



Eumedion's response to the public consultation on minimum requirements in the transmission of information for the exercise of shareholders rights

Eumedion, representing the interests of 65 Dutch and non-Dutch institutional investors who have more than € 5 trillion assets under management, welcomes the opportunity to give feedback.

The poor performance of the chain of intermediaries makes it very difficult and often very costly for shareholders to exercise their shareholders rights. Eumedion generally welcomes the proposals as set out in the draft document, particularly the minimum requirements on: the meeting notice (art. 4), the confirmation of entitlement to participate in a general meeting (art. 5), the notice of participation (art. 6) and the confirmation of the receipt and recording and counting of votes (art. 7). Furthermore, Eumedion is very supportive of defining harmonised deadlines for intermediaries (art. 8 and 9) and requiring intermediaries to provide information about third parties who are authorised by shareholders (table 2). These measures will lead to a more EU harmonised and standardised system for proxy voting which may lead to a higher voting turnout at general meetings. Eumedion considers minimum requirements as a step in the right direction, but is of the opinion that the effective exercise of shareholders rights can be better achieved via maximum requirements.

Notwithstanding our general support, we have the following suggestions:

- The sentence that the first intermediary can also act in the role of last intermediary in the definition of 'first Intermediary' (art. 1 (9)) should be clarified. We assume that is meant that information from the issuer is transmitted down the chain of intermediaries (via the first intermediary) and that information from the shareholders is transmitted the other way around (via the last intermediary).
- Issuers should, if applicable, indicate how the initial date of shareholding is to be determined (table 1). In practice shares are bought and sold in tufts. This makes it difficult to determine what the initial date of shareholding is. We advise to clarify what is expected from issuers in this respect.
- It is confusing that the record date from art. 1 (7) deviates from the record date of the directive. Therefore, we advise to use another term in the Implementing Regulation e.g. 'issuer record date'.
- The last intermediary is the intermediary who provides the securities account for the shareholder who holds the shares on its own behalf (art. 1 (6)). We advise to clarify whether this includes shareholders who hold shares in their own name, but on behalf of another natural person or legal entity.

- We believe it should be reflected in art. 5 (1) that the shareholder should be informed by the last intermediary if the entitled position is known or transmitted to the issuer and first intermediary.
- The response to the request to disclose shareholder identity shall be provided and transmitted by each intermediary to the addressee defined in the request (art. 9 (6) (par. 2) and table 1). We advise to clarify whether it is possible to indicate the next intermediary as addressee.
- As the Implementing Regulation is focused on the facilitation of the exercise of shareholders rights, shareholders should be granted the longest appropriate time to reflect on shareholder actions. Against the background of further innovations in communication technology, we believe it is disproportionate to allow the last intermediary to set a deadline requiring any shareholder action three business days prior to the issuer deadline or record date. Therefore, we are of the opinion that the deadline mentioned in art. 9 (4) (par. 3) should be changed into 1 business day.
- It should be clarified in the recitals that the minimum requirements with respect to the facilitation of the exercise of shareholders rights also apply when omnibus accounts are used.
- It is not clear to us whether the sentence 'unless agreed by the shareholder' in art. 2 (4) refers to the situation where a shareholder agrees to use not generally available tools and facilities.
