



Scheme for Promotion of Academic and Research Collaboration



INTERNATIONAL CONFERENCE
ON
SHAREHOLDER VOTING
AND
ENGAGEMENT IN EMERGING ECONOMIES

(November 22-23, 2019)

THE AEGIS OF
SCHEME FOR PROMOTION OF ACADEMIC AND RESEARCH COLLABORATION
A GOVERNMENT OF INDIA (SPARC) INITIATIVE

ORGANISED BY
THE CENTRE FOR CORPORATE LAW AND GOVERNANCE,
NATIONAL LAW UNIVERSITY DELHI, INDIA

About the CONFERENCE

The proposed conference is being organised under the SPARC project- “Re-examining Shareholder Voting and Engagement in Emerging Economies of PR China and India”. The Principal Investigators of the project are Prof. (Dr.) Harpreet Kaur (National Law University Delhi) and Prof. (Dr.) Chao Xi (Chinese University of Hong Kong).

The conference consists of two consecutive days, the first day providing in a contemporary analysis of shareholder voting and considering the regulatory consequences and effects of shareholder engagement in different regions of the world. The contributions of the first day of the conference will become part of an edited volume to be published by a major publisher. The second day provides in a range of different perspectives related to governance developments aiming at deepening the understanding of relationships between shareholders and directors in a number of emerging economies.

The main goals of the conference are the enhancement of the quality of the contributions, the reinforcement the cohesive nature of the volume, and the contribution to the timeliness of the manuscript. The editors of the volume are Prof. (Dr.) Harpreet Kaur (National Law University Delhi), Prof. (Dr.) Chao Xi (Chinese University of Hong Kong), Prof. (Dr.) Christoph Van der Elst (Tilburg University and University of Ghent) and Dr. Anne Lafarre (Tilburg University).

During the second day, a broader related workshop will be hosted on the conference’s and SPARC project’s theme “Re-examining Shareholder Voting and Engagement in Emerging Economies of PR China and India”, focusing in particular on India and PR China. The participants of this second day are more than welcome to actively join the first conference day.

THE CONCEPTUAL FRAMEWORK

The role of shareholders and their engagement with companies in which they invest has always been important and discussed. However, with the increasing complexities of businesses as well as investments, the role of shareholders has also believed to have become more dynamic. Corporate voting and shareholder engagement are now considered pivotal features in good corporate governance.

The power of shareholders to vote on the affairs of the firm in which they invest is a fundamental concern in corporate governance. Shareholders’ voting rights empower them to elect and remove directors, and to participate in various decision-making processes in the firm’s affairs.

The proposed conference will re-examine corporate governance through the position and role of shareholders, how the different types of shareholders make use of their voting rights and which engagement instruments shareholders make use of. Company law gives rights to shareholders but also assigns duties to them. Reexamination of their role in listed companies is required due to increasing complexities of the company structures, the capital as well as investments and investors. The conference will focus on comparative researches in order to have boarder understanding and propose best practices which can be adopted for improving shareholder engagement in companies.

GUIDELINES FOR CONTRIBUTIONS

The Conference seeks papers i) for the edited volume on shareholder voting and engagement around the world with contributions from country experts and ii) reports on the broader conference theme of the second day.

1. Edited volume on shareholder voting and engagement (first day)

The contributions for the edited volume are in principal from invited scholars, however there is room to send in proposals for specific country reports. For contributions to this edited volume, conference participation is optional, as only local expenses are covered during the conference, but strongly encouraged to improve the quality and the coherence of the book chapters. Contributions must provide in an in-depth analysis of the key issues in this field in a comprehensive and cohesive manner and in accordance with the *structure* that is attached (see section on outline and questions). This structure guarantees the international comparability of the national developments and provides in a functional approach of shareholder voting and engagement aiming at enhancing its effectiveness.

The proposals for contributions to the proposed edited volume should be send to Prof. (Dr) Christoph Van der Elst (C.vdrElst@uvt.nl) and/or Dr. Anne Lafarre (A.J.F.Lafarre@uvt.nl) and/or Professor Harpreet Kaur harpreet.kaur@nludelhi.ac.in and/or Professor Chao Xi chaoxi@cuhk.edu.hk. For more information about the structure of the country contributions, please refer to page 6 of this Brochure.

2. The related workshop on the conference theme (second day)

During the second conference day, a broader related workshop will be hosted on the conference and SPARC project's theme "Re-examining Shareholder Voting and Engagement in Emerging Economies of PR China and India". The themes for the second conference day are:

1. Defining boundaries of Corporate Governance
2. Role of Board of Directors and Key Managerial Personnel
3. Role of Shareholders and their engagement in companies
4. Interface/conflict between directors and shareholders
5. Conflicts between controlling shareholders and minority shareholders
6. New Dimensions to relationships of companies with their shareholders

Selected papers will be published in a monograph with Principal Investigators of the project are Prof. (Dr.) Harpreet Kaur (National Law University Delhi) and Prof. (Dr.) Chao Xi (Chinese University of Hong Kong). The investigators have prepared a structure for writing the country specific reports. Interested speakers may send the abstracts for their papers.

International speakers can submit their interest to Prof. (Dr.) Harpreet Kaur at her email-harpreet.kaur@nludelhi.ac.in

IMPORTANT DATES

Submission of abstract/proposals: July 19, 2019.

Submission of draft Paper/ Report to be included in the conference: Oct 15, 2019.

Email for sending abstracts:

First conference day: C.vdrElst@uvt.nl and/or A.J.F.Lafarre@uvt.nl and/or harpreet.kaur@nlu-delhi.ac.in and/or chaoxi@cuhk.edu.hk

Second conference day: harpreet.kaur@nludelhi.ac.in.

REGISTRATION/ACCOMODATION: A nominal amount of USD 150 registration fee per participant (for international speakers) has been kept for participation to cover accomodation and food for three days during the conference. Invited speakers will be exempted from payment of this fee.

For Indian participants, a registration fee of INR 5000/- is payable which will include accomodation for two days in the university campus and food during the conference.

KEY PERSONS

PROF. (DR.) Harpreet Kaur (SPARC- Principal Investigator editor of the edited volume):

Harpreet Kaur is Professor of Law at NLU Delhi and the Director for Centre for Corporate Law and Governance. She is a Fulbright Scholar in Residence and has served as Chair Professor of Indian Studies at Leibniz University, Hannover, Germany. Her areas of interest include Company Law, Securities Regulations, Business Law, Investments Law and Competition Law. She has presented in international conferences and has been a visiting professor at many universities. For more, please follow: <https://nludelhi.ac.in/pep-fac-new-pro.aspx?Id=25>

PROF. (DR.) Chao Xi (SPARC- Principal Investigator and editor of the edited volume):

Chao XI is Professor and Vice Chancellor's Outstanding Fellow of the Faculty of Law at The Chinese University of Hong Kong. He also directs the Chinese Law Program of the Hong Kong Institute of Asia-Pacific Studies (HKIAPS), CUHK. Professor Xi specializes in comparative corporate law, securities regulation, and financial regulation, with a particular focus on the case of China. He has published extensively in leading peer-reviewed international journals. Professor Xi holds various visiting positions at institutions in Asia and Europe. For more, please follow: <http://www.law.cuhk.edu.hk/en/people/info.php?id=43>

Prof. (Dr.) Christoph van der Elst (Editor of the edited volume):

Christoph is professor of Business Law and Economics at Tilburg University (The Netherlands) and at Ghent University (Belgium). In Tilburg he is chairing the Department of Business Law. He is a member of the Belgian Bar (Cottyn) and advised many different government agencies at national

and international level. He is an ECGI research associate. He is also a member of the audit committee of the Ghent University Hospital. His current research interests are in particular various law and economics aspects of shareholder rights and voting and the effects of distributed ledger technology, all topics in which he published widely in academic and professional journals.

Dr. Anne Lafarre (Editor of the edited volume):

Dr. Anne Lafarre Msc LLM is assistant professor at the Business Law Department at Tilburg University. She also teaches at the Jheronimus Academy of Data Science in 's-Hertogenbosch. She holds a cum laude master's degree in economics and in law. Her Ph.D. in 2017 at Tilburg University, which was awarded cum laude, concerned comparative-legal and econometric analyses of shareholder (voting) behavior in the Annual General Meeting of shareholders (AGM). As a result of her multidisciplinary background, her research sits at the heart of the law and economics research area. She works mainly in the field of corporate governance. Lafarre was nominated for the title of New Scientist Talent 2018 of the Netherlands and Belgium.

EDITORIAL TEAM FOR MONOGRAPH FOR COUNTRY SPECIFIC REPORTS:

1. **Prof. (Dr.) Harpreet Kaur**, National Law University Delhi
2. **Prof. (Dr.) Chao Xi**, Chinese University of Hong Kong
3. **Prof. (Dr.) Christoph van der Elst**, Tilburg Law School, Tilburg University, Netherlands
4. **Dr. Anne Lafarre**, Tilburg Law School, Tilburg University, Netherlands

ABOUT NATIONAL LAW UNIVERSITY, DELHI

The National Law University, Delhi (NLU Delhi), has been established with a mandate to transform and redefine the process of legal education. The University aims to create a *sui generis* legal education system that is able to chisel a new generation of lawyers who are able, competent and humane and who would permeate not only into the legal system of our country, but also of the world as a whole, so as to meet the challenges of ever-evolving humane society. NLU Delhi was ranked as second- best law school in the country with a score of 74.58 out of 100. NLU Delhi has been accredited with 'A' Grade by NAAC with a benchmark CGPA of 3.59 on a 4-point scale. It has also been granted CAT-1 status by MHRD for graded autonomy and rank at no. 2 in Delhi and no. 8 in the country as per the NAAC score. These excellent ratings by esteemed Government agencies not only place NLU Delhi amongst few of the top institutions in the country imparting quality legal education but are a reflection at the excellent academic environment at the University for teaching & research.

ABOUT THE CHINESE UNIVERSITY OF HONG KONG

The Chinese University of Hong Kong (CUHK), has always upheld an enterprising and forward-looking spirit that makes studying and working here a unique experience. It is also the only university in Hong Kong which adopts a collegiate system. The university community cherishes dearly its tradition in general education and civic service, which constitute a key component of our students' learning experience. CUHK Faculty of Law ranked #27 and #49 worldwide in the Times Higher Education World University Rankings: Law subject in 2018 and 2019 respectively.

ABOUT TILBURG UNIVERSITY

It was the opinion of Tilburg University's founding father, Martinus Cobbenhagen, that those who want to understand society should be actively and consciously involved in it. Their focus areas are economics, business and entrepreneurship, social and behavioral sciences, law and public administration, the humanities and digital sciences, and theology. The Law School of Tilburg University has been ranked 18st in Law in Europe Times and 43th in Law worldwide of the Times Higher Education 2019 ranking.

OUTLINE AND QUESTIONS FOR THE COUNTRY REPORTS FOR THE EDITED VOLUME (RELATED TO THE FIRST CONFERENCE DAY):

Handbook on Shareholder Engagement and Voting: World's Major Markets in Perspective (tentative title)

Participation at the conference as well as inclusion in the Handbook will require timely submission of draft chapters, and commitment to a schedule for the completion of the manuscript over the months following the Conference. We expect each chapter to be 20-25 pages with an emphasis of section 3 in the chapter. A more specific style guide will be made available later. We will be able to confirm this in due course after we have had further discussions with the research handbook editor of a major publisher, which has already informally expressed interest in our project.

Section 1:

1. General and brief account of your jurisdiction's corporate law and corporate governance
 - 1.1 Allocation of corporate decision-making (role of the board, board structure)
 - 1.2 Shareholder vs board/managerial supremacy/ powers of the AGM
 - 1.3 Ownership structure
 - 1.4 *Other topics relevant to the specific country* (for example, identification of shareholders, promoters as shareholders or directors, other important corporate actors like employees)

Concrete questions:

1. *What is the board structure (single-board, dual-board, etc.) and what is the role and position of the board members (supervisory, management, non-executive, executive, etc.) in your country vis-à-vis the shareholders? In whose interest do board members need to act (shareholders (shareholder model), stakeholders (stakeholder model), other corporate actors, etc.)?*
2. *What are the matters the boards decide on? What are the matters the AGM decides on? Is there a clear demarcation of powers between boards and shareholders?*
3. *What is the typical ownership structure of a (listed) company in your country? Widely-dispersed or concentrated ownership structures are common?*
4. *What shareholder types are typically present in the company (institutional investors, families, employees, other companies using pyramid structures, the government, etc.)*
5. *Are there any other specifics for your country as regards the corporate law and corporate governance framework (the role of the state, the role of employees in corporate decision-making, etc.)?*

Section 2:

2. Legal means of shareholder engagement
 - 2.1 Shareholders right to call a meeting
 - 2.2 Shareholder proposal right
 - 2.3 Voting (OSOV, cumulative voting, slate etc.), majorities (quorum, veto-rights, etc, MOM (majority of minority) and special meetings and/or resolutions
 - 2.4 Questions and information requests rights
 - 2.5 *Other topics relevant to the specific country*

Concrete questions:

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1. What is the regular procedure for holding AGM (yearly meeting initiated by the board or otherwise) and how is the agenda set? What is the regular term for calling a meeting and how is it announced? (very brief)
 2. Does a shareholder has the right to call a shareholder meeting? Are there any legal requirements (procedural, ownership requirements, etc.) or other special rules? Do shareholders often make use of this right (and why)?
 3. Can shareholders add proposals to the agenda of a general meeting? Are there any legal requirements (procedural, ownership requirements, etc.) or other special rules? Do shareholders often make use of this right (and why)?
 4. What are the specifics concerning shareholder voting in your country in terms of i) one-share-one-vote principles and/or multiple share classes, loyalty shares, etc.; ii) special voting procedures including cumulative voting or slate voting?; special majorities, quorum requirements and Majority of Minority (MoM) rules?
 5. When are extraordinary meetings held and for what purpose(s)?
 6. Do shareholders have question rights or the right to request information during or prior to AGMs? How do these rights work in practice and are they (frequently) used by shareholders?
 7. Are there any other specifics for your country as regards the legal means for shareholder engagement?

Section 3:

3. Shareholder engagement and voting in practice
 - 3.1 Voting in practice
 - 3.1.1 Who votes and how?
 - 3.1.2 What issues are voted on (to be discussed how detailed: general issues and specific (example Chinese strategy vote or French Related party voting right)?
 - 3.1.3 Shareholder proposals and proxy fights?
 - 3.1.4 Who – individual vs institutional (pension fund, hedge fund, and so on)?
 - 3.2 The use of private, behind-the-scene engagement
 - 3.3 Other topics relevant to the specific country (for example, role of proxy advisory firms)

Concrete questions:

Note that we encourage to illustrate this part of the chapter with data (either quantitative, qualitative or illustrative, depending on what is accessible in your jurisdiction) of listed companies (either own data or taken from other studies, depending on availability and relevance).

1. How are votes cast? Are there different voting modes (including voting in person, proxy voting, remote voting, etc.)? Are their virtual or hybrid meetings (using technology) allowed to be organized (and is the mechanism used)?
2. What are regular resolutions that can be voted on? What are less regular or less common resolutions? What are resolutions that are typical for your jurisdiction?
3. Which resolutions are most controversial (i.e., usually receive larger dissent rates or are more often discussed) and which are more a formality (i.e., are usually passed, generally no discussion).
4. Are shareholder proposals often on the agenda, are they usually voted down or not and what topics do they cover? What about proxy fights?
5. Who votes? For instance, do retail shareholders (small shareholders) regularly exercise their voting rights? What are in general the voting rates in your jurisdiction?
6. In addition to the use of corporate voting, are there other forms of shareholder activism, including private, behind-the-scene engagement? Which shareholders have the opportunity to meet with board members or other relevant corporate representatives behind the scenes? Do they often use this engagement method? Do you have any practical examples or anecdotic evidence related to this type of engagement?
7. Are there any other specifics for your country as regards shareholder engagement and voting in practice?

Section 4:

4. Conclusion and discussion