



# Annual Report 2015



Serving EU quoted companies



EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. As at 31 December 2014, there were 13 225 such companies on both the main regulated markets and the alternative exchange-regulated markets. Our members include both national associations and companies from all sectors in 14 European countries, covering markets worth € 7.2 billion market capitalisation with approximately 8000 companies.

We aim to ensure that EU policy creates an environment in which companies can raise capital through the public markets and can deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers.

## OUR STRENGTHS

- *Profound knowledge of both financial markets and companies*
- *Representing the real economy*
- *Practical knowledge of the EU structures*

All companies quoted on EU stock exchanges are affected by the structure of financial markets and by financial regulation aimed not only at the quoted companies themselves, but also at market intermediaries.

- Given changes to bank regulation since the financial crisis, more EU companies need to access the capital markets. However, the regulatory burden on companies of accessing public markets is ever increasing;
- Financial regulation is extremely complex. The costs to companies are, therefore, rising, and especially for smaller companies that do not have the same resources as larger ones. Regulation is, thus, not well designed for the needs of all the approximately 13000 quoted companies across Europe;
- An increasing number of EU companies have international shareholders who come from different company law and corporate governance traditions, and so may not be familiar with the local shareholder identification and communication practices. Companies with more dispersed ownership on the capital markets may thus find themselves disintermediated from their shareholders.

European quoted companies need an association devoted to their own interests, which is able to monitor and respond to these and other developments in capital markets regulation. Moreover, European and international regulators are more receptive towards supra-national groups.

This is why EuropeanIssuers was created: to represent the interests of European quoted companies to European policymakers. Our representative office in Brussels is well placed to promote the interests of European issuers with European institutions. The Secretariat maintains regular contact with the European institutions and with other players, such as peer associations and think-tanks. The Secretariat provides updates on EU regulatory activities and represents the views of issuers at the various roundtable meetings, conferences and hearings.

We deal with EU regulations affecting companies in the areas of capital markets, company law, corporate governance, listing rules, investment chain, etc.

# CONTENTS

FOREWORD BY THE CHAIRMAN .....	4
MESSAGE FROM THE SECRETARY GENERAL .....	6
PART I: ACTIVITY REPORT.....	7
Policy Priorities 2015.....	7
Capital Markets Union .....	7
Prospectus Directive Revision.....	8
Shareholder Rights Directive .....	8
Other Dossiers.....	9
Financial Transaction Tax.....	9
Market Abuse Audit Regulation and Directive .....	10
European Single Electronic Format.....	10
European Market Infrastructure Regulation .....	11
Corporate Tax Reporting.....	11
Reports from Committees .....	12
Policy Committee .....	12
Smaller Issuers Committee .....	12
External Representation Reports.....	13
General Meeting and European Market Implementation .....	13
Business and Industry Advisory Committee to the Organisation for Economic Co-Operation and Development (OECD) .....	13
European Corporate Governance Codes Network .....	14
European Post Trade Group (EPTG).....	15
European Securities and Markets Authority (ESMA).....	16
Events.....	17
Conference on “Striking the right balance in corporate governance and shareholder engagement” .....	17
16th European Corporate Governance Conference .....	17
International Corporate Governance Network Conference: “Driving accountability across the voting chain” .....	18
European Small and Mid-Cap Awards 2015 .....	18
Communication.....	19
Speaking Engagements .....	19
Meetings with EU Officials.....	20

PART 2: ASSOCIATION REPORT .....	21
Vision & Mission.....	21
Strategic Objectives .....	21
Membership.....	21
Annual General Meeting.....	26
Financial Model.....	26
Business Model .....	26
Governance .....	27
Bylaws .....	27
Secretariat.....	27
Board Members .....	28
Policy Committee Members .....	31
Smaller Issuers Committee Members.....	32
Working Groups .....	33

## FOREWORD BY THE CHAIRMAN



Luc Vansteenkiste

In the political arena, 2015 was another year of continuing change. A new European Commission under President Juncker came into office in November 2014. It brought a change in the regulatory approach towards better regulation and a focus on growth and jobs through capital markets financing, which we welcome in principle.

While we understand there is high level political support for reducing regulatory and administrative burdens for companies, we are concerned whether this will be properly reflected in the detailed proposals. After all, the devil is in the detail, and given that proposals are often technical, they are not always easily understood. Also, there may be some resistance from certain Member States and some Members of the European Parliament against provisions that could result in a substantial alleviation of burdens for companies.

Therefore, we fear that despite the Commission's good intentions, we may end up with a compromise that does not deliver all that is necessary to restore growth in Europe.

In terms of policy work, we applaud EU officials for good progress on the revision of the Shareholder Rights Directive, especially by allowing more flexibility regarding remuneration and related party transactions. On shareholder identification, we believe there is still room for improvement, while we emphasise that this proposal is not the right place to include provisions on country-by-country reporting on profits, taxes and subsidies and on tax rulings.

We welcome the revision of the Prospectus Directive and its objective to alleviate burdens and costs for companies seeking to raise finance on public markets in Europe. Nevertheless, we believe that the Commission proposals could be more ambitious, especially on:

- Recalibrating the thresholds triggering the application of the regulation;
- Ensuring freedom of movement and providing greater choice for companies through the revision of the home Member State definition. Companies should have the choice of their home Member State for all types of securities.
- Improving efficiency of the prospectus approval; and
- Creating a flexible, bespoke prospectus regime for companies on the newly created SME Growth Markets.

Given that much is left to level II, it is also hard to estimate the real cost savings.

On Market Abuse, we are happy to see improvements on insider lists, but we are disappointed on market soundings. Also, we are concerned that all procedures need to be applied for disclosure of confidential but not inside information. Some work is still ongoing, for example public disclosure of inside information that will be addressed by ESMA guidelines in a consultation opened in January 2016.

These are just highlights of EuropeanIssuers' policy work. I encourage you to look at the policy section of this report for more details and an overview of other dossiers followed.

Overall, I have been impressed since I joined by the amount of policy work carried out compared to the resources of the organisation. I also believe that over the years EuropeanIssuers has managed to contribute to the creation of an EU environment in which companies can raise capital through the public markets and deliver growth over the longer-term. We seek capital markets that serve the interests of their end users, including issuers.

For the Association, 2015 was a year of change. After more than five years at EuropeanIssuers, Susannah Haan decided to pursue other career opportunities. On 1 November 2015, she handed over to Florence Bindelle, who had been the Executive Director of Federation of European Risk Management Associations (FERMA), for 16 years.

It is my pleasure to welcome Florence who has a solid experience in European association management, including maintaining relations with the European Commission and other European organisations, communication and the organisation of events. I am looking forward to working with her on the expansion of EuropeanIssuers over the years to come.

I would like again to thank Susannah for her dedication to make EuropeanIssuers a well-respected organisation. Over the past five years, she increased our visibility. EuropeanIssuers is now much more widely recognised in Brussels, in the Member States and outside Europe for our ability to represent the interests of quoted companies to both the EU institutions and to other financial markets' participants. I believe that we have made good progress in getting our voice heard in the debates on capital markets, jobs and growth.

**Luc Vansteenkiste**  
**Chairman of EuropeanIssuers**

## MESSAGE FROM THE SECRETARY GENERAL



Since I joined EuropeanIssuers in November, I have been very busy getting acquainted with the organisation, the technical subjects, and the relationships established by Susannah over the years.

I see great opportunities to further develop the Association and make it a recognised leader in Brussels representing the interests of quoted companies across Europe.

My immediate goals will be to increase the reputation and visibility of EuropeanIssuers with European structures, to raise awareness of our members on developments of new regulations which will impact the way they access capital markets, and enhance our representation by developing our membership of large and small listed companies particularly in countries not yet represented within EuropeanIssuers.

The more our members of all sizes and nationalities join efforts to develop common positions, the more successful we will be in influencing EU policymakers.

Many companies still face challenges in accessing capital markets. This is an area where we should focus our efforts for 2016. Within the Board of Directors, we have re-evaluated our current strategies and we have launched a membership survey to ensure that we address companies' needs and to reinforce the value proposition for our members and to meet their expectations.

My intent is to develop our communication with our members and external stakeholders. This is important for our image. The website will be renewed. Our newsletter will be revisited and new events will develop information sharing, education and networking.

I would like to take this opportunity to invite all of you to our Awards ceremony which will take place on 17<sup>TH</sup> November 2016.

I look forward to a bright 2016!

**Florence Bindelle**  
**Secretary General**



## PART I: ACTIVITY REPORT

For EuropeanIssuers, 2015 has been a year of great achievement:

- ✓ Publication of the EU IPO Task Force report "Rebuilding IPOs in Europe; Creating jobs and growth in European capital markets".  
The Task Force was co-founded and jointly run by EuropeanIssuers, Federation of European Securities Exchanges (FESE) and InvestEurope (EVCA). It brought together experts from various Member States with different expertise in capital markets. Through work on the Task Force, EuropeanIssuers gained recognition as one of the key players on Capital Markets Union;
- ✓ A speech at our General Assembly by Niall Bohan, Head of Unit for Capital Markets Union, DG FISMA, the European Commission;
- ✓ The Small and Mid-Cap Awards ceremony co-organized with FESE and the European Commission to promote successful listings;
- ✓ High profile speaking engagements including at the European Parliament hearing on the revision of the Shareholder Rights Directive and the 16th European Corporate Governance Conference;
- ✓ 2015 shareholder rights conference organized jointly with ACCA, ecoDa and BusinessEurope.

Overall our performance indicators are:

- ✓ High profile speaking engagements
- ✓ Improved communication of policy
- ✓ Increased media presence
- ✓ Coalition and relationship building with various stakeholders
- ✓ Development and publication of high quality and relevant position papers

### *Policy Priorities 2015*

#### **Capital Markets Union**

Capital Markets Union (CMU) is one of flagship projects of Jean-Claude Juncker, the President of the European Commission. It is perceived as means to boost jobs and growth in the EU and aims at helping businesses to diversify their sources of funding and offer investors and savers additional investment opportunities.

In March 2015, EuropeanIssuers gained recognition as one of the key players on CMU with the publication of the [EU Task Force report](#) "Rebuilding IPOs in Europe; Creating jobs and growth in European capital markets."

The Task Force was co-founded and supported jointly by EuropeanIssuers, the European Private Equity & Venture Capital Association (now called InvestEurope) and the Federation of European Securities Exchanges. It brought together experts from different Member States and different parts of the capital markets. The Task Force experts, with direct knowledge and experience of Initial Public Offerings (IPOs), agreed on recommendations on how to improve this key component of Europe's capital markets.



The IPO Task Force as part of the debate on CMU has raised our profile in Brussels and has enabled us to forge wider links with other associations, and to participate in several high-level discussions hosted by think tanks both here and in other Member States.

In parallel, we continued to discuss with our members what could be done to help quoted companies to access finance and how to make listing more attractive. This is reflected in our [response](#) to the Commission Green Paper on the Capital Markets Union, as well as in our work on the revision of the Prospectus Directive, which is one of the first short terms priorities of the European Commission within the Capital Markets Union project.

## Prospectus Directive Revision

In the early days of discussions on a Capital Markets Union, EuropeanIssuers and other stakeholders emphasised that producing a prospectus is a major cost and a deterrent to accessing public capital markets. Consequently, in February 2015, the Commission launched a consultation on the Review of the Prospectus Directive.

EuropeanIssuers [responded](#) to this consultation following intensive work by the EuropeanIssuers Prospectus Working Group.

In late November 2015, the Commission launched its [proposal](#) for a Prospectus Regulation, to replace the Prospectus Directive currently in force. EuropeanIssuers welcomed the publication of the proposal and Commission's intention to alleviate burdens for companies. We were supportive of proposals to reduce disclosure for secondary offers and SMEs, allowing greater use of the incorporation of information into a prospectus by reference, as well as improved passporting arrangements to make it simpler for issuers to access markets across the EU. Nevertheless, we would like the Commission to go further. For example:

- Recalibrating the thresholds triggering the application of the regulation;
- Ensuring freedom of movement and providing greater choice for companies through the revision of the home Member State definition. Companies should have the choice of their home Member State for all securities.
- Improving the efficiency of the prospectus approval; and
- Creating a flexible, bespoke prospectus regime for companies on the newly created SME Growth Markets.

For more details see our recent [position paper](#).

## Shareholder Rights Directive

On 9 April 2014, the Commission adopted its company law and corporate governance package including a [proposal](#) for the revision of Shareholder Rights Directive (SRD) and a [recommendation](#) on corporate governance reporting 'comply or explain'.

EuropeanIssuers has been recognised as one of the key stakeholders and invited to speak at various high level events during 2015, including the European Parliament hearing on the revision of the SRD.

In the first stage of the ordinary legislative procedure early 2015, EuropeanIssuers liaised both with the European Parliament (Legal Affairs and JURI Committees) and with the Council. In January, EuropeanIssuers' dedicated working groups developed detailed [amendments](#) on the JURI draft report, as well as a [briefing](#) for the Economic and Monetary Affairs Committee (ECON) ahead of the vote on the ECON report. We also met with key Members of the European Parliament to explain our position.

At the end of March, the Council adopted the compromise proposal (COREPER agreement) which provided for more flexibility on remuneration and related party transaction compared to the original Commission proposal. A threshold on shareholder identification (of 0.5%) was the main hurdle.

At the same time we were still campaigning at Parliament. Ahead of the vote in JURI, we issued a joint [letter](#) with BUSINESSEUROPE. A [joint press release](#) with ecoDa followed after the JURI vote. We also circulated another joint [letter](#) with ecoDa and BUSINESSEUROPE ahead of the plenary. Finally, the [report](#) was adopted in plenary on 8 July 2015.

Our advocacy campaign was fairly fruitful as there were improvements compared with the draft report. This included shareholder identification as a right for companies, removal of remuneration ratio and cap, vote on remuneration policy and report advisory (although in case of vote on policy this is a Member State option) and removal of the obligation for mandatory employee consultation on remuneration.

The trialogue started on 27 October 2015. We followed the negotiations, but given the disagreement over provisions on country-by-country reporting on profits, taxes, subsidies and on tax ruling, introduced by the Parliament, the discussions did not progress fast and mainly focused on technical aspects. At the end of the year the EuropeanIssuers' dedicated Working Group drafted specific amendments for the trialogue discussions, which were communicated to all relevant EU stakeholders.

We continue advocacy work in 2016.

## *Other Dossiers*

### **Financial Transaction Tax**

Financial Transaction Tax (FTT) became a concern for EuropeanIssuers as soon as it was announced in the European Commission agenda in September 2011. The Commission proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax was launched on February 2012 and the EU legislators stated an intention to establish this tax as soon as possible. Given lack of unanimous support at the Council for a common system of FTT, 11 Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) decided to go ahead on their own through enhanced cooperation between themselves.

In February 2013, the Commission launched a new proposal for a Council Directive implementing enhanced cooperation in the area of FTT.

EuropeanIssuers is opposed to any proposal introducing an FTT. We firmly believe that the intentions behind the initiative, for example, to ensure that the financial sector makes a fair contribution to the costs of the financial crisis and to discourage certain financial activities that do not bring value to the overall economy, would not be achieved.

On the contrary, in some Member States some companies would be put at a competitive disadvantage, imposing considerable costs on non-financial companies and ultimately lead to a substantial drop in economic growth. It would also run counter to the objectives of the Capital Markets Union. For more information, read [our position](#).

During 2015, EuropeanIssuers' mainly monitored developments as the proposal did not seem to be advancing. So far there has been no agreement, and it seems that in 2015, political support from supportive EU member states has weakened.

We will keep monitoring the situation and relaunch our lobbying activities if necessary.

## **Market Abuse Audit Regulation and Directive**

On 28 September 2015, ESMA published its [final report](#) on draft technical standards on the Market Abuse Regulation, accompanied by a [cost analysis](#). This Report was the main development that EuropeanIssuers followed in 2015 concerning market abuse legislation.

These level II technical standards are in line with the Market Abuse Regulation (MAR) adopted on 16 April 2014. MAR updates and strengthens the existing framework by extending its scope to new markets and trading strategies, and by introducing new requirements. The regulation gives ESMA the responsibility to develop draft regulatory technical standards and draft implementing technical standards on a number of prospectus related matters.

EuropeanIssuers notably welcomed the move by ESMA to require less content in insider lists and to envisage a lighter regime for smaller and mid-size companies. However, this lighter regime has been obstructed by the delay in the implementation of MIFID II on which this exemption depends. We were less supportive of the inclusion of ESMA's approach to market soundings. This approach prescribes the creation of records keeping requirements to all market soundings, whether they contain inside information or not. We think that only market soundings that do involve inside information, should be subject to the record-keeping requirements.

## **European Single Electronic Format**

Building from the Level I text of the Transparency Directive published in November 2013 in the Official Journal of the EU (2013/50/EU), ESMA (the European Securities and Markets Authority) started a Level II work to further improve transparency in the field of corporate and fiscal reporting. In 2014, ESMA held a public consultation about European wide access to regulated information.

In line with this first consultation, ESMA came back in 2015 with the idea of implementing a European Single Electronic Format (ESEF). To achieve this, it published a consultation to which we replied at the beginning of this year. ESMA wanted to assess the impact for companies of the obligation to publish their annual financial statements into a structured electronic format called XBRL or iXBRL.

However, EuropeanIssuers strongly opposes the implementation of any kind of structured electronic format as the outcome of it would be detrimental for companies as it does not reflect any existing demand from users.

In 2016, we will keep on monitoring any expected political developments from ESMA including about ESEF.

## European Market Infrastructure Regulation

The Regulation on OTC (Over The Counter) Derivatives, Central Counterparties and Trade Repositories called European Market Infrastructure Regulation (EMIR) ensures that information on all European derivative transactions is reported to trade repositories and is accessible to supervisory authorities, including the European Securities and Markets Authority (ESMA), to give policy makers and supervisors a clear overview of what is going on in the markets.

The Regulation also requires standard derivative contracts to be cleared through Central Counterparties (CCPs), as well as margins for uncleared trades and establishes stringent organizational, business conduct and prudential requirements for these CCPs. EuropeanIssuers is monitoring developments related to this issue. ESMA is required to produce new rules about the use of OTC derivatives by non-financial companies.

On 3 December 2015, we published our concerns over ESMA's recommendations on the use of OTC derivatives by non-financial companies. EuropeanIssuers believes that removal of the distinction between hedging and non-hedging activities for the purpose of the compulsory clearing thresholds would be detrimental for non-financial companies. Instead of this measure, we encourage National Competent Authorities to develop mechanisms to supervise compliance with the EMIR legislation currently in force.

## Corporate Tax Reporting

On 18 March 2015, the Commission unveiled its [Transparency Package](#). This includes a [Communication](#) on tax transparency to fight tax evasion and avoidance, and a [Proposal](#) for a Directive amending 2011/16/EU Directive as regards mandatory automatic exchange of information in the field of taxation.

In response to this proposal, European listed companies worked together and agreed on a common [position](#). EuropeanIssuers is in favour of coherent tax transparency and the introduction of measures to combat corruption and tax evasion at an international level. We believe that any new transparency measures should not weaken the competitive position of companies established within the EU by disclosing to the public and to the third countries' tax authorities, without any consideration, country-by-country reporting of profit, taxes and subsidies.

In 2016 we will keep our advocacy on this subject. Results of the Commission impact assessment and a proposal for possibly public country-by-country reporting of certain tax information are expected to be published in April 2016.

## *Reports from Committees*

Committees play an important role within EuropeanIssuers in term of sharing information, exchanging views and deciding on lobbying actions.

### **Policy Committee**

The Policy Committee provides a high level overview of EuropeanIssuers' policy work and decides on lobbying strategy and actions. Its work is supported by working groups set up to respond to specific policy issues. In 2015, the European Institutions kept us very busy with various legislative files, both at level I and level II. Throughout the year, the Policy Committee held six meetings, four in Brussels and two by conference call. The meetings in Brussels offered an opportunity for members to participate in interesting discussions with policy makers on our priorities: The Capital Markets Union, the revision of Prospectus Directive and the revision of the Shareholder Rights Directive.

We also followed a number of other dossiers: Financial Transaction Tax, Market Abuse level II measures, European Market Infrastructure Regulation and some aspects of corporate reporting (including financial and taxation).

As mentioned, the Policy Committee's work was supported by a number of working groups chaired by experts from our member companies or associations. The working groups streamline members' expertise and deliver detailed position papers.

The Policy Committee chairman and the chairs of the working groups were involved in our lobbying actions.

We would like to take this opportunity to thank Mr Carmine Di Noia who successfully chaired the EuropeanIssuers' Policy Committee for three years. Mr Di Noia contributed significantly to the fruitful and smooth running of the restructured committee and advocated actively on behalf of EuropeanIssuers. We wish Mr Di Noia all the best in his new role.

We also thank other members who contributed to the progress we have achieved by working together towards our goal of creating a more favourable legal environment for quoted companies in Europe.

### **Smaller Issuers Committee**

The Smaller Issuers Committee continued its work throughout 2015. It met to discuss different frameworks in each country and the issues of concern at EU level. During the year four meetings took place: two in Brussels, one in Rome (hosted by Assonime) and one in Paris (hosted by MiddleNext). Representatives of ESMA, OECD and the Commission active in the field of Entrepreneurship & SMEs were invited as speakers during the meetings.

During the meetings members discussed corporate social responsibility and non-financial reporting requirements and their burden on smaller and mid-sized companies; IFRS; the upcoming Prospectus Directive revision; corporate governance requirements concerning smaller quoted companies;

obstacles in accessing capital markets finance for smaller companies; the costs of raising equity; and educational programmes for companies thinking of going public, like ELITE in Italy.

The committee was closely involved in the 3rd Small and Mid-Cap Award Ceremony. Its members were also engaged in the EU IPO Task Force that produced an influential report providing recommendations how to improve capital markets, with a special focus on access to finance for smaller companies.

Smaller issuers committee members participated in debates for instance the KEPLER CHEUVREUX Investor Relations Summit where both Caroline Weber and Tim Ward spoke as well as roundtable events on the Capital Markets Union with various stakeholders.

## ***External Representation Reports***

EuropeanIssuers is represented in various expert and stakeholder groups through its members.

### **General Meeting and European Market Implementation**

#### ***Report from Markus Kaum, Deutsches Aktieninstitut, Chairman of the Joint Working Group***

While foreign ownership of shares continues to grow, communication between companies and investors is often hampered by technical and legal barriers. When an investor buys foreign shares, a chain of financial intermediaries intervenes in the process, each of them operating in different markets with different rules, customs and practices.

An industry working group from the main European associations representing issuers, registrars, central securities depositories, intermediaries, stock exchanges and investors was created to overcome these barriers in 2005. This Joint Working Group for General Meetings (JWGGM), chaired by EuropeanIssuers, in 2010 developed [The Market Standards for General Meetings](#) to harmonise and streamline communication among the parties in the chain of financial intermediaries.

In 2015 one workshop of the European Market Implementation Group (EMIG) was held. The discussions have been based on progress reports assessing compliance with the standards collected from all European markets, as well as concerning the revision of the Shareholder Rights Directive and its possible implications.

EuropeanIssuers has been promoting the existing standards with the EU Institutions, explaining the benefits of taking them as a basis for the level II measures for the Shareholder Rights Directive.

### **Business and Industry Advisory Committee to the Organisation for Economic Co-Operation and Development (OECD)**

#### ***Report from Christian Stiefel, SwissHoldings***

The Business and Industry Advisory Committee to the OECD, on which EuropeanIssuers is represented, conveys business perspectives and expertise to policymakers on a broad range of global economic governance and policy issues. BIAC keeps the OECD informed of the private sector's response to different policy options.

In 2015, corporate governance was at the top of BIAC's working agenda. This notably included the review of the OECD Corporate Governance Principles and of the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs).

### **Corporate governance related events and conferences**

On 17 February 2015, BIAC organized a roundtable on the theme of director skills for effective governance. We discussed the importance of obtaining and continually enhancing the optimal mix of director skills and how these discussions relate to the OECD Corporate Governance Principles and future work in this area. On 10 April, BIAC participated in a high-level conference organized jointly by the OECD and the G20 to further discuss the content and the direction of the review of the OECD Principles with a particular focus on having the new Principles contribute to making the financial sector serve the real economy.

### **Priorities for the future**

The implementation of the recently updated OECD/G20 Principles should be a top priority going forward, including both country-specific and horizontal peer reviews, as well as sharing best practice among OECD member and non-member countries.

## **European Corporate Governance Codes Network**

### ***Report from Odile de Brosse, Afep***

The European Corporate Governance Codes Network is open to organisations responsible for writing and/or monitoring the implementation of national corporate governance codes within EU Member States. Several European Issuers' members are involved in the network whose purpose is to:

- Share information on code-related developments at the national level;
- Exchange views on matters of common interest;
- Provide a forum for similar discussions with organisations carrying out the same sort of functions in countries outside the EU;
- Providing advice to EU and international authorities on the implementation of corporate governance policies.

In 2015, the Network held two meetings in Riga (in May) and Luxembourg (in December) ahead of the corporate governance conference organized by the EU Presidencies.

In Riga, the main discussions were about the Shareholders Rights Directive, the Gender Directive (Women on Boards) and OECD Principles. The intention was to identify the range of issues that should be considered when designing arrangements for monitoring corporate governance codes, and to discuss ways in which those issues might be addressed (if needed), drawing on examples from different countries.

In Luxembourg, ESMA presented its consultation concerning the Best Practices Principles (code of conduct of the proxy advisors' industry), followed by a general discussion on the regulation of the proxy industry and the issue of conflicts of interest from its activities. The report was published in



December 2015. The European Commission presented an update on the main subjects, including the Shareholder's Rights Directive, which is currently blocked due to the amendments on country-by-country reporting adopted by the Parliament.

The session concluded with an update of national developments on corporate governance issues and the appointment of a new Chair. The next meeting will be held in Bratislava in October 2016.

## **European Post Trade Group (EPTG)**

### ***Report from Markus Kaum, Deutsches Aktieninstitut***

The European Post Trade Group (EPTG) was launched as an advisory group to the European Commission as a joint initiative of the European Commission, the European Central Bank (ECB), the European Securities and Markets Authority (ESMA) and industry. It was set up following recommendation of the European Group on Market Infrastructure (EGMI). The group was composed of experts representing main players in post-trade issues and met approximately twice a year.

The key objectives of EPTG were:

- To dismantle the barriers to cross-border safety and efficiency, in particular to identify and manage issues that emerged since the Second Giovannini Report;
- To complement and coordinate the legal framework being constructed in line with the G20 agenda and the work of the ECB in the TARGET2-Securities (T2S) project;
- To coordinate and share information on the on-going harmonisation initiatives. This included developing monitoring procedures with clear implementation deadlines and appointing actors for each harmonisation activity.

Topics covered were general meetings, corporate actions, and everything around securities which is post-trade including fiscal aspects. A working group on shareholder identification and registration was created with the aim of identifying obstacles preventing cross-border disclosure of shareholders and ensuring that registration procedures do not interrupt STP in cross border settlement. The group was mandated to focus on practical solutions.

The main achievement of this group in 2015 was the Report on Shareholder Identification which I led. It focusses on pragmatic solutions and technical standards for achieving better shareholder identification and data necessary for registration of shareholders in a registered share company. To this end the report proposes a standardisation of data fields and formatting which can be used by existing IT systems across Europe without forcing market participants to change existing systems.

The mandate of the EPTG came to an end in December 2015. The group has been succeeded by the European Post Trade Forum (EPTF), also comprising of various market participants including issuers. I have been appointed as a member of the forum on behalf of EuropeanIssuers. For more information, please see the respective websites of [EPTG](#) and [EPTF](#) including the list of actions, agendas and minutes from the meetings.

## European Securities and Markets Authority (ESMA)

### Secondary Markets Standing Committee Consultative WG

***Report from Giuseppe Catalano, Company Secretary and Head of Corporate Affairs at Assicurazioni Generali SpA***

During 2015, the Consultative Working Group (CWG) for ESMA Secondary Markets Standing Committee (SMSC) continued its activity assisting the SMSC in its role of technical adviser to European authorities in relation to structure, transparency and efficiency of secondary markets for financial instruments.

Also during 2015, SMSC focused its attention on the preparation of ESMA technical standards and guidelines related to the implementation of the MiFID II framework. Consequently, CWG members were asked to provide their point of view on certain issues, with particular regard to transparency of non-equity instruments, provisions on access to trading venues and algorithmic trading. The experience of some CWG members has been welcomed in the support to the elaboration of standards and guidelines in relation to technical provisions which ESMA was asked to provide.

The process of drafting and finalising complex and heavy documents requested by the MiFID II has engaged SMSC during the whole year and has led to the open debate on the potential delay of the entry-into-force of the new European regulation of financial markets. Nevertheless, ESMA has encouraged CWG members to provide their opinion on documents focused on certain Level 2 topics, including the trading obligation for derivatives and the scope of consolidated tape for certain instruments. Furthermore, CWG has been required to provide its view also on more general topics which have turned in more detailed aspects, with particular regard to the transparency regime, definition of trading facilities and, again, access to trading venues on a non-discriminatory basis.

### Securities and Markets Stakeholder Group

***Report from Carmine Di Noia, Deputy Director General of Assonime***

This group is composed of several stakeholders – consumers, financial market participants, issuers, shareholders, stock exchanges, fund managers, etc. There are 30 members drawn from 17 Member States.

The role of ESMA SMSG is to:

- “Facilitate” consultation with stakeholders through consultation (by ESMA and Commission) on draft technical standards and guidelines (obligation to act)
- Submit advice to ESMA on any issue related to the tasks of the Authority
- Ask ESMA to investigate alleged breaches / non-application of Union law by competent authorities, not by member states

ESMA’s support to SMSG is based on providing early information, strategic more than technical involvement and identifying the fields where SMSG can add particular value. In 2015, ESMA SMSG

worked on the following issues: MiFID/MiFIR, MAD/MAR Revision of the Transparency Directive and the possible use of XBRL, CRA III (including ESMA supervisory duties), crowdfunding, Investment management: AIFMD, UCITS V, PRIIPS, Identification of investor protection concerns, ensure capital markets and investment professionals are serving the interests of the real economy, end investors and non-financial issuers

## *Events*

### **Conference on “Striking the right balance in corporate governance and shareholder engagement”**

On 3 February, EuropeanIssuers organised a successful conference jointly with ACCA, BusinessEurope and ecoDa about the revision of the Shareholder Rights Directive (SRD) on the theme “Striking the right balance in corporate governance and shareholder engagement”. More than 120 participants attended.

The main conclusion was that the SRD needed to be amended to deliver value to companies and shareholders.

Several points were addressed:

- The provisions on related party transactions and remuneration were too extensive, while the provisions on shareholder rights and shareholder identification needed to be better to today’s capital markets.
- Clear exemptions for ordinary business transactions to avoid flooding investors with unnecessary disclosures and vote resolutions are needed.
- To enhance communication, the shareholder identification provisions need to provide a right for companies to receive the information and an obligation on intermediaries to provide it.

### **16th European Corporate Governance Conference**

The 16th EU Corporate Governance Conference, organised by the Latvian Presidency and EY, took place in Riga on 13 May 2015. This high level conference was also supported by a number of partners, including EuropeanIssuers and was a great success with 220 people registered from 20 countries and 600 online participants.

The conference focussed on how corporate governance can increase competitiveness in the digital era and/or whether digitalisation could improve corporate governance. Speakers included EU policy makers, representatives from the Latvian Government, OECD and regulators, as well as companies, investors and other individuals from the private and public sectors.

Susannah Haan, Secretary General of EuropeanIssuers, spoke on a panel dedicated to governance in a digitalised world. She stressed that an effective shareholder identification system is indispensable for companies to engage with their shareholders. In that regard, she expressed disappointment with the Legal Affairs Committee vote at the European Parliament on the revision to the Shareholder Rights Directive on 7 May 2015.

Ms Haan also referred to work by EuropeanIssuers to enable greater use of electronic communication via its active involvement in the creation and implementation of industry-endorsed [Standards for General Meetings](#), which aim at facilitating cross-border communication between companies and end-investors.

Markus Kaum of Munich Re, Chair of one of EuropeanIssuers working groups on behalf of DAI (Deutsches Aktieninstitut e.V.), questioned why revision of SRD does not foresee direct contact between companies and end investors, instead providing for shareholder identification as a service for intermediaries. He also pointed out that online general meetings can only take place if a company is able to identify its shareholders.

## **International Corporate Governance Network Conference: “Driving accountability across the voting chain”**

In 2015, EuropeanIssuers was a supporting partner of the International Corporate Governance Network for the conference entitled “Driving accountability across the voting chain”, held in London on 3-5 June. For EuropeanIssuers, Susannah Haan chaired a panel discussion on accountability across the voting chain, including a discussion of how companies and shareholders can work together in order to ensure that the chain works better. The debate covered investor engagement with custodian banks, segregated v pooled accounts, as well as examples from Germany, the UK and Canada.

During the conference, Carmine Di Noia, Past Deputy Director General of ASSONIME, participated at a policy debate on loyalty shares in Europe. Mr Di Noia presented a comparative case of the French and Italian systems on loyalty shares. The debate highlighted growing shareholders’ concerns about recent EU developments in the Shareholder Rights Directive, as well as at national level.

## **European Small and Mid-Cap Awards 2015**



EuropeanIssuers co-organised the 3<sup>rd</sup> European Small and Mid-Cap Awards to reward the best companies making use of capital markets via an Initial Public Offering and to encourage more companies to access public capital markets.

On the evening of 9 December, EuropeanIssuers and FESE co-hosted a prestigious ceremony presided over by Lowri Evans, Director General of DG Enterprise and Industry and SME Envoy of the European Commission, to celebrate the winners of the 3<sup>rd</sup> European Small and Mid-Cap Awards.

Deirdre Somers, Chief Executive of the Irish Stock Exchange, and Luc Vansteenkiste, Chairman of EuropeanIssuers, introduced the awards.

## Winners

- Best new listed company: Xeros Technology (a British company that has developed a number of patented polymer bead systems for use in a range of commercial applications, listed on the London Stock Exchange)
- Most innovative newcomer: ERYTECH Pharma (a French biopharmaceutical company developing innovative therapies for rare forms of cancer and orphan diseases, listed on Euronext Paris)
- Most internationally-minded newcomers: Scatec Solar (a Norwegian company that produces independent solar power, listed on Oslo Børs)
- Rising star: Selvita (a Polish drug discovery company engaged in the research and development of breakthrough therapies in the area of oncology, listed GPW (Warsaw Stock Exchange))



To find out more about the ceremony and the winners please see our highlight [video](#) and the [photo](#) gallery.

## Communication

### Speaking Engagements

EuropeanIssuers was widely present during conferences, seminars and events to share and raise the voice of our members, among them:

- On 20 January 2015, Susannah Haan spoke during the Financial Future Workshop on SRD organized by Cabinet DN, chaired by John Purvis, former MEP.
- On 13 May, Susannah Haan spoke at the 16<sup>th</sup> European Corporate Governance Conference in Riga.
- On 3 to 5 June, Susannah chaired the workshop on “Driving accountability across the voting chain” during the ICGN Annual Conference in London.
- On 17 to 19 June, the Chairman spoke during the FESE Convention in Oslo.
- On 7 July, the Chairman, spoke during the Europlace Financial Forum on “Financing: Diversifying EU financing sources” in Paris.
- On 2 October, Susannah took part in the discussions at the digitalisation of company law and corporate governance conference.



- On 23 October, Susannah spoke in a panel debate on how will CMU foster investment in small and mid-cap companies at the European Forum for Entrepreneurial Finance in Brussels. For more information on EuropeanIssuers' key messages, click [here](#).
- On 18 November, Aleksandra Palinska spoke at the McGraw Hill Financial Global Institute Research Roundtable on Capital Markets Union.

## Meetings with EU Officials

In 2015, EuropeanIssuers has been active in meeting EU officials. The Chairman, Secretary General and Senior Policy Adviser met with representatives working for the European Commission mainly within DG JUST, DG FISMA, DG GROW and various members of Commissioner Hill's cabinet concerning the Prospectus Directive.

The team has also met several MEPs, mainly representatives from the ECON Committee, JURI Committee, both Latvian and Luxemburgish EU Presidencies and attachés from EU Permanent Representative offices and ESMA. Meeting were on various topics, including Capital Market Union and Shareholder Rights Directive

## PART 2: ASSOCIATION REPORT

### *Vision & Mission*

EuropeanIssuers exists to ensure the European legislation creates a friendly environment in which companies can:

- raise capital through public markets;
- deliver growth in shareholder value over the longer term;
- create jobs whilst stakeholders are informed and protected;

### *Strategic Objectives*

1. **To be a significant stakeholder in the decision making process at European level with the European Commission, the European Parliament, the Council of the EU and the European Supervisory Market Authorities.**

#### *Strategic actions*

- To detect early issues that can impact all quoted companies through monitoring of new regulations and standards;
- To prioritize and respond intelligently to pan-European financial regulation affecting quoted companies;
- To propose, co-ordinate and issue positions with members on relevant issues;
- To maintain interest representation with the European institutions;
- To establish technical alliances and *ad hoc* coalitions with other stakeholders.

2. **To coordinate, promote and support networking and information sharing activities in connection with the need for capital through public markets and other sources**

#### *Strategic actions*

- To be the European networking platform on capital markets for companies and associations experts;
- To maintain two-way communication with European stakeholders including members;
- To set up surveys and benchmarks to identify and share current practices;
- To organize conference, seminars and events;
- To facilitate the development of new associations in European countries.

3. **To be sustainable and ensure the long term financing of the activities**

### *Membership*

Our members consist of both national associations and issuers themselves, being EU companies quoted on the main regulated markets and the alternative exchange-regulated markets, from all sectors.



In 2015, EuropeanIssuers' membership covered 14 EU countries (Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Italy, Netherlands, Poland, Portugal, Spain, Switzerland and UK) with 15 associations and 30 companies. The associations members are active and participate in our committees. There has been a consistent level of association membership. Corporate membership has been declining over recent years. This is due to the highly competitive environment in the advocacy business and the budget constraints.

This is an area of major importance for the relevance and the long term sustainability of our activities on which we will be working in 2016.

## Member Associations



*Union of Listed Companies*



## Member Companies



# Member Services

EuropeanIssuers offers a number of services to its members: advocacy, intelligence gathering, monitoring and communications, networking and education at events.

## Advocacy

- ✓ Meetings with EU policymakers (European Commission, European Parliament, Council of the EU and European Securities and Markets Authority);
- ✓ Meetings with other stakeholders and coalition building;
- ✓ Developing proposals in the interest of better functioning financial markets for the benefit of quoted companies;
- ✓ Responding to EU consultations via working groups and committees to seek common agreement across national jurisdictions;
- ✓ Representation in the stakeholder and expert groups of various institutions and bodies.

## Intelligence resources

- ✓ Participation in an efficient and successful network of experts by taking part in EuropeanIssuers standpoints and joining in working groups and policy committees;
- ✓ Access to high-level speakers to hear their views on current legislative dossiers;
- ✓ Members' area of the EuropeanIssuers web portal with an online working space where members share their expertise and experience.

## Monitoring and Communication

- ✓ Secretariat based in Brussels to keep track of EU initiatives and provide members with first-hand information on regulatory changes;
- ✓ Specific alerts regarding consultations of interest;
- ✓ Bi-monthly member newsletter;
- ✓ Rapid access to a wide range of EU legislation information via the website.
- ✓ Constantly updated "Policy Scorecard" with an overview of EU legislation with links to relevant documents for members only.
- ✓ Free advertising on the website of members events.

## Networking and education at events

- ✓ High level events to meet peers and key players active in the European financial regulation;
- ✓ Roundtable discussions with investors and other stakeholders;
- ✓ An ideal platform to access a wide network of professionals across Europe;
- ✓ Members only events and meetings to discuss key issues with peers (Annual General Assembly, Policy Committees, Smaller Issuers Committees).

## *Annual General Meeting*

Our Annual General Meeting (AGM) was held on 30 April 2015 in Brussels. The previous evening, EuropeanIssuers invited its members to a reception and dinner during which they discussed and shared views with policy makers from national permanent representations to the EU.

During the Annual General Meeting, Niall Bohan, the Commission's newly appointed Head of Unit for Capital Markets Union (DG FISMA) delivered a speech which was followed by a discussion. Mr Bohan explained that with its Green Paper on Capital Markets Union (CMU), the Commission would like to unlock the remaining barriers to cross-border investment and ease funding for companies. The intention is to ensure that investors are able to identify more investment opportunities and to boost market-based finance as an alternative to bank credit.

In addition to the usual approval of annual accounts and budget, and other decisions related to governance, the AGM renewed mandates and appointed new members to its board.

The Board positions of Ms [Christine Bortenlänger](#), Mr [Christian Schricke](#) Mr [François Soulmagnon](#) were renewed until the AGM 2018, in accordance with Articles 9 and 19.3 of the Articles of Association by laws.

Mr [Karl Fuchs](#), Ms [Natalia Valtasaari](#) and Mr [Jan Nooitgedagt](#) were appointed new members until the AGM 2018, in accordance with Article 9 of the Articles of Association.

Finally, the AGM appointed Mr [Tim Ward](#) as co-chairman of the EuropeanIssuers Smaller Issuers Committee for a two-year term of office until the AGM 2017.

## *Financial Model*

EuropeanIssuers' ability to maintain and grow its programme of activities and operations is totally dependent on its financial health. Since 2008, our accumulated reserves have remained stable at €321 715 as at the end of 2015. Our reserving policy requires us to maintain reserves to cover the legal liabilities in case of liquidation, which are approximately four months of operating costs which is €166 500.

## *Business Model*

In order for EuropeanIssuers to deliver services to its members, it relies upon an efficient business model to maintain its revenues and to leverage its resources.

The essential ingredients of the business model are as follows:

- a) Members' subscription fees will be maintained at the lowest possible level in order to maximise value for members and reduce any barriers for prospective members.
- b) All member services are 'free of charge' to fee paying members.
- c) Membership fees represent 96% of EuropeanIssuers' overall revenue.
- d) Sponsorships cover the remaining 4 %.

- e) We aim to achieve a small trading surplus each year having reached an acceptable level of reserves in accordance with our reserving policy.
- f) All EuropeanIssuers activities are authorised by the Board through the various policy committees and working groups.

For 2016, we plan to seek additional revenue from one major event to reinforce the resources, and we will also leverage our positions and lobbying activities. We will also look at surveys, networking opportunities and position papers together with the deployment of lobbying and alliances to help our members.

## *Governance*

### **Bylaws**

The bylaws are the set of rules established by EuropeanIssuers to regulate itself, as allowed by the Belgian authorities. EuropeanIssuers is set up as a not-for-profit organisation under the Belgian Law of 27 June 1921. A copy of the bylaws is available on the [website](#).

### **Secretariat**

The secretariat is based in Brussels where the team is located.



Secretary General  
**Florence Bindelle**



Senior Policy Adviser  
**Aleksandra Palinska**



Office Manager  
**Joëlle Daem**



Communication and  
Office Assistant  
**Kasia Rusek**



Policy Assistant  
**Etienne Barlet**



Communication and  
Membership Assistant  
**Lee Burke**

## Board Members

The Board is composed of 18 members who are elected for a 3 years' mandate.



[Luc VANSTEENKISTE](#), Chairman  
President of SIOEN

[Christine BORTENLÄNGER](#), Board member  
Managing Director DEUTSCHES AKTIENINSTITUT



[Athanasios KOULORIDAS](#), Board member  
Legal Counsel UNION OF LISTED COMPANIES

[Abel FERREIRA](#), Board member  
Executive Director AEM



[Karl FUCHS](#), Board member  
Managing Director Aktienforum

[Mirosław KACHNIEWSKI](#), Board member  
Chairman SEG







**Jan NOOITGEDAGT**, Board member  
Director General VEUEO



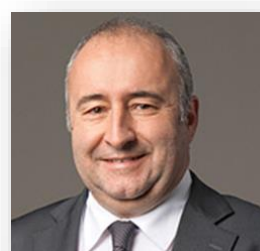
**Stefano MICOSI**, Board member  
Director General ASSONIME



**Juan PRIETO**, Board member  
Managing Director Banco Santander  
Vice Chairman Emisores Españoles



**Christian SCHRICKE**, Board member  
Managing Director ANSA



**Christian STIEFEL**, Board member  
Director SWISSHOLDINGS



**François SOULMAGNON**, Board member  
Chairman AFEP



**Pieris THEODOROU**, Board member

Chairman SYDEK (Cyprus Association of Public Listed Companies)



**Massimo TONONI**, Board member

Chairman of Prysmian



**Natalia VALTASAARI**, Board member

Director Investor Relations WÄRTSILÄ CORPORATION



**Koenraad DEJONCKHEERE**, Board member

Chairman ABSC-BVBV

CEO of Gimv nv



**Tim WARD**, Board member

Chief Executive QUOTED COMPANIES ALLIANCE



**Caroline WEBER**, Board member

General Manager MIDDLENEXT

## Policy Committee Members



**Carmine Di Noia (2014-2016)**  
Chair of the Policy Committee



**Odile DE BROSSES (since 2016)**  
Chairwoman of the Policy Committee

**Michele AMENDOLAGINE**  
Assicurazioni Generali

**Eric ANDRIEUX**  
Michelin

**Elena BADINI**  
ENI

**Jacques BEGLINGER**  
Swissholdings

**Fabio BONOMO**  
Enel

**Alessandra CASALE**  
Assonime

**Thiebald CREMERS**  
BNP Paribas

**Christine DARVILLE**  
ABSC /BVBV

**Alessandro DE FELICE**  
Prysmian Group

**Jean-Baptiste DUCHATEAU**  
Veolia

**Abel FERREIRA**  
AEM

**Karl FUCHS**  
Aktienforum

**Maria GOMES**  
Quoted Companies Alliance

**Myrtle GRONDHUIS**  
VEUO

**Bárbara JEAN-MAIRET**  
Emisores Españoles

**Athanasios KOULORIDAS**  
Union of Listed Companies

**Max LUECK**  
DAI

**Pierre MARSAL**  
ANSA

**Charles PARIS DE BOLLARDIÈRE**  
Total

**Jérémie PELERIN**  
AFEP

**Patrick RENARD**  
L'Air Liquide

**Serge ROGNON**  
L'Oréal

**Michiel ROOVERS**  
Unilever

**Pieris THEODOROU**  
SYDEK

**Arthur VAN DEN HURK**  
Aegon

**Jans VAN DER WOUDE**  
RELX

**Caroline WEBER**  
Middlenext

**Dariusz WITKOWSKI**  
SEG

## Smaller Issuers Committee Members



**Caroline WEBER**, MiddleNext  
Co-chair of the Smaller Issuers Committee

**Tim WARD**, The QCA  
Co-chair of the Smaller Issuers Committee



**Valentina ALLOTTI**  
Assonime

**Elsa Andrés-Sanchis**  
Emisores Españoles

**Alessandra Casale**  
Assonime

**Christine Darville**  
VBO-FEB

**Abel Ferreira**  
AEM

**Karl Fuchs**  
Aktienforum

**Franz-Josef Leven**  
DAI

**Donald Stewart**  
The QCA

**Dariusz Witkowski**  
SEG

## Working Groups

Subject	Chair	Association/Company	Country
Corporate Governance 1	Odile de Brosses	Afep	France
Corporate Governance 2	Pierre Marsal	ANSA	France
Securities Law & Markets' Infrastructure and Standards for General Meetings	Markus Kaum	DAI	Germany
	Thiebald Cremers	BNP Paribas	France
Corporate Reporting	Elisabeth Gambert	Afep	France
	Lé Quang Tran Van	Afep	France
Company Law	Valentina Allotti	Assonime	Italy
Prospectus	Tim Ward	The QCA	UK
Capital Markets Union	Gerrit Fey	DAI	Germany
Financial Transaction Tax	Lé Quang Tran Van	Afep	France
Country-by-Country Reporting	Pierre Marsal	ANSA	France



