















Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	2014/0121(COD) Procedure completed
Corporate governance: long-term shareholder engagement Amending Directive 2007/36/EC	2005/0265(COD)
Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 3.45.01 Company law	

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	 Legal Affairs		24/09/2014	
		 COFFERATI Sergio Gaetano		
		Shadow rapporteur		
		 ZWIEFKA Tadeusz		
		 KARIM Sajjad		
		 WIKSTRÖM Cecilia		
		 DURAND Pascal		
		 FERRARA Laura		
		 LEBRETON Gilles		
	Former committee responsible			
 Legal Affairs				
Committee for opinion	Rapporteur for opinion	Appointed		
 Economic and Monetary Affairs (Associated committee)		22/07/2014		
	 LUDVIGSSON Olle			
 Internal Market and Consumer Protection	The committee decided not to give an opinion.			
 Civil Liberties, Justice and Home Affairs	The committee decided not to give an opinion.			
Former committee for opinion				
 Economic and Monetary Affairs				

IMCO Internal Market and Consumer Protection

LIBE Civil Liberties, Justice and Home Affairs

Council of the European Union

Council configuration

Meeting

Date

[Agriculture and Fisheries](#)

[3529](#)

03/04/2017

European Commission

Commission DG

Commissioner

[Internal Market, Industry, Entrepreneurship and SMEs](#) BIEŃKOWSKA Elżbieta

European Economic and Social Committee

Key events

09/04/2014	Legislative proposal published	COM(2014)0213	Summary
16/04/2014	Committee referral announced in Parliament, 1st reading		
20/10/2014	Committee referral announced in Parliament, 1st reading		
12/03/2015	Referral to associated committees announced in Parliament		
07/05/2015	Vote in committee, 1st reading		
12/05/2015	Committee report tabled for plenary, 1st reading	A8-0158/2015	
07/07/2015	Debate in Parliament		
08/07/2015	Results of vote in Parliament		
08/07/2015	Decision by Parliament, 1st reading	T8-0257/2015	Summary
08/07/2015	Matter referred back to the committee responsible		
31/01/2017	Approval in committee of the text agreed at 1st reading interinstitutional negotiations		
13/03/2017	Debate in Parliament		
14/03/2017	Decision by Parliament, 1st reading	T8-0067/2017	Summary
03/04/2017	Act adopted by Council after Parliament's 1st reading		
17/05/2017	Final act signed		
17/05/2017	End of procedure in Parliament		
20/05/2017	Final act published in Official Journal		

Technical information

Procedure reference	2014/0121(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation

Legislative instrument	Directive
	Amending Directive 2007/36/EC 2005/0265(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114; Treaty on the Functioning of the EU TFEU 150
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	JURI/8/00435

Documentation gateway

Legislative proposal		COM(2014)0213	09/04/2014	EC	Summary
Document attached to the procedure		SWD(2014)0126	09/04/2014	EC	
Document attached to the procedure		SWD(2014)0127	09/04/2014	EC	
Document attached to the procedure		SWD(2014)0128	09/04/2014	EC	
Economic and Social Committee: opinion, report		CES2817/2014	09/07/2014	ESC	
Document attached to the procedure		N8-0068/2014 OJ C 417 21.11.2014, p. 0008	28/10/2014	EDPS	Summary
Committee draft report		PE544.471	19/12/2014	EP	
Amendments tabled in committee		PE549.129	05/02/2015	EP	
Amendments tabled in committee		PE549.159	25/02/2015	EP	
Committee opinion	ECON	PE541.604	02/03/2015	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0158/2015	12/05/2015	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading		T8-0257/2015	08/07/2015	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0067/2017	14/03/2017	EP	Summary
Commission response to text adopted in plenary		SP(2017)309	16/05/2017	EC	
Draft final act		00002/2017/LEX	17/05/2017	CSL	

Additional information

European Commission	EUR-Lex
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Final act

Directive 2017/828 OJ L 132 20.05.2017, p. 0001 Summary
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Corporate governance: long-term shareholder engagement

PURPOSE: to revise Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies in order to contribute to their long-term sustainability.

PROPOSED ACT: Directive of the European Parliament and the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Directive 2007/36/EC of the European Parliament and of the Council 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.

The financial crisis has revealed that shareholders in many cases supported managers' excessive short-term risk taking. Moreover, there is clear evidence that institutional investors and their asset managers do not sufficiently focus on the real (long-term) performance of companies, but often on share-price movements and the structure of capital market indexes, which leads to suboptimal return for the end beneficiaries of institutional investors and puts short-term pressure on companies.

The past years have highlighted certain corporate governance shortcomings in European listed companies. These shortcomings relate to different actors: companies and their boards, shareholders (institutional investors and asset managers) and proxy advisors.

Five main issues have been identified:

- insufficient engagement of institutional investors and asset managers;
- insufficient link between pay and performance of directors;
- lack of shareholder oversight on related party transactions;
- inadequate transparency of proxy advisors;
- difficult and costly exercise of rights flowing from securities for investors.

Stakeholders were consulted on two Green Papers ("[Corporate governance in financial institution](#)" and "[The EU corporate governance framework](#)").

Based on these consultations and further analysis, the [Commission's Action Plan](#): European company law and corporate governance - a modern legal framework for more engaged shareholders and sustainable companies provides the Commissions roadmap in the area, based the two objectives of enhancing transparency and engaging shareholders.

IMPACT ASSESSMENT: a range of options, including no policy change, have been considered to address each of the presented problems. The preferred option is the following:

- 1) mandatory transparency of institutional investors and asset managers on their voting and engagement and certain aspects of asset management arrangements;
- 2) disclosure of the remuneration policy and individual remunerations, combined with a shareholder vote;
- 3) additional transparency and an independent opinion on more important related party transactions and submission of the most substantial transactions to shareholder approval;
- 4) binding disclosure requirements on the methodology and conflicts of interests of proxy advisors;
- 5) creating a framework to allow listed companies to identify their shareholders and requiring intermediaries to rapidly transmit information related to shareholders and to facilitate the exercise of shareholder rights.

CONTENT: the main objectives of the proposal are as follows:

Improving engagement of institutional investors and asset managers: the proposal should increase the transparency of institutional investors and asset managers. They will be required to develop a policy on shareholder engagement, which should contribute to managing actual or potential conflicts of interests with regard to shareholder engagement. They should in principle disclose to the public their engagement policy, how it has been implemented and the results thereof. 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.

Strengthening the link between pay and performance of directors: the proposal aims at creating more transparency on remuneration policy and the actual remuneration awarded to directors and creating a better link between pay and performance of directors by improving shareholder oversight of directors remuneration.

Shareholders should have the right to approve the remuneration policy and to vote on the remuneration report. All benefits of directors in whatever form will be included in the remuneration policy and report. The proposal does not regulate the level of remuneration and leaves decisions on this to companies and their shareholders.

Improving shareholder oversight on related party transactions: the proposal requires listed companies that related party transactions representing more than 5% of the companies assets or transactions which can have a significant impact on profits or turnover to submit these transactions to the approval of shareholders and may not unconditionally conclude it without their approval.

For smaller related party transactions that represent more than 1% of their assets, listed companies shall 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.

In order to target only transactions that could be most disadvantageous for minority shareholders and to keep administrative burden limited Member States should be allowed to exclude transactions entered into between the company and members of its group that are fully owned by the listed company.

Enhancing transparency of proxy advisors: the proposal will require proxy advisors to 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. Proxy advisors are required to publicly disclose certain key information related to the preparation of their voting recommendations.

Facilitating the exercise of rights flowing from securities for investors: it is estimated that non-national shareholders hold some 44% of the shares in EU listed companies. The proposal requires Member States to ensure that intermediaries offer to listed companies the possibility to

have their shareholders identified. Intermediaries should, on the request of such a company communicate without undue delay the name and contact details of the shareholders.

The proposal also requires that intermediaries facilitate the exercise of the rights by the shareholder, including the right to participate and vote in general meetings and requires companies to confirm the votes cast in general meetings by or on behalf of shareholders.

Corporate governance: long-term shareholder engagement

Opinion of the European Data Protection Supervisor on the Commission Proposal for a Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement.

The EDPS welcomed the prior consultation on this proposal and the fact that the Commission took into account several of its comments which resulted in the strengthening of the data protection safeguards in the proposed Directive.

In March 2013, following the adoption of the Commissions Action Plan: European company law and corporate governance a modern legal framework for more engaged shareholders and sustainable companies, the EPDS provided preliminary guidance with regard to data protection and privacy concerns regarding shareholder identification and shareholder oversight of remuneration policy.

The EDPS is of the opinion that the proposed Directive should:

- contain a general, substantive provision to refer to applicable data protection legislation;
- specify the purposes of processing and should clearly provide that neither the information regarding the identity of the shareholders, nor the data on the remuneration of individual directors, shall be used for any incompatible purposes;
- require companies to ensure that technical and organisational measures are put in place to limit accessibility of the information regarding individuals (such as shareholders or individual directors) after a certain period of time;
- require that in case the disclosure of the details of an individual directors remuneration package reveal health data or other special categories of data protected under Article 8 of Directive 95/46/EC, then the information should be redacted so as to exclude any reference to such more sensitive information.

Corporate governance: long-term shareholder engagement

The Committee on Legal Affairs adopted the report by Sergio Gaetano COFFERATI (S&D, IT) on the proposal for a directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement.

The Committee on Economic and Monetary Affairs, exercising its prerogatives as an associated committee under Parliaments [Rule 54 of the Rules of Procedure](#) was consulted to give an opinion on the report.

Purpose: Members stipulated that the amended Directive shall: (i) establish 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; (ii) create transparency on the engagement policies of institutional investors and asset managers and on the activities of proxy advisors and; (iii) lay down certain requirements with regard to directors' remuneration and related party transaction.

Support for long-term shareholding: in order to provide more stability for companies, Member States shall put in place a mechanism in order to promote shareholding on a long-term basis and foster long-term shareholders. The qualifying period in order to be considered a long term shareholder shall not be less than two years.

The mechanism shall include one or more of the following advantages for long term shareholders: additional voting rights; tax incentives; loyalty dividends; loyalty shares.

Transparency of asset managers: asset managers should be required to publicly disclose annually 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, information on the portfolio composition, on the portfolio turnover costs, on conflicts of interest which have arisen and how they have been dealt with should be disclosed.

Transparency of proxy advisors: 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.

Approval of the remuneration policy by stakeholders: 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. Companies should establish a remuneration policy as regards directors and submit it to a binding vote of 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.

Directors performance should be assessed using both financial and non-financial performance criteria, including environmental, social and governance factors.

The remuneration policy shall set clear criteria for the award of fixed and variable remuneration, including all bonuses and all benefits in whatever form.

For variable remuneration, the criteria also include consideration of programmes relating to corporate social responsibility and the results achieved in this regard should be taken into consideration. Member States shall ensure that share-based remuneration does not represent the most significant part of directors' variable remuneration.

In addition, the remuneration 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;
- specify the company's procedures for the determination of the remuneration of directors, including the role and functioning of the remuneration committee;
- explain the specific decision-making process leading to its determination.

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.

Additional disclosure for large undertakings: in the notes to the financial statements, large undertakings shall, in addition to the information required under the Directive, publicly disclose non-essential information in respect of the following matters, specifying by Member State and by third country in which it has a subsidiary.

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.

Additional disclosure for issuers: 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: (i) name(s), (ii) nature of activities and geographical location; (iii) turnover; (iv) number of employees on a full time equivalent basis; (v) tax on profit or loss; (vii) public subsidies received.

Corporate governance: long-term shareholder engagement

The European Parliament adopted by 556 votes to 67, with 80 abstentions, amendments to the proposal for a directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement.

The matter had been sent back for consideration to the competent committee. The vote had been set back for a later session.

The main amendments adopted in plenary were as follows:

Purpose: Members felt that the amended directive should:

- establish 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;
- create transparency on the engagement policies of institutional investors and asset managers and on the activities of proxy advisors and
- lay down certain requirements with regard to directors' remuneration and related party transactions.

Transparency and dialogue: Member States shall ensure that companies have the right to identify their shareholders, taking account of existing national systems. On the request of the company, the intermediary must communicate without undue delay to the company the information regarding shareholder identity. 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 companies and the intermediaries must not store the information regarding shareholder identity transmitted to for longer than necessary.

Intermediaries must facilitate the exercise of shareholder rights by the latter, including the right to participate and vote in general meetings. Companies must publicly disclose, via their website, the minutes of the general meetings and the results of votes.

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

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.

Engagement policy: institutional investors and asset managers must develop a policy on shareholder engagement which shall determine how they conduct the following actions: (i) integrate shareholder engagement in their investment strategy; (ii) monitor investee companies, including on their non-financial performance, and reduction of social and environmental risks; (iii) conduct dialogue and cooperate with other stakeholders of the investee companies; (iv) exercise voting rights.

Transparency of asset managers: institutional investors must 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. Moreover, asset managers 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 they use 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 that have arisen and how they have been dealt with.

Right to vote on the remuneration policy: companies must establish a remuneration policy as regards directors and submit it to a binding vote of 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.

However, Member States may provide that the votes by the general meeting on the remuneration policy are advisory.

Directors remuneration policy must:

- 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.
- explain how it contributes to the long-term interests and sustainability of the company;

- set clear criteria for the award of fixed and variable remuneration, including all bonuses and all benefits in whatever form;
- indicate the appropriate relative proportion of the different components of fixed and variable remuneration. For variable remuneration, the policy shall indicate the financial and non-financial performance criteria, including, where appropriate, consideration for programmes and results relating to corporate social responsibility;

Member States shall ensure that (i) the value of shares does not play a dominant role in the financial performance criteria; (ii) share-based remuneration does not represent the most significant part of directors' variable remuneration.

The remuneration policy shall also:

- 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;
- specify the company's procedures for the determination of the remuneration of directors, including the role and functioning of the remuneration committee;
- explain the specific decision-making process leading to its determination.

Related party transactions: in order to ensure adequate safeguards for the protection of companies interests 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. Related parties companies should publicly announce such transactions at the latest at the time of conclusion.

Additional disclosure for large undertakings: Members added large undertakings must provide a report by country on their businesses. This includes turnover; number of employees on a full time equivalent basis; value of assets and annual cost of maintaining those assets; sales and purchases; profit or loss before tax; tax on profit or loss; public subsidies received;

Large undertakings shall, In the notes to the financial statements, publicly disclose essential elements of and information regarding tax rulings, providing a breakdown by Member State and by third country in which the large undertaking in question has a subsidiary.

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 EUR 100 million shall be exempt from this obligation.

Corporate governance: long-term shareholder engagement

The European Parliament adopted by 646 votes to 39, with 13 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement.

Parliaments position adopted at first reading following the ordinary legislative procedure amended the Commission proposal.

This proposed Directive establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State.

The amended text reinforced the specific requirements which apply to the following provisions:

Identification of shareholders: listed companies shall have the right to identify their shareholders in order to be able to communicate with them directly and to facilitate the exercise of shareholder rights and shareholder engagement, notably long-term. Member States shall ensure that the company is able to obtain information regarding shareholder identity from any intermediary in the chain that holds the information. They shall also ensure that companies and intermediaries do not store the personal data of shareholders transmitted to them for longer than 12 months after they have become aware that the person concerned has ceased to be a shareholder.

Transmission of information: the intermediaries are required to transmit information, without delay, from the company to the shareholder or to a third party nominated by the shareholder to enable the shareholder to exercise rights flowing from its shares.

Facilitation of the exercise of shareholder rights: Member States shall ensure that when votes are cast electronically an electronic confirmation of receipt of the votes is sent to the person that casts the vote. Member States may establish a deadline for requesting such confirmation. Such a deadline shall not be longer than three months from the date of the vote. When votes are cast electronically, an electronic confirmation of receipt of the votes is sent to the person that casts the vote.

Remuneration of Directors: companies shall establish a remuneration policy as regards directors and that shareholders have the right to vote on the remuneration policy at the general meeting. Member States shall ensure that the vote by the shareholders at the general meeting on the remuneration policy is binding. Companies shall pay remuneration to their directors only in accordance with a remuneration policy that has been approved by the general meeting.

Transparency of institutional investors, asset managers and proxy advisors: institutional investors and asset managers shall:

- publicly disclose a clear and reasoned explanation how they have incorporated investor engagement into their investment strategies or explain why they have chosen not to incorporate it;
- develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy.

Institutional investors shall publicly disclose how the main elements of their equity investment strategy are consistent with the profile and duration of their liabilities, in particular long-term liabilities, and how they contribute to the medium to long-term performance of their assets.

Asset managers shall:

- disclose information to the institutional investors on how they make investment decisions based on evaluation of medium to long-term

- performance of the investee company;
- supply information to institutional investors on potential conflicts of interests which have arisen in connection with engagements activities.

Member States shall ensure that proxy advisors publicly disclose reference to a code of conduct which they apply and report on the application of that code of conduct. They shall also ensure that, in order to adequately inform their clients about the accuracy and reliability of their activities, proxy advisors publicly disclose, on an annual basis at least, information in relation to the procedures put in place to ensure quality of the research, advice and voting recommendations and qualifications of the staff involved.

Corporate governance: long-term shareholder engagement

PURPOSE: to strengthen shareholders engagement in large European companies.

LEGISLATIVE ACT: Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

CONTENT: the financial crisis 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 often inadequate and focuses too much on short-term returns.

The Directive amending [Directive \(EU\) 2007/36](#) is intended to redress this situation. It establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a Member State and the shares of which are admitted to trading on a regulated market situated or operating within a Member State.

It also establishes specific requirements in order to encourage shareholder engagement, in particular in the long term. Those specific requirements apply in relation to the following areas:

Identification of shareholders: the new directive will ensure that companies are able to identify their shareholders and obtain information regarding shareholder identity from any intermediary in the chain that holds the information. The purpose is to facilitate the exercise of shareholder rights and their engagement with the company.

Member states may provide that companies in their territory are only allowed to request identification with respect to shareholders holding more than a certain percentage of shares or voting rights which will not exceed 0.5%.

The personal data of shareholders shall be processed to enable the company to identify its existing shareholders in order to communicate directly with them, with a view to facilitating the exercise of shareholder rights and shareholder engagement with the company.

Transmission of information: intermediaries shall transmit, without delay, to the company, in accordance with the instructions received from the shareholders, the information received from the shareholders related to the exercise of the rights flowing from their shares.

Facilitating the exercise of shareholder rights: intermediaries shall facilitate the exercise of the rights by the shareholder, including the right to participate and vote in general meetings.

After the general meeting, the shareholder or a third party nominated by the shareholder may obtain, at least upon request, confirmation that their votes have been validly recorded and counted by the company, unless that information is already available to them.

Member States may establish a deadline for requesting such confirmation. Such a deadline shall not be longer than three months from the date of the vote

Confirmation of receipt of votes should be provided in the case of electronic voting.

Intermediaries will be required to disclose any applicable fees for the services provided.

Transparency of institutional investors, asset managers and proxy advisors: institutional investors (such as pension funds and life insurance companies) and asset managers shall disclose an engagement policy describing how they integrate shareholder engagement in their investment. If they fail to meet this requirement, they should explain the reasons why.

The engagement policy shall also include policies for managing actual or potential conflicts of interest.

Member States shall ensure that institutional investors publicly disclose how the main elements of their equity investment strategy are consistent with the profile and duration of their liabilities, in particular long-term liabilities, and how they contribute to the medium to long-term performance of their assets

Member States shall ensure that proxy advisors (who provide research, advice and recommendations on how to vote in general meetings of listed companies) shall publicly disclose reference to a code of conduct which they apply and report on the application of that code of conduct.

Remuneration of directors: shareholders shall have the right to vote on the remuneration policy of the directors of their company. The vote by the shareholders at the general meeting on the remuneration policy shall be binding.

Companies shall pay remuneration to their directors only in accordance with a remuneration policy that has been approved by the general meeting.

Under the new rules, remuneration policy shall contribute to the business strategy, long-term interests and sustainability of the company. It shall be clear and understandable and describe the different components of fixed and variable remuneration, including all bonuses and other benefits in whatever form, which can be awarded to directors and indicate their relative proportion.

Remuneration policy shall be publicly disclosed without delay after the vote by the shareholders at the general meeting.

Related parties transactions: the new Directive provides that material related party transactions shall be submitted to approval by the shareholders or by the administrative or supervisory body in order to provide adequate protection for the interests of the company.

Companies shall publicly announce material transactions with related parties at the latest at the time of the conclusion of the transaction,

together with information necessary to assess whether or not the transaction is fair and reasonable.

ENTRY INTO FORCE: 9.6.2017.

TRANSPOSITION: no later than 10.6.2019.