

30 September 2019

Shareholders Rights Directive II

Questionnaire for Austria

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Austria Representative's law firm: Binder Grösswang
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 15.02.2019/03.04.2019 The date, on which our Member State passed the legislative bill: 23.07.2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): Please insert date The Implementation of the SRD enters into force on 10 June 2019 (this date was introduced prior to delays to the legislative process, resulting in the bill passing on the 23.07.2019. The remuneration policy according to the new rules shall be first presented to the AGM beginning in the first financial year starting after 10 June 2019 (ie in case the calendar year is the financial year in 2020), and the remuneration report shall be prepared for the AGM the following year (ie 2021). Rules with respect to Identification of Shareholders enter into force on 03 September 2020.

1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>In summary, given that the Austrian implementation avoids “gold-plating” and only adopts the minimum content of the directive, controversies and debates have been limited.</p> <p>1. Say on Pay: The directive does not impose any new rules with respect to remuneration; however, the requirement to discuss the remuneration policy, to vote in the general assembly – even only with advisory effect -as well as to publish the remuneration report caused discussions in the companies.</p> <p>2. Related Party Transactions: The uncertainty whether the determination of a transaction will be concluded in the ordinary course of business and on normal market terms and thus the approval and disclosure requirements do not apply will be exhausting and costly.</p> <p>3. . Shareholder Identification: There is currently no limitation for shareholders holding small percentages of shares, while these shareholders might have no interest in</p>

		disclosing personal information.
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the board of directors (<i>Vorstand, Vorstandsmitglieder</i>), and members of the supervisory board (<i>Aufsichtsrat, Aufsichtsratsmitglieder</i>)</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input type="checkbox"/> Binding</p> <p><input checked="" type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p>

	conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input type="checkbox"/> Company level only <input checked="" type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, what are the cap levels? There is no hard cap. Fees must be non-discriminatory and appropriate with respect to the service provided. Additional fees for transnational services must be justified by factually higher cost of service performance.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

		If yes, what percentage? 0.5 %
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: a transaction is material if its value exceeds 5% of total assets [<i>Bilanzsumme</i>] of the company (or in case of a group of companies the corresponding total assets in the group consolidated accounts) as laid out in the annual report of the company for the preceding financial year. For calculation of the threshold, multiple transactions during a financial year must be aggregated--</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>See above answer to 5.1.</p>

		Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): see above answer to 5.1 whereby the threshold for publication is 10% of the total assets.
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	Which body has your Member State chosen to be the relevant body to approve material transactions? <input type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: Supervisory Board (<i>Aufsichtsrat</i>) Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?

		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>According to the preparatory documentation of the amendment to the Austrian Stock Corporation Act (<i>Aktiengesetz</i>), an assessment of whether a transaction is within “the ordinary course of business” shall be made in accordance with a similar term currently used in an existing rule in Section 95 of the Austrian Stock Corporation Act with respect to the existing requirement to obtain approval of the supervisory board for certain transactions. In addition, exemption requires the transaction to be conducted “at arm’s length”.</p>			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p>	Article	Member state has excluded²	Companies are allowed to exclude	Neither

² Companies may provide in its Articles of Association that all transaction listed in article 9c(6)(a)-(e) of the Directive are material transaction and thus the consent/publication requirement apply if the relevant thresholds are exceeded.

	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Belgium

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Belgium Representative's law firm: Stibbe
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: Pending The date, on which our Member State passed the legislative bill: Pending The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 10 days following its publication in the official gazette save for the Commission implementation measures which will enter into force on 3 September 2020
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. The need to disclose the individual remuneration of managers</p> <p>2. Maintenance of absence of need for shareholder vote on related party transactions</p> <p>3. Click here to type text.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? The remuneration policy should (and even prior to the implementation of the Directive already had to) cover directors in general as well as persons in charge of day-to-day management and other persons in charge of managing the company (latter term being defined as “members of any committee in which general management of the company is discussed”).</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p>

		Members of the Board of Directors (<i>raad van bestuur / conseil d'administration</i>), members of the Supervisory Board (<i>raad van toezicht / conseil de surveillance</i>) and Management Board (<i>directieraad / conseil de direction</i>) under a two-tier governance model, members of any other committee where the general management of the company is discussed and persons in charge of day-to-day management (<i>dagelijks bestuur / gestion journalière</i>).
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input checked="" type="checkbox"/> Binding <input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input type="checkbox"/> Company level only <input checked="" type="checkbox"/> Company and group level

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input type="checkbox"/> No – the company must disclose the required data</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? Click here to type text.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input checked="" type="checkbox"/> Both</p> <p>Please set out the thresholds: either (i) usual transactions at terms and with security in accordance with market practice; (ii) less than 1 % of net assets; (iii) remuneration of managers and (iv) measures relating to stability of credit institutions</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p>

	9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<input checked="" type="checkbox"/> No If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): Click here to type text. Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Click here to type text.
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: In a one-tier governance system: <i>Raad van Bestuur</i> / <i>Conseil d'administration</i> (Board of Directors); in a two-tier governance system: <i>Raad van Toezicht</i> / <i>Conseil de surveillance</i> (Supervisory Board) and <i>Directieraad</i> / <i>Conseil de direction</i> (Management Board)</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Law will impose obligation to prepare a policy at company level setting forth how/when it can be used</p>

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Croatia

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Croatia Representative's law firm: Schoenherr
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 8 March 2019 The date, on which our Member State passed the legislative bill: 11 April 2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 20 April 2019, except for provisions regarding the: <ul style="list-style-type: none"> • remuneration policy for the <u>Supervisory Board members</u> – 1 May 2020; • remuneration reports – 1 May 2020; • identification of shareholders - 1 January 2021; • transmission of information and facilitation of exercise of shareholders' rights – 1 January 2021.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization

		<input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: N/A
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>During the public consultations on the implementation of the Directive there were several remarks on the general nomotechnical deficiencies of the proposed amendments implementing the Directive into the existing law (Companies' Act), as such amendments initially represented only a <i>copy -paste</i> of the relevant articles of the Directive, without any consideration of the provisions of the Companies' Act already in place.</p> <p>Similarly, where the Directive allows Member States to select between certain solutions (alternative provisions), such solutions were selected superficially without considering what may actually be enforced, i.e. clear mechanisms on how certain rights or obligations will actually be realized were not provided.</p> <p>Consequently, the provisions implementing the Directive were completely revised and there were no other special discussions regarding the implementation of the Directive, especially since the provisions implementing the Directive represented only a part of the amendments of the Companies' Act.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? N/A</p>

		<p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Management Board (<i>uprava</i>), i.e. members of the Management Board (<i>članovi uprave</i>); [in two-tier board companies]</p> <p>Supervisory Board (<i>nadzorni odbor</i>), i.e. members of the Supervisory Board (<i>članovi nadzornog odbora</i>). [in two-tier board system]</p> <p>Board of Directors (<i>upravni odbor</i>), i.e. members of the Board of Directors (<i>članovi upravnog odbora</i>) [in one-tier board companies];</p> <p>Executive directors (<i>izvršni direktori</i>) [in one-tier board companies];</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p>

	company other than directors over at least the five most recent financial years.	<input checked="" type="checkbox"/> Company level only [however, since the law provides that remuneration report shall also include <i>an explanation on how employees' remuneration was taken into account when calculating the average remuneration and <u>which circle of employees was included in such calculation</u></i> , one could argue that a holding company is authorised to decide to include also the group level employees] <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p> <input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data </p> <p>[however, the national legislation provides that the <i>average remuneration</i> (from article of national law implementing article 9(b) of the Directive) shall, up to the fifth business year from the business year preceding a general meeting held after 1 May 2020, be calculated on the basis of average remuneration for the period from the business year preceding such general meeting.]</p>
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? N/A</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? N/A</p>
5	Material transaction between the company and related parties	

5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: Material transaction is a transaction (either as an individual transaction or jointly with other transactions undertaken within the last 12 months) with a value exceeding 2.5 % of the sum of company's long-term and short-term assets or, in case of a holding company, the sum of long-term and short-term assets of the group of companies, as determined by the last annual (consolidated) financial statements.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>N/A</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>N/A</p>

5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? N/A</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. [In case the Supervisory Board denies its approval, the Management Board may refer the decision to the general meeting of shareholders.] Please give the local language name of the corporate body and its equivalent in English: Supervisory Board (Cro. <i>nadzorni odbor</i>).</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes [However, the exemption may be excluded by company's Charter (Statute)] <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Apart from expected (minor) deviations in practice in defining market terms and/or ordinary course of business for a specific transaction, there have been no other issues.</p>																			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	<table border="1"> <thead> <tr> <th data-bbox="1184 844 1632 978">Article</th><th data-bbox="1632 844 1787 978">Member state has excluded</th><th data-bbox="1787 844 1946 978">Companies are allowed to exclude</th><th data-bbox="1946 844 2085 978">Neither</th></tr> </thead> <tbody> <tr> <td data-bbox="1184 978 1632 1054">Article 9c(6)(a), transactions entered into between the company and its subsidiaries</td><td data-bbox="1632 978 1787 1054"><input checked="" type="checkbox"/></td><td data-bbox="1787 978 1946 1054"><input type="checkbox"/></td><td data-bbox="1946 978 2085 1054"><input type="checkbox"/></td></tr> <tr> <td data-bbox="1184 1054 1632 1163">Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting</td><td data-bbox="1632 1054 1787 1163"><input checked="" type="checkbox"/></td><td data-bbox="1787 1054 1946 1163"><input type="checkbox"/></td><td data-bbox="1946 1054 2085 1163"><input type="checkbox"/></td></tr> <tr> <td data-bbox="1184 1163 1632 1240">Article 9c(6)(c), transactions regarding remuneration of directors</td><td data-bbox="1632 1163 1787 1240"><input checked="" type="checkbox"/></td><td data-bbox="1787 1163 1946 1240"><input type="checkbox"/></td><td data-bbox="1946 1163 2085 1240"><input type="checkbox"/></td></tr> </tbody> </table>	Article	Member state has excluded	Companies are allowed to exclude	Neither	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Article	Member state has excluded	Companies are allowed to exclude	Neither																		
Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		

		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Czech Republic

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Czech Republic Representative's law firm: Kinstellar
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 9 October 2018 The date, on which our Member State passed the legislative bill: The legislative bill has not been passed yet. Therefore, it cannot be ruled out that the Czech implementation of the Directive will not change. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): N/A
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. The remuneration report and remuneration policy. The legislative bill significantly broadens the disclosure requirements on directors' and executives' remuneration. Disclosure of remuneration gave rise to concerns about its possible abuse by the issuer's competitors. Furthermore, the new legislation was considered as an unreasonable interference with privacy rights. This topic was discussed the most.</p> <p>2. No other topics were subject to a broader discussion.</p> <p>3. No other topics were subject to a broader discussion.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p>

		Board of Directors (<i>představenstvo</i>), Supervisory Board (<i>dozorčí rada</i>), Management Board (<i>správní rada</i>), CEO (<i>generální ředitel</i>) and deputy CEO (<i>zástupce generálního ředitele</i>)
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input checked="" type="checkbox"/> Binding <input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input type="checkbox"/> No – the company must disclose the required data</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? There are no fixed caps, however, the fee must be non-discriminatory and proportionally adjusted to the actual held costs.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: A transaction is material if the value of the transaction amounts to more than 10% of the total assets of the company (determined in accordance with its financial statements for the previous accounting period).</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article	Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?

	9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): Click here to type text. Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): The definition of a material transaction remains the same as stated above.
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input checked="" type="checkbox"/> The general meeting</p> <p><input type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The general meeting (<i>valná hromada</i>)</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Under the legislative bill, the Supervisory Board or the Management Board of the issuer shall prepare internal rules for assessing whether the transactions are entered into in the ordinary course of business and concluded on normal market terms. A member of the Supervisory Board or the Management Board who is a related party of the issuer shall not participate in the assessment.</p>

5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.				
	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Denmark

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member State: Denmark Law firm: Gorrissen Federspiel
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 6 February 2019 The date, on which our Member State passed the legislative bill: 4 April 2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The majority of the rules of the Danish act enters into force on 10 June 2019. The rules regarding shareholder identification and facilitation of shareholder rights enters into force on 3 September 2020, simultaneously with the implementing regulation 2018/1212/EU. The remuneration policy according to the new rules shall be presented on the first AGM convened after 10 June 2019, and the remuneration report shall be prepared for the AGM the following year. Companies that have the calendar year as their financial year will thus have to prepare the remuneration policy for the AGM in 2020 and the remuneration report must be prepared for the AGM in 2021.

1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>3. Related party transactions. The scope of the definition of a ‘material transaction’ has been a topic of discussion, as the Danish act refers to IAS24 when assessing materiality with regards to board approval. Before the Directive was finalised, it was heavily discussed which corporate body should be the competent body to approve related party transaction. In the first draft of the Directive, the general meeting was granted an exclusive approval right of such transactions, which would have been controversial and conflict with traditional Danish corporate governance. This was later amended during the drafting of the Directive and Member States were granted flexibility to choose whether the general meeting or the board of directors should be the competent body.</p> <p>2. The remuneration report and remuneration policy. With the introduction of the requirement to prepare a remuneration report, the disclosure requirement on directors and executives remuneration has been extended compared to existing Danish legislation and soft law recommendations. The remuneration policy has been a less debated topic, as most listed Danish companies already have their remuneration policy approved by the AGM in line with the Danish corporate governance recommendations.</p> <p>3. The shareholder identification rule. The rule is new in a Danish corporate law setting. Prior to the implementation into Danish law, it was debated whether an identification threshold would be set and whether intermediaries would be allowed to claim fees. The</p>

		legislator ultimately decided to not apply a threshold, a decision which received general support among recipients in the draft consultation process.
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The registered management, i.e. a member of the company's board of directors (<i>bestyrelse</i>), the executive board (<i>direktion</i>) or the supervisory board (<i>tilsynsråd</i> – please note that this corporate body is practically never used in Denmark), as applicable.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?

	conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data <p>The Danish act does not allow for such exemption, however, it is a topic for discussion and further clarification is expected when the relevant Danish authority has published guidelines on the topic.</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? There are no fixed caps, however the fee must be “non-discriminatory” and “proportionally adjusted to the actual held costs”.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		If yes, what percentage? Click here to type text.
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input checked="" type="checkbox"/> Both</p> <p>Please set out the thresholds: The Danish act requires that all “material transactions” are approved by the board of directors. What constitutes a “material transaction” is not specified in actual numbers. Transactions must be disclosed if the current value of the transaction amounts to more than either a) 10 % of the total assets of the company, or b) 25 % of the EBIT according to the latest published consolidated financial statements.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>The Danish act requires that all “material transactions” are approved by the board of directors. There is no numerical definition of a “material transaction” in the act. The preparatory works mention that the board of directors must make the materiality assessment based on the same criteria and relevant accounting rules that apply when</p>

		<p>preparing the company's financial statements, i.e. IFRS - IAS 24 – making materiality judgments.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Transactions must be disclosed if the current value of the transaction amounts to more than either a) 10 % of the total assets of the company, or b) 25 % of the EBIT according to the latest published consolidated financial statements.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The board of directors</p>

		<p>(<i>bestyrelsen</i>), or alternatively if the company has such, the supervisory board (<i>tilsynsråd</i>).</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>According to the preparatory works of the Danish act, an assessment of whether a transaction is within “the ordinary course of business” shall be made in accordance with the similar term “usual business transactions” currently used in an existing rule in section 112 the Danish Companies Act regarding financial assistance to related parties, and thus, the exemption will follow prior Danish case law.</p>

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Estonia

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Estonia Representative's law firm: Sorainen
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 27 May 2019 The date, on which our Member State passed the legislative bill: N/A The legislative bill has reached the parliament, but has not yet been approved. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): N/A Rules regarding remuneration reports enter into force starting from the beginning of the issuer's first new financial year after the entry into force of the legislative bill. Rules regarding shareholder identification and facilitation of shareholder rights enter into force on 10 September 2020.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation:

		Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. The remuneration report. The introduction of remuneration reports has initiated a debate on the scope of data publicised and the procedure of an advisory general meeting vote, as well as the date at which the obligation enters into force. After the discussion the legislator specified that an advisory vote must take place after at least every four years and the obligation enters into force starting from the beginning of the issuer's first new financial year after the entry into force of the legislative bill</p> <p>2. Material transaction definition. Multiple interested parties proposed to lower the quantitative criteria of a material transaction in order to protect minority shareholders. The legislator decided to lower the quantitative criteria from 30% to 10%.</p> <p>3. Scope of directors. Multiple interested parties proposed to limit the scope of directors to only include members of the management board. After a discussion with interested parties, the legislator adopted to specify the definition of a director to include only members of the management board and members of the supervisory board.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

		<p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Juhatus - the Management Board</p> <p>Nõukogu - the Supervisory Board</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only</p> <p><input type="checkbox"/> Company and group level</p>

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data</p> <p>This has been a topic of discussion and the legislator has opted to enter this provision into force starting from the beginning of the issuer's first new financial year after the entry into force of the legislation.</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? There are no fixed caps, however, service fees must be non-discriminatory and must correspond to the actual cost of the service.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, what percentage? Estonian Securities Register permits companies to identify their shareholders regardless of shareholder's shares or voting rights percentage. A 0,5 % only applies if the shareholder's information is not entered into the register and shares are held in a nominee account. The holder of a nominee account is required to provide information to the issuer if the shareholder has more than 0,5% shares of the issuer.
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues,	Which of the options has your Member State chosen? <input checked="" type="checkbox"/> Quantitative criterion

	assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<input type="checkbox"/> Qualitative criterion <input type="checkbox"/> Both Please set out the thresholds: A transaction of the issuer or its subsidiary with a connected person is considered significant if the monetary value of the transaction is larger than 10% of the issuer's consolidated equity recorded in the last audited balance sheet. The general meeting of the issuer may approve other criteria of a material transaction, taking into account the risk associated with the transaction, the effect of the transaction on the issuer and its shareholders who are not related parties.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): Click here to type text. Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Click here to type text.
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	Which body has your Member State chosen to be the relevant body to approve material transactions? <input type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The supervisory board (nõukogu) Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member	Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?

	States may, however, require that such transactions are also subject to approval and disclosure.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State? The explanatory draft does not elaborate on the definition. The law authorises the supervisory board to establish a separate evaluation procedure for such transactions. The exemption is however similar to the existing wording of “transactions concluded in the course of the everyday economic activities based on the market price” currently stipulated in section 307 (3) of the Commercial Code. It is our understanding that the exemption would follow existing case law with this regard.			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions. Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions: Estonia has not excluded article 9c(4), rather the proposed law excludes article 9c(2) and the material transaction definition in cases of articles 9c(6)(a)-(c) and (e).				
		Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Draft | 30 September 2019

Shareholders Rights Directive II

Questionnaire for Finland

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Finland Representative's law firm: Krogerus
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 13 December 2018 The date, on which our Member State passed the legislative bill: Approved by the Parliament on 27 February 2019, approved by the President on 12 April 2019. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The majority of the legislative package entered into force on 10 June 2019. Yet, certain pieces of legislation enter into force at a later point in time as allowed by the Directive (e.g., the remuneration policy should be presented for the first time in the annual general meeting of 2020 and the remuneration report should be drawn up for the first time for the financial year starting on or after 1 January 2020).
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input type="checkbox"/> Minimum harmonization <input checked="" type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: While the Directive mainly concerns issuers with shares admitted to trading on regulated markets, the Finnish implementation of the Directive saw some of the new rules being extended to other companies as well. For example, a different definition of

		related parties was presented for all non-listed limited liability companies, which will, to a limited extent, affect their operations.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Definition of related party and scope of the legislation The scope of the definition 'related party' was discussed during the legislative process. The definition which was first proposed in the draft legislative bill was considered too wide and complex for non-listed companies. In addition, the new rules regarding the approval of related party transactions were first intended to cover also non-listed companies but these changes were eventually retracted (as they would have caused an administrative burden too heavy for the companies in question). Finally a different and more limited legislative bill was presented.</p> <p>2. Vote on the remuneration policy During the legislative process the nature of the voting was discussed. Some institutions proposed that the vote should be binding, not advisory, and also maintained that holding an advisory vote would allow the board to decide on its own remuneration (effectively weakening the rights of shareholders). However, under the legislation which will enter into force, the voting will be advisory. A binding vote was considered too limiting and, regarding the remuneration of the managing director, would have effectively removed the board of directors' discretion in the matter.</p> <p>3. Definition of material transaction In Finland, setting qualitative criteria was eventually considered to be a better option than setting quantitative limits to define whether a transaction is material or not. This was due to the potentially artificial nature and impractical application of quantitative criteria. While qualitative criteria were generally considered better, some have voiced</p>

		concerns that the criteria are too indefinite which will cause interpretation problems later (especially in regards to whether the materiality should, in practice, be defined on the basis of the market abuse regulation (EU 596/2014)).
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? N/A</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the board of directors (in Finnish: hallituksen jäsenet).</p> <p>Members of the supervisory board (in Finnish: hallintoneuvoston jäsenet) (please note that this corporate body is practically non-existent in modern Finnish companies)</p> <p>Managing Director and deputy managing director (in Finnish: toimitusjohtaja, toimitusjohtajan sijainen)</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input type="checkbox"/> Binding</p> <p><input checked="" type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?

	conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p> <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level </p> <p>It is mandatory to compare the annual change in each director's remuneration against the other employees of the issuer (i.e. parent company) only. However, the draft corporate governance code of the Finnish Securities Markets Association suggests that issuers themselves should determine whether to compare against parent company only or against the wider group.</p>
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p> <input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data </p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	In general, companies should disclose the required comparative information. However, if such information is not available, the company should provide such information for all the financial years for which it can be provided consistently.
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? While there are no specific monetary caps, the fees are subject to a "reasonableness" test.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?

	States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what percentage? N/A
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	Which of the options has your Member State chosen? <input type="checkbox"/> Quantitative criterion <input checked="" type="checkbox"/> Qualitative criterion <input type="checkbox"/> Both Please set out the thresholds: N/A
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): According to the new legislation, when approval is considered, material transactions are defined based on whether or not they belong to the ordinary course of business of the company and whether they are concluded on normal market terms. Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Related party

		transactions must be publicly disclosed if they are material. Whether the transaction is material or not, should be resolved based on an assessment of whether a shareholder would take the transaction into account when i) voting in a general meeting or ii) deciding whether to sell or buy company shares. This second criterion (ii) has caused some concern as the preparatory works of the legislative bill do not properly link the criterion to the materiality threshold of the market abuse regulation (EU 596/2014).
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? N/A</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The board of directors of the company (in Finnish: yhtiön hallitus).</p>

		<p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State? During the legislative process it was discussed whether the ordinary course of business should only capture day-to-day business operations, but such a limiting approach was rejected in favour of a line of business approach. According to the preparatory works of the legislative bill, the ordinary course of business is defined through the purpose of the company, and, specifically, the line of business defined in the articles of association of the company. The actual business of the company is also taken into account when evaluating whether the transactions are entered into in the ordinary course of business. Because of the flexible definitions of 'ordinary course of business' and 'normal market terms', there is currently no clear consensus on how to apply them when the implementing legislation enters into force.</p>

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>				
		Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/> (no specific implementation as the exemption was considered to be already existing)	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/> (no specific implementation as the exemption was	<input type="checkbox"/>	<input type="checkbox"/>

			considered to be included in the exemption catering for Article 9c(6)(b))		
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France | 28 June 2019

Shareholders Rights Directive II

Questionnaire for France

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: France Representative's law firm: Jeantet AARPI
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: June 19, 2018 The date, on which our Member State passed the legislative bill: May 22, 2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The legislative bill was passed on May 22, 2019 (the “PACTE” law) in order to enter into force on June 10, 2019, however several sections of the bill will be implemented more precisely at a later stage by way of decree or ordinance of the French President, such as: <ul style="list-style-type: none"> - Rules corresponding to Section 2 – <i>Remuneration Policy</i> below will have to be fully implemented and enter into force within 12 months from May 22, 2019; - Rules corresponding to Section 3 – <i>Remuneration Report</i> below will have to be fully implemented and enter into force on January 1, 2020 at the latest; - Rules corresponding to Section 4 – <i>Facilitation of the exercise of shareholder rights</i> below will have to be fully implemented within 12 months from May 22, 2019;

		<ul style="list-style-type: none"> - Rules corresponding to Section 5 – <i>Material transaction between the company and related parties</i> below entered into force on June 10, 2019 (for companies having statutory auditors) and will enter into force on September 1, 2019 at the latest (for all other companies).
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<p><input checked="" type="checkbox"/> Minimum harmonization</p> <p><input checked="" type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation:</p> <p>The legislative bill passed on May 22, 2019 implements both minimum harmonization and stricter rules, depending on the topics. Although most topics have a minimum harmonization, the approval of the remuneration of corporate officers by the general meeting of shareholders is a key topic with stricter regulation under the legislative bill than under the Directive (see answer 2.1 below explaining the double “binding vote” procedure by the general meeting of shareholders).</p>
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Click here to type text.</p> <p>2. Click here to type text.</p> <p>3. Click here to type text.</p> <p>Almost all topics introduced by the Directive were already implemented under French law (i.e. remuneration policy, remuneration reports, facilitation of shareholders rights and identification of shareholders, material transactions with related parties, etc.). As a consequence, the Directive did not trigger lengthy discussions nor confrontations and the implementation of the Directive will only result in slight adjustments to current French law.</p>

2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Current French rules regarding the approval of remuneration policy (implemented by the “<i>Sapin 2</i>” law dated December 9, 2016) will be applicable until full implementation of the Directive in French law. Pursuant to current French law, two votes are necessary in order to approve the remuneration of corporate officers of companies whose shares are admitted to trading on a regulated market:</p> <ul style="list-style-type: none"> - Step 1: “ex ante” vote by the annual general meeting on the main criteria and principles of the remuneration of the chairman (<i>président du conseil d’administration</i>), CEO (<i>directeur général</i>), deputy CEO (<i>directeur général délégué</i>), members of the management board (<i>directoire</i>) and members of the supervisory board (<i>conseil de surveillance</i>), with the exception of the directors (<i>administrateurs</i>) (the difference of treatment between members of the

		<p>supervisory board and directors having been largely debated by French authors as it is not logic at all);</p> <ul style="list-style-type: none"> - Step 2: “ex post” vote by the following annual general meeting in order to allow the payment of exceptional and variable remuneration of the chairman (<i>président du conseil d’administration</i>), CEO (<i>directeur général</i>), deputy CEO (<i>directeur général délégué</i>) and members of the management board (<i>directoire</i>), with the exception of the directors (<i>administrateurs</i>) and the members of the supervisory board (<i>conseil de surveillance</i>) whose remuneration is not subject to the “ex post” vote. <p>It is expected that following the implementation of the Directive under French law (which may take place on May 22, 2020 at the latest), the current French rules and rules of the Directive will be merged so that a binding “ex ante” vote and a binding “ex post” vote (similar to the current “ex post” vote) will be mandatory regarding the remuneration of the chairman (<i>président du conseil d’administration</i>), CEO (<i>directeur général</i>), deputy CEO (<i>directeur général délégué</i>), members of the management board (<i>directoire</i>) as well as the members of the supervisory board (<i>conseil de surveillance</i>) and directors (<i>administrateurs</i>).</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
3	Remuneration report	

3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels?</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues,	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p> <p><input checked="" type="checkbox"/> Qualitative criterion</p>

	<p>assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.</p>	<p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: any transaction entered into between a company and, directly or indirectly, (i) one of its shareholders holding more than 10% of the voting rights, or (ii) the CEO (<i>directeur général</i>), deputy CEO (<i>directeur général délégué</i>), any member of the management board (<i>directoire</i>), any member of the supervisory board (<i>conseil de surveillance</i>) or any director (<i>administrateur</i>), have to follow a specific process of approval for transactions with related parties (<i>procédure de contrôle des conventions réglementées</i>). This process consists in (i) a prior approval of the transaction by the board of directors, and (ii) a subsequent approval of the transaction by the following annual general meeting of shareholders. Any shareholder having a direct or indirect interest in the approval of the transaction will not be authorized to discuss the approval by the board of directors or the supervisory board (<i>conseil de surveillance</i>) (as the case may be) and such person will be deprived from its voting rights at the board of directors and at the annual general meeting of shareholders in charge of the approval of such transaction. The French Financial Market Authority (<i>Autorité des Marchés Financiers</i>) also recommends boards of directors (<i>conseils d'administration</i>) to (i) obtain a report from an appraiser on the transaction if such transaction is likely to have a material impact on the balance sheet or the income of a company or a group of companies (without any precise threshold), (ii) to disclose such report to the public (without prejudice of business confidentiality) and (iii) to refer to this report in the special report prepared by the statutory auditors or by the chairman (<i>président du conseil d'administration</i>) on transactions between a company and related parties (<i>Recommandation AMF 2012-05, Proposition n° 4.6</i>, it being specified that such AMF recommendations are not binding). Other transactions (e.g. transactions entered into in the ordinary course of business and concluded on normal market terms, transactions concluded between a company and its wholly owned subsidiary, etc.) are not subject (i) to the approval process by the board of directors and by the general</p>
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		meeting of shareholders, nor (ii) to the abovementioned provisions of the AMF Recommendation n° 2012-05.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Material transactions defined in relation to the public announcement are those entered into between a company and, directly or indirectly, (i) one of its shareholders holding more than 10% of the voting rights, or (ii) any of its corporate officers (see answer 5.1 above). Under the “<i>PACTE</i>” law, the public announcement of material transactions entered into with related parties will only be mandatory for companies whose shares are admitted to trading on a regulated market.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>

5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No*</p> <p>* Subject to the AMF Recommendation n° 2012-05 (<i>Proposition n° 4.6</i>) referred to in answer 5.1 above.</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input checked="" type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: the board of directors (<i>conseil d'administration</i>) or the supervisory board (<i>conseil de surveillance</i>), as the case may be, before the conclusion of the transaction in addition to the general meeting of shareholders after the conclusion of the transaction (see answer 5.1 above).</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p>

	States may, however, require that such transactions are also subject to approval and disclosure.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State? The exemption of the process described in answer 5.1 above and the definition of transactions entered into in the ordinary course of business and concluded on normal market terms were implemented by French law n° 66-537 dated July 24, 1966. As a consequence, such transactions are very common in practice and defining them is not an issue.			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions. Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:		Member state has excluded	Companies are allowed to exclude	Neither
		Article			
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Germany

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: Germany</p> <p>Representative's law firm: Gleiss Lutz</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: 20 March 2019</p> <p>The date, on which our Member State passed the legislative bill: The bill has not yet been passed. By now, there is no date announced when the bill will be passed. The legislative procedure could be completed until October at the earliest, but could also be postponed until 2020 due to open discussion points regarding the vote on the remuneration policy and the topic of related party transactions.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): Since the bill has not yet been passed, there is until now no final date on which the legislation enters into force. Based on the final draft of the final government draft bill ("Regierungsentwurf"), the new rules will be applicable as follows:</p> <ul style="list-style-type: none"> - The AGM has to resolve on the remuneration policy for the first time at the AGM that takes place more than five months after the bill enters into force. I.e. if the bill was passed in October and was entered into force at 1 November 2019, the new law would be applicable for AGMs taking place after 30 April 2020. The same applies to the newly implemented remuneration report.

		<ul style="list-style-type: none"> - As there are no transitional regulations provided for the rules regarding related party transactions, those rules are going to take immediate effect as of the day the bill is going to be passed. - The rules regarding the shareholder identification and the facilitation of shareholder rights enters into force on 3 September 2020 and will be applicable for AGMS that will be convened after this date.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Related party transactions It has been a matter of discussion, whether the general meeting should be the responsible corporate body to approve related party transactions or the supervisory board. Since a binding decision of the general meeting would have been controversial to previous German stock corporation law, the final government draft bill now leaves the decision to the supervisory board. Further, it was heavily discussed whether the preparation of the decision by a special committee of the supervisory board combined with a fairness opinion was too complex and provided sufficient procedural protection. The final government draft bill no longer requires a fairness opinion and allows a binding decision either by the supervisory board or by a special committee of the supervisory board.</p> <p>2. Remuneration policy (“Say on pay”) It has been debated whether to make the vote of the general meeting on the remuneration policy regarding the remuneration of the management board binding or</p>

		<p>advisory. A binding resolution would have been controversial to the competences of the corporate bodies under previous German stock corporation law. The final government draft bill now provides that the vote is only advisory.</p> <p>3. Identification of shareholders</p> <p>The question was raised whether bearer shares (“Inhaberaktien”) should still be provided under German stock corporation law since under the new legislature the anonymity will mainly be abolished. However, the German legislator did not want to decide this fundamental question within this legislative procedure.</p>
2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The German remuneration rules cover the members of the company’s management board (“Vorstand”) as well as the members of the supervisory board (“Aufsichtsrat”)</p>

2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input type="checkbox"/> Binding <input checked="" type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input type="checkbox"/> Company level only <input checked="" type="checkbox"/> Company and group level <p>According to the final government draft bill companies are given a large margin of discretion regarding the selection of a comparative group to determine the average remuneration. The group can either consist of employees at company level only, or be composed of employees at both, company and group level. Companies are also free to choose another suitable comparative group to ensure that differences in the compensation structure are taken into account, depending on the industry and the structure of the workforce. Explanations regarding the composition of the chosen group are being presented for approval at the AGM together with the remuneration report.</p>

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input type="checkbox"/> No – the company must disclose the required data</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels?</p> <p>There are no fixed cap levels; however, charges must be non-discriminatory (especially: no unjustified additional fees in case of transnational situations). Fees must also be adjusted to the necessary costs of communication and transmission methods regarding the latest state of technology.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds:</p>

		<p>Transactions are defined “material transactions” if the ratio between fixed and current assets and the economic value of the transaction exceeds the threshold of 2,5%. Multiple transactions with the same related party within the same financial year shall be added together. Companies are free to perform approval and announcement procedures for transactions below the set threshold of 2,5%.</p>
5.2	<p>According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.</p>	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Transactions must be disclosed if they are considered material transactions. They are defined as “material transactions” if the ratio between fixed and current assets and the economic value of the transaction exceeds the threshold of 2,5%. Multiple transactions with the same related party within the same financial year shall be added together. This definition applies to both approval as well as announcement situations.</p>
5.3	<p>According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.</p>	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

		If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	Which body has your Member State chosen to be the relevant body to approve material transactions? <input type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The supervisory board (“Aufsichtsrat”) has been chosen to be the relevant body to approve material transactions. To make sure the transaction is being reviewed independently and regardless of any special interests of related parties, a special committee consisting of supervisory board members can be set up for the review. If no special committee is being established, individual supervisory board members who might be subject to a conflict of interest can also be excluded from the decision. In case the supervisory board refuses consent, the management board can demand a decision by the AGM. Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		The approval of transactions according to current German stock corporation law falls within the responsibility of the management board. However, even under previous law the supervisory board already has the possibility to make certain transactions or certain kinds of transactions subject to its approval.			
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>As German stock corporation law already provides a high level of protection regarding related party transactions, the implementation of the Directive into German law makes full use of the numerous possible derogations mentioned in article 9c(5) and (6) of the Directive.</p> <p>To assess whether a transaction is being concluded on normal market terms, the conditions can be reviewed in accordance with the already existing interpretation of “normal market terms” in the German commercial code (“HGB”), section 285 (No. 21)</p>			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in	Article	Member state has excluded	Companies are	Neither

	the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.			allowed to exclude	
	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Greece

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Greece Representative's law firm: Paraskevas Law Firm
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: Please insert date The date, on which our Member State passed the legislative bill: 13 June 2018 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 1 January 2019
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. N/A</p> <p>2. Click here to type text.</p> <p>3. Click here to type text.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p>Yes</p> <p>If yes, in what way has the scope been broadened? It has left within the discretion of companies to expand the remuneration policy provisions of the Directive by way of a clause in their Articles to other executives as such are referred in IAS para. 9</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Reference is to IAS 24 para. 9, so no terms are quoted verbatim in the relevant provision of the Greek law to this effect.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p>X Binding</p>

	policy to be either binding or advisory.	<input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	According to the Commission's draft guidelines on remuneration reports section 6 ¹ , in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input type="checkbox"/> Yes – such information may be omitted

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	<input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? Click here to type text.

4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input checked="" type="checkbox"/> Both</p> <p>Please set out the thresholds: If the value of the transaction is no greater than 10% of the company's assets as per the latest published balance sheet, then it is considered not to be material.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p>No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p>

		Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Click here to type text.
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? Yes
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	Which body has your Member State chosen to be the relevant body to approve material transactions? The general meeting The administrative or supervisory body. (both interchangeably) Please give the local language name of the corporate body and its equivalent in English: Dioikitiko symvoulío; Geniki Syneleusi Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?

		Yes			
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p>X Yes <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Not to date.</p>			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.				
	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	X	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	X	<input type="checkbox"/>	<input type="checkbox"/>

		Article 9c(6)(c), transactions regarding remuneration of directors	X	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	X	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	X	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Hungary

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Hungary Representative's law firm: Szecskay Attorneys at Law
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 04 June 2019 The date, on which our Member State passed the legislative bill: 02 July 2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 17 July 2019
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	Please insert your answer: 1. Remuneration report

		2. Remuneration policy 3. Definition of related party transactions
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Management boards (board of directors (igazgatóság) and board of directors integrating management and supervisory functions (igazgatótanács), supervisory board (felügyelőbizottság), Chief Executive Officer (vezérigazgató) and (if such position exists at the company) Deputy CEO (vezérigazgató-helyettes)</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input type="checkbox"/> Binding</p> <p><input checked="" type="checkbox"/> Advisory</p>

2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on</p>	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? Click here to type text.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		If yes, what percentage? Click here to type text.
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: 1% of the corrected turnover of the Company in the previous business year, accounted pursuant to IFRS 15 "Revenue from Contracts with Customers".</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Click here to type text.</p>

5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: management (igazgatóság / igazgatótanács)</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>We are not aware of any debate on this topic (even though we have participated in the commenting process even before the bill was filed with the Parliament).</p>			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	<p>Article</p>	<p>Member state has excluded</p>	<p>Companies are allowed to exclude</p>	<p>Neither</p>
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Latvia

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: Latvia</p> <p>Representative's law firm: Sorainen</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: 26 March 2019, regarding all aspects required to be covered by the Directive.</p> <p>The date, on which our Member State passed the legislative bill: 20 June 2019</p> <p>The legislative bill covering the aspects required to be covered by the Directive has been passed by the parliament on the above date, however, it has not yet been approved by the President of Latvia, thus the legislative bill (amendments to several existing laws in Latvia) has not come into force. Thus the answers provided herein are subject to the final version adopted and issued by the President of Latvia.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): As the legislative bill has passed on 20 June 2019 the new legislation will enter into force indicatively by the middle of July 2019.</p>

		As it is not possible to analyse the final version of the passed legislative bill it is unclear on whether some of the proposed articles will come into force later, such analysis and comments thereto could be provided in second week of July 2019.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input type="checkbox"/> Minimum harmonization <input checked="" type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Overall Latvia has chosen minimum harmonization, however, in respect to transactions between related parties, Latvia has chosen the most strict possibility allowed by the Directive.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	Please insert your answer: 1. Definition of material transaction. The scope of the definition of a “material transaction” has been a topic of discussion. Initially it was proposed that only the transactions with value of at least 10% of the share capital of the company should be regarded as material. The opposition argued that setting qualitative criteria was a better option than setting quantitative limits to define whether a transaction is material or not. 2. Definition of related party. The scope of the definition of “related party” was discussed during the legislative process. At first it was proposed that a party would be considered to be related in accordance with EC regulation 1126/2008 of 3 November 2008. But in the course of discussions the definition of “related party” was attributed to and linked with the definition of “related party” used in the accounting standards as adopted by the EC regulation 1606/2002.

		<p>3. Exceptions for application of remuneration policy.</p> <p>It was discussed whether there should be exceptions for following the remuneration policy, i.e. there were proposals that the company could temporary deviate from the remuneration policy in exceptional cases provided by the law. Current wording of the legislative bill which was submitted for voting at the parliament foresee some exceptions which would allow the company to deviate from the remuneration policy.</p>
2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the management board (in Latvian: valdes locekļi) and members of the supervisory council (in Latvian: padomes locekļi).</p>
2.2	<p>According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.</p>	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>

2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on</p>	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how? <input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	The upcoming amendments note that the company must prepare its first remuneration report starting from 1 July 2019, must be submitted to the shareholder meeting when submitting the financial statement (both documents are bound to each other).
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? There are no fixed caps, however, service fees must be non-discriminatory and must correspond to the actual cost of the service.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?

	States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what percentage? Click here to type text.
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	Which of the options has your Member State chosen? <input type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input checked="" type="checkbox"/> Both Please set out the thresholds: According to the regulation the transaction may have a significant impact for the company, its finances, assets, liabilities if such transaction would result in the amount of 10% of the company's registered capital, however, the minimum amount of the value of the transaction must be EUR 35,000 or more. The company can insert a stricter criteria in its articles of association.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): Please note that the materiality definition does not differ for approval and public announcement. However, only those "material transactions" which are concluded

		<p>outside the normal course of business must be approved by the Supervisory Council (in Latvian: padome) if it has been established or its general meeting (in Latvian: akcionāru sapulce) or Management Board (in Latvian: valde).</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): A transaction is regarded to be a “material transaction” if it has a significant impact on the company, its financial status, company’s assets or liabilities and such transaction amounts to 10% of the company’s share capital, however, the amount must be in the value of EUR 35,000.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Even though the law does not specifically require such information to take form of a report, under the law the company may include an evaluation of the transaction by an independent evaluator (if such evaluation has been requested).</p>

5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The Supervisory Council (in Latvian: padome) or it has not been established, then the general meeting. Management Board is responsible for providing a summary to the Supervisory Council or general meeting if the Supervisory Council has not been established.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Under Latvian law if a material transaction is concluded and it is not a transaction concluded with related parties it would be approved by the Management Board (in Latvian: valde) and not the Supervisory Council (in Latvian: padome) or the general meeting if the Supervisory Council has not been established.</p>
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

		<p>The legislation provides that transactions between related parties concluded when performing normal economic activity of the company are exempt from the approval by the Supervisory Council (in Latvian: padome) or the general meeting if the Supervisory Council has not been established. However the disclosure requirement is still applicable (the details about the transaction must be published on the website of the listed company).</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>There are no detailed explanations on the definition of “ordinary course of business”. As the definition is quite vague there are currently no clear rules on how this exemption will be applied in practice.</p>			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Lithuania

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Lithuania Representative's law firm: Sorainen
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 22 May 2017 - regarding transparency and approval of related party transactions (Art. 9c of the Directive). 30 April 2019 - regarding all other aspects required to be covered by the Directive. The date, on which our Member State passed the legislative bill: 22 May 2017 - regarding transparency and approval of related party transactions. N/A - regarding all other aspects required to be covered by the Directive. The legislative bill covering the aspects required to be covered by the Directive (except for the bill in relation to transparency and approval of related party transactions) has been passed by the parliament on 27 June 2019. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 29 November 2017 in relation to transparency and approval of related party transactions. N/A - regarding all other aspects required to be covered by the Directive

		<p>As the legislative bill is passed on 27 June 2019 the new legislation will enter into force indicatively by the middle of July 2019.</p> <p>The rules of identification of shareholders (Art. 3a), transmission of information (Art. 3b), facilitation of the exercise of shareholders rights (Art. 3c) and non-discrimination, proportionality and transparency of costs (Art. 3d) will enter into force on 3 September 2020 alongside with the Commission regulation 2018/1212. The remuneration policy according to the new rules shall be presented on the first annual general meeting convened after the new legislation entering into force. If the legislative bill will be passed as scheduled (on 27 June 2019) companies that have the calendar year as their financial year will thus have to prepare the remuneration policy for the annual general shareholders meeting in 2020 (by 30 April 2020).</p>
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<p><input checked="" type="checkbox"/> Minimum harmonization</p> <p><input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation:</p> <p>Click here to type text.</p>
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Definition of material transaction.</p> <p>The scope of the definition of a “material transaction” has been a topic of discussion. Initially it was proposed that only the transactions with value of at least 10% of the share capital of the company should be regarded as material. The opposition argued that setting qualitative criteria was a better option than setting quantitative limits to define whether a transaction is material or not. Finally, after the discussions it was decided to leave the definition of “material transaction” without any specific threshold in the law and to pass the obligation to the company to determine in its articles of association the criteria which would determine a “material transaction”.</p>

		<p>2. Definition of related party. The scope of the definition of “related party” was discussed during the legislative process. At first it was proposed that a party would be considered to be related in accordance with EC regulation 1126/2008 of 3 November 2008. But in the course of discussions the definition of “related party” was attributed to and linked with the definition of “related party” used in the accounting standards implemented by a specific company.</p> <p>3. Exceptions for application of remuneration policy. It was discussed whether there should be exceptions for following the remuneration policy, i.e. there were proposals that the company could temporary deviate from the remuneration policy in exceptional cases provided by the law (the discussion was especially emphasised in relation to the new legislative bill in relation to insolvency of the companies coming into force in Lithuania). However, current wording of the legislative bill which is submitted for voting at the parliament does not foresee any exceptions which would allow the company to deviate from the remuneration policy.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p>

		<p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Managing director (in Lithuanian: vadovas), members of the management board (in Lithuanian: valdyba) and the supervisory board (in Lithuanian: stebėtojų taryba).</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only</p> <p><input type="checkbox"/> Company and group level</p>

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data</p> <p>The upcoming amendment on Law on Financial Reporting by Undertakings provides that the listed company has an obligation to prepare remuneration report for the reporting period starting from 1 January 2020.</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? There are no fixed caps, however, service fees must be non-discriminatory and must correspond to the actual cost of the service.
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what percentage? Click here to type text.
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	Which of the options has your Member State chosen? <input type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input checked="" type="checkbox"/> Both Please set out the thresholds: The criteria according which the transaction may have a significant impact for the company, its finances, assets, liabilities shall be set out

		in the Articles of Association of the listed company. Such criteria might be both quantitative and qualitative.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Please note that the materiality definition does not differ for approval and public announcement. However, only those “material transactions” which are concluded outside the normal course of business must be approved by the Supervisory Board (in Lithuanian: stebėtojų taryba) or Management Board (in Lithuanian: valdyba).</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): A transactions is regarded to be a “material transaction” if it is has a significant impact on the company, its financial status, company’s assets or liabilities and corresponds to the criteria established in the articles of association of a specific company.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>

5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Even though the law does not specifically require such information to take form of a report. However, under the law the company must publicly announce “other relevant information which would assess whether the transaction is fair and reasonable to the company and its shareholders which are not the parties to the transaction.”</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The Supervisory Board (in Lithuanian: stebėtojų taryba) or the Management Board (in Lithuanian: valdyba). Management Board is responsible for the approval of the material transactions with related parties only in cases when the Supervisory Board is not formed in the company and the Articles of Association explicitly provides that the Management Board will perform supervision functions (where the Management Board supervises the activities of the Managing Director).</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input checked="" type="checkbox"/> Yes</p>

		<input type="checkbox"/> No Under Lithuanian law if a material transaction is concluded and it is not a transaction concluded with related parties it would be approved by the Management Board (in Lithuanian: valdyba) and not Supervisory Board (in Lithuanian: stebėtojų taryba) or the Management Board (in Lithuanian: valdyba) which is performing supervisory functions.
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No The legislation provides that transactions between related parties concluded when performing normal economic activity of the company are exempt from the approval by the Supervisory Board (in Lithuanian: stebėtojų taryba) or the Management Board (in Lithuanian: valdyba) which is performing supervisory functions. However the disclosure requirement is still applicable (the details about the transaction must be published on the website of the listed company). <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> There are no detailed explanations on the definition of “ordinary course of business”. As the definition is quite vague there are currently no clear rules on how this exemption will be applied in practice.

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Template | 07 October 2019

Shareholders Rights Directive II

Questionnaire for Luxembourg

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Grand Duchy of Luxembourg Representative's law firm: Elvinger Hoss Prussen <i>société anonyme</i>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 4 February 2019 The date, on which our Member State passed the legislative bill: 1 August 2019. The Directive has been implemented by the law of 1 st August 2019 (the “ Law of 1st August 2019 ”) amending the law of 24 May 2011 on the exercise of certain shareholder rights in general meetings of shareholders of listed companies (such law as amended by the Law of 1 st August 2019, the “ Shareholder Rights Law ”) The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): 24 August 2019
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer: There were been no substantial discussions on any topic introduced by the Directive.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The Shareholder Rights Law, in its definition of “directors” refers to any member of an administrative body (<i>organe d’administration</i>), management body (<i>organe de gestion</i>), or supervisory body (<i>organe de surveillance</i>) of a company as well as the chief executive officer (<i>directeur général</i>) and, if such function exists within a company, the deputy chief executive officer (<i>directeur general adjoint</i>).</p> <p>As a result, the following are covered under Luxembourg law:</p>

		<ul style="list-style-type: none"> - In a one-tier governance structure: the members of the board of directors (<i>conseil d'administration</i>); - In a two-tier governance structure: the members of the management board (<i>directoire</i>) and the members of the supervisory board (<i>conseil de surveillance</i>); and - if it exists within a one-tier governance structure: the members of the management committee (<i>comité de direction</i>) and the managing executive officer (<i>directeur général</i>). <p>Please note that the sole form of companies contemplated herein is the <i>société anonyme</i> (public limited company). The other type of company which could be listed is the <i>société en commandite par action</i> (SCA) (corporate partnership limited by shares) which has a different governance structure as it is generally managed by its general partner which is itself a limited liability company. Answers herein as to the relevant management body do not cover companies in the form of an SCA.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input type="checkbox"/> Binding</p> <p><input checked="" type="checkbox"/> Advisory Art. 7bis (2) and (3) of the Shareholder Rights Law</p> <p>However the articles of association may provide that the vote on the remuneration policy expressed at the general meeting is binding.</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes Art. 7bis (4) of the Shareholder Rights Law</p> <p><input type="checkbox"/> No</p>

3	Remuneration report	
3.1	<p>According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.</p>	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only Art. 7ter (1) 2 of the Shareholder Rights Law</p> <p><input type="checkbox"/> Company and group level</p>
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input type="checkbox"/> No – the company must disclose the required data</p> <p>This is debatable as the wording of the law corresponds to the directive and there has been no guidance from the regulator to date.</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input checked="" type="checkbox"/> Yes Art. 7ter (4) of the Shareholder Rights Law <input type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Art. 1quinquies of the Shareholder Rights Law If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Art. 1quinquies of the Shareholder Rights Law If yes, what are the cap levels?
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Art. 1bis of the Shareholder Rights Law If yes, what percentage? Click here to type text.

5	Material transaction between the company and related parties	
5.1	<p>According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.</p>	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p> <p><input checked="" type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: There are not set thresholds. Material transactions are defined as transactions between the company and a related party whose publication and disclosure would be likely to have a significant impact on the economic decisions of shareholders of the company and which could create a risk for the company and its shareholders who are not related parties, including minority shareholders. The nature of the transaction and the position of the related party shall be taken into consideration.</p>
5.2	<p>According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.</p>	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Click here to type text.</p>

5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The Shareholder Rights Law refers to the management body (<i>organe d'administration</i>) of the company, which is a generic term. In practice, it will be the board of directors (<i>conseil d'administration</i>) in a one-tier governance structure and the management board (<i>directoire</i>) in a two-tier structure.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p>

		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>No, transactions concluded in the ordinary course of business and under normal conditions are already an exemption set out in the rules regarding conflicts of interest for members of the management body.</p>											
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p>	<table border="1"> <thead> <tr> <th>Article</th> <th>Member state has excluded</th> <th>Companies are allowed to exclude</th> <th>Neither</th> </tr> </thead> <tbody> <tr> <td>Article 9c(6)(a), transactions entered into between the company and its subsidiaries</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Article	Member state has excluded	Companies are allowed to exclude	Neither	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
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Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>										

	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Malta

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Malta Representative's law firm: Mamo TCV Advocates
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: In Malta, public companies whose shares are admitted to listing on a regulated market or on an equivalent market in a non-Member State or non-EEA State, must comply with, in addition to the provisions of the Companies Act (Cap. 386 of the Laws of Malta), a set of rules known as the Listing Rules which are published and amended from time to time by the Malta Financial Services Authority (the "MFSA") in its capacity as the Listing Authority by virtue of the power delegated to it in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta). Amongst other things, the purpose of the Listing Rules is to transpose, implement and give effect to provisions, requirements, obligations, commitments and measures of the European Parliament and of the Council issued in relation to, <i>inter alia</i> , the regulation of admissibility to listing of financial instruments on regulated markets and the regulation of issuers or any other person subject to the Listing Rules. Following the entry into force of SRD II, the MFSA published a consultation document on the 13 th May 2019 relating to the definition of Material Related Party Transactions and Disclosure Requirements pursuant to which it proposed various amendments to the Listing Rules and requested the industry's responses thereon.

		<p>The date, on which our Member State passed the legislative bill:</p> <p>Following the feedback received from market participants, the MFSA published the amendments passed in the Listing Rules on the 1st July 2019. Amendments were inserted to the definitions section of the Listing Rules and Chapters 5 and 12 of the Listing Rules which cover the subject-matter of Continuing Obligations and Shareholders' Rights respectively. Although most of the provisions of SRD II have been transposed in the Listing Rules, the transposition of SRD II also necessitated amendments to various other rules and rulebooks issued by the MFSA. In fact, the MFSA informed the general public on the 6th June 2019 that the Financial Market Rules for Trading Venues, DRSPs and Central Securities Depositories were updated as part of the transposition process of SRD II. Additionally, due to the fact that some of the provisions of SRD II also affect investment services licence holders operating as intermediaries and asset managers, a separate consultation document containing proposed amendments to the Investment Services Rules for Investment Services Providers was also published by the MFSA on the 8th May 2019.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019):</p> <p>The Listing Rules as amended by the MFSA to transpose SRD II entered into force on 1st July 2019. The revised Financial Market Rules for Trading Venues, DSRPs and Securities Depositories entered into force on 6th June 2019. With respect to the Investment Services Rules, the amendments proposed by the MFSA became applicable as from the 10th June 2019.</p>
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1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: N/A
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. <i>The definition of Material Related Party Transactions.</i> On the 13th May 2019, the Listing Authority published a consultation document (the “Consultation Document”) inviting interested parties to provide comments and feedback on the element of ‘materiality’ in the context of related party transactions, particularly due to the fact that, although the Listing Rules already catered for ‘related party transactions’, they did not define what amounted to “material” related party transactions. The industry requested the MFSA to clarify: (i) whether the three tests to establish the element of ‘materiality’ (namely, the gross assets test, the profits test and the consideration tests) are alternative tests; (ii) whether the profits test is meant to measure the cost of the related party transaction divided by the company’s profit before tax; and (iii) in the case that an issuer reports a loss, if the profits test is used, whether the transaction would automatically qualify as ‘material’ given that the profits tests would, as a result of the loss, always result in 5% or more. The Listing Authority clarified that where an issuer, in any one year, reports a loss, the profits test should, in principle, not be applicable and that, in such case, the other tests should still be used.</p> <p>2. <i>Exemptions.</i> Respondents challenged the extent of the exemptions which were being proposed to be transposed in the Listing Rules, in order to determine those instances where the Listing Rules applicable to related party transactions shall not apply. On the basis of the feedback received, the Listing Authority decided to add the exemptions in</p>

		<p>Article 9(6)(c) and Article 9c(6)a of SRD II and also explained the reasoning behind its decision not to include some exemptions provided for in SRD II.</p> <p>3. <i>Public Announcements.</i> A specific question received by the Listing Authority was whether an obligation was to be imposed on issuers to publish detailed information on non-material transactions which, when taken in the aggregate, amount to a material related party transaction. The Listing Authority confirmed that such related party transactions should be publicly announced in aggregate as a result of Article 9(c)(8) of SRD II.</p>
2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Under the Listing Rules, a “director” is defined as including “<i>any person occupying the position of director of a company by whatever name he may be called carrying out substantially the same functions in relation to the direction of the company as those carried out by a director and in relation to an issuer which is not a body corporate, a person with corresponding powers and duties</i>”. Following the transposition of SRD II, the Revised Listing Rules provide that, for the purpose of Chapter 12 of the Listing Rules, which chapter deals with Shareholders’ Rights, the term “director” also captures other persons</p>

		<p>who, as determined by a Member State, perform similar functions to members of the board of directors or the chief executive officer/deputy chief executive officer.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The remuneration rules are set out in Chapter 12 of the Revised Listing Rules and they apply to the following: (a) any member of the board of directors; (b) where the individual is not a member of the administrative, management or supervisory bodies of a company, the chief executive officer and, if such, function exists in a company, the deputy chief executive officer; (c) where so determined by a Member State, other persons who perform functions similar to those performed under point (a) or (b) above.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p>

	average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p> <input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data </p>
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? N/A</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? N/A</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p>

		<p>Please set out the thresholds: A “<i>material related party transaction</i>” is defined in the Revised Listing Rules as a transaction entered into by the issuer with a related party, where any of the gross assets test, the profits test and the consideration test result in 5% or more. Furthermore, in determining the materiality of the related party transaction, the audit committee must take into account and ensure that transactions with the same related party that have been concluded in any 12-month period or in the same financial year are aggregated.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>N/A</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>The Revised Listing Rules contain only one definition of a “<i>material related party transaction</i>”: a transaction entered into by the issuer with a related party, where any of the gross assets test, the profits test and the consideration test result in 5% or more.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

		If yes, what are the thresholds? N/A
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p><i>N.B: Although the Revised Listing Rules do not specifically require a “fairness report”, they provide that the public announcement must contain information necessary to assess whether or not the transaction is fair and reasonable from the perspective of the issuer and any of the shareholders who are not a related party, including minority shareholders.</i></p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: Related party transactions which, upon aggregation, cross the materiality threshold are to be reviewed and approved by the Audit Committee. If the materiality threshold is crossed, the Board of Directors’ approval would also be required.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States’ legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State? N/A</p>																			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	<table border="1"> <thead> <tr> <th data-bbox="1176 842 1641 986">Article</th> <th data-bbox="1641 842 1787 986">Member state has excluded</th> <th data-bbox="1787 842 1948 986">Companies are allowed to exclude</th> <th data-bbox="1948 842 2085 986">Neither</th> </tr> </thead> <tbody> <tr> <td data-bbox="1176 986 1641 1062">Article 9c(6)(a), transactions entered into between the company and its subsidiaries</td> <td data-bbox="1641 986 1787 1062"><input type="checkbox"/></td> <td data-bbox="1787 986 1948 1062"><input type="checkbox"/></td> <td data-bbox="1948 986 2085 1062"><input checked="" type="checkbox"/></td> </tr> <tr> <td data-bbox="1176 1062 1641 1171">Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting</td> <td data-bbox="1641 1062 1787 1171"><input type="checkbox"/></td> <td data-bbox="1787 1062 1948 1171"><input type="checkbox"/></td> <td data-bbox="1948 1062 2085 1171"><input checked="" type="checkbox"/></td> </tr> <tr> <td data-bbox="1176 1171 1641 1251">Article 9c(6)(c), transactions regarding remuneration of directors</td> <td data-bbox="1641 1171 1787 1251"><input checked="" type="checkbox"/></td> <td data-bbox="1787 1171 1948 1251"><input type="checkbox"/></td> <td data-bbox="1948 1171 2085 1251"><input type="checkbox"/></td> </tr> </tbody> </table>	Article	Member state has excluded	Companies are allowed to exclude	Neither	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
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		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for the Netherlands

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: The Netherlands</p> <p>Representative's law firm: De Brauw Blackstone Westbroek N.V.</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: 16 October 2018 (House of Representatives), 2 April 2019 (Senate)</p> <p>The date, on which our Member State passed the legislative bill: 2 April 2019 (House of Representatives), [•] 2019 (Senate)</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The legislative bill has not yet been passed by the Senate. We expect the bill to be passed after the Senate's summer break which lasts until 9 September 2019 and enter into force thereafter.</p>
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<p><input type="checkbox"/> Minimum harmonization</p> <p><input checked="" type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation:</p> <ul style="list-style-type: none"> • A supervisory director at a large company governed by the structure regime automatically becomes a member of the company's remuneration committee if

		<p>he or she was appointed to the supervisory board on the works council's recommendation;</p> <ul style="list-style-type: none"> Companies may only submit their remuneration policy to the general meeting for approval after the works council has had the opportunity to share its views and give advice on the proposed policy. An explanation has to be given to the general meeting if the proposed remuneration policy deviates from the works council's advice. The works council chairman has the right to speak in the general meeting. This also applies to a works council set up at subsidiary level. In that case works council advice is only required, if the majority of the employees of the company and the group companies are employed within the Netherlands. If more than one works council has been set up within the group, the advice is given by the works councils jointly; A majority of at least 75% of the votes cast at the general meeting is needed to approve the remuneration policy. However, the company's articles of association may set a lower majority as a threshold; and The remuneration policy needs to contain a "stakeholder-oriented" explanation on how (i) the identity, mission and values of the company, (ii) the remuneration relations within the company, and (iii) social acceptability, was taken into account when formulating the policy.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. A majority of at least 75% of the votes cast at the general meeting is needed to approve the remuneration policy. However, the company's articles of association may set a lower majority as a threshold. We consider it unlikely that the shareholders will approve such provision in the articles of association.</p> <p>2. The remuneration policy needs to contain a "stakeholder-oriented" explanation on how (i) the identity, mission and values of the company, (ii) the remuneration relations</p>

		<p>within the company, and (iii) social acceptability, was taken into account when formulating the policy.</p> <p>3. Companies may only submit their remuneration policy to the general meeting for approval after the works council has had the opportunity to share its views and give advice on the proposed policy. An explanation has to be given to the general meeting if the proposed remuneration policy deviates from the works council's advice. The works council chairman has the right to speak in the general meeting.</p> <p>All of these topics were included in the proposed bill through amendments adopted by the House of Representatives.</p>
2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <ol style="list-style-type: none"> 1. <i>bestuurders</i> (managing directors) 2. <i>commissarissen</i> (supervisory directors)

2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input checked="" type="checkbox"/> Binding <input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	According to the Commission's draft guidelines on remuneration reports section 6 ¹ , in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	<input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? Click here to type text.

4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, what percentage? 0.5%</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input checked="" type="checkbox"/> Both</p> <p>Please set out the thresholds: A transaction is material if: (a) information about the transaction qualifies as inside information under the MAR; and (b) the transaction takes place between the company and related parties, including (i) one or more shareholders who each or jointly represent at least 10% of the issued share capital; (ii) a managing director of the company; or (iii) a supervisory director of the company.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

		<p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Material transactions as defined under 5.1 that are not carried out in the ordinary course of business and under normal market conditions.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p>

		<p><input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: <i>Raad van commissarissen</i> (supervisory board) in case of a two-tier board, or <i>raad van bestuur</i> (management board) in case of a one-tier board.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Some members of the House of Representatives wondered how transactions entered into in the ordinary course of business could be qualified as inside information. The minister replied that inside information is defined rather vaguely, so that in special circumstances such transactions could still qualify as inside information.</p>

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Poland

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Poland Representative's law firm: Wardynski&Partners
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: None. The bill has not yet reached the Parliament (the first draft of the bill published by Council of Ministers was published of 15 November 2018). The date, on which our Member State passed the legislative bill: None. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): None.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	Please insert your answer: 1. Possible gold-plating of the regulations with regard to, among others,

		<p>related party transactions and remuneration policy. In the initial bill, companies listed in the alternative trading systems were subject to the regulations mentioned above. Taking into account the position of the consulted entities, including Warsaw Stock Exchange, the scope was narrowed down and is not compliant with the wording of the Directive.</p> <p>2. Shareholder identification rule. This topic has raised many doubts not only because of the new obligations itself, but also the method of gathering information proposed in the bill (the method was creation of the central shareholders register which would be updated daily and to which public companies would have a constant access). This method was ruled by the commenting parties to be excessive and very expensive. The legislator approved the submitted remarks and is currently working on the new solutions regarding this.</p> <p>3. Related party transactions. The definition of ‘material transaction’ has been a topic of discussion. As of now, the concept is that the ‘material transaction’ is a transaction, the value of which exceeds 5% of the assets value. The transactions concluded within the previous 12 months are subject to aggregation.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

		<p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Management board members, supervisory board members.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only</p> <p><input type="checkbox"/> Company and group level</p>

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input checked="" type="checkbox"/> No – the company must disclose the required data</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? Click here to type text.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: Transactions exceeding 5% of company assets.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

		<p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4): Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Click here to type text.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions? <input checked="" type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: In general, this is approved by</p>

		<p>supervisory board (rada nadzorcza), however the company statute may provide that the body competent to approve material transactions is general meeting (walne zgromadzenie).</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>			
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>We are not aware of any such cases.</p>			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in	Article	Member state has excluded	Companies are	Neither

	<p>the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>			allowed to exclude	
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Portugal

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: Portugal.</p> <p>Representative's law firm: Uría Menéndez – Proença de Carvalho.</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: Until the date hereof, no legislative bill has been introduced in Portugal. There is however a preliminary draft bill dated 28 September 2018, which followed a public consultation that ended in 29 November 2018.</p> <p>The date, on which our Member State passed the legislative bill: No bill has been passed in Portugal.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): A final legislative bill is yet to be approved.</p>
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<p><input checked="" type="checkbox"/> Minimum harmonization</p> <p><input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.</p>

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1.Commissions charged. The Portuguese draft bill establishes that the financial intermediaries and the managing entity of the central securities depositary may not charge commissions. This provision has generated some controversy: it has been discussed whether this provision breaches other rules of the draft bill which (i) allow for the existence of charges; and (ii) establish the principles of non-discrimination and proportionality regarding the effective cost of the services provided.</p> <p>2.Remuneration policies. The Directive establishes that the remuneration policies must be submitted to the general meeting's approval whenever a relevant amendment occurs and, in any case, at least every four years. However, the Portuguese draft bill sets out that the remuneration policies must be submitted to the general meeting's approval whenever a relevant amendment occurs and, in any case, at least at the beginning of each mandate of the corporate bodies. The necessity of having adopted a different timeframe dependent on mandates has been heavily criticised, particularly considering that mandates in Portugal may be shorter than four years, and that the beginning of a new mandate does not necessarily require an amendment of the remuneration policies.</p> <p>3.Public disclosure of related parties transactions. The Portuguese draft bill establishes the public disclosure of a related parties transaction which is equal to or is higher than 2.5% of its consolidated assets. This percentage has been the target of debate because (i) the Directive does not provide for the same in any context; and (ii) it could lead to the public disclosure of truly insignificant transactions with the company's affiliates and which do not affect the rights of the shareholders which are intended to be protected by the Directive.</p>
2	Remuneration policy	

2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The management and supervisory bodies, <i>i.e.</i> members of the board of directors (<i>conselho de administração</i>), members of the executive board of directors (<i>conselho de administração executivo</i>) and the statutory auditor (<i>fiscal único</i>), the members of the supervisory board (<i>conselho fiscal</i>), members of the audit committee (<i>comissão de auditoria</i>) and members of the general supervisory board (<i>conselho geral e de supervisão</i>), depending on the corporate bodies' structure adopted.</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input type="checkbox"/> Company level only</p> <p><input checked="" type="checkbox"/> Company and group level</p>
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input checked="" type="checkbox"/> No – the company must disclose the required data</p> <p>The Portuguese draft bill does not foresee such an exemption. Nevertheless, and considering that there is only a draft bill available, this does not exclude the possibility of the final legislative act establishing such an exemption.</p>
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	The Portuguese draft bill does not foresee such an exemption. However, and once again considering that there is only a draft bill available, this does not exclude the possibility of the final legislative act establishing such an exemption.
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, what are the cap levels? Click here to type text.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	

5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p> <p><input checked="" type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: There are no thresholds for the purposes set out in article 9c(1) of the Directive, as intended to be transposed through the current draft bill. The Portuguese draft bill adopts a qualitative criteria: it foresees that a related party transaction which is performed (i) outside the scope of their ordinary course of business; and/or (ii) which is not in accordance with the normal market conditions; must be submitted to the prior approval of the management body.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Regarding approval, a material transaction occurs when the supervisory body of an issuer company verifies that a related party transaction is either (i) outside the scope of its ordinary course of business; or (ii) is not in accordance with the normal market conditions; subsequently submitting such transaction to the prior approval of the management body.</p>

		<p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>For these purposes, the Portuguese draft bill establishes that a material transaction occurs when the transaction with a related party is (i) equal to or is higher than 2.5% of its consolidated assets, or (ii) equal to or higher than 2.5% of its individual assets, in case the issuer company does not prepare consolidated accounts and the qualitative requirements described in the previous paragraph are not fulfilled.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Although the Portuguese draft bill does not specifically foresee the obligation to file a fairness report, it does establish that the public announcement shall provide appropriate justification regarding the fairness and adequacy of the transaction.</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input type="checkbox"/> The general meeting</p> <p><input checked="" type="checkbox"/> The administrative or supervisory body.</p>

		<p>Please give the local language name of the corporate body and its equivalent in English: board of directors (<i>conselho de administração</i>), executive board of directors (<i>conselho de administração executivo</i>), depending on the corporate bodies' structure adopted.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>			
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>The final legislative bill is yet to be approved.</p>			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.	Article	Member state has excluded	Companies are allowed to exclude	Neither

	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 26 September 2019

Shareholders Rights Directive II

Questionnaire for Romania

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Romania Representative's law firm: Kinstellar
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: On 5 June 2019, a draft law that transposes the Directive in Romania has been published for public consultation by the Romanian Ministry of Finance. According to the publicly available information at 26 September 2019, it seems that the draft law passed the public consultation stage and is expected to be approved by the Government and submitted for debate to Parliament. The date, on which our Member State passed the legislative bill: According to the publicly available information at 26 September 2019, it seems that Romania is expected to pass the legislative bill in October 2019. The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): No available information in this respect.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation:

		Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>Due to the early stage of the Directive implementation, it seems that no controversial topics have been discussed at the national level until now. Therefore, for the time being, it can be said that there is a greater concern in exposing the main aspects and the impact of the Directive on the applicable legislation in force rather than commenting on the controversial matters. However, we expect such controversial topics to be opened as the Directive will move on further in the implementation process.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the administrative bodies of a company and any chief officer (<i>membru al consiliului de administrație și orice director</i>)</p>

		Members of the supervisory body and of the directorate (<i>membru al consiliului de supraveghere și al directoratului</i>) the chief executive officer (<i>directorul general</i>) the deputy chief executive officer (<i>directorul general adjunct</i>)
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input checked="" type="checkbox"/> Binding <input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level

3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input checked="" type="checkbox"/> No – the company must disclose the required data</p> <p>No specific provisions on the company's right to provide information on previous financial years by way of estimates or omit the information.</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? No fixed capped fees provided by the Romanian Draft Law. However, it is required that the fees charged by the intermediaries are non-discriminatory and proportionate to the actual costs incurred for the provision of the services.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p> <p>Please set out the thresholds: The individual or aggregate value of the transfer shall be more than 5% of the company's total income, according to the most recent financial reports published by the company prior to the reference period.</p>

5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Material transaction means any transfer of resources, services and obligations, irrespective if such transfer involves or not the obligation to pay a price, which individual or added value represents more than 5% of the total revenues of the issuer, in accordance with the latest financial reports published by the issuer prior to the reference period.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p>

	parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <input type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The administrative or supervisory body (<i>consiliul de administrație sau de supraveghere</i>). <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p>

		Click here to type text.																								
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	<table border="1"> <thead> <tr> <th>Article</th> <th>Member state has excluded</th> <th>Companies are allowed to exclude</th> <th>Neither</th> </tr> </thead> <tbody> <tr> <td>Article 9c(6)(a), transactions entered into between the company and its subsidiaries</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>Article 9c(6)(c), transactions regarding remuneration of directors</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Article 9c(6)(d), transactions entered into by credit institutions</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Article 9c(6)(e), transactions offered to all shareholders on the same terms</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Article	Member state has excluded	Companies are allowed to exclude	Neither	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Slovak Republic

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	Member state: Slovak Republic Representative's law firm: Kinstellar
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	The date, on which our Member State introduced the legislative bill: 8 March 2019 The date, on which our Member State passed the legislative bill: 13 May 2019 The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The majority of rules enter into force from 1 July 2019. The rules regarding shareholder identification and facilitation of shareholder rights enter into force on 3 September 2020, simultaneously with the implementing regulation 2018/1212/EU.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.

1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Implementation of the Directive in Slovakia did not cause any particular controversy or notable discussions. The state opted for minimum harmonization.</p> <p>2. Click here to type text.</p> <p>3. Click here to type text.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the Board of Directors, Supervisory Board and persons at the highest level of company management, if such a position exists within the company, and their deputies.</p>

2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	Has your Member State chosen to make the vote binding or advisory? <input checked="" type="checkbox"/> Binding <input type="checkbox"/> Advisory
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level? <input checked="" type="checkbox"/> Company level only <input type="checkbox"/> Company and group level
3.2	According to the Commission's draft guidelines on remuneration reports section 6 ¹ , in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.	Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

	In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.	<input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data Companies shall submit the remuneration report for the first time after the accounting period beginning after 1 July 2019 has ended.
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	Has your Member State chosen to make an exception for small and medium-sized companies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	Has your Member State chosen to make such a provision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If no, has your Member State instead chosen to set a cap on type of fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, what are the cap levels? There are no fixed caps, however the fee must be “non-discriminatory” and “proportionally adjusted to the actual held costs”.

4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, what percentage? 0.5%</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input type="checkbox"/> Both</p> <p>Please set out the thresholds: Transactions with value exceeding 10% of the registered capital of the company shall be considered material. Transactions conducted within the same parties in the same accounting period or within a 12-month period are considered one transaction.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p>

		<p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3): Transactions with value exceeding 10% of the registered capital of the company shall be considered material. Transactions conducted within the same parties in the same accounting period or within a 12-month period are considered one transaction.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input checked="" type="checkbox"/> The general meeting</p> <p><input type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: Click here to type text.</p> <p>Valné zhromaždenie – General Meeting</p>

		<p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>			
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>The Supervisory Board of the company shall adopt rules to determine whether a transaction is conducted in the ordinary course of business and concluded on normal market terms.</p>			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.	Article	Member state has excluded	Companies are allowed to exclude	Neither

	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Republic of Slovenia

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: Republic of Slovenia</p> <p>Representative's law firm: Schönherr Attorneys – Branch Slovenia</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: 20 May 2019</p> <p>The date, on which our Member State passed the legislative bill: The legislative (draft) bill proposal has been submitted for public discussions on 20 May 2019; any comments had to be submitted by 20 June 2019. The legislative bill has not yet been up to discussion in a parliamentary procedure and not yet passed. There is currently no information regarding the expected timeline.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): Not yet known; presumably by the end of 2019.</p>
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<p><input type="checkbox"/> Minimum harmonization</p> <p><input checked="" type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: In general, the Slovenian Companies Act adopts the minimum harmonization. However, the current (draft) proposal includes a very broad definition of related parties (including</p>

		family members (see point 5 below) and material transactions, as well as applies certain requirements not only to public, but non-public joint stock companies and even certain limited liabilities companies as well.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. Related party transactions. The scope of definition of "material transaction" in the current legislative bill proposal is very broad. It is expected these questions shall be highly discussed before the finalization of the act.</p> <p>2. Remuneration policies and requirements for remuneration reports. While information regarding remuneration of management has already been implemented, the obligation requirements are now broadened to other corporative bodies. It is also expected that preparation of adequate remuneration reports could present certain technical issues.</p> <p>3. Shareholder identification rule. Identification of beneficial owners or actual shareholders of shares owned by intermediaries has proven difficult so far. The newly implemented identification requirements are expected to present certain technical difficulties.</p>
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

		<p>If yes, in what way has the scope been broadened? The definition itself has not been broadened, however certain provisions specifically include executive directors and procurators.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>Members of the management board (<i>člani uprave</i>); Members of the supervisory board (<i>člani nadzornega sveta</i>); Members of the board of directors (<i>člani upravnega odbora</i>); Executive directors of the board of directors (<i>izvršni direktorji</i>).</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input type="checkbox"/> Binding <input checked="" type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p>

	change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<input type="checkbox"/> Company level only <input checked="" type="checkbox"/> Company and group level
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p> <input type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input checked="" type="checkbox"/> No – the company must disclose the required data </p>
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? No cap levels have been set, however the fees must be "non-discriminatory" and "proportionally adjusted to the actual held costs". The current legislative proposal also includes an option for guidelines or caps to be determined later-on by an executive act.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues,	<p>Which of the options has your Member State chosen?</p> <p><input type="checkbox"/> Quantitative criterion</p>

	<p>assets, capitalization, including equity, or turnover of the company or take into account the nature of transaction and the position of the related party.</p>	<p><input type="checkbox"/> Qualitative criterion <input checked="" type="checkbox"/> Both</p> <p>Please set out the thresholds: The Slovenian Companies Act sets out the following criteria for determining material transaction which require approval and/or public announcement.: 1. All transactions between the company (or its affiliated companies) and members of any of its management or supervisory corporate bodies (including inter alia members of the management board, members of the supervisory board, members of the board of directors, executive directors and procurators), as well as any of their family members shall be approved by the supervisory board / board of directors of the company, <u>regardless of their value or other criteria set for other material transactions</u> (see below). The same applies for all transactions entered into between the company and other companies under direct or indirect control (via ownership and/or management participation and/or any other form of direct or indirect control) of the respective members of management or supervisory corporate bodies or their family members. Approval requirements are applicable both to public and non-public joint stock companies. The approval by the supervisory board / board of directors for such transactions is not required if such transactions are entered into in the ordinary course of business and concluded on normal market terms (which is determined by a specific internal audit commission). 2. For other transactions between the company and (other) related parties, approval of the supervisory board / board of directors is required <u>if the value of the transaction exceeds 2.5% of the company's assets as evident from the company's last annual balance sheet and/or if all transactions with the same related party in the past 12 months exceeds the respective threshold</u>. Such approval requirement applies only to public joint-stock companies. The approval by the supervisory board / board of directors for such transactions is not required if such transactions are entered into in the ordinary course of business and concluded on normal market terms (which is determined by a specific internal audit commission). If</p>
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		not approved by the supervisory board / board of directors, the management of the company may submit the approval proposal to the shareholders. At least 75% of the vote is required.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>The definition of material transactions in relation to approval is set out under point 5.1 above. All transactions listed shall be approved by the competent corporate body. However, in relation to public announcement, the latter is required only in relation to public joint-stock companies, if the value of the transaction exceeds 2,5% of the company's assets as evident from the company's last annual balance sheet and/or if all transactions with the same related party in the past 12 months exceeds the respective threshold. Thus, while some material transactions require approval regardless of their value, the publication requirements are only applicable to material transactions that exceed the quantitative criteria.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Please see previous answer.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p>

		<input checked="" type="checkbox"/> No If yes, what are the thresholds? Click here to type text.
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Inclusion of a "fairness report" is not required, however the publication should include all information required for an audit / judgement whether or not such transaction is appropriate (this includes at least information regarding the type of relationship between the company and the related party, the name of related party, date and value of the transaction.
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	Which body has your Member State chosen to be the relevant body to approve material transactions? <input type="checkbox"/> The general meeting <input checked="" type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: The supervisory board (<i>nadzorni svet</i>) or board of directors (<i>upravni odbor</i>); in specific cases, such approval is deferred to the shareholders' meeting (<i>skupščina</i>). Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)? <input type="checkbox"/> Yes

		<input checked="" type="checkbox"/> No			
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>Yes, especially in regard to internal audit commissions set up within the company, which are to make the respective assessment. The issues mainly concern their independence in relation to the company, their management and supervisory members respectively.</p>			
5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p>				
		Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for Sweden

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: Sweden</p> <p>Representative's law firm: Mannheimer Swartling Advokatbyrå AB</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: 7 March 2019.</p> <p>The date, on which our Member State passed the legislative bill: 15 May 2019.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): The majority of the rules entered into force on 10 June 2019 (we refer to the description of the Proposal below). Some of the rules will however not be applicable until a later point in time as allowed by the Directive (for example, the remuneration policy shall be presented on the first AGM convened after 31 December 2019, and the remuneration report shall be prepared for the first AGM convened after 31 December 2020).</p> <p>In the legislative process for the implementation of the Directive, it was decided to postpone the implementation of article 3a-3e of the Directive. The Ministry of Justice published a legislative proposal for the implementation of these articles in June 2019 (the "Proposal"). The Proposal is currently on circulation until 20 October 2019. As the</p>

		Proposal is currently drafted, and if passed in such form, the rules regarding shareholder identification and facilitation of shareholder rights will enter into force on 3 September 2020, simultaneously with the implementation of regulation 2018/1212/EU.
1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: Click here to type text.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	<p>Please insert your answer:</p> <p>1. A separate remuneration report. In the consultation process, it was argued from several consultation bodies that the Directive allowed companies to include the remuneration report in their annual reports and that there should thus not be a legal requirement to publish a separate report. It was for example argued that the explanatory notes in the annual report allow companies to explain and clarify the remuneration, and that there is a risk that a separate remuneration report will lead to misinterpretation and misunderstandings. The legislator however concluded that there must be a separate report in order to be compliant with the Directive.</p> <p>2. The scope of the Remuneration policy. Prior to the implementation of the Directive, the Swedish Companies Act (<i>aktiebolagslagen</i>) contained provisions stating that the board of directors should <i>annually</i> prepare guidelines for decisions regarding salary and other compensation to the managing director <i>and other persons in the company's management</i> (including members of the administrative and supervisory bodies, such as the Chief Financial Officer and the Head of Human Resources). In the consultation process, some argued that this scope should apply also for the remuneration policy. It</p>

		<p>was however ultimately decided to limit the scope of people to the minimum requirement set out in the Directive, i.e. the people set out in 2.1 below, and that the policy must only be updated every fourth year.</p> <p>3. Exempting sister companies (<i>systerbolag</i>) from ‘material transactions’. In the preparatory works it was suggested to clarify that the exemption of transactions between the company and its wholly-owned subsidiaries from approval by the general meeting also includes transactions between two wholly-owned subsidiaries of the company (i.e. between two sister companies). The legislator agreed that this would be compliant with the Directive’s purpose in relation to transactions to related parties, but concluded that such clarification could not be included in the relevant provision and that this would instead have to be determined by the application of law.</p> <p>Please note that the above are only examples of what was discussed in the consultation process, and that this does not include the implementation of articles 3a-3e (we refer to 2.1).</p>
2	Remuneration policy	
2.1	<p>According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.</p>	<p>Has your Member State chosen to broaden the scope of directors concerned?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, in what way has the scope been broadened? Click here to type text.</p>

		<p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>The members of the board of directors (<i>styrelseledamöter</i>) (fees and other compensation for board assignments are however exempted from the scope of the remuneration policies), the Chief Executive Officer (<i>verkställande direktören</i>) and the Vice Chief Executive Officer (<i>vice verkställande direktören</i>).</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only</p> <p><input type="checkbox"/> Company and group level</p> <p>Note: It was discussed in the preparatory works that it shall be decided on a case-by-case basis if the comparison shall include also the company's employees in other countries, and that the general meeting may finally decide if the report is acceptable. It</p>

		was however not discussed that the report may include also employees of other group companies.
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input type="checkbox"/> Yes – such information may be omitted</p> <p><input type="checkbox"/> Yes – such information may be given by estimates</p> <p><input checked="" type="checkbox"/> No – the company must disclose the required data</p> <p>The Swedish Companies Act (<i>aktiebolagslagen</i>) does not allow for such exemption, and it was not discussed in the preparatory works that such exemption shall be applicable.</p>
3.3	<p>According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.</p>	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
4	Facilitation of the exercise of shareholder rights	
4.1	<p>According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.</p>	Has your Member State chosen to make such a provision?

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

		<input type="checkbox"/> Yes <input type="checkbox"/> No <p>We refer to our answer in 1.2. We note that the Proposal does not contain such provision.</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <input type="checkbox"/> Yes <input type="checkbox"/> No <p>If yes, what are the cap levels? Click here to type text.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <input type="checkbox"/> Yes <input type="checkbox"/> No <p>We refer to our answer in 1.2. We note that the Proposal does not contain any fixed cap, but that it is suggested that the fee must be “non-discriminatory” and “proportionally adjusted to the actual held costs”.</p> <p>If yes, what percentage? Click here to type text.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take	<p>Which of the options has your Member State chosen?</p> <input checked="" type="checkbox"/> Quantitative criterion <input type="checkbox"/> Qualitative criterion <input type="checkbox"/> Both

	into account the nature of transaction and the position of the related party.	Please set out the thresholds: A transaction is material if the transaction alone, or together with other transactions that the company or its wholly-owned Swedish subsidiaries have concluded with the same related party during the last year, amounts to at least SEK 1 million and meet 1 % of the company's market capitalisation.
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>Click here to type text.</p> <p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>Click here to type text.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? Click here to type text.</p>

5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input checked="" type="checkbox"/> The general meeting</p> <p><input type="checkbox"/> The administrative or supervisory body. Please give the local language name of the corporate body and its equivalent in English: Click here to type text.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

		If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State? No. It was discussed in the preparatory works that guidance can be found in the Swedish Annual Reports Acts (<i>årsredovisningslagen</i>).			
5.7	According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions. Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Template | 29 April 2019

Shareholders Rights Directive II

Questionnaire for United Kingdom

1	Preliminary questions	
1.1	Please fill out your Member State and law firm:	<p>Member state: United Kingdom</p> <p>Representative's law firm: Slaughter and May</p>
1.2	Please fill in the date your Member State did the following to implement the Directive into national law:	<p>The date, on which our Member State introduced the legislative bill: Those parts of the Directive that must be implemented by 10 June 2019 have been implemented via various pieces of secondary legislation and changes to regulatory rules. Most of the new requirements apply from 10 June 2019, subject to certain transitional provisions.</p> <p>The date, on which our Member State passed the legislative bill: See above.</p> <p>The date, on which the legislation in our Member State enters into force (if other than 10 June 2019): Those parts of the Directive that must be implemented by 3 September 2020 (articles 3a, 3b and 3c) are expected to be implemented via secondary legislation, which will take effect alongside the Implementing Regulation (2018/1212), on 3 September 2020, if the UK remains a Member State on that date. If the UK has ceased to be a Member State by that date, it is not yet clear whether, and to what extent, the UK Government would choose to implement the relevant provisions of the Directive or to replicate the Implementing Regulation.</p>

1.3	Has your Member State chosen minimum harmonization or chosen to make stricter legislation upon the implementation of the Directive?	<input checked="" type="checkbox"/> Minimum harmonization However, in some areas UK rules or market practice already go further than the amended Directive requires – e.g. in relation to a company's power to request information as to the identity of its shareholders (article 3a); transactions with related parties (article 9c); and engagement and transparency among institutional investors and asset managers (articles 3(g), 3(h) and 3(i)). <input type="checkbox"/> Additional stricter legislation. If yes, please indicate key topics with stricter legislation: See above.
1.4	What have been the three (3) most discussed or controversial topics introduced by the Directive in your Member State and why?	Please insert your answer: There has not been a great deal of discussion or controversy about the amended Directive. This is partly because the UK already has rules that reflect many of the Directive's provisions (see above). In practice, the provisions relating to the transmission of information through the chain of intermediaries and to facilitate the exercise of shareholder rights (articles 3b and 3c) are likely to be most significant and to cause most difficulties to operate.
2	Remuneration policy	
2.1	According to article 2(1)(iii) of the Directive, Member States may require that the scope of directors covers, in addition to the members of administrative or supervisory bodies and the CEO, other persons who perform functions similar to those.	Has your Member State chosen to broaden the scope of directors concerned? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

		<p>If yes, in what way has the scope been broadened? N/A.</p> <p>Notwithstanding the above, what corporate bodies and directors are covered in your Member State by the remuneration rules implementing the Directive (please give the local language term and its equivalent in English)?</p> <p>All directors, whether executive or non-executive, of the company whose shares are traded on a regulated market (which is invariably the parent company of the group).</p>
2.2	According to article 9a(3) of the Directive, Member States may allow for the vote at the general meeting on the remuneration policy to be either binding or advisory.	<p>Has your Member State chosen to make the vote binding or advisory?</p> <p><input checked="" type="checkbox"/> Binding</p> <p><input type="checkbox"/> Advisory</p>
2.3	According to article 9a(4) of the Directive, Member States may allow companies, in exceptional circumstances, to temporarily derogate from the remuneration policy, provided that the policy includes the procedural conditions under which the derogation can be applied and specifies the elements of the policy from which a derogation is possible.	<p>Has your Member State chosen to allow companies to temporarily derogate from the remuneration policy?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
3	Remuneration report	
3.1	According to article 9b(1)(b) of the Directive, where applicable, the remuneration report shall contain information regarding the annual change of remuneration, of the performance of the company, and of average remuneration on a full-time equivalent basis of employees of the company other than directors over at least the five most recent financial years.	<p>Has your Member State chosen that the reporting shall be conducted based on employees at the company level only or also at group level?</p> <p><input checked="" type="checkbox"/> Company level only</p> <p><input type="checkbox"/> Company and group level</p>

		It is mandatory to compare the annual change in each director's remuneration against the other employees of the parent company only. However, UK Government guidance follows paragraph 5.7 of the Commission's Guidelines on the Standardised Presentation of the Remuneration Report (draft published in March 2019) in permitting companies also to compare against a wider group of employees where this would provide a more appropriate or meaningful comparison.
3.2	<p>According to the Commission's draft guidelines on remuneration reports section 6¹, in the first financial years for which the reporting obligation under the Directive exists, it may be that the company does not have readily available information for the previous financial years.</p> <p>In such cases, unless otherwise required by national law, the company can, according to the draft Guidelines, provide such information on previous financial years by way of estimates or omit the information for the financial years where the reporting obligation did not yet apply.</p>	<p>Has your Member State chosen to allow for the exclusion of company information for previous years before the legislation enters into force, and if so - how?</p> <p><input checked="" type="checkbox"/> Yes – such information may be omitted <input type="checkbox"/> Yes – such information may be given by estimates <input type="checkbox"/> No – the company must disclose the required data</p> <p>Companies are not required to include any comparator information from any financial year that started before 10 June 2019.</p>
3.3	According to article 9b(4) of the Directive, for small and medium-sized companies, Member States may provide, as an alternative to a vote on the annual general meeting, for the remuneration report of the most recent financial year to be submitted for discussion in the annual general meetings as a separate item of the agenda.	<p>Has your Member State chosen to make an exception for small and medium-sized companies?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

¹ Draft guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC, as amended by Directive (EU) 2017/828 as regards the encouragement of long-term shareholder engagement. The draft guidelines may be found here: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf

4	Facilitation of the exercise of shareholder rights	
4.1	According to article 3d(3) of the Directive, Member States may prohibit intermediaries from charging fees for the services provided.	<p>Has your Member State chosen to make such a provision?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, has your Member State instead chosen to set a cap on type of fees?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the cap levels? N/A.</p>
4.2	According to article 3a(1) of the Directive, Member States shall ensure that companies have the right to identify their shareholders. Member States may, however, exclude the identification of shareholders holding up to 0.5 % of shares or voting rights.	<p>Has your Member State limited shareholder identification of shareholders holding 0.5 % or lower of shares or voting rights?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what percentage? N/A.</p>
5	Material transaction between the company and related parties	
5.1	According to article 9c(1) of the Directive, when defining material transactions Member States shall set one or more quantitative ratios based on the impact of the transaction on the financial position, revenues, assets, capitalization, including equity, or turnover of the company or take	<p>Which of the options has your Member State chosen?</p> <p><input checked="" type="checkbox"/> Quantitative criterion</p> <p><input type="checkbox"/> Qualitative criterion</p> <p><input type="checkbox"/> Both</p>

	into account the nature of transaction and the position of the related party.	<p>Please set out the thresholds: The existing premium listing regime already contains (in LR 11) a quantitative test based on various financial measures to determine the materiality of a transaction (these are referred to as class tests) – for example, to compare the value of the transaction to the market capitalisation of the company and to the gross assets and profits of the group as a whole. Under new rules implementing the Directive, a related party transaction will be “material” if it reaches or exceeds 5% in any of the class tests.</p>
5.2	According to article 9c(1) of the Directive, Member States may adopt different materiality definitions for the approval referred to in article 9c(4) and for the public announcement referred to in articles 9c(2) and 9c(3) respectively.	<p>Has your Member state chosen to adopt different materiality definitions for approval and public announcement, respectively?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, please state if and how your Member State defines material transactions in relation to approval as referred to in article 9c(4):</p> <p>The existing rules for companies with a premium listing on the UK Main Market already apply different requirements to different types of related party transaction. These rules will be amended slightly to bring them into line with the Directive.</p> <p><u>Summary of existing rules in the UK</u></p> <p>1. Related party transactions</p> <p>If a listed company enters into a related party transaction, the listed company must:</p> <ul style="list-style-type: none"> (i) notify the market of the transaction, including certain details prescribed by the Listing Rules; (ii) send a circular to its shareholders containing certain prescribed information;

		<p>(iii) obtain shareholder approval for the transaction and ensure that the related party and its associates do not vote;</p> <p>(iv) obtain an opinion from an external sponsor that the transaction is fair and reasonable as far as the security holders in the listed company are concerned.</p> <p>2. Smaller related party transactions (where each of the class tests is less than 5%, but one or more of the class tests exceeds 0.25%)</p> <p>If a listed company enters into a smaller related party transaction, the listed company must:</p> <p>(i) obtain written confirmation from a sponsor that the transaction is fair and reasonable as far as the shareholders of the listed company are concerned; and</p> <p>(ii) announce the transaction to the market.</p> <p>3. Other material related party transactions (governed by new DTR 7.3)</p> <p>If a listed company enters into a related party transaction that is “material” (i.e. it reaches or exceeds 5% in any of the class tests) but that does not fall within either of points 1 or 2 above, the listed company must:</p> <p>(i) announce the transaction to the market;</p> <p>(ii) obtain the approval of its board for the transaction; and</p> <p>(iii) ensure that directors connected with the related party do not take part in the board’s decision to approve the transaction.</p> <p>There is no requirement under the new DTR 7.3 regime for the company to procure a report confirming that the transaction is fair and reasonable.</p>
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		<p>Please state if and how your Member State defines material transactions in relation to the public announcement referred to in article 9c(2) and 9c(3):</p> <p>See above.</p>
5.3	According to article 9c(1) of the Directive, Member States may differentiate the definitions of material transactions according to the company size.	<p>Has your Member State chosen to do this?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, what are the thresholds? N/A.</p>
5.4	According to article 9c(3) of the Directive, Member States may provide for the public announcement regarding material transactions with related parties to be accompanied by a report assessing whether or not the transaction is fair etc.	<p>Has your Member State chosen that the announcement on material transactions with related parties of the company shall be accompanied by such a “fairness report”?</p> <p><input checked="" type="checkbox"/> Yes In some circumstances – see 5.2 above.</p> <p><input type="checkbox"/> No</p>
5.5	According to article 9c(4) of the Directive, Member States shall ensure that material transactions with related parties are approved by the general meeting or by the administrative or supervisory body of the company.	<p>Which body has your Member State chosen to be the relevant body to approve material transactions?</p> <p><input checked="" type="checkbox"/> The general meeting</p> <p><input type="checkbox"/> The administrative or supervisory body.</p> <p>As explained in 5.2 above, shareholder approval is required if the transaction falls within LR 11 and is not a “smaller” related party transaction. In other circumstances, the transaction would need to be approved by the board.</p>

		<p>Please give the local language name of the corporate body and its equivalent in English: The shareholders in general meeting or the board of directors.</p> <p>Does the competent corporate body differ from what it would otherwise be under your Member States' legislation (namely did the implementation of the Directive have an effect on corporate decision-making powers)?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
5.6	<p>According to article 9c(5) of the Directive, the approval and disclosure requirements do not apply to transactions entered into in the ordinary course of business and concluded on normal market terms. Member States may, however, require that such transactions are also subject to approval and disclosure.</p>	<p>Has your Member State chosen to exempt transactions entered into in the ordinary course of business and concluded on normal market terms from the approval and disclosure requirements?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If yes, have there been any issues in defining what transactions should be exempted under the legislation of your Member State?</p> <p>No. Because there is a very similar exemption under the existing rules in LR 11, the regulator (the FCA) is used to dealing with questions about which transactions can be considered to be in “the ordinary course of business”.</p>

5.7	<p>According to article 9c(6)(a)-(e) of the Directive, Member States may exclude, or may allow companies to exclude, certain transactions listed in the Directive from the requirements in article 9c(2), 9c(3) and 9c(4) about material transactions.</p> <p>Please state which, if any, of article 9c(6)(a)-(e) your Member State has chosen to either exclude or allowed companies to exclude such transactions:</p>	Article	Member state has excluded	Companies are allowed to exclude	Neither
		Article 9c(6)(a), transactions entered into between the company and its subsidiaries <i>Note: UK has excluded RPTs between the issuer and a subsidiary that is either wholly-owned or in which no other related party has an interest.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(b), clearly defined types of transactions for which national law requires approval by the general meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(c), transactions regarding remuneration of directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		Article 9c(6)(d), transactions entered into by credit institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		Article 9c(6)(e), transactions offered to all shareholders on the same terms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>