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Context and Post-Crisis Reforms: A Research Project Promoted by Emittenti Titoli S.p.A.  
Edited by Massimo Belcredi and Guido Ferrarini

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## BOARDS AND SHAREHOLDERS IN EUROPEAN LISTED COMPANIES

With contributions by distinguished scholars from legal and financial backgrounds, this collection of essays analyses four main topics in the corporate governance of European listed firms: (i) board structure, composition and functioning and their interaction with ownership structure; (ii) board remuneration; (iii) shareholder activism; and (iv) corporate governance disclosure based on the 'comply or explain' approach.

The authors provide new comparative evidence and analyse its implications for the policy debate. They challenge the conventional wisdom that corporate governance in European firms was systematically dysfunctional. While proposals aimed at increasing disclosure and accountability are usually well grounded, caution is suggested when bringing forward regulatory changes with respect to proposals targeting specific governance arrangements, especially in the fields of board composition and shareholder activism. They argue that the 'comply or explain' principle should be retained and that further efforts should be exercised to enhance disclosure.

MASSIMO BELCREDI is Professor of Corporate Finance at the Università Cattolica of Milan. He has written numerous books and articles in the fields of corporate finance, corporate governance, ownership and board structure, law and economics.

GUIDO FERRARINI is Professor of Business Law and Capital Markets Law at the University of Genoa, and Director of the Genoa Centre for Law and Finance. Among other important roles, he was an adviser to the Corporate Governance Committee of the Italian Stock Exchange. He has published widely on the topics of corporate governance, financial law, corporate law and business law.

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# BOARDS AND SHAREHOLDERS IN EUROPEAN LISTED COMPANIES

Facts, context and post-crisis reforms

*A research project promoted by Emittenti Titoli S.p.A.*

Edited by

MASSIMO BELCREDI

and

GUIDO FERRARINI

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## FOREWORD

The papers collected in this volume, written by a group of leading European scholars, are the result of a research project promoted by Emittenti Titoli.

In recent years, the academic debate focused on the relationship between corporate governance and the financial crisis. It is still unclear whether, and to what extent, dysfunctional corporate governance has contributed to the recent financial crisis. Nonetheless, a number of policy proposals have been put forward to redress the most obvious failures. In particular, the European Commission published two Green Papers, in 2010 and 2011, respectively, targeting corporate governance in financial institutions and remuneration policies and the EU corporate governance framework. In December 2012, on the basis of its reflection and of the results of previous consultations, the European Commission published an Action Plan outlining future initiatives in the areas of European company law and corporate governance.

This volume analyses four main topics in the corporate governance of European listed firms: (i) board structure and composition and their interaction with ownership structure; (ii) board remuneration; (iii) shareholder activism; and (iv) corporate governance disclosure based on the ‘comply or explain’ approach. For each of them, the authors provide new evidence and analyse its implications for the policy debate. In the main, they challenge the conventional wisdom that corporate governance in European firms was systematically dysfunctional and, therefore, they suggest caution in bringing forward regulatory changes. Basically, while proposals aimed at increasing disclosure and accountability are usually well-grounded, caution is needed with respect to proposals targeting specific governance arrangements (especially in the fields of board composition and shareholder activism). Similarly, they argue that the ‘comply or explain’ principle should be retained, but that further efforts should be exercised to enhance disclosure.

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Emittenti Titoli, a company promoted by Assonime, and whose capital is held by the most important Italian non-financial companies, is happy to offer the results of this research project to the international financial community in order to further stimulate the debate on corporate governance.

*Luigi Abete*  
*Chairman, Emittenti Titoli*

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