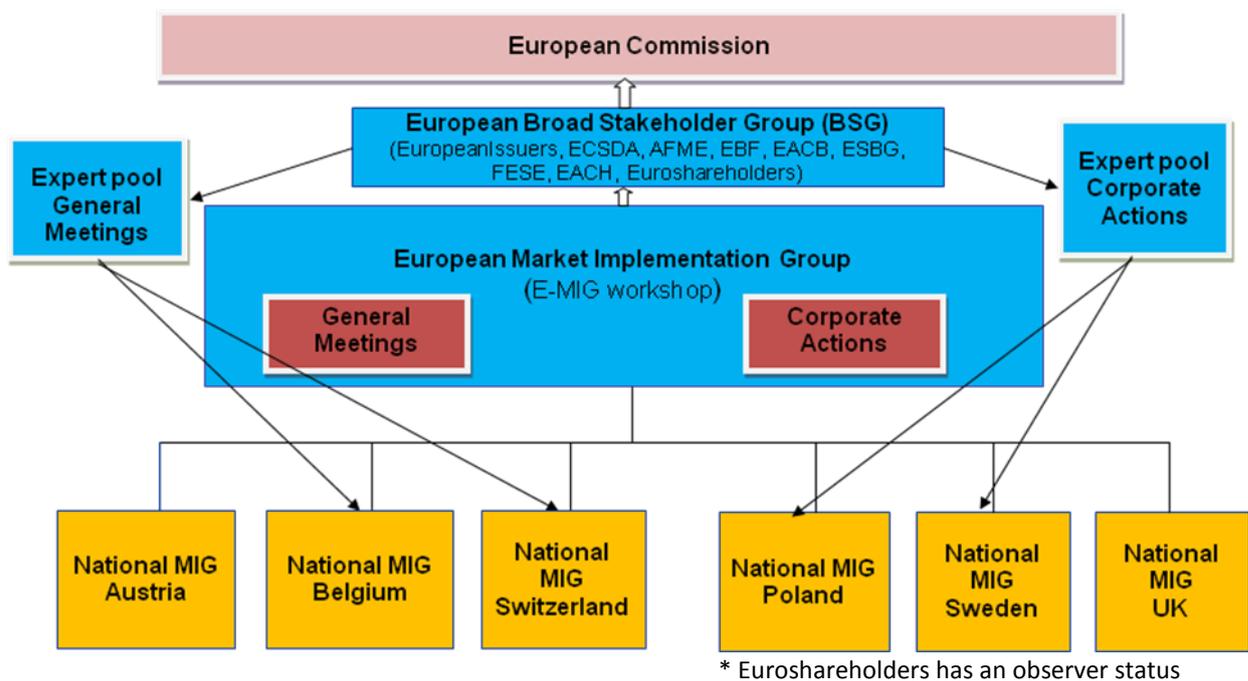


Market Standards for Corporate Actions & General Meetings Organisation of the implementation/gap analysis phase

1. Overview

The below structure has been developed and is run by the industry to monitor, at European level, the implementation process of the Market Standards for Corporate Actions Processing and for General Meetings conducted at national level:



The meeting of the former European Commission's CESAME2 Group of 2 March 2010 had welcomed this new structure.

2. National level

The responsibility for the actual implementation resides at national level with the national MIGs.

Remit:

Market Implementation Groups (MIGs) are responsible for:

- Promoting the adoption of the standards;
- Providing gap analysis and implementation plan;
- Encouraging and monitoring the removal of remaining legal barriers;
- Ensuring actual implementation is in line with the implementation plan;
- Delivering progress reports.

Composition:

The MIG co-ordinator or chair will invite missing constituents, if any, to join the MIG so as to ensure that it includes representatives of all relevant constituencies, namely issuers, investors, banks and market infrastructures.

Frequency and venues of meetings:

To be determined by the MIG chair or co-ordinator.

3. European level

3.1. The Broad Stakeholder Group (BSG)

Scope and responsibilities:

The remit of the BSG are as follows:

1. To steer, organise and coordinate the implementation process;
2. To assess that the national MIGs include representatives of all relevant constituencies;
3. To interface to the European Commission on implementation progress;
4. To assess market acceptance of the standards in all EEA countries and Switzerland and promote the standards where necessary, by means of a pool of experts who actively participated in setting the standards;
5. To assess the effectiveness of the peer review process of the E-MIG and to engage in the necessary dialogue in order to define and implement remedial steps where implementation process at national level lags;
6. To liaise with external bodies (T2S CASG, ISO e.g.) and non-European markets;
7. To encourage that issuers, investors, market infrastructures and intermediaries commit to the application of the standards in their custody and service level agreements.

Composition:

The BSG includes representatives of the European key stakeholder associations and their respective members. These European associations are:

- The European Banking Federation (EBF)
- The European Association of Cooperative Banks (EACB)
- The European Savings Bank Group (ESBG)
- The Association for Financial Markets in Europe (AFME)
- The European Central Securities Depositories Association (ECSDA)
- The European Issuers
- The Federation of European Stock Exchange (FESE)
- The European Association of Clearing Houses (EACH)
- Euroshareholders (observer status)

- Institutional investors' representatives still to be confirmed

The BSG is composed of two representatives per association: one senior representative from the respective association and one senior representative from the market (including possibly experts from the CAJWG or the JWGGM), at choice of the respective associations.

BSG members should be qualified executives with a sound knowledge of post-trading activities, and the processes, procedures and standards supporting them. They will have subscribed to the vision of an integrated market and be committed to remove the Giovannini Barriers. They will evidence active links with bodies and communities they represent, be able to devote the necessary time to the BSG and be fluent in English.

The Chairperson is ideally co-opted from among the BSG members to preside over the work of the BSG. This person becomes also Vice-Chair of the E-MIG sessions. Since May 2010 the BSG is chaired by the ECSAs.

The BSG will be aided by a pool of experts (CAJWG or JWGGM) to support implementation process in individual markets.

Secretariat:

The ECSAs offer secretariat services to underpin the work of the BSG. The persons in charge of the secretariat functions can assist to the meetings of the BSG in addition to their members. They have no decision power.

Frequency and venues of meetings:

The BSG will meet physically or by telephone conference, according to the demands of its work programme and upon decision of the Chair. Physical meetings will take place in Brussels in an ECSAs based rotating venue. Conference calls will take place as often as required. Calls for meetings and agendas will be issued at least two weeks in advance and meeting papers will be provided at least one week in advance.

3.2. The European MIG (E-MIG)

Remit:

1. To monitor effective progress of comprehensive implementation and maintain existing momentum as determined in the implementation plan;
2. To support an institutionalised system of information gathering and reporting to the BSG that in turns reports to the European Commission;
3. To prepare an implementation status report for the meetings of the E-MIG as well as interim progress reports for the BSG, to the extent required for the reporting to the European Commission;
4. To determine issues that may arise from the implementation process to be referred to the BSG;
5. To allow peer review over implementation status across Europe to occur.

This remit encompasses the implementation monitoring and reporting of the standards for distributions and reorganisations. The monitoring of the implementation of the standards for transaction management are implicitly part of the extended mandate of the T2S Corporate Actions Sub Group (CASG) as the T2S rules for transaction management are more detailed but fully consistent and compliant with the respective standards worked out by the CAJWG. The

coordination of monitoring implementation processes of CAJWG standards and CASG rules and information to the European Commission is provided for by agreed cooperation and multiple cross-memberships.

Composition:

- 31 national MIGs (represented by either their chairperson, coordinator or a designated contact person);
- 9 representatives of the European stakeholder associations (EBF, ESBG, EACB, ECSDA, ESSF, EuropeanIssuers, FESE, EACH, Euroshareholders)

Frequency and venues of meetings:

The E-MIG should meet twice a year, more if necessary and agreed by the chair. The E-MIG will have two dedicated but separate workshops: one on Corporate Actions Processing, one on General Meetings.

The meetings of the E-MIG will take place in a Brussels-based rotating venue, possibly in limited other locations (London, Paris, Frankfurt), depending on participants' availability.

3.3. The Corporate Actions Joint Working Group (CAJWG) & the Joint Working Group on General Meetings (JWGGM)

Remit:

1. To provide effective technical support in the implementation phase upon request of MIGs, and consider ways to ensure broader take-up of standards in CEE countries;
2. To review and possibly revise individual standards upon request (from BSG);
3. To support a quality control in implementing the market standards.

Composition:

- Status quo

Frequency and venues of meetings:

The meetings will be held on an ad hoc and rotational basis to meet the demands and requests of the BSG.

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