

Shareholder Identification

Susannah Haan, Secretary General

About EuropeanIssuers

- **Purpose:**
 - To represent to EU policymakers the common interests of companies listed in Europe, regardless of business sector.
- **Common interests:**
 - Well functioning markets which serve the interests of companies as users, combined with proportionate regulation supporting sound corporate governance, effective communication and responsible share ownership.
- **Membership:**
 - Both national associations (16 incl. Emisores Españoles) & individual companies (48) across 14 countries: Austria, Belgium, Bulgaria, Cyprus, Finland, France, Germany, Greece, Italy, Netherlands, Poland, Spain, Switzerland, UK

Why issuers need EU representation

- Numerous stakeholders (EU Commission, Council and national authorities, EU Parliament, other trade associations, etc) - EU regulators more receptive to views of supra-national groups
- 80 % of regulation on issuing, listing and trading is initiated in Brussels – this may not only impact companies directly, but also services available to companies
- Sheer volume - c. 30 position papers issued in 2009– need common position papers and shared information via website www.europeanissuers.eu

Together we are stronger

Member website

The screenshot shows the EuropeanIssuers member website. At the top left is the 'EuropeanIssuers' logo. To its right is a search bar with a 'Search' label and a play button icon. Below the logo is a navigation menu with links: Home / About us / Corporate bodies / Briefings / Calendar / Topical library / Positions / Shared working space.

The main content area features a large banner with the heading 'Welcome Joelle Daem to the members' area'. The banner text reads: 'A large part of our website is exclusively dedicated to our members. After logging in you will find information that we only share with our members: specific news facts, information on past and upcoming events and meetings, conference material, the daily activities going on in our organisation... and maybe best of all, you will have access to topical documentation in the topical library. If you wish to modify your account details, please click on the link in the "Members' area" box.' The banner background shows a person standing on a globe.

Below the banner are three columns of content:

- Members' area:** Welcome Joelle Daem. [Modify your account](#). [Logout](#). If you are not Joelle Daem, click [here](#).
- Latest news:**
 - M** 15 Sept. 2010 - Commission publishes Proposals on Short Selling and Derivatives. [read more](#)
 - M** 1 Sept. 2010 Commission's Decision on Auditor Oversight Authorities. [read more](#)
- Latest positions:**
 - Disclosure of Financial Information EuropeanIssuers' Response of 30 Sept. 2010 to CESR's ... [read more](#)
 - Green paper on Corporate Governance
 - EuropeanIssuers' Comments dated 1 Sep. 2010 on the Green ... [read more](#)
 - Transparency Directive Review EuropeanIssuers' Comments dated 30 Aug. 2010 to the Commission's ... [read more](#)

At the bottom left, there is a 'Calendar' section showing '25 Oct. 2010' and a red plus sign icon. The browser's taskbar at the bottom shows 'Internet' and a zoom level of '150%'.

Topical library

1. [Accounting, auditing and financial reporting](#)
2. [CESR](#)
3. [Clearing and Settlement](#)
4. [Company law - European Private Company](#)
5. [Company Law - Simplification](#)
6. [Company Law - II Directive](#)
7. [Company Law - III & VI Directives](#)
8. [Company Law - IV & VII Directives](#)
9. [Company Law - VIII Directive](#)
10. [Company Law - X Directive](#)
11. [Corporate Governance](#)
12. [Credit Rating Agencies](#)
13. [Deregistration](#)
14. [European Institutions](#)
15. [Financial Supervision](#)
16. [FSAP](#)
17. [Harmonisation of Securities Law](#)
18. [Indices](#)
19. [International](#)
20. [Investment funds](#)
21. [Market Abuse](#)
22. [MiFID](#)
23. [Mutual Recognition](#)
24. [Prospectus](#)
25. [Sarbanes Oxley](#)
26. [Shareholder rights](#)
27. [Short Selling](#)
28. [Stock Exchanges](#)
29. [Transparency](#)
30. [US SEC - Foreign Private Issuers](#)



Shared working space

The screenshot shows a web browser window displaying the 'Shared working space' page for 'Proxy Advisory Firms' on the EuropeanIssuers website. The page has a dark red header with the 'EuropeanIssuers' logo and a search bar. A breadcrumb trail reads: Home / About us / Corporate bodies / Briefings / Calendar / Topical library / Positions / Shared working space. The main content area is titled 'Shared working space: Proxy Advisory Firms' and includes a paragraph explaining that CESR has set up an internal working group to discuss corporate governance issues, specifically proxy advisory firms. It mentions that AFEP has prepared a first draft paper and asks users to upload comments. Below this text is a table with two columns: 'DATE' and 'DRAFT POSITION'. The table contains one entry: 'EuropeanIssuers DRAFT' with a date of '11/10/2010' and a link to 'Draft position'. Below the table is another table with three columns: 'CONTRIBUTOR', 'DATE', and 'DRAFT POSITION/COMMENT'. Underneath, there is a 'Contribute' section with instructions to upload a revised draft in MS Word 2003 or previous versions (.doc) or a final position in PDF format. A 'Browse...' button is provided for file selection. Below this, there is a text area for limited comments or a summary of the final position. At the bottom of the 'Contribute' section, there is a checkbox labeled 'Convert to position' and a 'Contribute' button. The browser's status bar at the bottom shows 'Done' on the left and 'Internet | Protected Mode: Off' on the right, along with a zoom level of 125%.

EuropeanIssuers

Search

Home / About us / Corporate bodies / Briefings / Calendar / Topical library / Positions / Shared working space

Shared working space: Proxy Advisory Firms

For positions, documentation or related links, please go to topical library: [Corporate Governance](#)

CESR has set up an internal working group to discuss corporate governance issues, namely proxy advisory firms. In order to start the discussion within EuropeanIssuers in view of having a position in the near future, AFEP has prepared a first draft paper. Please upload comments. There is no deadline.

DATE	DRAFT POSITION
EuropeanIssuers DRAFT	11/10/2010 Draft position

CONTRIBUTOR	DATE	DRAFT POSITION/COMMENT
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Contribute
Please upload your revised draft (in MS Word 2003 or previous versions ".doc" - NOT ".docx" format)/final position (in PDF format) here

Or for limited comments/summary of the final position, please fill in here::

Convert to position

Done

Internet | Protected Mode: Off

125%

Priorities

- Corporate governance
- Shareholder Identification
- SMILEs – more proportionate regulation taking into account the needs of smaller and medium-sized companies in Europe

Shareholder identification

In responses to a recent
EuropeanIssuers' survey,

36%

of issuers did not know or were uncertain as to
how many shareholders hold their shares
before the Annual General Meeting.

Why is this a problem?

- Effective corporate governance needs dialogue – companies need their shareholders
- So what can we do about it? What should companies be asking for?

Legislation

Example - Part 22 UK Companies Act 2006

- The company has the ability to either approach the intermediaries, or, particularly if most of the investment chain is known, to target the end owner direct;
- The company has the right to ask for the information at any time, not just before the general meeting or for corporate actions;
- The shareholder has no right to privacy;
- The company has enforcement powers since the Act allows it to apply to court for restrictions on the shares if there is no response
- It is a criminal offence to file false information.

UK Stewardship Code

Institutional investors should:

- publicly disclose their policy on how they will discharge their stewardship responsibilities.
- have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.
- monitor their investee companies.
- establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.
- be willing to act collectively with other investors where appropriate.
- have a clear policy on voting and disclosure of voting activity.
- report periodically on their stewardship and voting activities.

Conclusions

- Effective corporate governance requires dialogue
- In order for there to be dialogue, companies need to be able to identify their shareholders
- Shareholders need to explain their investment approach
- Stewardship Codes for Europe?
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See also www.frc.org.uk/stewardshipcode