

Shareholders' Role in Corporations

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Background

1. One man one vote (IKEA)?
2. Private Equity, owner representatives?
3. Ahold, Scandal, Owners?
4. Stora Enso, two significant owners?

- Objectives of Corporations
 - to secure long-term survival and satisfactory returns to shareholders
- Publicly traded companies
 - investors vote by selling and buying shares?
 - the role of the Annual General Meeting?

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AGM's role

1. To review objectives of the company, i.e. strategic focus?
2. To elect a Board of Directors?
3. To elect a CEO or other parts of senior management?
4. To vote on annual plans as proposed by Board of Directors / Management?

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- A “democratic” shareholder structure works when the level of involvement is correct
- Minority protection of shareholders is very important, but should be kept at realistic levels, in order for a company to be able to continue to operate