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REPORT


Committee on Legal Affairs

Rapporteur: Sergio Gaetano Cofferati

Rapporteur for the opinion (*):

Olle Ludvigsson, Committee on Economic and Monetary Affairs

(*) Associated committee – Rule 54 of the Rules of Procedure
Symbols for procedures

* Consultation procedure
*** Consent procedure
***I Ordinary legislative procedure (first reading)
***II Ordinary legislative procedure (second reading)
***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in bold italics in the left-hand column. Replacements are indicated in bold italics in both columns. New text is indicated in bold italics in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in bold italics. Deletions are indicated using either the ☐ symbol or strikeout. Replacements are indicated by highlighting the new text in bold italics and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
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(*) Associated committee – Rule 54 of the Rules of Procedure
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2014)0213),

– having regard to Article 294(2) and Articles 50 and 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0147/2014),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 9 July 2014,1

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on Legal Affairs and the opinion of the Committee on Economic and Monetary Affairs (A8-0158/2015),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

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DIRECTIVE (EU) 2015/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of

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)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 50 and 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ▌.

1 OJ C . p .
After consulting the European Data Protection Supervisor,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Directive 2007/36/EC of the European Parliament and of the Council\(^1\) 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. \textit{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}\(^2\), which do not have shares admitted to trading on a regulated market, given that they also do business which has a major impact.

(2) \textit{Although they do not own corporations, which are separate legal entities beyond their full control, shareholders play a relevant role in the governance of those corporations.} The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking. Moreover, the current level of “monitoring” and engagement \textit{in investee companies} by institutional investors and asset managers is \textit{often inadequate and too much focused on short-term returns}, which \textit{leads} to suboptimal corporate governance and performance of listed companies.


(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.

(3) In the Action Plan on European company law and corporate governance the Commission announced a number of actions in the area of corporate governance, in particular to encourage long-term shareholder engagement and to enhance transparency between companies and investors.

(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, to improve transparency and dialogue, this Directive should provide for a framework to ensure that shareholders can be identified.

(5) The effective exercise of their rights by shareholders depends to a large extent on the efficiency of the chain of intermediaries maintaining securities accounts for shareholders, especially in a cross-border context. This Directive aims at improving the transmission of information by intermediaries through the equity holding chain to facilitate the exercise of shareholder rights.

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1 COM/2012/0740 final.
(6) In view of the important role of intermediaries they should be obliged to facilitate the exercise of rights by shareholders when shareholders would like to exercise these rights themselves or would like to nominate a third person to do so. When shareholders do not want to exercise the 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.

(7) In order to promote equity investment throughout the Union and the exercise of rights related to shares, this Directive should establish a high degree of transparency with regard to costs of services provided by intermediaries. In order to prevent price discrimination of cross-border as opposed to purely domestic share holdings, any differences in the costs levied between domestic and cross-border exercise of rights should be duly justified and should reflect the variation in actual costs incurred for delivering the services provided by intermediaries. Third country intermediaries which have established a branch in the Union should be subject to the rules on shareholder identification, transmission of information, facilitation of shareholder rights and transparency of costs to ensure effective application of the provisions on shares held via such intermediaries;
Effective and sustainable shareholder engagement is a relevant element of listed companies’ corporate governance model, which depends on checks and balances between the different organs and different stakeholders. Proper involvement of stakeholders, in particular employees, should be considered an element of utmost importance in developing a balanced European framework on corporate governance.

Institutional investors and asset managers are often important shareholders of listed companies in the Union and therefore can play a significant 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 properly with companies in which they hold shares and that capital markets often exert pressure on companies to perform in the short term, which jeopardizes the long-term financial and non-financial performance of companies and leads, among several other negative consequences, to a suboptimal level of investments, for example in research and development to the detriment of the long-term performance of the companies.

Long-term shareholding provides more stability for companies and usually encourages them to focus their strategies on long-term financial and non-financial performance. In order to encourage positive and long-term shareholder engagement, mechanisms incentivising long-term shareholding should be put in place.
Institutional investors and asset managers are often not transparent about investment strategies and their engagement policy, implementation and results thereof. Public disclosure of such information would have a positive impact on investor awareness, enable ultimate beneficiaries such as future pensioners optimise investment decisions, facilitate the dialogue between companies and their shareholders, enhance shareholder engagement and strengthen companies’ accountability to stakeholders and civil society.

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, including their environmental and social risks, conduct dialogues with investee companies and their stakeholders 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 and sent to the institutional investors’ clients 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.
Institutional investors should annually disclose to the public how their 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.
(13) Asset managers should be required to **publicly** disclose 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 **publicly** disclose **the portfolio turnover**, whether they make investment decisions on the basis of judgements about medium-to long-term performance of the investee company, and whether the asset manager uses proxy advisors for the purpose of their engagement activities. **Further information should be disclosed by the asset managers directly to the institutional investors, including information on the portfolio composition, on the portfolio turnover costs, on conflicts of interest which have arisen and how they have been dealt with.** 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.

(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. **Proxy advisors should adopt and follow a code of conduct. Departures from the code should be declared and explained, together with any alternative solutions which have been adopted. Proxy advisors should report on the application of their code of conduct on a yearly basis.** 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.
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 Council\(^1\) and taking into account the differences in board structures applied by companies in the different Member States. Directors’ performance should be assessed using both financial and non-financial performance criteria, including environmental, social and governance factors.

The remuneration policy for company directors should also contribute to the long-term growth of the company so that it corresponds to a more effective practice of corporate governance and is not linked entirely or largely to short-term investment objectives.

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.

**Stakeholders, in particular employees, should be entitled, via their representatives, to express a view on the remuneration policy before it is submitted to the vote of the shareholders.** The approved remuneration policy should be publicly disclosed without delay.

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(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, where necessary, enter into dialogue with the shareholders in order to identify the reasons for rejection. The company should explain in the next remuneration report how the vote of the shareholders has been taken into account. Stakeholders, in particular employees, should be entitled, via their representatives, to express a view on the remuneration report before it is submitted to the vote of the shareholders.

(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 and facilitating the engagement of shareholders and other Union citizens in companies. Mandatory reporting in this area can therefore be seen as an important element of the corporate responsibility of companies to shareholders and society.

(18) In order to provide stakeholders, shareholders and civil society 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 2013.

(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.

(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.

(19) Transactions with related parties may cause prejudice to companies, as they may give the related party the opportunity to appropriate value belonging to the company. Thus, adequate safeguards for the protection of companies’ interests are of importance. For this reason Member States should ensure that material related party transactions should be approved by the shareholders or by the administrative or supervisory body of the companies, in accordance with procedures which prevent a related party from taking advantage of its position and provide adequate protection for the interest of the company and of shareholders which are not related parties, including minority shareholders. For material transactions with related parties companies should publicly announce such transactions at the latest at the time of the conclusion of the transaction and accompany the announcement by a report assessing whether the transaction is on market terms and confirming that the transaction is fair and reasonable from the perspective of the company, including minority shareholders. Member States should be allowed to exclude transactions entered into between the company and joint ventures and one or more members of its group, provided that those members of the group or joint ventures are wholly owned by the company or that no other related party of the company has an interest in the members or in the joint ventures, and transactions entered into in the ordinary course of business and concluded on normal market terms.
In view of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995, 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, including full address, telephone number and, if relevant, e-mail address and the numbers 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, of shareholder engagement and of the dialogue between the company and the shareholder.

In order to ensure uniform application of the Articles on identification of shareholders, on transmission of information, on facilitation of the exercise of shareholder's rights and on the remuneration reports, the power to adopt delegated acts in accordance with Article 290 of the TFEU should be delegated to the Commission in respect of defining the specific requirements regarding the transmission of information on the identity of shareholders, the transmission of information between the company and the shareholders and the facilitation by the intermediary of the exercise of rights by shareholders, and the standardised presentation of the remuneration report. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and of the Council.

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(22) In order to ensure that the requirements set out in this Directive or the measures implementing this Directive are applied in practice, any infringement of those requirements should be subject to penalties. To that end, penalties should be sufficiently dissuasive and proportionate.

(23) Since the objectives of this Directive cannot be sufficiently achieved by the Member States in view of the international nature of the Union equity market and action by Member States alone is likely to result in different sets of rules, which may undermine or create new obstacles to the functioning of the internal market, the objectives can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve those objectives.'
In accordance with the Joint Political Declaration of Member States and the Commission of 28 September 2011 on explanatory documents, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified,

HAVE ADOPTED THIS DIRECTIVE:

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Article 1
Amendments to Directive 2007/36/EC

Directive 2007/36/EC is amended as follows:

(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*“.

(1) Article 1 is amended as follows:

(a) In Paragraph 1, the following sentence is added:

“It also establishes *specific* requirements in order to facilitate shareholders’ engagement in the long term, including the identification of shareholders, the transmission of information and the facilitation of the exercise of shareholder rights. It additionally creates transparency on the engagement policies of *institutional* investors and *asset managers* and on the activities of *proxy advisors* and *lays down certain requirements with regard to directors’ remuneration and related party transactions.*”

(aa) The following paragraph is added after paragraph 3:

“3a. The undertakings referred to in paragraph 3 shall in no case be exempted from the provisions laid down in Chapter Ib.”

(b) The following paragraph is added after paragraph 3a:

“3b. Chapter Ib shall apply to institutional investors and to asset managers to the extent that they invest, directly or through a collective investment undertaking, on behalf of institutional investors, in so far they invest in shares. *It shall also apply to proxy advisors.*

(ba) The following paragraph is added after paragraph 3b:
"3c. The provisions of this Directive are without prejudice to the provisions laid down in sectorial EU legislation regulating specific types of listed companies or entities. The provisions of sectorial EU legislation shall prevail over this Directive to the extent that the requirements provided by this Directive contradict the requirements laid down in sectorial EU legislation. Where this Directive provides for more specific rules or adds requirements compared to the provisions laid down by sectorial EU legislation, those provisions shall be applied in conjunction with the provisions of this Directive".
(2) In Article 2 the following points (d) - (j) are added:

“(d) ‘intermediary’ means a legal person that has its registered office, central administration or principal place of business in the European Union and maintains securities accounts for clients;

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

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

(e) third country intermediary’ means a legal person that has its registered office, central administration or principal place of business outside the Union and maintains securities accounts for clients;
‘institutional investor’ means an undertaking carrying out activities of life assurance within the meaning of Article 2(3)(a), (b) and (c), and activities of reinsurance covering life insurance obligations and not excluded pursuant to Articles 3, 4, 9, 10, 11 or 12 of Directive 2009/138/EC of the European Parliament and of the Council and an institution for occupational retirement provision falling within the scope of Directive 2003/41/EC of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive;

‘asset manager’ means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council providing portfolio management services to institutional investors, an AIFM (alternative investment fund manager) as defined in Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council that does not fulfil the conditions for an exemption in accordance with Article 3 of that Directive or a management company as defined in Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council; or an investment company authorised in accordance with Directive 2009/65/EC, provided that it has not designated a management company authorised under that Directive for its management;

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(h) ‘shareholder engagement’ means the monitoring by a shareholder alone or together with other shareholders, of companies on relevant matters including strategy, financial and non-financial performance, risk, capital structure, human resources, social and environmental impact and corporate governance, having a dialogue with companies and their stakeholders on these matters and exercising voting rights and other rights attached to shares;

(i) ‘proxy advisor’ means a legal person that provides, on a professional basis, recommendations to shareholders on the exercise of their voting rights;

(l) ‘Director’ means

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

- chief executive officer and deputy chief executive officers, where they are not members of administrative, management or supervisory bodies;

(j) ‘related party’ has the same meaning as in the international accounting standards adopted in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council\(^1\);

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

(jb) ‘stakeholder’ means any individual, group, organisation or local community that is affected by or otherwise has an interest in the operation and performance of a company;

(jc) "information regarding shareholder identity" means any information allowing to establish the identity of a shareholder including at least:

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- the names of shareholders and their contact details (including full address, telephone number and e-mail address), and, where they are legal persons, their unique identifier or, in case the latter is not available, other identification data;

- the number of shares owned and voting rights associated with those shares.

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

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

(2b) After Article 2, 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."

(3) After Article 3, the following Chapters Ia and 1b are inserted

“CHAPTER I A

IDENTIFICATION OF SHAREHOLDERS, TRANSMISSION OF INFORMATION AND FACILITATION OF EXERCISE OF SHAREHOLDER RIGHTS

Article 3a

Identification of shareholders

1. Member States shall ensure that intermediaries offer to companies the possibility to have their shareholders identified, taking account of existing national systems."
2. Member States shall ensure that, on the request of the company, the intermediary communicates without undue delay to the company the information regarding shareholder identity. Where there is more than one intermediary in a holding chain, the request of the company shall be transmitted between intermediaries without undue delay. The intermediary having the information regarding shareholder identity shall transmit it directly to the company.

Member States may provide that central security depositories (CSDs) are the intermediaries to be responsible for collecting the information regarding shareholder identity and for providing it directly to the company.
3. Shareholders shall be duly informed by their intermediary that information regarding their identity may be processed in accordance with this article and, where applicable, that the information has actually been forwarded to the company. 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 on company-related matters. Companies shall in any case be allowed to give third parties an overview of the shareholding structure of the company by disclosing the different shareholder categories. The company and the intermediary shall ensure that natural and legal persons are able to rectify or erase any incomplete or inaccurate data. Member States shall ensure that the companies and the intermediaries do not store the information regarding shareholder identity transmitted to them, in accordance with this Article, for longer than necessary and, in any case, for longer than 24 months after the company or the intermediaries have learnt that the person concerned has ceased to be a shareholder.

3a. Member States shall ensure that, upon request of a shareholder, companies which have identified their shareholders make the information regarding shareholder identity relating to all identified shareholders which hold more than 0.5% of the shares available to that shareholder. Member States shall ensure that shareholders receiving this list shall be permitted to use it only to contact other shareholders on company-related matters and shall not be permitted to disclose it.
Member States may allow companies to charge a fee for making such a list available to a shareholder. The fee shall be reasonable and proportionate, its calculation method shall be transparent and non-discriminatory and it shall in no case be higher than one third of the actual costs incurred by the company in order to identify the shareholders. Any differences in the charges levied between the domestic and cross-border exercise of rights shall only be permitted where duly justified and shall reflect the variation in actual costs incurred for delivering the services. No costs shall be charged in the event that the Member State does not allow for costs to be charged by intermediaries in order to provide the services referred to in this Article.

4. Member States shall ensure that neither an intermediary that reports to the company the information regarding shareholder identity in accordance with paragraph 2, nor a company that makes available to a shareholder the list referred to in paragraph 3 in accordance with the provisions thereby defined, is considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.

5. To ensure uniform application of this Article, the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a, to specify the minimum requirements to transmit the information laid down in paragraphs 2, 3 and 3a as regards the format of the information to be transmitted, the format of the request, including the secure formats to be used, and the deadlines to be complied with.
Article 3b

Transmission of information

1. Member States shall ensure that if a company does not directly communicate with its shareholders, the information related to their shares shall be made available via the company’s website 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:

(a) the information is necessary to exercise a right of the shareholder flowing from its shares;

(b) the information is directed to all shareholders in shares of that class.
2. Member States shall require companies to provide and deliver the information to the intermediary related to the exercise of rights flowing from shares in accordance with paragraph 1 in a standardised and timely manner.

3. Member States shall oblige the intermediary to transmit to the company, in accordance with the instructions received from the shareholders, without undue delay the information received from the shareholders related to the exercise of the rights flowing from their shares.

4. Where there is more than one intermediary in a holding chain, information referred to in paragraphs 1 and 3 shall be transmitted between intermediaries without undue delay.

5. To ensure uniform application of this Article, the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a, to specify the minimum requirements to transmit information laid down in paragraphs 1 to 4 as regards the content to be transmitted, the deadlines to be complied with and the types and format of information to be transmitted, including the secure formats to be used.
Article 3c
Facilitation of the exercise of shareholder rights

1. Member States shall ensure that the intermediaries facilitate the exercise of the shareholder rights by the shareholder, including the right to participate and vote in general meetings. Such facilitation shall comprise at least one of the following:

(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;

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

2. Member States shall ensure that companies publicly disclose, via the their website, the minutes of the general meetings and the results of votes. Member States shall ensure that companies confirm the votes cast in general meetings by or on behalf of shareholders, when they are cast by electronic means. In case the intermediary casts the vote, it shall transmit the voting confirmation to the shareholder. Where there is more than one intermediary in the holding chain the confirmation shall be transmitted between intermediaries without undue delay.

3. To ensure uniform application of this Article, the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a, to specify the minimum requirements to facilitate the exercise of shareholder rights laid down in paragraphs 1 and 2 of this Article as regards the types of the facilitation, the form of the voting confirmation and the deadlines to be complied with.
Article 3d
Transparency on costs

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

2. Where intermediaries are permitted to charge costs in accordance with paragraph 1, Member States shall ensure that intermediaries publicly disclose, separately for each service, the costs for the services referred to in this chapter.

Member States shall ensure that any costs that may be levied by an intermediary on shareholders, companies and other intermediaries shall be non-discriminatory, reasonable and proportionate. Any differences in the charges levied between domestic and cross-border exercise of rights shall only be permitted where duly justified and shall reflect the variation in actual costs incurred for delivering the services.
Article 3e
Third country intermediaries

A third country intermediary who has established a branch in the Union shall be subject to this chapter.”

Article 3 ea
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 two 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.

CHAPTER IB
TRANSPARENCY OF INSTITUTIONAL INVESTORS, ASSET MANAGERS AND PROXY ADVISORS

Article 3f
Engagement policy

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 shall determine how institutional investors and asset managers conduct the following actions:

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

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

(c) to conduct dialogues with investee companies;

(d) to exercise voting rights;

(e) to use services provided by proxy advisors;

(f) to cooperate with other shareholders.

(fa) to conduct dialogue and cooperate with other stakeholders of the investee companies.

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 shall in particular be developed for all of the following situations:

(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.
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, free of charge, on the company's website. **Institutional investors shall annually provide their clients with the information referred to in the first sentence.**

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 at least be available, free of charge, on the company's website.**
Article 3g
Investment strategy of institutional investors and arrangements with asset managers

1. Member States shall ensure that institutional investors disclose to the public how their 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, free of charge, on the company's website as long as it is applicable and shall be sent annually to the company's clients together with the information on their engagement policy.

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:

(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;

(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;

(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;
(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;

(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;
(f) the duration of the arrangement with the asset manager.

Article 3h
Transparency of asset managers

1. Member States shall ensure that asset managers disclose, as specified in paragraphs 2 and 2a, how their investment strategy and implementation thereof complies with the arrangement referred to in Article 3g(2).

2. Member States shall ensure that asset managers annually disclose to the public all of the following information:

(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;

(b) the level of portfolio turnover, the method used to calculate it and an explanation if the turnover exceeded the targeted level;

(c) 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;

(d) whether or not, and if so how, the asset manager uses proxy advisors for the purpose of their engagement activities;

(e) how, overall, the investment strategy and implementation thereof contributes to the medium to long-term performance of the assets of the institutional investor.
2a. **Member States shall ensure that asset managers annually disclose to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) all of the following information:**

(a) how the portfolio was composed and an explanation of significant changes in the portfolio in the previous period;

(b) portfolio turnover costs;

(c) their policy on securities lending and the implementation thereof.

3. The information disclosed pursuant to paragraph 2 shall **at least be available, free of charge, on the asset manager's website.** The information disclosed pursuant to paragraph 2a 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.

3a. **Member States may provide that, in exceptional cases, an asset manager may be allowed, if approved by the competent authority, to abstain from disclosing a certain part of the information to be disclosed under this Article if that part relates to impending developments or matters that are the subject of negotiation and its disclosure would be seriously prejudicial to the commercial position of the asset manager.**

**Article 3i**

**Transparency of proxy advisors**

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

1a. **Member States shall ensure that proxy advisors refer to the code of conduct which they apply.** Where they depart from any of the recommendations of
that code of conduct, they shall declare it, explain the reasons for doing so and indicate any alternative measures adopted. This information, together with the reference to the code of conduct which they apply, shall be published on the proxy advisor's website.

Proxy advisors shall report every year on the application of that code of conduct. Annual reports shall be published on the proxy advisor's website and shall remain available, free of charge, for at least three years after the date of publication.

2. Member States shall ensure that 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:

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

   (b) the main information sources they use;

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

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

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

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

   (e) the total number and the qualifications of staff involved in the preparation of the voting recommendations;

   (f) the total number of voting recommendations provided in the last year.
That information shall be published on the website of proxy advisors and remain available, free of charge, for at least three years from the day of publication.

3. Member States shall ensure that proxy advisors identify and disclose without undue delay to their clients any actual or potential conflict of interest or business relationships that may influence the research and the preparation of the voting recommendations and the actions they have undertaken to eliminate or mitigate the actual or potential conflict of interest.”
The following articles 9a, 9b and 9c are inserted:

“Article 9a
Right to vote on the remuneration policy

1. Member States shall ensure that companies establish a remuneration policy as regards directors and submit it to a binding vote of the general meeting of shareholders. Companies shall only pay remuneration to their directors in accordance with a remuneration policy that has been voted on at the general meeting of shareholders. Any change to the policy shall be voted on at the general meeting of shareholders and the policy shall be submitted in any case for approval by the general meeting at least every three years.

In cases where no remuneration policy has been implemented previously and shareholders reject the draft policy submitted to them, the company may, while reworking the draft and for a period of no longer than one year until the draft is adopted, pay remuneration to its directors in accordance with existing practices.

In cases where there is an existing remuneration policy and shareholders reject a draft policy submitted to them in line with the first subparagraph, the company may, while reworking the draft and for a period of no longer than one year until the draft is adopted, pay remuneration to its directors in accordance with the existing policy."
2. The policy shall be clear, understandable, in line with the business strategy, objectives, values and long-term interests of the company and shall incorporate measures to avoid conflicts of interest.

3. The policy shall explain how it contributes to the long-term interests and sustainability of the company. It shall set clear criteria for the award of fixed and variable remuneration, including all bonuses and all benefits in whatever form.

The policy shall indicate the appropriate relative proportion of the different components of fixed and variable remuneration. It shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration.

For variable remuneration, the policy shall indicate the financial and non-financial performance criteria to be used and explain how they contribute to the long-term interests and sustainability of the company, and the methods to be applied to determine to which extent the performance criteria have been fulfilled; it shall specify the deferral periods, vesting periods for share-based remuneration and retention of shares after vesting, and information on the possibility of the company to reclaim variable remuneration.

Member States shall ensure that the criteria also include consideration of programmes relating to corporate social responsibility and the results achieved in this regard. Member States shall ensure that the value of shares does not play a predominant role in the financial performance criteria. They shall ensure that share-based remuneration does not represent the most significant part of directors' variable remuneration.

The policy shall indicate the main terms of the contracts of directors, including its duration and the applicable notice periods and terms of termination and payments linked to termination of contracts and the characteristics of supplementary pension or early retirement schemes. Where national law allows companies to have arrangements with directors without a contract, the
policy shall in that case indicate the main terms of the arrangements with
directors, including their duration and the applicable notice periods and
terms of termination and payments linked to termination and the
characteristics of supplementary pension or early retirement schemes.

The policy shall specify the company's procedures for the determination of
the remuneration of directors, including the role and functioning of the
remuneration committee.

Member States shall ensure that relevant stakeholders, in particular
employees, are entitled to express a view, via their representatives, on the
remuneration policy before it is submitted to the shareholders

The policy shall explain the specific decision-making process leading to its
determination. Where the policy is revised, it shall include an explanation of all
significant changes and how it takes into account the votes and views of
shareholders on the policy and report in at least the previous three consecutive
years.

4. Member States shall ensure that after approval by the shareholders the policy is
made public without delay and available, free of charge, on the company's
website at least as long as it is applicable.

Article 9b

Information to be provided in the remuneration report and right to vote on the
remuneration report

1. Member States shall ensure that the company draws up a clear and
understandable remuneration report, providing a comprehensive overview of
the remuneration, including all benefits in whatever form, granted, in
accordance with the remuneration policy referred to in Article 9a, to
individual directors, including to newly recruited and former directors, in the
last financial year. It shall, where applicable, contain all of the following
elements:
(a) the total remuneration awarded, paid or due split out by component, the relative proportion of fixed and variable remuneration, an explanation how the total remuneration is linked to long-term performance and information on how the **financial and non-financial** performance criteria where applied;

(aa) *the ratio between the average remuneration awarded, paid or due to executive directors and the average remuneration of employees during the last financial year where the remuneration of part-time employees is included on full-time equivalent terms;*
(b) the relative change of the remuneration of executive directors over the last three financial years, its relation to the development of the general performance of the company and to change in the average remuneration of employees over the same period;

(c) any remuneration received or due to directors of the company from any undertaking belonging to the same group;

(d) the number of shares and share options granted or offered, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;

(e) information on the use of the possibility to reclaim variable remuneration;

(f) information on how the remuneration of directors was established, including on the role of the remuneration committee.

2. Member States shall ensure that the right to privacy of natural persons is protected in accordance with Directive 95/46/EC when personal data of the director are processed.

3. Member States shall ensure that shareholders have the right to vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote against the remuneration report the company shall, where necessary, enter into a dialogue with the shareholders in order to identify the reasons for the rejection. The company shall explain in the next remuneration report how the vote of the shareholders has been taken into account.

Member States shall ensure that relevant stakeholders, in particular employees, are entitled, via their representatives, to express a view on the remuneration report before it is submitted to the shareholders.
3a. **The provisions on remuneration in this Article and in Article 9(a) shall be without prejudice to national systems of wage formation for employees and, where applicable, to national provisions on the representation of employees on boards.**

4. **To ensure uniform application of this Article,** the Commission shall be empowered to adopt delegated acts, in accordance with Article 14a, to specify the standardised presentation of the information laid down in paragraph 1 of this Article.

**Article 9c**

**Right to vote on related party transactions**

1. Member States shall ensure that companies, in case of **material** transactions with related parties, publicly announce such transactions **at the latest** at the time of the conclusion of the transaction, and accompany the announcement by a report assessing whether or not it is on market terms and confirming that the transaction is fair and reasonable from the perspective of the **company**, **including minority shareholders**, and providing an explanation of the **evaluations the assessment is based on**. The announcement shall contain information on the nature of the related party relationship, the name of the related party, the amount of the transaction and any other information necessary to assess the **economic fairness of the transaction from the perspective of the company**, including minority shareholders.

**Members States shall define specific rules with regard to the report to be adopted in accordance with the first and second subparagraphs, including the actor responsible for providing the reports, which shall be one of the following:**

- an independent third party;

- the supervisory body of the company; or

- a committee of independent directors
2. Member States shall ensure that material transactions with related parties are approved by the shareholders or by the administrative or supervisory body of the companies, in accordance with procedures which prevent a related party from taking advantage of its position and provide adequate protection for the interest of the company and of shareholders which are not related parties, including minority shareholders.

Member States may provide that shareholders have the right to vote on material transactions approved by the administrative or supervisory body of the company.

The intention is to prevent related parties from gaining an advantage from a special position and to provide proper protection for the company's interest.
2a. **Member States shall ensure that related parties and their representatives are excluded from the preparation of the report referred to in paragraph 1 and from the votes and decisions that take place in accordance with paragraph 2.** Where the related party transaction involves a shareholder, this shareholder shall be excluded from any vote regarding the transaction. **Member States may allow the shareholder who is a related party to take part in the vote provided that national law ensures adequate safeguards which apply during the voting process to protect the interests of shareholders who are not related parties, including minority shareholders, by preventing the related-party from approving the transaction despite the opposing opinion of the majority of shareholders which are not related parties or despite the opposing opinion of the majority of the independent directors.**

3. **Member States shall ensure that** transactions with the same related party that have been concluded in any 12 months period or in the same financial year and have not been subject to the obligations listed in paragraphs 1, 2 and 3 are aggregated for the purposes of application of those paragraphs.

4. Member States may exclude from the requirements in paragraphs 1, 2 and 3:

   - transactions entered into between the company and one or more members of its group or joint ventures, provided that those members of the group or joint ventures are wholly owned by the company or that no other related party of the company has an interest in those members or in the joint ventures;

   - transactions entered into in the ordinary course of business and concluded on normal market terms.

4a. **Member States shall define material transactions with related parties.** Material transactions with related parties shall be defined taking into account:
(a) the influence that the information about the transaction may have on the decisions of the subjects involved in the approval process;

(b) the impact of the transaction on the company’s results, assets, capitalisation or turnover and the position of the related party;

(c) the risks that the transaction creates for the company and its minority shareholders.

When defining material transactions with related parties, Member States may set one or more quantitative ratios based on the impact of the transaction on the revenues, assets, capitalization or turnover of the company or take into account the nature of the transaction and the position of the related party.

(5) After Article 14, the following Chapter IIa is inserted:

“CHAPTER II A

DELEGATED ACTS AND PENALTIES

Article 14a

Exercise of delegated powers

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Articles 3a(5), 3b(5), and 3c(3) and Article 9b shall be conferred on the Commission for an indeterminate period of time from ...*.

3. The delegation of power referred to in Articles 3a(5), 3b(5), and 3c(3) and Articles 9b may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or
at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Articles 3a(5), 3b(5) and 3c(3) and Article 9b shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.
Article 14b
Penalties

Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive. Member States shall notify those provisions to the Commission \textit{at the latest} by [date for transposition] and shall notify it without delay of any subsequent amendment affecting them.”
Article 2
Amendments to Directive No 2013/34/EU

(-1) In Article 2 the following point is added:

"(17) 'tax ruling' means any advance interpretation or application of a legal provision for a cross-border situation or transaction of a company which might lead to a loss of tax in Member States or which might lead to tax savings for the company resulting from artificial intra-group transfers of profits."

(-1a) In Article 18, the following paragraph is inserted after paragraph 2:

'2a. In the notes to the financial statements large undertakings and public-interest entities shall also disclose, specifying by Member State and by third country in which they have an establishment, the following information on a consolidated basis for the financial year:

(a) name(s), nature of activities and geographical location;

(b) turnover;

(c) number of employees on a full time equivalent basis;

(d) value of assets and annual cost of maintaining those assets;

(e) sales and purchases;

(f) profit or loss before tax;

(g) tax on profit or loss;

(h) public subsidies received;

(i) parent companies shall provide a list of subsidiaries operating in each Member State or third country alongside the relevant data.'

(-1b) In Article 18, paragraph 3 is replaced by the following:
3. Member States may provide that point (b) of paragraph 1 and paragraph 2a are not to apply to the annual financial statements of an undertaking where that undertaking is included within the consolidated financial statements required to be drawn up under Article 22, provided that that information is given in the notes to the consolidated financial statement.

(-1c) The following Article 18a is inserted:

"Article 18a

Additional disclosure for large undertakings

1. In the notes to the financial statements, large undertakings shall, in addition to the information required under Articles 16, 17, 18 and any other provisions of this Directive, publicly disclose essential elements of and information regarding tax rulings, providing a break-down by Member State and by third country in which the large undertaking in question has a subsidiary. The Commission shall be empowered to set out, by means of delegated act in accordance with Article 49, the format and content of publication.

2. Undertakings of which the average number of employees on a consolidated basis during the financial year does not exceed 500 and which, on their balance sheet dates, have on a consolidated basis either a balance sheet which does not exceed a total of 86 million euros or a net turnover which does not exceeds 100 million euros shall be exempt from the obligation set out in paragraph 1 of this Article.

3. The obligation set out in paragraph 1 of this Article shall not apply to any undertaking governed by the law of a Member State whose parent undertaking is subject to the laws of a Member State and the information of which is included in the information disclosed by that parent undertaking in accordance with paragraph 1 of this Article."
4. **The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC.**

(I) Article 20 of Directive 2013/34/EU is amended as follows:

(a) in paragraph 1, the following point (h) is added:

“(h) the remuneration report defined in Article 9b of Directive 2007/36/EC.”

(b) paragraph 3 is replaced by the following:

“The statutory auditor or audit firm shall express an opinion in accordance with the second subparagraph of Article 34(1) regarding information prepared under points (c) and (d) of paragraph 1 of this Article and shall check that the information referred to in points (a), (b), (e), (f), (g) and (h) of paragraph 1 of this Article has been provided.”

(c) paragraph 3 is replaced by the following:

“4. Member States may exempt undertakings referred to in paragraph 1 which have only issued securities other than shares admitted to trading on a regulated market, within the meaning of point (14) of Article 4(1) of Directive 2004/39/EC, from the application of points (a), (b), (e), (f), (g) and (h) of paragraph 1 of this Article, unless such undertakings have issued shares which are traded in a multilateral trading facility, within the meaning of point (15) of Article 4(1) of Directive 2004/39/EC.”

**Article 2a**

*Amendments to Directive 2004/109/EC*
Directive 2004/109/EC of the European Parliament and of the Council¹ is amended as follows:

(1) In paragraph 1 of Article 2 the following point (r) is added:

"(r) 'tax ruling' means any advance interpretation or application of a legal provision for a cross border situation or transaction of a company which might lead to a loss of tax in Member States or which might lead to tax savings for the company resulting from artificial intra-group transfers of profits".

(2) The following article 16a is inserted:

"Article 16a
Additional disclosure for issuers

1. Member States shall require each issuer to annually publicly disclose, specifying by Member State and by third country in which it has a subsidiary, the following information on a consolidated basis for the financial year:

(a) name(s), nature of activities and geographical location

(b) turnover

(c) number of employees on a full-time equivalent basis

(d) profit or loss before tax

(e) tax on profit or loss

(f) public subsidies received

2. The obligation set out in paragraph 1 of this Article shall not apply to any issuer governed by the law of a Member State whose parent company is subject to the laws of a Member State and of which the information is

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included in the information disclosed by that parent company in accordance with paragraph 1 of this Article.

3. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the issuer concerned.

(3) The following Article 16b is inserted:

"Article 16b

Additional disclosure for issuers

1. Member States shall require each issuer to publicly disclose annually, on a consolidated basis for the financial year, essential elements of information regarding tax rulings, providing a break-down by Member State and by third country in which it has a subsidiary. The Commission shall be empowered to set out, by means of delegated acts in accordance with Article 27(2a), (2b) and (2c), the format and content of publication.

2. The obligation set out in paragraph 1 of this Article shall not apply to any issuer governed by the law of a Member State whose parent company is subject to the laws of a Member State and whose information is included in the information disclosed by that parent company in accordance with paragraph 1 of this article.

3. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the issuer concerned."
(4) **In Article 27, paragraph 2a is replaced by the following:**

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

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive at the latest by [18 months after entry into force]. They shall forthwith communicate to the Commission the text of those provisions.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.
Article 4
Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 5
Addressees

This Directive is addressed to the Member States.

Done at …,

For the European Parliament

For the Council

The President

The President
2.3.2015

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS(*)

for the Committee on Legal Affairs


Rapporteur: Olle Ludvigsson

SHORT JUSTIFICATION

The Commission’s proposal on shareholder engagement was launched in April 2014. It aims at enhancing the long-term perspective in the running of listed companies.

At present, too many companies have an overly strong focus on pleasing demands for high short-term profits and returns. This dynamics leads to planning deficiencies, under-investment and suboptimal performance in the long run.

In order to at least partly come to terms with the problem, the Commission wants to give minority shareholders – and institutional investors in particular – a more transparent, easily managed and influential role in corporate governance. The idea is that if investors engage more and are more long-term oriented in their engagement, companies will give higher priority to long-term concerns. This will in turn be beneficial for the end-customers of institutional investors and asset managers, for the companies and for society as a whole.

Overall approach

Your rapporteur would like to put this initiative into the overall context of stakeholder involvement in corporate governance. While this specific proposal focuses on shareholders, one should bear in mind that other actors – such as employees, consumers and local...
communities – are also highly relevant. For companies to be well-run, there has to be respect for and active engagement from all stakeholders.

Regarding the logic of and reasoning behind the proposal, your rapporteur generally understands and supports the Commission line. There is a wide-spread short-termism which is irrational for most actors and which it would be sensible to try to reverse. Stimulating stronger shareholder engagement is one of several means to do that. The set of measures proposed by the Commission is not a panacea, but at least a reasonable step in the right direction.

Adjustments

On that general basis, your rapporteur believes that the proposal needs to be adjusted on seven important points:

1. A key to strong shareholder engagement is the dialogue between different shareholders on company-related matters. Owners need to talk to each other. In order to get more engagement, this dialogue should be promoted. The provisions on shareholder identification (Article 3a) should be expanded in order to take this aspect on board. When a company has identified its shareholders, any shareholder should have the possibility to turn to the company to get the contact details of the other shareholders. With those details, new dialogues can be started. If this useful mechanism is properly restricted, it should be fully in line with data protection rules.

2. Unjustified charges related to cross-border engagement are unfortunately quite common. Therefore, in order to safeguard the functioning of the internal market, it needs to be made clear that all charges involved in the identification of shareholders, the transmission of information and the facilitation of the exercise of shareholder rights must never be differentiated on the basis of nationality (Article 3d).

3. Basic transparency should not be optional. 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 (Article 3f). This is a very basic demand which can easily be met by all actors which already run a solid and well-organised business operation.

4. On the same general theme, there should be more transparency around how asset managers deliver on mandates from institutional investors (Article 3h). In order not to create a black hole for anyone wanting to follow these key operations from the outside, all non-sensitive information should be disclosed to the public.

5. For a system with remuneration policies to be rational and meaningful, the policies cannot too often or too much be put to the side. Therefore, an exemption from a policy should be accepted only if it affects maximum amounts of remuneration and the situation is exceptional – for example if the company is in a leadership crisis (Article 9a). If a company has gone beyond a policy once and wants to do so again, it is reasonable that it presents a proposal for a revised policy to the shareholders.

6. With the aim of upholding transparency and maintaining a level playing field, the ratio
between the remuneration of directors and employees should always be included in remuneration policies (Article 9a). This ratio will have to be interpreted differently depending on for example the business and geographical set-up of the company. However, it is always a useful metric which could and should be disclosed by all companies.

7. On related party transactions, the Commission’s proposal is a little too ambitious (Article 9c). There should be a proper European minimum level to counter a problematic pattern of abusive transactions, but that level does not have to be very high. A bit of back-tracking is needed. In particular, it seems reasonable to let it be up to Member States, depending on national conditions and practices, to decide if the requirement to hold a shareholder vote is proportionate for all 5%+ related party transactions, or if it should apply only to transactions which are not concluded on market terms.

AMENDMENTS

Amendment 1
Proposal for a directive
Title

Text proposed by the Commission

Amendment

Amendment 2
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.

Amendment
(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. This specific proposal should have a broad focus to increase transparency and to respect, and ensure active engagement from, the stakeholders concerned; hence other actors such as employees, consumers and local communities are highly relevant in the overall context of stakeholder involvement.

Amendment 3
Proposal for a directive
Recital 4

Text proposed by the Commission

(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.

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, to improve transparency and dialogue, this Directive should provide for a framework to ensure that shareholders can be identified. Provided that the objective of identifying shareholders is achieved, there should be some flexibility for Member States to maintain existing national systems, for example when it comes to identifying shareholders by means other than just through intermediaries.
Amendment 4
Proposal for a directive
Recital 7

Text proposed by the Commission

(7) In order to promote equity investment throughout the Union and the exercise of rights related to shares, this Directive should prevent price discrimination of cross-border as opposed to purely domestic share holdings by means of better disclosure of prices, fees and charges of services provided by intermediaries. Third country intermediaries which have established a branch in the Union should be subject to the rules on shareholder identification, transmission of information, facilitation of shareholder rights and transparency of prices, fee and charges to ensure effective application of the provisions on shares held via such intermediaries;

Amendment

(7) In order to promote equity investment throughout the Union and the exercise of rights related to shares, this Directive should demand that all prices, fees and other charges of services provided by intermediaries are transparent, non-discriminatory and proportional. Any variation in the charges levied between different service users should reflect a variation in actual costs incurred for delivering the services. In order to safeguard the integrity and functioning of the internal market, charges should not be differentiated on the basis of nationality. Third country intermediaries which have established a branch in the Union should be subject to the rules on shareholder identification, transmission of information, facilitation of shareholder rights and transparency of prices, fee and charges to ensure effective application of the provisions on shares held via such intermediaries.

Amendment 5
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 is one of the cornerstones of listed companies’ corporate governance model, which depends on checks and balances between the different organs and different stakeholders: clients, suppliers, employees and the local community.
Amendment 6
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 of 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 and evidence shows that capital markets exert strong pressure on companies to perform primarily in the short term, which may lead to a suboptimal level of investments, for example in research and development, to the detriment of long-term performance of both the companies and the investor.

Amendment 7
Proposal for a directive
Recital 10

**(Text proposed by the Commission)**

(10) Institutional investors and asset managers are often not transparent about investment strategies and their engagement policy and the implementation thereof. Public disclosure of such information could have a positive impact on investor awareness, enable ultimate beneficiaries such as future pensioners

**(Amendment)**

(10) Institutional investors and asset managers are often not transparent about their engagement policies, their investment strategies and the implementation and results thereof. Public disclosure of such information would, in various ways, have a positive impact on investor awareness, enable ultimate
optimise investment decisions, facilitate the dialogue between companies and their shareholders, encourage shareholder engagement and strengthen companies’ accountability to civil society.

beneficiaries such as future pensioners optimise investment decisions, facilitate the dialogue between companies and their shareholders, encourage shareholder engagement and strengthen companies’ accountability to civil society.

Amendment 8

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, 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. If the information to be disclosed on voting is very extensive, there should in exceptional cases be an option to disclose a summary of that information. Furthermore, it should be possible for Member States to provide that if, in exceptional cases, the disclosure of a certain part of the information related to the engagement policy would be seriously prejudicial to the commercial position of the institutional investor, the asset manager or an investee company, the institutional investor or the asset manager could be allowed, if approved by the
Amendment 9

Proposal for a directive
Recital 11 a (new)

_text proposed by the Commission_ Amendment

(11a) To extend the idea of shareholder engagement companies should consider the creation of representative shareholder bodies (shareholder panels) to monitor the activities of fund managers. Such panels would consist of members elected by individual investors or current or future recipients of pensions managed by the asset manager of the company.

Amendment 10

Proposal for a directive
Recital 12

_text proposed by the Commission_ Amendment

(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.

If, in exceptional cases, the institutional investor makes use of a very large number of asset managers, it should be possible to disclose a summary of the information. Furthermore, it should be possible for Member States to provide that if, in exceptional cases, the disclosure of a certain part of the information related to these aspects of the investment strategy would be seriously prejudicial to the commercial position of the institutional investor or an asset manager, the institutional investor could be allowed, if approved by the competent authority on the basis of clear criteria, to abstain from disclosing that part of the information.

**Amendment 11**

**Proposal for a directive**

**Recital 13**

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<td>(13) Asset managers should be required to disclose <strong>to institutional investors</strong> how their investment strategy and the</td>
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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.

Asset managers should disclose to the public whether they make investment decisions on the basis of judgements about medium-to long-term performance of the investee company, the portfolio turnover, actual or potential conflicts of interest, whether the asset manager uses proxy advisors for the purpose of their engagement activities and, overall, how their investment strategy contributes to the medium- to long-term performance of the assets of the institutional investor. Asset managers should disclose to the institutional investor how their portfolio was composed and the portfolio turnover cost. This information would allow and encourage the institutional investor, and where applicable also stakeholders concerned in general, to better monitor the asset manager, which would create incentives for a proper alignment of interests and for shareholder engagement. If an asset manager is obliged by other acts of Union law to disclose investment-related information, the disclosure obligations in this context should not apply to information that is already covered in such acts. Furthermore, it should be possible for Member States to provide that if, in exceptional cases, the disclosure of a certain part of the information on these aspects of the investment strategy would be seriously prejudicial to the commercial position of the asset manager or an institutional investor, the asset manager could be allowed, if approved by the competent authority on the basis of clear criteria, to abstain from disclosing that part of the information.

Amendment 12

Proposal for a directive
Recital 14
(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 13
Proposal for a directive
Recital 15 a (new)

Text proposed by the Commission

(15a) The remuneration policy for company directors should also contribute to the long-term growth of the company so that it corresponds to a more effective practice of corporate governance and is not linked entirely or largely to short-term investment objectives.

Amendment 14
Proposal for a directive
Recital 16
(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.

(16) In order to ensure that shareholders have an effective say on the remuneration policy, they should be granted the right to, *by voting*, approve the remuneration policy. The policy should, while taking company-specific aspects into account, be clear, understandable and comprehensive. It 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. The policy should establish and explain the projected ratio between the adjustments in the remuneration of directors and the adjustments in the wages of employees other than directors. This would provide a useful indicator of the development of remuneration across the company. Companies should only pay remuneration to their directors in accordance with a remuneration policy that has been submitted to and approved by shareholders. The approved remuneration policy should be publicly disclosed without delay.

Amendment 15

Proposal for a directive
Recital 17

(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.

(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 the annual general meeting. 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.
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.

directors in the last financial year or still due. Where the shareholders vote against the remuneration report, there should be an open exchange of views where shareholders can clarify the reasons for the rejection. The company should explain in the next remuneration report how the vote and statements of the shareholders have been taken into account.

Amendment 16

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 and facilitating the engagement of shareholders and other Union citizens in companies. Mandatory reporting in this area can therefore be seen as an important element of the corporate responsibility of companies to shareholders and society.

Amendment 17

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) 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.

Justification

This is an adapted version of Recital 69 of Directive 2013/36/EU (CRD IV).

Amendment 18

Proposal for a directive
Recital 18 b (new)

Text proposed by the Commission

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

Justification

A relevant reference here is Art 91.13 of Directive 2013/36/EU.

Amendment 19

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, under certain conditions, and should be able to allow companies to request from shareholders an advance exemption from the instant disclosure obligation for recurrent transactions above 1 percent of the assets, provided that all such transactions are disclosed at the end of the period of exemption, in order to facilitate the conclusion of such transactions by companies.

Amendment 20

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 1995 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.

Amendment

(20) In view of Articles 7 and 8 of the Charter of Fundamental Rights of the European Union and of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 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 should be kept up-to-date and safe, 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. Sensitive personal data on health and other categories referred to in Article 8 of Directive 95/46/EC should be excluded from the information on the remuneration of individual directors. The information should only be used to facilitate the exercise of shareholder rights and to allow for transparency and accountability regarding their performance as directors. Companies should take appropriate measures to limit public access to personal data, for example by removing direct links to such data on the website, when that data, a number of years after its initial disclosure, is no longer of key relevance for the facilitation of the exercise of shareholder rights.

6 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).

Amendment 21
Proposal for a directive
Recital 20a (new)

**Text proposed by the Commission**

(20a) In order to ensure that crucial communication mechanisms are run as efficiently as possible, the Commission should be given the power to adopt delegated acts, in accordance with Article 290 of the TFEU, to determine the specific requirements to be met regarding shareholder identification, transmission of information and facilitation of the exercise of shareholder rights. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

Amendment 22
Proposal for a directive
Recital 21

**Text proposed by the Commission**

(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


Amendment 23

Proposal for a directive
Recital 22

Text proposed by the Commission

(22) In order to ensure that the requirements set out in this Directive or the measures implementing this Directive are applied in practice, any infringement of those requirements should be subject to penalties. To that end, penalties should be sufficiently dissuasive and proportionate.

Amendment

(22) In order to ensure that the requirements set out in this Directive or the measures implementing this Directive are applied in practice, any infringement of those requirements should be subject to penalties as included in national law. To that end, penalties should be sufficiently dissuasive and proportionate.

Amendment 24

Proposal for a directive
Article 1 – paragraph 1 – point 1 – point a – introductory part

Text proposed by the Commission

(a) In Paragraph 1, the following sentence is added:

Amendment

(a) Paragraph 1 is amended as follows:
Amendment 25

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

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 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. It also establishes requirements for the identification of shareholders, the transmission of information and the facilitation of the exercise of shareholder rights; enhances transparency rules for institutional investors, asset managers and proxy advisors; and creates additional rights for shareholders to oversee companies.

Amendment 26

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

Text proposed by the Commission

4. Chapter Ib shall apply to institutional investors and to asset managers to the extent that they invest, directly or through a collective investment undertaking, on behalf of institutional investors, in so far they invest in shares.

Amendment

4. Chapter Ib shall apply to institutional investors and proxy advisors. It shall also apply to asset managers to the extent that they invest, directly or through a collective investment undertaking, on behalf of institutional investors, in so far they invest in shares.
Amendment 27

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

Text proposed by the Commission

(f) ‘institutional investor’ means an undertaking carrying out activities of life assurance within the meaning of Article 2(1)(a) and not excluded pursuant to article 3 of Directive 2002/83/EC of the European Parliament and of the Council and an institution for occupational retirement provision falling within the scope of Directive 2003/41/EC of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive;

Amendment

(f) ‘institutional investor’ means an undertaking carrying out activities of life assurance within the meaning of Article 2(3)(a), (b) and (c), and activities of reinsurance covering life insurance obligations and not excluded pursuant to Articles 3, 4, 9, 10, 11 or 12 of Directive 2009/138/EC of the European Parliament and of the Council and an institution for occupational retirement provision falling within the scope of Directive 2003/41/EC of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member States has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive;


Amendment 28

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


Text proposed by the Commission


Amendment

(g) ‘asset manager’ means an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council providing portfolio management services to institutional investors, an AIFM (alternative investment fund manager) as defined in Article 4(1)(b) of Directive 2011/61/EU of the European Parliament and of the Council that does not fulfil the conditions for an exemption in accordance with Article 3 of that Directive or a management company as defined in Article 2(1)(b) of Directive 2009/65/EC of the European Parliament and of the Council; or an investment company authorised in accordance with Directive 2009/65/EC, provided that it has not designated a management company authorised under that Directive for its management;


Amendment 29

Proposal for a directive
Article 1 – paragraph 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 in an informal or formal grouping, of companies on matters such as strategy, performance, agenda-setting, risk, capital structure, human resources and corporate governance, having a dialogue with companies, and where relevant with other stakeholders involved, on these matters and voting at general meetings, and other activities related to such monitoring efforts.

Justification

Shareholder engagement is not always about only having a dialogue with the company. It could also be about talking to the employees (or their representatives), to NGOs involved on issues related to the company’s business or to other stakeholders.

Amendment 30

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

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, or, if and to the extent that such bodies do not exist, an individual in a similar position;
Justification

In some Member States, a definition centered only on formal bodies would not cover all individuals who should reasonably be seen as directors. This for example applies to a CEO in a system where there is no formal management body.

Amendment 31

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

Text proposed by the Commission

Amendment

(ja) ‘stakeholder’ means any individual, group, organisation or local community that is affected by or otherwise has an interest in the operation and performance of a company;

Amendment 32

Proposal for a directive
Article 1 – paragraph 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 implementing Directive 95/46/EC.”

Justification

This general provision, which would cover the Shareholder Right Directive as a whole, aims to underline that data protection rules should, whenever applicable, be fully respected.
Amendment 33

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Chapter IA – 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 ensure that
companies have the possibility to have
their shareholders identified.

Amendment 34

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Chapter IA – article 3 a – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

The contact details to be communicated shall consist only of the physical address,
the e-mail address, the number of shares owned and the voting rights held.

Member States may provide that shareholders which have been identified shall have the possibility not to communicate with the relevant company. In that case, a mechanism shall be put in place to enable shareholders to easily make this wish known to the company.

Amendment 35

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3a – paragraph 2 a (new)
Member States shall ensure that companies which have identified their shareholders make available to a shareholder, upon request, a list of the names and contact details of all identified shareholders which hold more than 0.5% of the shares.

Member States may allow companies to charge a fee for making such a list available to a shareholder. The fee and its calculation method shall be transparent and non-discriminatory. Companies shall ensure that even if all shareholders request a list, the accumulated revenue from charging the fee is not higher than 50% of the actual costs incurred in relation to identifying the shareholders.

Justification

A key factor in well-functioning shareholder engagement is the dialogue between different shareholders on company matters. To facilitate such dialogue, it would make sense if shareholders could get the contact details of other shareholders, where available, from the company. The 0.5% limit is there to protect privacy.

Since companies incur costs for having the shareholders identified, it is reasonable if shareholders making use of lists cover part of the actual costs for identification.

Amendment 36

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

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.

Shareholders receiving a list shall not disclose it. They shall only use it for contacting other shareholders on company-related matters. 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 **four years** after receiving it.

**Justification**

Shareholders getting a list should adhere to strict rules. In order for the mechanism in this Article to function properly, the list must not be dispersed and can only be used for starting dialogues with other shareholders. Moreover, all shareholders, not only natural persons, should be able to make corrections to the identification information.

**Amendment 37**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 3**

Directive 2007/36/EC

**Article 3a – 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 **neither** an intermediary that reports the name and contact details of a shareholder, **nor a company that makes available a list of identified shareholders to a shareholder,** is considered in breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision.

**Justification**

Adaption to reflect previous changes to the Article.
Amendment 38

Proposal for a directive
Article 1 – paragraph 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 delegated acts in accordance with Article -14a to specify the requirements to transmit the information laid down in paragraphs 2, 2a and 3 as regards the information to be transmitted, the format of the request and the transmission and the deadlines to be complied with.

**Justification**

*Since the task given to the Commission in this case is quite extensive, delegated acts are more appropriate than implementing acts. Delegated acts also make sure that Parliament gets substantial influence on the procedure.*

Amendment 39

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

**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 insofar as a company does not directly communicate with its shareholders, the information related to their shares shall be made available via the company’s website, and 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 the following cases:
Amendment 40

Proposal for a directive
Article 1 – paragraph 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 delegated acts **in accordance with Article -14a** to specify the requirements to transmit information laid down in paragraphs 1 to 4 as regards the content to be transmitted, the deadlines to be complied with and the types and format of information to be transmitted.

Justification

Since the task given to the Commission in this case is quite extensive, delegated acts are more appropriate than implementing acts. Delegated acts also make sure that Parliament gets substantial influence on the procedure.

Amendment 41

Proposal for a directive
Article 1 – paragraph 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

Amendment

2. Member States shall ensure that companies, **at the request of shareholders**, confirm the votes cast in general meetings by or on behalf of shareholders. In case the intermediary casts the vote, it shall transmit the **requested** voting confirmation to the shareholder. Where there is more than one
holding chain the confirmation shall be transmitted between intermediaries without undue delay.

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

Member States may provide that confirmation of the votes cast may be published by companies on their websites after the general meeting.

Justification

The costs and significant burden that would result from notifying all the shareholders who had cast a vote would be disproportionately high, particularly in the case of general meetings. Confirmation should therefore be transmitted only where shareholders request it. Companies should also have the option of publishing confirmation of the votes cast on their websites.

Amendment 42

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

Text proposed by the Commission

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).

Amendment

3. The Commission shall be empowered to adopt delegated acts to specify the requirements to facilitate the exercise of shareholder rights laid down in paragraphs 1 and 2 of this Article as regards the type and content of the facilitation, the form of the voting confirmation and the deadlines to be complied with.

Justification

Since the task given to the Commission in this case is quite extensive, delegated acts are more appropriate than implementing acts. Delegated acts also make sure that Parliament gets substantial influence on the procedure.
Amendment 43

Proposal for a directive
Article 1 – paragraph 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 ensure that intermediaries publicly disclose, separately for each service, the prices, fees and any other charges for all services referred to in this chapter that are not offered free of charge.

Justification

It needs to be clarified that all charges should be disclosed.

Amendment 44

Proposal for a directive
Article 1 – paragraph 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 shareholders, companies and other intermediaries shall be non-discriminatory and proportional. Any variation in the charges levied between different service users shall reflect a variation in actual costs incurred for delivering the services. Charges shall not be differentiated on the basis of nationality.

Justification

The reference to actual costs incurred is a way to clarify what non-discriminatory and proportional means in operational terms. Furthermore, in order to safeguard the integrity
and functioning of the internal market, it needs to be specifically pointed out that charges must never be differentiated on the basis of nationality.

Amendment 45
Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 1 – point f a (new)

Text proposed by the Commission

(fa) to conduct dialogue and cooperate with other stakeholders of the investee companies.

Amendment 46
Proposal for a directive
Article 1 – paragraph 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 them, offer financial products to or have other commercial relationships with the investee company;

Amendment

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

Amendment 47
Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3f – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that

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.

Justification

It is important that the information can be accessed free of charge. Moreover, where investors and managers are engaged in hundreds or thousands of companies, there should exceptionally be a possibility for them to summarize the voting information.

Amendment 48

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

Text proposed by the Commission

3a. Member States may provide that, in exceptional cases, an institutional investor or an asset manager may be allowed, if approved by the competent authority, to abstain from disclosing a certain part of the information to be disclosed under this
Article if that part relates to impending developments or matters in the course of negotiation and the disclosure of it would be seriously prejudicial to the commercial position of the institutional investor, the asset manager or an investee company.

Amendment 49

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

Text proposed by the Commission

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.

Amendment

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 50

Proposal for a directive
Article 1 – paragraph 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

Amendment

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.

(“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, free of charge, on the institutional investor's website as long as it is applicable.

Amendment 51

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3g – paragraph 2 – 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) where applicable, 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 52

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

Text proposed by the Commission

2a. If, in exceptional cases, an institutional investor makes use of a very large number of asset managers, the disclosure obligation in this Article may be complied with by disclosing an accurate summary of the information required.
Amendment 53

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

Text proposed by the Commission

2b. Member States may provide that, in exceptional cases, an institutional investor may be allowed, if approved by the competent authority, to abstain from disclosing a certain part of the information to be disclosed under this Article if that part relates to impending developments or matters in the course of negotiation and the disclosure of it would be seriously prejudicial to the commercial position of the institutional investor or an asset manager.

Amendment 54

Proposal for a directive
Article 1 – paragraph 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.

deleted

Amendment

Justification

All institutional investors and asset managers should publish these aspects of their investment strategy. To leave it to the individual firm to decide whether to comply or explain why they decided not to publish certain aspects of their investment strategy undermines the effectiveness of this article and distorts the level playing field between the different asset managers and institutional investors.
**Amendment 55**

Proposal for a directive  
Article 1 – paragraph 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, as specified in paragraphs 2 and 2a, how their investment strategy and implementation thereof complies with the arrangement referred to in Article 3g(2).

**Justification**

The set of changes to this Article aims at enhancing transparency. The public should be able to follow how asset managers deliver on mandates from investors (Art 3g). Still, information which could be sensitive, and is not needed for the public to assess the long-term perspective or aspects of shareholder engagement, should only be disclosed to the investor. Such disclosure is particularly useful when there is an imbalance between big asset managers and small institutional investors.

**Amendment 56**

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

**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 annually disclose to the public all of the following information:
Amendment 57

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

Text proposed by the Commission

Amendment

(b) how the portfolio was composed and provide an explanation of significant changes in the portfolio in the previous period;

deleted

Amendment 58

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

Text proposed by the Commission

Amendment

(d) portfolio turnover costs;

deleted

Amendment 59

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

Text proposed by the Commission

Amendment

(e) their policy on securities lending and the implementation thereof;

deleted
Amendment 60

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

Text proposed by the Commission

(ga) how, overall, the investment strategy and implementation thereof contributes to the medium- to long-term performance of the assets of the institutional investor.

Amendment 61

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

Text proposed by the Commission

(2a) Member States shall ensure that asset managers annually disclose to the institutional investor with which they have entered into the arrangement referred to in Article 3g(2) all of the following information:

(a) how the portfolio was composed and provide an explanation of significant changes in the portfolio in the previous period;
(b) portfolio turnover costs;
(c) their policy on securities lending and the implementation thereof.

Amendment 62
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

3. The information disclosed pursuant to paragraph 2 shall be at least be available, free of charge, on the asset manager’s website. The information disclosed pursuant to paragraph 2a 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 63

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

Text proposed by the Commission

3a. If an asset manager is obliged by other acts of Union law to disclose investment related information, this Article shall not apply to information that is already covered by such acts.

Amendment

3a. If an asset manager is obliged by other acts of Union law to disclose investment related information, this Article shall not apply to information that is already covered by such acts.

Amendment 64

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

Text proposed by the Commission

3b. Member States may provide that, in exceptional cases, an asset manager may be allowed, if approved by the competent authority, to abstain from disclosing a certain part of the information to be disclosed under this Article if that part relates to impending developments or
matters in the course of negotiation and the disclosure of it would be seriously prejudicial to the commercial position of the asset manager or an institutional investor.

Amendment 65
Proposal for a directive
Article 1 – paragraph 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, that they are based on a thorough analysis of all the information that is available to them, that they are developed only in the best interest of the client and that they are made available in good time before the vote.

Justification

A key problem regarding proxy advisors is that some of them sometimes tend to work for different stakeholders at the same time. This is not reasonable. It therefore needs to be underlined that the proxy advisors – when preparing voting recommendations for institutional investors or asset managers – should exclusively work in the interest of those clients.

Amendment 66
Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 2 – point a a (new)

Text proposed by the Commission

(aa) whether they seek to comply with a code of conduct, or any similar

Amendment

(aa) whether they seek to comply with a code of conduct, or any similar
arrangement, and, if so, which one and where information about it can be found;

Justification

Whether or not a code of conduct is used is highly relevant in this context.

Amendment 67

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

Text proposed by the Commission

(ba) the organisational arrangements in place to identify and avoid any potential or actual conflict of interest;

Amendment

Amendment 68

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 2 – 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 communicate with the companies which are the object of their voting recommendations, and, if so, the extent and nature of that communication;

Amendment 69

Proposal for a directive
Article 1 – paragraph 1 – point 3
Directive 2007/36/EC
Article 3i – paragraph 2 – subparagraph 2
*Text proposed by the Commission*

That information shall be published on their website and remain available for at least three years from the day of publication.

*Amendment*

That information shall be published on their website and remain available, free of charge, for at least five years from the day of publication.

**Amendment 70**

**Proposal for a directive**

**Article 1 – paragraph 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 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.

**Justification**

See the justification of the amendment on paragraph 1. When preparing voting recommendations, proxy advisors should only work in the interest of their clients. The proxy advisors often have a dialogue with the companies, but should not have any specific obligations towards them.

**Amendment 71**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2007/36/EC

Article 9a – paragraph 1 – subparagraph 1
1. Member States shall ensure that shareholders have the right to vote on the remuneration policy as regards directors. Companies shall only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The policy shall be submitted for approval by the shareholders at least every three years.

**Amendment**

1. Member States shall ensure that shareholders have the right to vote at the general meeting on the remuneration policy as regards directors. Companies shall only pay remuneration to their directors in accordance with a remuneration policy that has been approved by shareholders. The policy shall be submitted for approval by the shareholders in the event of a proposed change to the policy and, as long as no change is proposed, at least every three years.

**Amendment 72**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

Directive 2007/36/EC

Article 9a – paragraph 1 – subparagraph 1 a (new)

**Text proposed by the Commission**

In cases where no remuneration policy has been implemented previously and shareholders reject the draft policy submitted to them, the company may, while reworking the draft and for a period of no longer than one year before the draft is adopted, pay remuneration to its directors in accordance with existing practices. In cases where there is an existing remuneration policy and shareholders reject a draft policy submitted to them in line with the first subparagraph, the company may, while reworking the draft and for a period of no longer than one year before the draft is adopted, pay remuneration to its directors in accordance with the existing policy.
Justification

For the sake of clarity, it needs to be sorted out what happens if draft policies are rejected by shareholders.

Amendment 73

Proposal for a directive

Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9a – paragraph 1 – subparagraph 2

Text proposed by the Commission

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

Amendment

Companies may in exceptional cases, when recruiting new directors, decide to pay remuneration to an individual director outside the approved policy. The remuneration may be awarded provisionally pending approval by the shareholders at the next general meeting. However, this option of making a derogation may only be used once in the application of an approved policy.

Justification

In order for a system with remuneration policies to be rational and meaningful, the policies cannot too often or too much be put to the side. Therefore, an exemption from a policy should only be accepted if it affects maximum amounts of remuneration and the situation is exceptional – for example if the company is in a leadership crisis. If a company has gone beyond a policy once and wants to do so again, it is reasonable that it presents a proposal for a revised policy to the shareholders.

Amendment 74

Proposal for a directive

Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9a – paragraph 3 – subparagraph 1

Text proposed by the Commission

The policy shall explain how it contributes

Amendment

The policy shall explain how it contributes

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to the long-term interests and sustainability of the company. It shall set clear criteria for the award of fixed and variable remuneration, including all benefits in whatever form.

to the company strategy and to the long-term interests and sustainability of the company. It shall establish clear and comprehensive provisions for the award of all types of fixed and variable remuneration.

Amendment 75

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9a – paragraph 3 – subparagraph 2

The policy shall indicate the maximum amounts of total remuneration that can be awarded, and the corresponding relative proportion of the different components of fixed and variable remuneration. It shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy or directors' remuneration by explaining the ratio between the average remuneration of directors and the average remuneration of full time employees of the company other than directors and why this ratio is considered appropriate. The policy may exceptionally be without a ratio in case of exceptional circumstances. In that case, it shall explain why there is no ratio and which measures with the same effect have been taken.

The policy shall, at least, indicate the maximum levels of total remuneration that can be applied, and the corresponding relative proportion of the different components of fixed and variable remuneration. It shall explain how the pay and employment conditions of employees of the company were taken into account when setting the policy. In this context, Member States shall ensure that the policy explains the projected ratio between the average annual percentage change in the remuneration of directors and the average annual percentage change in the full time remuneration of employees of the company other than directors and why this ratio is considered appropriate. Moreover, Member States may provide that the policy shall explain the ratio between the average remuneration of directors and the average full time remuneration of employees of the company other than directors and why this ratio is considered appropriate. When calculating those ratios, the remuneration of part time employees shall be included on full time equivalent terms. Member States may also establish a maximum limit for the ratio between the average remuneration of directors and the average full time
**remuneration of employees.**

**Amendment 76**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

**Directive 2007/36/EC**

**Article 9a – paragraph 3 – subparagraph 4 a (new)**

*Text proposed by the Commission*  
*Amendment*

> **The policy shall clarify the company’s procedures for taking decisions on remuneration of directors, including, where applicable, the role and functioning of the remuneration committee.**

**Justification**

Shareholders quite often find it difficult to follow and understand the decision-making procedures regarding remuneration. More clarity and transparency on this would therefore be useful.

**Amendment 77**

**Proposal for a directive**

**Article 1 – paragraph 1 – point 4**

**Directive 2007/36/EC**

**Article 9a – paragraph 3 – subparagraph 5**

*Text proposed by the Commission*  
*Amendment*

The policy shall explain the decision-making process leading to its determination. Where the policy is revised, it shall include an explanation of all significant changes and how it takes into account the views of shareholders on the policy and report in the previous years.

The policy shall explain the **specific** decision-making process leading to its determination. Where the policy is revised, it shall include an explanation of all significant changes and how it takes into account the **votes and** views of shareholders on the policy and report in the previous years.
Amendment 78

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 1 – point b

Text proposed by the Commission

(b) the relative change of the remuneration of directors over the last three financial years, its relation to the development of the value of the company and to change in the average remuneration of full time employees of the company other than directors;

Amendment

(b) the relative change of the remuneration of directors over the last three financial years, its relation to the development of the value and general performance of the company and to change in the average full-time remuneration of employees of the company other than directors, where the remuneration of part-time employees is included on full-time equivalent terms;

Justification

Not only the development of the value is relevant in this regard, but also of other aspects of the performance. Furthermore, in some companies, part time employees are a substantial part of the workforce. Thus, for this information to be accurate, the wages of these employees should be included on full time terms.

Amendment 79

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 1 – point c

Text proposed by the Commission

(c) any remuneration received by directors of the company from any undertaking belonging to the same group;

Amendment

(c) any remuneration received by or still due to directors of the company from any undertaking belonging to the same group;

Amendment 80

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 1 – point d

*Text proposed by the Commission*

(d) the number of shares and share options granted *or offered*, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;

*Amendment*

(d) the number of shares and share options granted, and the main conditions for the exercise of the rights including the exercise price and date and any change thereof;

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**Amendment 81**

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 1 – point f

*Text proposed by the Commission*

(f) information on how the remuneration of directors was established, including on the role of the remuneration committee.

*Amendment*

(f) information on how the remuneration of directors was established, including, *where applicable*, on the role of the remuneration committee.

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**Amendment 82**

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 1 – point f a (new)

*Text proposed by the Commission*

(fa) in Member States applying provisions on the ratio between the average remuneration of directors and the average full time remuneration of employees, information on the current ratio and on how the ratio has developed over the last three financial years.

*Amendment*
Amendment 83

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that the right to privacy of natural persons is protected in accordance with Directive 95/46/EC when personal data of the director are processed.

Amendment

2. Member States shall ensure that information on the remuneration of individual directors is only disclosed in order to facilitate the exercise of shareholder rights and to allow for transparency and accountability regarding their performance as directors. Sensitive data on health and other categories referred to in Article 8 of Directive 95/46/EC shall not be disclosed. Companies shall take appropriate measures to limit public access to personal data when such data, a number of years after its initial disclosure, is no longer of key relevance for the facilitation of the exercise of shareholder rights.

Justification

This is to further clarify which specific implications Directive 95/46 would reasonably have. Limiting public access to personal data should not be about erasing such data, but for example about taking out direct links to it on the company website.

Amendment 84

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 3

Text proposed by the Commission

3. Member States shall ensure that shareholders have the right to vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote against the

Amendment

3. Member States may provide that shareholders shall have the right to vote on the remuneration report of the past financial year during the annual general meeting. Where the shareholders vote
remuneration report the company shall explain in the next remuneration report whether or not and, if so, how, the vote of the shareholders has been taken into account.

against the remuneration report there shall, immediately after the vote, be an open exchange of views where shareholders can clarify the reasons for the rejection. The company shall explain in the next remuneration report how the vote and statements of the shareholders have been taken into account.

**Justification**

A no vote from shareholders should always be taken seriously by the company. Passivity is not acceptable. The company should work actively to sort out what shareholders believe is wrong and to make the necessary corrections.

**Amendment 85**

**Proposal for a directive**

Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9b – paragraph 3 a (new)

*Text proposed by the Commission*

3a. The provisions on remuneration in this Article and Article 9a shall be without prejudice to national systems of wage formation for employees and, where applicable, to national provisions on the representation of employees on boards.

*Amendment*

Justification

It needs to be made clear that there is a difference between procedures for establishing the remuneration of directors and systems of wage formation for employees. This Directive should not interfere with those systems. Furthermore, this Directive should have no impact on the rules on employee representation on boards which exist in a number of Member States.

**Amendment 86**

**Proposal for a directive**

Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9c – paragraph 1– subparagraph 1
1. Member States shall ensure that companies, in case of transactions with related parties that represent more than 1% of their assets, publicly announce such transactions at the time of the conclusion of the transaction, and accompany the announcement by a report from an independent third party assessing whether or not it is on market terms and confirming that the transaction is fair and reasonable from the perspective of the shareholders, including minority shareholders. The announcement shall contain information on the nature of the related party relationship, the name of the related party, the amount of the transaction and any other information necessary to assess the transaction.

Amendment

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9c – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States may provide that companies can request their shareholders to exempt them from the requirement of subparagraph 1 to accompany the announcement of the transaction with a related party by a report from an independent third party in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after granting the exemption. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance exemption.

Amendment

Member States may provide that companies can request their shareholders to exempt them from the disclosure requirement of subparagraph 1 in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after granting the exemption. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance exemption. As soon as the period for the advanced exemption has expired, the company shall publicly announce, with the same information content as in the
first subparagraph, all transactions that have been carried out under the exemption.

**Justification**

*This option of simplifying the handling of standard related party transactions should be made available to companies in all Member States.*

**Amendment 88**

**Proposal for a directive**

*Article 1 – paragraph 1 – point 4*

Directive 2007/36/EC

*Article 9c – paragraph 2 – subparagraph 1*

**Text proposed by the Commission**

2. Member States shall ensure that transactions with related parties representing more than 5% of the companies’ assets or transactions which can have a significant impact on profits or turnover are submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder, this shareholder shall be excluded from that vote. The company shall not conclude the transaction before the shareholders’ approval of the transaction. The company may however conclude the transaction under the condition of shareholder approval.

**Amendment**

2. Member States shall ensure that transactions *which are not concluded on standard terms in the ordinary course of business* with related parties representing more than 5% of the companies’ assets are submitted to a vote by the shareholders in a general meeting. Where the related party transaction involves a shareholder, this shareholder shall be excluded from that vote. The company shall not conclude the transaction before the shareholders’ approval of the transaction. The company may however conclude the transaction under the condition of shareholder approval.

**Justification**

*While this general provision makes sense in theory, it would be very cumbersome to implement in practice. The uncertainty that it would engender would not be proportionate to the benefits of including it.*
Amendment 89

Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2007/36/EC
Article 9c – paragraph 2 – subparagraph 2

Text proposed by the Commission

Member States may provide that companies can request the advance approval by shareholders of the transactions referred to in subparagraph 1 in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after the advance approval of the transactions. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance approval.

Amendment

Member States shall provide that companies can request the advance approval by shareholders of the transactions referred to in subparagraph 1 in case of clearly defined types of recurrent transactions with an identified related party in a period of not longer than 12 months after the advance approval of the transactions. Where the related party transactions involve a shareholder, this shareholder shall be excluded from the vote on the advance approval.

Justification

Also in this case, the option of simplifying the handling of standard related party transactions should be made available to companies in all Member States.

Amendment 90

Proposal for a directive
Article 1 – paragraph 1 – point 5
Directive 2007/36/EC
Chapter IIA – title

Text proposed by the Commission

CHAPTER IIA
IMPLEMENTING ACTS AND PENALTIES

Amendment

CHAPTER IIA
DELEGATED ACTS, IMPLEMENTING ACTS AND PENALTIES

Amendment 91

Proposal for a directive
Article 1 – paragraph 1 – point 5
Directive 2007/36/EC
Article -14a (new)
Article -14a

Exercise of delegated powers

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 3a(5), Article 3b(5) and Article 3c(3) shall be conferred on the Commission for an indeterminate period of time from ...*. 

3. The delegation of power referred to in Article 3a(5), Article 3b(5) and Article 3c(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of that decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 3a(5), Article 3b(5) and Article 3c(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.

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Proposal for a directive
Article 2 – paragraph -1 (new)
Directive 2013/34/EU
Article 18 a (new)

The following Article is inserted:

“Article 18a

Additional disclosure for large undertakings

In the notes to the financial statements, large undertakings shall, in addition to the information required under Articles 16, 17, 18 and any other provisions of this Directive, publicly disclose information in respect of the following matters, specifying by Member State and by third country in which it has a subsidiary:

a) name(s), nature of activities and geographical location;
b) turnover;
c) number of employees on a full time equivalent basis;
d) profit or loss before tax;
e) tax on profit or loss;
f) public subsidies received.

2. Undertakings whose average number of employees on a consolidated basis during the financial year does not exceed 500 and, on their balance sheet dates, do not exceed on a consolidated basis either a balance sheet total of €86 million or a net turnover of €100 million shall be exempt from the obligation set out in paragraph 1
of this Article.

3. The obligation set out in paragraph 1 of this Article shall not apply to any undertaking governed by the law of a Member State whose parent undertaking is subject to the laws of a Member State and whose information is included in the information disclosed by that parent undertaking in accordance with paragraph 1 of this Article.

4. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC*.

5. The Commission shall conduct a general assessment as regards potential negative economic consequences of the public disclosure of the information referred to in paragraph 1, including the impact on competitiveness and investment. The Commission shall submit its report to the European Parliament and to the Council by 1 July 2016.

In the event that the Commission report identifies significant negative effects, the Commission shall consider making an appropriate legislative proposal for an amendment of the disclosure obligations set out in paragraph 1 and may decide to defer those obligations. The Commission shall review the necessity to extend deferral annually.

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Amendment 93

Proposal for a directive
Article 2 a (new)
Directive 2004/109/EC
Article 16 a (new)

Text proposed by the Commission

Amendment

Article 2a

Amendments to Directive 2004/109/EC

Directive 2004/109/EC is amended as follows:

The following Article is inserted:

"Article 16a

Additional disclosure for issuers

1. Member States shall require each issuer to publicly disclose annually, specifying by Member State and by third country in which it has a subsidiary, the following information on a consolidated basis for the financial year:

a) name(s), nature of activities and geographical location;

b) turnover;

c) number of employees on a full time equivalent basis;

d) profit or loss before tax;

e) tax on profit or loss;

f) public subsidies received.

2. The obligation set out in paragraph 1 of this article shall not apply to any issuer governed by the law of a Member State whose parent company is subject to the laws of a Member State and whose information is included in the information disclosed by that parent company in accordance with paragraph 1 of this article.

3. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC
and shall be published, where possible, as an annex to the annual financial statements or, where applicable, to the consolidated financial statements of the issuer concerned.

4. The Commission shall conduct a general assessment as regards potential negative economic consequences of the public disclosure of the information referred to in paragraph 1, including the impact on competitiveness and investment. The Commission shall submit its report to the European Parliament and to the Council by 1 July 2016."

In the event that the Commission report identifies significant negative effects, the Commission shall consider making an appropriate legislative proposal for an amendment of the disclosure obligations set out in paragraph 1 and may decide to defer those obligations. The Commission shall review the necessity to extend deferral annually."
## PROCEDURE

<table>
<thead>
<tr>
<th><strong>Title</strong></th>
<th>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</th>
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<tr>
<td><strong>Committee responsible</strong></td>
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<td>JURI 16.4.2014</td>
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<tr>
<td><strong>Rapporteur</strong></td>
<td>Olle Ludvigsson 22.7.2014</td>
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<tr>
<td><strong>Discussed in committee</strong></td>
<td>8.12.2014 26.1.2015</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
<td>24.2.2015</td>
</tr>
</tbody>
</table>
| **Result of final vote** | +: 38  
|--: 16  
|0: 5 |
| **Members present for the final vote** | Burkhard Balz, Hugues Bayet, Pervenche Berès, Udo Bullmann, Esther de Lange, Fabio De Masi, Anneliese Dodds, Markus Ferber, Jonás Fernández, Elisa Ferreira, Sven Giegold, Neena Gill, Sylvie Goulard, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Cătălin Sorin Ivan, Petr Ježek, Othmar Karas, Georgios Kyrtosos, Philippe Lamberts, Werner Langen, Sander Loones, Bernd Lucke, Olle Ludvigsson, Ivana Maletić, Fulvio Martusciello, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Patrick O’Flynn, Stanisław Ozóg, Dimitrios Papadimoulis, Dariusz Rosati, Alfred Sant, Molly Scott Cato, Peter Simon, Renato Soru, Theodor Dumitru Stolojan, Paul Tang, Sampo Terho, Ramon Tremosa i Balcells, Ernest Urtasun, Marco Valli, Tom Vandenkendelaere, Cora van Nieuwenhuizen, Miguel Viegas, Steven Woolfe, Pablo Zalba Bidegain, Marco Zanni, Sotirios Zarianopoulos |
| **Substitutes present for the final vote** | Ashley Fox, Eva Kaili, Syed Kamall, Barbara Kappel, Thomas Mann, Siegfried Mureșan, Eva Paunova |
| **Substitutes under Rule 200(2) present for the final vote** | Gesine Meissner |
**PROCEDURE**

| Title | 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 |
| Date submitted to Parliament | 9.4.2014 |
| Committee responsible | Date announced in plenary | JURI |
| Committees asked for opinions | Date announced in plenary | ECON | IMCO | LIBE |
| Not delivering opinions | Date of decision | IMCO | LIBE |
| Associated committees | Date announced in plenary | ECON |
| Rapporteurs | Date appointed | Sergio Gaetano Cofferati |
| Discussed in committee | 11.11.2014 | 20.1.2015 | 24.2.2015 |
| Date adopted | 7.5.2015 |
| Result of final vote | +: 13 | —: 10 | 0: 0 |
| Members present for the final vote | Max Andersson, Joëlle Bergeron, Jean-Marie Cavada, Therese Comodini Cachia, Rosa Estarás Ferragut, Laura Ferrara, Lidia Joanna Geringer de Oedenberg, Dietmar Köster, António Marinho e Pinto, Evelyn Regner, Pavel Svoboda, József Szájer, Axel Voss, Tadeusz Zwiefka |
| Substitutes present for the final vote | Daniel Buda, Sergio Gaetano Cofferati, Pascal Durand, Angel Dzhambazki, Jytte Guteland, Sylvia-Yvonne Kaufmann, Cecilia Wikström |
| Substitutes under Rule 200(2) present for the final vote | Marisa Matias, Morten Messerschmidt, Barbara Spinelli |
| Date tabled | 12.5.2015 |