investee companies and engagement by institutional investors and asset managers is inadequate, which may lead to suboptimal corporate governance and performance of listed companies.***

Amendment

(2) The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking.

Or. en

Amendment 89

Pascal Durand

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Greater involvement of shareholders in companies' corporate governance is one of the levers that can help improve the financial and non-financial performance of those companies. Nevertheless, since shareholder rights are not the only long-term factor which needs to be taken into consideration in corporate governance, they should be accompanied by additional measures to ensure a greater involvement of all stakeholders, in particular employees, local authorities and civil society.

Or. fr

Amendment 90

Axel Voss, Angelika Niebler

Proposal for a directive

Recital 4

Text proposed by the Commission

Amendment

(4) In order to further facilitate the exercise of shareholder rights and engagement between listed companies and shareholders, listed companies should have the possibility to have their shareholders identified and directly communicate with them. Therefore, this Directive should provide for a framework to ensure that shareholders can be identified.

(4) In order to further facilitate the exercise of shareholder rights and engagement between listed companies and shareholders, listed companies should have the possibility to have their shareholders identified and directly communicate with them. Therefore, this Directive should provide for a framework to ensure that shareholders can be identified, ***while taking account of existing national systems.***

Or. de

Justification

Existing differences between national shareholder identification systems must not be neglected.

Amendment 91

Emil Radev

Proposal for a directive

Recital 6

Text proposed by the Commission

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when he would like to exercise these rights himself or wants to nominate a third person to do so. When the shareholder does not want to exercise the rights himself and has nominated the intermediary as a third person, the latter should be obliged to exercise these rights upon the explicit authorisation and instruction ***of the shareholder and for his benefit.***

Amendment

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when he would like to exercise these rights himself or wants to nominate a third person to do so. When the shareholder does not want to exercise the rights himself and has nominated the intermediary as a third person, the latter should be obliged to exercise these rights ***for the benefit of the shareholder, upon receipt of the shareholder's*** explicit authorisation and instruction ***in writing.***

Or. bg

Amendment 92

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Recital 6

Text proposed by the Commission

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when ***he*** would like to exercise these rights ***himself or wants*** to nominate a third person to do so. When the ***shareholder does*** not want to exercise the

Amendment

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when ***they*** would like to exercise these rights ***themselves or want*** to nominate a third person to do so. When ***shareholders do*** not want to exercise the

rights **himself** and **has** nominated the intermediary as a third person, the latter should be obliged to exercise these rights upon the explicit authorisation and instruction of the **shareholder** and for **his** benefit.

rights **themselves** and **have** nominated the intermediary as a third person, the latter should be obliged to exercise these rights upon the explicit authorisation and instruction of the **shareholders** and for **their** benefit.

Or. en

Amendment 93
Axel Voss, Angelika Niebler

Proposal for a directive
Recital 6

Text proposed by the Commission

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when he would like to exercise these rights himself or wants to nominate a third person to do so. When the shareholder does not want to exercise the rights himself and has nominated the intermediary as a third person, the latter should be obliged to exercise these rights upon the explicit authorisation and instruction of the shareholder and for his benefit.

Amendment

(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by the shareholder both when he would like to exercise these rights himself or wants to nominate a third person to do so. When the shareholder does not want to exercise the rights himself and has nominated the intermediary, **who is voluntarily offering to exercise shareholder rights by proxy**, as a third person, the latter should be obliged to exercise these rights upon the explicit authorisation and instruction of the shareholder and for his benefit.

Or. de

Justification

The intermediary should retain the option of exercising shareholders' rights by proxy.

Amendment 94
Jiří Maštálka

Proposal for a directive
Recital 8

Text proposed by the Commission

(8) Effective and sustainable shareholder engagement is one of the cornerstones of listed companies' corporate governance model, which depends on checks and balances between the different organs and different stakeholders.

Amendment

(8) Effective and sustainable shareholder engagement ***as well as proper involvement of stakeholders, in particular employees,*** is one of the cornerstones of listed companies' corporate governance model, which depends on checks and balances between the different organs and different stakeholders.

Or. en

Amendment 95

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Recital 9

Text proposed by the Commission

(9) Institutional investors and asset managers are important shareholders of listed companies in the Union and therefore can play an important role in the corporate governance of these companies, but also more generally with regard to the strategy and long-term performance of these companies. However, the experience of the last years has shown that institutional investors and asset managers often do not engage with companies in which they hold shares ***and evidence shows that capital markets exert pressure on companies to perform in the short term, which may lead to a suboptimal level of investments, for example in research and development to the detriment to long-term performance of both the companies and the investor.***

Amendment

(9) Institutional investors and asset managers are important shareholders of listed companies in the Union and therefore can play an important role in the corporate governance of these companies, but also more generally with regard to the strategy and long-term performance of these companies. However, the experience of the last years has shown that institutional investors and asset managers often do not engage with companies in which they hold shares.

Or. en

Amendment 96
Philippe De Backer

Proposal for a directive
Recital 9

Text proposed by the Commission

(9) Institutional investors and asset managers are important shareholders of listed companies in the Union and therefore can play an important role in the corporate governance of these companies, but also more generally with regard to the strategy and long-term performance of these companies. However, the experience of the last years has shown that institutional investors and asset managers often do not engage with companies in which they hold shares ***and evidence shows that capital markets exert pressure on companies to perform in the short term, which may lead to a suboptimal level of investments, for example in research and development to the detriment to long-term performance of both the companies and the investor.***

Amendment

(9) Institutional investors and asset managers are important shareholders of listed companies in the Union and therefore can play an important role in the corporate governance of these companies, but also more generally with regard to the strategy and long-term performance of these companies. However, the experience of the last years has shown that institutional investors and asset managers often do not engage with companies in which they hold shares.

Or. en

Amendment 97
Pascal Durand
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 11

Text proposed by the Commission

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement, which determines, amongst others, how they integrate shareholder engagement in their investment strategy, monitor investee companies, conduct dialogues with

Amendment

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement, which determines, amongst others, how they integrate shareholder engagement in their investment strategy ***(including an impact assessment of social and environmental***

investee companies and exercise voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy, its implementation and the results thereof should be publicly disclosed on an annual basis. ***Where institutional investors or asset managers decide not to develop an engagement policy and/or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case.***

risks), monitor investee companies, conduct dialogues with investee companies ***and their stakeholders, in particular employees, local authorities and civil society***, and exercise voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy, its implementation and the results thereof should be publicly disclosed on an annual basis.

Or. fr

Amendment 98

Jytte Guteland

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement, which determines, amongst others, how they integrate shareholder engagement in their investment strategy, monitor investee companies, conduct dialogues with investee companies and exercise voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy, its implementation and the results thereof should be publicly disclosed on an annual basis. ***Where institutional investors or***

Amendment

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement, which determines, amongst others, how they integrate shareholder engagement in their investment strategy, monitor investee companies, conduct dialogues with investee companies and exercise voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy, its implementation and the results thereof should be publicly disclosed on an annual

asset managers decide not to develop an engagement policy and/or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case.

basis.

Or. en

Amendment 99

Axel Voss

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement, ***which determines, amongst others, how they integrate shareholder engagement*** in their investment strategy, ***monitor*** investee companies, ***conduct dialogues*** with investee companies and exercise voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy, ***its implementation and the results thereof*** should be publicly disclosed ***on an annual basis***. Where institutional investors or asset managers decide not to develop an engagement policy and/or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case.

Amendment

(11) Therefore, institutional investors and asset managers should develop a policy on shareholder engagement ***and cooperation, based on substantial exchanges. Such cooperation should relate, inter alia, to*** their investment strategy, ***to the monitoring of*** investee companies, ***to the dialogue*** with investee companies and ***to the*** exercise ***of their*** voting rights. Such engagement policy should include policies to manage actual or potential conflicts of interests, such as the provision of financial services by the institutional investor or asset manager, or companies affiliated to them, to the investee company. This policy should be publicly disclosed. Where institutional investors or asset managers decide not to develop an engagement policy and/or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case.

Or. de

Amendment 100
Angelika Niebler

Proposal for a directive
Recital 12

Text proposed by the Commission

(12) Institutional investors should ***annually disclose to the public*** how their equity investment strategy is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. Where they make use of asset managers, either through discretionary mandates involving the management of assets on an individual basis or through pooled funds, they should disclose to the public the main elements of the arrangement with the asset manager with regard to a number of issues, such as whether it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, whether it incentivises the asset manager to make investment decisions based on medium to long-term company performance and to engage with companies, how it evaluates the asset managers performance, the structure of the consideration for the asset management services and the targeted portfolio turnover. This would contribute to a proper alignment of interests between the final beneficiaries of institutional investors, the asset managers and the investee companies and potentially to the development of longer-term investment strategies and longer-term relationships with investee companies involving shareholder engagement.

Amendment

(12) ***Regulated*** institutional investors should ***report to the relevant supervisory body on*** how their equity investment strategy is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. ***Non-regulated investors should disclose this to the public.*** Where they make use of asset managers, either through discretionary mandates involving the management of assets on an individual basis or through pooled funds, they should ***report on, or*** disclose to the public, the main elements of the arrangement with the asset manager with regard to a number of issues, such as whether it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, whether it incentivises the asset manager to make investment decisions based on medium to long-term company performance and to engage with companies, how it evaluates the asset managers performance, the structure of the consideration for the asset management services and the targeted portfolio turnover. This would contribute to a proper alignment of interests between the final beneficiaries of institutional investors, the asset managers and the investee companies and potentially to the development of longer-term investment strategies and longer-term relationships with investee companies involving shareholder engagement.

Or. de

Amendment 101

Axel Voss

Proposal for a directive

Recital 12

Text proposed by the Commission

(12) Institutional investors should ***annually disclose to the public*** how their equity investment strategy is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. Where they make use of asset managers, either through discretionary mandates involving the management of assets on an individual basis or through pooled funds, they should disclose to the public the main elements of the arrangement with the asset manager with regard to a number of issues, such as whether it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, whether it incentivises the asset manager to make investment decisions based on medium to long-term company performance and to engage with companies, ***how it evaluates the asset managers performance, the structure of the consideration for the asset management services*** and the targeted portfolio turnover. This would contribute to a proper alignment of interests between the final beneficiaries of institutional investors, the asset managers and the investee companies and potentially to the development of longer-term investment strategies and longer-term relationships with investee companies involving shareholder engagement.

Amendment

(12) ***Regulated*** institutional investors should ***report to the relevant supervisory body on*** how their equity investment strategy is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. ***Non-regulated investors should disclose this to the public.*** Where they make use of asset managers, either through discretionary mandates involving the management of assets on an individual basis or through pooled funds, they should ***report on, or*** disclose to the public, the main elements of the arrangement with the asset manager with regard to a number of issues, such as whether it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of the liabilities of the institutional investor, whether it incentivises the asset manager to make investment decisions based on medium to long-term company performance and to engage with companies, and the targeted portfolio turnover. This would contribute to a proper alignment of interests between the final beneficiaries of institutional investors, the asset managers and the investee companies and potentially to the development of longer-term investment strategies and longer-term relationships with investee companies involving shareholder engagement.

Or. de

Amendment 102
Jiří Maštálka

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Asset managers should be required to disclose to institutional investors how their investment strategy and the implementation thereof is in accordance with the asset management arrangement and how the investment strategy and decisions contributes to medium to long-term performance of the assets of the institutional investor. Moreover, they should disclose whether they make investment decisions on the basis of judgements about medium-to long-term performance of the investee company, how their portfolio was composed and the portfolio turnover, actual or potential conflicts of interest and whether the asset manager uses proxy advisors for the purpose of their engagement activities. This information would allow the institutional investor to better monitor the asset manager, provide incentives for a proper alignment of interests and for shareholder engagement.

Amendment

(13) Asset managers should be required to **publicly** disclose to institutional investors how their investment strategy and the implementation thereof is in accordance with the asset management arrangement and how the investment strategy and decisions contributes to medium to long-term performance of the assets of the institutional investor. Moreover, they should disclose whether they make investment decisions on the basis of judgements about medium-to long-term performance of the investee company, how their portfolio was composed and the portfolio turnover, actual or potential conflicts of interest and whether the asset manager uses proxy advisors for the purpose of their engagement activities. This information would allow the institutional investor to better monitor the asset manager, provide incentives for a proper alignment of interests and for shareholder engagement.

Or. en

Amendment 103
Pascal Durand
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) Asset managers should be required to

Amendment

(13) Asset managers should be required to

disclose **to institutional investors** how their investment strategy and the implementation thereof is in accordance with the asset management arrangement and how the investment strategy and decisions contributes to medium to long-term performance of the assets of the institutional investor. Moreover, they should disclose whether they make investment decisions on the basis of judgements about medium-to long-term performance of the investee company, how their portfolio was composed and the portfolio turnover, actual or potential conflicts of interest and whether the asset manager uses proxy advisors for the purpose of their engagement activities. This information would allow the institutional investor to better monitor the asset manager, provide incentives for a proper alignment of interests and for shareholder engagement.

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Or. fr

Amendment 104

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Recital 14

Text proposed by the Commission

(14) In order to improve the information in the equity investment chain Member States should ensure that proxy advisors adopt and implement adequate measures to **guarantee** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them and are not affected by any existing or potential conflict of interest or business relationship. They should disclose certain key information related to the preparation of their voting recommendations and any

Amendment

(14) In order to improve the information in the equity investment chain Member States should ensure that proxy advisors adopt and implement adequate measures to **ensure to the best of their ability** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them and are not affected by any existing or potential conflict of interest or business relationship. They should disclose certain key information related to the preparation of their voting recommendations and any

actual or potential conflict of interest or business relationships that may influence the preparation of the voting recommendations.

actual or potential conflict of interest or business relationships that may influence the preparation of the voting recommendations.

Or. en

Amendment 105
Philippe De Backer

Proposal for a directive
Recital 14

Text proposed by the Commission

(14) In order to improve the information in the equity investment chain Member States should ensure that proxy advisors adopt and implement adequate measures to **guarantee** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them and are not affected by any existing or potential conflict of interest or business relationship. They should disclose certain key information related to the preparation of their voting recommendations and any actual or potential conflict of interest or business relationships that may influence the preparation of the voting recommendations.

Amendment

(14) In order to improve the information in the equity investment chain Member States should ensure that proxy advisors adopt and implement adequate measures to **ensure to the best of their ability** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them and are not affected by any existing or potential conflict of interest or business relationship. They should disclose certain key information related to the preparation of their voting recommendations and any actual or potential conflict of interest or business relationships that may influence the preparation of the voting recommendations.

Or. en

Amendment 106
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key

Amendment

deleted

instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

¹⁷ *Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..*

Or. en

Amendment 107
Therese Comodini Cachia

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company, ***taking into***

account the differences in board structures applied by companies in the different Member States, in accordance with national law.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

Or. en

Amendment 108
Philippe De Backer

Proposal for a directive
Recital 15

Text proposed by the Commission

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

deleted

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..

Amendment 109
Bendt Bendtsen, Ulla Tørnæs

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

Amendment

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¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

Amendment 110
Giovanni Toti

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner.

Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

¹⁷ ***Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..***

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner.

Or. xm

Justification

The additional information appears superfluous and possibly misleading and should therefore be deleted.

Amendment 111

József Szájer

Proposal for a directive

Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the

remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..

remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company, ***taking into account the differences in board structures applied by companies in the different Member States.***

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..

Or. en

Amendment 112

Morten Messerschmidt, Andrzej Duda, Angel Dzhambazki

Proposal for a directive Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ ***and while taking into account the differences in board structures applied by companies in the different Member States,*** listed companies and their shareholders should have the possibility to

define the remuneration policy of the directors of their company.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

Or. en

Amendment 113

Pascal Durand

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 15

Text proposed by the Commission

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their directors and in view of the crucial role of directors in companies, it is important that the remuneration policy of companies is determined in an appropriate manner. ***Without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷ listed companies and their shareholders should have the possibility to define the remuneration policy of the directors of their company.***

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338..

Amendment

(15) Since remuneration is one of the key instruments for companies to align their interests and those of their ***executives and directors*** and in view of the crucial role of ***the latter*** in companies, it is important that the remuneration policy of companies is determined in an appropriate manner ***without prejudice to the provisions on remuneration of Directive 2013/36/EU of the European Parliament and of the Council¹⁷. The performance of senior employees should be assessed in accordance with both financial and non-financial criteria, in particular on the basis of environmental, social and governance-related criteria.***

¹⁷ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms OJ L 176, 27.6.2013, p. 338.

Amendment 114

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Recital 16

Text proposed by the Commission

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay. ***deleted***

Amendment 115

Philippe De Backer

Proposal for a directive

Recital 16

Text proposed by the Commission

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's ***deleted***

remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

Or. en

Amendment 116
Jiří Maštálka

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. ***Employees should be engaged in the process of formulating remuneration policy via their representatives.*** The approved remuneration policy should be publicly disclosed without delay.

Or. en

Amendment 117
Giovanni Toti

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to **approve** the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy **that has been approved by shareholders. The approved** remuneration policy should be publicly disclosed without delay.

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to **vote** the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy. **That** remuneration policy should be publicly disclosed without delay.

Or. xm

Justification

Approval of remuneration policy by shareholders implies that the outcome of their vote is binding. Instead, Member States should be given the freedom to provide that this may take the form of consultation, in line with national laws and a principle-based approach.

Amendment 118
Morten Messerschmidt, Andrzej Duda, Angel Dzhambazki

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) In order to ensure that shareholders have an effective say on the remuneration

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration

policy, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which ***should be aligned with the business strategy, objectives, values and long-term interests*** of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

policy, ***without forcing shareholders to approve a level of detail in the policy that could be detrimental to the interests of the company in two-tier systems***, they should be granted the right to approve the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which ***should give indications on inter alia the possible use of variable pay, performance criteria, vesting-, retention- and deferral periods and payments linked to termination. The policy should be aligned with the business strategy*** of the company and should incorporate measures to avoid conflicts of interest. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

Or. en

Amendment 119
Angelika Niebler, Axel Voss

Proposal for a directive
Recital 16

Text proposed by the Commission

(16) In order to ensure that shareholders have an effective say on the remuneration policy, ***they should be granted*** the right to ***approve*** the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should ***only*** pay remuneration to their directors in accordance with a

Amendment

(16) In order to ensure that shareholders have an effective say on the remuneration policy, ***Member States should be able to grant them*** the right to ***an advisory or binding vote on*** the remuneration policy, on the basis of a clear, understandable and comprehensive overview of the company's remuneration policy, which should be aligned with the business strategy, objectives, values and long-term interests of the company and should incorporate measures to avoid conflicts of interest. Companies should pay remuneration to

remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

their directors in accordance with a remuneration policy that has been approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

Or. de

Amendment 120

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Recital 17

Text proposed by the Commission

Amendment

(17) To ensure that the implementation of the remuneration policy is in line with the approved policy, shareholders should be granted the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

deleted

Or. en

Amendment 121

Jiří Maštálka

Proposal for a directive

Recital 17

Text proposed by the Commission

Amendment

(17) To ensure that the implementation of

(17) To ensure that the implementation of

the remuneration policy is in line with the approved policy, shareholders should be granted the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

the remuneration policy is in line with the approved policy, shareholders should be granted the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year.

Employees, via their representatives should be granted the right to express their view on the remuneration report.

Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

Or. en

Amendment 122

József Szájer

Proposal for a directive

Recital 17

Text proposed by the Commission

(17) To ensure that the implementation of the remuneration policy ***is in line with the approved policy***, shareholders ***should be granted*** the right to vote on the ***company's*** remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

Amendment

(17) To ensure that the implementation of the remuneration policy, ***Member States should be able to provide that*** shareholders ***have*** the right to vote on the ***company's*** remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

Amendment 123
Giovanni Toti

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) To ensure that the implementation of the remuneration policy ***is in line with the approved policy***, shareholders ***should be granted*** the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration ***report***, the company ***should*** explain in the next ***remuneration report*** ***how*** the vote of the shareholders has been taken into account.

Amendment

(17) To ensure that the implementation of the remuneration policy, ***Member States should be able to provide that*** shareholders ***have*** the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to individual directors in the last financial year. Where the shareholders vote against the remuneration ***and*** the company ***is able to identify the reasons for the rejection, it should*** explain in the next ***general meeting whether or not and, if so, how*** the vote of the shareholders has been taken into account.

Or. xm

Justification

Member States should have the freedom to provide for a consultative vote on the remuneration report. Where shareholders vote against it, the company should be obliged to indicate whether and how it has taken account of this wherever possible. Shareholders are not obliged to justify their vote and it is often very difficult to know the reasons for their decisions. Alternatively, Member States should be able to provide for discussion of the remuneration report in the Annual General Assembly.

Amendment 124
Angelika Niebler, Axel Voss

Proposal for a directive
Recital 17

Text proposed by the Commission

(17) To ensure that the implementation of the remuneration policy is in line with the approved policy, ***shareholders should be granted*** the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted to ***individual*** directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

Amendment

(17) To ensure that the implementation of the remuneration policy is in line with the approved policy, ***Member States should be able to grant shareholders*** the right to vote on the company's remuneration report. In order to ensure accountability of directors the remuneration report should be clear and understandable and should provide a comprehensive overview of the remuneration granted ***or still due*** to directors in the last financial year. Where the shareholders vote against the remuneration report, the company should explain in the next remuneration report how the vote of the shareholders has been taken into account.

Or. de

Amendment 125
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Increased transparency regarding the activities of large companies, and in particular regarding profits made, taxes on profit paid and subsidies received, is essential for ensuring the trust of shareholders and other Union citizens in companies. Mandatory reporting in this area can therefore be seen as an important element of the corporate duty of companies to shareholders and society.

Or. en

Amendment 126

Pascal Durand, Heidi Hautala, Philippe Lamberts
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Increased transparency regarding the activities of large companies, and in particular regarding profits made, taxes on profit paid and subsidies received, is essential for ensuring the trust of shareholders and other Union citizens in companies. Mandatory reporting in this area can therefore be seen as an important element of the corporate duty of companies to shareholders and society.

Or. en

Amendment 127

Philippe Lamberts, Heidi Hautala, Pascal Durand
on behalf of the Verts/ALE Group

Proposal for a directive
Recital 17 b (new)

Text proposed by the Commission

Amendment

(17b) Increased transparency regarding the activities of large companies, and in particular regarding tax rulings, is essential for ensuring the trust of shareholders and other Union citizens in companies. Mandatory reporting in this area can therefore be seen as an important element of the corporate duty of companies to shareholders and society.

Or. en

Amendment 128

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Recital 18

Text proposed by the Commission

Amendment

(18) In order to provide shareholders easy access to all relevant corporate governance information the remuneration report should be part of the corporate governance statement that listed companies should publish in accordance with article 20 of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013¹⁸. **deleted**

¹⁸ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19)

Or. en

Amendment 129

Pascal Durand

on behalf of the Verts/ALE Group

Proposal for a directive

Recital 18

Text proposed by the Commission

Amendment

(18) In order to provide shareholders easy access to all relevant corporate governance information the remuneration report should be part of the corporate governance statement that listed companies should

(18) In order to provide **stakeholders and** shareholders easy access to all relevant corporate governance information the remuneration report should be part of the corporate governance statement that listed

publish in accordance with article 20 of Directive 2013/34/EU *of the European Parliament and of the Council of 26 June 2013*¹⁸.

companies should publish in accordance with article 20 of Directive 2013/34/EU.

¹⁸ *Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19)*

Or. fr

Amendment 130
Jytte Guteland

Proposal for a directive
Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) There is a need to differentiate between procedures for establishing the remuneration of directors and systems of wage formation for employees. Consequently, the provisions on remuneration should be without prejudice to the full exercise of fundamental rights guaranteed by Article 153(5) Treaty on the Functioning of the European Union (TFEU), general principles of national contract and labour law, and the rights, where applicable, of the social partners to conclude and enforce collective agreements, in accordance with national law and customs.

Or. en

Amendment 131
Jytte Guteland

Proposal for a directive
Recital 18 b (new)

Text proposed by the Commission

Amendment

(18b) The provisions on remuneration should also, where applicable, be without prejudice to provisions on the representation of employees in the administrative, management or supervisory body as provided for by national law.

Or. en

Amendment 132
Therese Comodini Cachia

Proposal for a directive
Recital 19

Text proposed by the Commission

Amendment

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that ***related party*** transactions ***representing more than 5 % of the companies' assets or transactions*** which can have a significant impact on profits or turnover should be submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction.

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that transactions ***with related parties*** which can have a significant impact on profits or turnover should be submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction. For ***significant*** transactions with related parties companies should publicly

For transactions with related parties *that represent more than 1% of their assets* companies should 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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and its wholly owned subsidiaries. *Member States should also be able to allow companies to request the advance approval by shareholders for certain clearly defined types of recurrent transactions above 5 percent of the assets, and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.*

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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and its wholly owned subsidiaries.

Or. en

Amendment 133

Giovanni Toti

Proposal for a directive

Recital 19

Text proposed by the Commission

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions

Amendment

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions

representing more than 5 % of the companies' assets or transactions which can have a significant impact on profits or turnover should be submitted to a vote by the shareholders in a general meeting.

Where the related party transaction involves a shareholder, this shareholder *should* be excluded from *that* vote. *The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction. For transactions with related parties that represent more than 1% of their assets companies should* 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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude* transactions entered into between the company and *its wholly owned subsidiaries. Member States should also be able to allow companies to request the advance approval by shareholders for certain* clearly defined types of *recurrent* transactions *above 5 percent of the assets, and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.*

should be submitted to a vote by the shareholders in a general meeting or to the approval of the administrative or supervisory body or the audit committee or another committee the majority of which is composed by independent directors. Where the related party transaction involves a shareholder *or a director*, this shareholder *or director* *should* be excluded from *having a determining role in the* approval process. *Member States should ensure also that companies, in case of material transactions with related parties,* publicly announce such transactions at the time of the conclusion of the transaction. *Member States should be allowed to exclude transactions entered into in the ordinary course of business and concluded on normal market terms or on market equivalent terms;* transactions entered into between the company and *one or more members of its group and* clearly defined types of transactions *for which national law provides for adequate protection of minority shareholders.*

Or. en

Justification

Corporate governance systems in Europe are very different and are tailored to companies' national environment. No single model from any jurisdiction for the respective roles of boards and shareholders should be imposed on others.

Amendment 134
József Szájer

Proposal for a directive
Recital 19

Text proposed by the Commission

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions ***representing more than 5 % of the companies' assets or transactions which can have a significant impact on profits or turnover should be submitted to a vote by the shareholders in a general meeting.*** Where the related party transaction involves a shareholder, this shareholder ***should*** be excluded from ***that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction.*** For transactions with related parties ***that represent more than 1% of their assets companies should*** 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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude*** transactions entered into between the company and ***its wholly owned subsidiaries. Member States should also be able to allow companies to request the advance approval by shareholders for certain*** clearly defined types of ***recurrent*** transactions ***above 5 percent of the assets, and to request from shareholders an***

Amendment

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions ***should be submitted to a vote by the shareholders in a general meeting or to the approval of the administrative or supervisory body or the audit committee or another committee the majority of which is composed by independent directors.*** Where the related party transaction involves a shareholder ***or a director***, this shareholder ***or director*** ***should*** be excluded from ***having a determining role in the approval process*** ***Member States should ensure also 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, ***Member States should be allowed to exclude transactions entered into in the ordinary course of business and concluded on normal market terms or on market equivalent terms;*** transactions entered into between the company and ***one or more members of its group and*** clearly defined types of transactions ***for which national law provides for adequate protection of minority shareholders.***

advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.

Or. en

Amendment 135

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Recital 19

Text proposed by the Commission

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions representing more than 5 % of the companies' assets or transactions ***which can have a significant impact on profits or turnover*** should be submitted to a vote by the shareholders in a general meeting. ***Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction.*** For transactions with related parties that represent more than 1% of their assets companies should 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 the transaction is on market terms and confirming that the transaction is fair and***

Amendment

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should ensure that related party transactions representing more than 5 % of the companies' assets or transactions should be submitted ***either*** to a vote by the shareholders in a general meeting ***or to the approval of an administrative body of the company such as independent directors assessing whether the transaction is fair and reasonable from the perspective of the company and consequently its shareholders.*** For transactions with related parties that represent more than 1% of their assets companies should publicly announce such transactions at the time of the conclusion of the transaction. ***Transactions entered into in the ordinary course of business or concluded on market terms or market equivalent terms*** should be ***excluded.*** Transactions entered into between the company and its wholly ***or partly*** owned subsidiaries ***or joint ventures***

reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and its wholly owned subsidiaries. Member States should also be able to allow companies to request the advance approval by shareholders for certain clearly defined types of recurrent transactions above 5 percent of the assets, and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.

should also be excluded. Member States should also be able to allow companies to request the advance approval by shareholders or an independent administrative body for certain clearly defined types of recurrent transactions above 5 percent of the assets.

Or. en

Justification

It is undemocratic that not all shareholders' could take part in a vote. Transactions entered into between the company and its partly owned subsidiaries or joint ventures should also be excluded to not jeopardize European companies' possibilities to do business around the world where different caps and rules regarding ownership can apply.

Amendment 136 **Angelika Niebler, Axel Voss**

Proposal for a directive **Recital 19**

Text proposed by the Commission

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should **ensure** that **related party** transactions **representing more than 5 % of the**

Amendment

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States should **be allowed to provide** that **significant** transactions **with related parties are to be**

companies' assets or transactions which can have a significant impact on profits or turnover should be submitted to a vote by the shareholders in a general meeting.

Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the ***shareholders'*** approval of the transaction. ***For transactions with related parties that represent more than 1% of their assets*** companies should 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 ***the transaction is on market terms and confirming that the*** transaction is fair and reasonable from the perspective of ***the shareholders, including minority shareholders***. Member States should be allowed to exclude transactions entered into between the company and its ***wholly owned*** subsidiaries. ***Member States should also be able to allow companies to request the advance approval by shareholders for certain clearly defined types of recurrent transactions above 5 percent of the assets, and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.***

submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder ***or board member***, this shareholder ***or board member*** should be excluded from that vote. ***As an alternative to approval by shareholders, there should be the option of approval by the administrative or supervisory body.*** The company should not be allowed to conclude the transaction before the approval of the transaction. ***Furthermore***, companies should publicly announce ***significant*** transactions ***with related parties as soon as reasons of confidentiality no longer apply***, and accompany the announcement by a report from an independent third party ***or the administrative or supervisory body*** assessing whether the transaction is fair and reasonable from the perspective of the ***company***. Member States should be allowed to exclude transactions entered into between the company and its subsidiaries ***and vice versa as well as transactions between one or more members of its group.***

Or. de

Amendment 137
Heidi Hautala

Proposal for a directive
Recital 19

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States ***should ensure that related*** party transactions ***representing more than 5 %*** of the companies' assets or transactions which can have a significant impact on profits or turnover ***should be submitted to a vote by the shareholders in a general meeting.*** Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction. For transactions with related parties that represent more than ***1%*** of their assets companies should 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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and its wholly owned subsidiaries. Member States should also be able to allow companies to request the advance approval by shareholders for certain clearly defined types of recurrent transactions above 5 percent of the assets, and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such

(19) Transactions with related parties may cause prejudice to companies and their shareholders, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of shareholders' interests are of importance. For this reason Member States, ***depending on national conditions and practices, should be able to decide whether the requirement to hold a shareholder vote is proportionate for all related*** party transactions ***of 5% or more or whether it should apply only to transactions which are not concluded on market terms*** of the companies' assets or transactions which can have a significant impact on profits or turnover. Where the related party transaction involves a shareholder, this shareholder should be excluded from that vote. The company should not be allowed to conclude the transaction before the shareholders' approval of the transaction. For transactions with related parties that represent more than ***1 %*** of their assets companies should 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 the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and its wholly owned subsidiaries, ***or that are entered into in the ordinary course of business or concluded on market terms or market equivalent terms.*** Member States should also be able to allow companies to request the advance approval by shareholders for certain clearly defined types of recurrent transactions above 5 percent of the assets,

transactions by companies.

and to request from shareholders an advance exemption from the obligation to produce an independent third party report for recurrent transactions above 1 percent of the assets, under certain conditions, in order to facilitate the conclusion of such transactions by companies.

Or. en

Amendment 138
Giovanni Toti

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) In view of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995¹⁹ it is necessary to strike a balance between the facilitation of the exercise of shareholders' rights and the right to privacy and the protection of personal data. The identification information on shareholders should be limited to the name and contact details of the corresponding shareholders. This information should be accurate and kept up-to-date, and intermediaries as well as companies should allow for rectification or erasure of all incorrect or incomplete data. This identification information on shareholders should not be used for any other purpose than the facilitation of the exercise of shareholder rights.

¹⁹ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of

Amendment

(20) In view of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995¹⁹ it is necessary to strike a balance between the facilitation of the exercise of shareholders' rights and the right to privacy and the protection of personal data. The identification information on shareholders should be limited to the name and contact details ***including full address, telephone and e-mail address of, and the number of shares owned and voting rights held by*** the corresponding shareholders. This information should be accurate and kept up-to-date, and intermediaries as well as companies should allow for rectification or erasure of all incorrect or incomplete data. This identification information on shareholders should not be used for any other purpose than the facilitation of the exercise of shareholder rights.

¹⁹ Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of

such data (OJ L 281, 23.11.1995, p. 31).

such data (OJ L 281, 23.11.1995, p. 31).

Or. en

Justification

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. 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. However, facilitation of the exercise of shareholder rights should not be the sole purpose of shareholder identification, but should also include the promotion of better dialogue and engagement on both sides.

Amendment 139

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Recital 21

Text proposed by the Commission

Amendment

(21) In order to ensure uniform conditions for the implementation of the provisions on shareholder identification, transmission of information, facilitation of the exercise of shareholder rights and the remuneration report, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁰

deleted

²⁰ ***Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).***

Amendment 140
Philippe De Backer

Proposal for a directive
Recital 21

Text proposed by the Commission

Amendment

(21) In order to ensure uniform conditions for the implementation of the provisions on shareholder identification, transmission of information, facilitation of the exercise of shareholder rights and the remuneration report, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁰

deleted

²⁰ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

Amendment 141
Pascal Durand

Proposal for a directive
Article 1 – point – 1 (new)
Directive 2007/36/EC
Title

Present text

DIRECTIVE 2007/36/EC OF THE
EUROPEAN PARLIAMENT AND OF
THE COUNCIL

of 11 July 2007

on the exercise of certain rights of
shareholders in listed companies

Amendment

(-1) The title is replaced by the following:

‘DIRECTIVE 2007/36/EC OF THE
EUROPEAN PARLIAMENT AND OF
THE COUNCIL

of 11 July 2007

on the exercise of certain rights of
shareholders in listed companies, ***large
companies and large groups***’

Or. fr

Amendment 142
Pascal Durand

Proposal for a directive
Article 1 – point 1 – sous-point a
Directive 2007/36/EC
Article 1 – paragraph 1

Text proposed by the Commission

It also establishes requirements for
intermediaries used by shareholders to
ensure that shareholders ***can be identified***,
creates transparency on the engagement
policies of certain types of investors and
creates additional rights for shareholders to
oversee companies.

Amendment

***This Directive establishes requirements in
relation to the exercise of certain
shareholder rights attaching to voting
shares in relation to general meetings of
large companies and large groups which
have their registered office in a Member
State or companies whose shares are
admitted to trading on a regulated market
situated or operating within a Member
State.*** It also establishes requirements for
intermediaries used by shareholders to
ensure that shareholders ***are more engaged
in the long term***, creates transparency on
the engagement policies of certain types of
investors, ***asset managers and proxy
advisors*** and creates additional rights ***and
responsibilities*** for shareholders to oversee
companies.

Or. fr

Amendment 143
Pascal Durand

Proposal for a directive
Article 1 – point 2
Directive 2007/36/EC
Article 2 – point d a (new)

Text proposed by the Commission

Amendment

***(da) ‘large company’ means a company
which meets the criteria laid down in
Article 3(4) of Directive 2013/34/EU;***

Or. fr

Amendment 144
Pascal Durand

Proposal for a directive
Article 1 – point 2
Directive 2007/36/EC
Article 2 – point d b (new)

Text proposed by the Commission

Amendment

***(db) ‘large group’ means a group which
meets the criteria laid down in Article 3(7)
of Directive 2013/34/EU;***

Or. fr

Amendment 145
Pascal Durand
on behalf of the Verts/ALE Group

Proposal for a directive
Article 1 – point 2
Directive 2007/36/EC
Article 2 – point h

Text proposed by the Commission

(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.

Amendment

(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, ***social and environmental impact*** and corporate governance, having a dialogue with companies ***and their stakeholders (in particular employees, local authorities and civil society)*** on these matters and voting at the general meetings.

Or. fr

Amendment 146
József Szájer

Proposal for a directive

Article 1 – point 2

Directive 2007/36/EC

Article 2 – point j a (new)

Text proposed by the Commission

Amendment

(ja) 'assets' means the total asset value presented on the company's consolidated balance sheet prepared in accordance with international financial reporting standards.

Or. en

Amendment 147
Giovanni Toti

Proposal for a directive

Article 1 – point 2

Directive 2007/36/EC

Article 2 – point j a (new)

Text proposed by the Commission

Amendment

(ja) "end investor" means a shareholder or other natural or legal person who holds shares for its own account, not including the holder of a unit in a UCITS (undertaking for collective investment in transferable securities)

Or. en

Justification

The definition of shareholder differs in national company laws. In some cases it is the end investor, in other cases his / her representative on the share register or share certificate (e.g. custodian bank, asset manager). While we do not seek to harmonise those laws, we do wish to ensure that the end investors whose money is invested are able to get the information about the general meeting on time, even where there are complicated holding structures or cross-border situations.

Amendment 148
Giovanni Toti

Proposal for a directive
Article 1 – point 2
Directive 2007/36/EC
Article 2 – point 1

Text proposed by the Commission

Amendment

(l) "Director" means any member of the administrative, management or supervisory bodies of a company;

(l) "Director" means:

- any member of the administrative, management or supervisory bodies of a company;

- chief executive officers even where they are not members of administrative, management or supervisory bodies.

Or. en

Justification

The more detailed definition of 'director' better reflects the key role of the supervisory board in dualistic systems.

Amendment 149

József Szájer

Proposal for a directive

Article 1 – point 2

Directive 2007/36/EC

Article 2 – point 1

Text proposed by the Commission

(l) "Director" means any member of the administrative, management or supervisory bodies of a company;

Amendment

(l) Director" means any member of the administrative, management or supervisory bodies of a company, ***nominated by shareholders of the company in accordance with national law. However, Member States may extend the definition of director in order to comply with their existing national regulation.***

Or. en

Amendment 150

Jean-Marie Cavada

Proposal for a directive

Article 1 – point 2

Directive 2007/36/EC

Article 2 – point 1

Text proposed by the Commission

(l) 'Director' means any member of the administrative, management or supervisory bodies of a company;

Amendment

(j) 'Director' means any member of the administrative, management or supervisory bodies of a company, ***except with regard to the application of Articles 9a and 9b, for which 'director' means any member of the management body of a company or any person appointed by the administrative body of a company to***

*perform a management role, or the chair
of the board or of the supervisory board;*

Or. fr

Amendment 151

Therese Comodini Cachia

Proposal for a directive

Article 1 – point 2

Directive 2007/36/EC

Article 2 – point 1

Text proposed by the Commission

(l) "Director" means any member of the administrative, management or supervisory bodies of a company;

Amendment

(l) "Director" means any member of the administrative, management or supervisory bodies of a company *who participates in the determination or implementation of the policy of a company and who is appointed or elected by the shareholders according to national law.*

Or. en

Amendment 152

Giovanni Toti

Proposal for a directive

Article 1 – point 2 a (new)

Directive 2007/36/EC

Article 2 a (new)

Text proposed by the Commission

Amendment

(2a) The following article is inserted:

Article 2a

Data protection

Member States shall ensure that any processing of personal data under this Directive is done in accordance with national laws transposing Directive 95/46/EC. Member States should also

ensure that those national laws do not prevent effective shareholder identification.

Or. en

Justification

We have heard of examples where data protection laws may prevent effective communication. We agree that personal data should be protected, but we also believe that data protection laws should not be used to circumvent the provisions of the directive.

Amendment 153
Pascal Durand

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Chapter I a – title

Text proposed by the Commission

Identification of shareholders,
Transmission of information and
facilitation of exercise of shareholder rights

Amendment

Identification of shareholders, transmission
of information, facilitation of exercise of
shareholder rights ***and support for long-term shareholding***

Or. fr

Amendment 154
Therese Comodini Cachia

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that asset managers disclose ***on a half-yearly basis*** to the institutional investor with which they have entered into the arrangement referred

Amendment

1. Member States shall ensure that asset managers disclose ***upon request*** to the institutional investor with which they have entered into the arrangement referred to in

to in Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Or. en

Amendment 155
Giovanni Toti

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that ***intermediaries offer to*** companies ***the possibility to have*** their shareholders ***identified***.

Amendment

1. Member States shall ensure that companies ***have the right to identify*** their shareholders.

Or. en

Justification

An efficient shareholder identification system should be based on the principle that shareholder identification system is a right for companies and should be initiated by the company (rather than being seen purely as a service for intermediaries). The aim should be to promote better dialogue between companies and shareholders, rather than to provide additional charging opportunities for financial intermediaries.

Amendment 156
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that *intermediaries offer to* companies *the possibility to have* their shareholders identified.

Amendment

1. Member States shall ensure that *companies have the right to identify their shareholders. Member States may provide that* companies *having their registered office in* their *territory can only request identification with respect to* shareholders *holding more than 0,5% of shares.*

Or. en

Amendment 157
Jean-Marie Cavada

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 a – paragraph 1

Text proposed by the Commission

1. Member States shall *ensure* that *intermediaries offer to* companies *the possibility to have* their shareholders identified.

Amendment

1. Member States shall *guarantee* that companies *are permitted* to have their shareholders identified *and that this right is effectively upheld.*

Or. fr

Amendment 158
Tadeusz Zwiefka

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that *intermediaries offer to* companies *the possibility to have* their shareholders identified.

Amendment

1. Member States shall ensure that *companies have the right to identify their shareholders. Member States may provide that* companies *having a registered office*

on their territory can only request identification with respect to shareholders holding more than 0,5% of shares.

Or. en

Justification

While shareholders identification improves direct communication between issuers and their shareholder, such a right shall be provided only for substantial holdings (e.g. 0,5 %). Identification of every shareholder will be unproportionately costly for the companies.

Amendment 159

Axel Voss, Angelika Niebler

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that intermediaries offer to companies the possibility to have their shareholders identified.

Amendment

1. Member States shall ensure that intermediaries offer to companies the possibility to have their shareholders identified, ***taking account of existing national systems.***

Or. de

Justification

The distinctions under national law regarding identification by companies must be taken into account when providing shareholder identification. 2007/36/EG

Amendment 160

Tadeusz Zwiefka

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 1a (new)

Text proposed by the Commission

Amendment

1a. Information required for identification of shareholders shall be used only with the purpose of communication between companies and their shareholders.

Or. en

Amendment 161
Philippe De Backer

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.

deleted

Or. en

Amendment 162
Giovanni Toti

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.***

Amendment

2. Member States shall ensure that, on the request of the company, the intermediary communicates without undue delay to the company the ***names of shareholders, whether or not they hold shares on their own behalf; if they hold on behalf of another person, the name and, contact details of that beneficiary, their own contact details (including full address, telephone number and e-mail address), the number of shares owned and voting rights held by them, and their unique identifier where available. Where there is more than one intermediary in a holding chain, the request of the company shall be transmitted between intermediaries without undue delay.***

Member States shall ensure that companies have at least the right to suspend voting rights and/or dividend payments in the event of any violation of the right.

Member States may provide that central securities depositories (CSDs) are amongst intermediaries responsible for collecting the information referred to in the first sentence of the first paragraph and for providing it directly to the company.

Or. en

Justification

Empowering companies with a right to identify their shareholders together with an efficient sanction system, is the basis of an effective shareholder identification system. The sanction attached to the failure to provide companies with the identity of shareholders or intermediaries' clients should enable companies to suspend voting rights or/and dividend payments. This will also ensure that the company can enforce such rights against intermediaries who may not be domiciled in the EU.

Amendment 163
Emil Radev

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.

Amendment

2. Member States shall ensure that, on the request of the company, the intermediary communicates without undue delay to the company the name and contact details of the shareholders and, where the shareholders are legal persons, their unique identifier *or other identification data*. 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 delay.

Or. bg

Amendment 164
Jean-Marie Cavada

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 a – paragraph 2

Text proposed by the Commission

2. *Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and contact details of the*

Amendment

2. *This right includes the right to receive from the intermediary without undue delay the names of shareholders and, where available, address and number of shares and voting rights they hold and the unique identifier of legal persons* 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

shareholders shall be transmitted between intermediaries without undue delay.

intermediaries without undue delay.

Or. fr

Amendment 165

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 ***identity and contact details of the shareholders*** shall be transmitted between intermediaries without undue delay.

Amendment

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

ii) the amount of shares and the voting power associated with those shares

Where there is more than one intermediary in a holding chain, the request of the company and the ***information referred to in points (i) and (ii)*** shall be transmitted between intermediaries without undue delay.

Or. en

Justification

In order for the information on the name and contact details of the shareholders to be useful it needs to be complemented by the amount of shares and their voting powers.

Amendment 166

Heinz K. Becker

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 2

Text proposed by the Commission

2. Member States shall **ensure** that, on the request of the company, the intermediary communicates 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.

Amendment

2. Member States shall **provide that companies have the right to know the identity of the shareholders and** that, on the request of the company, the intermediary communicates without undue delay to the company the name and contact details of the shareholders, **the number of shares they hold and of the attached the voting rights**, 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.

Or. de

Justification

It needs to be made clearer that a company has the right to know the identity of the shareholder. The company should also be able to find out the number of shares held by the shareholder and of the attached the voting rights, so that it can obtain a better overview of the ownership structure of the company.

Amendment 167

Axel Voss, Angelika Niebler

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and contact details of the shareholders shall be transmitted between intermediaries without undue delay.

Amendment

2. Member States shall ensure that, on the request of the company, the intermediary communicates 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 identity and **necessary** contact details of the shareholders shall be transmitted between intermediaries without undue delay.

Or. de

Justification

It needs to be ensured that the necessary contact details are available in order to contact the shareholder by post, telephone or electronically.

Amendment 168

Virginie Rozière

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3 a – paragraph 3

Text proposed by the Commission

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

Amendment

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 **and, where applicable, that the information has actually been forwarded to the company.** This

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*.

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 **and legal** 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 **12** months after *the individual concerned has ceased to be a shareholder*.

Or. fr

Amendment 169
Giovanni Toti

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 3

Text proposed by the Commission

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*.

Amendment

3. Shareholders shall be duly informed by their intermediary ***where the information on them referred to in paragraph 2 has been*** transmitted ***to the company*** 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, ***of engagement and dialogue between the company and the shareholder***. The company and the intermediary shall ensure that natural **and legal** 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 ***the company has been reliably informed that the person has ceased to be a shareholder***.

Or. en

Justification

A longer period for companies to keep shareholder identification data is required to allow companies to engage with investors to understand why e.g. remuneration policy was rejected. Given the fact that it may currently take up to 8 weeks to obtain information on shareholders, and the fact that a shareholder may sell the company's share the day following the AGM, a period of 6 months may not be sufficient.

Amendment 170

Emil Radev

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 3

Text proposed by the Commission

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.

Amendment

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 ***and legal*** 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.

Or. bg

Amendment 171

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 3

Text proposed by the Commission

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.

Amendment

3. **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. 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 ***is necessary, and in any event not longer than 12*** months after receiving it.

Or. en

Amendment 172
Jean-Marie Cavada

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 a – paragraph 3

Text proposed by the Commission

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***.

Amendment

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 ***and dialogue between the company and its shareholders and to give third parties an overview of the shareholding structure of the company by disclosing the names of the main shareholders and the different shareholder categories***. The company and the intermediary shall ensure that natural ***and legal*** 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 6 months after *the individual concerned has ceased to be a shareholder*.

Or. fr

Amendment 173

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

2007/36/EC

Article 3a – paragraph 3

Text proposed by the Commission

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.

Amendment

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. 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.

Or. en

Justification

The proposed wording would seem too restrictive

Amendment 174

Heinz K. Becker

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 3

Text proposed by the Commission

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***.

Amendment

3. Shareholders shall be duly informed by their intermediary ***when information concerning them pursuant to paragraph 2 has been*** 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 ***and legal*** 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 **3** months after ***the shareholder has relinquished ownership of the shares***.

Or. de

Justification

The directive should not select an inflexible deadline for the deletion of this information. The requirement to delete the information should rather be linked to the time when the shares were transferred to other persons.

Amendment 175
Angelika Niebler, Axel Voss

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – Paragraph 3

Text proposed by the Commission

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

Amendment

3. Shareholders shall be duly informed by their intermediary that their name and ***necessary*** contact details may be transmitted for the purpose of identification

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*.

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 **12** months after *removal from the share register*.

Or. de

Justification

It is not clear why the company must delete the data transmitted by the intermediary after 24 months. This would mean the that company would have to go back to the intermediary to request the data. This can only refer to the deletion of obsolete data.

Amendment 176 **Jean-Marie Cavada**

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 a – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that an intermediary that ***reports the name and contact details of a shareholder*** is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.

Amendment

4. Member States shall ensure that an intermediary that ***imparts to the company information regarding shareholders referred to in paragraph 2*** is not considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.

Or. fr

Amendment 177 **Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen**

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 5

Text proposed by the Commission

Amendment

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). **deleted**

Or. en

Justification

The suggested implementing act seems to be intended to supplement the basic act which is not acceptable. Furthermore there would not seem to be a need for more detailed rules than what is already provided for in the article.

Amendment 178

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – paragraph 1 – point 3

Directive 2007/36/EC

Article 3a – paragraph 5

Text proposed by the Commission

Amendment

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 **deleted**

shall be adopted in accordance with the examination procedure referred to in Article 14a(2).

Or. de

Justification

additional bureaucracy

Amendment 179
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 5

Text proposed by the Commission

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).

Amendment

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, ***including the secure formats to be used***, 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).

Or. en

Amendment 180
Pascal Durand

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 a – paragraph 5

Text proposed by the Commission

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).**

Amendment

5. The Commission shall be empowered to adopt **delegated** acts **in accordance with Article XXX**, 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.

Or. fr

Amendment 181

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3b – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that if a company **chooses not to** directly communicate with its shareholders, the information 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:

Amendment

1. Member States shall ensure that if a company **cannot** directly communicate with its shareholders, the information 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:

Or. de

Amendment 182

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Text proposed by the Commission

1. Member States shall ensure that if a company chooses not to directly communicate with its shareholders, the information 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:

Amendment

1. Member States shall ensure that if a company chooses not to directly communicate with its shareholders, the information related to their shares shall be ***available online and*** 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:

Or. en

Justification

It would seem logical to have this information available online.

Amendment 183
Giovanni Toti

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3b – paragraph 1 – subparagraph 1a (new)

Text proposed by the Commission

Amendment

Member States shall ensure that shareholders may waive their right to receive the information referred to in the first subparagraph.

Or. en

Justification

The Commission proposal does not take into account the shareholder's 'right not to receive information'. In banking practice not all shareholders are interested in receiving the respective information (e.g. in savings and retail banks, 90% of investors are retail, and for instance in Germany only 10% have a secure email box which means that paper remains the main medium (not taking into account online banking)).

Amendment 184

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3b – paragraph 5

Text proposed by the Commission

Amendment

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 implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2). **deleted**

Or. en

Justification

The suggested implementing act seems to be intended to supplement the basic act which is not acceptable. Furthermore there would not seem to be a need for more detailed rules than what is already provided for in the article.

Amendment 185

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3b – paragraph 5

Text proposed by the Commission

Amendment

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 **deleted**

regards the content to be transmitted, the deadlines to be complied with and the types and format of information to be transmitted. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a(2).

Or. de

Justification

Unnecessary bureaucracy.

Amendment 186
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3b – paragraph 5

Text proposed by the Commission

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 implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).

Amendment

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, ***including the secure formats to be used***. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 14a (2).

Or. en

Amendment 187
Giovanni Toti

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 1

Text proposed by the Commission

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:

Amendment

1. Member States shall ensure that ***the intermediaries facilitate*** the exercise of ***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 at least either of the following:

Or. en

Justification

In some national company laws, the shareholder on the register is an intermediary rather than the end investor. The end investors should be able to exercise their rights over the intermediaries, as well as towards the company. The end investors may still trade their shares after the transmission of such information from the intermediary to the company, so that the information may not be effective for legal registration or trading purposes.

Amendment 188

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 1

Text proposed by the Commission

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:

Amendment

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 ***both*** of the following:

Or. en

Amendment 189
Giovanni Toti

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3c – point a

Text proposed by the Commission

(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;

Amendment

(a) the intermediary makes the necessary arrangements for the shareholder or a third person nominated by the **end investor** to be able to exercise themselves the rights;

Or. en

Justification

In some national company laws, the shareholder on the register is an intermediary rather than the end investor. The end investors should be able to exercise their rights over the intermediaries, as well as towards the company. The end investors may still trade their shares after the transmission of such information from the intermediary to the company, so that the information may not be effective for legal registration or trading purposes.

Amendment 190
Angelika Niebler, Axel Voss

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3c – point b

Text proposed by the Commission

(b) the intermediary exercises the rights flowing from the shares upon the explicit authorisation and instruction of the shareholder and for his benefit.

Amendment

deleted

Or. de

Justification

An intermediary cannot be required to exercise the voting rights of the shareholder at a general meeting. This might result in intermediaries having to attend all general meetings.

Amendment 191

Giovanni Toti

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – point b

Text proposed by the Commission

(b) the intermediary exercises the rights flowing from the shares upon the explicit authorisation and instruction of the **shareholder** and for his benefit.

Amendment

(b) the intermediary exercises the rights flowing from the shares upon the explicit authorisation and instruction of the **end investor** and for his benefit.

Or. en

Justification

In some national company laws, the shareholder on the register is an intermediary rather than the end investor. The end investors should be able to exercise their rights over the intermediaries, as well as towards the company. The end investors may still trade their shares after the transmission of such information from the intermediary to the company, so that the information may not be effective for legal registration or trading purposes.

Amendment 192

Emil Radev

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – point b

Text proposed by the Commission

b) the intermediary exercises the rights flowing from the shares upon the explicit authorisation and instruction **of the**

Amendment

b) the intermediary exercises the rights flowing from the shares **for the benefit of the shareholder, upon receipt of the shareholder's** explicit authorisation and

shareholder and for his benefit.

instruction *in writing*.

Or. bg

Amendment 193

Giovanni Toti

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – point ba (new)

Text proposed by the Commission

Amendment

(ba) 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.

Or. en

Justification

In some national company laws, the shareholder on the register is an intermediary rather than the end investor. The end investors should be able to exercise their rights over the intermediaries, as well as towards the company. The end investors may still trade their shares after the transmission of such information from the intermediary to the company, so that the information may not be effective for legal registration or trading purposes.

Amendment 194

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of

deleted

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.

Or. en

Amendment 195

Axel Voss, Angelika Niebler

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 2

Text proposed by the Commission

Amendment

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.

deleted

Or. de

Justification

Unnecessary red tape.

Amendment 196

Jean-Marie Cavada

Proposal for a directive

Article 1 – point 3

Text proposed by the Commission

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.

Amendment

2. Member States shall ensure that companies **disclose the results of votes in general meetings. Member States shall, within a period of five years after the date of entry into force of this Directive, take all the necessary measures to ensure that** companies confirm the votes cast on behalf of the **shareholder in a general meeting at the request of the Council or of the** intermediary **who has cast** the vote **on his behalf, whether electronically or by any other means. They may provide that a reasonable charge be made for** confirmation. **When the vote has been cast by an intermediary,** 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.

Or. fr

Amendment 197
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3c – paragraph 2

Text proposed by the Commission

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

Amendment

2. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of shareholders **when the vote is 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

transmitted between intermediaries without undue delay.

holding chain the confirmation shall be transmitted between intermediaries without undue delay.

Or. en

Justification

This adjustment is needed in order to have a more proportional approach which is manageable for companies.

Amendment 198 **Heinz K. Becker**

Proposal for a directive **Article 1 – point 3** Directive 2007/36/EC Article 3c – paragraph 2

Text proposed by the Commission

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.

Amendment

2. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of shareholders, ***provided the voting takes place electronically or in some other technically traceable form in respect of the individual vote and provided the shareholder desires such confirmation.*** 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.

Or. de

Justification

The vote can only be confirmed if it took place in a technically traceable – i.e. in most cases electronic – form.

Amendment 199

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. Member States shall guarantee the right of shareholders to associate for the collective defence of their interests in shareholder associations.

Or. en

Amendment 200

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 3

Text proposed by the Commission

Amendment

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 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). ***deleted***

Or. en

Amendment 201

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to **deleted**
adopt implementing acts to specify the
requirements to facilitate the exercise of
shareholder rights laid down in
paragraphs 1 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).

Or. en

Justification

The suggested implementing act seems to be intended to supplement the basic act which is not acceptable. Furthermore there would not seem to be a need for more detailed rules than what is already provided for in the article.

Amendment 202

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3c – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to **deleted**
adopt implementing acts to specify the
requirements to facilitate the exercise of
shareholder rights laid down in
paragraphs 1 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).

Or. de

Justification

Unnecessary red tape.

Amendment 203
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3d – paragraph 1

Text proposed by the Commission

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.

Amendment

1. Member States shall *require* intermediaries to publicly disclose prices, fees and any other charges separately for each service referred to in this chapter.

Or. en

Amendment 204
Axel Voss

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3d – paragraph 1

Text proposed by the Commission

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.

Amendment

1. Member States shall 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.

Or. de

Justification

The performance of the services listed in Articles 3a to 3c is in the interest of the company, so it should bear the costs.

Amendment 205

Sergio Gaetano Cofferati

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 1

Text proposed by the Commission

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.

Amendment

1. Member States shall allow intermediaries to charge prices or fees for the service to be provided under **Articles 3b and 3c of** this chapter. **Member States may allow intermediaries to charge prices or fees for the service to be provided under Article 3a of this chapter.**

Member States shall ensure that prices and fees for the services to be provided under this chapter are affordable and reasonable. Intermediaries shall publicly disclose, **separately for each service**, prices, fees and any other charges **for the services** referred to in this chapter.

Or. en

Amendment 206
Giovanni Toti

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 2

Text proposed by the Commission

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.

Amendment

2. Member States shall ensure that any charges that may be levied by an intermediary on 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.

Or. en

Justification

The directive should prevent that shareholders who do not make use of the services provided by the intermediaries have to pay for these services (for instance by having to pay an increased overall charge). Also, the intermediaries cannot influence content, quality or frequency of the information which they are supposed to receive from the companies. The companies which issue the information to the intermediaries are the ones responsible for content and quality of the information.

Amendment 207
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that any charges that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-

Amendment

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.

discriminatory and proportional. Any differences in the charges levied between domestic and cross-border exercise of rights shall *only be permitted where* duly justified.

Or. en

Amendment 208

Giovanni Toti

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. Member States may provide that intermediaries cannot levy any charges on shareholders and/or companies and/or other intermediaries in respect of fulfilling their obligations under this chapter.

Or. en

Justification

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 issue.

Amendment 209

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. Member States shall ensure that no costs are charged on shareholders by an intermediary with regards to the communication of information which is necessary for the shareholders to exercise their rights at the general meeting.

Or. en

Justification

Although the costs for services should be partitioned on the free market it would seem reasonable to ensure that shareholders are not unduly hindered from exercising their rights at general meetings.

Amendment 210

Pascal Durand, Philippe Lamberts

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3d – paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. Member States shall ensure that when a beneficial individual investor holds shares through an intermediary, all costs of communicating with the intermediary must not be charged to the beneficial individual investor.

Or. en

Amendment 211

Giovanni Toti

Proposal for a directive

Article 1 – point 3

Text proposed by the Commission

Amendment

Article 3da

Support for long-term shareholding

Member States may put in place a mechanism in order to promote shareholding on a long-term basis and foster long-term shareholders. Members State may define the qualifying period in order to be considered a long-term shareholder.

The mechanism referred to in the first subparagraph may include one or more of the following advantages for long term shareholders:

- additional voting rights;***
- tax incentives;***
- loyalty dividends;***
- loyalty shares.***

Or. en

Justification

The encouragement of long-term shareholdings should not be imposed at EU level, but rather left to the individual Member States.

Amendment 212
Pascal Durand

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 d a (new) – paragraph 2

Text proposed by the Commission

Amendment

Article 3da

Support for long-term shareholding

Member States shall put in place a mechanism in order to promote shareholding on a long-term basis and foster long-term shareholders. Members State shall define the qualifying period in order to be considered a long term shareholder, but this period shall not be less than five years.

The mechanism referred to in the first subparagraph shall include one or more of the following advantages for long term shareholders:

- additional voting rights;*
- tax incentives;*
- loyalty dividends;*
- loyalty shares.*

Or. fr

Amendment 213
Tadeusz Zwiefka

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Chapter Ib – Article 3e a (new)

Text proposed by the Commission

Amendment

Article 3ea

*This chapter is without prejudice to the provisions laid down in sectorial legislation regulating asset managers and institutional investors to the extent that the requirements provided by this Chapter duplicate or contradict the requirements laid down in sectorial legislation. The provisions of sectorial legislation should be considered as *lex specialis* in relation to this chapter.*

Or. en

Justification

New rules for asset managers and institutional investors proposed in Chapter 1B overlap with requirements asset managers and institutional investors are already subject to in AIFMD, UCITS Directive and MIFID, Directive 2009/138/EC, Directive 2003/41/EC.

Amendment 214

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – introductory words

Text proposed by the Commission

1. Member States shall ensure that institutional investors and asset managers develop a policy on shareholder engagement (“engagement policy”) This engagement policy shall **determine** how institutional investors and asset managers conduct **all** of the **following actions**:

Amendment

1. Member States shall ensure that institutional investors and asset managers develop a policy on shareholder engagement (“engagement policy”) This engagement policy shall **explain** how institutional investors and asset managers **integrate shareholder engagement in their investment strategy and** conduct **engagement activities as set out in Article 2(h).**

Institutional investors and asset managers shall publicly disclose how this engagement policy has been implemented in an annual statement, including a general overview of their voting behaviour and their use of proxy advisors. A general overview of voting behaviour shall include disclosure of how votes were cast for each company in which they hold at least 0,3% of the voting rights, either individually or in aggregate where voting rights are held in funds managed by the same asset manager or institutional investor.

Information referred to in this paragraph shall be published by institutional investors and asset managers on their websites, or made available where they do not have a website.

Amendment 215
Jean-Marie Cavada

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3 f – paragraph 1 – subparagraphs 1 and 1a (new)

Text proposed by the Commission

1. Member States shall ensure that institutional investors and asset managers ***develop a policy on shareholder engagement (“engagement policy”) This engagement policy shall determine how institutional investors and asset managers conduct all*** of the following ***actions:***

Amendment

1. Member States shall ensure that institutional investors and asset managers ***either comply with the provisions*** of the following ***subparagraph or make public their reasons for non-compliance.***

Institutional investors and asset managers shall formulate a shareholder engagement policy ('engagement policy') to determine how they:

Amendment 216
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – introductory words

Text proposed by the Commission

1. Member States shall ensure that institutional investors and asset managers develop a policy on shareholder engagement (“engagement policy”) This engagement policy ***shall*** determine how institutional investors and asset managers conduct ***all*** of the following actions:

Amendment

1. Member States shall, ***without prejudice to Article 3f(4),*** ensure that institutional investors and asset managers develop a policy on shareholder engagement (“engagement policy”) This engagement policy ***may inter alia*** determine how institutional investors and asset managers

conduct **any** of the following actions:

Or. en

Justification

As the engagement policy is proposed under a comply or explain measure it would not seem necessary or proportional to force all companies to include the same exact information. An additional provision is added to ensure that the article is clearly subject to comply or explain.

Amendment 217

Angelika Niebler

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – introductory words

Text proposed by the Commission

1. Member States shall ensure that institutional investors and asset managers develop a policy on shareholder engagement (“engagement policy”) This engagement policy shall determine how institutional investors and asset managers conduct all of the following actions:

Amendment

1. Member States shall ensure that ***regulated*** institutional investors and asset managers ***not covered by the scope of Directives 2009/138/EC, 2013/36/EU, 2003/41/EC or 2011/61/EU*** develop a policy on shareholder engagement (“engagement policy”). This engagement policy shall determine how institutional investors and asset managers conduct all of the following actions:

Or. de

Justification

Regulated institutional investors and asset managers are already subject to a very wide variety of requirements and reporting obligations towards the relevant supervisory body. Accordingly these should be excluded from the development of any engagement policy.

Amendment 218

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – introductory words

Text proposed by the Commission

Amendment

1. Member States shall ensure that institutional investors and asset managers ***develop a policy on shareholder engagement (“engagement policy”) This engagement policy shall determine how institutional investors and asset managers conduct all of the following actions:***

1. Member States shall ensure that ***regulated*** institutional investors and asset managers ***not covered by the scope of Directives 2009/138/EC, 2013/36/EU, 2003/41/EC or 2011/61/EU cooperate with shareholders, on the basis of substantial exchanges. This cooperation shall be put into practice in:***

Or. de

Justification

The wording here is too complex and imprecise.

Amendment 219

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36 EC

Article 3f – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) to integrate shareholder engagement in their investment strategy;

deleted

Or. en

Amendment 220

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC
Article 3f – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) ***to integrate shareholder engagement***
in their investment strategy;

(a) their investment strategy;

Or. de

Amendment 221
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) to monitor investee companies,
including on their non-financial
performance;

deleted

Or. en

Amendment 222
Pascal Durand

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 f – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) to monitor investee companies,
including on their non-financial
performance;

(b) to monitor investee companies,
including on their non-financial
performance ***and reduction of social and***
environmental risks;

Or. fr

Amendment 223

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – point b

Text proposed by the Commission

(b) **to monitor** investee companies,
including on their non-financial
performance;

Amendment

(b) **the monitoring of** investee companies,
including on their non-financial
performance;

Or. de

Amendment 224

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – point c

Text proposed by the Commission

(c) **to conduct dialogues with investee
companies;**

Amendment

deleted

Or. en

Amendment 225

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – point c

Text proposed by the Commission

(c) **to conduct dialogues** with investee
companies;

Amendment

(c) **dialogue** with investee companies'
stakeholders;

Amendment 226
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) to exercise voting rights;

deleted

Or. en

Amendment 227
Philippe De Backer

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point b

Text proposed by the Commission

Amendment

(d) to exercise voting rights;

deleted

Or. en

Amendment 228
Axel Voss

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) *to* exercise voting rights;

(d) *the* exercise *of* voting rights;

Or. de

Amendment 229
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point e

Text proposed by the Commission

Amendment

*(e) to use services provided by proxy
advisors;*

deleted

Or. en

Amendment 230
Axel Voss

Proposal for a directive
Article 1 - point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) *to* use services provided by proxy
advisors;

(e) *the* use *of* services provided by proxy
advisors;

Or. de

Amendment 231
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) to cooperate with other shareholders.

deleted

Or. en

Amendment 232

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 – point f

Text proposed by the Commission

Amendment

(f) to cooperate with other shareholders.

(f) cooperation with other shareholders.

Or. de

Amendment 233

Tadeusz Zwiefka

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Member States shall ensure that institutional investors and asset managers either comply with the requirements set out in paragraph 1 or provide an explanation that is made available to the public as to why they have chosen not to comply with those requirements.

Or. en

Justification

In some cases publication of engagement policy and on relationship between institutional investors and asset managers may lead to disclosure of Trade Secrets and Confidential Business Information. Additionally asset managers and institutional investors often have adopted other arrangements than those stipulated in Chapter 1b which have a similar effect. Therefore flexibility should be offered to asset managers and institutional investors by providing “comply or explain” mechanism.

Amendment 234 Philippe De Backer

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2

Text proposed by the Commission

Amendment

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to shareholder engagement. Such policies shall in particular be developed for all of the following situations: **deleted**

(a) the institutional investor or the asset manager, or other companies affiliated to them, offer financial products to or have other commercial relationships with the investee company;

(b) a director of the institutional investor or the asset manager is also a director of the investee company;

(c) an asset manager managing the assets of an institution for occupational retirement provision invests in a company that contributes to that institution;

(d) the institutional investor or asset manager is affiliated with a company for whose shares a takeover bid has been launched.

Or. en

duplication UCITS and AIFM

Amendment 235

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to ***shareholder engagement. Such policies shall in particular be developed for all of the following situations:***

Amendment

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to ***their engagements.***

Or. en

Amendment 236

Pascal Durand

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3 f – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to shareholder engagement. Such policies shall in particular be developed for all of the following situations:

Amendment

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to shareholder engagement, ***for example by formulating rules regarding acceptance of gifts or advantages in kind, making sure that the financial interests of those concerned are known and keeping a register of conflicts of interests.*** Such policies shall in

particular be developed for all of the following situations:

Or. fr

Amendment 237

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to shareholder engagement. Such policies **shall** in particular be developed for all of the following situations:

Amendment

2. Member States shall, **without prejudice to Article 3f(4)**, ensure that the engagement policy includes policies to manage actual or potential conflicts of interests with regard to shareholder engagement. Such policies **may** in particular be developed for all of the following situations:

Or. en

Justification

As the engagement policy is proposed under a comply or explain measure it would not seem necessary or proportional to force all companies to include the same exact information. An additional provision is added to ensure that the article is clearly subject to comply or explain.

Amendment 238

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – point a

Text proposed by the Commission

(a) the institutional investor or the asset manager, or other companies affiliated to

Amendment

deleted

them, offer financial products to or have other commercial relationships with the investee company;

Or. en

Amendment 239
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) a director of the institutional investor or the asset manager is also a director of the investee company;

deleted

Or. en

Amendment 240
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) an asset manager managing the assets of an institution for occupational retirement provision invests in a company that contributes to that institution;

deleted

Or. en

Amendment 241
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) the institutional investor or asset manager is affiliated with a company for whose shares a takeover bid has been launched.

deleted

Or. en

Amendment 242

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 3

Text proposed by the Commission

Amendment

3. Member States shall ensure that institutional investors and asset managers publicly disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on the company's website. Institutional investors and asset managers shall, for each company in which they hold shares, disclose if and how they cast their votes in the general meetings of the companies concerned and provide an explanation for their voting behaviour. Where an asset manager casts votes on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

deleted

Or. en

Amendment 243
Philippe De Backer

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 3

Text proposed by the Commission

Amendment

3. Member States shall ensure that institutional investors and asset managers publicly disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on the company's website. Institutional investors and asset managers shall, for each company in which they hold shares, disclose if and how they cast their votes in the general meetings of the companies concerned and provide an explanation for their voting behaviour. Where an asset manager casts votes on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

deleted

Or. en

Amendment 244
Cecilia Wikström, Nils Torvalds, Ulla Tørnæs

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3f – paragraph 3

Text proposed by the Commission

Amendment

3. Member States shall ensure that institutional investors and asset managers

3. Member States shall, *without prejudice to Article 3f(4)*, ensure that institutional

publicly disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on the company's website. ***Institutional investors and asset managers shall, for each company in which they hold shares, disclose if and how they cast their votes in the general meetings of the companies concerned and provide an explanation for their voting behaviour. Where an asset manager casts votes on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.***

investors and asset managers publicly disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on the company's website.

Or. en

Justification

It would not seem appropriate or proportional to demand this level of detail in the reporting. An additional provision is added to ensure that the article is clearly subject to comply or explain.

Amendment 245 **Angelika Niebler**

Proposal for a directive **Article 1 – point 3** Directive 2007/36/EC Article 3f – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that institutional investors and asset managers publicly disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on the company's website. ***Institutional investors and asset managers shall, for each company in***

Amendment

3. Member States shall ensure that ***regulated*** institutional investors and asset managers ***not covered by the scope of Directives 2009/138/EC, 2013/36/EU, 2003/41/EC or 2011/61/EU*** disclose on an annual basis their engagement policy, how it has been implemented and the results thereof. The information referred to in the first sentence shall at least be available on

which they hold shares, disclose if and how they cast their votes in the general meetings of the companies concerned and provide an explanation for their voting behaviour. Where an asset manager casts votes on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager.

the company's website.

Or. de

Justification

Regulated companies have their compliance with statutory capital investment requirements monitored by the relevant supervisory body. That being so there is no need, at least for supervised institutional investors, to be required to disclose their equity investment strategy.

Amendment 246
Sergio Gaetano Cofferati

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Institutional investors and asset managers shall publicly disclose, for each company in which they hold shares, whether and how they cast their votes in the general meetings of the companies concerned and provide an explanation for their voting behaviour. Where an asset manager casts votes on behalf of an institutional investor, the institutional investor shall make a reference as to where such voting information has been published by the asset manager. The information referred to in this paragraph shall be available, free of charge, at least on the company's website.

Amendment 247
Emil Radev

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 4

Text proposed by the Commission

Amendment

4. Where institutional investors or asset managers decide not to develop an engagement policy or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case. **deleted**

Amendment 248
Jytte Guteland

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 4

Text proposed by the Commission

Amendment

4. Where institutional investors or asset managers decide not to develop an engagement policy or decide not to disclose the implementation and results thereof, they shall give a clear and reasoned explanation as to why this is the case. **deleted**

Justification

In order to make sure that the legislation is reasonably efficient and that there is a level playing field, all institutional investors and asset managers should be obliged to develop an engagement policy and to be transparent about its application. This is a very basic demand which can easily be met by all actors which already run a solid and well-organised business operation.

Amendment 249

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – Paragraph 1

Text proposed by the Commission

1. Member States shall ensure that institutional investors disclose to the public ***how*** their equity investment strategy (“investment strategy”) ***is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. The information referred to in the first sentence shall at least be available on the company's website as long as it is applicable.***

Amendment

1. Member States shall ensure that institutional investors disclose to the public ***whether and if so how the principles underlying*** their equity investment strategy (“investment strategy”) ***and the arrangements with asset managers who invest on their behalf, either on a discretionary client-by-client basis or through a collective investment undertaking, are aligned with the profile and duration of their liabilities and how they contribute to the medium to long-term performance of their assets.***

Or. en

Amendment 250

Tadeusz Zwiefka

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that institutional investors disclose to the public how their equity investment strategy (“investment strategy”) is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. The information referred to in the first sentence shall at least be available on the company's website as long as it is applicable.

Amendment

1. Member States shall ensure that institutional investors ***either comply with the obligation to*** disclose to the public how their equity investment strategy (“investment strategy”) is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets ***or provide an explanation that is made available to the public as to why they have chosen not to comply with that obligation.*** The information referred to in the first sentence shall at least be available on the company's website as long as it is applicable.

Or. en

Amendment 251

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that institutional investors ***disclose to the public*** how their equity investment strategy (“investment strategy”) is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. The information referred to in the first sentence shall at least be available on the company's website as long as it is applicable.

Amendment

1. Member States shall ensure that ***regulated*** institutional investors ***report to the relevant supervisory authority*** how their equity investment strategy (“investment strategy”) is aligned with the profile and duration of their liabilities and how it contributes to the medium to long-term performance of their assets. ***Non-regulated institutional investors shall disclose this information to the public.*** The information referred to in the first sentence shall at least be available on the company's website as long as it is applicable.

Or. de

Amendment 252
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – introductory words

Text proposed by the Commission

2. Where an asset manager invests on behalf of an institutional investor, ***either on a discretionary client-by-client basis or through a collective investment undertaking***, the institutional investor shall ***annually disclose to the public the main elements of the arrangement with*** the asset manager ***with regard to*** the following issues:

Amendment

2. Where an asset manager invests on behalf of an institutional investor, the institutional investor shall ***publicly disclose whether and if so how the agreement between the institutional investor and*** the asset manager ***addresses*** the following issues:

Or. en

Amendment 253
Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 introductory words

Text proposed by the Commission

2. Where an asset manager invests on behalf of an institutional investor, either on a discretionary client-by-client basis or through a collective investment undertaking, the institutional investor shall annually disclose to the public the main elements of the arrangement with the asset manager with regard to the following issues:

Amendment

2. Where an asset manager invests on behalf of an institutional investor, either on a discretionary client-by-client basis or through a collective investment undertaking, the institutional investor shall annually disclose to the public, ***and the regulated institutional investor to the relevant supervisory authority***, the main elements of the arrangement with the asset manager with regard to the following issues:

Justification

Disclosure to the relevant supervisory authority is sufficient for regulated institutional investors.

Amendment 254

Jean-Marie Cavada

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3 g – paragraph 2 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) whether and to what extent it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of its liabilities; *deleted*

Or. fr

Amendment 255

Philippe De Backer

Proposal for a directive

Article 1 – paragraph 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph 1– point a

Text proposed by the Commission

Amendment

(a) whether and to what extent it incentivises the asset manager to align its investment strategy and decisions with the profile and duration of its liabilities; *deleted*

Or. en

Amendment 256

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) whether and to what extent it incentivises the asset manager to make investment decisions based on medium to long-term ***company performance, including non-financial performance, and to engage with companies as a means of improving company performance to deliver investment returns;***

(b) whether and to what extent it incentivises the asset manager to make investment decisions based on medium to long-term ***interest of the institutional investor;***

Or. en

Amendment 257

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) the method and time horizon of the evaluation of the asset manager's performance, and in particular whether, and how this evaluation takes long-term absolute performance into account as opposed to performance relative to a benchmark index or other asset managers pursuing similar investment strategies;

deleted

Or. en

Amendment 258

Philippe De Backer

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) the method and time horizon of the evaluation of the asset manager's performance, and in particular whether, and how this evaluation takes long-term absolute performance into account as opposed to performance relative to a benchmark index or other asset managers pursuing similar investment strategies; *deleted*

Or. en

Amendment 259

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph – point d

Text proposed by the Commission

Amendment

(d) how the structure of the consideration for the asset management services contributes to the alignment of the investment decisions of the asset manager with the profile and duration of the liabilities of the institutional investor; *deleted*

Or. en

Amendment 260

Jean-Marie Cavada

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3 g – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

*(d) how the structure of the consideration
for the asset management services
contributes to the alignment of the
investment decisions of the asset manager
with the profile and duration of the
liabilities of the institutional investor;* *deleted*

Or. fr

Amendment 261

Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3g – paragraph 2 – subparagraph – point d

Text proposed by the Commission

Amendment

*(d) how the structure of the consideration
for the asset management services
contributes to the alignment of the
investment decisions of the asset manager
with the profile and duration of the
liabilities of the institutional investor;* *deleted*

Or. de

Justification

A general disclosure requirement would be incompatible with the rules on the confidentiality of trade secrets and would mean in particular disclosing the structure of the consideration for asset management services and the methods for assessing their performance.

Amendment 262

Philippe De Backer

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC
Article 3g – paragraph 2 – subparagraph – point d

Text proposed by the Commission

Amendment

***(d) how the structure of the consideration
for the asset management services
contributes to the alignment of the
investment decisions of the asset manager
with the profile and duration of the
liabilities of the institutional investor;*** ***deleted***

Or. en

Amendment 263
Jean-Marie Cavada

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 g – paragraph 2 – subparagraph 1 – point e

Text proposed by the Commission

Amendment

***(e) the targeted portfolio turnover or
turnover range, the method used for the
turnover calculation, and whether any
procedure is established when this is
exceeded by the asset manager;*** ***deleted***

Or. fr

Amendment 264
Philippe De Backer

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3g – paragraph 2 – subparagraph – point e

Text proposed by the Commission

Amendment

***(e) the targeted portfolio turnover or
turnover range, the method used for the*** ***deleted***

turnover calculation, and whether any procedure is established when this is exceeded by the asset manager;

Or. en

Amendment 265
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3g – paragraph 2 – subparagraph – point e

Text proposed by the Commission

(e) *the targeted portfolio turnover or turnover range, the method used for the turnover calculation, and whether any procedure is established when this is exceeded by the asset manager;*

Amendment

(e) *whether and to what extent portfolio turnover costs are monitored, and whether any procedure is established related to those costs;*

Or. en

Amendment 266
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3g – paragraph 2 – subparagraph 2

Text proposed by the Commission

Where the arrangement with the asset manager does not contain one or more of the elements referred to in *points (a) to (f)*, the institutional investor shall *give a clear and reasoned explanation as to* why this is the case.

Amendment

Where the arrangement with the asset manager does not contain one or more of the elements referred to in *this paragraph*, the institutional investor shall *explain* why this is the case.

Or. en

Amendment 267
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3h – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that asset managers disclose on **a half-yearly** basis to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Amendment

1. Member States shall ensure that asset managers disclose on **an annual** basis to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Or. en

Amendment 268
Tadeusz Zwiefka

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3h – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that asset managers disclose **on a half-yearly basis** to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Amendment

1. Member States shall ensure that asset managers disclose **upon request** to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) how their investment strategy and implementation thereof complies with that arrangement and how the investment strategy and implementation thereof contributes to medium to long-term performance of the assets of the institutional investor.

Justification

Information should be transmitted on the explicit request of the institutional investor. The proposed change is neutral from the perspective of investors interests (by giving them access to specific information), and could help asset manager to avoid unnecessary burdens, including financial, which in practice, will be passed to the final beneficiaries.

Amendment 269

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3h – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that ***asset managers disclose to the institutional investor on a half-yearly basis all of*** the following information:

Amendment

2. Member States shall ensure that ***the annual disclosure referred to in paragraph 1 contains at least*** the following information:

Or. en

Amendment 270

Therese Comodini Cachia

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3h – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that asset managers disclose to the institutional investor ***on a half-yearly basis*** all of the following information:

Amendment

2. Member States shall ensure that asset managers disclose to the institutional investor ***upon request*** all of the following information:

Or. en

Amendment 271
Tadeusz Zwiefka

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3h – paragraph 2 – introductory words

Text proposed by the Commission

2. Member States shall ensure that asset managers disclose to the institutional investor ***on a half-yearly basis*** all of the following information:

Amendment

2. Member States shall ensure that asset managers disclose, ***upon request***, to the institutional investor all of the following information:

Or. en

Amendment 272
Pascal Durand

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3 h – paragraph 2 – point a

Text proposed by the Commission

(a) ***whether or not, and if so how, they make investment decisions on the basis of judgements about*** medium-to long-term performance of the investee company, including non-financial performance;

Amendment

(a) ***the way in which they take account of*** medium-to long-term performance of the investee company, including non-financial performance, ***in making investment decisions***;

Or. fr

Amendment 273
Emil Radev

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3h – paragraph 2 – point e

Text proposed by the Commission

e) whether or not, and if so, what actual or potential conflicts of interest have arisen in connection with engagement activities and ***how*** the asset manager has dealt with ***them***;

Amendment

e) whether or not, and if so, what actual or potential conflicts of interest have arisen in connection with engagement activities and ***which of them*** the asset manager has dealt with ***and how***;

Or. bg

Amendment 274
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3h – paragraph 3

Text proposed by the Commission

3. The information disclosed pursuant to paragraph 2 shall be provided free of charge and, in case the asset manager does not manage the assets on a discretionary client-by-client basis, it shall also be provided to other investors on request.

Amendment

deleted

Or. en

Amendment 275
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that proxy advisors ***adopt and implement adequate measures to guarantee that their voting recommendations are accurate and***

Amendment

1. Member States shall ensure that proxy advisors ***make public reference to a code of conduct which they apply and report on the application of that code of conduct.***

reliable, based on a thorough analysis of all the information that is available to them.

Where the proxy advisors depart from any recommendation of the code of conduct which they apply, they shall explain which parts they depart from, provide reasons for doing so and indicate, where appropriate, what alternative measures have been adopted.

Where proxy advisors decide not to apply a code of conduct, they should explain their reasons for doing so.

Information referred to in this paragraph shall be published by proxy advisors on their websites, or made available where they do not have a website, and updated on an annual basis.

Or. en

Amendment 276

Cecilia Wikström, Nils Torvalds, Ulla Tørnæs, Cora van Nieuwenhuizen

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that proxy advisors adopt and implement adequate measures to **guarantee** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them.

Amendment

1. Member States shall ensure that proxy advisors adopt and implement adequate measures to **ensure to the best of their ability** that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them.

Or. en

Justification

It would seem reasonable to have a slightly more flexible wording here.

Amendment 277
Heinz K. Becker

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that proxy advisors adopt and implement adequate measures to guarantee that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them.

Amendment

1. Member States shall ensure that proxy advisors adopt and implement adequate measures to guarantee that their voting recommendations are accurate and reliable, based on a thorough analysis of all the information that is available to them.

The Member States shall ensure that proxy advisors prepare their voting recommendations taking into account national or European market, legal, regulatory and company-specific conditions and explain how they take these factors into account in their voting recommendations.

The Member States shall ensure that proxy advisors, where they intend to a recommend voting against a proposed resolution on an agenda item at a general meeting, notify the company thereof without undue delay. Within three days of notification the company may inform the proxy advisor of the reasons underlying the resolution. Where the company sends the proxy advisor its reasons in writing, the proxy advisor shall refer to those reasons in its voting recommendation to shareholders, even if it still recommends voting against.

Or. de

Justification

Proxy advisors should be required to take into account market conditions and legal requirements. This is to prevent major proxy advisors from issuing voting recommendations without looking in detail at the specific circumstances. Particularly when it proposes to

recommend voting against, proxy advisors should be required to hear the company's reasons for a given measure or resolution.

Amendment 278

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that proxy advisors ***adopt and implement adequate measures to guarantee that their voting recommendations are accurate and reliable***, based on a thorough analysis of all the information that is available to them.

Amendment

1. Member States shall ensure that proxy advisors ***make recommendations on the exercise of voting rights available to shareholders in good time. Advisors shall be guided by the interests of the shareholder and shall ensure that they are not influenced by their own interests. Proxy advisors shall point out that they will exercise their voting rights in accordance with their own proposals if shareholders do not issue different instructions in time. Member States shall ensure that proxy advisors adopt adequate measures to guarantee accurate and reliable voting recommendations that are*** based on a thorough analysis of all the information that is available to them.

Or. de

Justification

Proxy advisors must first and foremost represent the interests of the shareholders.

Amendment 279

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – introductory words

Text proposed by the Commission

Proxy advisors shall on an annual basis publicly disclose all of the following information in relation to the preparation of their voting recommendations:

Amendment

Proxy advisors shall on an annual basis publicly disclose all of the following information in relation to the preparation of their **research and** voting recommendations:

Or. en

Amendment 280

Angelika Niebler, Axel Voss

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point a

Text proposed by the Commission

(a) the essential features of the methodologies and models they apply;

Amendment

(a) the essential features of the methodologies and models they apply, ***provided this does not involve the disclosure of trade secrets;***

Or. de

Justification

The obligation to disclose models should not compromise the competitive position of the proxy advisors. It needs to be ensured that trade secrets can continue to be protected.

Amendment 281

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) the main information sources they use;

deleted

Or. en

Amendment 282

Heinz K. Becker

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) **whether and, if so**, how they take national market, legal **and** regulatory conditions into account;

(c) how they take national market, legal, regulatory **and company-specific** conditions into account;

Or. de

Justification

Alignment with amendment to paragraph 1.

Amendment 283

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point ca (new)

Text proposed by the Commission

Amendment

(ca) the essential features of the research undertaken and voting policies applied for each market;

Or. en

Amendment 284
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

(d) whether they have dialogues with the companies which are the object of their voting recommendations, and, if so, the extent and nature thereof;

Amendment

(d) whether they have ***communication or*** dialogues with the companies which are the object of their ***research and*** voting recommendations, and, if so, the extent and nature thereof;

Or. en

Amendment 285
Heinz K. Becker

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

(d) ***whether they have dialogues*** with the companies which are the object of their voting recommendations, ***and, if so, the extent and nature thereof;***

Amendment

(d) ***the nature and extent of their dialogue*** with the companies which are the object of their voting recommendations;

Or. de

Justification

The dialogue between proxy advisors and the company should be stepped up in the interests of shareholders.

Amendment 286
Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(da) the policy regarding prevention and management of potential conflicts of interest;

Or. en

Amendment 287

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point e

Text proposed by the Commission

Amendment

(e) the total number of staff involved in the preparation of the voting recommendations; ***deleted***

Or. en

Amendment 288

Sajjad Karim

Proposal for a directive

Article 1 – point 3

Directive 2007/36/EC

Article 3i – paragraph 2 – subparagraph 1 – point f

Text proposed by the Commission

Amendment

(f) the total number of voting recommendations provided in the last year. ***deleted***

Or. en

Amendment 289
Sajjad Karim

Proposal for a directive
Article 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that proxy advisors identify and disclose without undue delay to their clients and the company concerned any actual or potential conflict of interest or business relationships that may influence the preparation of the voting recommendations and the actions they have undertaken to eliminate or mitigate the actual or potential conflict of interest.“

Amendment

3. Member States shall ensure that proxy advisors identify and disclose without undue delay to their clients and the company concerned any actual or potential conflict of interest or business relationships that may influence the preparation of the ***research and*** voting recommendations and the actions they have undertaken to eliminate or mitigate the actual or potential conflict of interest.“

Or. en