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?

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?
• 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