



PRESS RELEASE

1. TEXT PRESS RELEASE

European Market Standards for General Shareholder Meetings Announced

Brussels, 8 December 2008

Harmonised communication standards for general shareholder meetings are proposed today by a European Commission-sponsored working group. This initiative of the Joint Working Group on General Meetings (JWGGM) aims at increasing the levels of non-domestic shareholder participation in general meetings across Europe. Feedback on the proposed standards from the issuer, market infrastructure, banking and investor communities is expected by Mid-February 2009. The involved associations are publishing the consultation document on their respective websites.

The JWGGM operates within CESAME (Clearing & Settlement Advisory and Monitoring Expert Group) that is working on the dismantling of barriers to efficient securities post-trading services. Mario Nava, head of the Financial Markets Infrastructure Unit at the European Commission and chair of CESAME says: *"Corporate actions and general meetings are an important part of post-trade processing but they are saddled with divergent national rules and industry practices. Hence the need for common industry standards to achieve a true single European securities market. I welcome the draft standards of the JWGGM. The Commission has consistently supported the coordinated set-up of standards for corporate actions. The public consultation should ensure transparency, detailed feedback as well as broad support."*

While foreign ownership of shares continues to grow, exercising the corporate rights that come with the shares, in particular the right to vote at the shareholders meeting, is too often hampered by technical, practical and legal obstacles. A major obstacle is the lack of timely and clear information and of streamlined communication processes to pass on the information across national borders. The standards drawn up by the JWGGM are to eliminate national differences and remove operational barriers to the free flow of key information between the issuer and the shareholder. The three areas covered by the standards include the notice of the issuing company to convene a shareholder meeting, followed by a process to determine who is legally entitled to participate in the general meeting and vote and finally, an easy mechanism for a shareholder to notify his/her intent to attend the meeting and to cast his votes.

The proposed market standards are set against the background of the Shareholder Rights Directive issued by the European legislator on 11 July 2007. The three processes covered by the present standards are in line with the core subject of the Directive. Where the Directive provides for the main rights and obligations of the concerned parties in relation to general meetings, the present standards provide for best practices to make these rights and obligations effective.

Dorien Fransens, chair of the JWGGM and secretary general of EuropeanIssuers says: *“The presently proposed standards are the fruit of 3 years hard work by a group of dedicated people representing all key parties involved in the organisation of general meetings. Thanks to their commitment we can now propose to the European market a harmonised system for passing information from the issuer to the shareholder and for bringing information from the shareholder back up to the issuer in a timely and cost efficient manner. Both domestic and foreign shareholders will thus be enabled to effectively participate and vote in general meetings, whatever the shareholder’s background and wherever in Europe such meetings would be held.”*

Dorien FRANSENS
On behalf of the JWGGM

2. NOTES FOR EDITORS

1. About the JWGGM

The JWGGM is composed of delegates from the main European associations representing companies issuing shares (EuropeanIssuers, previously EALIC), central securities depositories (ECSDA, the European Central Securities Depositories Association), intermediaries (EBF - the European Banking Federation, ESBG - the European Savings Bank Group, EACB - the European Association of Co-operative Banks and ESSF, previously ESF - the European Securities Services Forum) and stock exchanges (FESE - the Federation of European Securities Exchanges).

2. Associations involved

EACB: The European Association of Co-operative Banks is the voice of co-operative banks in Europe. It represents, promotes and defends the common interests of its 28 members and co-operative banks in general. With 60,000 outlets and 4,500 banks, co-operative banks – which are privately owned entities – are widely represented throughout the enlarged European Union and play a major role in the financial and economic system. In Europe, one out of two banks is a co-operative. Co-operative banks have a long tradition in serving 140 million customers, mainly consumers, retailers and SMEs. Quantitatively, co-operative banks in Europe represent 47 million members, 730,000 employees with a total average market share of about 20%. See the website www.eurocoopbanks.coop.

EBF: Set up in 1960, the European Banking Federation is the voice of the European banking sector, with over € 30,000 billion assets (3.00% of EU’s GDP) and 2.4 million employees (1.5% of EU’s employed work force) in 31 EU and EFTA countries. The EBF represents the interests of some 5,000 European banks: large and small, wholesale and retail, local and cross-border financial institutions, and works toward positioning the European banking industry within the European and global regulatory frameworks. See the website www.ebf-fbe.eu.

ECSDA: The European Central Securities Depositories Association was established in November 1997, at the initiative of 13 Central Securities Depositories (CSDs), in order to provide a forum for CSDs to exchange views and take forward projects of mutual interest. As of the 31 December 2007, ECSDA has 41 members (this resulting from the merger in January

2006 of the “old “ECSDA with the Central and Eastern European Central Securities Depositories Association to form a new and enlarged ECSDA). ECSDA is an international non-profit Association, established under the Belgian law. ECSDA's activities are governed by the ECSDA Articles of Association and the ECSDA By-Laws. See the website www.ecsda.com.

ESBG: The European Savings Banks Group is an international banking association that represents one of the largest European retail banking networks, comprising about one third of the retail banking market in Europe, with total assets of € 5,215 billion (1 January 2006). It represents the interest of its members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects. ESBG members are typically savings and *retail* banks or associations thereof. They are often organised in decentralised networks and offer their services throughout their *region*. ESBG member banks have reinvested *responsibly* in their region for many decades and are one distinct benchmark for corporate social responsibility activities throughout Europe and the world. See the website www.esbg.eu.

ESSF: The European Securities Services Forum represents the interests of wholesale users of post-trade securities services acting as an agent of change providing solutions in the clearing, settlement and custody space to reduce costs and risks of market participants. It represents the views and positions of its members towards public sector authorities and central banks both at European and at national levels. The ESSF is an affiliate of the Securities Industry and Financial Markets Association (SIFMA, www.SIFMA.org) which brings together the shared interests of more than 650 securities firms, banks and asset managers. SIFMA represents its members locally and globally. See the website <http://essf.sifma.org>.

EuropeanIssuers is a pan European organisation that promotes the interests of issuing companies. Its members are national associations and companies from 15 European countries counting together some 9,200 listed companies with a combined market value of some € 8,500 billion. As such it represents the vast majority of publicly quoted companies in Europe. The members of EuropeanIssuers come from various sectors including automotive, nutrition, energy, health care, construction, financial services and many more. What brings them together in EuropeanIssuers is that they are all owned by the public, making them subject to an impressive set of complex and stringent rules and regulations. Through EuropeanIssuers listed companies can engage in direct discussions with the decision makers at European, trans-Atlantic and global level. Typical areas of interest include shareholder rights, corporate governance, transparency, clearing and settlement as well as financial reporting and auditing. Our ultimate goal is to achieve fully integrated, liquid and well functioning European financial markets. See the website www.europeanissuers.eu.

FESE: The Federation of European Securities Exchanges (FESE) represents 42 Securities Exchanges (in equities, bonds, and derivatives) through 23 Full Members from all EU Member States and Iceland, Norway and Switzerland as well as 7 Corresponding Members from European emerging markets. Through its members’ activities on a global scale, FESE enjoys links with the regulatory community and industry from around the world and works closely with the European Association of Central Counterparty Clearing Houses (EACH) and European Central Securities Depositories Association (ECSDA) in particular in the context of the Code of Conduct on Clearing and Settlement. FESE is one of the founding members of the European Capital Markets Institute (ECMI) and is a member of the European Corporate Governance Institute (ECGI). The main counterparts of FESE at the European level are the European Commission, European Parliament, EcoFin Council, the European Securities Committee, and the Committee of European Securities Regulators. At the international level,

FESE engages in a dialogue especially with the CFTC, the SEC, and IOSCO. See the website www.fese.eu.

3. CESAME

The European Commission's Clearing & Settlement Advisory and Monitoring Expert Group, whose mandate is to achieve the goal of a barrier-free Single European Market for clearing and settlement of securities transactions. The CESAME Group is composed of 30 high-level representatives of various, mainly private-sector, bodies involved in post trading, along with observers from public authorities. For more information, see the [website of the European Commission](#).

4. Giovannini Barriers

A group of experts commissioned by the European Commission and chaired by Alberto Giovannini, Principal Policy Advisor to the CESAME Group, identified 15 barriers to efficient cross-border clearing and settlement in Europe. These barriers were presented in the Giovannini Reports of November 2001 "Cross-Border Clearing and Settlement Arrangements in the European Union" and April 2003, "Second Report on EU Clearing and Settlement Arrangements". These barriers are technical, legal and fiscal in nature. Barrier 3 relates to Corporate Actions and is considered to be a technical or industry-related barrier.

5. Corporate Actions

Corporate actions can be described as actions undertaken by a company (usually initiated by the board and approved by the general meeting of shareholders) with regard to the securities issued by the company. Largely speaking, corporate actions can be divided into two categories: 1) general shareholder meetings and 2) corporate actions in the strict sense namely distributions and reorganisations. The latter category is also the subject of market standards namely on corporate actions, developed by a parallel industry working group. The market standards on corporate actions can be consulted on the involved associations' websites (see SIFMA's website, [EBF's website](#) or [EuropeanIssuers' website](#)). The deadline for comments is 19 December 2008.

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