

# ENABLING SHAREHOLDER RIGHTS



EUROPEAN  
RESPONSIBLE  
INVESTMENT  
NETWORK

Practical information to support the  
exercise of shareholder rights in seven  
European countries



September 2024

# ABOUT

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This report has been prepared for the European Responsible Investment Network (ERIN) by the ERIN secretariat with support from Better Europe Public Affairs. The report should not be considered to represent the views of members of the network.

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ERIN aims to strengthen civil society across Europe, working together to improve accountability and investment practices and to mobilise the power

of investors to promote sustainable corporate conduct. Through a collaborative approach to capital markets campaigning, we can build a fair and responsible investment system. The ERIN secretariat is hosted by ShareAction.

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# ENABLING SHAREHOLDER RIGHTS

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# **ENABLING SHAREHOLDER RIGHTS | INTRODUCTION**

# INTRODUCTION

## Shareholder engagement and rights in the European Union

Shareholder engagement is an essential component of corporate governance. Being a shareholder of a company gives you certain rights. By exercising these rights, shareholders can hold companies to account for their sustainability impacts, risks and opportunities and drive more responsible behaviour that manages and mitigates systemic risks such as climate change. To do this, shareholders need to know what their rights are, how they can be exercised effectively, and how they may vary from country to country.

In the European Union, shareholder rights are regulated through the [Shareholder Rights Directive](#). The Directive, which was adopted in 2007 and reviewed in 2017 ([SRD II](#)), supervises a set of shareholder rights, including the rights to participate in and vote at Annual General Meetings (AGMs), for companies listed on EU stock exchanges (formally “Regulated Markets”). Its main objectives are to strengthen interactions between companies and their shareholders and to improve transparency in corporate decision-making. Key provisions in SRD II include detailed transparency requirements for institutional investors and proxy advisors, measures to facilitate the cross-border exercise of shareholder rights (including via mandatory remote voting alternatives), annual disclosure obligations, and engagement policy disclosures. All EU Member States have transposed SRD II into national law.

**Transposing EU Directives into national law:** European Union Directives are not directly applicable in Member States (unlike Regulations and Decisions). Member States have to ‘transpose’ these into national rules by a deadline defined in the Directive, and notify the European Commission of their national implementation measures.

Importantly, SRD II acknowledges that effective shareholder engagement is a “cornerstone of the corporate governance model of listed companies” and a “lever” to improve the financial and non-financial performance of companies, including on sustainability issues (EU Directive 2017/828, 2017).

However, despite these aims, the Directive falls short in key areas ([ShareAction, 2021](#)). The EU needs to set a higher standard for shareholder engagement to steward more sustainable corporate behaviour. In addition, shareholders, including individuals, face significant practical obstacles in the exercise of their rights, particularly in a cross-border context across the EU.

Difficulties also exist in accessing information required to confirm ownership of shares, via a complex chain of intermediaries, which can prevent AGM attendance and voting. These practical challenges merit their own analysis.

## About this report

ShareAction has produced this report to help members of the European Responsible Investment Network and others understand and navigate differing legal frameworks at the national level which pose significant challenges to the effective exercise of shareholder rights across Europe.

We also set out policy recommendations on how the EU can enhance the exercise of shareholder rights by revising the SRD II.<sup>1</sup>

This document has been prepared using best efforts based on publicly available information and the experience of shareholders and other professionals we consulted. This document does not constitute legal advice and no reliance should be placed on it. Readers are advised to seek legal advice.

<sup>1</sup> This document does not address other important aspects of SRD II, such as Article 3g, which have been the subject of other papers and policy recommendations such as [Investing in Europe’s Prosperity: a vision for the transition to sustainability 2024–2030](#) and [Responsible Stewardship: How the EU can improve the Shareholder Rights Directive](#).

## Shareholder rights in seven countries

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The first part of this report provides an overview of shareholder rights in six countries in the EU (France, Finland, Germany, the Netherlands, Poland, and Spain) as well as the United Kingdom. The countries were selected to account for geographical balance and economic influence.

Each country chapter provides an overview of the interpretation of shareholder rights at the national level and how the Shareholder Rights Directive II (SRD II) has been transposed into national law. The chapters identify differences across national regimes and suggest how minimum EU requirements could be strengthened in specific areas. Each chapter covers:

- Annual General Meetings (AGMs)
- Information disclosed to shareholders
- Filing shareholder resolutions
- Voting on resolutions
- Appointing proxies
- Asking questions at AGMs
- Consideration of environmental, social and governance (ESG) issues
- Electronic participation and communication
- Representation on boards

Some chapters include examples of difficulties shareholders have faced when seeking to exercise their right to participate in AGMs.

## EU policy recommendations

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The second part of the report sets out ways in which the European Commission can strengthen the exercise of shareholder rights through a revision of SRD II, which was last reviewed seven years ago. We identify two key dynamics that underscore the need for the review:

- The increasing relevance of ESG topics to shareholders and companies.
- The prevalence of virtual AGMs since the COVID-19 pandemic.

The current political context in Europe presents a window of opportunity. Following European elections in June 2024, the EU is entering a new five-year mandate (2024–29) with a heightened focus on ensuring its long-term global competitiveness. The revitalisation of the Capital Markets Union is seen as central to this. In early 2024, a **statement** of the Eurogroup (Eurogroup, 2024) and **report** by former Italian Prime Minister Enrico Letta on the single market (Letta, 2024) **both highlighted the need to harmonise the cross-border exercise of shareholder rights and ensure that shareholders do not face unnecessary obstacles in the exercise of their rights.**

Looking to the new EU mandate, we put forward recommendations on how SRD II can be updated to enhance shareholder rights as an essential component of a fully functioning Capital Markets Union:

- Strengthen shareholder rights to participate in AGMs.
- Ensure that the digitalisation of AGMs does not come at the expense of shareholders' rights to engage.

Detailed references for all sections are available at the end of the report.

# GLOSSARY

This guide uses several terms that may require further explanation. This glossary has been provided to help readers access information in the report.

## Annual General Meeting (AGM)

Mandatory annual meeting of a company's shareholders, as stipulated by law or the company's bylaws, which shareholders in the company can attend, to review the company's performance, ask questions of the supervisory board, and vote on resolutions. AGMs are also commonly referred to as general meetings, or shareholders' meetings.

## AGM notice

A formal communication issued by a company's supervisory or management board to its shareholders, informing them of the upcoming AGM. Typically includes the date, time, and location of the meeting, along with the agenda items to be discussed and any resolutions to be voted on. Sometimes referred to as the convocation.

## Annual report

A comprehensive report which a company publishes each year to provide shareholders, investors and other stakeholders with detailed information on its activities and finances in the preceding financial year. It typically includes the company's financial statement, as well as corporate governance information and other disclosures, including non-financial information, where relevant.

## Auditor's report

A formal document prepared by an independent auditor summarising their findings and opinions regarding the accuracy and fairness of a company's financial statement.

## Bearer share

A type of share where ownership is not recorded on the company's books and is determined by possession of a physical or electronic share certificate. Unlike registered shares, bearer shares do not have an identified owner on record, allowing for anonymity. This structure allows ownership to be transferred simply by handing over the certificate, without needing to inform the company. Ownership rights, including participation in AGMs and voting, are typically exercised through a financial intermediary rather than directly by the shareholder.

## Boards

In a two-tier Board system, the supervisory board, or board of directors, is the governing body of a company. It is chaired by an independent outside director and its members are elected by shareholders (in the case of public companies) to set strategy, oversee management, and protect the interests of shareholders and stakeholders. The management, or executive, board is typically chaired by the CEO or managing director and made up of senior employees of the company. It is responsible for day-to-day operations and implementation of that strategy. Many countries have a single-tier board system with no distinction between management and supervisory boards, though many allow companies a choice between the two models.

## Bylaws

Also commonly referred to as articles of association, or company constitution. A legal

document outlining internal rules, regulations and procedures for the management and operation of a company, building on national corporate governance legislation. Bylaws typically establish the company's governance structure, powers of directors, rights and responsibilities of shareholders, and procedures for decision-making and corporate actions.

## Corporate Sustainability Reporting Directive (CSRD)

The EU [Corporate Sustainability Reporting Directive](#), adopted in December 2022 (EU Directive 2022/2464, 2022), established a standardised reporting framework for sustainability disclosures in companies' annual reports. The Directive covers large companies based in the EU which meet at least two of the following criteria: (i) more than 250 employees, (ii) more than €40 million net turnover, and (iii) more than €20 million balance sheet. Public-interest small and medium-sized enterprises (SMEs) and non-EU companies reaching specific financial thresholds are also covered. This report does not look specifically at national requirements on the disclosure of non-financial information (such as sustainability information) to shareholders and other stakeholders, as these will be fully harmonised across the EU based on the CSRD's European Sustainability Reporting Standards.

## Extraordinary General Meeting (EGM)

A shareholders' meeting held to deliberate on a specific issue, for example an amendment to company bylaws. EGMs do not



have to be held every year and are only organised in exceptional situations. The rules governing an EGM may also differ from an AGM – for example, there may be a higher threshold for a vote to pass.

### Financial statement

A document presenting detailed information about the financial activities and position of a company, typically including an income statement, balance sheet and cash flow statement.

### Financial year

A 12-month period used by companies for budgeting and planning as well as financial and non-financial reporting purposes. It may or may not align with the calendar year. Also commonly referred to as fiscal year.

### Hybrid AGM

A meeting held with some members joining physically and others attending via electronic means, such as virtual meeting software. Voting will be possible via both physical and electronic means.

### Limited liability company

A company that protects its owners from being liable for the company's debts. Limited liability companies can be either public or private, although most are small and medium-sized private businesses.

### Listed company

Understood in this report as a company whose shares are traded on a Regulated Market regulated by the Markets in Financial Instruments Directive (MiFID), ensuring compliance with European Union regulations for transparency and investor protection. Regulated Markets are essentially the traditional stock exchanges; MiFID also

recognises other types of trading venues that are not public.

### Motion

A proposal for a resolution, tabled at a general meeting.

### Non-listed company

Understood in this report as a company which is not listed on a MiFID-regulated market.

### Proxy

A representative appointed by a shareholder to act on their behalf, for example by attending a meeting. The shareholder may instruct the proxy on how to vote on a resolution, or give them a question to ask the management board.

### Registered share

A share issued in the owner's name, which means that the owner's identity and contact information are known by the company.

### Resolution

Resolutions are the means by which company directors and shareholders make decisions. Most resolutions relate to the governance of the company. For example, companies can propose a resolution to reappoint one of the directors, approve the remuneration package, or approve the shareholder dividend. Shareholders can also propose resolutions (see Shareholder resolution). There are two types of resolutions: ordinary resolutions (passed by a simple majority) and special resolutions (passed by a qualified majority).

### Share capital

Share capital is the money (equity) a company raises by selling shares. Each shareholder effectively owns a portion of the company's equity by holding a share.

### Shareholder resolution

A resolution proposed by a shareholder or group of shareholders. These are distinct from company resolutions, which are proposed by the company. Filing a shareholder resolution is a potentially powerful tool for campaigners.

### Virtual AGM

A meeting held exclusively via electronic means. All members join remotely, for example through a dedicated online meeting platform or other video conferencing software. Board members may still gather physically to join the meeting together.



# OVERVIEW OF SHAREHOLDERS' RIGHTS ACROSS SEVEN COUNTRIES

The table presented below summarises shareholders' rights in relation to listed companies. It is not exhaustive; it provides a selection of the information presented in the country chapters. The language used is simplified, omitting certain levels of detail. A slash mark (/) means that the indicator is not addressed in the related country chapter as there is no specific legal requirement in national law.

Indicator	SRD II baseline standard	Finland	France	Germany	Netherlands	Poland	Spain	United Kingdom
Timing of AGM notice	21 days before AGM (SRD II Art. 5)	21 days before AGM	35 days before AGM	30 days before AGM	42 days before AGM	26 days before AGM	1 month before AGM	21 days before AGM
Communication for AGM notice	Fast access on a non-discriminatory basis (SRD II Art. 5)	/	Post, email, bulletin of mandatory legal notice	Website	Electronic communication, newspaper	Website, electronic information transfer system	Website, gazette of the commercial registry, newspaper	Website, direct notification
Capital threshold for requesting resolutions	5% of share capital (SRD II Art. 6)	No threshold	5% of share capital, with a reduced proportion for companies with share capital above €750,000	5% of share capital, or nominal stake of €500,000	3% of share capital (can be lowered by bylaws)	5% of share capital	5% of share capital for joint stock companies, 3% for listed companies	5% of share capital or 100 shareholders with voting rights with an aggregate nominal stake of at least £10,000
Notification period for requesting items and resolutions	Up to Member States (SRD II Art. 6)	"Well in advance" (4 weeks before AGM)	25 days before AGM	30 days before AGM	60 days before AGM (can be lowered by bylaws)	21 days before AGM	5 days after convocation	By end of financial year preceding the AGM (no cost of circulation) or 6 weeks before AGM (circulation costs)
Voting power of shareholders	Shareholders vote in respect of their shares (SRD II Art. 7)	/	Proportional to share capital representation	Proportional to share capital representation	/	Proportional to share capital representation, unless shares are 'privileged' (increased number of votes)	Proportional to share capital representation, with potential maximum of votes established in bylaws	Proportional to share capital representation
Choice of proxy	No legal rule restricting the eligibility of persons to be appointed as proxies (SRD II, Art. 10)	No restriction	Either a spouse, a partner or another shareholder	Either another natural person, a shareholder association, an intermediary, or proxy services	Can be restricted in bylaws but lawyers, notaries and auditors always allowed	No restriction	Can be restricted in bylaws	No restriction
Restrictions to asking written questions during AGM	Shareholders have the right to ask questions related to agenda items (SRD II, Art. 9)	Potential restrictions on scope of questions	Submission 4 days before AGM	Potential restrictions on scope of questions	/	/	Submission 7 days before AGM	Potential restrictions in company bylaws
Distance voting	Companies can decide whether or not to offer distance voting (SRD II, Art. 8+12)	/	Possible	Possible	Depends on company's bylaws	Possible	Possible	Possible
Electronic AGM participation	Companies can decide whether or not to offer electronic participation (SRD II, Art. 8)	Possible	Possible	Possible	Depends on company's bylaws	Possible	Possible	Possible, unless expressly prohibited in company bylaws
Guaranteed physical access to AGMs	No legal rule to guarantee physical access to AGMs or to limit the organisation of fully electronic AGMs	No, company's bylaws can allow the organisation of fully electronic AGMs	Yes, fully electronic AGMs can be blocked by shareholders representing 5% of share capital	/	/	/	Yes, if shareholders representing 2/3 of share capital do not approve a change to the bylaws to allow fully electronic AGMs	/
Access to annual reports	/	Company's office or online one week before the AGM, can be requested if not available online	Bulletin of mandatory legal notice, sent to shareholders within 4 months after end of the financial year and 15 days before AGM	/	Company's office 4 months after end of the financial year	Can be requested from the day of announcement of AGM	Can be requested 3 months from the end of financial year	Company's website, can be requested physically

# EXERCISING SHAREHOLDER RIGHTS

This section offers some practical information about how to exercise shareholder rights



## Becoming a shareholder

Anyone can become a shareholder in a listed company by buying shares, as long as they can fulfil the practical requirements to do this. First, you must open a brokerage account (an account which allows you to buy and sell investment securities) with a brokerage company or investment platform, and fund your account. Opening a brokerage account will require you to prove your identity and residency status. Then instruct the broker to buy a share or shares on your behalf. If you want to attend the AGM, make sure you are getting a registered share or that your broker can help you attend.



## Attending AGMs

The AGM is a great opportunity to challenge and question companies in a public way. For in-person AGMs, you are also offered an opportunity to interact with other shareholders, and possibly the board, directly.

Find out when the AGM is likely to take place, and when and where the agenda and other information will be available. How far in advance do you need to submit questions and resolutions? The information in this report outlines the answers to these questions for seven European countries.

As a result of the COVID-19 pandemic, many AGMs are now held either wholly online or in a hybrid format, with some people participating in person and others online. Check how AGMs of the company you are interested in have been held in previous years for its likely format, though this is not a guarantee that they will organise it the same way again.

To gain entry to a physical AGM, shareholders and proxies should bring a form of identification, along with the required attendance documentation.

In many jurisdictions, shares are commonly held through nominee broker services (where the name listed on the share is that of the stockbroker, rather than the client or beneficial owner). In this case, the nominee needs to appoint a proxy to attend the AGM, a process which can take a few weeks. It is good to contact the broker as soon as possible after the AGM notice to facilitate this. You should include the full name of the proxy (as listed on their official identification document). The proxy will need to bring the relevant documentation with them to the AGM, alongside their ID.





## Asking questions at AGMs

Asking questions is another way to bring up issues you're concerned about with a company's directors and managers, and make other shareholders aware of them. Questions can typically be asked in writing beforehand or at the AGM itself. See the following sections for rules covering what you can ask questions about in specific countries, and how to do it.

If you are planning to ask a question in person at an AGM, it can be useful to print it out to give to the officials once you arrive so that they have a copy.



## Filing shareholder resolutions

By filing or co-filing a shareholder resolution, you put a formal vote on the agenda at a company's AGM. This is a powerful tool. If shareholders – including big institutional investors such as pension funds – support your resolution, the target company is sent a huge signal that it's time to take action. And if it passes, they may be legally bound to act.

You may need to organise with other shareholders so you collectively represent the required minimum of share capital required to file a resolution (see the information for specific countries in this report). Allow as much time as possible to do this, as agreeing the text of a resolution and preparing the necessary paperwork in time for the meeting can be time consuming.

The proposed resolution and accompanying information will be included in the information sent to all shareholders in advance of the AGM, which is in itself a great way to raise awareness of an issue.

Resolutions can also prompt engagement with the company, which may seek to address the issue and get the resolution withdrawn rather than see it put to a vote. Shareholder resolutions can and have been withdrawn if a negotiated outcome has been reached between the company and co-filing investors before the publication of the AGM notice.



## Appointing a proxy

If you can't attend the AGM yourself, or would prefer someone else represented you, you can appoint a proxy. The following sections outline the rules governing who can be a proxy, how to appoint one, and what they can or can't do on your behalf, in each of the seven countries covered in this report.

### Useful resources

[A Guide to Filing Impactful Shareholder Proposals](#), Principles for Responsible Investment, 2023

[Barriers to Shareholder Engagement – SRD II Revisited](#), BETTER FINANCE & DSW, 2023

[Know Your Rights – A guide for institutional investors to the law on climate-related shareholder resolutions](#), ClientEarth, 2021





# ENABLING SHAREHOLDER RIGHTS | FINLAND

# FINLAND

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in Finland, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 49.



## National legal framework

Shareholder rights in Finland are defined in the **Limited Liability Companies Act** (*Osakeyhtiölaki*) from 2006 which was last **amended** in December 2023 to transpose new EU rules (**English translation** of amendments up to 660/2022). Provisions relating to General Meetings were renewed in late 2022 to accommodate the needs of hybrid and virtual AGMs. In January 2024, the Ministry of Justice launched a working group for revision of the Limited Liability Companies Act. It is unlikely that AGM-related provisions will be amended in the near future, but the group's work may have an impact on other shareholder rights.

Some parts of the Shareholder Rights Directive II (SRD II) are also transposed in the **Securities Market Act** (*Arvopaperimarkkinalaki*), adopted in 2012 and last amended on 21 December 2023 and in the **Investment Services Act** (*Sijoituspalvelulaki*), adopted in 2012 and last amended on 23 March 2023.

Some of the provisions mentioned below only apply to listed companies, i.e. limited liability companies whose shares are traded on a regulated market referred to in the Act on Trading in Financial Instruments (Finland's transposition of MiFID).



## Annual General Meetings

An AGM must take place at least once a year, within six months following the end of the financial year.

In the exceptional case (for listed companies) that an AGM is not convened when it should be, the regional

state administrative agency (*Aluehallintovirasto*) can authorise an interested party (a member of the board, a director, an auditor or a shareholder) to organise the AGM at the company's expense.

For their part, Extraordinary General Meetings must be held if the bylaws require so, on the initiative of the board, if certain shareholders or the auditor request so, and in some cases on the initiative of the supervisory board. Shareholders holding 10% of the shares issued, unless a lower amount is specified in the bylaws, can request in writing an Extraordinary General Meeting to deal with a specific matter. For public limited companies, the invitation must be sent within a month after the request.

AGMs must be announced between two months and one week before the meeting. For a listed company, AGMs must be announced at least three weeks before the meeting. The AGM notice must list the time and place of the meeting, the agenda, and any proposed change to bylaws. The meeting must take place at the company's head office unless the bylaws specify otherwise, or in case of very compelling reasons.

Shareholders must be listed in the shareholder register eight business days before the meeting in order to participate in the AGM. Shareholders not listed in the register, usually including all foreign shareholders, may be temporarily added to the register for the purpose of attending the AGM.



## Information disclosed to shareholders

The annual report, financial statements and auditor's report must be made available at the

company's office or online at least one week before the AGM, and sent to any shareholder who requests it, unless they are available online for download. The Securities Market Act requires that the annual report, financial statements and auditor's report are disclosed to the markets as per the Transparency Directive (EU Directive 2004/109/EC, 2004).

Companies listed on the main Helsinki stock exchange (Nasdaq Nordic) must report using the International Financial Reporting Standards (IFRS). Companies listed on other markets, such as the Nasdaq First North Growth Market (an SME Growth Market under MiFID II), may opt to use national accounting standards under the Accounting Act (*Kirjanpitolaki*) instead.



### Filing shareholder resolutions

Shareholders have the right to table discussion items and resolutions that are within the competence (areas of responsibility) of the general meeting, provided this is requested from the board "well in advance" of the meeting and that they are registered as a shareholder eight working days before the date of the AGM. For listed companies, four weeks ahead of the AGM notice shall always be deemed on time. There is no explicit threshold for exercising this right (i.e. one share is sufficient). **The Finnish Corporate Governance Code 2020** recommends (Recommendation 2) that companies publish the cut-off date for topics to be put on the agenda on their website, including a proposal for a resolution to resolve the matter.



### Voting on resolutions

Decisions are taken by majority of the votes cast, unless they require a qualified majority of two-thirds of votes cast and represented at the meeting. Decisions which require a qualified majority include, for example, those on changing the bylaws, issuance of shares or stock options,

acquisition or sale of shares in another company, targeted acquisition of own shares, merger, distribution or liquidation, or changing voting rights for a share class.

By default, each share gives one vote on all matters discussed at the AGM, although the bylaws can attribute a different number of votes to shares. Non-voting shares are also allowed.

The Companies Act does not stipulate how voting must be conducted so voting practices vary between companies. For example, the chair of the meeting may informally inquire of the largest shareholders whether they support the point at hand, if they jointly hold enough votes. However, if even a single shareholder demands it, a vote and full count of votes must be performed. After the COVID-19 pandemic, Finnish companies have made significant steps towards the digitalisation of AGMs, and advance voting and in some cases remote voting by digital means have gained popularity. This has led some companies to use digital tools for the voting and counting processes.

Decisions made and results of the votes are recorded in the minutes of meeting. These must be made available at the company head office or online within two weeks after the meeting.



### Appointing proxies

Shareholders may be represented by a proxy holding a signed authorisation for a single meeting or several meetings. Both shareholders and proxies can be accompanied by an assistant (such as a legal advisor or other assistant).



### Asking questions at AGMs

Shareholders can ask questions of the board and CEO related to topics discussed at general meetings. This includes the company's financial situation, if that is on the agenda. The



board and CEO may refuse to answer a question should doing so harm the company (e.g. by revealing trade secrets). If they are unable to provide a sufficient answer during the meeting, they can do so in writing afterwards.



### Consideration of ESG issues

Shareholders can request items be put on the agenda, including resolutions, provided they are within the competence of the meeting. Environmental, social and governance (ESG) matters typically fall outside the competence of the general meeting as defined in the Companies Act. However, changing the bylaws always falls under the scope of the general meeting, and it is therefore advisable to present any sustainability-related resolutions as changes to the bylaws, which are by definition admissible.



### Electronic participation and communication

The board may decide to hold AGMs either as a traditional physical meeting or as a hybrid meeting, unless otherwise stated in the bylaws. Additionally, the board may decide to offer so-called supplementary participation methods.

In hybrid and remote meetings, remote participants must have similar rights as at a traditional meeting, including the right to speak, and the company must ensure technical provisions are in place to ensure this.

In addition, the company may offer a chat-based commenting option or provide for advance voting, although it is possible that such supplementary participation methods do not allow for the full execution of shareholder rights.

Organising a remote meeting always requires the existence of bylaws allowing for this. Based on the spring 2023 AGM invitations, several companies are

in the process of amending their bylaws to enable them to hold their AGMs remotely in the future.



### Representation on boards

Under Recommendation 10 in the Corporate Governance Code, the majority of directors should be independent of the company, and at least two should also be independent of significant shareholders (10% of shares or more). Recommendation 9 suggests that board diversity (in general, beyond gender) is conducive to good corporate governance, open discussion, and independent decision-making.

There is no specific requirement for a certain percentage or number of shareholders to sit on boards.

## CASE STUDY

### WWF experience in Finland shows how limitations to physical AGMs undermine shareholder democracy

The Finnish branch of WWF (WWF Finland) owns one single share in Fortum, a Finnish energy company that has acquired majority ownership of German utility Uniper. In 2020, WWF Finland tabled a draft resolution at the Fortum AGM, calling on the company to align its activity with the Paris Agreement target to limit warming to 1.5°C.

While Fortum has increasingly claimed it has a vision “for a cleaner world”, its board of directors recommended voting against the draft resolution. It explained it was unable to commit to climate targets due to its acquisition of German utility Uniper and its energy production in Russia, which heavily relies on fossils.

The Fortum AGM in 2020 was initially scheduled to take place in March, but the COVID-19 outbreak caused it to be postponed until April. The draft resolution was not discussed at the AGM due to extraordinary arrangements linked to the COVID-19 pandemic. Physical attendance was restricted to a minimum, preventing exchanges between shareholders, and the board of directors' position was the only one presented. WWF's draft resolution ultimately received around 8% of the votes and was rejected.<sup>2</sup>

The framing of the Board's objection to the proposed resolution was a key factor in its rejection. As covered extensively in [Know Your Rights](#), the resolution was considered to be “a deviation from the company's purpose to generate profits to its shareholders in the long-term, as required by the [Finnish] Companies Act, towards a direction of a non-profit organisation” (ClientEarth, 2021). This implied that the resolution would require amending the company's purpose, which is only possible with the consent of all shareholders.

<sup>2</sup> Case study shared by WWF Finland as part of their contributions to the present report. For more information see press release “WWF Disappointed with Fortum Board”





# ENABLING SHAREHOLDER RIGHTS | FRANCE



# FRANCE

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in France, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 50.



## National legal framework

In France, shareholder rights are primarily governed by the **French Commercial Code**, which was amended by the **decree** and the **order** of 27 November 2019 to transpose the EU's 2017 revision of the Shareholder Rights Directive (SRD II).



## Annual General Meetings

AGMs have to be organised at least once a year.

Registered shareholders receive an AGM notice by post or electronically at least 35 days before an AGM. Holders of bearer shares can find out the date of the AGM from the company website, the financial press, or the bulletin of mandatory legal notices, the '*bulletin des annonces légales obligatoires*'.

The AGM notice includes the agenda, draft resolution texts, a brief overview of the company's financial situation, the results of the past five fiscal years, details about executives and director candidates, information on total compensation and benefits from the company, and a list of all held mandates and positions. Updated AGM notices, including revised agendas if any shareholder resolutions have been submitted, must be sent at least 15 days before the AGM. If it is a second AGM, they have to be sent at least 10 days before.

Access to AGMs is generally limited to shareholders, and attendance is based on share ownership. Details regarding access and attendance may vary based on the company's

bylaws and the type of shares held. By means of a special provision in its bylaw, the company can decide that the right to take part in AGMs is limited to those holding shares at least two working days before the AGM.

AGMs are different from Extraordinary General Meetings (EGMs), which put to the vote resolutions that would modify a company's capital, nationality or bylaws. Ordinary AGMs can only take decisions on other matters.



## Information disclosed to shareholders

Shareholders have a right to access essential documents, including attendance records, meeting minutes, lists of supervisory and management board members, auditors' reports, and the texts and reasons for resolutions. Shareholders can ask the board's president about management operations.

Annual reports should be sent to shareholders within four months after the end of the financial year, and 15 days ahead of the AGM. Annual reports of listed companies must also be published in the bulletin of mandatory legal notices, within the same time limit. Annual reports should include: annual accounts; the company's situation and future prospects; the company's activities; events relating to controlled companies and subsidiaries; agreements with third parties; specific resolutions; and social and environmental reporting. Smaller companies – that do not exceed two of three thresholds: (i) a balance sheet of €4 million, (ii) a turnover of €8 million, and (iii) an average workforce of 50 employees – can produce simplified annual reports.



## Filing shareholder resolutions

In companies with share capital of €750,000 or less, shareholders holding at least 5% of the share capital can request the inclusion of resolution proposals on the agenda.

In companies with share capital over €750,000, the percentage needed to request resolutions is lower, based on the following sliding scale:

- (i) 4% for the first €750,000;
- (ii) 2.5% for share capital between €750,000 and €7,500,000;
- (iii) 1% for share capital between €7,500,000 and €15,000,000;
- (iv) 0.5% for share capital over €15,000,000.

On the date of their submission for a resolution, shareholders must prove that they possess or represent the required proportion of share capital by registering the corresponding shares either in an externally administered share account, a pure registered share account or a bearer share account (for example a credit institution or an investment firm). Alternatively, the share capital can also be registered in a ‘Distributed Ledger Technology’ (DLT), a digital system that records and verifies transactions across multiple locations in a decentralised manner. Shares have to be registered by midnight two working days before the AGM.

To add a resolution to the agenda, shareholders have to make a formal request to the board, either by registered letter with acknowledgement of receipt or electronically, providing proof and motivation. If these conditions are met, the Board cannot judge the appropriateness of the resolution but can assess its legality, which has led to cases where resolutions were rejected. However, the French law states that shareholders cannot table resolutions that would interfere with the supervisory board’s exclusive competence to set the company’s strategy, due to mandatory division of power. Resolutions aimed at changing the company’s strategy (e.g. climate-related resolutions) can therefore only be considered

valid if they are tabled as amendments to the company’s bylaws.

When placed on the agenda, shareholder resolutions are called ‘external resolutions’ as they do not originate from the supervisory board. They become ‘dissenting resolutions’ when presented to the AGM in the context of failed negotiations with the board.

Resolutions are generally tabled close to the time of the AGM, with the deadline for submission being the 25th day before the meeting. Additionally, requests for resolutions cannot be made later than 20 days after the meeting notice has been issued, if the convening notice has been issued 40 days before the AGM.



## Voting on resolutions

Voting rights are linked to the number of shares held by shareholders and are proportional to the shares’ capital representation. Each share typically entitles the holder to at least one vote, allowing shareholders as many votes as shares they own. However, shares have to be listed in the management report presented by the board of directors/management to grant a voting right. Shares that are not listed in the management report do not grant voting rights.

At the first call for an ordinary AGM, deliberations are valid only if the shareholders present or represented own at least one-fifth of the shares with voting rights. The bylaws may provide for a higher quorum. If the AGM is unable to deliberate for lack of a quorum, a second convocation may be issued, for a second AGM where no quorum is required. In either case, resolutions are passed by a majority of the votes cast by shareholders present or represented. Votes cast do not include those attached to shares for which the shareholder did not take part in the vote, abstained, voted blank or invalid. Resolutions voted on during EGMs are passed

only by a qualified majority of two-thirds of the shareholders present or represented.

Company bylaws can grant double voting rights to certain shareholders. Generally, double voting rights are granted to shareholders who hold onto their shares for an extended period, signalling a commitment to the company's long-term development rather than seeking short-term gains. The 'Florange Law' established in 2016 the principle of double voting rights for shares in French listed companies that are held for at least two years.



### Appointing proxies

Shareholders can appoint proxies to represent them at meetings and vote on their behalf. Proxies must be the shareholder's spouse or civil partner, or another shareholder. The appointment or revocation of a proxy must be made in writing to the company.



### Asking questions at AGMs

Shareholders can ask questions in writing and the board of directors or management board is required to answer during the AGM. Questions have to be sent at least four working days before the AGM, either by registered letter with acknowledgment of receipt or electronically. Common answers can be provided for several questions if they are on the same subject.

A written question is deemed to have been answered if the answer appears on the company's website in a section devoted to questions and answers. The board of directors or the management board may delegate one of its members to answer questions.

Experience shows that shareholders can generally ask oral questions during AGMs, but within time

limits set by the companies. Often, companies do not respond to all questions due to time constraints.



### Consideration of ESG issues

Climate resolutions (for example, Say on Climate resolutions<sup>3</sup>) can be proposed by the company or initiated by shareholders. As mentioned above, climate-related resolutions are considered to be changing the company's strategy and must be tabled as amendments to the company's bylaws.

On 8 March 2023, France's Financial Markets Authority (*Autorité des marchés financiers*, AMF) issued a **position** on environmental and climate issues in the context of shareholder dialogue. The AMF recommends, regarding climate resolutions in particular, that companies enhance shareholder dialogue on their climate strategy "in the context of their annual general meeting, but also on a regular basis, ahead of the meeting and after it" (AMF, 2023). The AMF does not advocate for formal approval by shareholders at this stage but considers it a desirable development for the future.



### Electronic participation and communication

Shareholders have the right to vote remotely, either by correspondence or electronically. To do so, they must request a distance voting form at least six days before the AGM. If the company's bylaws provide for this option, shareholders participating in meetings by video conference have to be considered present for the calculation of quorums and majorities. Where appropriate, shareholders have to complete and sign a digital voting form provided by the company, using an electronic signature tool.

Since 2020, it is possible for a company's

<sup>3</sup> A resolution on the company's climate strategy and environmental policy submitted to a company's shareholders for a vote, typically at an AGM. It gives shareholders an opportunity to influence the company's approach to addressing climate change and environmental sustainability.



bylaws to provide that AGMs (and EGMs) can be held exclusively by video conference, or by other means of communication that enable shareholders to be identified. If they can demonstrate they account for 5% of the company's share capital, shareholders have the right to oppose an AGM being held wholly virtually. To do so they must make the request by registered letter or email with acknowledgement of receipt (alongside their share certificate) at least 25 days before the AGM. If the right is exercised, the company has to notify shareholders that the AGM will not be held only virtually at least 48 hours before the meeting.

In March 2022, the Senior Legal Committee of the Paris Financial Center (*Haut Comité Juridique de la Place Financière de Paris*, HCJP) published a **report** on adapting corporate governance based on experience from the COVID-19 crisis (HCJP, 2022). They recommended that a number of measures adopted by legislators during the pandemic should be made permanent. These include making electronic AGM convocation and information transmission the norm by recognising equivalence between paper and electronic mailings; allowing electronic voting ahead of AGMs; implementing a standardised virtual admission card for remote participation; and removing shareholders' right to oppose fully digital meetings for non-listed companies, while requiring listed companies to broadcast meetings on demand.

While the AMF is in favour of holding hybrid AGMs, experience shows that listed companies are reluctant to do so because AGMs risk being invalidated in the event of technical difficulties. Flow interruptions can result in the invalidation of the AGM, which is the main argument companies use to refuse hybrid AGMs with live voting and questions.



## Representation on boards

While there are regulations aimed at promoting diversity and gender balance within supervisory and executive boards, such as **2011's Copé-Zimmermann Law**, there is no specific requirement for a certain percentage or number of shareholders to sit on Boards.

## CASE STUDY

### **French banks have used administrative requirements to limit shareholder participation**

NGO BankTrack reports that some French banks have excessive administrative requirements that limit shareholder rights, including AGM participation. For example, BNP Paribas requires AGM questions to be emailed in advance, along with a confirmation letter from the shareholder's bank or custodian, confirming ownership before the bank's specified deadline (typically six to seven days before the AGM). The date of this confirmation letter must be close to the submission date for validity purposes, requiring early coordination with the bank or custodian of the share. These rushed timeframes can lead to difficulties in ensuring consistent documentation, hampering engagement, especially from new or less experienced shareholders.

To access the AGM, the shareholder or their representative must present a power of attorney and the ownership confirmation letter from their bank or custodian. The power of attorney can be a simple document signed by the shareholder, including the attendee's details and granting them permission to represent the shareholder. According to BankTrack, it is not uncommon for shareholders to be refused access to AGMs on these administrative grounds.<sup>4</sup>

<sup>4</sup> Case study shared by BankTrack in writing as part of their contributions to the present report.





# ENABLING SHAREHOLDER RIGHTS | GERMANY

# GERMANY

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in Germany, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 51.



## National legal framework

The primary German law governing rights of shareholders is the **German Stock Corporation Act** (*Aktiengesetz, AktG*), which was amended by an Act of 12 December 2019 to transpose the Shareholders Rights Directive II (*Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie vom 12. Dezember 2019, Bundesgesetzblatt Jahrgang 2019 Teil I Nr. 50*). The financial annual statements and non-financial statements are governed by the **German Commercial Code** (*Handelsgesetzbuch*).



## Annual General Meetings

The German Stock Corporation Act provides for two types of meetings: general physical meetings and virtual meetings.

AGMs should be convened within the first eight months of a year, and they are usually convened by the company's management board. There are a few exceptions. For instance, the supervisory board can convene an AGM where this is required by the company's best interests. Unless stipulated differently in the company's bylaws, AGMs should take place in the seat of the company (the headquarters); listed companies can also hold an AGM in the seat of the stock exchange.

Shareholders representing 5% of the capital can convene a general meeting, so long as they can prove they have held the required proportion of shares for at least 90 days prior to the date they made the demand, and continue to hold these shares until the management board decides on their request.

The notice convening the AGM should be sent 30 days beforehand. It should include the time and place of the AGM, an agenda, and information on voting procedures. Public companies must publish the following five elements on their website: (1) the notice convening an AGM, (2) an explanation why there are no resolutions on certain agenda items, (3) any related documents, (4) the total number of shares of stock and voting rights at the time the AGM was convened, and (5) proxy or absentee voting forms (if these are not directly sent to shareholders).



## Information disclosed to shareholders

Shareholders may request how votes were counted within one month of the AGM. They have access to the list of participants at an AGM up to two years after the meeting.

Annual financial statements are governed by the German Commercial Code (*Handelsgesetzbuch, HGB*). They must be in German and denominated in euros, with foreign currencies converted on the date of the balance sheet. The law also prescribes that annual statements must be transparent and clearly set out.

The German Stock Corporation Act provides an exhaustive list of instances when the board can refuse to provide information. For instance, information can be refused when it may cause a greater than insignificant disadvantage to the company (or an affiliated enterprise), and/or the management board may be legally liable. A shareholder whose request for information is refused can ask for their question and grounds



of refusal to be included in the minutes of the meeting. They can also challenge the refusal at a regional court in the jurisdiction in which the company is based.



### Filing shareholder resolutions

Shareholders representing 5% of the capital, or a nominal stake of €500,000, may demand items be put on the agenda. Such a request should be submitted at least 30 days before the AGM, together with reasons and/or any proposal for a resolution.

German law restricts what matters resolutions can be tabled on, limiting it only to nine cases. This list includes, most importantly, amendments of the bylaws. A resolution amending the bylaws requires at least 75% of the shares to be represented at the time of adoption of such a resolution.

An AGM can also make decisions on matters of the management of the company's affairs, but only if the management board demands it. In practice, this seldom happens.



### Voting on resolutions

Each share gives a right to vote, and the recently adopted **Future Financing Act** (*Zukunftsfinanzierungsgesetz, ZuFinG, 2023*) has permitted multiple voting rights. Resolutions require a simple majority of the votes cast unless the law or a company's bylaws stipulate a greater majority or impose further requirements. Votes on resolutions amending a company's bylaws require a majority of at least 75% of the share capital represented, although a company's bylaws may stipulate a smaller ratio. Resolutions involving a modification of the company's purpose may require a greater majority.

Resolutions adopted at AGMs must be recorded in the minutes, which are prepared by a notary.

Public companies must publish the results of the votes, including the proportion of the registered shares represented, within seven days of an AGM.



### Appointing proxies

Shareholders are allowed to exercise their voting rights through a third party, for example a shareholder association or an individual, through an intermediary (a bank) or through commercial proxy services. An intermediary can only exercise the right when they are granted power of attorney. Shareholders are expected to issue express instructions for the proxy on voting.



### Asking questions at AGMs

Shareholders can ask questions, yet the scope of questions can be reasonably restricted. The scope of restrictions should be explained in the notice convening the AGM. Moreover, the right to submit questions can be restricted only to shareholders that are duly registered for the AGM; that is, shareholders who sent a registration (pursuant to an invitation they received from a company) at least six days before the AGM.

In case of a virtual AGM, as well as having the right to speak and ask questions, shareholders also have the option to submit statements prior to the meeting by way of electronic communication using the address provided for this purpose in the AGM notice. If a shareholder uses this option, they have a right to ask follow-up questions on all the answers provided by the board before and during the meeting through electronic means. Such requests should be submitted no later than five days before the meeting and the submitted statements should be made accessible to all shareholders no later than four days prior. For a virtual meeting, the management board may stipulate that questions must be submitted electronically no later than three

days prior to an AGM. In such a case, only follow-up questions and questions regarding facts and circumstances that have come about after the time limit can be asked at a virtual AGM.



### Consideration of ESG issues

Shareholders representing 5% of the capital, or a nominal stake of €500,000, may add items to the agenda, which can be submitted with draft resolutions in writing. Draft resolutions can address, among other things, the remuneration system, and the remuneration report for members of public companies.

Shareholders could try to amend articles of association to include ESG considerations that can guide the management board. Yet, this does not happen frequently in practice, and so far, has not been successful (see for instance [the 2022 attempt to amend Volkswagen AG's articles of association](#)).



### Electronic participation and communication

Shareholders have the option to participate in an AGM through electronic means in two instances: in case of a virtual AGM, or if the company's bylaws provide for this.

The German Stock Corporation Act lists eight requirements for a virtual general meeting, including video and audio transmission and the ability of participants to vote, propose draft resolutions and make nominations via video, as well as to lodge an objection against a resolution adopted by the meeting. Online participants should also be able to speak at the meeting using video communication. However members of the management and supervisory boards have to attend general meetings in person, unless the company's bylaws allow them to participate online. There is a small exception for members of the supervisory board; that is, they may participate by means of video and

audio transmission if the company's bylaws allow it. If shareholders attend a meeting virtually, all relevant documents should be made available to them through electronic means for the duration of the meeting via the company's website.



### Representation on boards

The founders of a company appoint the supervisory board. The process needs to be recorded by a notary. The rules regarding the composition of the supervisory board differ for different types of companies.

- Representatives of shareholders and employees sit on the board if one of the following Acts apply: the Employee Co-Determination Act, the Act on One-Third Employee Representation in the Supervisory Board, the Act on Employee Co-Determination in the Case of a Cross-Border Merger and the Act on Employee Co-Determination in the Case of a Cross-Border Change of the Legal Form or of a Cross-Border Division;
- Representatives of shareholders and employees, and one other member, sit on the board where the Act on Co-Determination in the Coal, Iron, and Steel Industry applies;
- Representatives of shareholders and employees, and one other member, sit on the board if sections 5–13 of the Supplementary Co-Determination Act apply.

Where these Acts don't apply, the supervisory board is composed of representatives of shareholders.

The supervisory board can appoint and dismiss members of the management board.



# ENABLING SHAREHOLDER RIGHTS | THE NETHERLANDS



# THE NETHERLANDS

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in the Netherlands, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 52.



## National legal framework

The Netherlands transposed the 2017 revision of the Shareholder Rights Directive (SRD II) with a single Act of 6 November 2019, which came into force on 25 November 2019. The Directive was mostly integrated in the **Civil Code Book 2** (*Burgerlijk Wetboek Boek 2*) analysed below, while some specific provisions are part of other legislation.<sup>5</sup>

The following text refers to public liability companies (*naamloze vennootschap / NV*). Depositary Receipts (*Certificaten van Aandelen*) are usually equivalent to shares in this context.



## Annual General Meetings

In Dutch law, there are no legal differences between Annual and Extraordinary General Meetings.

General meetings can be convened by the management and supervisory boards at any time (see below) but there must be one Annual General Meeting each accounting year. Unless the bylaws provide for a shorter term, the AGM must be held within six months following the end of the company's financial year. Where the management board and the supervisory board have failed to hold a general meeting as legally required, any shareholder can ask the provisional relief judge for permission to convene such a meeting himself.

Shareholders holding 10% of the issued share

capital, or a lower percentage if allowed in the bylaws, can ask the provisional relief judge<sup>6</sup> (through a lawyer) to authorise them to convene a general meeting, subject to proof that a request to convene a general meeting was sent to the management and supervisory boards, with a specification of the subjects to be discussed, and that no follow-up was received within eight weeks. If the court gives permission, it will define how and when the general meeting will be convened. It can also appoint a chair for the meeting.

The convening notice must be published electronically for listed companies. Other companies may choose to follow the same process in their bylaws, failing which they must publish the notice in a national daily newspaper. The bylaws may also provide that the holders of registered shares are called to a general meeting through a written notice sent to their listed address, or electronically if they have agreed to this.

The convocation must specify: the subjects to be discussed; the place and time of the general meeting; the procedure for appointing proxies; and the procedure for attending the general meeting and voting electronically (for listed companies) as well as the website of the company. General meetings must take place in the statutory seat of the company (the official legal address) or at an alternative place in the Netherlands, if foreseen in the bylaws.

For listed companies, convening notices must be sent no later than 42 days before the meeting. If this does not occur, legally binding decisions can

<sup>5</sup> The Economic Offences Act (*Wet op de economische delicten*), the Securities Book-Entry Transfer Act (*Wet giraal effectenverkeer*) and the Financial Supervision Act (*Wet op het financieel toezicht*).

<sup>6</sup> For the full process, consult page 35 of National procedural rules for petition procedures in the commercial court/interim relief judge (*Landelijk procesreglement verzoekschriftprocedures rechtbank handel/voorzieningenrechter*).

only be taken by a unanimous vote in a general meeting where all capital is represented. For non-listed companies, the bylaws can allow that shares are deposited (registered with the company) up to seven days before the AGM.

Shareholders can attend and speak at general meetings, while the management and supervisory boards may attend in an advisory capacity. The auditor who has audited the annual accounts may attend and speak at the general meeting where those accounts are adopted. The invitation policy for guests is left to the company to decide.



### Information disclosed to shareholders

Annual accounts must be drawn up by the management board, at the latest four months (five months for non-listed companies) after the end of the company's financial year, and made available to shareholders at the company's offices. An option to extend the deadline by five months is available in exceptional situations for non-listed companies. The management report and the AGM notice must also be made available at the company office.

Title 9 of the Civil Code Book 2 defines what the annual accounts should look like. Companies which are part of an international group can use Generally Accepted Accounting Principles (GAAPs) from other EU Member States, provided they give a true and fair representation of the financial situation of the legal entity, as well as standards from the International Accounting Standards Board endorsed by the European Commission. National accounting standards (NL GAAP) are defined by the Dutch Accounting Standards Board. Detailed requirements on the items to be reported in the annual accounts are included in the Civil Code. The reports and items must be in Dutch, unless the general meeting has decided differently.



### Filing shareholder resolutions

Under the **Dutch Corporate Governance Code** (2016), a shareholder who wishes to put an item on the agenda of a general meeting is required to consult with the management board beforehand. In case a draft resolution is proposed for adoption by the general meeting, the management board may decline the request to have the general meeting vote the resolution. However, the management board cannot decline that items are put on the agenda for *discussion* (see below). If the requested item could lead to the appointment, suspension or dismissal of a board member, or a change of company strategy that could affect the position of a board member, the board can request more time to respond. The formal legal time limit for such a delay is 250 days although the Corporate Governance Code suggests a maximum of 180 days.

To put items on the agenda of the general meeting, shareholders holding at least 3% of the capital must request so in writing or electronically, no later than 60 days before the meeting. The bylaws may reduce the capital threshold and/or the notification period. The request must be reasoned, and the bylaws may preclude electronic submission.



### Voting on resolutions

Resolutions are adopted by a simple majority of votes cast (excluding abstentions) unless the law or the bylaws require a larger majority. In case of a tied vote, the proposal is rejected, except in the case of votes related to the appointment of persons, where a draw must be resolved through a lottery. No quorum in terms of capital represented is to be applied unless the law or statutes state differently.

Resolutions related to amendments to the bylaws of the company must be passed by a two-thirds majority of votes cast.

The management board records the results of votes and makes them available at the offices of the company, with a copy provided for a cost. For listed companies, the company shall record: the number of shares (capital) for which a valid vote has been cast, and the percentage of those votes as part of the total capital; the total number of votes (not shares) cast; and the number of votes in favour, against, and any exemptions. Any shareholder may request a copy of the record of the votes within three months after the general meeting.



### Appointing proxies

Shareholders may appoint a representative to attend the general meeting and vote on their behalf; this must be done in writing. In case of split shareholding, the holders decide among themselves who will attend, or appoint a joint representative. The appointment of a representative may be restricted by the bylaws, but lawyers, notaries and auditors may not be excluded. While usually allowed, there is no legal requirement to allow an individual who is not a legal professional to attend and vote on a shareholder's behalf.



### Asking questions at AGMs

There are no specific legal provisions restricting the right to speak or ask questions at a general meeting. While the general meeting is entitled to obtain all requested information from the management and supervisory boards, and the information must be supplied unless opposed by a substantial interest of the company, this provision is widely understood to apply to the general meeting as a company body and not to individual shareholders.

## CASE STUDY

### Dutch example showcases how companies can use AGM logistics to silence shareholder activism

During its 2023 in-person AGM, the board of directors of Dutch bank ING assigned the seating of the company's shareholders which limited the speaking time and opportunities for specific shareholders to ask questions, such as activists from Friends of the Earth Netherlands, BankTrack and other NGOs. As they were seated at the back of the room, activists experienced difficulties accessing microphones and addressing the floor. When ING decided to close the agenda item on Sustainability, despite there being remaining questions on the point, outrage and disruption caused by some activists led to ING's security expelling activists from the room.<sup>7</sup>



### Consideration of ESG issues

The management report, which must be published simultaneously with the annual accounts, must include financial and non-financial performance indicators, including on environmental and staff matters.

Listed companies must ensure that their remuneration policy takes the societal context into account. Where directors receive variable remuneration, the company must disclose how this relates to financial and non-financial targets.

Companies are also required to consider sustainability in their long-term value creation strategy, according to Best Practice 1.1.1 of the Dutch Corporate Governance Code (2016). Three out of eight parameters they must consider relate to ESG topics: stakeholder interests (v); the company's impact on sustainability, including impact on people and the environment (vi); and payment of taxes to ensure a fair share goes to

<sup>7</sup> Case study shared by BankTrack as part of their contributions to the present report.



countries where the company operates (vii). It is up to the management board to decide whether it allows sustainability-related resolutions at the general meeting. According to a Dutch Supreme Court ruling, EU law does not give shareholders the right to demand that any resolution (falling outside of the competence of the general meeting, including defining the strategy of the company which is primarily a management board competence) can be put on the agenda. Shareholders may however always request a discussion on the item, as outlined above.



### Electronic participation and communication

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According to Dutch law, a company *may* provide in its bylaws that shareholders are entitled to participate, speak and vote at the general meeting by electronic means of communication, subject to identification. The bylaws may also allow for votes to be cast electronically or by post within 28 days ahead of the general meeting to be considered as cast at the meeting. The convening notice must specify how to register and vote electronically. An electronic confirmation of the vote is sent to the voter. These legal provisions were introduced in 2007 and slightly updated in 2024 (e.g. the number of days was reduced from 30 to 28 days).



### Representation on boards

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There are no specific requirements for shareholder representation on boards. Until 2030, listed companies must ensure that their Supervisory Board (*Raad van Commissarissen*) consists of at least one-third men and at least one-third women, failing which no new member whose appointment would further distort the balance may be appointed (re-appointments are permitted for eight years).



# ENABLING SHAREHOLDER RIGHTS | POLAND

# POLAND

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in Poland, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 53.



## National legal framework

In Poland, the primary legislation governing shareholders rights is the **Code of Commercial Companies** (*Kodeks Spółek Handlowych*), which was amended by Act 505 in 2019 to transpose the Shareholders Rights Directive II and further revised in 2023. The Code governs different types of companies, including publicly listed ones, which are also governed by the 2005 Act on public tenders and conditions for introducing financial instruments to a regulated system, as well as public companies (*Ustawa z dnia 29 lipca 2005 r. o ofercie publicznej i warunkach wprowadzania instrumentów finansowych do zorganizowanego systemu obrotu oraz o spółkach publicznych, Dz.U. 2005 nr 184 poz. 1539*), which has been amended many times since.

The following information refers to two types of companies, a company (*spółka akcyjna*), and a public (listed) company (*publiczna spółka akcyjna*).

Additionally, while Polish law provides the minimum requirements found in the Shareholder Rights Directive II, there is also non-regulatory (soft law), non-binding **Guidance on Good Practices for listed companies**. A **good practice guide** by the Warsaw Stock Exchange (2021) provides information on whether listed companies comply with the Guidance. Among other things, the Good Practice Guidance includes points on gender balance on boards and inclusion of ESG aspects in business strategies.



## Annual General Meetings

AGMs should take place within six months of the end of the accounting year. AGMs are usually convened by the management board. However, if the management board fails to convene an AGM in the six-month period, the supervisory board has a right to do so.

For listed companies, a notice convening an AGM should be given at least 26 days before it takes place and the AGM must be announced on the company's website and through an ESPI (Electronic Information Transfer System, *Elektroniczny System Przekazywania Informacji*). The notice should include at least (1) date, time, location, and detailed agenda, (2) detailed instructions both on the overall procedure and the voting procedure, (3) deadline for registration, which must be at least 16 days before the AGM, and (4) instructions for proxies. The Code of Commercial Companies further specifies what information should be included in the detailed instructions on the overall procedure and voting procedure.

Only shareholders who have registered can participate.

An EGM can be convened by the management board, the supervisory board, and/or shareholders representing at least 50% of the capital or 50% of the overall votes in the company. Only a shareholder or shareholders representing 5% of the capital can request an EGM, unless the company's bylaws allow shareholders representing less than the required 5% to do so. The request to convene an EGM must be submitted in writing or via electronic



communication. If the requested EGM is not convened within two weeks of the request, the local court, where the company's seat is registered, can convene such a meeting and appoint the chair.

## Information disclosed to shareholders

Companies must publish an annual management report, an annual report and an annual financial statement.

The content of the annual report varies depending on the company type, but it will include:

1. a statement from the Chair of the Board (CEO) on the company's losses and benefits;
2. certain financial data, provided in euros, for the current and previous fiscal years;
3. an annual financial statement in compliance with existing national law, and checked by external auditing company;
4. statements of board members on the accuracy of the financial statements; and
5. statements by the members of the supervisory board on auditing of the report.

The supervisory board prepares the annual management report (*Sprawozdanie Rady Nadzorczej*) on how the management board operates, which is submitted to the AGM. It must include five elements:

1. an assessment of the division of profits and coverage of losses;
2. a review of the board's report on the company's activities and its compatibility with accounting records, factual information, and documentation, along with an evaluation of the company's current status;
3. an evaluation of the board's fulfilment of their duties;
4. an assessment of communication channels;

- between the board and the supervisory board; and
5. a disclosure of any additional total profit resulting from research commissioned by the supervisory board.

The annual financial statement should include the balance sheet and any additional information needed to clarify or explain the report. According to the current legal framework, the financial statement can be subject to an external legislative control.

A shareholder can request access to any relevant documents for an upcoming AGM, including annual reports. The request can be made from the day of the announcement of the AGM, and the documents should be sent electronically within two working days from the date of the request.

## Filing shareholder resolutions

From the date an AGM is scheduled, a public company must publish any draft resolution (if there is no draft resolution, then any discussion-relevant material) and forms allowing for a postal or proxy vote (if not sent directly) on their website.

A shareholder or group of shareholders representing 5% of the capital can request that items be added to the agenda. This must be done 21 days before an AGM for public companies and 14 days for non-public companies, and the request must be supported by an explanation. There are no time limits for submitting draft resolutions related to any agenda item, as long as it has been done before convening an AGM, and this can be done in writing or by electronic means. Draft resolutions must be announced immediately on the company's website. In listed companies, the board must announce changes to the agenda 18 days before an AGM. For both AGMs and EGMs, any shareholder can submit a draft resolution relating to matters that are on the agenda.

However, AGMs cannot issue binding instructions as

to how a company should be managed. Shareholders cannot table resolution proposals on topics that are not on the agenda, unless the entire stakeholders representing the entire capital are present, and no one has opposed.

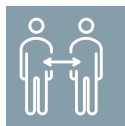


### Voting on resolutions

One share equals one vote, unless the shares are ‘privileged’ (*uprzywilejowane*), which grants the holder additional privileges, such as an increased number of votes. A shareholder can vote differently for each share owned. Voting is public, yet a secret ballot is possible in some circumstances, such as for votes on removal of a board member or a liquidator, and/or a legal action against them, as well as other personal matters.

A shareholder can vote in person, through a proxy, and in public companies, if allowed by the rules of the AGMs, via post, as well as electronically. In most cases, a simple majority is needed to adopt a resolution. The Code provides circumstances where different thresholds apply, for instance two-thirds of the votes are required when voting on resolutions that may significantly change how a company is run, and 75% of votes are needed to change a company’s bylaws. Only two types of draft resolutions that are not on the agenda can be voted on: resolutions for convening an EGM and resolutions of an organisational character.

Resolutions and voting results are published on the company’s website.



### Appointing proxies

There are no restrictions as to who can be appointed a proxy of a shareholder in a listed company. This means that a board member or an employee can be a proxy, which is not the case in non-listed companies, and a shareholder can appoint multiple proxies. A board member

or employee must fill in a declaration of potential conflicts of interest, and can only act according to the instructions given by the shareholder.

In a public company, appointment of a proxy can be done through a written or electronic form, and the same forms apply when a shareholder wants to revoke the appointment.



### Asking questions at AGMs

Shareholders can ask questions during an AGM, or can send them in writing before the meeting. If the board cannot answer the questions during the AGM, it must send written answers within two weeks. Shareholders can ask questions on items on the agenda of an AGM (or EGM) and the board is obliged to make information related to the company available if the request is justified as related to an evaluation of matters being discussed. The board can respond either at the meeting or in writing within two weeks from the request at the AGM, if there are strong grounds for a written reply. Companies can only refuse to answer questions under two circumstances: if the information can damage the company (the kind of harm is not specified), and if it could lead to legal action against a board member.



### Consideration of ESG issues

Companies have a lot of discretion as to what form the non-financial statement should take, and which reporting standards (national, own, European Union, international) to use.

An AGM can establish rules governing remuneration of board members, in particular, the maximum amount of remuneration, board members’ entitlement to additional benefits and/or the maximum amount of such benefits.

Good Practice Guidance published by the Warsaw Stock Exchange states that companies’ business

strategies should take into account ESG-related matters, including climate-related matters (with climate change and sustainable development risks), and social and workers rights' aspects, such as gender equality, labour rights, and social dialogue. However, the Guidance is general and does not give detail of how these issues should be addressed.



### Electronic participation and communication

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Unless stated otherwise in a company's bylaws, participation through means of electronic communication is possible. This provision was added during the COVID-19 pandemic and has remained in law ever since. The means of participation in an AGM are agreed by the entity convening the meeting, that is, the management board, the supervisory board, or the shareholder or group of shareholders representing 5% of shares. Virtual participation must be two-way real-time communication, and votes in person or through a proxy must be possible. Public companies must provide a livestream of AGMs.



### Representation on boards

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Polish law specifies the number of board members, their term length (five years), and how members are selected, yet there is no requirement related to gender balance, though this is covered by Good Practice Guidance. Shareholders can sit on management boards. An AGM resolution can list requirements that should be met by potential board candidates. Supervisory boards must have at least five members for public companies and three for non-public companies.



# ENABLING SHAREHOLDER RIGHTS | SPAIN



# SPAIN

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in Spain, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 55.



## National legal framework

In Spain, shareholder rights are primarily governed by the **Capital Companies Act** (*Ley de Sociedades de Capital*) of July 2010, which is the main law governing corporations in the country. It was amended on 12 April 2021 to transpose the Shareholder Rights Directive II and was further revised on 29 June 2023.



## Annual General Meetings

According to chapter III of the Capital Companies Act, ordinary AGMs are organised at least once a year, and must take place within six months of the close of the financial year on 31 December. However, the decisions at an AGM are still valid if the meeting is held outside this timeframe.

AGMs are convened by administrators (directors) when they consider it necessary or convenient for the interests of the company, based on the dates determined by the law and the company's statutes. Additionally, administrators have a duty to convene an AGM when this is requested by one or more shareholders, provided that they represent at least 5% of the share capital. The request should express the matters to be discussed during the AGM. AGMs should be held within two months following such a request.

If AGMs are not called within the time period established either in law or in the company's bylaws, or if the administrators do not convene an AGM in a timely manner after a request, any shareholder can call an AGM following a hearing of the administrators (directors) by the Judicial Secretary or the Commercial Registry. In that

event, the Commercial Registry has to convene the AGM within one month of the request.

AGMs are different in content from Extraordinary General Meetings (EGMs). While the former are organised primarily to approve corporate governance and the financial statements for the preceding financial year, as well as to determine the distribution of earnings, EGMs are organised to discuss any other topic. The legal standards listed below apply to both.

Spanish law lays out that AGMs are called via a notice published on the company's website, if it has one. If the company does not have a website, the notice should be published in the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*), as well as in a local newspaper where the company's headquarters are located. Company bylaws can establish that the convocation should be sent in writing, ensuring receipt by all shareholders. The bylaws may provide that only shareholders with a designated address in Spain receive an individual notice. The company bylaws may also establish additional convocation procedures and can require that shareholders are notified electronically. Convocations should include: (i) the name of the company, (ii) the date and time of the AGM, (iii) the agenda, and (iv) the positions of the persons convening the meeting.

The convocation must be issued at least one month before the AGM in joint stock companies, and 15 days before in limited liability companies. In case a second AGM is needed, there should be a period of at least 24 hours between the first and second meetings. The date of the second AGM can be stated in the convocation to the first, where applicable.

In limited liability companies, all shareholders have the right to attend AGMs. In joint stock companies, the company's statutes may require the possession of a minimum number of shares to attend AGMs, although this cannot be higher than 1% of the company's capital. In public limited companies, bylaws can condition the right to attendance. However, holders of registered and bearer shares should always have this right, provided they are registered in the company's registry and have deposited their shares or their deposit certificate with an authorised entity (such as a bank, savings bank or credit union), in the manner provided by the company's bylaws, five days ahead of the AGM. AGMs are to be held in the municipal area of the company's headquarters, unless specified otherwise in the bylaws. If the location of the meeting is not mentioned in the convocation, it should be understood that it takes place at the headquarters.

A company's bylaws can authorise or require the attendance of persons who have an interest in the conduct of business affairs. In limited liability companies, unless the bylaws provide otherwise, the president of the AGM (chairperson of the board) can authorise the attendance of any other person they deem appropriate, although the management board has the right to revoke the authorisation. The law does not require the board to provide a justification for a revocation.



### Information disclosed to shareholders

Annual reports must be prepared by a company's directors within three months of the end of the financial year. They must include the company's balance sheet, the profit and loss account, a statement reflecting changes in equity in the past year, a cash flow statement, and the accounting memorandum. Directors also have to prepare a management report, which has to contain an accurate presentation of the evolution of the business and the situation of the company,

together with a description of the main risks and uncertainties it faces. This has to include both financial and, where appropriate, non-financial key indicators (such as, for example, compliance with equality, non-discrimination and disability rules). Companies qualified as small and medium-sized enterprises (SMEs) in the EU's 2013 Accounting Directive are exempt from the obligation to include non-financial information.

Shareholders have a right to obtain their company's annual report, as well as the management report where applicable, with the invitation to the AGM, both immediately and free of charge.



### Filing shareholder resolutions

In joint stock companies, shareholders representing at least 5% of the share capital have the right to request that new items (including resolutions) be added to the AGM agenda, or indeed to submit resolution proposals regarding items which are already on the agenda.<sup>8</sup> The request has to be made to the company's head office, with a notification that should be received within five days after the AGM notice. The supplement has to be published at least 15 days ahead of the AGM. Failure to publish the supplement in time will invalidate decisions made at the AGM.



### Voting on resolutions

In limited liability companies, voting rights are linked to the number of shares held – and are proportional to the shares' capital representation. One share equals one vote, unless provided otherwise in the company's bylaws. Resolutions are adopted by a majority of the votes cast (blank votes are not counted), provided that they represent at least a third of the total share capital. A qualified majority has to be reached for resolutions related to the increase or reduction of capital and any other

<sup>8</sup> The 5% threshold applies to public limited companies (or 'joint stock companies'). A 3% threshold applies to publicly listed companies.

modification of a company's bylaws, including when this is related to ESG matters. In those cases, the resolution should be supported by at least 50% of the capital with voting rights. For resolutions related to (i) authorisation for directors to engage in activity that is similar or complementary to the company's purpose, (ii) the cancellation or limitation of pre-emptive rights in capital increases, (iii) the transformation, merger, spin-off, or global transfer of assets and liabilities, or (iv) the exclusion of shareholders, support of two-thirds of the capital with voting rights is required.

In joint stock companies, the bylaws can establish a maximum number of votes that can be cast by the same shareholders, by companies belonging to the same group, or by those acting in concert with the above. In listed joint stock companies, these bylaws do not apply if, following a takeover bid, the bidder reaches a percentage equal to or greater than 70% of the capital conferring voting rights. Resolutions are adopted by a simple majority of the votes.

In joint stock companies a higher quorum is required for specific resolutions to be adopted. These resolutions are related to (i) the increase or reduction of capital and any other modification of a company's bylaws, (ii) the issuance of obligations, (iii) the suppression or limitation of the right of preferential acquisition of new shares, and (iv) the transformation, merger, spin-off or global transfer of assets and liabilities. In these cases, shareholders present or represented should own at least 50% of the capital with voting rights. In second call AGMs, the attendance of 25% of the capital is sufficient. A company's bylaws can increase the quorum.

Companies' bylaws can increase the majorities required by law.



### Appointing proxies

In limited liability companies, shareholders can appoint proxies to represent

them at meetings. Proxies can be a third party of their choice, as long as it is either a spouse, a direct relative (e.g. parent or child), another shareholder, or a person who can demonstrate by a public document that he or she manages all the assets of the represented shareholder on Spanish territory. A company's bylaws can authorise representation of a shareholder through other persons. Appointment of proxies has to be done in writing, often via proxy forms, and is specific to each meeting.

In joint stock companies, shareholders can appoint proxies of their choice. A company's bylaws can however limit this right. Appointment of proxies has to be done in writing or by means of electronic communication, and is specific to each meeting.

Representation by proxy is always revocable by the shareholder represented. Attendance at the AGM by the shareholder revokes the proxy.



### Asking questions at AGMs

In limited liability companies, shareholders have the right to request any reports or clarifications they deem necessary regarding matters on the agenda. This can be done in writing before the AGM, or verbally at the meeting. The company directors are obliged to provide answers, either orally or in writing, except if they consider it harms business interests. In this case, the denial of information can be overruled if the request is supported by shareholders representing at least 25% of the company's share capital.

In joint stock companies, shareholders have the same right to request clarifications, but this has to be done at least seven days ahead of the AGM. Administrators are obliged to provide this information in writing at the latest on the day of the AGM. Information on agenda items can also be requested during the AGM, to which answers should be provided either orally at the meeting or in

writing within seven days – unless the administrators consider it would be detrimental to the company or related companies’ interests. Denial of information can be overruled if the request is supported by shareholders representing at least 25% of the company’s share capital. A company’s bylaws can establish a lower percentage, as long as it is higher than 5%.



### Consideration of ESG issues

In joint stock companies, shareholders representing at least 5% of the share capital have the right to request the publication of a supplement to the AGM convocation. This supplement can add one or more items to the agenda, which creates an opportunity for interested shareholders to bring up ESG topics.



### Electronic participation and communication

A company’s bylaws can allow shareholders to attend an AGM by electronic means. Directors can require that interventions and draft resolutions proposed by shareholders attending the AGM electronically are sent to the company ahead of the meeting.

It is also possible for bylaws to allow AGMs to be held exclusively electronically. Virtual-only AGMs should be subject to the same general rules as face-to-face AGMs, and shareholders should be given the means to exercise their rights of speech, information, proposal and vote in real time. The AGM notice should describe the procedures for shareholders to register for the meeting, but under no circumstances may attendance be made subject to registration more than an hour before the start of the AGM.

Modification of the company’s bylaws to allow for exclusively electronic AGMs has to be approved by shareholders representing at least two-thirds

of the share capital present or represented during the vote.

Shareholders have a right to exercise their voting rights by post or electronically, or any other means of communication.



### Representation on boards

Management boards must have a minimum of three members. The company’s bylaws must establish the number of members, and there cannot be more than twelve members in limited liability companies.

There is no specific requirement for a certain percentage or number of shareholders to sit on the board.





# ENABLING SHAREHOLDER RIGHTS | UNITED KINGDOM

# UNITED KINGDOM

The following information is our understanding of principles and practices relevant for the exercise of shareholder rights in the United Kingdom, based on information available at the time of publication. For references to relevant law(s) in this chapter, see page 56.



## National legal framework

The rights of shareholders in the UK are outlined in the **Companies Act 2006** and the bylaws of the company (the 'Articles'). The shareholder rights described below are derived from the Companies Act 2006. Additionally, amendments were made to UK legislation in 2019, following the introduction of the EU's Shareholder Rights Directive (SRD II). The UK transposed SRD II into national law via **The Occupational Pension Schemes Regulations (Investment and Disclosure) 2019** and **The Pension Protection Fund and Occupational Pension Schemes (Investment and Disclosure) Regulations 2018**.

should detail the date, time, location and agenda of the meeting and include a summary of the business to be deliberated on, details of how to vote, how to ask questions at the meeting, how to add items to the agenda, and the procedure for postal and electronic voting.

The notice must be available for all shareholders, including on the company's website. Only shareholders who are listed on the company share register, i.e. who hold shares in paper certificate form or as CREST members (CREST is the Central Securities Depository for the UK), will typically receive direct notification from the company, increasingly via email.



## Annual General Meetings

According to the Companies Act 2006, all shareholders in a company have the right to attend AGMs and other non-routine general meetings that are called for a specific purpose. All shareholders of the company or their proxy representatives can attend, to ask questions of the board and vote on resolutions.

AGMs take place once a year, usually in the spring (March to May). They must be held within six months of the company's financial year end. The meeting will be held around the same time every year, so it is useful to refer to previous years' AGM notices to get an idea of when the next will be.

A company is obliged to give at least 21 days' notice in advance of an AGM, and usually gives 28 days' notice. For non-routine general meetings called for a specific purpose (EGMs), a company must give at least 14 days' notice. The notice

Most UK shareholders hold shares indirectly, as beneficial owners, in the nominee account of a stockbroker or investment platform, meaning the communication of company information and the entitlement to attend and vote at general meetings is dependent on the terms and conditions of that intermediary. Most brokers facilitate the ability of beneficial owners to attend and vote at AGMs.

As the name of the stockbroker or investment platform will be listed on the company share register, these shareholders will need to contact their broker to express their voting preferences and/or to request a 'letter of representation' as proof of share ownership to enable them or their proxy representative to attend AGMs, either in person or virtually.

Such requests must be lodged with the company registrar no later than on the date mentioned in the notice, usually a few days before the AGM. It's recommended that these requests be made

further in advance of the AGM to ensure the letter of representation is received in good time. To gain entry to the AGM, shareholders or their proxies should bring a form of identification along with the letter of representation.

It is at the company's discretion whether guests are allowed to attend AGMs. The company's policy should be outlined in the AGM notice or on their website. It can be as simple as registering the guest on entry, but contacting the AGM registrar beforehand is recommended if this is not explicitly outlined. Guests are unable to ask questions or vote.

Shareholders can call for the company to hold a general meeting on their request. The directors are obliged to do so if the request is made by shareholder(s) representing at least 5% of share capital. The request can be made in writing or by electronic means. The directors must publish a notice of the meeting within 21 days of receiving the request.



### Information disclosed to shareholders

Companies publish an annual report at the end of their financial year. The annual report should be transparent, understandable, and provide shareholders with the information necessary to assess the company's performance, strategy and risks. The term 'annual report' is often used to refer to a combination of mandatory reporting, including the strategic report, directors' report, directors' remuneration report and annual accounts. It will typically also include a chair's statement, auditor's report and corporate governance statement.

The Financial Reporting Council (FRC) published [guidance](#) in 2022 (FRC, 2022) on the attributes of a good annual report and accounts, which entails corporate reporting principles, applying materiality to decision-making and effective communication principles.

Annual reports can be printed but most commonly are available in PDF format on companies' websites. The Companies Act outlines that every company must keep a record of their members, known as the shareholder register. Shareholders have the right to see a copy of the register free of charge, and non-members can ask to see a copy of the register for a fee.



### Filing shareholder resolutions

UK shareholders have the right to require a company to give notice of a resolution to be considered at the next AGM (Companies Act, 2006). This power can be used to direct the board to take some form of action on a matter by 'special resolution'. The bylaws should be reviewed for each target company for any specific requirements, but there is little variation.

The company is obliged to circulate the resolution wording and a supporting statement, of no more than 1,000 words, as part of the AGM notice if it is requested by:

- a. shareholders representing at least 5% of the total voting rights, or
- b. at least 100 shareholders with voting rights who have contributed an average sum, per member, of £100 of share capital (£10,000 collectively in nominal value).

The latter is more common. Shareholders can organise together so that they collectively represent the required minimum share capital needed. As much time as possible should be allowed to do this, as preparing the necessary paperwork in time for the meeting can be time consuming ([ShareAction, 2019](#)).

Shareholder resolutions can be submitted to the company up to six weeks before the AGM, however if left this late, the resolution filers would be liable for the costs of circulating the resolution



wording and supporting statement, which could amount to hundreds of thousands of pounds in some instances. To ensure the cost of circulating the resolution to shareholders is covered by the company, the resolution must be filed by the end of the financial year preceding the meeting (The Companies Act, 2006). In practice, the most common deadline for filing shareholder resolutions is 31 December in the year preceding the AGM, but you should consult the company's bylaws to confirm this.

It's worth noting that shareholder resolutions can and have been withdrawn if a negotiated outcome has been reached between the company and co-filing shareholders prior to the publication of the AGM notice. The filers should liaise with the company secretary to formalise any withdrawal, as there is no process required by legislation. Effective examples of this include resolutions coordinated by ShareAction at the AGMs of **Unilever in 2022** and **HSBC in both 2021 and 2022**.



### Voting on resolutions

Voting rights are linked to the number of shares held by shareholders. Companies will recommend votes for or against each resolution when circulating the AGM notice and when presenting the draft resolution at the AGM.

Ordinary resolutions, often relating to everyday company matters such as the approval of the annual report and accounts, remuneration of directors, election of directors, and reappointment of auditors, require a simple majority to pass.

Special resolutions, which relate to more significant matters such as altering the company's bylaws, changing the company's name, or reducing share capital such as with share buybacks, require a qualified majority of 75%.

Shareholder-proposed resolutions are almost exclusively special resolutions and there are few restrictions on what actions shareholders can direct the company to take. Shareholder resolutions have been filed at companies across a range of topics, with climate-related resolutions particularly prevalent (**ClientEarth, 2021**), but first-of-their-kind social resolutions on health (**ShareAction, 2021**) and worker pay (**ShareAction, 2022**) have also been seen in recent years.

Notably, under the UK Corporate Governance Code, if a resolution receives more than 20% shareholder support against the recommendations of the board, the company should consult shareholders to understand the result, and publish an update on actions taken within six months of the meeting (UK Corporate Governance Code, 2018).<sup>9</sup>



### Appointing proxies

Shareholders can appoint a proxy to represent them at the meeting. The details of how to do this should be outlined in the notice of the meeting and on the company website. Contacting the registrar for the AGM is often the easiest way to obtain information; the registrar's contact details should be in the AGM materials and on the company website. This is only possible for certified, direct shareholders.

The majority of shareholders hold shares through nominee broker services; in this case, the broker needs to appoint the proxy. This can take up to a few weeks. It is best to get in touch with the broker as soon as possible after the AGM notice, and you should include the full name of the proxy (as listed on their official identification document). The proxy will need to bring the letter of representation or proxy form with them to the AGM, as well as their ID. They may be asked to verify their proxy status at the AGM.

<sup>9</sup> For example, Glencore's update following the 29.2% shareholder support for an Australasian Centre for Corporate Responsibility (ACCR) and ShareAction coordinated climate resolution. Glencore, [AGM climate vote shareholder consultation update](#), 13 December 2023



Additionally, in some cases, companies may request in their AGM notice that shareholders or their proxies register that they will be attending ahead of the meeting, usually via email. In these instances, the relevant letter of representation or proxy form will need to be copied and sent with the email.

Proxies must vote in accordance with the shareholder's voting instructions. Appointment of the proxy, and revocation of the appointment, must be communicated to the company in writing (by post or electronic means). Proxy appointment forms should be available on the company website. Though it varies between companies, you are usually able to request what information is sent to you, such as the notice of the AGM, or proxy appointment forms, and whether you wish to receive this by post, email or another means. Additionally, shareholding organisations can appoint a corporate representative to attend AGMs and ask questions on behalf of the organisation.



### Asking questions at AGMs

All shareholders have the right to ask the board questions in person at the AGM. The shareholder question session is usually described as 'questions relating to the business or votes of the meeting'. When taking questions, the board can refer the shareholder to the frequently asked questions (FAQ) page on their website for an answer. In practice, there is an expectation that the board will give a considered answer to shareholders' questions.

Some companies have a very formal, rigid process for registering questions ahead of the meeting. If this is the case, it should be outlined in the AGM notice. Others will require you to register your question, or the topic of your question, once you arrive at the meeting, so they can group

questions before the session begins, and call on questioners accordingly. It can be useful to print out your question to give it to the officials once you arrive so that they have a copy. However, most companies have no official process at all: shareholders can simply raise their hand during the question part of the session.

Questions can also often be pre-submitted, typically via email, with instructions found in the meeting notice; you may need to give evidence of your status as a shareholder or proxy representative. Pre-submitted questions may be answered in plenary, in direct reply, or afterwards online in a Q&A summary, particularly if the question goes unanswered during the meeting itself: this will depend on the size of the company and number of questions asked.

Shareholders also have the right to ask questions at hybrid meetings, though the virtual component may provide varying levels of interactivity or participation for shareholders. They may offer a 'watch-only' webcast, a typed question option (with word count restrictions), or they may have options to either type a question or phone in to ask a question. For example, a person from a community affected by BP's operations in Iraq was able to join the company's AGM via video link in 2023.<sup>10</sup>



### Consideration of ESG issues

For listed companies, their annual report must include information on financial and non-financial performance, which includes ESG issues, including any policies the company has on these and how effective they are. If the report does not contain any information on certain categories of ESG concerns, for example human rights issues or community issues, it must clearly state that this information is absent. However, the language used in the relevant legislation and

<sup>10</sup> See BBC's reporting online [BBC, Father challenges BP at meeting after son's death](#), 27 April 2023; and BBC News, via YouTube, [Father says son was sacrificed for BP's profits as he challenges CEO](#), 2 May 2023.

guidance does not make all of these reporting recommendations mandatory: in practice many companies will not give a comprehensive account of their activities in relation to ESG issues.

In 2023, the UK government enshrined mandatory Task Force on Climate-Related Financial Disclosures (TCFD) reporting into law. Companies are now required to disclose information relating to their governance around climate-related risk; potential impacts of climate-related risks and opportunities on the organisation's business and strategy; how the organisation identifies and manages climate-related risks; and the metrics and targets it uses to measure climate-related risks.



### Electronic participation and communication

There has been considerable change to AGM participation in the past few years following the COVID-19 pandemic, when many UK-listed companies were allowed to hold their shareholder meetings virtually. The Corporate Insolvency and Governance Act 2020 introduced temporary easing of meeting attendance requirements outlined in the bylaws (articles) of UK companies. This allowed companies to hold closed meetings virtually. Those temporary measures have now ended. However, companies remain able to hold hybrid meetings unless expressly prohibited in their company articles. GC100, the association for general counsel and company secretaries of companies in the UK FTSE 100, provided [recommendations](#) on this subject in 2021, and The Chartered Governance Institute issued a [guidance note](#). On 29 November 2021, 92 FTSE 350 companies [proposed](#) amending their articles to allow AGM participation via an electronic platform. Hybrid AGMs are now quite a common occurrence, but fully virtual shareholder meetings are incredibly rare, due to lack of legal clarity over whether they are permitted (FRC, 2022).

Shareholders do not have to attend a meeting physically to cast their votes; they can instruct a proxy via a form. Financial Reporting Council (FRC) [guidance](#) outlines that companies must provide clear and timely instructions for attending and participating in the AGM (FRC, 2022).



### Representation on boards

In 2022, the Financial Conduct Authority (FCA) published a [Policy Statement on diversity and inclusion for company boards](#). This was followed in 2024 by the introduction of [Listing Rules](#) which require certain companies with premium or standard listings to include a 'comply or explain statement' outlining whether they have achieved specific targets. These include the percentage of women and ethnic minority representation on their board, and a numerical disclosure of the ethnic background and gender identity or sex of people who comprise their board positions and executive management team.



# **EU POLICY RECOMMENDATIONS**



# EU POLICY RECOMMENDATIONS

The analysis of legal requirements and common practices in seven European countries (six EU Member States and the United Kingdom) conducted for this report shows how shareholder rights are differently interpreted and protected across the continent, despite the common legal framework for EU countries offered by the Shareholder Rights Directive II (SRD II). New national developments have also occurred since SRD II, mainly due to the COVID-19 pandemic and the increasing importance of ESG matters for investors and shareholders. This has led to further divergence in national rules, for example on the organisation of hybrid and virtual AGMs.

The forthcoming review of the SRD II, which is expected to take place during the 2024–2029 term of the European Commission, will present an important opportunity to strengthen the exercise of shareholder rights, including at AGMs, as well as to further improve the transmission of financial and non-financial information to shareholders. Some of the examples presented in this report, where national legislators have decided to go further than the minimum requirements set out in the SRD II and strengthen shareholder rights, can inform the review. Although these examples of ‘gold-plating’ could be seen as a burden that fragments the single market, in our view, they are good indicators of where there is political support for further improving and harmonising shareholder rights at EU level.

**Based on the analysis carried out for this report, we offer two EU policy recommendations for the next revision of the SRD II, with a particular emphasis on:**

- **Strengthening shareholders’ rights to participate in AGMs**
- **Ensuring that the increasing digitalisation of AGMs does not come at the expense of shareholders’ rights to engage.**

## Strengthening shareholders’ rights to participate in AGMs

Article 9 of the SRD II stipulates that every shareholder holding shares in a listed company has a right to ask questions during AGMs. This has been correctly included in the national legislation examined in this report. While some EU Member States go further, the EU requirement only covers questions related to items already on the agenda of the AGM. This is a considerable barrier to shareholders’ rights to participate in AGMs because the AGM agenda is generally determined by the board of directors. As a consequence, national legislation in Finland and Germany explicitly allows companies to specify in their bylaws that the scope of questions that can be asked by shareholders during AGMs should be restricted to items on the agenda of the meeting.

Additionally, while Article 6 of the SRD II ensures that shareholders should have a right to both (i) put items on the agenda of general meetings and (ii) table draft resolutions, these rights are not absolute and can be limited by Member States. Shareholders’ rights to add items to AGM agendas are subject to conditions in most EU Member States, with a majority of the countries we studied applying the highest threshold allowed in the SRD II (i.e. shareholders representing at least 5% of the company’s share capital). Further, given that Article 9 only safeguards the right of shareholders to ask questions on items that are already on the agenda, a 5% threshold makes it difficult or impossible for shareholders to ask questions and receive answers on matters that are not placed on the agenda by the company itself.

In the Netherlands there is no absolute right to table a resolution for a vote at an AGM. The legality of this disposition was confirmed by the Dutch Supreme Court ruling, given that Article 6 of the SRD II only ensures that shareholders have a right to table draft resolutions on items that are included, or to be included, on the agenda of a general meeting.



### We therefore recommend:

- **Revising Article 9 of SRD II to secure shareholders' right to ask questions, and receive answers, without conditions regarding the scope or content of such questions.** This is of particular importance to ensure that sustainability-related topics (e.g. company plans to navigate the low-carbon transition) can be debated at AGMs.
- **Revising Article 6 of SRD II to lower the minimum capital threshold requirement (currently 5%) for adding new agenda items or draft resolutions to the agenda of an AGM.** Experience in Finland, where the threshold is at the lowest level possible (one share), shows that a lower threshold does not have to come with major inefficiencies. Drawing inspiration from the United Kingdom, an alternative solution to strengthen shareholder rights to add items to an AGM's agenda could also be to introduce a different type of threshold, not based on share capital but on the number of individual shareholders (signatories) supporting the request. This would act as a safety mechanism to ensure that a proposed agenda item would only be discussed at an AGM if supported by a sufficiently large group of shareholders.

### Ensuring that the digitalisation of AGMs does not come at the expense of shareholders' rights to engage

The COVID-19 pandemic accelerated the digitalisation of AGMs to avoid the need for people to meet physically. The move to online or hybrid AGMs has yet to be reflected in a review of the SRD II. While increased digitalisation brings new opportunities for shareholders to participate, which should be secured, it can also increase risks for shareholders to be disregarded, for their rights to be eroded, and for their interventions to be restricted (via the disconnection or muting of microphones for example).

Already, and largely as a response to the COVID-19 crisis, national legislation in some countries allows companies to amend their bylaws to facilitate the holding of wholly virtual AGMs.

- In Finland, company bylaws can be modified, without any condition, to allow fully virtual AGMs;
- In France and Spain, bylaw modifications are also possible. They can be blocked under certain circumstances but the required thresholds for shareholders to block a change of bylaws are generally high and difficult to reach. In Spain, for example, shareholders must represent two-thirds of a company's share capital to block a change of bylaws that would allow fully virtual AGMs.

At the same time, some countries such as the Netherlands allow companies to change their bylaws to organise fully physical AGMs, without any mandatory remote attendance alternative. It is important to ensure the benefits of remote attendance are retained. Remote options provide easier access to AGMs for shareholders who may not easily be able to travel to attend physical AGMs. Participating electronically via a real-time authentication system should therefore always be made possible. At the same time, the risks that

come with an increasing tendency to organise online-only AGMs should also be thoroughly considered.

Numerous studies, such as that conducted by BETTER FINANCE and DSW on [The future of general shareholder meetings in 2020](#), have shown that shareholders' rights can be more easily restricted in fully electronic meetings, especially the rights to ask questions and obtain information, and these risks can be amplified by technical glitches and malfunctions (BETTER FINANCE – DSW, 2020).

Physical AGMs are also a key platform for shareholder engagement and democracy as they offer a unique opportunity for shareholders not only to engage with the board of directors, but also to exchange and share views among themselves, in person and without interference. In-person AGMs are often the only opportunity for shareholders to informally discuss matters that are not placed on the agenda by the board, such as ESG topics.



### **We therefore recommend:**

- **The future SRD II review strengthens the ability of shareholders to participate in AGMs by ensuring that companies have an obligation to hold their meetings both physically and remotely and that hybrid AGMs are made a basic requirement within the EU.**
- **Hybrid AGMs are supported by enabling regulation and government guidance to ensure that all shareholders can fully engage in all circumstances, and that appropriate levels of corporate governance and democratic participation are maintained.**

# REFERENCES

## Introduction

Shareholder Rights Directive, EU Directive, [2007/36/EC](#), 2007

Shareholder Rights Directive, EU Directive [2017/828](#), 2017

ShareAction, [Responsible stewardship: How the EU can improve the Shareholder Rights Directive](#), 2021

Eurogroup, [Statement of the Eurogroup in inclusive format on the future of Capital Markets Union](#), 2024

Enrico Letta, [Much more than a market: Speed, Security, Solidarity, Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens](#), 2024

The EU Corporate Sustainability Reporting Directive, [EU Directive 2022/2464](#), 2022

ClientEarth, [Know your rights: A guide for institutional investors to the law on climate-related shareholder resolutions](#), 2021

## Finland

Limited Liability Companies Act (Osakeyhtiölaki), [2006](#), last amended in [2023](#)

[Securities Market Act](#) (Arvopaperimarkkinalaki), 2012, last amended in 2023

[Investment Services Act](#) (Sijoituspalvelulaki), 2012, last amended in 2023

Directive on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, [EU Directive 2004/109/EC](#), 2004

The [Corporate Governance Code](#), the Securities Market Association, 2020

References below are from Chapters 1, 3 and 5 of the [Finnish Companies Act](#).

**Chapter 1** – Osakeyhtiön toiminnan keskeiset periaatteet ja lain soveltaminen

§ 6 Decisions in AGMs are taken by majority of the votes cast.

**Chapter 3** – Osakkeet

§ 3 By default, one share gives one vote, although a company's bylaws can attribute a different number of votes to shares for reasons that are laid out in the bylaws.

§ 4 Non-voting shares are allowed.

**Chapter 5** – Yhtiökokous

- § 3 An AGM must take place at least once a year, within six months following the end of the financial year.
- § 5 Extraordinary general meetings must be held if the bylaws require so, on the initiative of the board, if certain shareholders or the auditor request so, and in some cases on the initiative of the supervisory board.
- § 6a Shareholders must be listed in the shareholder register eight business days before the meeting in order to participate in the AGM. Shareholders not listed in the register may be temporarily added to the shareholder register for the purpose of attending the AGM.
- § 8 Stakeholders and proxies can be accompanied by an assistant.
- § 16 AGMs must take place at the seat of the company unless the bylaws foresee a different location, or in case of very compelling reasons. The AGM must be organised either as a traditional physical meeting, a hybrid meeting, or a remote meeting. In a hybrid meeting or remote meeting, remote participants must have similar shareholder rights as in a traditional meeting
- § 17 In the case that an AGM of a listed company is not convened when required, the regional state administrative agency can authorise an interested party (a member of the board, a director, an auditor or a shareholder) to organise the AGM at the company's expense.
- § 18 An AGM convocation notice must list the time and place of the meeting, and the agenda of the meeting, as well as the main points of any change to the bylaws.
- § 21 The annual report, financial statements and auditor's report must be made available at the company's office or online at least one week before the AGM, and sent to any shareholder who requests it, unless they are available online for downloading and printing.
- § 23 Results of AGM votes are recorded in the minutes of the meeting. These must be made available at the company head office or on the internet within two weeks after the meeting.
- § 24 An AGM must be announced between two months and one week ahead of the meeting.
- § 25 Shareholders can request that the board and CEO must answer questions related to topics discussed at AGMs.



- § 27 Decisions related to changing a company’s bylaws, issuance of shares or stock options, acquisition or sales of shares in another company, targeted acquisition of own shares, merger, distribution, or liquidation require a qualified majority of two-thirds of votes cast and represented at the meeting.
- § 28 Changing voting rights for a share class requires a qualified majority of two-thirds of votes cast and represented at the meeting.

## France

Autorité des Marchés Financiers, [Shareholder dialogue on environmental and climate issues](#), Position Paper, 2023  
 HCJP, [Rapport sur l’adaptation de la gouvernance des sociétés en valorisant l’expérience de la crise sanitaire](#), 2022

All references below are from Book II, Title II, Chapter V, Section 3 of the [French Commercial Code](#).

### General overview

**Book II:** Des sociétés commerciales et des groupements d’intérêt économique

**Title II:** Dispositions particulières aux diverses sociétés commerciales

Chapter V – Des sociétés anonymes

Section 3 – Des assemblées d’actionnaires

### Detailed articles

- Art. L225-96 EGMs vote on resolutions that would modify a company’s capital, nationality or bylaws. Describes voting conditions at EGMs, including majorities and quorums.
- Art. L225-98 AGMs take decisions on all other matters than those covered in EGMs. Describes voting conditions at AGMs, including majorities and quorums.
- Art. L225-100 AGMs have to be organised once a year, in the six months ahead of the end of the year.
- Art. L225-101-1 Describes the content and information to be included in annual reports.
- Art. L225-102-1 A declaration of non-financial performance has to be included in annual reports for companies above the thresholds fixed by the CSRD.
- Art. L225-103-1 A company’s bylaws can provide that AGMs can be held exclusively by videoconference, or by other means of communication that enable shareholders to be identified.

- Art. L225-105 If they account for 5% of the company’s share capital, shareholders have the right to require the addition of an item or of a draft resolution to the agenda of the AGM.
- Art. L225-106 Shareholders can appoint and revoke proxies in writing. These can be a spouse, a civil partner, or another shareholder. Before an AGM, the chairperson has the ability to consult with shareholders to appoint proxies.
- Art. L225-107 Shareholders have a right to vote by correspondence.
- Art. L225-122 Shareholders’ voting rights are attached to capital shares, and are proportional to the percentage of capital they represent. A share entitles its holder to at least one vote.
- Art. L225-123 A company’s bylaws can establish the principle of double voting rights for shares in French listed companies that are held for at least two years.
- Art. R225-61-2 If they can demonstrate they account for 5% of the company’s share capital, shareholders have the right to oppose an AGM being held only online.
- Art. R225-61-3 If shareholders have used their right of opposition, the company has to notify shareholders that the AGM will not be held exclusively online at least 48 hours before the meeting.
- Art. R225-63 In case there is no agreement between the company and shareholders on electronic communication, the convocation notice to an AGM has to be sent to shareholders at least 35 days ahead of the AGM.
- Art. R225-67 The convocation notice to an AGM has to be published in the bulletin of mandatory legal notices, ‘le bulletin des annonces légales obligatoires’.
- Art. R225-69 The period between the mailing or circulation of the convocation notice and the AGM should be of at least 15 days. In case it is a second-call AGM, the convocation notice has to be sent at least 10 days ahead.
- Art. R255-70 Describes the conditions for organising a second AGM, in case the quorum was not reached during the first.
- Art. R225-71 In companies with share capital of €750,000 or less, if shareholders account for 5% of the company’s share

	capital they can request the inclusion of resolution proposals to an AGM's agenda. In companies with a share capital above €750,000, shareholders have to account for a reduced proportion of the share capital to do so. Shareholders must provide proof that they possess or represent the required proportion of the company's share capital. Shares have to be registered at midnight on the second working day before the AGM.
Art. R225-72	Submissions for draft resolutions or additional agenda items have to be sent by shareholders at least 25 days before a first-call AGM.
Art. R225-73	Describes the content of the convocation notice as well as timing and conditions for shareholders to request the addition of draft resolutions to the AGM agenda.
Art. R225-75	Shareholders have the right to vote remotely; to do so they have to send a request for a distance voting form to the company at latest six days before the AGM.
Art. R225-76	Distance voting forms enable shareholders to vote on each of the resolutions, in the order they are presented during the AGM.
Art. R225-84	Written questions have to be sent at least four working days before the AGM, either by registered letter with acknowledgment of receipt or electronically.
Art. R225-86	By means of its bylaws, a company can decide that the right to take part in AGMs is limited to those holding shares at least two working days before the AGM.
Art. R225-88	Describes shareholders' rights to access essential documents, which can be exercised any time between the convocation of the AGM and the fifth day before the meeting.

## Germany

All references are from Book 1 of the German Stock Corporation Act (available in English [here](#)), as well as the German Commercial Code (available in English [here](#)).

### Commercial Code

Sections 242-264 on annual financial statements.

§ 242(3)	Annual financial statement definition.
§ 243(2)	Requirement for annual statements to be transparent and clearly arranged.
§ 244	Statements to be in German and denominated in euros.
§ 247	Content of balance sheet.

### Stock Corporation Act

#### General overview

Book 1	Stock corporation
Book 1	Part 1 – General Provisions
Book 1	Part 4 – Constitution of the stock corporation
Book 1	Part 4. Division 4. – General Meeting.
Book 1	Part 5 – Accounting. Appropriation of profits.

#### Detailed Articles

§ 12	Voting rights.
§ 30(1)	Founders are to appoint first supervisory board of the company and this must be recorded by a notary.
§ 30(4)	The supervisory board appoints the first management board.
§ 96	Composition of supervisory boards.
§ 111(3)	The supervisory board can convene a general meeting where this is required by the company's best interests.
§ 118	General provisions on a general meeting, including the possibility to participate through electronic means.
§ 118 (1)	Participation through electronic means only in case of a virtual general meeting or if the by-laws provide for it.
§ 118a	Virtual general meetings.
§ 118a (1)	points 1-8 – List of requirements for a virtual meeting.
§ 118a (2)	Members of the management and supervisory boards need to attend the general meeting at the place where it is held.
§ 118a (6)	Documents to be accessible through electronic means for participants attending online/through electronic means.
§ 119	Conduct of an AGM, most importantly a list of matters on which resolutions can be tabled.
§ 121(2)	AGMs are convened by the management board.
§ 121(3)	List of elements that need to be included in a notice convening an AGM.
§ 121(4b)	A notice convening a virtual AGM must include how shareholders and their authorised representatives can participate through electronic means.
§ 121(5)	AGM should take place at the seat of the

- company; public companies can also organise an AGM at the seat of the stock exchange, unless stipulated otherwise in the by-laws.
- § 122(1) Shareholders representing 5% of the capital can request convening an AGM, but the petitioners need to submit proof that they have been holders of the shares for at least 90 days prior to the date on which their request is received and they shall continue to hold the shares until the management board takes a decision regarding their petition.
- § 122(2) Shareholders representing 5% of the capital, or a stake of €500,000, may demand items be put on the agenda. In public companies, such a request must be made at least 30 days prior to an AGM.
- § 123 (1) A notice convening an AGM must be 30 days prior to the date set.
- § 123 (2) Exercise of voting rights is dependent on registration.
- § 124a List of elements relevant for an AGM that must be published on a company's website, e.g. a notice, any relevant documents, any forms that are needed for voting by proxy or by absentee ballot.
- § 130 (1) Each resolution that is adopted by an AGM must be recorded in the minutes of the AGM, which are prepared by a notary.
- § 130 (6) Public companies must publish the results of votes, and information on the portion of the valid votes, on their website, within seven days of the AGM.
- § 130a Conduct during a virtual AGM, including a right to make statements and to speak.
- § 130a (1) In the case of a virtual general meeting, stockholders are entitled to submit statements prior to the meeting regarding items on the agenda, by way of electronic communication, using the address provided for this purpose in the invitation convening the general meeting.
- § 130a (5) The shareholders participating in a meeting by electronic means have the right to speak at the meeting by means of video communication.
- § 131 Right to seek information.
- § 131 (1b) Scope of questions that shareholders can ask may be limited. The restriction should be elaborated in the notice convening the AGM. The right to submit questions can be limited only to shareholders that are duly registered for the AGM.
- § 131 (1d) Each shareholder participating in an AGM by electronic means has the right to ask follow-up questions regarding all the answers provided by the management board before and during the meeting by way of electronic communication.
- § 131 (3) An exhaustive list of seven situations when a board can refuse to provide information.
- § 131 (5) A shareholder who has been refused an answer can request that their question and the grounds of refusal are included in the minutes of an AGM.
- § 132 A regional court in the company's seat jurisdiction can intervene, on a shareholder's request, to decide whether or not the company's board should provide information.
- § 133 Adoption of a resolution requires a simple majority of the votes cast, unless stipulated otherwise either by the law or by-laws that require a greater majority or impose more requirements.
- § 135a Multiple voting rights are allowed due to a recent amendment.
- § 135 (1) An intermediary can only exercise the voting right if it has been given a power of attorney. The article details the process, as well as cases where no detailed instructions have been left for an intermediary.
- § 135 (3) If an intermediary deviates from instructions, they must inform the shareholder about it, citing the grounds for doing so.
- § 150 An annual financial statement is drawn pursuant to sections 242–264 of the Commercial Code.
- § 175 (1) An AGM is to be convened within the first eight months of the financial year.
- § 179 At least three quarters of the shares must be represented at the time of adoption of a resolution amending company bylaws.

## The Netherlands

**The Economic Offences Act** (Wet op de economische delicten), 2024

**The Securities Book-Entry Transfer Act** (Wet giraal effectenverkeer), 2023

**The Financial Supervision Act** (Wet op het financieel toezicht), 2024

**Dutch Corporate Governance Code** (2016)

References below are from the **Book 2 of the Dutch Civil Code**.

Art. 101 Annual accounts must be drawn up by the management board at the latest four months (five months for non-listed companies) after the end of the company's financial year.

Art. 107	The AGM (as a company organ) is entitled to obtain all requested information from the management board and the supervisory board.		electronically or by post within 28 days ahead of the general meeting.
Art. 108	(1–2) – Unless the bylaws provide for a shorter term, the AGM must be held within six months following the end of the company’s financial year.	Art. 117c	The convening notice of an AGM must specify how to register and vote electronically.
Art. 110	Shareholders holding one-tenth of the issued share capital, or a lower number if foreseen in the bylaws, may request the provisional relief judge to authorise them to convene a general meeting.	Art. 120	Resolutions are adopted by a simple majority of votes cast (excluding abstentions) unless the law or the bylaws require a larger majority.
Art. 111	If the court gives permission to convene a general meeting, it will define how and when the general meeting will be held and may also appoint a chair for the meeting.	Art. 135a	Listed companies must ensure that their remuneration policy takes the societal context into account.
Art. 112	Where the management board and supervisory board have failed to hold an AGM as legally required, any shareholder may request the provisional relief judge for permission to convene such a meeting themselves.	Art. 142b	(expires in 2030) Listed companies must ensure that their supervisory board consists of at least one third men, and one third women.
Art. 113	The bylaws may provide that the holders of registered shares are called to a general meeting through a written convening notice sent to their listed address, or electronically if the shareholder has agreed to this.	Art. 362	What annual accounts should look like is detailed in Title 9 of Book 2 of the Civil Code.
Art. 114	The AGM convocation notice must specify the subjects to be discussed, the place and time of the meeting, the procedure for participating through a proxy, and the procedure for attending the meeting and voting electronically (for listed companies) as well as the company’s website.	Art. 364–377	Detailed requirements on the items to be reported in the annual accounts are included in the Civil Code.
Art. 114a	To put items on the agenda of the AGM, shareholders holding at least 3% of the capital must request so in writing or electronically, no later than 60 days prior to the meeting.	Art. 391	The management report, which is to be published simultaneously with the annual accounts, must include financial and non-financial performance indicators, including on environmental and staff matters.
Art. 115	For listed companies, convening notices must be sent no later than 42 days before the meeting, failing which legally binding decisions can only be taken by a unanimous vote in a general meeting where all capital is represented.		
Art. 116	AGMs must take place in the statutory seat of the company or an alternative place in The Netherlands, if foreseen in the bylaws.		
Art. 117	For non-listed companies, bylaws can require shares to be deposited up to seven days before the AGM.		
Art. 117a	A company may provide in its bylaws that shareholders are entitled to participate, speak and vote at the general meeting by electronic means.		
Art. 117b	The bylaws may allow for votes to be cast		

## Poland

RP, [Organizacja walnego zgromadzenia w czasach epidemii koronowirusa](#) [Organization of general meetings during the coronavirus epidemic].

Warsaw Stock Exchange, [Dobre Praktyki Spolek Notowanych na GPW 2021](#) [Good Practice for companies listed on the Warsaw Stock Exchange 2021].

Warsaw Stock Exchange, [Scanner of Good Practices](#)  
Several references are from the [Accounting Act](#) of 29 September 1994.

Art. 49b Accounting Act 29 September 1994 – Non-Financial Reporting Statement.

§ 70. 1 of [Order of Finance Minister \(number 757\)](#) on current and periodic information provided by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state.

Other references are from the [Code of Commercial Companies](#).

Title III. Section II – governs Joint Stock Companies.

Title III. Section II Chapter 2 – governs rights and duties of shareholders.

Title III. Section II Chapter 3 – governs entities of a company.

Title III. Section II Chapter 3 Part 3 – governs General Assemblies.



*Detailed articles of Code of Commercial Companies:*

<p>Art. 368 Board composition.</p> <p>Art. 368 §3 A shareholder can appointed a board member.</p> <p>Art. 3751 The General Assembly or Supervisory Board cannot issue binding instructions as to how a company should be managed.</p> <p>Art. 378 §2 An AGM can establish rules governing remuneration and additional benefits for board members.</p> <p>Art. 382 Responsibilities of the Supervisory Board.</p> <p>Art. 382 §3 Annual turnover reports are prepared by a supervisory board. Points 1–5 provide the minimum requirements for what such an annual report should include.</p> <p>Art. 385 §1 Supervisory Board composition.</p> <p>Art. 395 §1 The Ordinary General Assembly should take place within six months after the end of every accounting year.</p> <p>Art. 395 §4 A shareholder can request access to relevant documents, such as annual reports. The request can be communicated from the day of the announcement of the general assembly, and documents should be sent immediately, no later than two working days from the day of request. They can be sent electronically.</p> <p>Art. 398 Convening an Extraordinary General Assembly.</p> <p>Art. 399 §1 AGMs are convened by the Board.</p> <p>Art. 399 §2 The Supervisory Board can convene both an ordinary AGM, if the Board does not do so in the prescribed time, or an EGM.</p> <p>Art. 399 §3 Shareholders representing at least half of the capital or half of the overall votes in the company can convene an EGM. The shareholders would designate the leader of the EGM.</p> <p>Art. 400 §1 A shareholder or shareholders representing 5% of (statutory) capital can request convening an EGM and can put specific matters on the agenda. Company bylaws can give this right to shareholders representing less than 5% of shares.</p> <p>Art. 400 §2 A request to convene an EGM should be submitted in written or electronic form.</p> <p>Art. 401 §1 A shareholder or shareholders representing at least 5% of (statutory) capital can demand putting specific matters on the agenda of the AGM. This must be done 14 days before the AGM, or 21 days for a publicly listed company. The request should be submitted together</p>	<p>with a justification or explanation, and any draft resolution relating to the matter. The request can be sent electronically.</p> <p>Art. 401 §2 In public companies, the board should announce changes to the agenda 18 days before an AGM.</p> <p>Art. 401 §4 A shareholder or shareholders representing at least 5% of (statutory) capital can submit, in written or electronic form, draft resolutions touching on matters put on the agenda of an AGM or matters that are to be put on the agenda.</p> <p>Art. 401 §5 Every shareholder can submit draft resolutions relating to agenda items during an AGM.</p> <p>Art. 4021 §1 Public companies should announce AGMs through a notice on the company website.</p> <p>Art. 4021 §2 The notice should be given at least 26 days before an AGM.</p> <p>Art. 4022 This Article lists six points that an AGM convocation notice should at least include.</p> <p>Art. 4023 §1 A public company is obliged to publish on their website, among other things, a notice of convening an AGM, draft resolutions, and if no draft resolutions, then any relevant material, and postal voting and proxy forms.</p> <p>Art. 404 §1 Matters not on the agenda cannot be subject to resolutions, unless the whole capital is represented in an AGM, and no one has opposed.</p> <p>Art. 404 §2 Motions for EGMs and motions of an organisational character can be voted on, despite not being put on the agenda.</p> <p>Art. 4065 §1 Participation through electronic means is possible, unless stated otherwise in company bylaws. The means of participation are agreed by the entity convening an AGM.</p> <p>Art. 4065 §2 There must be two-way communication in real time for everyone participating in an AGM, and voting either personally or through a proxy must be ensured.</p> <p>Art. 4065 §3 The Supervisory Board can put forward a bylaw specifying participation through electronic means but cannot limit such participation.</p> <p>Art. 4065 §4 Public companies must ensure an AGM is livestreamed.</p> <p>Art. 407 A list of shareholders authorised to participate should be available three working days ahead of an AGM. A shareholder of a public company can</p>
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	request that this list is sent to them (for free) on an indicated email address.
Art. 4113	A shareholder can vote differently for each share owned.
Art. 4122	This article governs appointments of proxies.
Art. 4122 §3	Declaration of conflict of interests of a proxy under certain conditions.
Art. 4122 §4	A proxy votes only according to the instructions issued by a shareholder.
Art. 414	Resolutions are adopted by an absolute majority.
Art. 416	Two-thirds of votes are required when voting on resolutions that may significantly change how the company operates.
Art. 420 §1	Voting is public.
Art. 420 §2	Secret voting can be instated in certain circumstances.

## Spain

All references are from titles V and VII of the Spanish Corporate Enterprises Act.

### Ley de Sociedades de Capital

#### General overview

Title V: La junta general

Chapter III – De la Junta General Universal

Chapter IV – De la Convocatoria de la Junta General

Chapter VI – Asistencia, representación y voto

Chapter VII – Constitución de la junta y adopción de acuerdos

Title VII: Las cuentas anuales

#### Detailed articles

Art. 163	General meetings of capital companies can be ordinary or extraordinary.
Art. 164	Ordinary general meetings must be held within the first six months of each year. They are valid even if called or held after the deadline.
Art. 166 and 167	The administrators call AGMs whenever they consider it necessary or convenient for corporate interests.
Art. 168	Administrators have to call an AGM if this is requested by shareholders representing at least 5% of the share capital.
Art. 169	Shareholders can call an AGM if one is not called within the time period established either legally or statutorily, under certain conditions.
Art. 170	The Commercial Registry has to call the AGM

	within one month after the request was made by shareholders, in case AGMs are not called in proper times.
Art. 172	In joint stock companies, shareholders representing at least 5% of the share capital have the right to request the publication of a 'supplement' in the convocation to an AGM.
Art. 519	In listed companies, shareholders representing at least 3% of the share capital have the right to present resolution proposals regarding items which are already, or will be, included on the agenda.
Art. 173	AGMs should be announced via an announcement on the company's website or in the Official Gazette of the Commercial Registry, unless stated differently in the company's bylaws.
Art. 174	Describes the content of the convocation to an AGM.
Art. 175	AGMs are held in the municipal area of the company's headquarters, unless specified otherwise in the company's bylaws.
Art. 176	Between the release of the convocation and the date of the AGM, there must be a period of at least one month in joint stock companies, and fifteen days in limited liability companies.
Art. 177	In case a second-call AGM is needed, there should be a period of at least 24 hours between the first and second meetings.
Art. 179	Describes shareholders' rights to attend AGMs.
Art. 181	Describes possibilities for non-shareholders to attend AGMs.
Art. 182	A company's bylaws can provide for the possibility to attend an AGM by electronic means.
Art. 182 bis	– Describes the conditions and requirements for the organisation of exclusively electronic AGMs.
Art. 183	In limited liability companies, shareholders can appoint proxies to represent them at meetings, under certain conditions.
Art. 184	In joint stock companies, shareholders can appoint proxies of their choice, although a company's bylaws can limit this right.
Art. 185	Attendance at the AGM by the shareholder revokes the proxy.
Art. 188	Describes voting rights in limited liability and joint stock companies.
Art. 189	Shareholders have a right to exercise their voting rights through postal or electronic correspondence.
Art. 194	In joint stock companies, a higher quorum is required for specific resolutions to be adopted.

- Art. 196 Describes shareholders' rights to information at limited liability companies.
- Art. 197 Describes shareholders' rights to information at joint stock companies.
- Art. 198 Describes adoption of resolutions by ordinary majority.
- Art. 199 Describes adoption of resolutions by reinforced legal majority.
- Art. 200 Describes adoption of resolutions by reinforced statutory majority.
- Art. 242 Describes requirements for the composition of management boards.
- Art. 253 Annual reports have to be prepared by a company's directors within three months of the end of the financial year.
- Art. 262 Management reports have to be prepared by a company's directors.
- Art. 272 Shareholders have a right to obtain their company's annual report, as well as the management report where applicable, when an AGM is called.

## The United Kingdom

[Companies Act, 2006](#)

[The Occupational Pension Schemes \(Investment and Disclosure\) Regulations, 2019](#)

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