

# SOE Network for Southern Africa

Maputo  
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Equitable treatment of non-  
Government shareholders

Lindie Engelbrecht  
Institute of Directors of South Africa





The Institute of Directors  
in Southern Africa



**OECD**

**The role of non-government  
shareholders in SOEs**

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# Modern shareholders

- Active communication is developing
- Balancing interests
- Appointment of directors
- Large transactions
- Alterations to the capital structure
- Changes in the articles



# Issues with SOEs

- Limited protection for minority shareholders
- State controls board composition
- Political and policy objectives contradict with minority interests
- Unclear ownership objectives
- Low levels of transparency and disclosure

# Key provisions and mechanisms

- PFMA silent
- Establishing legislation
- Shareholder agreements
- Companies Act 2008 – protection of minorities
- King III Code



# What shareholders want

- Board accountability
- Independent leadership
- Understand material developments
- Say on pay
- Take responsibility and change board if necessary
- Faith in ability of management

# ID What should shareholders do

- See themselves as owners and not just investors
- Not involved in day to day management
- Evaluate performance of board and individual directors
- Promote communication and transparency
- Effective rights and protection





# What SOEs should do

- Shareholder agreement to have board representation to vote en bloc
- Shareholders liaison forum



**Thank you**