



Maija Laurila,
DG Justice's Head of Company Law Unit
Copy to: Zsofia Kerecsen, Katalin Koos-Hutas and Marija Simic

The 7th of October 2019,

Subject: Follow-up of the meeting of the Company Law Experts Group held on 20 September 2019 on the draft Commission Guidelines on the standardised presentation of the remuneration report under Directive 2007/36/EC

Dear Mrs Laurila,

ecoDa is taking advantage of the opportunity to provide its comments to the draft Commission Guidelines on the standardised presentation of the remuneration report.

As a general matter, ecoDa supports the spirit of the non-binding guidelines which is to foster more standardized and comparable information as part of the legitimate demand from the investors' community and the larger civil society to increase transparency in that field. Remuneration policy is definitely a key indicator of the corporate's reputation for ethical conduct.

ecoDa welcomes the fact that the current draft clearly states they are not mandatory guidelines. The guidelines might also invite the companies to present remuneration reports in another format if deemed appropriate. What is important is to get a reader-friendly format taking into consideration the specificities for each company. As remuneration of directors differs very much between EU countries, it might not always be appropriate to set out a one format to fit all. For example, in Nordic countries, board members, in general, with only some exceptions, receive one compensation per year, which is directly decided by the AGM. Usually the compensation is paid in cash once or in several instalments per year, or partly in company shares allocated to Board members once a year. In this specific case, the guidelines might be more suitable for presenting CEO or executive remuneration than for presenting the remuneration of non-executive directors.

On another note, ecoDa is of the opinion that the guidelines should not introduce elements in addition to the requirements of the Shareholders Rights Directive. Regarding the average remuneration of employees in comparison of directors' remuneration, the guidelines require that the companies present this ratio both as regards to the "company" and additionally if electing to do so, at a group level. This may be very confusing information for investors as some groups may be organized as a small holding company with many subsidiaries, and others with one company which would be the employer of all employees. Instead, companies should be able to choose whether to present this ratio on a company or group level or for example on a country by country comparison, and be required to clearly state based on what the ratio is presented.

In addition, we would like to ensure that these extended requirements will not duplicate with other already existing reports like the financial report or the non-financial report which should be referred to and used as much as necessary. The requirement to present certain metrics for the company's performance in table 5, does not seem to be based on the Directive. The company's performance is presented in its financial reports, and there should not be a requirement to duplicate this information in the remuneration reports, which would not necessarily give a comprehensive view on the company's performance in the format presented in the guidelines.

We have noted that a certain number of items remain to be considered as such:

- the valuation methods concerning the share related part of the remuneration (IFRS / fair value / market value);
- the reference to the year concerning the information on the calculation versus the payment year.

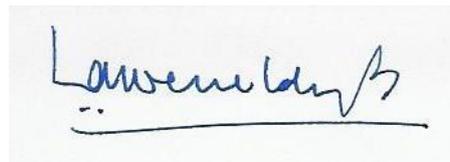
We are confident that the final proposal will resolve the above mentioned issues.

We remain at your disposal for further details.

Sincerely yours,



Béatrice Richez-Baum
Director General



Jan Wesseldijk
Chair