



Mrs. Vera Jourova
EU Commissioner for DG Justice and Consumers

Email: Vera.JOUROVA@ec.europa.eu

29 January, 2015

Dear Commissioner,

Re: European Commission Shareholder Rights Directive

The International Corporate Governance Network (ICGN) is an investor-led organisation of governance professionals with members including institutional investors based in 50 countries, responsible for assets under management in excess of US\$18 trillion. Established in 1995, our mission is to inspire and promote effective standards of corporate governance to advance efficient markets and economies world-wide.

We would like to emphasise the ICGN's support for the proposals relating to the Shareholder Rights Directive amendments as referred to in our previous correspondence^[1]. The ICGN shares your mission in striving to create a modern and efficient corporate governance framework in Europe and to foster better engagement between companies and investors.

We are supportive of the aims of the Shareholder Rights Directive and welcome enhanced shareholder rights relating to voting on remuneration plans and significant related party transactions. We also agree that more engagement between companies and investors, accompanied with a more efficient cross-border voting system, will contribute to a stronger single European market and economy.

We wish to raise to your attention our letter submitted to Members of the European Parliament yesterday (attached), with regards to discussions around the introduction of multiple voting rights. While we understand that the spirit of the amendment is to encourage long-term responsible ownership, differential voting rights can have unintended consequences leading to the disenfranchisement of minority shareholders— many of whom are the world's largest global investors. This will impact on the attractiveness of European markets for global investment.

^[1] 28 January 2015: Draft report on Directives 2007/36/EC and 2013/34/EU; 4 November 2014: European Commission Shareholder Rights Directive; 3 December 2014: ICGN address to Legal Affairs Committee, European Parliament on Shareholder Rights Directive

We are grateful for the ongoing dialogue with the European Commission on these important issues and the ICGN Policy Director, George Dallas (george.dallas@icgn.org), would be happy to elaborate on any of the points raised in this letter.

Yours sincerely,

Erik Breen
Chairman, ICGN Board

Cc: Mrs. Paraskevi Michou, Acting Director-General DG Justice and Consumers
Jeroen Hooijer, Head of Unit Company Law and Corporate Governance
Kerrie Waring, Managing Director, ICGN
Bram Hendriks, Co-chair, ICGN Shareholder Rights Committee
Alexander Juschus, Co-chair, ICGN Shareholder Rights Committee