



ICGN

International Corporate Governance Network

European Commission
Brussels

Submitted directly online to the European Commission

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ICGN Comment to European Commission's public consultation on minimum requirements in the transmission of information for the exercise of shareholder rights

To the European Commission:

The International Corporate Governance Network (ICGN) is pleased to respond to the European Commission's public consultation on minimum requirements in the transmission of information for the exercise of shareholder rights.

Led by investors responsible for assets under management in excess of US\$34 trillion, ICGN is a leading authority on global standards of corporate governance and investor stewardship. Our membership is based in more than 45 countries and includes companies, advisors and other stakeholders. ICGN's mission is to promote high standards of professionalism in governance for investors and companies alike in their mutual pursuit of long-term value creation contributing to sustainable economies world-wide. Our policy positions are guided by the ICGN Global Governance Principles and the ICGN Global Stewardship Principles, both of which have been developed in consultation with ICGN Members and as part of a wider peer review. For more information on ICGN please see: www.icgn.org

ICGN and its members are actively involved with promoting good corporate governance practices in the European Union (EU). Many of our members are based in the EU, and the vast majority of our investment members, including non-EU based investors have significant investment holdings in the equities of European listed companies. ICGN has contributed to the corporate governance debate in Europe on many occasions, and was active in its outreach to the European Commission (EC) and Parliament with regard to the Shareholder Rights Directive (SRD II) that was enacted in 2017.¹

ICGN was broadly supportive of SRD II, and we see this consultation as a positive next step by the EC, addressing an important and historically problematic challenge in shareholders' exercise of their voting rights at company general meetings. ICGN regards shareholder voting as a fundamental component of investor stewardship, and the gaps in the current proxy voting system, particularly with regard to cross-border voting, are at the core of a recent ICGN Viewpoint report.²

We believe that harmonising standards and requirements should help to address the "plumbing issues" that have prompted investor concerns about their voice being properly heard through the proxy voting system. We believe that informed investor voting at AGMs is one of the core foundations of investor stewardship, and

¹ See ICGN comments on proposals from the Council of Ministers (Council) and the European Parliament (Parliament) in advance of the Trilogue discussions:

https://www.icgn.org/sites/default/files/Revision%20of%20the%20Shareholder%20Rights%20Directive_6.pdf

ICGN Position on the Shareholder Rights Directive sent to the European Commission: :

<https://www.icgn.org/sites/default/files/EC%20-%2029.01.2015.pdf>

² See ICGN Viewpoint on Cross Border Voting, July 2014: <https://www.icgn.org/policy/viewpoints/cross-border-voting>

we are supportive of this EU initiative to introduce minimum standards to enhance the integrity of the proxy voting process.

Our main message is to voice our support for your initiative. We do not have many granular comments about the Consultation or the Annex, but would like to raise three specific points for consideration:

- In Article 7, it is positive to see the focus on vote confirmation. This is an important topic that has gone unattended for far too long.³We believe that investors should have the right to know that their votes have been received, cast in the right matter and confirmed by the company that they have been formally recorded in the voting count. Because of the importance of this issue, we believe that it may be best to articulate these points explicitly in the main text of Article 7 rather than make a less direct reference to Tables 6 and 7 in the Annex.
- We would like to express particular support for Article 9.1, 9.2, 9.3 and 9.4 with regard to the principle of same day communication of corporate event details.
- In Article 9.5 the deadline for sending a vote confirmation is 15 days. We believe that this is far too long. We believe vote confirmation should be sent out shortly after the meeting. As everything is in an electronic format it shouldn't be an issue.

As noted by our relatively few detailed comments, we are supportive of this initiative to harmonise voting standards and requirements in the EU, and wish the EC the best in taking this initiative forward.

We hope that our feedback and comments are helpful in your deliberations. Should you wish to discuss our comments further, please contact me or George Dallas, ICGN's Policy Director, by email at george.dallas@icgn.org.

Yours faithfully,



Kerrie Waring,
Chief Executive Officer, ICGN

Copies:

Eugenia Unanyants-Jackson, Co-Chairman, ICGN Shareholder Rights Committee:
Eugenia.Jackson@AllianzGI.com

Bram Hendriks, Co-Chairman, ICGN Shareholder Rights Committee, BHendriks@ktmc.com

³ See ICGN Viewpoint on Vote Confirmation, December 2016: <https://www.icgn.org/policy/viewpoints/vote-confirmation>