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Sharks in the Water: Battling an Activist Investor for Corporate Control (A)

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**Complex Corporate Structures and the Role
of Shareholders in Corporate Governance**

Agenda

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- The role of shareholders in Corporate Governance
- Other aspects about listed companies
- Complex corporate structures
- Keiretsu vs. Chaebol
- Parmalat Case
- Conclusion



You are a shareholder
What are your rights?
In what decisions are
you involved?

Shareholder's Rights

- To receive notice
- To attend and vote at shareholders meeting
- To inspect the register of shareholders and directors
- To receive regular information

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Shareholder's (Rights)

- No right to attend internal meetings or get involved in management

Shareholder's activism

What?

- Communication and negotiation with management
- Media campaigns to change policies
- Proxy battles
- Calling shareholder meetings

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Shareholder Stewardship and Activism

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- Watchdogs over corporate activities --> Stewardship
- Activism can harm the company (especially short-term)
 - with control, direction of the company can be dictated for their own advantage
- Long-term investors preferred --> loyalty bonus
 - More likely to act as owners



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Shareholder's Activism

Right or Wrong?