

7 May 2015

## PRESS RELEASE

### **The JURI Committee Report on the Shareholders' Rights Directive: Can "good governance" be defined as shifting key decision-making powers from the board to shareholders? Is the next step to create an Intermediary Rights Directive instead?**

The JURI Committee in its vote today on the Shareholders' Rights Directive agreed:

- Ex ante as well as ex post voting by shareholders of respectively the remuneration policy and its application.
- To give a right to identify shareholders to financial intermediaries, rather than to companies.

The European Confederation of Directors' Associations (ecoDa) and EuropeanIssuers consider that the proposals are too far reaching and that risk undermining the equilibrium between the respective roles and duties of a shareholders' meeting versus a board of directors.

As stated by Lars-Erik Forsgårdh, ecoDa chair, *"an independently-minded board is uniquely well-placed to oversee the best interests of the organisation. The board is the body where the company's interest is considered, while at the General Meeting the opinion and individual interests of shareholders may prevail"*. In fact, unlike most shareholders, the board has unrestricted access to the company's management, information and resources.

ecoDa and EuropeanIssuers are of the opinion that if the board is not performing its duties the shareholders should dismiss the board, not take over the management of the company. *"What really matters is to enable shareholders to exercise their control and to enable them to dismiss the board if they are not acting properly when setting executives' remuneration"* added Lars-Erik Forsgårdh.

Placing more power with shareholders on executive remuneration will not guarantee that long-term and corporate interests are given sufficient priority.

On shareholder identification: *"It is very disappointing for companies to see that the European Parliament has apparently chosen to favour the intermediaries in the investment chain on shareholder identification. Identification should be established as a right for companies to be able to engage with their shareholders, not put into legislation as a sales opportunity for intermediaries"* said Susannah Haan, Secretary General of EuropeanIssuers.

**Notes to editors:**

The JURI Committee voted 13 to 10 to pass the report. However, there was considerable disagreement among the different political groups in the European Parliament, and so the Conference of Presidents will be asked to decide whether to send the report to a vote in plenary later in May.

**About EuropeanIssuers**

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies to the EU Institutions. As at 31 December 2014, there were 13.225<sup>1</sup> such companies on both the main markets and the exchange-regulated (growth) markets. Our members include both national associations and companies from all sectors, covering markets worth €7.2 billion market capitalisation with approximately 8000 companies.

We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers.

For more information, please visit [www.europeanissuers.eu](http://www.europeanissuers.eu)

**About ecoDa:**

The European Confederation of Directors' Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Its objective is to represent the views of company directors from EU member states to corporate governance policy-makers at EU level. ecoDa, the European Confederation of Directors' Associations, is a not-for-profit association acting as the "European voice of board directors".

Through its 19 national institutes of directors, ecoDa represents around fifty-five thousand board members from across the EU, ensuring that their views on Corporate Governance are clearly communicated to policymakers in the EU institutions. ecoDa's member organisations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.

[www.ecoda.org](http://www.ecoda.org)

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<sup>1</sup> FESE, LSE and Borsa Italiana stats