

Why double votes can make management twice as bad

Sarah Wilson

CEO Manifest Information Services Ltd

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Vincent Bolloré, chairman and largest shareholder of Vivendi, doubtless regards the outcome of the French media group's annual general meeting on April 17 which reinforced his unequal voting rights as a triumph. Each week brings an announcement that at another European company the management would like to render itself almost unaccountable to the owners by introducing some sort of weighted voting. While Italy has not weakened shareholders' rights quite as much as France, its listed companies are allowed to introduce "loyalty shares". So what has gone wrong? Quite simply, loss of trust. Wilson points out that while some investors have been exemplary in pursuing sustainable long-term value, many have conflicting motivations and this needs to be tackled. Making management unaccountable is not the answer she continues, particularly not if this democratic deficit is encouraged throughout the French economy by one of its biggest shareholders – France itself.

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