

CAMPUS

CG shortcomings in the MDAX

Shareholder service provider Ivox, which in December 2009 for the first time produced a corporate-governance ranking of German firms, has now assessed the MDAX, using over 140 criteria. In general, transparency was found to be lacking here. Often there is no corporate governance report, remuneration is not always reported, and shareholders are seldom provided with information on background and activities of supervisory board members. But this was precisely what critical investors wanted. Only 14 out of 50 companies in the MDAX are therefore given a good corporate governance rating by Ivox. Chemicals group Lanxess takes first place here. The worst score was taken by real estate firm Gagfah of Luxembourg, almost everything about which was criticized. Hugo Boss and Südzucker (equal 48th) came second last, with criticisms of lack of independence on the supervisory board. While in the DAX five firms were accused of gross corporate governance flaws, 21 MDAX firms got a red card from Ivox.

AGM attendance up

The Deutsche Investor Relations Verband (DIRK) did its semi-annual survey of IR experts from Germany, Switzerland and Austria early this year. Over half the respondents in Germany rated the current situation as better than six months ago, and also expected improvements in the coming half year. While in DAX firms eleven people on average work in the Investor Relations division, in the MDAX the figure is three, and in the TECDAX and SDAX two each. Not much will change in this position: 92.3% indicated that the number of full-time posts would stay the same for the next six months. Respondents estimated the DAX would be between 4,500 and 7,500 points by the end of June 2010, the average being 6,150. As regards annual general meetings, AGM attendance in 2009 was between 60 and 80% at over 40% of firms. One in three of them had higher attendance, and another third was able to keep it steady. Shareholder attendance grew particularly strongly since 2005 in the DAX and TECDAX. So-called proxy solicitors play no part at all in Germany (63.4%). In the DAX, however, 38.5% of firms have contact. One in four firms puts the AGM in whole or in part onto the Internet; for DAX groups the figure is 77%. Around a fifth of firms stated they would in future also allow electronic voting.

NetFed
CORPORATE ONLINE SOLUTIONS

Online ordering for printed business reports

The Cologne agency NetFederation asked DAX, TECDAX and MDAX firms about their service for ordering business reports. On the whole they stated that the service had increased over the year. Of 110 firms surveyed, only eight supplied no business report upon request. Only one third of firms confirmed receipt of an order. Only 30 packaged their prestige product in such a way that it would be sure to reach the recipient undamaged.