



The EU Action Plan on Corporate Governance and Company Law

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Zagreb, May 2013



Policy issues arising from the 2011 EU Green Paper

Problem:

Corporate governance framework not always functioning effectively

Problematic areas:

- Information on corporate governance provided by companies
- Oversight on executive remuneration
- Transparency of proxy advisors
- Oversight on related party transactions
- Shareholder cooperation
- Long-term shareholder engagement

The Action Plan – Three key areas of focus

Areas of EU policy focus:

1. *Enhancing transparency*

2. *Engaging shareholders*

3. *Supporting companies' growth and competitiveness*

The Action Plan:

– A modern legal framework for more engaged shareholders and sustainable companies –



Areas of EU policy focus:

***1. Enhancing
transparency***

2. Engaging shareholders

*3. Supporting companies'
growth and
competitiveness*

EU proposals

- Disclosure diversity policy and non financial risks
- Improving corporate governance reporting
- Shareholder identification
- Transparency of voting policies

Areas of EU policy focus:

1. Enhancing transparency

2. Engaging shareholders

3. Supporting companies' growth and competitiveness

EU proposals

- Better oversight of remuneration policy
- Better oversight of related party transactions
- Regulating proxy advisors
- Clarification of the concept of “acting in concert”
- Employee share ownership

Areas of EU policy focus:

*1. Enhancing
transparency*

2. Engaging shareholders

***3. Supporting
companies' growth
and competitiveness***

EU proposals

Improving the framework for cross border operations

- Transfer of seat
- Improving the mechanism for cross-border mergers
- Enabling cross-border divisions
- Smart legal forms for European SMEs
- Awareness of SE and SCE
- Groups of Companies

EU company law codification

Summary of the EU Action Plan

1. Enhancing Transparency

1. Disclosure diversity policy and non financial risks

2. Improving corporate governance reporting

3. Shareholder identification

4. Transparency of voting policies

2. Engaging shareholders

1. Better oversight of remuneration policy

2. Better oversight of related party transactions

3. Regulating proxy advisors

4. Employee share ownership

3. Supporting companies' growth and competitiveness

1. Improving the framework for cross border operations

1. Transfer of seat
 2. Improving mechanism for cross-border mergers
 3. Enabling cross-border divisions
 4. Smart legal forms for European SMEs
 5. Awareness of SE and SEC
 6. Groups of Companies

2. Codification of EU company law