

A GUIDE TO THE EFFECT OF SRD II ON THE BELGIAN & LUXEMBOURG AGM MARKETS

SRD II Introduction

The European Union's revised Shareholders' Directive (SRD II) came into force in June 2019. It aims to improve communications between companies and their shareholders, give investors a greater say on executive pay and encourage them to focus on the long-term sustainability of the company rather than short-term profits. The new directive makes it easier for companies to identify their shareholders, and for shareholders to exercise their rights.



SRD II Features

- ❑ SRD II aims to improve the way EU-listed companies and their investors talk to each other.
- ❑ The Directive makes it easier for companies to know who all of their underlying shareholders are, and to be able to communicate directly with them.
- ❑ SRD II introduces a modern legal framework to encourage long-term shareholder engagement and to enhance transparency between companies and investors, to help investors take a longer-term approach to their investments.
- ❑ It also makes it easier for shareholders to exercise their rights as owners of the Company, including the right to vote on directors' remuneration.
- ❑ Any shareholder can now request a Vote Confirmation from the Issuer to verify that their votes have been received and counted.
- ❑ The Directive became law in EU member states in June 2019. By September 2020, companies that have issued shares, and their financial intermediaries, must change how they identify shareholders and how they tell them what's going on.
- ❑ To prepare for these changes, companies need to create an action plan to ensure they are ready, bearing in mind that each EU member state may interpret the rules differently.



SRD II Timeline



September
2020

How Lumi Can Help

The Lumi platform already supports AGMs in Belgium and Luxembourg in a number of ways - including secure, authenticated registration in to the meeting, the live, in-room polling, combining proxy votes with the live votes for instant results during the meeting, and all the post-meeting reporting required.

Our platform has now been extended to further help public companies streamline their meeting information, making proxy voting rights more transparent and to make it easier for investors to vote electronically in general meetings. An API connection between the Lumi platform and the institutional investor will make it simple for the institutional investor to place their votes directly into the platform, capturing all the data in a single place.

The vote confirmation will be directly available for both the issuer and institutional investors after the voting is closed. All voting behaviour of the underlying shareholders is included in the vote confirmation.



Benefits of Lumi AGM Platform For Issuers

- Instant publication of meeting agenda to shareholders and Central Securities Depositories (CSDs)
- Complete control of meeting information
- Real-time receipt of votes from different sources (in the room and remote attendees) as soon as voting starts
- Transparency and direct access to shareholders, intermediaries and brokers
- Ability to report to shareholders directly after AGM
- Reduced risk of mistakes thanks to increased automation
- Centralized data and reporting in the cloud after the meeting
- SRD II-compliant information and data stream



No matter how you run your meeting, whether it's using paper poll cards, Excel spreadsheets or Electronic Voting, it is all compatible with our platform.

Get In Touch With Lumi

We'd love to hear from you.

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