

THE EUROPEAN CORPORATE GOVERNANCE INSTITUTE

LEADING RESEARCH
WITH GLOBAL IMPACT



www.ecgi.global

ecgi

european corporate governance institute

Welcome



It gives me great pleasure to welcome you to the world of the European Corporate Governance Institute.

People often ask me, 'What does the ECGI do?'. This booklet seeks to answer that question by explaining not only the important role that ECGI Research Members play in contributing to its success but also giving you a flavour of the activities we undertake as well as setting out our different membership categories, and, of course, describing how we are governed.

Our purpose at the ECGI is to raise the standard of corporate governance around the world for the public good by sharing and promoting influentially high quality, independent research undertaken by our members.

Corporate governance lies at the heart of our capitalist systems. It is the interface between capital markets, between employees and executives, and between society and the corporate sectors. As such, it warrants knowledge and research provided by the best academics of our age engaging impactfully with practitioners and policy makers, wherever they may be. This is precisely what the ECGI aims to achieve. We strive to use the power of research to change ideas, promote new ideas, influence practice and formulate policy – impact for the benefit of all.

Our mission is to assist leading academics around the world in the field of governance and stewardship by bringing their research to the attention of leading practitioners, policymakers and thought leaders. In doing this, the ECGI promotes the development of new ideas by building on research that extends the boundaries of our understanding of how corporate governance contributes to the flourishing of business, economies and societies.

Please turn the pages of this booklet and learn more about the ECGI. And do join us as a member if you are not one already – and enter the impactful world of the ECGI.

Guy Jubb
ECGI Chair

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RESEARCH

"Without data you're just a person with an opinion"

~ *W. Edwards Deming*



Academic Integrity

An important general principle that ECGI abides by is not to take sides on particular issues and policies.

Research Members play a special role in the governance of ECGI. They are the guardians of its scientific independence and integrity. A majority of ECGI's Board Members must be Research Members and amendments to the Articles of Association must be approved by Research Members with a two-thirds majority.

Research Members are admitted on the basis of the quality of their work and contribution to the field of research on corporate governance and stewardship. An appointment committee is responsible for screening and selection on an annual basis. Once appointed, Research Members are eligible to publish their academic work on corporate governance and stewardship in the ECGI Working Paper Series (Law and Finance). An editorial team oversees each category within the series. The series is known for its reliable content, global outlook, and interdisciplinary nature. ECGI research informs the national and international policy debate, which increasingly relies on impact assessments that draw on research and methods developed by scholars.

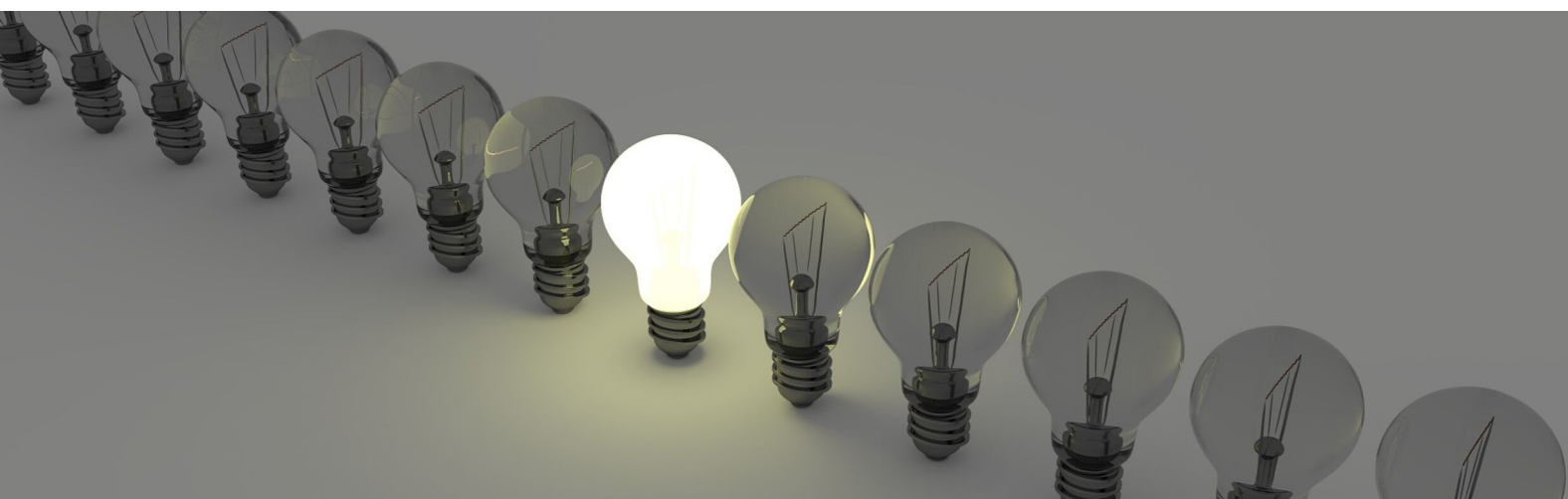
The membership structure of ECGI includes both Institutions and individuals on a subscription basis, however only Research Members are entitled to distribute their work to the network. A further tier is the honorific title of Fellow. Fellows are elected by the existing Fellows. ECGI currently elects five Fellows every two years. Previously appointed Fellows include Nobel Laureates Jean Tirole, Oliver Hart and Bengt Holmström.

ECGI's key strength comes from its multi-discipline and diverse membership base combined with its established reputation for producing independent, high quality evidence-based research. ECGI is uniquely placed in this respect because it is not attached to any one university and provides a 'neutral' collaboration platform for its members.

A photograph showing a man in a dark suit and glasses, seen from the side, pointing his right hand towards a large presentation screen. He is holding a microphone in his left hand. The screen displays text, which is partially obscured by the man's hand and the foreground. The text on the screen includes phrases like "the second derivative of change in a particular business environment", "then adaptability trumps", "Example: today's auto industry", "a world characterized by disruption, co-governance", "facilitate change", "al point: Get the direction of causal", and "Product and capital market drive government the other way around".

the second derivative of change in a particular business environment
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Research Output



ECGI developed around a comparative multi-country project that was to study the ownership and control of listed companies in Europe. Following this, the researchers, on behalf of the European Association of Securities Dealers (EASD) developed a pan-European corporate governance code that could be adopted by companies from any jurisdiction. Their work also informed the OECD's first corporate governance principles and provided the groundwork for a comparison of corporate governance codes project for the European Commission. Another notable research project was ECGI's contribution to the European Commission commissioned study on one-share-one-vote. The study had four well defined parts: An institutional investor survey, some data collection, a legal survey and a survey of the academic literature. The academic surveys contributed significantly to the European Commission's decision to refrain from regulatory intervention in the control of listed companies in Europe. The arguments and evidence presented were fully accepted.

As ECGI evolved and the network expanded, a more formal constituted structure was put in place. Research Members worldwide were appointed to the Institute and have independently engaged in countless projects with policymakers, practitioners and others. ECGI makes it possible to identify the leading scholars on corporate governance globally.

ECGI has published almost 1,000 Working Papers on vital, current topics. By 2018, it had acquired over 660 members from more than 57 different countries, had hosted over 30 international conferences, numerous workshops, and provided training for 18 doctoral students. It continues to maintain a directory of international Corporate Governance Codes from over 100 jurisdictions and three of its 277 Research Members, Jean Tirole, Oliver Hart and Bengt Holmström, have won Nobel Prizes.

Consistent with the ECGI tagline "Leading Research with Global Impact", the present development plan proposes that ECGI continues to capture the research output of its global network of Research Members, to make its existing engagement with practitioners and policymakers more effective, and to disseminate the results of these activities worldwide to achieve global impact. The plan also foresees that ECGI will support research projects undertaken by its Research Members and stimulate the development of new projects in the Institute's name.

MEMBERSHIP

"If you want to go fast, go alone.
If you want to go far, go together"
~ *African proverb*



Membership

ECGI is the home for all those who have an active interest and involvement in corporate governance.

ECGI is foremost an academic network. 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. In addition, there are individual (academic and practitioner), Institutional and Patron Members who value academic work and who benefit from engaging in debate and discussion with leading scholars.

With the exception of the Research Members, ECGI is not responsible for, nor does it screen or certify, the corporate governance policies or practices of its members. Membership of ECGI therefore should not be regarded or used as a sign or certification of corporate governance quality.

Subscription fees vary according to membership category. These are available on the ECGI website (www.ecgi.global) and are also available by contacting membership@ecgi.org.

ACADEMIC MEMBERSHIP

This category is open to individuals either employed by or engaged in full or part time study in any accredited university or educational institution, whether based in Europe or elsewhere.

ACADEMIC INSTITUTIONAL MEMBERSHIP

This category is open to universities, business schools, or other academic bodies whether based in Europe or elsewhere.

INSTITUTIONAL MEMBERSHIP

This category is open to companies, institutions and enterprises such as stock exchanges, regulators, investors, companies, rating agencies, stock price index producers, consultancy firms, law firms and audit firms, whether based in Europe or elsewhere.

PRACTITIONER MEMBERSHIP

This category is open to private individuals or those in companies, institutions and enterprises who wish to join in their own right. Practitioner Members are eligible for election to the ECGI Board.

PATRON MEMBERSHIP

Patron Members are legal entities or individuals interested in corporate governance. They are Patrons of the European Corporate Governance Research Foundation (ECGRF) to which they give significant financial support. They are appointed in agreement with the boards of ECGI and ECGRF.

RESEARCH MEMBERSHIP

Research Members are individuals who devote a substantial part of their activities to corporate governance and stewardship research and have been appointed by a designated committee. These include ECGI Fellows. Membership, which is for the duration of their appointment, is free.

ACTIVITIES

"For good ideas and true innovation, you need human interaction, conflict, argument, debate"
~ Margaret Heffernan





ECGI Working Paper Series (Law and Finance)

The ECGI Working Paper Series is a repository of academic research papers produced by ECGI Research members consisting of highly qualified and renowned academics from across the globe. The series is managed by a team of ECGI Editors and the papers focus on corporate governance and stewardship topics in both law and finance fields. With the generous support of Aberdeen Standard Investments and Cleary Gottlieb Steen & Hamilton LLP, the ECGI awards annual prizes of EUR 5,000 for the best papers published in each of the ECGI Finance and Law Series.

Events



Global Corporate Governance Colloquia (GCGC)

GCGC is the **flagship academic event** organised by ECGI. It is a global initiative to bring together the best research in law, economics and finance relating to corporate governance at a yearly conference held at 12 leading universities in the Americas, Asia and Europe. The 12 hosting institutions are: **Columbia University, Goethe University Frankfurt, Harvard University, London Business School, National University of Singapore, Peking University, Seoul National University, Stanford University, Swedish House of Finance, University of Oxford, University of Tokyo and Yale University.** Visit: www.gcgc.global



Transatlantic Corporate Governance Dialogue (TCGD)

TCGD is the **flagship policy event** organised by ECGI. It was established in 2004 by ECGI and the American Law Institute in order to bring together leading academics from law, economics and finance, regulators, judges, law makers, corporate leaders, investors and other corporate constituencies to engage in forward-looking discussions of corporate governance issues that are or will be at the forefront of policymaking on both sides of the Atlantic. In 2008, the Columbia University replaced the ALI as the ECGI's US partners. The ongoing Dialogue is endorsed by the European Commission.



ECGI Annual Members' Meeting

This is the **flagship practitioner event** organised by ECGI. The event brings together international academics and practitioners in the field of corporate governance for the AGM, Annual Lecture, and Working Paper Prize-giving ceremony which are typically preceded by an informal members' dinner. Past events have also included Oxford-Union style debates and a focus panel. Components of the event, such as the dinner and the general assembly are only open to ECGI members.



ECGI Roundtable Series

The ECGI Roundtable Series provides an **engagement platform between ECGI Research Members and Institutional or Patron Members** of ECGI. The topics are selected based on geographic relevance and the interests of the participating members. The events are by invitation-only and therefore stimulate a high degree of interaction and discussion on important topics.



ECGI Asia Corporate Governance Dialogue (EACGD)

This series is an initiative originally prompted by the EU Tokyo delegation and the European Commission (DG TRADE). It involves the four Asian universities participating in the GCGC. Following a preparatory symposium at Peking University in 2013, the second Dialogue took place at National University of Singapore (NUS) (2015), with subsequent Dialogues at Tokyo University (2016) and NUS (2017). The series facilitates a constructive dialogue between Europe and Asia on issues of concern in the field of corporate governance. It is supported by the Financial Research Center of the Japanese Financial Services Agency.

Other Event Collaborations



ICGN - ECGI Academic Day

The inaugural ICGN - ECGI Academic Day was held in February 2019. The event preceded the ICGN's two-day conference in Amsterdam. The purpose of the event was educational, consistent with the missions of both ECGI and ICGN. It was a stimulating day of discussion and debate between practitioners (mainly from the investor community) and scholars doing research in governance. The format was structured around papers relating to corporate governance and stewardship.



Other ECGI Supported Events

In addition to the above listed events, ECGI supports events organised by ECGI Research Members. This includes the Annual Cass M&A Research centre conference, The Academic & Practitioner Symposium on Mutual Funds and ETFs at University of Virginia, workshops and conferences at University of Oxford, London Business School, Goethe University Frankfurt, Swedish House of Finance, Cambridge Judge Business School, Solvay Brussels School, Bar-Ilan University, Hebrew University and others. ECGI typically provides communication support for events that are organised by other partners.

More Activities

Corporate Governance Codes

ECGI maintains the most comprehensive database of corporate governance codes, principles of corporate governance and corporate governance reforms both in Europe and elsewhere, making them available for public access. The documents originate from publicly accessible websites, submissions by issuing institutions, and many have been sent by ECGI members and interested parties. ECGI does not hold the copyright, nor guarantees the accuracy or completeness of this information.



Research Groups and Topic Pages

In 2019 ECGI launched a series of dedicated resource pages for specific corporate governance topics. These pages facilitate easy tracking of debate and developments on topics such as Common Ownership, Technology and Corporate Governance, and Sustainable Finance. They also identify ECGI Research Members currently working on the various topics. ECGI aims to foster horizontal dialogue around these topics and will continue to develop more of these resource sections in the future.



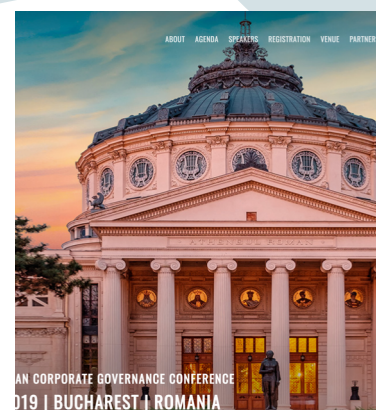
ECGI Community

In 2019, ECGI replaced the ECGI Yahoo List which operated as an independent communication platform with public access for individuals interested in corporate governance. The new ECGI Community platform introduces new features making it easier to share content and connect with others. It is an independent platform (separate to the ECGI website) for sharing knowledge, best practices, articles, announcements, events, ideas, and for communicating with others that have an interest in corporate governance.



Presidency Conference Repository

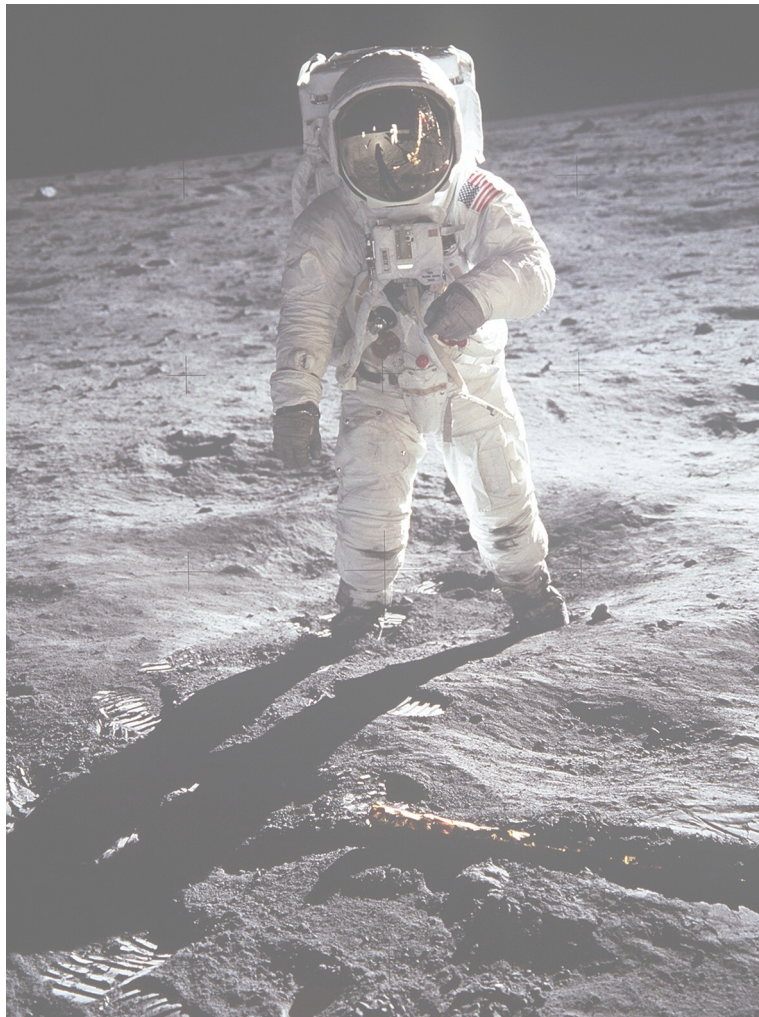
The EU Presidency conferences on Corporate Governance have been held in different countries during their respective EU Presidency. Information about these conferences, if still available, can be found on various different websites. ECGI has collated these documents into a single repository for the convenience of scholars, practitioners and policy-makers. ECGI also assists with the promotion of these events through its channels.



IMPACT & RECOGNITION

"If you think you're too small to have an impact, try going to
bed with a mosquito"

~ Anita Roddick



Nobel Research

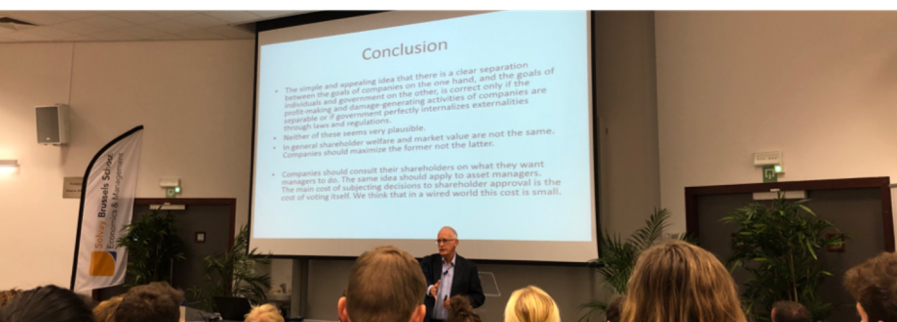
Three ECGI Fellows have been recipients of The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel

On 10 October 2016, two ECGI Fellows, **Oliver Hart** (Harvard University) and **Bengt Holmström** (Massachusetts Institute of Technology), were awarded the Nobel Prize "for their contributions to contract theory". In announcing the award, the Nobel Prize Committee provided the following context: "Modern economies are held together by innumerable contracts. The new theoretical tools created by Hart and Holmström are valuable to the understanding of real-life contracts and institutions, as well as potential pitfalls in contract design."

These laureates have developed contract theory, a comprehensive framework for analysing many diverse issues in contractual design, like performance-based pay for top executives, deductibles and co-pays in insurance, and the privatisation of public-sector activities. Through their initial contributions, Hart and Holmström launched contract theory as a fertile field of basic research. Over the last few decades, they have also explored many of its applications. Their analysis of optimal contractual arrangements lays an intellectual foundation for designing policies and institutions in many areas, from bankruptcy legislation to political constitutions".

In October 2014, the same Nobel Prize was awarded to ECGI Fellow, **Jean Tirole** for his analysis of market power and regulation. Providing context, the Prize Committee said: "Jean Tirole is one of the most influential economists of our time. He has made important theoretical research contributions in a number of areas, but most of all he has clarified how to understand and regulate industries with a few powerful firms."

Before Tirole, researchers and policymakers sought general principles for all industries. They advocated simple policy rules, such as capping prices for monopolists and prohibiting cooperation between competitors, while permitting cooperation between firms with different positions in the value chain. Tirole showed theoretically that such rules may work well in certain conditions, but do more harm than good in others".



Impact

The work of the ECGI Fellows and Research Members has been cited millions of times. Each citation is someone taking note of their work in advancement of academia, economy and society.

It has become increasingly common to evaluate the impact of academic work. This is important for awarding funding grants, measuring success and enhancing prestige. ECGI will follow the development of this trend and adopt measures to adequately report on impact in the future. In the meantime, ECGI is confident that, even without quantified results, the impact of the ECGI Research Members' work continues unabated.

Impact in Academia

The work of the ECGI Research Members impacts significantly on other scholars. A snapshot of only forty of the fifty-one ECGI Fellows shows over 1.3 million combined scholarly citations using Google Scholar. There are currently 277 ECGI Research Members in total (as at June 2019) each with strong citation counts for their academic work. This excludes their many books that are also widely referenced. The use of academic work by other scholars is important for developing thought, arguments and for framing the research questions on corporate governance topics.

Impact in Society

According to the Economic and Social Research Council (www.esrc.ukri); *"Economic and societal impact is the demonstrable contribution that excellent social and economic research makes to society and the economy, of benefit to individuals, organisations and national and international communities"*. They assert that research impact embraces all the diverse ways that research-related skills benefit individuals, organisations and nations, including (a) fostering global economic performance and competitiveness; (b) increasing the effectiveness of public services and policy; and (c) enhancing quality of life, health and creative output.

Essentially, this is measured by the influencing of policy, shaping of legislation, reframing of debates, developing of skills and overall contribution to understandings. The Nobel examples in the previous section clearly demonstrate the impact of ECGI Research Members and Fellows in this regard. In the future, ECGI will seek to highlight further examples of ECGI Research Members that are blazing a trail when it comes to societal and academic impact.





OPPORTUNITIES

"Nothing is more expensive than a missed opportunity"
~ *H. Jackson Brown, Jr*



Opportunities

ECGI is on a journey. It has a strong mission and a focused plan. It also has leading scholars and an engaged community to realise its purpose.

While it achieves a lot with these ingredients, there is potential for considerably more to be achieved at various levels of academia and society. The ECGI Development Plan sets out a long-term vision for ECGI that revolves around three complementary activities : 1) Research; 2) Engagement; and 3) Dissemination.

Opportunities for ECGI

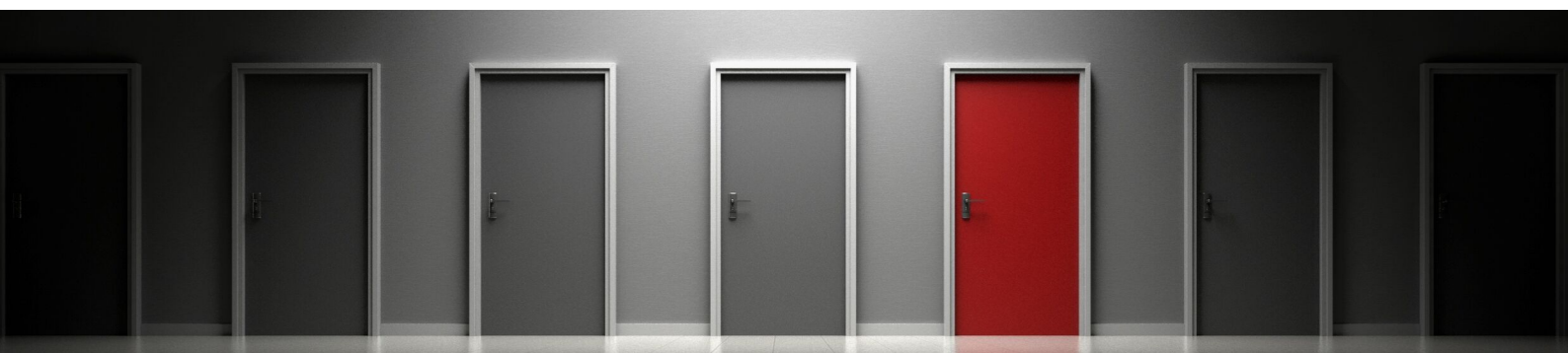
There are many opportunities for ECGI in the years ahead. On the one hand, there is the production of research. ECGI can stimulate research on corporate governance topics by creating collaboration opportunities (eg. roundtables, conferences) or by providing funding or other direct support. On the other hand, there is the dissemination of the research and enhancing the impact that it has on the world. Some of the opportunities that lie ahead for ECGI include:

- Creating a blog to facilitate the distillation of research into concrete recommendations and findings, and to enhance the wider understanding of the work amongst different audiences, thus broadening the discussion.
- Creating active research groups on specific topics that will feed directly into the shaping of policy, legislation, debate and skills.
- Improving the infrastructure of the Institute in order to support additional activities and developments.

Opportunities for ECGI Partners

- ECGI provides opportunities to engage directly with leading scholars at a very low cost or in some cases free of charge (eg. free public events, free access to papers, codes, videos, other materials, free access to a community of contacts).
- Paid opportunities include sponsorship of events, dinners, sections of the website, direct funding for research projects, membership subscriptions and philanthropic donations.

ECGI will continue on its journey with the support of its members and collaboration partners while striving to improve in all the ways outlined in the Development Plan.

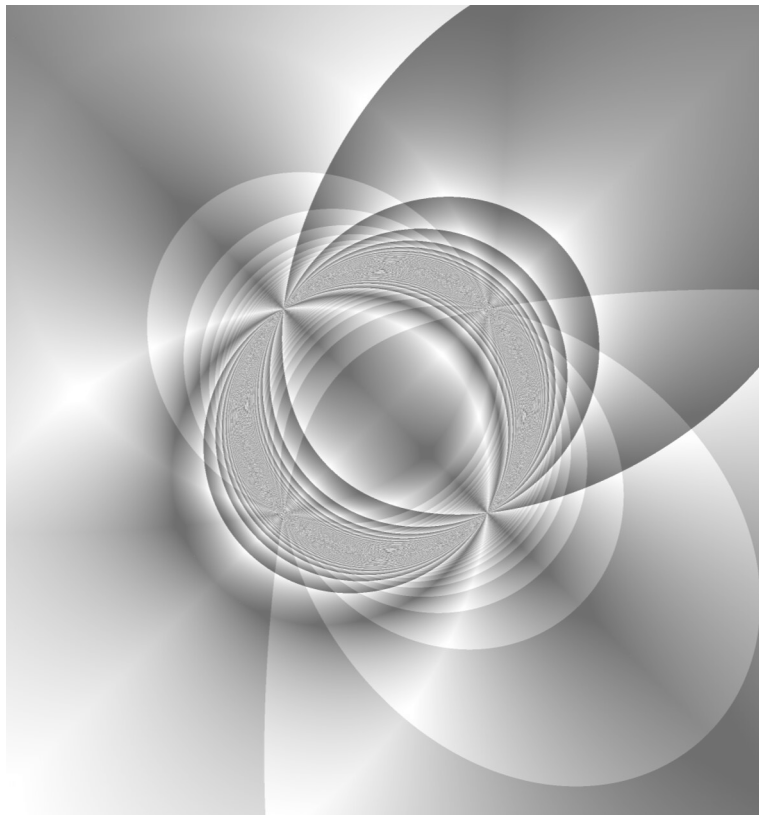




GOVERNANCE & STRUCTURE

"The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society."

~ Adrian Cadbury



Structure

The European Corporate Governance Institute (ECGI) was established on 15 October 2001 as an international scientific non-profit association under Belgian law in accordance with its original Articles of Association. The current articles are available on the ECGI website.

The Institute is headed by a **Board of Directors**, a majority of whom are drawn from academia in order to ensure the ECGI's academic independence. Other directors have strong ties with the private and public sectors. All are impartially committed to furthering the Institute's goals and mission.

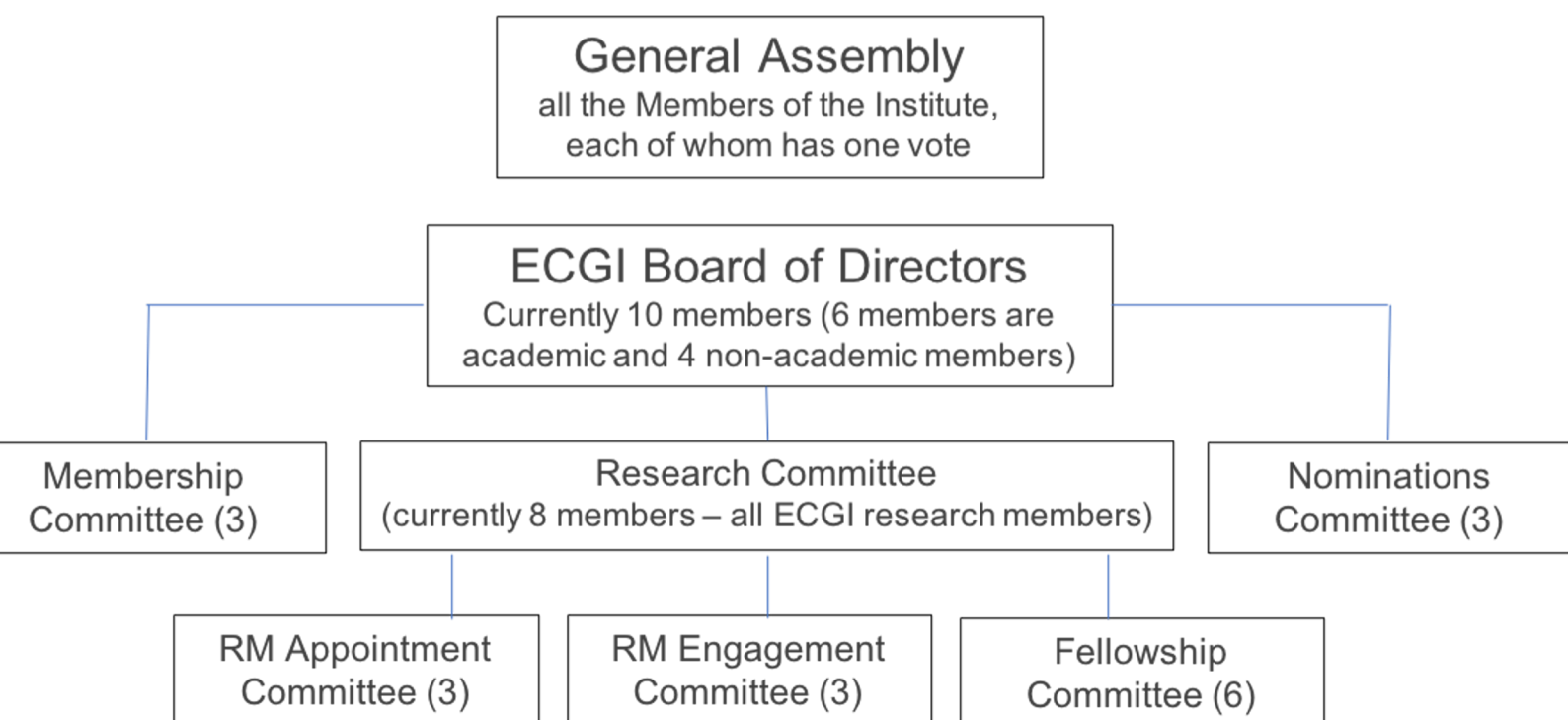
In accordance with its Articles of Association, the **Chair of the Board** must be a non-academic whilst the **Vice-Chair** must be a Research Member. Day-to-day management of the Institute is undertaken by an **Executive Director**, responsible to the Board. This post carries a renewable term of 3 years.

The ultimate authority is the **General Assembly**, which comprises all the members of the Institute, each of whom has one vote. The powers of the General Assembly are detailed in the Articles of Association. It meets at least once a year, providing a forum not only for the ongoing governance of the Institute, but also an additional opportunity for members to meet, interact and debate matters of importance and topicality.

A number of **committees** have been appointed to undertake specific functions of the Institute. The actions recommended by these committees must be approved by the ECGI Board, and where appropriate, ultimately by the Members.

Below is a representation of the governance structure of the Institute (March 2019):

(Note: RM = Research Member)





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Fellow

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London School of Economics and Political Science (LSE)



Mr David Devlin

Practitioner Member

Retired Partner, PricewaterhouseCoopers



Professor Luca Enriques

Fellow

Allen & Overy Professor of Corporate Law

University of Oxford, Faculty of Law



Professor Jill Fisch

Research Member

Perry Golkin Professor of Law, Co-Director, Institute for Law and Economics | University of Pennsylvania Law School



Professor Hideki Kanda

Fellow

Emeritus Professor

University of Tokyo and Gakushuin University Law School



Professor Colin Mayer

Fellow

Peter Moores Professor of Management Studies
Saïd Business School, University of Oxford



Ms Lisa Rabbe

Practitioner Member

Chief Government and Public Affairs Officer
Moody's



Ms Daniela Weber-Rey

Practitioner Member

Non-executive director (NED)

HSBC Trinkaus & Burkhardt and Groupe FNAC DARTY

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