



But the shareholder system that underpins 21st-century capitalism will not survive if these institutions do not exercise their oversight role. Listed companies are going feral. A dangerous consequence of that is that too much of the profit growth — from harvesting earlier investment or retraining workers — is being directed to executive remuneration.

It's back to the old days of sorting things out behind closed doors

*Ann Crotty*

At MTN's AGM, 30% of shareholders voted against the remuneration implementation report. This was on the very low side, given the group's troubling tendency to throw money at its executives. Even more troubling was that only 0.001% of shareholders bothered to participate in the teleconference. What is that about?

Could it be that now that we are disclosing detailed AGM voting results, these institutions feel obliged to appear to be engaged and that voting against remuneration is the easiest way to do that? But participating in a teleconference with other shareholders? That's taking things a bit too far.

Even more chilling was MTN's comment that it had one-on-one (in other words private) conversations with its major shareholders to discuss remuneration. Essentially it's back to the old days of sorting things out behind closed doors.

Fortunately for all of us who care about the sustainability of the system, a company called Active Shareholder has been set up by people who are utterly frustrated by institutions' failure to engage with their corporate charges. Bishop Seoka chairs the company, which describes its purpose as helping socially responsible shareholders to exercise their company rights, not just on remuneration but on all issues relating to sustainability.

Active Shareholder's website contains details of its voting record, and an exceptionally useful facility allowing easy reference to the mind-numbingly dense remuneration and other reports that it analyses ahead of voting.

Because it thinks engagement is critical, it was part of the 0.001% that bothered last week to participate in the MTN teleconference.



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