DeutscherAnwaltVerein

Position Paper

of the German Bar Association prepared by the Committee on Commercial Law

on the Public Consultation by the European Commission on the Update of the Rules on Shareholder Rights

(Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies and Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement)

Position Paper No.: 32/2026 Berlin/Brussels, May 2026

Members of the Committee on Commercial Law

- Rechtsanwalt Dr. Marc Löbbe, Frankfurt/Main (Chair and Rapporteur)
- Rechtsanwältin Dr. Gabriele Apfelbacher, LL.M., Frankfurt/Main (Rapporteur)
- Rechtsanwalt Prof. Dr. Michael Arnold, Stuttgart
- Rechtsanwalt Prof. Dr. Christian Decher, Frankfurt/Main (Rapporteur)
- Rechtsanwalt Dr. Hans Friedrich Gelhausen, Frankfurt/Main
- Rechtsanwältin Dr. Julia Sophia Habbe, Frankfurt/Main (Rapporteur)
- Rechtsanwältin Dr. Hilke Herchen, Hamburg
- Rechtsanwalt Prof. Dr. Hans-Christoph Ihrig, Mannheim
- Rechtsanwalt Dr. Thomas Kremer, Düsseldorf
- Rechtsanwalt Prof. Dr. Gerd Krieger, Düsseldorf (Rapporteur)
- Rechtsanwalt Prof. Dr. Andreas Pentz, Mannheim
- Rechtsanwältin Dr. Gabriele Roßkopf, LL.M., Stuttgart
- Rechtsanwalt Prof. Dr. Frank A. Schäfer, LL.M., Düsseldorf
- Rechtsanwältin Dr. Alexandra Schluck-Amend, Stuttgart
- Rechtsanwalt Dr. Bernd Singhof, LL.M., Frankfurt/Main (Rapporteur)
- Rechtsanwalt Prof. Dr. Jochen Vetter, München
- Rechtsanwalt Dr. Jost Wiechmann, Hamburg
- Rechtsanwalt Prof. Dr. Hans-Ulrich Wilsing, Düsseldorf
- Rechtsanwalt Arne Wittig, Frankfurt/Main

In charge in the Berlin Office

- Rechtsanwalt Max Gröning, Director

Deutscher Anwaltverein
Littenstraße 11, 10179 Berlin
Tel.: +49 30 726152-0
Fax: +49 30 726152-190
E-Mail: dav@anwaltverein.de

Büro Brüssel
Rue Joseph II 40, Boîte 7B
1000 Brüssel, Belgien
Tel.: +32 2 28028-12
Fax: +32 2 28028-13
E-Mail: bruessel@eu.anwaltverein.de
EU-Transparency Register ID number: 87980341522-66

Contact in Brussels:

- Rechtsanwältin Eva Schriever, LL.M., Director
- André Kutschmann, Legal Adviser

The German Bar Association (Deutscher Anwaltverein – DAV) is the professional body comprising about 60.000 German lawyers and lawyer-notaries in 253 local bar associations in Germany and abroad. Being politically independent the DAV represents and promotes the professional and economic interests of the German legal profession on German, European and international level. The DAV is registered in the Lobby Registry for the representation of special interests vis-à-vis the German Bundestag and the Federal Government under register number R000952.

Open Public Consultation on the Update of the Rules on Shareholder Rights

Fields marked with * are mandatory.

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudge any decision that the Commission may take. The topics covered do not constitute a policy position or a formal proposal by the Commission. Please note that to ensure a fair and transparent consultation process, only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.

Information

Respondents can submit contributions in any of the 24 official languages of the EU. It is not mandatory to respond to all questions and the respondents can focus on issues that are most relevant to them. Only the information in the ‘About you’ section must be completed. The outline of this questionnaire follows the structure of the Directive to facilitate ease of response. In addition to replying to the questionnaire, respondents may also upload a file with a more detailed contribution. The results of this consultation will be compiled into a factual report, which will be publicly accessible through the ‘Have Your Say’ website.

Introduction

To boost the EU's overall competitiveness, the Commission is committed to addressing the fragmentation across capital markets and fostering a robust and integrated capital market, in order to drive investment opportunities. A key component to achieve this objective is ensuring an efficient and effective framework for the exercise of shareholder rights. In this regard, Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies, as amended by Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement (the 'Shareholder Rights Directive', the 'SRD') aims at strengthening corporate governance by enhancing shareholder participation in corporate decision-making.

Despite progress being made, obstacles still hinder the full realisation of an efficient single market for equity investments. The EU capital market remains fragmented, often mentioned as an example of an area in which the Single Market has not yet been completed. Emerging trends and evolving market conditions also requirereassessing the SRD to address new challenges and opportunities, such as technological developments.

To address these issues and opportunities, the Commission is currently assessing the need for reforms that could simplify, harmonise, and digitalise processes and the exercise of shareholder rights across the EU. As announced in the Communication on the Savings and Investments Union of 19 March 2025, a potential review of the SRD, 'could contribute to making it easier and cheaper for investors, intermediaries and issuers to operate across Member States'. More recently, the 2026 Commission Work Programme, published on 21 October 2025, announced the update of the rules on shareholder rights.

The purpose of this open public consultation is to collect feedback from stakeholders on the barriers and inefficiencies which remain after SRD implementation. Together with additional data collected through the Call for Evidence and consultations carried

out by a support study, as well as consulting expert groups, the Commission will examine the need for a revised, simplified framework that supports growth, investment, and competitiveness across the EU. This initiative aligns with the broader EU policy objectives outlined in key strategic documents, including the Competitiveness Compass and the Single Market Strategy, which underline the importance of enhanced cross-border investments and of a simplified legal framework for a competitive EU single market.

Table of Contents

1. **Shareholders**
2. **Interaction between Companies, Shareholders, and Intermediaries**
3. **Institutional Investors and Asset Managers**
4. **Proxy Advisors**
5. **General Meeting of Shareholders**
6. **Enforcement**
7. **Additional Information**

1. Shareholders

Definition of shareholder (Article 2 point (b))

The SRD leaves the definition of who qualifies as a shareholder to the Member States in which the company is registered. Consequently, there are different approaches as to who is entitled to exercise shareholder rights across the EU.

1. To what extent does the lack of a common definition of 'shareholder' in the SRD lead to legal uncertainty?

- ○ To a very large extent
- ○ To a large extent
- ○ To a moderate extent
- ○ To a small extent
- ⊗ Not at all
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

It is unclear which legal uncertainty would be eliminated by a definition of "shareholder" as suggested in question 2. National corporate law, which is based on Directive (EU) 2017/1132, already governs who qualifies as a shareholder in relation to the company. By this means, the mutual rights and obligations are determined. Any interference with this corporate framework should be avoided.

2. In case a common definition of ‘shareholder’ was to be introduced, which of the following definitions would you advise?

- ○ The person who holds the shares in their own name, even if on behalf of another person (nominee shareholder definition)
- ○ The person on whose securities account the shares are held with the last intermediary in the chain (even where an intermediary in the chain is the nominee shareholder and holds the shares on behalf of that end-investor, end-investor definition)
- ⊗ Other

Identification of shareholders (Article 3a)

Member States must ensure that companies have the right to identify their shareholders. This provision aims to ensure the flow of information between listed companies/issuers (in what follows: companies), intermediaries, and shareholders, e.g., for the purposes of corporate action processing. However, Member States may provide that only shareholders holding more than a certain percentage of shares or voting rights fall within the scope of this provision. Such a percentage must not exceed 0.5 %. Therefore, who can be identified as shareholder varies.

3. To what extent does the current right of companies to identify their shareholders facilitate the flow of information between companies, intermediaries, and shareholders?

- ○ To a very large extent
- ○ To a large extent
- ○ To a moderate extent
- ○ To a small extent
- ⊗ Not at all
- ○ Don’t know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Shareholder identification is irrelevant in this context:

- *In connection with the AGM (Annual General Meeting), communication is made (i) via the intermediary chain (bearer shares) or (ii) directly between the company and the shareholder registered with the share register (registered shares). Shareholder identification does not alter or improve these processes.*
- *In connection with other corporate events, communication regarding bearer and registered shares is made efficiently via the intermediary chain.*

4. Are you aware of any problems related to the identification of shareholders?

☐ Companies cannot identify all shareholders they would like to identify

☐ Companies do not know who they can identify

☐ Communication between companies and intermediaries is difficult, e.g., due to the use of different formats and technologies (*Please note that communication problems will be treated in-depth in the next section*)

☐ The quality of shareholder information companies receive is insufficient

☐ It is unclear how companies can identify shareholders for shares recorded or issued using Distributed Ledger Technology

☒ Other

☐ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Generally, the shareholder identification process seems to work in practice.

5. To what extent would the following measures lead to an improvement?

	To a very large	To a large	To a moderate extent	To a small	Not at all	Don't know/no opini

	exte nt	exte nt		exte nt		on
Companies' right to identify shareholders without any threshold limiting this right	⊗	○	○	○	○	○
EU-wide threshold for the identification of shareholders (please indicate the percentage in the free text box below this table)	○	○	○	○	⊗	○
Companies' right to identify the holders of all types of registered securities deposited at a central securities depository (e.g., also bond holders)	○	⊗	○	○	○	○
Issuing or recording shares with Distributed Ledger Technology (such as blockchain)	○	○	○	○	⊗	○

Specific obligations regarding omnibus accounts, i.e., account enabling any participant in a securities settlement system to hold in one securities account the securities that belong to different clients of that participant	○	○	○	○	⊗	○
A golden operational record, requiring the issuer to send a record of operational information and enabling all parties in the	○	⊗	○	○	○	○

chain of custody to process the information in the same manner						
Possibility to tailor requests on shareholders' identity to the specific needs of companies (e.g., identification of specific groups of shareholders)	○	○	○	○	⊗	○
Improving the possibility of companies to directly contact their shareholders	○	○	○	○	○	⊗
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Generally, the shareholder identification process seems to work. Nominee accounts do not complicate shareholder identification because intermediaries report the actual shareholders. Tailor-made inquiries already exist.

2. Interaction between Companies, Shareholders, and Intermediaries

Transmission of information (Article 3b)

The exercise of shareholder rights requires the transmission of information (e.g., on general meetings) from the company to shareholders and conversely (e.g., votes) from shareholders to the company. Intermediaries play an important role in passing on this information. Intermediaries include investment firms, credit institutions, and central securities depositories, which provide services of safekeeping shares, administrating shares or maintaining securities accounts on behalf of shareholders or other persons.

6. To what extent have the following measures contributed to the smooth flow of

information between shareholders and companies? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Companies' obligation to provide intermediaries with the relevant information in a timely manner, no later than on the same business day on which it announces the corporate event (e.g., general meeting)	○	○	⊗	○	○	○
Companies' obligation to provide intermediaries with the relevant information in a standardised manner	⊗	○	○	○	○	○
Intermediaries' obligation to transmit the information provided by the companies to the shareholders without delay	○	○	⊗	○	○	○
Intermediaries' obligation to transmit information related to the exercise of shareholder rights from the shareholder to the companies without delay	○	○	⊗	○	○	○
Intermediaries' obligation to transmit information in a	⊗	○	○	○	○	○

standardised manner						
Intermediaries' obligation to directly transmit information to the company or the shareholder where this can be done despite the involvement of more than one intermediary (chain of intermediaries)	○	⊗	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Relevant information was already efficiently transferred within the intermediary chain via STP (Straight-Through-Processing) in SWIFT/ISO before SRD II became effective. As we hear from intermediaries, the interface between the company and the intermediaries could not be improved because, despite the requirements of SRD II, the intermediaries do not receive the same data quality in a standardized manner from all companies.

7. Are you aware of any problems related to the transmission of information?

- ☐ Information does not reach recipients
- ☒ Information is received late
- ☐ Information quality is insufficient (e.g., the information is incomplete)
- ☐ Communication between companies, intermediaries and shareholders is difficult (e.g., differing formats and technologies)
- ☐ High costs for information transmission services (please note that costs are also treated in a section below)
- ☐ Other
- ☐ Don't know/no opinion

8. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Facilitating direct communications between companies and shareholders	○	⊗	○	○	○	○
Mandating the use of a single standard format for all information exchanged, enabling straight-through processing (STP) without any manual intervention	⊗	○	○	○	○	○
Facilitating communication through technical solutions which allow automatic and instantaneous access to information	⊗	○	○	○	○	○
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology, allowing e.g., programmed communication	○	○	○	○	○	⊗
Other	○	○	⊗	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

It is not necessary to establish new formats and standards by law. There are already existing formats and standards which work across borders within the intermediary chain (ISO/SWIFT). However, seemingly some companies do not use these formats and do not make their data available to intermediaries in a sufficient quality. Further

efforts to harmonize the processes should focus on a common implementation approach regarding the interface between the company and the intermediaries.

Facilitation of the exercise of shareholder rights (Article 3c)

Intermediaries do not only play an important role in transmitting information but in facilitating the exercise of shareholder rights. Whether shareholders exercise their rights themselves or through proxy holders that act on their behalf – they all need to prove their entitlement.

9. To what extent have the following measures facilitated the exercise of shareholder rights? Please note that the details of the measures described are contained in Commission Implementing Regulation (EU) 2018/1212.

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Requiring the last intermediary to confirm, upon request, to the shareholder or third party nominated by the shareholder, the entitled position appearing in its records	○	○	○	○	⊗	○
Requiring the last intermediary to ensure that the entitled positions in its records are reconciled with those of the first intermediary	○	○	○	○	⊗	○
Requiring an electronic confirmation of receipt of the votes when votes are cast electronically	○	○	○	○	⊗	○

Requiring a confirmation that votes have been validly recorded and counted by the company to be sent upon request	○	○	○	○	⊗	○
Requiring standardised notifications for corporate events such as general meetings and shareholder participation therein	○	○	○	○	○	⊗

If you would like to, please explain your answer:

500 character(s) maximum

Unfortunately, SRD II has changed little to address the problems with the cross-border exercise of shareholder rights.

In particular, the companies seemingly do not accept the confirmation of the authorization in accordance with Table 4 of the Implementing Regulation (EU) 2018/1212 ("IR"). The registration in accordance with Table 5 IR is not effective because it lacks essential information such as the number of shares held by the shareholder.

10. Are you aware of any problems related to the facilitation of shareholder rights?

☒ Difficulties with cross-border use of evidence for the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and powers of attorney for proxy holders), which might include belated or no receipt of confirmation of entitlement, national form requirements for powers of attorney or similar obstacles

☐ Required documentation by Member States to prove the entitlement to exercise shareholder rights (e.g., certificates of holding for shareholders and the powers of attorney for proxy holders) is often still paper-based

☐ Late, inconsistent, or incomplete reconciliation of share positions across the chain of intermediaries, preventing shareholders from being recognised as entitled to exercise their rights

☒ Differences in record dates across Member States (i.e., the date on which shares must be held by shareholders for them to be entitled to vote and exercise other shareholder rights at general meetings) render the cross-border exercise of

shareholder rights difficult

- ☒ Voting cut-off dates (i.e., the dates for submitting votes set by custodians) set well in advance of the general meeting giving shareholders little time to analyse meeting information
- ☐ Convocation date may be too close to the date of the general meeting
- ☐ Meeting material may be provided too close to the date of the general meeting.
- ☐ Lack of transparency in post-meeting confirmations and information
- ☐ Other
- ☐ Don't know/no opinion

11. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To some extent	Not at all	Don't know/no opinion
Introducing a standardised proof of entitlement for the exercise of shareholder rights	⊗	○	○	○	○	○
Prescribing that the power to represent the shareholder for proxy holders should be possible in electronic format under certain security conditions	⊗	○	○	○	○	○
Ensuring proofs of entitlement and powers of attorney are interoperable with cross-border and harmonised electronic authentication frameworks (e.g., EU Digital Identity Wallet, EU Business	○	○	○	○	⊗	○

Wallet)						
Enabling or increasing the use of shares issued or recorded with Distributed Ledger Technology	○	○	○	○	○	⊗

Enabling automated functions in the shares and programmable shares to exercise shareholders rights	○	○	○	○	○	⊗
Introducing (more detailed) EU-wide deadlines/timelines for: a) Convocation of general meetings	⊗	○	○	○	○	○
b) Publication of meeting materials	⊗	○	○	○	○	○
c) Record dates	⊗	○	○	○	○	○
d) Cut-off dates	⊗	○	○	○	○	○
e) Updating shareholder registers	○	○	○	○	○	⊗
Shortening the 15-day maximum deadline for publishing voting results	○	○	○	○	⊗	○
Requiring publication of voting results for each class of shares	○	○	○	○	○	⊗
Enabling instantaneous and automated receipt of vote confirmation	○	○	○	○	○	⊗
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

As we hear from intermediaries, a practical revision of the IR according to the ISO standard could achieve a considerable improvement. In addition, national corporate

laws should not create bureaucratic hurdles, such as written form requirements, that prevent full digitalization of processes / STP.

Non-discrimination, proportionality and transparency of costs (Article 3d)

In line with the objective to facilitate the exercise of shareholder rights, any charges imposed by intermediaries must be publicly disclosed, non-discriminatory and proportionate.

12. Are you aware of any problems related to the fees or charges imposed by intermediaries?

- ☐ High costs in cross-border settings disincentivise the exercise of shareholder rights
- ☐ Differences in charges of intermediaries between the domestic services and cross-border intra-EU services do not reflect the difference in actual costs incurred for delivering these services
- ☐ Lack of transparency as to how intermediaries calculate their charges
- ☐ Other
- ☒ Don't know/no opinion

13. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/no opinion
Fixed charges for specific services	○	○	○	○	○	⊗
Maximum ceilings for charges for specific services	○	○	○	○	○	⊗
Clarification of who (company, intermediary, shareholder) pays for which	○	○	○	○	○	⊗

request						
Standardised terminology for the types of charges and services	○	○	○	○	○	⊗
Standardised format for disclosure of charges	○	○	○	○	○	⊗
Central database or comparator of intermediaries' charges structures to ensure transparency	○	○	○	○	○	⊗
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Third-country intermediaries (Article 3e)

The SRD also applies to third-country intermediaries which have neither their registered office nor their head office in the EU when they provide services with respect to shares of companies which fall under the SRD.

14. Are there any problems with the Directive's provision on third-country intermediaries?

500 character(s) maximum

15. If you see any problems, which measures would improve the situation?

500 character(s) maximum

3. Institutional Investors and Asset Managers (Articles 3g, 3h and 3i)

A strong level of engagement of institutional investors and asset managers is crucial for the long-term performance of companies. Therefore, the SRD subjects them to certain transparency requirements.

16. To what extent is the objective of the Shareholder Rights framework of increasing the level of engagement of institutional investors and asset managers in order to improve the long-term performance of the company still relevant today?

- ○ To a very large extent
- ⊗ To a large extent
- ○ To a moderate extent
- ○ To a small extent
- ○ Not at all
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Given the ongoing trend towards passive investments through ETF/index funds, where asset managers can't vote with their feet, shareholder engagement is ever more important.

17. To what extent have the following measures increased the level of engagement of institutional investors and asset managers?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Institutional investors and asset managers must publicly disclose – on a "comply or explain" basis – a shareholder engagement policy	○	○	⊗	○	○	○
Institutional investors and asset managers must publicly disclose each year – on a "comply or explain basis" – how their	○	○	⊗	○	○	○

Institutional investors must publicly disclose how their equity investment strategy contributes to the long-term performance of their investee companies	○	○	⊗	○	○	○
Institutional investors must publicly disclose – on a “comply or explain” basis – details regarding their arrangements with their asset managers	○	○	⊗	○	○	○
Asset managers must annually report to their institutional investors – or to the public – on how their investment strategies and implementation thereof contribute to the long-term performance of the assets of the institutional investors or of the funds.	○	○	⊗	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

First, it is generally doubtful, whether nudging through disclosure obligations is an appropriate means of achieving a desired conduct. This is even more the case, if the disclosure obligation is subject to the comply or explain principle.
Second, the bureaucracy burdens coming with expansive disclosure obligations have to be balanced against the actual impact of the disclosure.
Third, in practice, the Art. 3g, h, i disclosure is often generic and formulaic and doesn’t say much about the actual engagement of asset managers (or lack thereof).

18. Are you aware of any problems related to the provisions on institutional investors and asset managers, e.g., related to reporting?

500 character(s) maximum

See response to Q17 above.

19. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Expanding public disclosure related to engagement policy and investment strategy of institutional investors and asset managers	○	○	○	○	⊗	○
Reducing public disclosure related to engagement policy and investment strategy of institutional investors and asset managers	○	○	○	○	○	⊗
Clarifying the elements of the engagement policy and the equity investment strategy	○	○	⊗	○	○	○
Turning certain reporting or "comply or explain" obligations into mandatory requirements	○	○	⊗	○	○	○
Introducing an EU-wide stewardship code of best	○	○	○	○	⊗	○

practices						
Other	X					

If you would like to, please explain your answer:

500 character(s) maximum

"Not at all" response to "Introducing EU-wide stewardship code of best practices": While EU-wide best practices for stewardship may be desirable, they will be very hard to achieve given the different types of corporations and applicable legal regimes and corporate governance frameworks throughout the EU and the different circumstances these corporations face. Most likely, EU-wide best practices would be too high level, abstract and generic to be useful. Even now, where large asset managers and institutional investors adopt, e.g., voting guidelines with respect to their portfolio companies, research has shown that (i) where these guidelines are not jurisdiction-specific, they are in part not on point or not applicable and (ii) institutional investors and asset managers do not necessarily stick to their guidelines.

"To a very large extent" response to "Other":

- *The European Commission should consider whether effective shareholder engagement does not require primarily company-specific analysis and actions and whether and to what extent asset managers and institutional investors are expected to use AI tools for these purposes and how this may affect effective shareholder engagement.*

- *The European Commission should also consider the implications of asset managers and institutional investors using agents for shareholder engagement, including the voting of shares and the exercise of other rights arising from their portfolio companies, means. In particular, international/third country asset managers may rely on local agents to exercise shareholder rights and other shareholder engagement. Such agents may, for legal or technical reasons, be unable to comply with diverging voting or engagement guidelines of different principals in relation to shares of one and the same portfolio company. At a minimum, principal-specific voting or other shareholder engagement may be costly, including for the asset managers' clients.*

4. Proxy Advisors (Article 3j)

Proxy advisors provide research, advice and voting recommendations to shareholders on how to vote, based on, among others, the information disclosed by the company. Therefore, proxy advisors are important actors in the corporate governance processes of companies.

20.

To what extent have the following measures improved the reliability, comparability and quality of advice of proxy advisors?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Application of a code of conduct on a "comply-or-explain" basis	○	○	○	○	○	⊗
Disclosure to the public of information in relation to the preparation of proxy advisors' research, advice and voting recommendations	○	○	⊗	○	○	○
Disclosure to the client of conflicts of interests and actions taken to address them	○	○	⊗	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

The benchmark voting guidelines issued to the public by proxy advisors contain subjective elements in certain areas that allow for proxy advisors' discretion with respect to their specific voting recommendations. This subjectivity may make it challenging for issuers to anticipate voting recommendations.

21. Are you aware of any problems related to proxy advisors?

☒ Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently

☐ It is unclear which actors fall under the provisions on proxy advisors

☐ Proxy advisors' disclosure on dialogue with companies is not satisfactory

☐ Handling of company complaints is not satisfactory

☐ Proxy advisors' approaches to research, advice and voting recommendations are not disclosed transparently

☐ Proxy advisors' adherence to a code of conduct is not transparent

☐ Accountability and transparency of proxy advisors are limited

☐ Enforcement of the regulatory framework between EU and third-country proxy advisors is uneven

☒ Other

☐ Don't know/no opinion

22. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Clarifying the definition of proxy advisor under the SRD	○	○	○	○	⊗	○
EU-wide code of conduct for proxy advisors	○	○	○	○	⊗	○
Specifying key features an industry code of conduct should have	○	○	○	○	⊗	○
Additional transparency and disclosure requirements for proxy advisors	○	○	⊗	○	○	○
Reducing disclosure requirements for proxy advisors	○	○	○	○	⊗	○
EU-wide basic registration of proxy advisors with activity in the EU	○	○	○	⊗	○	○

EU-centralised supervision of proxy advisors	○	○	○	○	⊗	○
National competent authority oversight of proxy advisors	○	○	○	○	⊗	○
Other	X○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Explanation on Q21/Problems related to proxy advisors:
"Revenue sources and potential conflicts of interest of proxy advisors are not disclosed transparently": Where issuers and investors are advised by proxy advisors, disclosure of conflicts of interest could be improved.
"Other": As a practical matter, there are only 2 proxy advisors of relevance, at least for German companies. These proxy advisors do not only issue company-specific voting recommendations, but also general voting guidelines/recommendations. Since many smaller asset managers and institutional investors do not have or want to spend the resources necessary to conduct research on how to vote their shares, they follow the recommendations of proxy advisors. At least to date, based on their oligopolistic position, proxy advisors have significant influence, not only on institutional investors and asset managers, but also on companies who may perceive proxy advisor recommendations as de facto corporate governance requirements that often go beyond the applicable legal requirements and best practices set forth in corporate governance codes. It is questionable whether proxy advisors should have the market power to establish de facto corporate governance requirements.

Explanation on Q22:
"Other"/"To a large extent":
The European Commission may wish to consider recent developments regarding the reliance of asset managers and institutional investors on proxy advisor recommendations, as well as changes in the proxy advisors' business model, in part resulting from the increased use of AI tools by asset managers and institutional investors in the voting process, in part by new regulation of proxy advisors in the U.S. These developments may warrant a fresh assessment of shareholder engagement and the role of proxy advisors in this context. Among other things, certain asset managers and institutional investors have been reported to no longer rely on proxy advisor recommendations, but use AI tools to develop their own voting policies for their portfolio companies. Similarly, proxy advisors have been reported to no longer produce universal benchmark voting guidelines or recommendations, but rather focus on issuer- or sector-specific recommendations. These developments may have an impact on the foundations of shareholder engagement and the substance of meaningful regulation in SRD III.

5. General Meetings of Shareholders

General considerations

One of the general objectives of the SRD is to improve corporate governance by strengthening shareholder rights, among other means, by increasing meaningful participation in general meetings. Over recent years, especially during the COVID-19 pandemic, the practice of general meetings has evolved significantly. These developments lead to new potentials for shareholder engagement but also raise risks regarding the effective exercise of shareholder rights.

23. What is the best format for the exercise of shareholder rights?

- ○ In-person general meeting
- ⊗ Virtual only general meeting
- ○ Hybrid general meeting
- ○ Exercise of rights prior to (outside) general meetings
- ○ Other
- ○ Don't know/no opinion

24. Not all Member States offer companies and their shareholders the possibility to freely choose the format of general meetings (in-person, virtual, or hybrid) and the timing for exercising shareholder rights (at or prior to general meetings). To what extent would aligning rules across the EU to allow companies to opt for the following formats lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
In-person only general meetings	○	○	○	⊗	○	○
Virtual-only general meetings	⊗	○	○	○	○	○

Hybrid general meetings (i.e., where each shareholder is able to choose between in-person and virtual attendance)	○	○	⊗	○	○	○
Requiring shareholders to exercise certain rights prior to the general meeting	○	⊗	○	○	○	○
Adopting shareholder resolutions outside general meetings	⊗	○	○	○	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

For large, internationally active, listed companies with geographically dispersed shareholder bases, virtual-only general meetings ensure equal and timely access for cross-border institutional investors while substantially reducing logistical complexity. The pre-meeting exercise of rights further streamlines proceedings. Hybrid formats impose disproportionate technical costs without commensurate governance benefits. Companies must retain full discretion over the choice of format without regulatory prescription.

25. To what extent is there a need for common EU rules on the format of general meetings?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Each shareholder must be able to choose between in-person and virtual attendance (hybrid general meetings)	○	○	○	⊗	○	○
Each shareholder must be able to exercise their rights during the general meeting	○	○	⊗	○	○	○
Each shareholder must have the possibility to also exercise their rights prior to the general meeting	○	⊗	○	○	○	○
There should be minimum standards to safeguard shareholder rights and legal	○	○	⊗	○	○	○

If you would like to, please explain your answer:

500 character(s) maxi

Large internationally active listed companies already invest significantly in ensuring technically robust and legally compliant virtual proceedings. EU minimum standards are acceptable where narrowly focused on legal certainty for cross-border voting. However, mandatory hybrid formats should rather be rejected: The infrastructure and security requirements at large-scale general meetings make forced hybrid attendance rather disproportionate and unnecessarily burdensome for issuers.

The rights of shareholders

The SRD includes a number of basic shareholder rights, which might be in need of an update.

26. To what extent were the following shareholder rights strengthened by the SRD?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/ no opinion
Right to receive information prior to the general meeting	⊗	○	○	○	○	○
Right to put items on the agenda	○	○	○	⊗	○	○
Right to table draft resolutions	○	○	○	⊗	○	○

Right to vote in the general meetings	○	⊗	○	○	○	○
Right to vote by correspondence	⊗	○	○	○	○	○
Right to ask questions	○	○	○	⊗	○	○
Right to appoint a chosen proxy holder	○	⊗	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Information rights and voting by correspondence are well-developed and function effectively for large companies with international shareholder bases. Agenda and resolution rights have appropriately retained national flexibility, protecting large issuers against disruptive use of these instruments by small activist minorities. The right to ask questions requires no further strengthening: At large-scale general meetings, an unqualified expansion would rather impair orderly and efficient proceedings.

27. Are you aware of any problems related to the exercise of shareholder rights, among the following?

- ☐ Not all relevant shareholder rights are provided for in the SRD, hindering cross-border investments
- ☒ Many aspects of existing shareholder rights are left to the Member States, hindering cross-border investment
- ☐ Existing shareholder rights are not sufficient to ensure sound corporate governance
- ☒ Delays and inefficiencies regarding the vote casting and counting infrastructures
- ☐ Persisting practices lead to share blocking effects (operational constraints to transfer shares within a certain period before a general meeting)
- ☐ Persisting practices impede split voting
- ☐ Other
- ☐ Don't know/no opinion

28. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Enabling shareholders to speak at the general meeting or to submit opinions prior to it	○	○	○	⊗	○	○
Enabling shareholders to challenge resolutions under certain common conditions	○	○	○	○	⊗	○
EU-wide conditions for attendance of shareholders and proxy holders	○	⊗	○	○	○	○
Standardised protocols for vote casting and counting	⊗	○	○	○	○	○
EU-wide threshold of share ownership for the right to put items on the agenda and to table draft resolutions	○	○	○	⊗	○	○
Lowering the current 5 % optional threshold of share ownership for the right to put items on the agenda and to table draft resolutions	○	○	○	○	⊗	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Standardized vote casting and counting protocols should rather be supported: Cross-border voting chains remain operationally fragile and create material legal uncertainty for internationally active issuers. EU-wide attendance conditions would reduce compliance costs for companies with large cross-border shareholder bases. An EU-wide resolution challenge right is rather opposed, as is any lowering of the 5% agenda threshold, which protects issuers against opportunistic minority activism.

Link between directors' pay and companies' performance (Articles 9a and 9b)

One of the goals of SRD was to foster the long-term performance of the company. Thus, it aimed to improve the incentives for directors to act in the interest of the company by linking directors' pay to the long-term performance of the company.

29. To what extent is the objective of the Shareholder Rights framework of increasing the link between directors' pay and long-term performance of the company in order to improve the long-term performance of the company still relevant today?

- ○ To a very large extent
- ⊗ To a large extent
- ○ To a moderate extent
- ○ To a small extent
- ○ Not at all
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

The alignment of executive pay with long-term performance remains relevant. However, large, internationally active listed companies already operate under substantial governance frameworks, including extensive supervisory or non-executive board oversight and established institutional investor dialogue on remuneration. Further EU-level prescription risks duplicating existing mechanisms and undermining the flexibility required to design competitive remuneration structures in global talent markets.

30. To what extent have the following measures contributed to the alignment between directors' pay and long-term performance of the company, by diminishing incentives for directors to focus on short-term returns?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Companies must publish a remuneration policy based on which remuneration to directors is paid	○	⊗	○	○	○	○
Companies must publish a report on directors' remuneration for the most recent financial year	○	⊗	○	○	○	○
Shareholder vote on the remuneration policy and reports	○	○	⊗	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Publication requirements have meaningfully improved transparency and comparability. The shareholder vote on remuneration contributes only moderately: Robust independent board oversight at large listed companies already provides a meaningful governance layer, reducing the marginal value of shareholder votes. Binding votes risk politicizing remuneration decisions where large international index funds vote systematically on policy grounds rather than company-specific performance assessment.

31. Are you aware of any problems related to the existing rules on the long-term

performance of the company and the link between directors' pay and companies' performance?

- ☒ Current rules are too burdensome
- ☐ Member States can make the vote of shareholders on the remuneration policy only advisory
- ☐ Shareholders' vote on the remuneration report is only advisory
- ☐ Member States can replace the shareholders' vote on the remuneration report by a discussion requirement
- ☒ Executive remuneration is not comparable across companies
- ☐ The Directive is insufficiently applied/enforced
- ☐ Other
- ☐ Don't know/no opinion

32. To what extent would the following measures lead to an improvement?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/ no opinion
Binding vote of shareholders on director remuneration	○	○	○	○	⊗	○
Simplified rules on remuneration policy	⊗	○	○	○	○	○
Simplified rules on remuneration reports	⊗	○	○	○	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

Simplification of remuneration policy and report requirements should rather be supported and aligns with the EU's competitiveness agenda. Large internationally active companies already produce extensive remuneration disclosures under multiple overlapping frameworks. A binding shareholder vote is rather opposed: Independent board oversight already provides robust governance, rendering mandatory binding votes both redundant and disproportionate.

Related party transactions (Article 9c)

The SRD aims at protecting the interests of the company and shareholders in case of transactions with related parties that risk leading to an appropriation of value of the company by controlling shareholders or members of the management body. The SRD aims at minimising their possible negative impact by requiring the public announcement of the related party transaction and the approval by the general meeting or by the supervisory or administrative body.

33. To what extent is the objective of the Shareholder Rights framework, to minimise the possible negative impact of related party transactions in order to improve the long-term performance of the company, still relevant today?

- ○ To a very large extent
- ○ To a large extent
- ○ To a moderate extent
- ○ To a small extent
- ⊗ Not at all
- ○ Don't know/no opinion

If you would like to, please explain your answer:

500 character(s) maximum

Further regulations beyond the already existing ones are not necessary at this stage.

34. To what extent have the following measures contributed to minimising the possible negative impact of related party transactions?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Public announcement of related party transactions (transparency)	○	⊗	○	○	○	○
Approval of related party transaction by the general meeting (shareholder involvement) or by the administrative or supervisory body	○	⊗	○	○	○	○
Extension of transparency requirements to transactions between related parties of the company and its subsidiaries	○	⊗	○	○	○	○
Report as to whether the related party transaction is fair and reasonable (optional for Member States)	○	○	○	○	⊗	○

If you would like to, please explain your answer:

500 character(s) maximum

35. Are you aware of any problems with the provisions on related party transactions?

- ☐ It is unclear which transactions qualify as material related party transactions
- ☐ Too many options for Member States, lead to fragmentation
- ☒ Extensive rules on which transactions qualify as material related party transactions lead to complexity and legal uncertainty
- ☐ Other
- ☐ Don't know/no opinion

36. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know /no opinion
Specifying which transactions qualify as material related party transactions (including quantitative ratios)	○	○	○	⊗	○	○
Providing fewer options for Member States and introducing more rules on related party transactions	○	○	○	⊗	○	○
Other	○	○	○	⊗	○	○

If you would like to, please explain your answer:

500 character(s) maximum

6. Enforcement

Member States have to provide for measures and penalties which are effective, proportionate and dissuasive. This is to ensure that the shareholder rights provided for in the SRD are effectively enforced.

37. Are you aware of any problems regarding enforcement?

- ☐ Insufficient supervision by Member States' competent authorities
- ☐ Unclear which Member State is competent for the enforcement of the Directive
- ☐ Legal uncertainty, especially on scope of the SRD and the definition of central concepts

☐ Other

☐ Don't know/no opinion

38. To what extent would the following measures lead to improvements?

	To a very large extent	To a large extent	To a moderate extent	To a small extent	Not at all	Don't know/ no opinion
Transferring certain SRD provisions into a regulation	○	○	○	○	○	○
Codes of conduct developed by the private sector	○	○	○	○	○	○
Peer review mechanisms	○	○	○	○	○	○
EU guidelines	○	○	○	○	○	○
Supervision by an EU authority, e.g., ESMA	○	○	○	○	○	○
Other	○	○	○	○	○	○

If you would like to, please explain your answer:

500 character(s) maximum

7. Additional information

39. Do you have any final comments or suggestions, e.g., on any aspects not sufficiently covered by the SRD framework?

1500 character(s) maximum

40. Feel free to attach any relevant documents to support or complement your replies.

Please upload your file(s)

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

41. Do you give your consent to be contacted by the Commission for a possible follow-up?

- **Yes**
- No

Contact

JUST-A3@ec.europa.eu