

# Shareholders' Rights

Briefing for CESAME– 10 June 2005

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## Shareholders' rights: provisional timetable

- July 15th: closing of the second consultation
- September: publication of results of the second consultation
- September/October: closing of Impact assessment
- October/November: decision on further steps (if any).

# How relevant is the problem?

Quite a lot of foreign shareholders...

## Ownership of listed companies in some EU Member States

		Lithuania**	30%
France*	35%	Netherlands**	70%
Germany*	17%	Belgium**	70%
Italy*	14%	Hungary**	78%
UK*	32%	Luxembourg**	50%
Spain*	35%	Estonia**	80%
Sweden*	33%	Latvia**	50%

\* Source: Federation of European Securities Exchanges (FESE), 2003. \*\*Source: JPMorganChase, 2004.

## ...who probably do not show up to vote

Attendance of foreign shareholders at AGMs of some German companies\*

Allianz	4% (34%)
Deutsche Bank	11% (49%)
Deutsche Börse	12% (58%)
Deutsche Post	4% (17%)
Deutsche Telekom	3% (32%)
Siemens	59% (10)

\* As a percentage of share capital. Data refer to 2003. Source:Arbeitskreis Nemensaktie

# Obstacles to cross-border voting

## 2nd Consultation on shareholders' rights

[http://europa.eu.int/comm/internal\\_market/company/shareholders/index\\_en.htm](http://europa.eu.int/comm/internal_market/company/shareholders/index_en.htm)

- a) Entitlement to vote
- b) Admission to GMs (share-blocking requirements)
- c) Information and documentation
- d) Shareholders' rights at and after the GM

# Obstacles to cross-border voting

## a) Entitlement to vote

Empowering investors with the right to vote:

Defining the “ultimate accountholder” VS enabling the investor through indirect means (proxy etc.)

# Obstacles to cross-border voting

## b) Admission to GMs (share-blocking requirements)

- abolition of share blocking
- record date system

# Obstacles to cross-border voting

## c) Information and documentation

- Notice periods
- Contents of the notice
- Availability of relevant material

## Obstacles to cross-border voting

### d) Shareholders' rights at and after the GM

- ask questions
- Table resolutions
- Place items on the agenda
- Proxy voting
- Electronic voting