

## Exercise of certain rights of shareholders in listed companies

2005/0265(COD) - 11/07/2007 - Final act

**PURPOSE:** to establish requirements in relation to the exercise of voting rights in general meetings of issuers that have their registered office in a Member State and whose shares are admitted to trading on a regulated market and to amend Directive 2004/109/EC (the Transparency Directive?)

**LEGISLATIVE ACT:** Directive 2007/36/EC of the European Parliament and of the Council  
on the exercise of certain rights of shareholders in listed companies

**CONTENT:** following an agreement with the European Parliament, the Council adopted in first reading a Directive on the exercise of voting rights by shareholders of companies having their registered office in a Member State and whose shares are admitted to trading on a regulated market. The new Directive amends Directive 2004/109/EC. It introduces specific requirements with respect to selected rights of shareholders in relation to general meetings.

The Directive introduces minimum standards to ensure that shareholders of companies whose shares are traded on a regulated market have a timely access to the relevant information ahead of the general meeting (GM) and simple means to vote at a distance. It specifies that companies must ensure equal treatment for all shareholders who are in the same position with regard to participation and the exercise of voting rights in the general meeting. It also abolishes share blocking and introduces minimum standards for the rights to ask questions, put items on the GM agenda and table resolutions. The Directive allows Member States to take additional measures to facilitate further the exercise of the rights referred to in the Directive.

The Directive features the following key provisions:

- minimum notice period of 21 days for most GMs, which can be reduced to 14 days where shareholders can vote by electronic means and the general meeting agrees to the shortened convocation period;
- Internet publication of the convocation and of the documents to be submitted to the GM at least 21 days before the GM;
- abolition of share blocking and introduction of a record date in all Member States which may not be more than 30 days before the GM;
- abolition of obstacles on electronic participation to the GM, including electronic voting;

Right to ask questions and obligation on the part of the company to answer questions;

- abolition of existing constraints on the eligibility of people to act as proxy holder and of excessive formal requirements for the appointment of the proxy holder;
- disclosure of the voting results on the issuer's internet site.

**ENTRY INTO FORCE:** 3 August 2007.

**TRANSPOSITION:** 3 August 2009. Member States which on 1 July 2006 had in force national measures restricting or prohibiting the appointment of a proxy holder in the case of Article 10(3), second subparagraph, point (ii) shall transpose Article 10(3) as concerns such restriction or prohibition by 3 August 2012.