

Long-term or short-term shareholdership

Does it really count?

Marco Langendoen

OECD Principle I.A

The corporate governance framework should be developed with a view to its impact on overall economic performance, market integrity and the incentives it creates for market participants and the promotion of transparent and efficient markets

Case study

Should long-term shareholders be rewarded with extra dividend or voting rights?



Does the carrot work?

Assumptions

- 1) Long-term = good, Short-term = bad
- 2) Long-term shareholder = Long-term value creation for the company
- 3) Long-term shareholder = engaged shareholder

Case study long term rewards

Potential risks of loyalty rights?

Possible alternative measures to stimulate long-term focus and engagement?

Message 1

‘Reality Check’ for regulatory
decisions

Message 2

Focus on corporate governance principles and not on strict rules

Message 3

Focus on comply AND explain

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