PLENARY 2
Empowering Investors in an
Electronic Age

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Birgit Malmenstam-Skytt
Secretary
Swedish Shareholders Association
In Sweden the activist role is taken by the individual investors

1. Information
2. Internet
3. Education
4. Shareholders’ organisations
5. Corporate Governance
6. Company Law
7. Securities markets
8. Securities Commission
9. Taxation System
10. Auditors - questions at annual meetings
11. Equal voting power
12. Fights with listed companies

Enough information

Right investment decisions

1. Information

✓ Newspapers, Magazines
✓ Books
✓ Reuter and Bridge
✓ Radio, Television
✓ Classes
✓ Own research
✓ Financial Advisers

2. Internet

✓ People more “equal”
✓ The Electronic Age
✓ Annual Meetings in electronic form
✓ To choose a broker - right ethical standards
  - moderate fee

3. Many Shareholders in Association

✓ 650 000 Americans
✓ 200 000 French
✓ 140 000 Swedes
✓ Education for everyone?
4. Shareholders’ organisations

✓ Consulted by:
   companies
   the government
   for issues of shares

✓ Attend:
   most annual meetings
   to be able to influence decisions
   and make good contracts

✓ Work for a good cause

5. Corporate Governance

✓ OECD

✓ WFI

✓ Euroshareholders

✓ ICGN
   Link between corporate governance and performance
   Most important feature to ensure a fair and orderly securities market

6. Modern Company Law

✓ Help for the individual investors

7. Securities Market

✓ Fair and orderly to rely on

✓ Problems
   false faxes
   false pretexts
   false analyses
   leaks from Government boards

8. Securities Commissions

✓ Adequately staffed
✓ Have power
9. Taxation systems

✓ Understandable
✓ Decent - form K4B

10. Auditors

✓ Work for all shareholders
✓ Answer questions at Annual meetings

11. Equal voting power

✓ Individual investors will be empowered.

12. Fights with listed companies

✓ Volvo - Norway
✓ Volvo - Renault
✓ Pharmacia - Upjohn
✓ Astra - Zeneca

The Swedish Shareholders’ Association

- an example of a shareholders’ association

✓ Founded 1966
✓ 140 000 members, 150 local councils, 85 staff
✓ 1 100 meetings each year
✓ Monthly magazine (100 pages)
✓ Brave board with lawyers, corporate leaders, stock market specialists
✓ Strong Corporate Governance Principles
✓ Long Term “Golden Principles’’
✓ Education at all levels
✓ Own investment system, Internet broker
✓ Competition yearly with 50 000 participants
✓ Open mind to the press
✓ International work
✓ Special association for young people
✓ Books free of charge for the young