BETTER POLICIES FOR BETTER LIVES

Flexibility, proportionality and the role of self-regulation in corporate governance – trends and evidence

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Flexibility and proportionality in the G20/OECD Principles

- **Rules should be developed with a view to their impact on overall economic performance and market integrity.**
- **They should be flexible enough to meet the needs of corporations operating in widely different circumstances.**
- **They should allow for flexibility and proportionality. For example with respect to:**
    - **size**
    - **ownership and control structure**
    - **geographical presence**
    - **sectors of activity**
    - **the company's stage of development**

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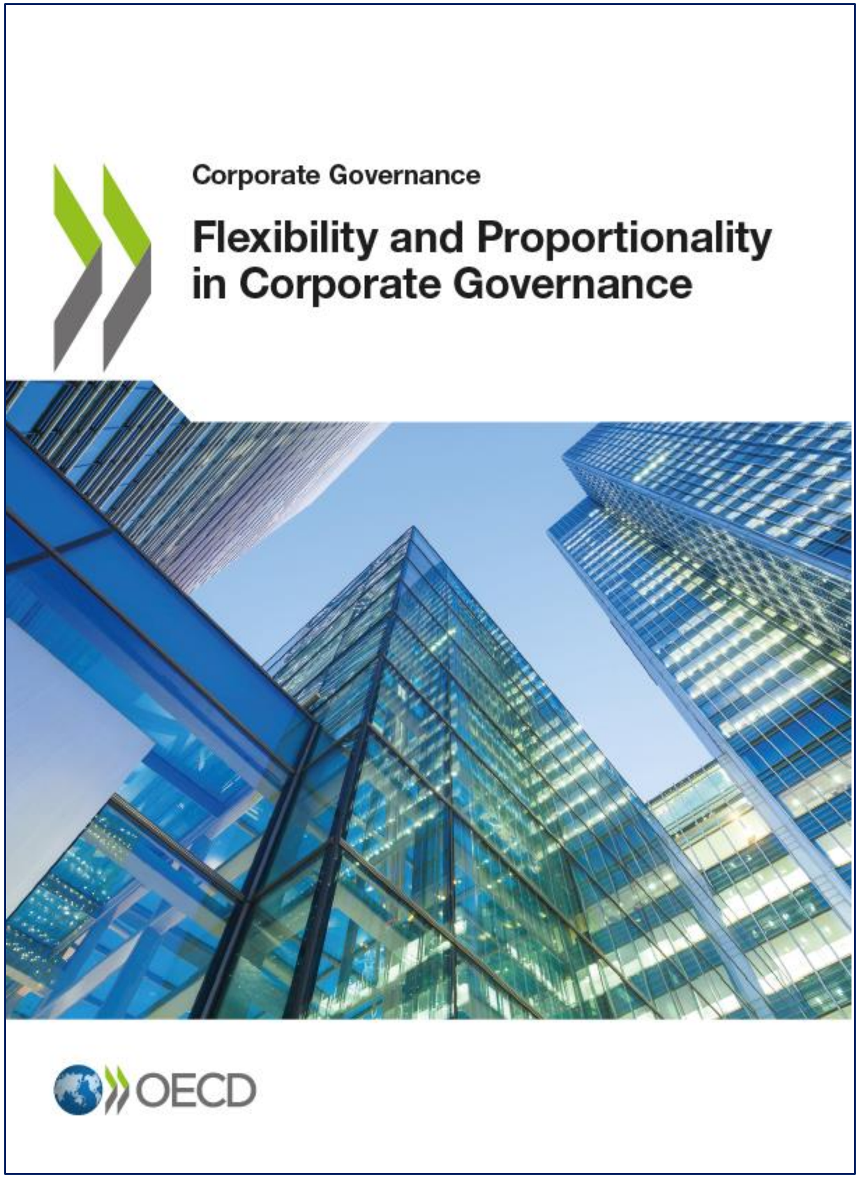
The OECD Reviews on Flexibility and Proportionality in Corporate Governance

39 countries, 7 policy areas:

- Board composition, board committees and board member qualifications
- Say on pay and disclosure of remuneration
- Related party transactions
- Disclosure of periodic and ad-hoc information
- Major shareholding disclosure
- Takeovers
- Pre-emptive rights



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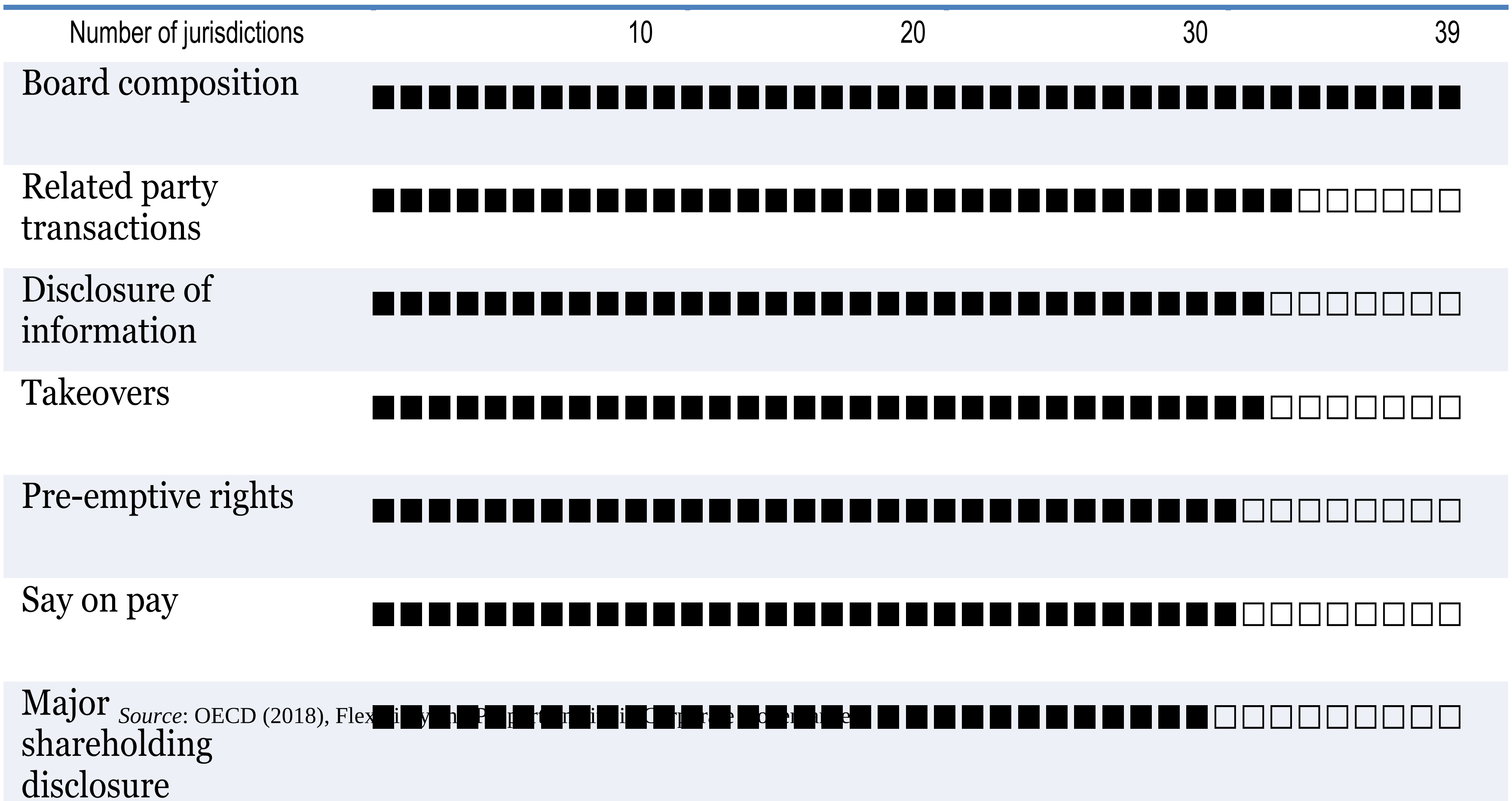
Survey results - 1

A vast majority of countries have criteria that allow for flexibility and proportionality at company level in all of the seven areas of regulation.



Survey results - 2

Company size and the listing status being the most common reasons for allowing flexibility and proportionality

	Board composition	Disclosure of information	Major shareholding disclosure	Pre-emptive rights	Related party transactions	Say on pay	Takeovers
Accounting standards	0	4	0	0	4	1	0
Maturity of firm	4	2	0	1	3	3	1
Ownership/ control structure	12	4	6	7	10	2	14
Legal form	16	7	5	9	6	9	6
Size	29	17	9	3	11	11	9
Listing/publicly traded	28	27	24	7	21	25	16

Thank you for your attention!