

Dear Madam,

Dear Sir,

we are writing to you regarding your 'Proposed Benchmark Voting Policy Changes for the Annual General Meeting (AGM) season 2025' and appreciate the opportunity to provide our comments.

DIRK – the German Investor Relations Association – is the largest European trade association uniting businesses and capital markets. We give investor relations (IR) a voice and represent approximately 90% of the capital listed on the stock exchange in Germany. As independent experts, we optimize the dialogue between issuers, investors and the relevant intermediaries, while setting professional standards of quality. Our members benefit from expert support and practice-oriented knowledge, as well as access to networks and IR professionals from across the globe. In addition, we actively promote the investor relations profession and offer extensive opportunities for further training and development in close cooperation with academia and research.

We are concerned that the following aspect is to be taken into consideration when deciding on how to vote on proposals regarding virtual-only AGMs: *„Assurance that virtual-only meetings will only be convened in the case of extraordinary circumstances that necessitate restrictions on physical attendance.”*

In 2022, a new legislation for annual shareholder meetings (AGMs) was introduced in Germany, specifically enabling issuers to hold virtual-only AGMs if shareholders agree. This legislation – which has been consulted with investors as well as corporate representatives over an extensive period of time – guarantees all shareholder rights at virtual-only as at in-person AGMs. The German legislator deliberately decided not to tie the virtual-only AGM to any specific occasions.

During the past two years the following could be observed:

- Investors overwhelmingly approved the last authorization for the virtual-only AGM: An average of 87% of DAX40 shareholders voted in favour of an authorization in the Articles of Association that allows virtual-only AGMs to be held.
- Many issuers did not ask for the legally permissible duration of five years for the authorization to hold virtual AGMs, but – in line with investors' request – opted for a two year period, instead.
- Issuers did not abuse this authorization, but handled it responsibly:

- Many issuers opted to hold in-person AGMs despite having authorization for holding virtual-only AGMs.
- The format of a virtual AGM and the technologies used to host it, have improved significantly over the last few years.
- Issuers respond to feedback from investors on the design of the virtual-only AGM. As a result of criticism, hardly any provision is made for questions to be submitted in advance.
- Virtual AGMs are easier to access, are more barrier-free and facilitate the participation of non-local investors better than in-person AGMs.
- Investors often demand a live-streaming to be able to follow discussions. However, this format does not go hand-in-hand with the safeguarding of shareholder rights and allows for passive participation at the AGM, only.
- Amongst other positive sustainability effects, CO2 emissions will decrease significantly due to a decline of logistics, technical equipment and travel activities.
- Issuers constantly seek for ways to further improve the virtual-only format and AGM experience to attract all shareholders. This is only possible, if virtual-only AGMs take place and innovations can be tested.

In our view, there is no need for and no benefit in strict specifications in voting recommendations in order to implement investors' wishes. Rather, voting recommendations should be open to technology so as not to impede or exclude progress. Investors and issuers should be given the freedom to discuss the design of the specific AGM in the coming years and to look for innovations, together.

Due to your great influence as the largest proxy advisor, we would highly appreciate if you were to consider all aspects when deciding on new voting guidelines. The proposed amendment would put investors who are in favor of a virtual AGM under undue pressure to argue their voting decision.

We kindly ask to reconsider this issue of requiring an **assurance that virtual-only meetings will only be convened in the case of extraordinary circumstances that necessitate restrictions on physical attendance.**

Please feel free to contact us if you have any questions.

DIRK – the German Investor Relations Association