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General Annual Meetings of Finnish Listed Companies

The purpose of this study is twofold. Firstly, my goal is to present a detailed and comprehensive overview of the annual meeting practice of Finnish listed companies in the years 1999–2004. I will use minutes of the general annual meetings of those listed companies that participated in the study as the main source of information. Secondly, I will use statistical measures to test dependency interrelations of financial success, ownership structure and annual meeting practice of the participant companies.

To the best of my knowledge this study in hand is the first extensive review of the annual general meetings of Finnish listed companies. Therefore, this study contributes to the research of corporate governance issues in Finland and it may also gain some interest among Finnish private investors.

The essential part of my research data consists of 315 minutes of general annual meetings of 56 participant companies in 1999–2004. Additionally, I have gathered ownership structure data and financial key figures of the participant companies from the company database

of Talouselämä-journal, Internet sites and annual reports of the participant companies.

Results show an increase in the number of shareholders attending to general annual meetings. Furthermore, a larger size of the company, a major concentration of the ownership of the voting rights, and a greater foreign and nominee registration ownership in the company decreases the number of shareholders participating in a general annual meeting in relation to the total number of shareholders of the company.

Results indicate that a poor historical financial performance of a company increases the proportion of votes given for a shareholder-initiated proposal in an annual meeting. Also, a larger size of the company, a bigger proportion of shareholders participating, a smaller proportion of voting rights taking part, and a smaller nominee registration ownership of a company increases the support given for a shareholder-initiated proposal.

Additionally, a larger size of a company, a major concentration of the ownership of the voting rights, and a larger proportion of shareholders taking part in a meeting increases the likelihood of an annual meeting event (i.e. voting, shareholder-initiated proposal, opposition or statement) to take place. A greater attendance of voting rights and a poor historical return on equity increase the likelihood of a shareholder-initiated proposal. A large nominee registration ownership in the company significantly increases the likelihood of a shareholder-initiated opposition. ■