

NSE - ECGI Roundtable on

Long-term impact of institutional ownership on governance and sustainable investment

13 November 2017



The National Stock Exchange of India, Mumbai

AaZ' 3@' ' ' ' (* ? n | I X { M U j Z ' n l ' « l n l ' ' { Z x k ' ' t k u W { ' n _ b y { t | } t n l M j ' n , l Z y a b u ' n l ' ' n f Z x l M i V Z ' M i X ' y | y { N b M U j Z ' b f Z y { k Z I { - { n n i ' u j M W Z ' n l ' Ü b ' 3 n f Z k U Z x ' Y Ü Ü ä ' M i ' { a Z ' 3 M t n l M j ' @ n M ' ' . V a M i ' Z ' n _ ' X b M b ' V n j j M l n x M t n l ' , t a ' { a Z ' " | x n u Z M i ' t n x u n x M Z ' (n f Z x l M i V Z ' ' y { t | } Z ' ' t (* A ' A a Z ' Z f Z I { ' n V | y Z X ' n l ' { a Z ' x n j Z ' n _ n x Z b l ' b y { t | } t n l M j ' b f Z y { n x y M i X ' u x n . . t ' N x f b y n x t ' _ b k y b ' u x n k n { b ' ' V h x u n x M Z ' ' n f Z x l M i V Z ' M i X ' y | y { N b M U j Z ' b f Z y { k Z I { a

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Institutional investors & corporate governance: international evidence

Professor Pedro Matos



AaZ'uxZyZl {M}lml 'yjbXZyn_<xn_Zyynx'2 M}ny'VMl 'UZ'nl | X'nl '{aZ''t (*, ZUyqZ'a

<xn_Zyynx'2 M}ny'XxZ, 'M{Zl {lml '{n' '{aZ'_'M' '{aM' '1 Xb'VaM'y'Mk | Va'jn, ZxjZfZj'n_'b' y{q} {lml Nj'yaM'Z'n, l Zxyabu' {aM' k ny' 'n' {aZ'k' M'nx' ZVnl nk bZy'a') Z' VqZ'X' 'Üäö' 'b' y{q} {lml Nj'yaM'Z'n, l Zxyabu' 'nx' 'ÜÜÜ' j'M' Z'y' j'by' {Z'X' 'bk' y' b' '1 Xb'V, 'ab'Va' Vnk uM'Z'y' {n' 'äpö' 'b' '{aZ' 'B@M' X' 'M'n | X' 'ääö' 'b' '{aZ' 'B0'a') Z' XZy'V'X'Z'X' '{aZ' X'tl M' b'y'n_'b' y{q} {lml Nj'n, l Zxyabu' y{x} V{ | xZy'Sl n{b' ' '{aM' '{aZ't' UZVnk Z'k' nxZ' X'byuZxyZ'X' M'y'Zk' Z'x' b' 'k' M'i Z'y'Sy | Va' M'y' '1 Xb'V, 'xn, 'a'

'nV' y'b' 'nl' 'aby' xZyZM'Va'S<xn_Zyynx'2 M}ny'unb' {Z'X'n' | '{aM' 'n' fZyZM'y' 'b' fZy' (nx'y' VMl 'UZ'k' nxZ' 'b' XZuZl' XZl' '{b' '{aZ' b' fZ, y' nl' 'yZl' yq' b'Z' VnxunxM'Z' 'n' fZxl' M'VZ' 'by' Z'y' {aM' '{aZ' b' j'n' V'y' Vh' | {ZxuM' {y'S, an' {Zl' X' '{n' 'UZ' j'Z'y', b'j'b' '{n' xZVn' l' b'Z' y' Va' 'by' Z'y' M'X' y' {Zu' | u' '{n' '{aZ' u' j'M'Z'a'

) Z' unb' {Z'X'n' | '{aM' 'ab' aZ'x' j'Z'fZj'n' 'nxZ'b' l' 'b' y{q} {lml Nj'yaM'Z'n, l Zxyabu' {Zl' Xy' {n' u' | ya' | u' {aZ' f' M' | Z'n' Vnk uM' bZy'a') Z' y'M'X' {aM' 'aby' xZyZM'Va' 'XZk' nl' y{x'M'Z'X' {aM' 'q' M'yn' 'b' VxZ' M'Z'X' '{aZ' j'b' Z' j'tann' X'n' V'nx'y' 'Unx' XZ'k' Z'x' Z'x' M'X' 'N'W' y'q' lml 'M' {b' f' q' t' S' l' n{, b' ay' M' X' b' ' j'n' V'y' i' xZy' b' y' (M' VZ'a'

<xn_Zyynx'2 M}ny', Zl' {nl' '{n' Z' u' j'M' 'an, 'b' y{q} {lml Nj' b' fZy' (nx'y' M'Z' Z' .unx' (b' ' VnxunxM'Z' 'n' fZxl' M'VZ' u'x' W' {b' Z'y' 'xnk' ' XZ' fZj'nuZ'X' k' M'i Z'y' '1' 'y' uunx' (n' 'aby' fZ, y'S' aZ' 'XxZ, 'M' {Zl' {lml' '{n' '{aZ' 'fZxt' 'y'b' l' b'b' M' { 'b' VxZ' M'Z' 'b' ' Z' .ZV' | {b'Z' Vnk uZl' yM' lml', aZl' '{aZ' x' b' y' k' nxZ' X'byuZxyZ'X' yaM'Z'n, l Zxyabu' 'b' f'n' j'f'b' ' 'nxZ'b' l' 'b' y{q} {lml Nj' b' fZy' (nx'y'a') Z', Zl' {nl' '{n' 'M'X' xZ'y', aZ' {aZ' x' b' VxZ' M'Z'X' 'nxZ'b' l' 'b' y{q} {lml Nj' b' fZy' (nx'n, l Zxyabu' 'b' y' b' a' b' l' b' ' j'n' l' '1' {Z'k' 'b' fZy' (b' ' Ut' b' fZy' (Z'Z' Vnk uM' bZy'a') Z' y'M'X' {aM' 'aby' xZyZM'Va' 'XZk' nl' y{x'M'Z'X' {aM' 'nxZ'b' l' 'b' y{q} {lml Nj' b' fZy' (nx'n, l Zxyabu' 'b' y' uny' q' b' Z' j't' M'yn' Vb' M'Z'X', b' a' 'ab' aZ'x' j'n' l' '1' {Z'k' 'b' fZy' (k' Zl' {S'Zk' u' j't' k' Zl' { 'M'X' 'b' l' n' f' M' lml' 'n' | {u' | {j' M' y' k' Z' M' y' | xZ'X' Ut' '{aZ' l' | k' UZ'x'n' uM'Zl' {y'a'

¹ Source: OECD <http://www.oecd.org/corporate/OECD-Equity-Markets-Review-Asia-2017.pdf>

<xn_Zyynx'2 Mlny' {aZl 'NXXxZyyZX' {aZ'yuZVbB'y(M|y'n_'1 XbMb' xZyuZV{n'_nxZb l' b' y(l| {bnl M'lyaMz'n, l Zxyabu' MlX' ub' unb' {ZX' {aZbx' Vnl VZxl yS' uM(lb| jMjt' Mln| { ' MlXb' Vnk k b(ZZ' Vnk uny(lbnl S' MlXb' xZunx'y' MlX' unnx' UnMlX' M(Zl XMI VZ'a'' | x(aZxk nxZSaZ' Zk uaMylbZk' {aM' b' ly' jb' Zjt' {aM' Z' ZV| {b'Z' uM' jZfZjy' b' '1 XbM, b'j' xlyZ' {n' Vnl fZx' Z' {n' b' {Zxl Mlnl M'ljZfZjy' M'y'_nxZb l' b' y(l| {bnl M'lb' fZy(k Zl Zl {b' '1 XbMb' VxZMZY'a'' jynSVnk k Zl {b' 'nl' xZjMlb'Zjt'jn, jZfZjy' n_?'l z' Z.uZl Xb| xZ' Ut' ' ybM' Vnk uMl b'zy' xZjMlb'Z' {n' {aZbx' H Zy(Zxl 'Vn| l {ZxuMl(ySaZ' y| ' Zy(ZX' {aM' {aby' Vn| jX' VaMl' Z'yanx(jt' b' jb' Z', b'a' b' VxZMZY' jZfZjy'n'_nxZb l' b' y(l| {bnl M'lyaMz'n, l Zxyabu'a'

'1' Vjnyb' ' S<xn_Zyynx' 2 Mlny' Zl Vn| xMZX' y(xnl' jt' {aZ' | yZ' n'_MMXZk b'SyWZl {b'V'UNVZX' xZyZMlVa' {n' b' _nxk' 'unjbt' k Ml b' 'a'

) b aZxjZfZj'n'_nxZb l' b' y(l| {bnl M'lyaMz'n, l Zxyabu' Zl Xy' {n' u| ya | u' {aZ' fMl' Z'n' Vnk uMl b'zy'



Panel 1: Is greater for institutional ownership of Indian companies consistent with sustainable long-term investment and improved governance discipline?

1 aMaMk) n|yZ?|jZy, ZxZ MuijZx{n{aZ XbM ybM y, abla MZ Mnl tk bzX^a

“, My i n{ZX{ aM{ i XbMaMy M| I bW Z uxu bZ b` xZyuZV{ n_yaMz n, I Zxyabw^a <xnk n{Zxy anjX`MUn| {` Bãõ n_jby{ZX` yaMzY^a i` MXXbMl SM_ x{aZx`ãõ n_jby{ZX` Vnk uMl bZy-yaMzY`Mz n, I ZX`Ut{ aZ`1bZ` y| xMl VZ` n_xunxMlbnl n_` i XbM\$, abla`by` n_fZl k Zl {`n, I ZX^a jynS`b, My`unb {ZX`n| {`{aM{ k Ml t` b XZuZl XZl {`MyZ{`k Ml MZxy`Mz`uMl{n_jMz` Z` Vhl` jnk ZxMzYs, abla`VMl`tk uMl{ {aZx`b XZuZl XZl VZ^a jynSaby{nxbMj}t{ aZx`aMy`UZZl` ab a jZfZj`n_Mly{Zl {bnl y`b` fn{b`^a) n, ZfZxS{aZ`y`l Mlbnl` aMy`tk uxnfZx`b` {aZ`xZVl {`tZMy^a Aa`xZw` bZk Zl {`n_k | {` Mj`_l Xy`XbMjnyb` {aZx` fn{b` `xZVnxxy` aMy` aMk {aZ` XZybZx` tk uMl{ n_yõl b`bMl {`xZl V{bnl` b` {aZ` jZfZj`n_Mly{Zl {bnl y^a i` {aZ` l ZMk {Zx` S n{aZx`b` y{b`l {bnl Mj`b` fZy{nxy, b`j`UZ`y| UfZV{`{n`y`tk b`Mx`xZ` | jMlbnl y^a

I nk k Zl {b` n| {aZ` uxZyZl {Mlbnl` Ut` <xn_Zyynx`2 MlnyS{aZ`uMlZj`k MxZ`{aZ`_njn, b` n`UyZxfMlbnl y^o

“ xZ`Vnk uMl bZy, b`j`b` {`n`Zl` MZ, b`a`b` fZy{nxy, an`aMfZ`Ml` b` VxZMj`b``jt`yanx{`{Zxk`_nV| y^f

H b`j`tk uxnfZk Zl {y`{n`VhxunxMz` n_fZl MlVZ` Mlyb` ` _xnk` {aZ`tk uxnfZx` XbMujb` Z`_xnk` b` VxZMjZX`_nxZb l` b`y{b`l {bnl Mj`b` fZy{nxy, I Zxyabw`UZ`y| y{M`b`ZX`, aZl` {aM{`n, I Zxyabw` nZy`b` {n`xZfZxyZ^f `i, My`_Zj`{`{aM{ {aZx`Z, n| jX`UZ`M`Zl XZl Vt`_nx`{aZ`Vnk uMl bZy`{n` n`UWl` {n`{aZx`njX, My^a

`nxZb l` b` fZy{nxy` {Zl X` {n`uxZ`_Zx`U| t`b` `yaMzY`b` jMz` Z`Vnk uMl bZySk Ml t`n_, abla` MjZMk`aMfZ` n`nX` VhxunxMz` n_fZl MlVZ`Ut`b` {Zl Mlbnl Mj`y{Ml XNxy^a

@ VZ`ÜääYs` i` XbM`xZ` | jMlbnl y`xZjMl`b` {`n`_nxZb l` b`y{b`l {bnl Mj`n, I Zxyabw`aMfZ`UZZl` uxu` xZybfZj`t`xZjMZX^a AaZ`XZ`_b` b`bnl y`| yZX`_nx`Xb`_ZxZl {`VMZ` nxbZy`n`_nxZb l` b`y{b`l {bnl Mj`b` fZy{nxy`Mz` l n, `k`nxZ` j`bZxMj`{aMl` UZ`_nxZ^a n`k` MxZ` | jMlnxt`unb` {`n`_fZ, S`b`y`xZVn` l` b`Zx`{aMl`k` Ml t`_nxZb l` b`y{b`l {bnl Mj`b` fZy{nxy`aMfZ`M` xZjMbfZj`t`yanx{` {Zxk`anjXb` `uZx`nX`U| {, aZl` {aZ`t`yZj`n`l` Z`i` XbM`y{nVi` {aZ`t`n`_Zl`U| t`Ml n{aZx`i` XbM` y{nVi` MlXS`{aZx`_nxZ`Snl` {aZ`k` Mx`n`jZfZj`{aZx`aMy`UZZl` l` n`yõl b`bMl {`jZMlMz`n`_nxZb l` b`y{b`l {bnl Mj` b` fZy{k` Zl {`V`M`b`N`S`b`M`Mj`^a

2 Ml t`n`_`i` XbM`y`jMz` Zx`Vnk uMl bZy`MjZMk`aMfZ` jyb`b` `y`n_fZxyZMj`S l n{Mj`t`b` `n`l` Xnl` MlX`3Z, `Jnxi`^a Aaby`aMy` UZZl` M`n`nX`k` n{b`M`nx`_nx`tk uxnf`b` `MlX`k` N`b`{N`b`b` `ab`a` VhxunxMz` n_fZl MlVZ`y{Ml XNxy^a

' nxZbI ' b y{q| {bni Nj' b fZy{nxY' xZ' Mx' ' nnX' y{MxMxY' n' VhxunxMz' ' nfZxI MIVZ' Ny' MuxZxZw| byqZ' _nx' b fZy{k ZI {b ' ' XbM' Vnk uMI bZy'

AaZ' b {xnX| V{bni 'n' ' {ZxI M{bni Nj' b MIVyI? Zunx{b' ' @MxMxY' b ' ' XbMaMy'k MxZ' b fZy{k ZI {b ' ' XbM' Vnk uMI bZy'k nxZ' M{xMx{bZ' _nx' _nxZbI ' b y{q| {bni Nj' b fZy{nxY'

AaZ' M' MZI Zyy'n' VhxunxMz' ' nfZxI MIVZ' aMy' tk unxfZX' ybI b bM{ j+ yb VZ' Uaa'YS, aZI ' _nxZbI ' b y{q| {bni Nj' b fZy{nxY', ZxZ' Njn, ZX' {n' b fZy{ ' b ' ' XbM'

"I' MZk ZI { ' Ut' Xnk Zy{b' ' ' XbM' ' b fZy{nxY', b'a' Vnk uMI bZy' by' l n, ' k | Va' ZMy{Zx' {n' | I XZx{MIZ' {aMI' b' uxZ' fbn| y' tZMyS, b'a' {aZ' l n{MjZ' .VZu{bni 'n' _ZI' ' MZk ZI { ' xZjM{b' ' {n' Z. ZV| {bZ' uMS, ab'a' by' y{q| M' XZj{bMz' Mx' yZI yq{bZ' y| UZV{a' fZI' {aZ' _nxZbI ' b y{q| {bni Nj' b fZy{nxY' _Zj' VaMjZI' ' ZX' {n' ZI' ' MZ' Z' _ZV| {bZj+ ' b' {aZ' MZMh' _Z. ZV| {bZ' uMS ZyZVb{ j+ ' b' {Zxk y'n' w| M{ | k' a'

Z MI t' ' ' XbM' Vnk uMI bZy' MZ' M' b+ x| I' Mx' {aZxZ' by' j{q| jZ' yVhuZ' _nx' b y{q| {bni Nj' b fZy{nxY' _nxZbI ' nx' Xnk Zy{bS' {n' Z. ZxMjZ' Z' _ZV| {bZ' b' _j| ZI VZ' nfZx' VhxunxMz' ' nfZxI MIVZ' uxW{bZy' Mx' ux{b' VbujZy'

' nxZbI ' b y{q| {bni Nj' b fZy{nxY', M{ { 'n' ' bZ' ' ' XbM' Vnk uMI bZy' {aZ' y| uunx{ {aZ+ l ZZX' {n' ' nfZxI' Mx' XbZV{ {aZ' b' Vnk uMI bZy' y| WZyy' _j+ j+ aAZ+ Xn' l n{ ' b fZy{, b'a' {aZ' b' ZI {bni 'n' M{qM{b' ' _nx' MaMI' Z'

' nxZbI ' b y{q| {bni Nj' b fZy{nxY' VM' ynk Z{tk Zy' UZ' VaMjZI' ' ZX' Ut' {aZ' jnMj' V| y{nk' Mx' uxW{bZ' n' ' ' XbM' Vnk uMI bZy' a' ' I' Z. M' ujZ', Ny' VqZX' n' M' Vnk uMI t', ab'a' aMx' yfZxNy' XbZV{nxY' MZX' nfZx' aa' Mx' nI' Z' MZX' , Zjj' b' {n' ab' a' U' y'

AaZ' xnjZ' n' k ZXbM{b' b' _j| ZI Vb' ' VhxunxMz' ' nfZxI MIVZ' VaMI' Z' yan| jX' l n{ ' UZ' | I XZxZy{tk' MZX' a' 2 ZXbM' Vnk k ZI {y' VM' ' aMfZ' MybI b bM{ ' UZM{b' ' ' °' unyq{bZ' Mx' l Z' M{bZ' ' °' nI' ' xZu| {M{bni yS' uZxynI Nj' Mx' VhxunxMz' a'



AaZxZ', Ny' Vni ybXZxMjZ' XbV| yybni ' Mbn| { ' VhxunxMz' ' nfZxI MIVZ' ZI' ' MZk ZI { ' unVZyyZy' b' ' ' XbM' i ZZub' ' b' ' k' b' X' {aMI' {aZxZ', bjj' j{b' Zj+ UZ' MI' ' j+ ' ' XbM' @Z, MxYabu' t' nXZ' b' {aZ' _nxZyZZMjZ' _j| { | xZ' a' ' Vnk uMI t' XbZV{nx' uMx{bVbM{b' ' b' {aZ' uMI Zj', Ny' y| uunx{bZ' n' VaM{b' M' Mx' yZI bnx' XZuZl XZl { ' XbZV{nxY' k' ZZ{b' ' XbZV{ j+ , b'a' {aZ' b' Vnk uMI t' y' k' Mhx' b' y{q| {bni Nj' b fZy{nxY' °' _nxZbI ' nx' Xnk Zy{b' ' {n' XbV| yy' VhxunxMz' ' nfZxI MIVZ' U| {y' xZyyZx' {aMI' b' , n| jX' UZ' Mx' fbyMjZ' _nx' {aZ' Z. ZV| {bZ' XbZV{nxY' {n' UZ' b' fnj' fZX' Ny', Zjj' aAZ' UZI Z' b' y' n' _Z' Z{b' ' {aZ' _ZZXUMI' XbZV{ j+ S' xM' aZx'

{aM' {axn| `a' {aZ'Z. ZV| {b'Zy'nx' b' {Zxk ZX' b' b'Zy', M' ab' ajb' a' {ZX' AaZ' b' y' b' | {b' M' b' fZy' (nxy' n' l' {aZ' uM' Z' Z. uxZy' ZX' y' (xnl' ` ` y' uunx' | `nx' aM' b' ` ` M' nuunx' | l' b' t' {n' yuZM' {n' b' XZuZi XZi { ` XbZV' (nxy' S' Zy' uZV' b' j' t' Va' M' k' Z' i' M' X' y' Z' i' b' XZuZi XZi { ` XbZV' (nxy' a' ` ` i' ` ` X' b' M' b' y' b' | {b' M' b' fZy' (nx' l' n' {ZX' {aM' a' b' aZ' (n' b' a' M' k' fZx' t' j' b' k' b' ZX' nuunx' | l' b' b' Zy' {n' yuZM' {n' b' XZuZi XZi { ` XbZV' (nxy' a'`

> | Zy' (b' l' y' , ZxZ' M' y' ZX' M' b' n' | { ` an, ` {n' b' VxZM' Z' b' fZy' (k' Z' i' { ` b' ` ` n' fZx' l' k' Z' i' { ` Vnl' {xnj' ZX' Vnk' uM' i' b' Zy' b' ` ` i' X' b' M' a' ` ` , M' y' y' ` ` Zy' (ZX' {aM' b' fZy' (nxy' l' ZZX' Vnl' b' XZi VZ' {aM' {aZ' b' Vhxunx' M' Z' ` ` n' fZx' l' M' i' VZ' , b' j' b' k' uxn' fZ' a' H' a' b' y' { M' i' l' n, j' ZX' b' ` ` {aZ' y' l' Uy' (M' i' VZ' n' ` ` {aZ' b' y' l' Z' S' M' k' M' h' x' ` ` X' b' M' b' y' b' | {b' M' b' fZy' (nx' XxZ' , M' {Zi' {b' l' {n' {aZ' ` M' {aM' {aZ' b' fZy' (nxy' M' Z' ` ` Z' M' j' n' ` ` n' fZx' l' k' Z' i' { ` b' {Zx' fZi' {b' l' ` U' l' { ` b' , M' y' l' n' {ZX' {aM' {aZ' xZ' a' M' y' l' n' {UZZi' ` fZx' t' k' | Va' n' ` y' l' Va' b' {Zx' fZi' {b' l' b' ` xZVZi' { ` t' Z' M' y' S' , a' b' a' ` a' M' y' aZ' juZ' X' b' fZy' (nx' y' Z' i' {k' Z' i' {y' a' ` ` i' ` Z. uZxZi VZ' Vnk' uM' i' t' X' b' ZV' (nx' y' l' ` ` Zy' (ZX' {aM' b' ` ` n' fZx' l' k' Z' i' { ` n, l' ZX' Vnk' uM' i' b' Zy' ` ` n' V' | yZ' X' n' l' ` XZ' b' b' ` ` {aZ' u' l' xunyZ' n' ` ` {aZ' Vnk' uM' i' t' S' {aZi' ` UZ' {Zx' Vhxunx' M' Z' ` ` n' fZx' l' M' i' VZ' , n' | j' X' Z' i' y' l' Z' a'`

` ` ` ` n' xZ' b' l' ` ` b' fZy' (nx' uM' k' (b' l' uM' i' { ` Z' i' w' j' b' ZX' M' b' n' | { ` {aZ' j' Z' fZi' n' ` ` Vh' j' j' M' b' n' x' M' b' l' ` ` M' k' n' l' ` ` y' { ` Xnk' Zy' (b' b' fZy' (nxy' M' i' X' M' y' n' UZ' , ZZi' ` Xnk' Zy' (b' b' fZy' (nxy' M' i' X' ` n' xZ' b' l' ` ` b' fZy' (nxy' {n' Vh' j' j' VZ' (b' Z' j' t' Z' i' Vh' | xM' Z' Vhxunx' M' Z' ` ` n' fZx' l' M' i' VZ' Va' M' i' Z' a' ` ` i' ` xZ' yun' l' yZ' S' b' , M' y' l' n' {ZX' U' t' M' i' ` ` X' b' M' b' y' b' | {b' M' b' fZy' (nx' {aM' {aZ' xZ' b' y' M' Z' M' y' n' l' M' j' Z' XZ' ` ` xZ' n' ` ` Vh' j' j' M' b' n' x' M' b' l' ` ` n' l' ` ` i' Z' t' b' y' l' Zy' UZ' , ZZi' ` Xnk' Zy' (b' b' fZy' (nxy' U' l' { ` {aZ' xZ' M' Z' uZ' xZ' b' Z' X' X' b' b' | j' (b' Z' y' , aZi' ` b' Vnk' Zy' {n' Xnk' Zy' (b' b' fZy' (nxy' Z' i' ` M' b' ` ` , b' a' b' {Z' l' M' b' l' M' b' n' | {b' fZy' (nxy' a'`

` ` l' ` ` b' fZy' (nx' Z' i' w' j' b' ZX' M' b' n' | { ` {aZ' Z' i' ` ` M' Z' k' Z' i' { ` UZ' a' M' b' n' | xM' X' M' uZ' (b' Z' n' ` ` UZ' a' Z' k' n' {a' b' y' b' | {b' M' b' fZy' (nxy' S' n' Uy' Z' x' f' b' ` ` {aM' {aZ' t' M' Z' y' n' j' M' Z' ` ` Z' {aM' {aZ' t' M' Z' S' b' ` ` Z' ` ` ZV' {S' j' n' V' Z' X' b' (n' n, l' b' ` ` ya' M' Z' y' b' M' Vnk' uM' i' t' M' i' X' a' M' Z' j' b' (j' Z' n' x' l' n' y' VhuZ' {n' y' Z' j' j' n' | {a' < n' Z' y' n' x' 2' M' n' y' l' n' {ZX' {aM' b' ` ` {aZ' B' S' M' i' {b' x' | y' {M' {an' x' b' b' Z' y' M' Z' y' (M' k' b' ` ` {n' Z. M' k' b' Z' {aZ' b' j' | Z' i' VZ' n' ` ` y' l' Va' ya' M' Z' a' n' j' XZ' y' S' , a' n' {Z' i' X' {n' ` ` Z' M' | xZ' xZ' | j' M' j' t' M' y' {aZ' j' M' Z' y' {ya' M' Z' a' n' j' XZ' y' b' ` ` k' M' i' t' Vnk' uM' i' b' Z' y' S' UZ' V' M' | yZ' n' ` ` Vnl' VZ' x' l' y' M' b' n' | { ` Vnk' uZ' (b' l' ` ` b' k' u' j' b' M' b' l' y' S' Zy' uZV' b' j' t' b' ` ` xZ' yuZV' (n' ` ` M' i' t' Vh' j' j' y' b' l' ` ` a'`



'nxZbI 'b y{t} {tmi Nj'ib fZy(nxy), MI{ 'n' bZ' 'i XbMI Vnk uMIkZy{aZ'y} uunx{ {aZt' ZZx{ 'n' nfZx' M'IX'XbZV{ {aZbx' Vnk uMIkZy'y} WZyy_ | jjt' AaZt' Xn' n{ 'b fZy{, tga' {aZ' b' {ZI {tmi 'n_ M'k' M'ib' ' _nx' M'aMI' Z'

Panel 2: Outsourcing corporate governance – Are proxy advisors measuring up to expectations?

t aM'aM') n| yZ' | jZy', ZxZ' M'uj' bZx{ 'n{ aZ' X'by' y' tmi y', ab'a' M'Z' M'ni tk bZx'a'

'i, M'y' n{ ZX' {aM' uxn..t' N'k' f'ynxy' uxn' f'XZ' yZx' f'Zy' {aM' M'Z' f'Nj' ZX' Ut' k' M' t' b' y{t} {tmi Nj'ib fZy(nxy', aZI 'fn{b' ' _nx' jN'k' ZS' Z'n' xM'ab' M'jt' X' b' Z'xyZ' b' fZy(k' ZI { 'unx{ _nj' tny'a') n, ZfZxS't', M'y' M'yn' i n{ ZX' {aM' {aZxZ' VMI' UZ' M{ZI XZI Vt' _nx' y| Va' b' y{t} {tmi Nj'ib fZy(nxy' {n' b' X| j' Z' b' ' j' M'k' o' y{Z, M'Xyabu'® Ut' k' ZxZjt' _nj'n, b' ' {aZ' xZ' Vnk' k' ZI X'M' tmi y' n' uxn..t' N'k' f'ynxy', tga' n{ {Z' Zx'by' b' ' X| Z' Vhl' y' b' X'x' M' tmi M'y' {n{ aZ' b' M'uxn' u' b' M'ZI Zyy' _nx' {aZ' Vnk' uMI' t' nx' u' n' x{ _nj' t' Vhl' VZ' l' ZX' a' @ Va' M' M'uxn' M'a' ZI M'uj' Zy' {aZ' b' y{t} {tmi Nj'ib fZy(nxy' {n' Vj' M'k' {aM' {aZt' aM' Z' f'n{ ZX' {aZ' b' ya' M'Zy', aZI Va' M'j' ZI ' ZX' Ut' {aZ' b' Vj' ZI {y' nx' xZ' | j' M'nx' @ an, ZfZxS't' b'y' w' Zy{ tmi M'uj' Z', aZ{ aZx' {aZt' aM' Z' f'n{ ZX', tga' X| Z' V' M'Z', aZI ' M'ib' ' {a' y' M'uxn' M'a' a'

From the perspective of many company directors, there is often a feeling that the proxy advisors do not always understand the special circumstances pertaining to their company and that a “tick box” approach is taken. Also, it was noted that in the UK - where there can often be contentious voting issues relating to remuneration policies and outcomes - remuneration committees increasingly place significant importance on engaging with proxy advisors at an early stage regarding their proposed policies with a view to ensuring a supportive recommendation from the proxy advisory firm.

' xZuxZyZi { M' b' Z' n' _M' j' Z' M' k' b' ' i' X' b' M' u' xn..t' N' k' f' y' n' x' t' _b' k' ' X' x' Z', M' { ZI { tmi ' n' { aZ' Va' M' i' b' ' n, I Z' x' y' a' b' u' M' { Z' l' y' b' ' i' X' b' M' y' b' VZ' ' Y' O' U' S' i' n' { b' ' { aM' i' b' y' { t} { tmi Nj' i' n, I Z' x' y' a' b' u' b' y' l' n, ' M' u' x' n. t' k' M' Z' j' t' P' y' o' a') Z' y' N' k' { aM' i' { aZ' b' { x' n' X| V' { tmi ' n' _Z' i' f' n' { b' ' M' i' X' M' x' Z' w' b' z' k' ZI { ' _nx' f' n' { b' ' X' b' y' n' y' xZ' Ut' b' y' { t} { tmi Nj' i' b' f' Z' y' (nxy' a' M' y' a' M' k' M' a' | ' Z' t' k' u' M' w' i' n' l' b' y' { t} { tmi Nj' i' b' f' Z' y' (nxy' f' n' { b' ' j' Z' f' Z' y' M' i' X' X' Z' V' y' tmi y' a' i' ' { aZ' u' M' y' { S' k' n' y' { ' i' X' b' M' i' b' y' { t} { tmi Nj' i' b' f' Z' y' (nxy' M' u' y' { N' k' Z' X' _x' n' k' f' n' { b' ' n' l' M' j' i' x' Z' y' n' j' | { tmi y' o' i' l' n, ' { aZt' M' u' y' { N' k' i' n' l' n' l' j' t' U' U' o' i' n' _x' Z' y' n' j' | { tmi y' n' _i' X' b' M' i' b' y' { t} { tmi Nj' i' b' f' Z' y' (nxy' a') Z' i' n' { ZX' { aZ' i' Z, ' y' Z, M' X' y' a' b' u' V' h' X' Z' _nx'

ბეჭდის მიხედვით, უნდა აღინიშნოს, რომ აღნიშნული წიგნის მიზანმიმართულია, რომელიც მიხედვით აღნიშნულია.

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A vote of thanks

“XxM b` {aZ`_nxk Mj uxvZZXb` y`n_{aZ`?n| X{MjZ` {n`MVjnyZ\$2 y` @Vhl b` `M, NjSM`Z. ZV| {bZ`n_{aZ`3@ \$ Vhl fZfZX` {aMiy` {n` <xn_Zyynx` <ZXxn` 2 MnyS` {aZ` uMjZ` k nXZxMnxyS` {aZ` uMjZjby` {y` MjX` Mj` {aZ`?n| X{MjZ` uM{b`uM{y`_nx` {aZbx` fVj| MjZ` Vhl {xbl| {bni y` *` jynSyaZ` Z..uxZyyZX` MuxZVbM{bni`n_{aZ` yb| b`bM{` VhjjMUnxM{bZ` y| uunx{` bZl` Ut` {aZ`" f (*{n` {aZ`3@ \$Mj` , Zjj Mj` {aZ` Mjyby`{MjVZ`n_{aZ`" ybM` f` nxunxMjZ` (nfZxl MjVZ`" yynVbM{bni` b` uxnk n{b` `M` MZl Zyyn_{aZ`?n| X{MjZ`”

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† nl {M{©

..

“JN` Z`2 V<M{JM`

) ZN`n_† nl _ZxZl VZy\$2 Zk UZxyabw` ` Xk b` b{y{xM{bni`

“ | xnuZM` f` nxunxMjZ` (nfZxl MjVZ`“ y{b| {Z`“ f (*`A

ZjN` Z`k VuM{JM` VV` b`nx`

öbY`Y`äaÜ`YbBÜ`

[...`aZ` b` jnUMj`](#)

..

..

..

@Vhl b` `M, Mj`

ž Zu| {f`2 MjMjZx`" Vhl nk b`MjX`<njb`f`?ZyZM`Va`

3M{bni Mj`@nV` " ..VaM` Z`n_“ XbM{tk bZx`3@`A

yMjM, Mj` | yZ`Vn`b`

öäÜ`Y`Y`áá`äãÜ`áP`

[...`aZ` yZb` XbMnk`](#)

About the European Corporate Governance Institute (ECGI)

www.ecgi.global

The ECGI is an international scientific non-profit association which provides a forum for debate and dialogue focusing on major corporate governance issues and thereby promoting best practice. It is the home for all those with an interest in corporate governance offering membership categories for academics, practitioners, patrons and institutions.

Its primary role is to undertake, commission and disseminate research on corporate governance. Based upon impartial and objective research and the collective knowledge and wisdom of its members, it can advise on the formulation of corporate governance policy and development of best practice. In seeking to achieve the aim of improving corporate governance, ECGI acts as a focal point for academics working on corporate governance in Europe and elsewhere, encouraging the interaction between the different disciplines, such as economics, law, finance and management.

About the National Stock Exchange of India (NSE)

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National Stock Exchange of India (NSE) is the leading stock exchange in India and the fourth largest in the world by equity trading volume in 2015, according to World Federation of Exchanges (WFE). It began its operations in 1994 and was the first exchange in India to implement electronic or screen-based trading. NSE has a fully-integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange. As a pioneer in technology, NSE ensures the reliability and performance of its systems through a culture of innovation and investment in technology. The scale and breadth of its products and services, sustained leadership position across multiple asset classes in India enable NSE to be highly reactive to changes in market demand and deliver innovation in both trading and non-trading businesses.

