2017 was a year of development for ECGI, most notably because a Development Plan was produced providing a framework for the path ahead. A new website was also launched and the team spent much of the year adding new sections, testing processes and learning new words like 'interface configuration' and 'user licences'. 2018 will see the website continue to develop and will also see an end to the old website.

In the past 12 months ECGI collaborated on events in Oxford, Lausanne, Tokyo, Stockholm, Singapore, London, Frankfurt, Tel Aviv and Jerusalem. It welcomed 25 new Research Members and 5 new Fellows. It appointed one new board member and several new committee members. It published 92 working papers and awarded two prizes. It shared slides, papers, reports and videos from many of the events and welcomed many new individual and institutional members into the ECGI network.

Looking forward, 2018 will see further appointments of ECGI Research Members along with efforts to develop new members in the other categories also, further enhancing the benefits of the ECGI network.

What continues to drive ECGI forward is, without doubt, the enthusiasm of its members, committees, board and contributors. It is rare that a meeting ever takes place without the familiar spark of ideas and new initiatives being exchanged and discussed. The only regret is the pace at which the team can keep up and the many ideas that we are obliged to shelve for later.

ECGI would once again like to thank you for your continued support of ECGI and ask that you would continue to recommend ECGI to others which will enable us to continue to improve each year.

Marco Bechtl
Executive Director
ECGI PERFORMANCE

Since its inception in 2002, ECGI has operated on a modest budget with a spirit of collaboration and innovation. It has developed a global reputation for disseminating high quality research and also for organising top-class events on important topics, with highly knowledgeable speakers. In addition to the funds it invests in research related activities with the support of the European Corporate Governance Research Foundation (ECGRF), it also relies on collaborations and contributions from various research grants and centers which help to deliver the many activities throughout the year.

"An important general principle that ECGI abides by is not to take sides on particular issues and policies. That is not its role. Taking sides would inevitably undermine its independence that is critical for its credibility".

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THE ECGI DEVELOPMENT PLAN

ECGI has reached a number of significant organisation and reputation milestones in the past five years. In 2013 the European Corporate Governance Research Foundation (ECGRF) was set up by BP Plc and Investor AB, the listed holding company of the Wallenberg Group, as a vehicle for receiving larger philanthropic donations. In 2014, ECGI set up the Global Corporate Governance Colloquia (GCGC) association to run a series of high-profile annual corporate governance research conferences.

These developments allowed ECGI to transform its management and organisation. The increasing number of events continue to run smoothly, with effective communication on all channels including the website, direct marketing and social media. The working paper series is turning out a large number of high quality papers. The number of research members has increased significantly due to the appointment of a new Research Member Committee in 2016. Two ECGI research members and founding fellows, Oliver Hart and Bengt Holmström, were awarded the Nobel Economics Prize in 2016. The Prize was also won by Jean Tirole, a founding member and fellow, in 2014. Bengt Holmström was the keynote speaker at the launch of the ECGRF and Oliver Hart was an invited speaker at the GCGC Stockholm conference.

The ECGI Development Plan sets out a long-term vision for ECGI that revolves around three complementary activities:

1) Research
2) Engagement
3) Dissemination

In terms of the ECGI tagline "Leading Research with Global Impact", the present development plan proposes to ensure that ECGI will continue to capture the research output of its global network of research members, to make its existing engagement with practitioners and policymakers even more effective, and to disseminate the results of these activities worldwide and thereby achieve global impact. The plan also foresees that ECGI will support cutting-edge projects undertaken by its research members and to stimulate the development of new projects in the Institute’s name.

For a copy of the plan, contact the ECGI team at: admin@ecgi.org
EVENTS IN 2017

ECGI engages with its members and partners through wide-ranging events around the world. These take the form of academic conferences, roundtables, and practitioner-academic events. The aim of these events is to encourage discussion and debate across geographic, industry and disciplinary boundaries. In some cases, ECGI organises the events and in others it collaborates with partner organisations to deliver material and insights from events around the world. A full list of events is available at: http://ecgi.global/content/event-list

Global Corporate Governance Colloquium (GCGC)

2 - 3 June 2017, Tokyo, Japan

The GCGC conference series, which facilitates this best-in-class discussion forum, is an initiative supported by twelve universities (Harvard, Oxford, Tokyo, Singapore, Frankfurt, Swedish House of Finance, London Business School, Columbia, Yale, Peking, Seoul, Stanford) together with a select group of corporate entities (Zurich AG, the European Investment Bank, Japan Exchange).

The third conference in the series was hosted by the University of Tokyo on 2 – 3 June 2017 and was attended by more than 75 senior academics from a range of disciplines. The two-day conference programme also included panel discussions with invited business professionals to share their first-hand experience of corporate governance issues.
2017 Annual Members’ Meeting
27-28 April, Lausanne, Switzerland

ECGI held its Annual Members’ Meeting in Lausanne, Switzerland on 27-28 April 2017. The event brought together international academics and practitioners in the field of corporate governance for an informal dinner which preceded the AGM and annual lecture and prize giving ceremony the following day at IMD Business School.

The dinner, which took place at the Olympic Museum was attended by ECGI members, with David Frick, Member of the Executive Board Nestlé S.A., Head of Corporate Governance, Compliance and Corporate Services, providing the after-dinner speech.

The annual lecture, which was attended by ECGI members together with interested members of the public, was delivered by Professor Per Strömberg, the SSE Centennial Professor of Finance and Private Equity at the Stockholm School of Economics. Professor Strömberg’s lecture, entitled “Since you’re so rich, you must be really smart: Talent and the Finance Wage Premium” examines the trend of extraordinary increases in relative pay in the financial sector over the last few decades.
ECGI Asia Conference 2017

7 July 2017, Singapore

The 2017 ECGI Asia Conference took place on 7 July 2017 in Singapore at the National University of Singapore (NUS) and focused on the theme of Corporate Governance in a Changing Environment. The event was organised by the NUS and ECGI. It was hosted by NUS Faculty of Law and opened by Professor Simon Chesterman / Dean and Professor of Law, NUS Law and Professor Gerard Hertig, Vice-Chairman, ECGI.

This conference series was established in 2011 by the European Corporate Governance Institute (ECGI) and the University of Tokyo in order to engage academics and practitioners in a constructive dialogue between the ECGI and Asia on issues of concern in the field of corporate governance. The EU Asia Corporate Governance Dialogue (EACGD) is supported by the Japanese Financial Services Agency.

The Future Framework of European Capital Markets

13-14 January 2017, Oxford

This two day conference was organised by the European Corporate Governance Institute, University of Oxford and Columbia University. The conference brought together senior scholars and policymakers with the objective of examining the important questions and identifying the cutting edge insights from existing scholarship in the fields of law, economics, and finance. A report from the event is published on the ECGI website: http://ecgi.global/content/future-framework-european-capital-markets-law-finance
Institutional Investors and Corporate Governance

9-10 June 2017, Stockholm, Sweden

This conference took place at the Swedish House of Finance in Stockholm (SHoF) and examined the many aspects of Institutional Investors and Corporate Governance, including activism, takeovers, competition, and liquidity. A report from the event is available on the ECGI website: http://ecgi.global/content/institutional-investors-and-corporate-governance

2nd Annual Cass Mergers & Acquisitions Conference

22 August 2017, London

The Mergers and Acquisitions Research Centre (MARC) at Cass Business School in cooperation with ECGI held the second annual Cass Mergers and Acquisitions Research Centre Conference at Cass Business School, City University London on 22 August 2017. The conference included original theoretical and empirical papers covering issues related to mergers and acquisitions (M&A), including deal structure from financing to integration, corporate governance in M&A, regulatory changes, domestic and cross border transactions, among others. A report from the event is available on the ECGI website: http://ecgi.global/content/2nd-annual-cass-ma-conference-london

First Results Seminar - Stewardship

11 September 2017, London Business School

This seminar presented first results from an ongoing project based on a unique data set provided by a large UK asset manager, Standard Life Investments (SLI). It covers the period 2003-2015 and documents SLI’s active ownership as exercised by its fund managers and governance and stewardship (G&S) team. The project is supported by the Norwegian Finance Initiative (NFI). The study has been conducted by Professor Marco Becht, Professor Julian Franks and Professor Hannes Wagner. A paper from the study is forthcoming and will be published on the ECGI website. A report from the event is available here: http://ecgi.global/content/corporate-governance-through-voice-and-exit-evidence-standard-life-investments
**The Law and Finance of Related Party Transactions**

*20 - 21 October 2017, Frankfurt, Germany*

This research project, co-directed by Professor Luca Enriques (University of Oxford, Faculty of Law) and Professor Tobias Tröger (Goethe Universität, Frankfurt) brought together top legal and finance scholars to reflect upon the role of dominant shareholders in listed firms, tunneling control as a key component to enhance capital market development, and the content and effectiveness of reform efforts undertaken in various jurisdictions to tackle related party transactions. Contributors to the project presented their draft papers at this conference.

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**ECGI Roundtable on Board Level Employee Representation**

**Hosted by Imperial College**

*25 October 2017, London*

This Roundtable was organised by ECGI, the Centre for Economic and Policy Research (CEPR) and Imperial College London. It focused on the role of employees in corporate governance against the backdrop of the recent UK Green Paper on corporate governance. A report from the event is available on the ECGI website: [http://ecgi.global/content/ecgi-roundtable-board-level-employee-representation-hosted-imperial-college](http://ecgi.global/content/ecgi-roundtable-board-level-employee-representation-hosted-imperial-college)

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**JLFA 2017 Annual Conference**

*17 - 18 November 2017, London Business School*

The sixth Journal of Law, Finance, and Accounting (JLFA) conference was held at the London Business School. This conference was associated with the European Corporate Governance Institute (ECGI) which disseminated the call for papers for the event.
NSE - ECGI Roundtable: Long-term impact of institutional ownership on governance and sustainable investment
13 November 2017, Mumbai, India
Organised by ECGI and National Stock Exchange of India, the Roundtable focused on the role of foreign institutional investors and proxy advisory firms in promoting corporate governance and sustainable investment. A report from the event is available on the ECGI website: http://ecgi.global/content/long-term-impact-institutional-ownership-governance-and-sustainable-investment

Institutional Investor Activism and Engagement
10-11 December 2017, Tel Aviv & Jerusalem, Israel
This academic conference focused on the theme of 'Institutional Investor Activism and Engagement'. It was jointly organised by European Corporate Governance Institute (ECGI), Centre for Economic Policy Research (CEPR), the School of Business Administration, the Hebrew University Jerusalem, London Business School Center for Corporate Governance, Raymond Ackerman Family Chair in Israeli Corporate Governance, Bar-Ilan University. Videos and materials from this event are available on the ECGi website: http://ecgi.global/content/institutional-investor-activism-and-engagement
ECGI RESEARCH MEMBER APPOINTMENTS

Research Members play a special role in the governance of ECGI, they are the guardians of its scientific independence and integrity. With the support of ECGRF, 25 new research members were appointed to the European Corporate Governance Institute in February 2017.

The research work that emanates from ECGI is undertaken by leading scholars around the globe. This important network of academics is at the very core of what ECGI does, drawing on the finest minds in academia from all over the world to tackle some of the most important issues that confront business and governments today. ECGI uses the power of research to change ideas, influence practice and formulate policy to benefit all of us.

A full list of ECGI research members is available here: http://ecgi.global/content/profiles?rid=7
In 2017, ECGI’s 189 research members produced 92 Working Papers on corporate governance related topics. One of ECGI’s main roles is to disseminate this research output to a variety of audiences using different formats and tools. ECGI also “bundles” papers on the same topic to facilitate discussion between the researchers and between the researchers and other constituencies, for example through policy-maker or business-oriented conferences or roundtables. ECGI research members occasionally produce survey papers that are published in scientific journals or edit handbooks that compile survey-type papers on a particular topic. ECGI distributes these papers when possible in working paper format. All working papers are available on the ECGI website. The following is a list of the papers published in the series in 2017:

**Activism**

**Hedge Fund Activism and the Revision of the Shareholder Rights Directive**
Alessio Pacces, Erasmus University Rotterdam and ECGI

**Standing Voting Instructions: Empowering the Excluded Retail Investor**
Jill E. Fisch, University of Pennsylvania and ECGI
Law Series Working Paper 360/2017

**Mapping Types of Shareholder Lawsuits Across Jurisdictions**
Martin Gelter, Fordham University and ECGI
Law Series Working Paper 363/2017

**Anti-Activist Poison Pills**
Marcel Kahan, New York University and ECGI
Edward B. Rock, New York University

**Good Activist/Bad Activist: The Rise of International Stewardship Codes**
Jennifer G. Hill, University of Sydney and ECGI
Law Series Working Paper 368/2017

**The Agency Costs of Activism: Information Leakage, Thwarted Majorities, and the Public Morality**
John C. Coffee, Jr, Columbia University Law School, American Academy of Arts & Sciences and ECGI
Law Series Working Paper 373/2017

**Activism, Strategic Trading, and Liquidity**
Kerry Back, Rice University, Pierre Collin-Dufresne Ecole Polytechnique Federale de Lausanne and NBER, Vyacheslav Fos, Boston College, Tao Li, City University of Hong Kong, Alexander Ljungqvist, New York University, NBER, IFN, CEPR and ECGI
Finance Series Working Paper 497/2017
Wolf Pack Activism
Alon Brav, Duke University, NBER and ECGI, Amil Dasgupta, London School of Economics, CEPR and ECGI
Richmond Mathews, University of Maryland

Can Strong Corporate Governance Selectively Mitigate the Negative Influence of 'Special Interest' Shareholder Activists? Evidence from the Labor Market for Directors
Diane Del Guercio, University of Oregon and ECGI, Tracie Woldtke, The University of Tennessee
Finance Series Working Paper 508/2017

Shareholder Engagement on Environmental, Social, and Governance Performance
Tamas Barko, University of Mannheim
Martijn Cremers, University of Notre Dame and ECGI
Luc Renneboog, Tilburg University and ECGI
Finance Series Working Paper 509/2017

Ownership

Governance Challenges of Listed State-Owned Enterprises around the World: National Experiences and a Framework for Reform
Curtis J. Milhaupt, Columbia Law School and ECGI, Mariana Pargendler, Fundação Getulio Vargas School of Law, New York University and ECGI.

Evolution of Ownership and Control Around the World: The Changing Face of Capitalism
Julian Franks, London Business School and ECGI, Colin Mayer, University of Oxford and ECGI
Finance Series Working Paper 503/2017

Costs and Benefits of Financial Conglomerate Affiliation: Evidence from Hedge Funds
Francesco Franzoni USI Lugano and SFI, Mariassunta Giannetti, Stockholm School of Economics, CEPR and ECGI

Common Ownership, Competition, and Top Management Incentives
Miguel Antón, IESE Business School, Florian Ederer, Yale University and the Cowles Foundation, Mireia Giné, IESE Business School, WRDS and ECGI, Martin Schmalz, University of Michigan, CEPR and ECGI
Finance Series Working Paper 511/2017

Blockholder Short-Term Incentives, Structures, and Governance
Fenghua Song, Pennsylvania State University
Finance Series Working Paper 513/2017
Why Do Family Business Groups Expand by Creating New Public Firms? The Role of Internal Capital Markets
Ronald W. Masulis, University of New South Wales, FIRN, National University of Singapore and ECGI, Peter K. Pham, University of New South Wales and FIRN, Jason Zein, University of New South Wales and FIRN
Finance Series Working Paper 523/2017

Are Investors Aware of Ownership Connections?
Edith Ginglinger, Université Paris-Dauphine, Camille Hebert, Université Paris-Dauphine and Tilburg University, Luc Renneboog, Tilburg University and ECGI
Finance Series Working Paper 525/2017

Monitoring the Monitor: Distracted Institutional Investors and Board Governance
Claire Yang Liu, UNSW Australia, UNSW Business School, Angie Low, Nanyang Technological University, Nanyang Business School, Ron Masulis, UNSW Australia, UNSW Business School, FIRN, NUS, ABFER and ECGI, Le Zhang, UNSW Australia, UNSW Business School and FIRN
Finance Series Working Paper 531/2017

Overlapping Ownership, R&D Spillovers, and Antitrust Policy
Ángel L. López, Universitat Autònoma de Barcelona and IESE Business School, Xavier Vives, IESE Business School and ECGI
Finance Series Working Paper 538/2017

Business Groups and Employment
Mara Faccio, Krannert School of Management, Purdue University, Asian Bureau of Finance and Economics Research (ABFER), National Bureau of Economic Research (NBER) and European Corporate Governance Institute (ECGI), William O’Brien, School of Business Administration, The University of Illinois at Chicago
Finance Series Working Paper 539/2017

Do Institutional Investors Monitor Their Large vs. Small Investments Differently? Evidence from the Say-on-Pay Vote
Miriam Schwartz-Ziv, Michigan State University, Russ Wermers, University of Maryland and ECGI
Finance Series Working Paper 541/2017

Change and Innovation

Is the American Public Corporation in Trouble?
Kathleen M. Kahle, University of Arizona, René M. Stulz, Ohio State University
Finance Series Working Paper 495/2017
Brexit and Corporate Citizenship
John Armour, University of Oxford and ECGI, Holger Fleischer, Max Planck Institute for
Comparative and International Private Law and ECGI, Vanessa Knapp, University of London,
Martin Winner, Vienna University of Economics and Business

The Trajectory of American Corporate Governance: Shareholder Empowerment and Private
Ordering Combat
Jennifer G. Hill, University of Sydney and ECGI
Law Series Working Paper 343/2017

Bringing the AGM to the 21st Century: Blockchain and Smart Contracting Tech for
Shareholder Involvement
Christoph Van der Elst, Tilburg University, Ghent University and ECGI, Anne Lafarre, Tilburg
University
Law Series Working Paper 368/2017

Fintech and the Financing of Entrepreneurs: From Crowdfunding to Marketplace Lending
Mark Fenwick, Kyushu University, Graduate School of Law, Joseph A. McCahery, Tilburg
University, School of Law; European Banking Center (EBC); Tilburg Law and Economics Center
(TILEC) and ECGI; Erik P.M. Vermeulen, Tilburg University, Department of Business Law; Philips
Lighting, Legal Department; Tilburg Law and Economics Center (TILEC); Kyushu University,
Graduate School of Law
Law Series Working Paper 369/2017

The Promise and Perils of Crowdfunding: Between Corporate Finance and Consumer
Contracts
John Armour, Hogan Lovells Professor of Law and Finance, University of Oxford; Fellow, ECGI,
Luca Enrikes, Allen & Overy Professor of Corporate Law, University of Oxford; Fellow, ECGI

The Shifting Tides of Merger Litigation
Matthew D. Cain, U.S. Securities and Exchange Commission, Jill Fisch, University of Pennsylvania
Law School and ECGI, Steven Davidoff Solomon, University of California, Berkeley and Berkley
Center for Law, Business and the Economy, Randall S. Thomas, Venderbilt University and ECGI
Law Series Working Paper 375/2017

The Promise of Reward Crowdfunding
María Gutiérrez, Universidad Carlos III de Madrid and ECGI, María Isabel Sáez, Universidad
Autónoma de Madrid
Finance Series Working Paper 542/2017

The Long-Term Consequences of Short-Term Incentives
Alex Edmans, London Business School, CEPR and ECGI, Vivian W. Fang, University of Minnesota,
Allen H. Huang, The Hong Kong University of Science and Technology
Finance Series Working Paper 527/2017
Companies Should Maximize Shareholder Welfare Not Market Value
Oliver Hart, Harvard University, NBER and ECGI, Luigi Zingales, University of Chicago, NBER, CEPR and ECGI
Finance Series Working Paper 521/2017

Corporate Law

Governance by Contract: The Implications for Corporate Bylaws
Jill E. Fisch, University of Pennsylvania and ECGI
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Foundations of Corporate Law
John Armour, University of Oxford and ECGI, Henry Hansmann, Yale Law School and ECGI, Reinier Kraakman, Harvard Law School and ECGI, Mariana Pargendler, Fundação Getulio Vargas (FGV)
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EU Company Law Harmonization Between Convergence and Varieties of Capitalism
Martin Gelter, Fordham University and ECGI
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Market Soundings: The Interaction between Securities Regulation and Company Law in the United Kingdom and Italy
Stefano Lombardo, Free University of Bozen/Bolzano, CRELE and ECGI, Federico M. Mucchiarelli, University of Modena and SOAS
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Why Do Businesses Incorporate in other EU Member States? An Empirical Analysis of the Role of Conflict of Laws Rules
Carsten Gerner-Beuerle, London School of Economics and Political Science, Federico Mucchiarelli, University of Modena and Reggio Emilia and SOAS University of London, Edmund Schuster, London School of Economics and Political Science, Mathias Siems, Durham University and ECGI
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Convergence and Persistence in Corporate Law and Governance
Jeffrey N. Gordon, Columbia Law School, Millstein Center for Global Markets and Corporate Ownership, Richman Center for Business, Law, and Public Policy and ECGI
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Corporate Law of Israel
Itai Fiegenbaum, Tel-Aviv University, Israel and Harvard Law School, Amir N. Licht, Interdisciplinary Center Herzliya, Israel and ECGI
Management and Boards

Directors’ Duties and Legal Safe Harbours: A Comparative Analysis
Jennifer G. Hill, University of Sydney and ECGI, Matthew Conaglen, The University of Sydney
Law Series Working Paper 351/2017

The Dialogue between the Chairman of the Board and Investors: The Practice in the UK, the Netherlands and Germany and the Future of the German Corporate Governance Code Under the New Chairman
Klaus J. Hopt, Max Planck Institute for Comparative and International Private Law and ECGI
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Michael G. Faure, University of Maastricht and Erasmus University Rotterdam, Patrick C. Leyens, Erasmus University Rotterdam, Humboldt University of Berlin, Max Planck Institute for Comparative and International Private Law and ECGI
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William W. Bratton, University of Pennsylvania and ECGI, Adam J. Levitin, Georgetown University

Why Do Boards Exist? Governance Design in the Absence of Corporate Law
Mike Burkart, London School of Economics, Swedish House of Finance, CEPR and ECGI, Salvatore Miglietta, BI Norwegian Business School, Charlotte Ostergaard
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Renée B. Adams, University of New South Wales, ABFER, FIRN and ECGI
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Daniel Ferreira, London School of Economics, CEPR and ECGI, Edith Ginglinger, Université Paris-Dauphine and PSL Research University, Marie-Aude Laguna, Université Paris-Dauphine and PSL Research University, Yasmine Skalli, Université Paris-Dauphine and PSL Research University
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Ronald W. Masulis, University of New South Wales and ECGI, Emma Jincheng Zhang, Monash Business School
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Alexander Ljungqvist, New York University, NBER, CEPR, IFN and ECGI, Konrad Raff, Norwegian School of Economics
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Luc Renneboog, Tilburg University and ECGI, Yang Zhao, Newcastle University Business School
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John Armour, University of Oxford and ECGI, Luca Enriques, University of Oxford and ECGI, Henry Hansmann, Yale Law School and ECGI, Reinier Kraakman, Harvard Law School and ECGI
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Amir N. Licht, Radzyner School of Law and ECGI
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Amir N. Licht, Radzyner Law School and ECGI
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Hadar Jabotinsky, Hebrew University of Jerusalem, Mathias Siems, Durham University
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Dmitri Boreiko, Free University of Bozen/Bolzano and CRELE, Stefano Lombardo Free University of Bozen/Bolzano, CRELE and ECGI
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Corporate Scandals and Regulation
Luzi Hail University of Pennsylvania and ECGI, Ahmed Tahoun, London Business School Clare, Wang University of Iowa
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Investor Choice in Global Securities Markets
John Armour, University of Oxford and ECGI, Martin Bengtzen, University of Oxford and London School of Economics and Political Science, Luca Enriques, University of Oxford and ECGI

Is Say on Pay All About Pay? The Impact of Firm Performance
Jill Fisch, University of Pennsylvania Law School and ECGI, Darius Palia, Rutgers Business School and Center for Contract and Economic Organization, Columbia University School of Law, Steven Davidoff Solomon, University of California, Berkeley and Berkley Center for Law, Business and the Economy
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Alex Edmans, London Business School, CEPR and ECGI, Xavier Gabaix, Harvard University, NBER, CEPR and ECGI, Dirk Jenter, London School of Economics and CEPR
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Is There a Relationship Between Shareholder Protection and Stock Market Development?
Simon Deakin, University of Cambridge, ECGI, Prabirjit Sarkar, University of Cambridge, Mathias Siems, Durham University, University of Cambridge

Opportunity Makes a Thief: Corporate Opportunities as Legal Transplant and Convergence in Corporate Law
Martin Gelter, Fordham University and ECGI, Geneviève Hellinger, ESSEC Business School and University of Oxford
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Self-commitments and the Binding Force of Self-regulation with Respect to Third Parties in Germany
Patrick C. Leyens, Erasmus University Rotterdam, Humboldt University of Berlin, Max Planck Institute for Comparative and International Private Law and ECGI
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Share Buybacks and Gender Diversity
Theodoros Evgeniou, INSEAD, Theo Vermaelen, INSEAD and ECGI
Finance Series Working Paper 493/2017

Political Determinants of Competition in the Mobile Telecommunication Industry
Mara Faccio, Purdue University, NBER, ABFER and ECGI, Luigi Zingales, University of Chicago, NBER, CEPR and ECGI

Corporate Employee Engagement and Merger Outcomes
Hao Liang, Singapore Management University, Luc Renneboog, Tilburg University, Cara Vansteenkiste, Tilburg University
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Agency versus Hold-up: Benefits and Costs of Shareholder Rights
Alexander F. Wagner, University of Zurich, Swiss Finance Institute, CEPR and ECGI, Christoph Wenk, University of Zurich,
Finance Series Working Paper 500/2017

Good News for Some Banks
Renee B. Adams, University of New South Wales, ABFER, FIRN and ECGI
The Privatization of Bankruptcy: Evidence from Financial Distress in the Shipping Industry
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Governance and Stakeholders
Vikas Mehrotra, University of Alberta, Randall Morck, University of Alberta, NBER and ECGI
Finance Series Working Paper 507/2017

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Leonce L. Bargeron, University of Kentucky, Frederik P. Schlingemann, University of Pittsburgh and Erasmus University Rotterdam, René M. Stulz, Ohio State University, NBER and ECGI, Chad J. Zutter, University of Pittsburgh
Finance Series Working Paper 510/2017

Managers’ Personal Bankruptcy Costs and Risk Taking
David Schoenherr, Princeton University
Finance Series Working Paper 512/2017

Investing in Managerial Honesty
Rajna Gibson, University of Geneva and ECGI, Matthias Sohn, Zeppelin University, Carmen Tanner, Zeppelin University, Alexander F. Wagner, University of Zurich, Swiss Finance Institute, CEPR and ECGI
Finance Series Working Paper 516/2017

Employment and Wage Insurance within Firms: Worldwide Evidence
Andrew Ellul, Indiana University, CEPR, ECGI, University of Naples Federico II and CSEF, Marco Pagano, University of Naples Federico II, CSEF, EIEF, CEPR and ECGI, Fabiano Schivardi, EIEF, Luiss Guido Carli, Bocconi University and CEPR
Finance Series Working Paper 517/2017

Private Equity and Human Capital Risk
Manfred Antony, Institute for Employment Research, Ernst Maug, University of Mannheim and ECGI, Stefan Obenberger, Erasmus University Rotterdam

Takeovers and (Excess) CEO Compensation
Isabel Feito-Ruiz, University of Leon, Luc Renneboog, Tilburg University and ECGI
Finance Series Working Paper 519/2017

What Makes the Bonding Stick? A Natural Experiment Testing the Legal Bonding Hypothesis
Amir N. Licht, Interdisciplinary Center Herzliya and ECGI, Christopher Poliquin, Harvard Business School, Jordan I. Siegel, University of Michigan, Xi Li, Hong Kong University of Science & Technology
Finance Series Working Paper 524/2017
Leviathan Inc. and Corporate Environmental Engagement
Po-Hsuan Hsu, University of Hong Kong, Hao Liang, Singapore Management University, Pedro Matos, University of Virginia and ECGI
Finance Series Working Paper 526/2017

Shareholder Conflicts and Dividends
Janis Berzins, BI Norwegian Business School, Øyvind Båhren, BI Norwegian Business School and ECGI, Bogdan Stacescu, BI Norwegian Business School
Finance Series Working Paper 528/2017

Corporate Inversions: Going Beyond Tax Incentives
Burcin Col, Pace University, Rose Liao, Rutgers University, Stefan Zeume, University of Michigan
Finance Series Working Paper 529/2017

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Florian Eugster, Stockholm School of Economics, Alexander F. Wagner, University of Zurich, Swiss Finance Institute, CEPR and ECGI
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CEO Option Compensation Can Be a Bad Option: Evidence from Product Market Relationships
Claire Yang Liu, University of New South Wales, Ronald W. Masulis, University of New South Wales and ECGI
Finance Series Working Paper 532/2017

The Bond Market Benefits of Corporate Social Capital
Hami Amir aslani, INSEAD, Karl V. Lins, University of Utah, Henri Servaes, London Business School, CEPR, and ECGI, Ane Tamayo, London School of Economics

The Externalities of Corruption: Evidence from Entrepreneurial Firms in China
Mariassunta Giannetti, Stockholm School of Economics, CEPR and ECGI, Guanmin Liao, Central University of Finance and Economics, Jiaxing You, Xiamen University, Indiana University
Finance Series Working Paper 536/2017

Dividends and Taxes: The Moderating Role of Agency Conflicts
Janis Berzins, BI Norwegian Business School, Øyvind Båhren, BI Norwegian Business School and ECGI, Bogdan Stacescu, BI Norwegian Business School
Finance Series Working Paper 540/2017

The relationship between public listing, context, multi-nationality and internal CSR
Chris Brewster, University of Reading, Vaasa University, Radboud University, ISCTE-Instituto Universitário de Lisboa, Salim Chahine, American University of Beirut, Marc Goergen, Cardiff University and ECGI, Geoffrey Wood, University of Essex
Finance Series Working Paper 544/2017
## FINANCIAL STATEMENTS 2017

### ECGI - BALANCE SHEET as at 31 December

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Intangible assets</td>
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<td>Cash at bank</td>
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<tr>
<td>Savings Accounts</td>
<td>22,802</td>
<td>55,194</td>
<td>89,773</td>
<td>35,255</td>
<td>39,332</td>
<td>108,856</td>
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<td>Current Accounts</td>
<td>323,998</td>
<td>299,601</td>
<td>142,173</td>
<td>39,950</td>
<td>36,504</td>
<td>42,202</td>
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<td>Total Current/Savings</td>
<td>346,800</td>
<td>354,196</td>
<td>231,947</td>
<td>75,205</td>
<td>75,836</td>
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<td>Accounts Receivable</td>
<td>25,411</td>
<td>28,142</td>
<td>26,980</td>
<td>111,116</td>
<td>21,839</td>
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<td>deferred charges</td>
<td>2,731</td>
<td>493</td>
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<td>4,480</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>481,512</td>
<td>439,887</td>
<td>258,926</td>
<td>190,802</td>
<td>97,675</td>
<td>183,642</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Retained Earnings</td>
<td>338,219</td>
<td>255,202</td>
<td>126,199</td>
<td>78,170</td>
<td>145,259</td>
<td>144,003</td>
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<tr>
<td>Net Income</td>
<td>62,975</td>
<td>83,018</td>
<td>129,002</td>
<td>48,029</td>
<td>-67,089</td>
<td>1,256</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td>401,194</td>
<td>338,219</td>
<td>255,202</td>
<td>126,199</td>
<td>78,170</td>
<td>145,259</td>
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<tr>
<td>Charges payable</td>
<td>49,880</td>
<td>96,423</td>
<td>3,725</td>
<td>64,603</td>
<td>19,505</td>
<td>38,383</td>
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<td>deferred charges</td>
<td>438</td>
<td>5,245</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>451,512</td>
<td>439,887</td>
<td>258,926</td>
<td>190,802</td>
<td>97,675</td>
<td>183,642</td>
</tr>
</tbody>
</table>
# Financial Statements 2017

## ECIG Profit & Loss Account

<table>
<thead>
<tr>
<th>Income/Expense</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
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<tr>
<td>Subscriptions income</td>
<td>88,744</td>
<td>80,000</td>
<td>78,885</td>
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<tr>
<td>ECGP Contribution</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
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<tr>
<td>Project Income and Reimbursements</td>
<td>30,944</td>
<td>52,000</td>
<td>68,091</td>
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<tr>
<td>GCGC Income - adjustment 2016</td>
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<td>3,771</td>
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<tr>
<td>Sponsorship</td>
<td>5,000</td>
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<tr>
<td>Bank interest/exchange rate loss/gain</td>
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<td>0</td>
<td>37</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>244,780</strong></td>
<td><strong>252,000</strong></td>
<td><strong>270,784</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Actual</th>
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</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Accounting &amp; Fin. charges</td>
<td>-13,643</td>
<td>-15,000</td>
<td>-20,025</td>
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<tr>
<td>Administration Charge</td>
<td>-60,567</td>
<td>-73,500</td>
<td>-64,871</td>
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<td>IT &amp; Online Services</td>
<td>-4,663</td>
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<tr>
<td>Office Rental</td>
<td>-5,500</td>
<td>-5,500</td>
<td>-5,500</td>
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<tr>
<td>Office expenses</td>
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<td>Travel and representation</td>
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<td>AGM</td>
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<td>Miscellaneous</td>
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<td><strong>Total Admin</strong></td>
<td><strong>-111,430</strong></td>
<td><strong>-136,000</strong></td>
<td><strong>-114,502</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Research</th>
<th>2016 Actual</th>
<th>2017 Budget</th>
<th>2017 Actual</th>
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</thead>
<tbody>
<tr>
<td>Annual Lecture &amp; Prizes</td>
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<td>-12,000</td>
<td>-9,397</td>
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<tr>
<td>Conferences &amp; Workshops</td>
<td>-5,822</td>
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<td>Research &amp; Academic Staff</td>
<td>-7,260</td>
<td>-8,000</td>
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<td>Research Communication</td>
<td>-5,561</td>
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<td>Working papers</td>
<td>-15,656</td>
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<td>-16,740</td>
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<tr>
<td>Project Expenditure</td>
<td>0</td>
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<td>-5,000</td>
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<tr>
<td>New Online Research Portal</td>
<td>-2,517</td>
<td>-50,000</td>
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<tr>
<td><strong>Total Research</strong></td>
<td><strong>-50,332</strong></td>
<td><strong>-105,000</strong></td>
<td><strong>-93,307</strong></td>
</tr>
</tbody>
</table>

**Total Expenditure**                    |              | -241,000    | -207,809    |

**Net Total Income**                     | 83,018       | 11,000      | 62,975      |

---

1. Project income includes €34,860.50 from GCGC and €33,230.51 for the Institutional Investor Activism and Engagement conference which took place in Israel in December 2017.
2. Primarily includes costs associated with Israel conference.
3. To date -€101,762.22 (including VAT) has been spent on the new website development. The reported 2017 figure (-€22,676) refers to the depreciation expense. The 2017 cash expenditure on the new website was -€89,178 (including VAT). There is one further payment of -€19,641.93 remaining under the original contract. The cash effect of the website payments in 2017 would result in a net cash loss of -€3,088 for the financial year.
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The European Corporate Governance Institute is the home for all those who have an active interest and involvement in corporate governance. At the core of ECGI are the research members who are appointed on the basis of their significant contribution to the field of corporate governance study and are selected on the basis of strict criteria by a designated committee. ECGI distributes the work of the research members through its extensive global network which comprises of practitioner, academic and institutional members.

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CONTACT

Marco Becht
Executive Director
European Corporate Governance Institute (ECGI)
Tel: +32 2 550 2340
Mob: +32478406156
www.ecgi.global

Elaine McPartlan
Head of Conferences, Membership & Administration
European Corporate Governance Institute (ECGI)
Tel: +32 2 550 2340
www.ecgi.global

European Corporate Governance Institute (ECGI)
c/o Royal Academies of Belgium
Palace of the Academies
Rue Ducale 1 Hertogsstraat
1000 Brussels
Belgium