



AUTORITÉ
DES MARCHÉS FINANCIERS

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Shareholder vote at general meetings: the Autorité des marchés financiers (AMF) modifies its guidance and announces the setting up of a working group

Following a consultation of market participants, the Board of the AMF has selected a number of proposals from the report " For a transparent and effective vote at general meetings in the digital era " by the consultative commission for "Retail investors". It is within this framework that the AMF has modified its guidance with regard to general meetings of shareholders of listed companies. A working group has also been set up in order to further reflect on other proposals in this report.

A report with the aim of improving the functioning of general meetings of shareholders

Published in March 2017, this report contains 31 proposals to improve the regulation and practices of voting at general meetings of listed companies. It is the product of work and hearings carried out by a working group composed of members from the AMF's consultative commission for "Retail investors". Comprised of representatives from retail investor and savers associations, of representatives from consumer associations, as well as of experts on the matters related to retail investors defence or information (lawyers, academics, journalists...), this consultative commission's function is to inform the Board's decisions, which could have an impact on the protection of retail investors' interests, by expressing specific retail investors' views or those held by investors in collective investment products.

Proposals selected by the Board of the AMF

- Proposals to increase transparency over the vote at general meetings: at its meeting on 18 July 2017, the Board decided to endorse several of the report's proposals and to incorporate them, in the form of recommendations, into the AMF's guidance. These proposals⁽¹⁾ are added, subject to minor adjustments, to the AMF Recommendation DOC-2012-05 regarding general meetings of shareholders of listed companies.
- Two proposals for which implementation entails legislative and regulatory amendments. These proposals' aim is to favour the ability of shareholders to submit items and draft resolutions at a general meeting. On the one hand, it concerns the report's proposal n° 17.1 which recommends that the shareholding threshold required in order to submit items and draft resolutions at a general meeting be divided by two. The implementation of this proposal entails an amendment of article R. 225-71 of the French commercial code. Elsewhere, it concerns proposal n° 17.3 which recommends the alignment of the shareholding threshold required from shareholder associations wishing to table draft resolutions to those applicable to individual shareholders, which are lower. The implementation of this proposal entails an amendment of article L. 225-120 II of the French commercial code.

However, the Board considered that, in the absence of a sufficient consensus among market participants, it was not in a position to endorse several other proposals in the report nor was it able to subject them to thorough review⁽²⁾. These proposals carried recommendations notably regarding votes by correspondence and electronic voting platforms.

The setting up of a working group to further reflect on the report's other proposals

Lastly, the Board has decided that a number of proposals merit further work, with particular focus in the lead-up to the transposition of the directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 as regards the encouragement of long-term shareholder engagement, amending directive 2007/36/EU. These proposals⁽³⁾ concerned votes by correspondence, votes by proxy, as well rejected votes.

To this effect, the Board has decided to set up a working group, limited in size, composed, of members in equal numbers from the consultative commissions of the AMF for "Retail investors" and for "Issuers", as well as representatives from the asset management and securities industries. Co-chaired by the chairs of these two consultative commissions, this working group will be tasked to provide further reflection on these proposals and to submit recommendations to the Board.

This working group will be composed of the following members:

- Claude Nocquet (co-chair), member of the Board and chair consultative commission for Retail investors;
- Christian Schricke (co-chair), member of the Board and chair consultative commission for Issuers;
- H  l  ne Feron-Poloni, member of the consultative commission for Retail investors;
- Jean Berthon, member of the consultative commission for Retail investors ;
- Guillaume Prache, member of the consultative commission for Retail investors;
- Aldo Sicurani, member of the consultative commission for Retail investors;
- Alexandra Fouillet-Roger, member of the consultative commission for Issuers;
- Gilles Arditti, member of the consultative commission for Issuers;
- Philippe D'Hoir, member of the consultative commission for Issuers;
- John Felitti, member of the consultative commission for Issuers;
- Jean Eyraud, member of the consultative commission for Asset Management and Institutional Investors ;
- Sylvie Vernet-Gruot, senior advisor of public affairs CACEIS.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, providing investors with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org.

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[1] It concerns proposals n   1, 2, 3, 4, 5, 6, 19 and 31.

[2] It concerns proposals n   7, 8, 9, 10, 16, 17.2, 18, 20, 21, 22, 23, 24, 26, 29 and 30.

[3] It concerns proposals n   11, 12, 13, 14, 15, 25, 27 and 28.

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