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Tzu-Ting Chiu
Norwegian School of Economics

Xi Li
London School of Economics and Political Science and ECGI

Rusha Nandy
Norwegian School of Economics

Simone Traini
Norwegian School of Economics

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Abstract

This study examines the stock market reaction to voting intentions publicly disclosed by Norges Bank Investment Management (NBIM), the asset manager of the world's largest sovereign wealth fund, ahead of its portfolio firms' annual general meetings (AGMs). We categorize NBIM's voting intention as "dissent" when it disagrees with the management's vote recommendation for a proxy proposal at an upcoming AGM. We focus on proposals where NBIM's votes are most likely to influence outcomes—those that pass or fail by narrow margins. We find positive abnormal returns around the announcements of NBIM's dissent voting intentions, especially for portfolio firms with weaker corporate governance, larger NBIM ownership stakes, or proposals related to capital structure and board independence. These findings suggest that investors perceive dissent votes from an influential institutional shareholder as value-enhancing, particularly in situations where external monitoring is considered valuable. This study contributes to the ongoing discussion on enhancing transparency in institutional investors' voting practices.

Keywords: Voting Intention, Dissent Voting, Institutional Investors, Monitoring, Shareholder Activism, Transparency, Sovereign Wealth Fund

JEL Classifications: G30, G32, M40

Tzu-Ting Chiu
Associate Professor
Norwegian School of Economics
C817 Helleveien 30
5045 Bergen, Norway
e-mail: Tzu-Ting.Chiu@nhh.no

Xi Li
Associate Professor of Accounting
London School of Economics and Political Science
Houghton Street
London WC2A 2AE,, United Kingdom
phone: +44 (0)20 7405 7686
e-mail: xi.li@lse.ac.uk

Rusha Nandy*
Researcher
Norwegian School of Economics
C808 Helleveien 30
5045 Bergen, Norway
e-mail: Rusha.Nandy@nhh.no

Simone Traini
Associate Professor
Norwegian School of Economics
C811 Helleveien 30
5045 Bergen, Norway
e-mail: Simone.Traini@nhh.no

*Corresponding Author

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Tzu-Ting Chiu
Department of Accounting, Auditing and Law
NHH Norwegian School of Economics
tzu-ting.chiu@nhh.no

Xi Li
Department of Accounting
London School of Economics and Political Science
xi.li@lse.ac.uk

Rusha Nandy
Department of Accounting, Auditing and Law
NHH Norwegian School of Economics
rusha.nandy@nhh.no

Simone Traini
Department of Accounting, Auditing and Law
NHH Norwegian School of Economics
simone.traini@nhh.no

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1. Introduction

In recent years, the proxy voting process of asset managers has come under increasing scrutiny from regulators and other stakeholders due to concerns about insufficient transparency. In response, some large asset managers have begun *pre-disclosing* their voting intentions ahead of portfolio firms' annual general meetings (AGMs), particularly when they intend to vote against firm management.[1] The most prominent example is Norges Bank Investment Management (NBIM), the asset manager of the world's largest sovereign wealth fund (SWF)—Norway Government Pension Fund Global. With a globally diversified portfolio and long-term investment horizon, voting serves as an important tool for NBIM to exercise its influence as a shareholder. In 2021, NBIM elevated its voting practices by publicly disclosing voting intentions on its website five calendar days before *each* portfolio firm's AGM, covering *all* agenda items to be voted on. To date, NBIM remains the *only* institutional investor to pre-disclose its votes in a systematic and uniform manner. NBIM's consistent advance disclosures of voting intentions provide us with a unique setting to assess the value relevance of these disclosures and their impact on stock prices of portfolio firms.

The impact of NBIM's voting intention disclosures on portfolio firms' stock prices depends on whether and how investors revise their beliefs about voting outcomes and firm valuations, as well as their perceptions of NBIM's objectives behind its voting decisions. On one hand, long-term investors are often regarded as effective monitors of corporate governance (Chen, Harford, and Li [2007]). Given NBIM's long investment horizon, market participants may perceive it as an

[1] For example, in 2022, Neuberger Berman, a US asset manager, announced its voting intentions for 63 key votes and voted against management in 54% of them. In May 2022, Schroders, a UK asset manager, pre-declared its voting intentions a week in advance for 11 shareholder proposals against board recommendations at the AGMs of Alphabet, Amazon, and Meta. In May 2024, CalPERS and CalSTRS, the two largest public pension funds in the US, announced their intentions to vote against Exxon Mobil board members at its upcoming AGM, citing Exxon Mobil's legal action against activist investors.

active monitor capable of holding firms accountable to best practices. Consequently, investors might interpret NBIM's dissent votes as value-enhancing shareholder oversight, even when these votes may not necessarily alter the voting outcomes. Additionally, as a large, well-resourced fund manager, NBIM's voting intention disclosures can function as third-party proxy voting advice. Such dissent votes may positively impact market perceptions by increasing the likelihood of favorable voting outcomes (Alexander, Chen, Seppi, and Spatt [2010]).

On the other hand, if investors interpret NBIM's dissent as an indication of failed private engagements with firm management, they may respond negatively, especially when NBIM's votes are unlikely to change the outcomes due to its relatively small equity stakes in each portfolio firm (Gillan and Starks [2000]). Moreover, unlike conventional institutional investors, SWF managers may pursue not only financial goals but also socio-political objectives. NBIM's political agenda may compromise its effectiveness as a monitor and potentially harm firm value because the Norwegian government's political objectives may not always align with the goal of maximizing shareholder wealth (Bortolotti, Fotak, and Megginson [2015]).

Alternatively, market participants might not react at all if NBIM's dissent votes are predictable from its general voting guidelines or simply align with proxy advisor recommendations. Moreover, given the large number of proposals to be voted on at AGMs across all portfolio firms, some might question the informativeness of NBIM's voting intention disclosures, doubting how thoroughly NBIM can research each proposal given its available manpower and resources.[2] In addition, if the proposals on which NBIM votes against management are perceived as irrelevant to firm value, the market reaction could be minimal (Aggarwal, Litov, and Rajgopal [2024]).

[2] In the first half of 2024, NBIM voted on 90,449 proposals at 8,277 AGMs.

To assess the value relevance of NBIM's voting intentions, we focus on proxy proposals that are expected to be close-call—those later passing or failing by a small margin of ±5% at AGMs—for two main reasons. First, given NBIM's relatively small equity stakes in each portfolio firm, its voting intentions likely carry more weight when voting outcomes are more uncertain ex ante (Cuñat, Gine, and Guadalupe [2012]). Second, because of the large volume of proposals to be voted on annually, NBIM is likely to focus its attention and research efforts on important and contentious proposals (Hu, Malenko, and Zytnick [2024]). Therefore, NBIM's voting intentions on close-call proposals are likely to be the most informative.

We calculate cumulative abnormal returns (CAR) for three days around the disclosure date of NBIM's voting intentions for proposals to be voted on at each portfolio firm's AGM. Our sample consists of voting intention disclosures for 703 close-call proxy proposals to be voted on at 542 AGMs between 2021 and 2023. We define a voting intention as "dissent" when NBIM disagrees with the management's vote recommendation. Our sample includes 230 dissent and 473 non-dissent voting intention disclosures. We document an average three-day CAR of 0.62% to 1.56% around dissent voting intention disclosures and an insignificant three-day CAR around non-dissent voting intention disclosures. These results remain robust when CAR is calculated using alternative event windows or when the analysis is conducted at the meeting level rather than the proposal level. We also find that the positive market reaction strengthens when we lower the close-call threshold, as well as for portfolio firms where NBIM holds at least 1% of the shares. In contrast, the market reaction becomes muted when we expand the close-call threshold to ±7% or when NBIM holds less than 1% of the shares in these firms. These results suggest that NBIM's dissent votes are viewed positively by market participants, particularly when its votes are more likely to influence voting outcomes and/or convey more information.

We next investigate whether the positive market reaction varies with portfolio firms' corporate governance. We measure country-level governance using the rule of law, legal origin, and investor protection in portfolio firms' home countries and firm-level governance using board independence and block holdings. We find that the positive market reaction is more pronounced among portfolio firms with weaker governance at both the country and firm levels. These findings suggest that market participants view NBIM's dissent voting as particularly value-enhancing when portfolio firms are more likely to benefit from external monitoring.

We also analyze variations in the topics of proxy proposals and find that positive market reactions are more pronounced when NBIM opposes management proposals, especially those related to firm capitalization or investment, or when NBIM supports shareholder proposals aimed at enhancing board independence. These findings support the view that market participants interpret NBIM's dissent votes as a form of value-enhancing governance, especially in situations where shareholders may be vulnerable to potential expropriation or inadequate monitoring. The results also align with the view that NBIM, as a long-horizon investor, is particularly effective at monitoring portfolio firms' decisions with long-term impacts (Godsell [2024]).

Furthermore, we examine the determinants of NBIM's dissenting votes using both the close-call sample and the full sample, which includes both close-call and non-close-call proposals. We find that NBIM is more likely to cast dissent votes when portfolio firms suffer from poor performance and a weak governance structure. These findings are consistent with the view that NBIM uses dissent votes to express concerns about shareholder expropriation (Iliev, Lins, Miller, and Roth [2015]). We also find that NBIM's dissent votes seem to be aligned with proxy advisor recommendations. However, firm characteristics and proxy advisor recommendations explain only a small portion of these votes, suggesting that market participants are unlikely to fully anticipate

NBIM's dissent votes ex ante. These findings support our inference that NBIM's dissent voting intention disclosures provide incremental information to market participants.

Our study contributes to the literature on shareholder activism, particularly in the context of shareholder voting. Unlike prior research, which primarily focuses on *ex post* voting outcomes (Cuñat, Gine, and Guadalupe [2012], Ertimur, Ferri, and Oesch [2018], Aggarwal, Dahiya, and Yilmaz [2024], Michaely, Rubio, and Yi [2024]), our study is among the first to examine *ex ante* voting intentions. A universal owner's voting intention disclosures could be seen as a new form of shareholder activism, different from other types of public engagements, such as "Dear CEO" letters (Pawliczek, Skinner, and Wellman [2021]), expectation documents (Aguilera, Bermejo, Capapé, and Cuñat [2021]), and vote-no campaigns (e.g., Del Guercio, Seery, and Woidtke [2008], Ertimur, Ferri, and Muslu [2011]). Our evidence suggests that a universal owner's disclosure of voting intentions ahead of AGMs may provide value-relevant information to other market participants.

Our study also adds to the ongoing debate on enhancing transparency in institutional investors' voting practices through the pre-declaration of votes. In recent years, the growing emphasis on investment stewardship has led to an increasing trend of fund managers publicly disclosing their votes. Evidence suggests that mandatory disclosures of voting records encourage greater shareholder voting, thereby promoting enhanced monitoring and engagement (Li and Yoon [2024]). Unlike post-AGM disclosures, pre-declaring voting intentions, especially dissent votes, can facilitate shareholder coordination and increase pressure on management. The United Nations (UN) Principles for Responsible Investment (PRI), the world's largest investor initiative advocating responsible investment, endorses the pre-declaration of voting intentions as a sound

practice to enhance transparency and foster collaboration within the investment community.[3] However, some fund managers have faced criticism for failing to disclose votes against management recommendations in advance,[4] while others have expressed concerns that US SEC rules may classify certain pre-disclosures as formal proxy solicitations, potentially exposing them to legal liability.[5] Our findings provide timely insights into this debate by documenting the capital market effects of vote pre-disclosures.

Lastly, our study contributes to the literature on SWFs, which remain relatively understudied in accounting (Godsell [2022, 2024]). Prior research has primarily focused on the impact of SWF investments on firm value (e.g., Dewenter, Han, and Malatesta [2010], Kotter and Lel [2011], Bortolotti, Fotak, and Megginson [2015]). These studies document positive market reactions to announcements of SWF investments and divestments, though evidence on the long-term effects of SWF investments on firm performance is mixed (see Megginson, Malik, and Zhou [2023] for a review). Our study differs by examining market reactions to SWF voting intention announcements rather than investment announcements. Our findings provide evidence of the mechanisms through which SWFs create value, namely through shareholder voting. However, we caution that NBIM's unique governance structure, investment strategy, and high-level

[3] The UN PRI states that "This vote declaration tool aims to increase transparency and collaboration across the industry (in line with the PRI's Principles two and six) by providing investors with the ability to share their own voting intentions with peers; gain insights into how peers are implementing their responsible investment activities through their voting on shareholder resolutions; and by providing asset owners with the ability to monitor how their investment managers intend to vote on upcoming proposals." See https://www.unpri.org/stewardship/voting/6269.article.

[4] For example, the chief executive of Berkshire Hathaway, Warren Buffett, was criticized by his shareholders for not revealing his intention to abstain the vote on Coca-Cola's proposal of the executive bonus plan before Coca-Cola's AGM in 2014.

[5] In BlackRock's 2024 investment stewardship report, it stated that "BIS does not disclose our vote intentions in advance of shareholder meetings as we do not see it as our role to influence other investors' proxy voting decisions." Additionally, conversations with staff in the stewardship department at another major asset manager indicate that US funds are generally reluctant to disclose information voluntarily, citing concerns that such disclosures might be interpreted by the SEC as "acting in concert."

transparency distinguish it from other SWF managers. As such, our findings based on NBIM's voting intention disclosures may not be generalizable to other SWFs.

2. Institutional background, relevant literature, and hypothesis development

2.1. Institutional background

In 1998, Norges Bank (the Central Bank of Norway) established NBIM to manage the Norwegian SWF, formally known as the Government Pension Fund Global (commonly referred to as the Oil Fund). As the largest SWF in the world, the Norwegian SWF was established in 1990 to ensure responsible and long-term management of income derived from Norway's oil and gas resources, safeguarding wealth for both current and future generations.[6] As of the end of the first half of 2024, NBIM's market value was approximately 1.67 trillion US dollars. The fund invests globally across asset classes, including equities, bonds, real estate, and renewable energy infrastructure, with equity investments accounting for 72% of its portfolio. Known as a universal owner, it holds shares in approximately 9,000 companies across more than 70 countries, representing about 1.5% of all listed firms worldwide.

NBIM is a large institutional investor with a long-term, global investment strategy. It employs the FTSE Global Cap Index as its benchmark while incorporating active elements into its strategy. This approach allows for deviations from the benchmark index by including, excluding, overweighting, or underweighting firms in its portfolio. For instance, NBIM may divest from companies that pose significant environmental, social, and governance (ESG) risks or those that

[6] See the rankings of SWFs by assets under management at https://www.swfinstitute.org/fund-rankings/sovereign-wealth-fund.

do not align with its ethical guidelines.[7] Therefore, NBIM considers its investment strategy neither strictly active nor passive.[8]

As a SWF manager, NBIM benefits from the absence of explicit liabilities, a long-term investment horizon, and minimal need for short-term liquidity. However, NBIM has several unique characteristics that distinguish it from other SWF managers. First, while many SWF managers take large equity positions in portfolio companies, particularly domestic ones, and often monitor them through private engagements, NBIM does not invest in domestic companies and holds relatively small equity stakes in each portfolio company (Dewenter, Han, and Malatesta [2010]). As a result, voting is its primary tool to exercise monitoring and wield influence. Second, NBIM is highly independent from the sponsoring government and well-insulated from political interference. The Norwegian SWF is widely regarded as the most professionally managed and most transparent SWF (Ang, Goetzmann, and Schaefer [2009], Caner and Grennes [2010], Bortolotti, Fotak, and Megginson [2015], Vasudeva, Nachum, and Say [2018]). Consequently, compared to other SWF managers, NBIM is less likely to expropriate minority shareholders or use its investments to achieve political agenda or fulfill social needs (Kotter and Lel [2011]).

During the early years from 1998 to 2000, NBIM delegated its shareholder voting responsibilities to external fund managers, resulting in limited insights into the voting decisions made by these managers on its behalf. In 2001, NBIM started requesting reports on how these external managers had voted. Since then, NBIM has internalized its voting decisions and implemented measures to enhance the transparency of its voting practices. In 2015, for the first time, NBIM announced its voting intentions ahead of the AGMs of BP and Shell, supporting

[7] See NBIM's risk-based divestments at https://www.nbim.no/en/responsible-investment/divesting-from-companies/ and ethical exclusions at https://www.nbim.no/en/responsible-investment/ethical-exclusions/.
[8] See NBIM's investment strategy at https://www.nbim.no/en/the-fund/how-we-invest/investment-strategy/.

shareholder proposals on climate reporting. To further improve voting transparency, starting in January 2021, NBIM began publishing its voting intentions for *all* agenda items *five calendar days* before the AGMs of *all* its portfolio companies, wherever feasible.[9] This initiative is viewed as substantially amplifying NBIM's influence on corporate governance issues, positioning it as a significant institutional shareholder on the global stage.[10] Appendix 1 presents an example of NBIM's voting intention disclosure, illustrating how NBIM intended to vote on proxy proposals at Wacker Neuson's AGM on June 3, 2022. In cases where NBIM disagrees with management recommendations, it provides voting rationales along with references to its own voting guidelines.

To date, NBIM remains the *sole* institutional shareholder that uniformly discloses voting intentions of *all* agenda items before the AGMs of *all* companies in its portfolio.[11] NBIM's consistent disclosure practice enables us to attribute the observed price reactions to the content of the disclosure, mitigating concerns about self-selection bias (i.e., the possibility of a fund manager disclosing voting intentions only when anticipating a positive market response).

2.2. Relevant literature and hypothesis development

Proxy voting represents a form of shareholder activism that is cost-efficient, especially for shareholders with relatively small equity stakes (Ferri [2012]). Dissent voting serves as a conduit through which shareholders express their concerns about potential expropriation (Iliev, Lins, Miller, and Roth [2015]). However, it is ex ante unclear whether and how the stock market would react to dissent voting intentions disclosed by a SWF manager like NBIM. We argue that the

[9] See the mention of this initiative at https://www.norges-bank.no/globalassets/upload/om-norges-bank/klima/nb-sustainability-and-corporate-social-responsibility-2021.pdf. Our conversations with NBIM's staff confirmed that instances in which NBIM did not disclose voting intentions ahead of AGMs were very rare. These cases typically occurred when portfolio firms canceled or postponed their AGMs on short notice.

[10] https://boardagenda.com/2020/12/15/nbim-set-to-publish-voting-intentions-five-days-before-company-agms/

[11] In January 2024, Neuberger Berman launched a proxy voting initiative to publicly disclose its voting intentions for 25 key AGMs, while other institutional investors typically pre-disclose their voting intentions in an ad hoc and unsystematic manner.

market reaction largely depends on whether and how market participants revise their beliefs about voting outcomes and firm valuations, as well as how they perceive NBIM's objectives behind its dissent votes.

As a well-resourced, long-term-oriented SWF manager with a global presence, NBIM likely possesses superior insights into its portfolio firms and their host countries. This informational advantage arises from conducting in-house research, purchasing external services, and gaining access to firm management as well as local governments and regulators (Dewenter, Han, and Malatesta [2010], Vasudeva, Nachum, and Say [2018]).[12] NBIM's investment decisions thus likely convey value-relevant information to other investors, particularly those without the capacity for independent research or access to local markets.[13] Consistent with this view, prior studies document significant market reactions to SWF investment and divestment announcements (Dewenter, Han, and Malatesta [2010], Kotter and Lel [2011], Bortolotti, Fotak, and Megginson [2015]).

Research suggests that long-term investors serve as an effective corporate governance mechanism (Bushee [1998]). Given NBIM's extended (often intergenerational) investment horizon, market participants likely perceive NBIM as an influential corporate governance agent with a positive impact on firm value. Supporting this argument, recent evidence from Godsell [2024] shows that SWF investments are positively associated with improved investment efficiency in portfolio firms.

[12] In 2023, NBIM had 654 employees from 37 countries with offices in Oslo, London, New York, and Singapore. It also hires a number of external service providers. See https://www.nbim.no/en/organisation/about-us/external-service-providers-/.

[13] Anecdotal evidence suggests that many investors closely monitor NBIM's investment decisions, especially the list of companies it excludes from its portfolio due to governance concerns. See https://www.ft.com/content/ddb6feb2-1e15-11e4-bb68-00144feabdc0 and https://www.ft.com/content/a5a85856-1e2c-11e4-bb68-00144feabdc0.

As the asset manager of the world's largest SWF, NBIM's actions are often exemplary, and its public statements tend to receive considerable media coverage.[14] To some extent, NBIM's voting intention disclosures can be viewed as a form of third-party proxy voting advice, which could affect other shareholders' voting decisions. Consistent with this view, Fahlenbrach, Rudolf, and Wegerich [2024] document an increase in the percentage of shares voted against proposals following NBIM's dissent voting intention disclosures. Such proxy voting advice can lead to positive market reactions if it increases the probability of favorable voting outcomes, outcome-contingent valuations, or a combination of both (Alexander, Chen, Seppi, and Spatt [2010]).[15] In line with this argument, Brochet, Ferri, and Miller [2021] find positive abnormal stock returns prior to contentious AGMs, where a significant number of shareholders are expected to vote against management recommendations. Similarly, Cuñat, Gine, and Guadalupe [2012] find that passing close-call shareholder proposals on governance issues leads to significant positive abnormal returns.

Even if NBIM's dissent votes do not change voting outcomes, stock market participants may still perceive them as value-enhancing shareholder activism. Consistent with this view, Ertimur, Ferri, and Oesch [2018] find that dissent votes in uncontested director elections rarely lead to director turnover but often prompt firms to address the underlying issues that concern shareholders. Similarly, Michaely, Rubio, and Yi [2024] show that high dissent votes on board

[14] For example, on June 8, 2024, NBIM posted on its website that it was going to vote against Elon Musk's $56 million pay package at Tesla's forthcoming AGM on June 13. This announcement was covered by worldwide news outlets within the next two calendar days, including Morningstar, Reuters, Bloomberg, and many others. Similarly, on May 24, 2024, when NBIM announced its dissent voting intention for ExxonMobil's director Joseph Hooley at the upcoming AGM on May 29, this announcement was widely reported by several media outlets.

[15] Using a sample of board-related proxy contests, Alexander, Chen, Seppi, and Spatt [2010] find that pro-dissident (pro-management) recommendations by ISS lead to a significant (insignificant) average nine-day CAR of 3.76% (-0.56%). This result suggests that the market perceives ISS's vote recommendations that favor dissidents over incumbent management as positive news.

diversity, director tenure, and director busyness tend to result in subsequent board composition changes.

In contrast, if investors perceive NBIM's dissent votes as indicative of poor corporate governance or signaling unsuccessful private engagements, they may react negatively to the dissent voting intentions, especially when their influence on the voting outcomes is limited.[16] Aligning with this perspective, Gillan and Starks [2000] observe negative stock price reactions to shareholder proposals sponsored by institutions or coordinated groups in proxy statements, suggesting that investors may perceive such proposals as signs of management's unwillingness to engage in dialogue with these shareholders.

Note that, as a SWF manager, NBIM pursues not only financial goals but also political objectives (Aguilera, Capapé, and Santiso [2016]). When SWF managers pursue both financial and political objectives, their attention is divided among multiple goals, potentially undermining the effectiveness of their monitoring efforts (Godsell [2024]). NBIM's primary objective is to maximize the welfare of its ultimate stakeholder, i.e., the people of Norway, and to promote Norwegian public policy, which might not always align with the interests of firm management or other shareholders (Backer [2013]). If NBIM's dissent votes are not considered beneficial to shareholder value, they could lead to a negative stock price reaction. Consistent with the argument that SWFs' political objectives may impair their monitoring role, Bortolotti, Fotak, and Megginson [2015] find a discount in firm valuation associated with SWF equity investments. Likewise, Godsell [2022] documents an increase in financial reporting opacity of portfolio firms following SWF investments.

[16] Carine Smith Ihenacho, Chief Governance and Compliance Officer at NBIM, said that "… Before we decide on how to vote, we have internal discussions, we look at external data, and *we talk to the companies* …" in the video published on NBIM's website explaining its voting practices.

Alternatively, it is possible that investors may not respond to NBIM's voting intention disclosures if its voting pattern is predictable. Like many asset managers, NBIM publishes its voting guidelines on its website, claiming that these principles govern its voting behavior.[17] Prior research suggests that shareholder votes largely follow proxy advisor recommendations (e.g., Cai, Garner, and Walkling [2009], Ertimur, Ferri, and Oesch [2013]). NBIM uses Institutional Shareholder Services (ISS), the largest proxy advisory firm, for voting-related research and recommendations.[18] If market participants can predict NBIM's votes based on its voting guidelines or ISS's vote recommendations, its voting intention disclosures may offer limited new information. Furthermore, NBIM votes on more than 120,000 proposals at over 12,000 AGMs each year. This large volume of proposals raises concerns about the extent of research that NBIM can conduct on each one and hence the informativeness of its voting intention disclosures.

Lastly, market reactions to NBIM's voting intention disclosures might be negligible if other shareholders perceive the proposals being voted against by NBIM as value-irrelevant. Supporting this view, Aggarwal, Litov, and Rajgopal [2024] document that when the Big Three asset managers (BlackRock, Vanguard, and State Street Global Advisors) engage with portfolio firms, the targeted firms experience only transitory and minimal negative abnormal returns when these engagements are reported. This finding suggests that investors view these engagements as neither effective nor value-enhancing. Similarly, Ertimur, Ferri, and Oesch [2013] find that even when firms modify compensation plans in response to shareholder dissent on say-on-pay proposals, there is no market reaction to the announcement of such changes. Ertimur, Ferri, and Oesch [2018] further show that the issues that shareholders focus on when casting dissent votes are unrelated to firm value.

[17] NBIM's voting guidelines are available at https://www.nbim.no/en/responsible-investment/voting/our-voting-records/voting-guidelines/.

[18] NBIM asserts that ISS's vote recommendations are based on a bespoke voting policy set by NBIM. See https://www.nbim.no/en/organisation/about-us/external-service-providers-/.

Ultimately, it is an empirical question whether and how the stock market reacts to NBIM's dissent voting intention disclosures.

3. Research design

3.1. Event study methodology

To capture investors' perceptions of voting intentions disclosed by NBIM prior to its portfolio firms' AGMs, we use the event study methodology. The event date is the date when NBIM publishes its voting intentions, i.e., five calendar days ahead of the AGM date. In cases where voting intentions are published on a non-trading day, we use the previous trading day as Day 0. The event window [-1, +1] spans three trading days surrounding the event date. There are two primary reasons for focusing on a three-day event window. First, the precise timing of NBIM's voting intention disclosures is unavailable, making it difficult to determine when the information becomes publicly accessible and tradable, particularly for portfolio firms listed on stock exchanges across different time zones. Second, in approximately half of the sample, the disclosure date, calculated as five calendar days before the AGM, falls on a weekend. In such cases, it is unclear whether NBIM discloses its voting intentions just before, after, or exactly during the weekend. A three-day window accounts for these scenarios. Nevertheless, in the robustness analysis presented in Section 4.5, we use alternative event windows to assess whether market reactions vary across different timeframes.

We calculate the cumulative abnormal return (CAR) as the sum of the daily firm returns minus the local market returns over the three-day event window.[19] Figure 1 illustrates the timeline

[19] For each firm, we retain the primary listing and adjust the price and dividend data for stock splits when calculating daily returns. Additionally, we follow the procedure outlined by Griffin, Kelly, and Nardari [2010] to correct for potential data errors.

of NBIM's voting intention disclosures and the event window used to capture the market reaction to these disclosures.

3.2. Regression model

To examine the market reaction to NBIM's voting intention disclosures, we estimate the following regression at the proposal level: [20]

$$CAR = \alpha_1 Dissent + \alpha_2 Non\text{-}Dissent + \alpha_k Controls + \varepsilon \quad (1)$$

where *CAR* is the three-day market-adjusted CAR. *Dissent* (*Non-Dissent*) is an indicator variable equal to one when NBIM disagrees (agrees) with the management's vote recommendation for a proxy proposal to be voted on at the AGM, and zero otherwise.[21] The intercept is suppressed in the regression. We estimate the regression both with and without control variables for firm size (*Size*) and book-to-market ratio (*Book-to-Market*). In the regression without control variables, the coefficients on *Dissent* and *Non-Dissent* represent the average CAR for dissent and non-dissent voting intention disclosures, as in the univariate analysis. We winsorize all continuous variables at the 1st and 99th percentiles and correct standard errors for heteroskedasticity.

3.3. Sample and data

Our initial sample consists of NBIM's voting intention disclosures for proxy proposals to be voted on at its portfolio firms' AGMs held between January 2021 and December 2023. We collect data on NBIM's voting intentions from its official website.[22] Our sample period begins in January 2021, as this is when NBIM started publishing its voting intentions five days prior to

[20] Conducting analysis at the proposal level allows us to explore the variation in proposal topics. We alternatively conduct analysis at the meeting level and discuss the results in Section 4.4.
[21] It is important to note that management almost always recommends voting against shareholder-sponsored proposals and voting for management-sponsored proposals. In our sample, there are only five instances where management recommends otherwise, i.e., voting for shareholder-sponsored proposals or voting against management-sponsored proposals. Our results remain unchanged when these five cases are excluded from the sample (untabulated).
[22] NBIM's voting intentions and past voting records are published at https://www.nbim.no/en/responsible-investment/voting/our-voting-records/.

AGMs of all its portfolio firms. Additionally, we obtain voting results data from ISS Voting Analytics, financial data from Compustat North America and Compustat Global, stock price data from Compustat Security Daily, Datastream, and WRDS World Indices, board data from BoardEx, and institutional ownership data from FactSet.

Panel A of Table 1 details our sample selection procedure. Our initial sample consists of 301,182 proxy proposals to be voted on at the AGMs of 9,927 firms. We exclude 49,474 proposals due to missing data in ISS Voting Analytics and further eliminate 67,543 proposals lacking stock price data. Additionally, 2,611 proposals are removed where management recommendations or NBIM voting intentions are either withheld or abstained.[23] As described above, our baseline market reaction analysis focuses on close-call proposals, defined as those with a vote margin of ±5% around the required threshold for passage.[24] In subsequent analyses, we adjust this margin to examine whether market reactions vary. Restricting the sample to close-call proposals results in 713 proposals, and we further exclude 10 observations with missing values for control variables. Finally, our sample for the baseline market reaction analysis consists of 703 close-call proposals.

Panels B and C of Table 1 present the distribution of close-call proposals in our sample by AGM year and country of the portfolio firm. Close-call proposals, along with NBIM's voting intention disclosures, are spread across 28 countries, with the US accounting for 40.4% of the sample, followed by India (8.5%) and France (7.7%). The proportion of NBIM's dissent voting intentions in close-call proposals is relatively high in Turkey (3 out of 3), France (40 out of 54),

[23] In cases of withheld or abstained votes, NBIM's voting intention to agree or disagree with management is less clear-cut. In an untabulated analysis, we alternatively categorize cases where NBIM's voting intention is withheld or abstained as dissent and obtain similar results.

[24] ISS data provides the required threshold for approving each proposal. In our sample, most proposals require more than 50% of supporting votes to pass.

and Italy (7 out of 12). Overall, in our sample, NBIM casts dissent votes on 230 out of 703 close-call proposals at 542 AGMs of 481 unique firms.[25]

3.4. Descriptive statistics

Table 2, Panel A provides the distribution and the mean values of CAR for close-call proposals in our sample by topic and sponsor type. We follow the ISS voting guidelines and classify proposal topics as (1) board other, (2) capital, (3) compensation, (4) director elections, (5) environmental and social, (6) shareholder rights, and (7) routine and audit.[26] Examples for each proposal topic are presented in Appendix 2.

We find that NBIM's dissent voting intentions for close-call proposals on capital-related topics generate an average CAR of 2.4%, while non-dissent voting intentions for these proposals exhibit a muted effect. The difference in the mean CAR is statistically significant between dissent and non-dissent capital-related proposals (p-value < 0.001). Capital-related proposals typically refer to management proposals addressing financing and investment issues, such as equity issuances and related party transactions. Given the long-term implications of these decisions, institutional investors with extended investment horizons are likely to scrutinize them carefully to prevent actions that could harm existing shareholders or diminish the firm's long-term value. This scrutiny may explain the observed positive and significant abnormal returns when NBIM discloses dissent voting intentions on capital-related proposals.

Additionally, we observe that NBIM's dissent voting intentions on other board-related proposals generate a positive market reaction, although the sample size is relatively small. A closer

[25] The number of AGMs exceeds the number of firms in our sample because some firms have close-call proposals in multiple AGMs.

[26] See the definition of each topic in the ISS voting guidelines at https://www.issgovernance.com/file/policy/active/americas/US-Voting-Guidelines.pdf?v=1. We distinguish director elections from other board-related topics because prior literature has examined director elections separately (e.g., Fischer, Gramlich, Miller, and White [2009], Ertimur, Ferri, and Oesch [2018], Aggarwal, Dahiya, and Prabhala [2019]).

examination of these proposals reveals that the reactions are primarily driven by cases when NIBM supports shareholder-sponsored proposals requesting an independent board chair or the separation of the chairperson and CEO roles.[27] For example, NBIM states its rationale for the dissent vote as "the board should exercise objective judgement on corporate affairs and be able to make decisions independently of management. The roles of chairperson and CEO should not be held by the same individual." The positive market reaction suggests that market participants concur with NBIM's opinion, recognizing that in these cases, separating the roles of CEO and chairperson enhances the board's effectiveness in monitoring management.[28]

Interestingly, we find positive and significant abnormal returns for NBIM's non-dissent voting intentions for director election proposals. One possible explanation is that investors may view NBIM's support of director elections as a sign of approval, especially when the elections are contentious. A lack of market reaction to NBIM's dissent votes on other proposal topics suggests that it is unclear ex ante whether disagreeing with management on certain topics would enhance shareholder value.[29]

In Table 2, Panel B, we categorize proposals based on whether they are sponsored by management or shareholders. Unsurprisingly, the majority of the proposals are management-sponsored, for which management's vote recommendation is almost always for. The average CAR is 0.8% for management proposals with NBIM's dissent, which is significantly higher than that for proposals without NBIM's dissent (p-value = 0.026). However, we do not observe significant

[27] Since management almost always recommends voting against shareholder-sponsored proposals, dissent voting on these proposals means supporting them.

[28] Note that the evidence on the association between CEO-Chairman duality and firm value is inconclusive in the literature (e.g., Brickley, Coles, and Jarrell [1997], Gillan [2006], Krause, Semadeni, and Cannella Jr [2014]).

[29] For example, it is unclear whether disapproving executive compensation (compensation proposals), supporting the adoption of environmental targets (environmental proposals), or opposing management proposals requesting amendments to the articles of association (shareholder rights proposals) would unequivocally enhance shareholder value.

abnormal returns for shareholder-sponsored proposals, despite the average CAR being positive for those supported by NBIM. The majority of these cases involve supporting shareholder-sponsored environmental and social proposals. As discussed earlier, it is unclear ex ante whether supporting these proposals would enhance shareholder value. Taken together, these findings suggest that NBIM's dissent votes are likely aimed at curbing management's deviation from best corporate practices.

In Table 3, Panel A, we report the descriptive statistics on the variables used in our main analysis. The three-day CAR for the event window [-1, +1] is 0.22 % on average (with a median of 0.29%). *Dissent* has a mean of 0.33, indicating that NBIM's dissent voting intentions account for 33% of the close-call proposals in our sample. Panel B of Table 3 presents the Pearson correlations between these variables. We find that *CAR* is positively and significantly correlated with *Dissent*, which suggests a positive market reaction associated with dissent voting intentions. We also find that *Dissent* is positively correlated with *Size* but is negatively correlated with *Book-to-Market*. This finding suggests that NBIM is more likely to vote against management recommendations for firms with larger size and greater growth potential. We explore the determinants of NBIM's dissent votes in Section 4.3.

4. Results

4.1. Main analysis

We estimate the regression model in Eq. (1) with and without control variables and report the results in Table 4. In Panel A, we find a positive and significant coefficient on *Dissent* in Column (1), meaning that the average three-day CAR to NBIM's dissent voting intention disclosures is 0.624%. In comparison, the coefficient on *Non-Dissent* is positive but statistically

insignificant. In Column (2), we find that the coefficient on *Dissent* increases to 1.56% after controlling for firm characteristics. The coefficient on *Dissent* is significantly greater than that on *Non-Dissent* in both Columns (1) and (2) (*p*-value = 0.030 in Column (1) and *p*-value = 0.041 in Column (2)), indicating that the stock market reacts more positively to NBIM's dissent voting intention disclosures compared to non-dissent voting intention disclosures. The magnitude of the coefficient is comparable to that of the market reaction to SWF investment announcements documented in prior literature. Specifically, Dewenter, Han, and Malatesta [2010] document an average three-day CAR of 1.5%, Kotter and Lel [2011] document an average CAR of 2.2%, and Bortolotti, Fotak, and Megginson [2015] document an average CAR of 0.84%.[30]

In our main analysis, we classify proposals with a vote margin of ±5% around the required threshold for passage as close-call proposals. In Table 4, Panel B, we report the results of adjusting this margin by either tightening or relaxing it. As we progressively relax the margin from ±6% to ±8%, the results weaken. Specifically, the coefficient on *Dissent* becomes smaller, and the difference between the coefficients on *Dissent* and *Non-Dissent* becomes insignificant. This is unsurprising given that NBIM holds an average of 1% of equity shares in its portfolio firms. Even when combined with the swayed votes from other shareholders—estimated to range from 2% to 4% by Fahlenbrach, Rudolf, and Wegerich [2024]—NBIM's votes are less likely to influence the voting outcomes as the margin for passing or failing increases.[31] These results suggest that, for the majority of proposals that are not close-call, NBIM's votes are largely uninformative to

[30] Table 4 in Bortolotti, Fotak, and Megginson [2015] reports that the average three-day CAR for SWF investments is much higher after excluding NBIM from their sample, suggesting that the CAR for NBIM's investment announcements is much lower than 0.84%.

[31] Cuñat, Gine, and Guadalupe [2012] find that the market reaction is largely muted for shareholder proposals that pass by a relatively large margin around the majority threshold (e.g., ±10% of 50%). They argue that the lack of significant results could be driven by the fact that investors could predict the voting outcomes, and the market has already incorporated the expectations into the price before the AGM.

shareholders, which aligns with the expectation that given the large volume of proposals it votes on annually, NBIM is unlikely to conduct in-depth research for most of them.

In contrast, as we tighten (i.e., reduce) the margin to ±4% and ±3%, the coefficient on *Dissent* increases. However, when the threshold is further tightened to ±2%, the coefficient decreases in magnitude and significance, likely due to reduced statistical power resulting from the smaller sample size. These findings are consistent with the argument that NBIM's voting intentions are more influential when votes are more contentious. They also align with the view that NBIM is more likely to invest effort in researching contentious proposals, making its dissent votes more informative (Hu, Malenko, and Zytnick [2024]). Overall, the findings of our main analysis support our focus on close-call proposals as a means to identify potential price impacts of NBIM's voting intention disclosures.

4.2. Cross-sectional analysis

Our results suggest that investors perceive NBIM's dissent votes on close-call proposals as value-enhancing. This is likely because (1) NBIM's dissent votes signal effective shareholder monitoring, and/or (2) NBIM's voting intention disclosures are likely to change the voting outcomes. In this section, we conduct cross-sectional analyses based on country- and firm-level governance to further support these arguments.

4.2.1. Country-level legal institutions

Prior studies find that country-level legal institutions protect outside investors from insider expropriation, thereby affecting equity valuation and the cost of equity capital (La Porta, Lopez-de-Silanes, Shleifer, and Vishny [2002], La Porta, Lopez-de-Silanes, and Shleifer [2006], Hail and Leuz [2006]). We thus expect monitoring by external shareholders to be particularly valuable in countries where legal institutions are weak. We use three different proxies to measure the strength

of a country's legal institutions. The first proxy is the rule of law measure from the World Bank governance indicators (*Rule of Law*), which captures the perceived effectiveness of a country's legal enforcement (Durnev and Kim [2005], Iliev, Lins, Miller, and Roth [2015]). Our second proxy is the legal origin of the country in which a portfolio firm is located (*Civil Law*). La Porta, Lopez-de-Silanes, Shleifer, and Vishny [1998] posit that shareholder rights vary widely across countries because these rights depend on the laws of the jurisdictions in which the securities are issued. They find that civil laws give shareholders weaker legal rights and protections compared to common laws. Our third proxy is the anti-self-dealing index developed by Djankov, La Porta, Lopez-de-Silanes, and Shleifer [2008] (*Investor Protection*). This index captures the ex ante and ex post private control of self-dealing, with a higher value indicating stronger legal protection for minority shareholders. We expect monitoring by external shareholders to be more value-enhancing, resulting in a more pronounced market reaction to NBIM's dissent voting intention disclosures when portfolio firms are located in countries with weaker legal enforcement, a civil-law legal origin, or lower levels of investor protection.

We divide our sample into two groups based on the legal origin and the sample median of the country-level rule of law and investor protection measures (see Table 1, Panel C for the classification of sample countries). Table 5 reports the results of this cross-sectional analysis. Consistent with our expectation, we find that the coefficient on *Dissent* is significant and positive only in the subsample of portfolio firms located in countries with weak legal institutions (i.e., weak legal enforcement, civil-law system, and low investor protection). The coefficient on *Dissent* is statistically different between these two subsamples.[32] These results support our argument that the

[32] Note that we observe a negative value for adjusted R-squared in some subsamples where *Dissent* does not load, consistent with studies documenting muted market reactions to certain information events (e.g., Aggarwal, Litov, and Rajgopal [2024]).

market reacts positively to NBIM's dissent voting intentions because investors consider its monitoring valuable. Consistent with the findings of Iliev, Lins, Miller, and Roth [2015], these results also suggest an interplay between country-level governance and shareholder monitoring through dissent voting.

4.2.2. Firm-level governance strength

In this section, we focus on firm-level governance strength, measured using two proxies. The first proxy is board independence, defined as the ratio of independent directors to the total number of directors on the board (*Board Independence*). When board independence is low, there is an increased risk of agency conflicts due to ineffective monitoring by less independent boards (Aggarwal, Erel, Ferreira, and Matos [2011]). Our second proxy is blockholder ownership, defined as the percentage of shares held by shareholders with at least 5% stake (*Blockholder Ownership*). In the absence of powerful blockholders, NBIM's dissent voting could serve as an alternative form of monitoring (Edmans and Holderness [2017]). Moreover, when firms have fewer blockholders, ownership is more dispersed among small shareholders. These shareholders often lack research capabilities or incentives for proxy voting, making NBIM's voting intention disclosures particularly useful for their decisions.

We divide our sample into two groups based on the sample median of the board independence and blockholder ownership measures and report the cross-sectional results in Table 6, Panels A and B. We find that the coefficient on *Dissent* is significant and positive only in the subsample of portfolio firms with low board independence or low blockholder ownership. The coefficient on *Dissent* is statistically different between two subsamples in both panels. These findings corroborate our inference that NBIM's dissent votes are perceived by other shareholders

as indicative of effective monitoring. This monitoring is particularly valuable when firms lack oversight from other governance mechanisms, such as the board or blockholders.

4.2.3. NBIM ownership

When a shareholder holds a higher stake in a firm, it has more skin in the game, increasing its incentives to monitor the firm closely. If the market reacts positively to NBIM's dissent voting intentions with the expectation that NBIM's votes could influence the outcomes, the market reaction is likely to be stronger when NBIM holds a larger stake in the firm. We use NBIM's equity ownership in a portfolio firm as a proxy for its stake in the firm. We divide the sample into two groups based on the median of NBIM's shareholding in portfolio firms (1%). Table 6, Panel C reports the results of this cross-sectional analysis. Consistent with our expectation, we find that the coefficient on *Dissent* is positive and significant only in the subsample of firms where NBIM owns a larger block of shares. The difference in the coefficient on *Dissent* between these two subsamples is statistically significant.

4.3. Determinant analysis

In this section, we explore the factors that may influence NBIM's dissent voting decisions. Specifically, we intend to determine whether NBIM's dissent votes are ex ante predictable based on firm characteristics, country-level legal institutions, proposal sponsor types, and proxy advisor recommendations, especially for close-call proposals. Table 7, Panel A presents the descriptive statistics on the variables used in the determinant analysis for the sample of all proposals, including both close-call and non-close-call proposals. Descriptive statistics for the sample of close-call proposals are provided in Table 3, Panel A.

The full sample consists of 133,506 proposals, 99% of which are sponsored by management. Among these, only 5,275 (4%) are classified as dissent. This proportion is

significantly smaller than the 33% reported in Table 3, Panel A, suggesting that NIBM is much less likely to vote against management for non-contentious proposals. This may reflect the limited resources available for thoroughly researching the large volume of proposals that NBIM votes on each year, making it more practical to follow management's vote recommendations for non-contentious proposals.[33]

Table 7, Panel B shows the distribution of proposals by topic for the full sample. It reveals that nearly half of the proposals are related to director elections, followed by those on compensation and capital-related topics. While environmental and social proposals constitute a smaller portion of the total, they exhibit the highest dissent rate (19.4%). This elevated dissent rate for environmental and social proposals highlights NBIM's strong commitment to environmental sustainability and social responsibility.

Table 7, Panel C reports the regression analysis on the factors influencing NBIM's decision to cast a dissent vote. Columns (1) and (2) present the results for the close-call sample, and Columns (3) and (4) present the results for the full sample. We find that NBIM is more likely to cast dissent votes when a portfolio company exhibits poorer performance (i.e., lower ROA) or weaker corporate governance (i.e., lower board independence and poorer legal institutions).[34] This finding suggests that NBIM's dissent votes are likely triggered by poor firm performance or governance, supporting the argument that shareholders express concerns about firm management through dissent voting (Iliev, Lins, Miller, and Roth [2015]). Interestingly, we find that NBIM is

[33] This conjecture aligns with the practices of large asset managers. For example, even the Big Three asset managers allocate limited resources and staff to their stewardship teams that are responsible for engagement and proxy voting (Aggarwal, Litov, and Rajgopal [2024]).

[34] The positive and significant coefficient on *Blockholder Ownership* in Columns (1) and (3) may be influenced by country-specific factors. After controlling for country fixed effects in the regressions, this coefficient either loses significance or becomes negative. The negative and significant coefficient on *Civil Law* in Column (3) is likely attributable to its high correlation with other country-level variables. The coefficient on *Civil Law* becomes significantly positive after we exclude other country-level legal institution variables.

less likely to cast dissent votes when it holds a larger equity stake in a company. This is likely due to the potential for resolving issues through private engagement, as larger equity holdings may gain better access to management. We observe a negative and significant coefficient on the indicator variable for management-sponsored proposals in the full sample, as shown in Columns (3) and (4). This finding further suggests that, given the large volume of management proposals to vote on, it is generally more practical to follow management's agenda. Notably, among close-call proposals in Columns (1) and (2), NBIM is more likely to cast a dissent vote when the firm is larger. This is likely driven by reputational concerns, as larger firms tend to be more sensitive to public dissent, which could pressure management for change (Dimson, Karakaş, and Li [2015]).

Collectively, these results suggest that only a small proportion of NBIM's dissent votes can be explained by the regression variables, with adjusted R-squared values ranging from 3.7% to 16.3%. It implies that predicting NBIM's dissent votes ex ante based on observable firm and country characteristics is challenging, supporting our argument that NBIM's dissent voting intention disclosures may offer incremental information to other market participants.

In Columns (5) and (6), we further examine whether NBIM's dissent votes align with ISS's vote recommendations. Due to data limitations, this analysis is restricted to US-based portfolio firms for which imputed ISS recommendations are available.[35] *Dissent ISS* is an indicator variable equal to one if the imputed ISS recommendation differs from the management's vote recommendation for a proposal, and zero otherwise. The results show a positive and significant coefficient on *Dissent ISS* in both columns, indicating that when ISS recommends a dissent vote, NBIM is 21% more likely to cast a dissent vote. This likelihood increases to 55% in cases of close-call proposals. While ISS recommendations are highly correlated with NBIM's dissent votes, they

[35] Since 2022, ISS has stopped providing recommendation data for academic use. Therefore, we use imputed recommendation data obtained from Jon Zytnick's website, which is only available for US firms.

account for only a small portion of the variation in NBIM's voting behavior. The incremental R-squared values are 13% and 5% in Columns (5) and (6), respectively (untabulated). These findings suggest that, for a substantial proportion of proposals, NBIM's voting decisions deviate from proxy advisor recommendations.[36]

4.4. Meeting-level analysis

We perform our main analysis at the proposal level to explore the variation in proposal topics. When NBIM publishes its voting intentions, it simultaneously discloses how it intends to vote on all proposals to be considered at a portfolio firm's AGM. To control for the confounding effect of market reactions driven by dissent votes on non-close-call proposals or non-dissent votes on close-call proposals, we alternatively conduct our analysis at the meeting level and control for the number of other types of proposals. Table 8 reports the results of this analysis.

In line with our conjecture, we find that the number of close-call proposals with NBIM's dissent (*# of Close-Call Dissent*) has a positive and significant association with the 3-day CAR around NBIM's voting intention disclosures. In contrast, the coefficients on the number of close-call proposals without NBIM's dissent (*# of Close-Call Non-Dissent*) and the number of non-close-call proposals with NBIM's dissent (*# of Non-Close-Call Dissent*) are insignificant. Moreover, the difference in the coefficients on *# of Close-Call Dissent* and *# of Close-Call Non-Dissent* is statistically significant. These findings suggest that the positive market reaction is unlikely driven by NBIM's non-dissent votes on close-call proposals or its dissent votes on non-close-call proposals.

[36] The positive and significant coefficient on *Board Independence* in Column (6) is likely driven by its high correlation with *Dissent ISS* because ISS is more likely to recommend a dissent vote when a firm has low board independence. The coefficient becomes negative and significant when *Dissent ISS* is excluded from the regression.

4.5. Robustness analysis

According to its statements, NBIM publishes voting intentions five calendar days before the AGM for each of its portfolio firms. Depending on the day of the AGM, these disclosures may occur on either a trading or a non-trading day. In our main analysis, if a disclosure occurs on a non-trading day, we use the preceding trading day as Day 0. However, when the disclosure date falls on a weekend, it is unclear whether NBIM discloses voting intentions just before, after, or exactly during the weekend. To address this uncertainty, we conduct robustness tests using alternative event windows to account for these scenarios.

Table 9 presents the market reaction results using different event windows. In Columns (1) to (8), we break down the event window into individual days. Columns (1) and (2) focus on the trading day preceding the disclosure date (Day -1). Columns (3) to (6) focus on the disclosure date (Day 0). For disclosures issued on non-trading days, Day 0 corresponds to either the preceding trading day (Columns (3) and (4)) or the following trading day (Columns (5) and (6)). Columns (7) and (8) focus on the trading day following the disclosure date (Day +1). We find that the market reaction is strongest on Day -1, suggesting that NBIM may release some voting intention disclosures earlier than five calendar days before the AGM. Additionally, we find similar results in Columns (3) through (6), indicating that our findings are robust to the treatment of Day 0 for disclosures on non-trading days. The weakest results are observed on the following trading day, as reported in Columns (7) and (8), suggesting that for some firms, the market has likely already reacted by this point.

In Columns (9) to (12), we use a two-day event window. For disclosures on trading days, Day -1 and Day 0 are used in Columns (9) and (10), while Day -1 and Day +1 are used in Columns (11) and (12). For disclosures on non-trading days, the preceding and following trading days are

used in these four columns. The two-day CAR exhibits a similar, though statistically weaker, pattern to the three-day CAR in our main results. This may be attributed to the inability of the two-day window to capture variations in the dates and times of NBIM's disclosures and/or differences in market reaction times caused by time zone disparities.

In all columns, the difference in the coefficients on *Dissent* and *Non-Dissent* is statistically significant, indicating that the market reaction to dissent voting intention disclosures is significantly different from that to non-dissent voting intention disclosures across various event windows. Collectively, these results demonstrate that our findings are robust to alternative event windows and the treatment of Day 0 for disclosures on non-trading days.

5. Conclusion

Since January 2021, NBIM has disclosed its voting intentions for all portfolio firms five days prior to their AGMs. To date, no other large fund manager has systematically made public their voting intentions for all portfolio firms in advance, as NBIM has done. Our findings suggest that investors perceive NBIM's dissent voting intentions as favorable, particularly in situations where contentious votes are expected. The value of dissent voting is especially pronounced in countries where minority shareholders are at greater risk of expropriation and in firms with weaker governance structures. This study provides empirical evidence on the value relevance of voting intention disclosures and contributes to the ongoing debate regarding the transparency of institutional investors' voting practices.

A limitation of our study is its generalizability. Although NBIM is an influential investor, its voting intentions reflect the perspective of a single, highly diversified, and resource-rich institutional investor capable of conducting in-depth research on portfolio firms. While only a

small proportion of its voting disclosures convey value-relevant information to investors, they demonstrate the potential for informed voting. However, informed voting is costly, and the benefits may not always justify the expense. Consequently, the voting disclosures of less-resourced institutional investors may be less informative than those of NBIM.[37]

[37] Indeed, Iliev and Lowry [2015] find that smaller and higher-turnover mutual funds face lower net benefits of voting. Therefore, instead of making informed voting decisions themselves, they are more likely to follow proxy advisor recommendations.

Appendix 1
Example of NBIM's voting intention disclosures

This appendix provides an example of NBIM's voting intention disclosures for Wacker Neuson's annual general meeting (AGM) held on June 3, 2022. The disclosure was published on NBIM's voting website on May 29, 2022, five days prior to the AGM. A screenshot and a link to the disclosure are included.

Founded in 1848 and previously known as Wacker Construction Equipment AG, Wacker Neuson SE is headquartered in Munich, Germany. It manufactures construction equipment and compact machines for concrete and construction site technology. At Wacker Neuson's 2022 AGM, one management proposal was to create new authorized capital with the option to exclude subscription rights and amend the company's Articles of Association accordingly. While the management recommended voting in favor of this proposal, NBIM disclosed its intention to vote against it in the upcoming AGM. NBIM's rationale for its dissent vote was based on the principle that existing shareholders should have the right to approve share issuances to prevent dilution of ownership without their prior consent. NBIM emphasized that shareholders should have the right to participate pro rata to maintain their voting share and benefit from any offered discount. Additionally, they argued that approval for a general authority should be granted close in time to the intended capital allocation to ensure that shareholders can make informed decisions.

Original proposal content: Resolution on the creation of a new Authorized Capital 2022 with the option to exclude subscription rights and on the corresponding amendment to the Articles of Association

Management vote recommendation: For

NBIM vote: Against

NBIM voting rationale: Existing shareholders should have the right to approve share issuances in order to prevent the dilution of ownership without their prior consent. Existing shareholders should have the right to participate pro rata to maintain their voting share and benefit from any discount offered. The approval for a general authority should be reasonably close in time to the intended capital allocation to allow for an informed voting decision.

Voting outcome: Fail

Wacker Neuson SE

Ticker: WAC
Meeting date: 03/06/2022
Meeting type: Annual

	Proposal	Mgt rec	Vote
Management proposals			
1	Receive Financial Statements and Statutory Reports for Fiscal Year 2021 (Non-Voting)	None	None
2	Approve Allocation of Income and Dividends of EUR 0.90 per Share	For	For
3	Approve Discharge of Management Board for Fiscal Year 2021	For	For
4	Approve Discharge of Supervisory Board for Fiscal Year 2021	For	For
5	Ratify Mazars GmbH & Co. KG as Auditors for Fiscal Year 2022	For	For
6	Approve Remuneration Report	For	For
7	Approve Creation of EUR 17.5 Million Pool of Authorized Capital with or without Exclusion of Preemptive Rights **Vote rationale:** Existing shareholders should have the right to approve share issuances in order to prevent the dilution of ownership without their prior consent. Existing shareholders should have the right to participate pro rata to maintain their voting share and benefit from any discount offered. The approval for a general authority should be reasonably close in time to the intended capital allocation to allow for an informed voting decision. Global Voting Guidelines Shareholder rights in equity issuances	For	Against
8	Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares	For	For

Source:
https://www.nbim.no/en/responsible-investment/voting/our-voting-records/meeting?m=1642075

Appendix 2
Examples of proposals across different topics

This appendix provides examples of proposals related to (1) board other, (2) capital, (3) compensation, (4) director elections, (5) environmental and social, (6) shareholder rights, and (7) routine and audit topics from our sample.

Topic	Proposal description
Board other	"Adopt Majority Voting for Uncontested Election of Directors" "Approve Release of Restrictions of Competitive Activities of Newly Appointed Directors and Representatives" "Require Independent Board Chair" "Approve Discharge of Board Member" "Declassify the Board of Directors" "Approve Increase in Size of Board"
Capital	"Authorize Reissuance of Repurchased Shares" "Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights" "Approve Recapitalization Plan for all Stock to Have One-vote per Share" "Authorize Board to Issue Shares for Cash" "Approve Transaction with a Related Party" "Reduce Authorized Common Stock" "Approve Reverse Stock Split" "Approve Private Placement of Common Stock" "Approve Divestment of Investment in Subsidiaries"
Compensation	"Approve Remuneration of Company's Management" "Amend Compensation Clawback Policy" "Submit Severance Agreement (Change-in-Control) to Shareholder Vote" "Approve Severance Payments Policy" "Approve Issuance of Restricted Stocks" "Authorize Capital Issuances for Use in Employee Stock Purchase Plans"
Director elections	"Elect Director XXX" "Reelect XXX as Director" "Elect Pietro Adamo Sampaio Mendes as Board Chairman" "Ratify Appointment of and Elect XXX as Director" "Elect Supervisory Board Member"
Environmental & social	"Report on Gender/Racial Pay Gap" "Report on Lobbying Payments and Policy" "Report on Political Contributions and Expenditures" "Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal" "Report on Civil Rights Audit" "Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights"

Topic	Proposal description
Shareholder rights	"Amend Articles of Association" "Reduce Ownership Threshold for Shareholders to Call Special Meeting" "Adopt Proxy Access Right" "Approve Takeover Defense Plan (Poison Pill)" "Approve Amendments to Articles of Association" "Provide Right to Act by Written Consent"
Routine & audit	"Adopt New Constitution" "Approve Continuance of Company" "Authorise the Company to Call General Meeting with Two Weeks' Notice" "Accept Financial Statements and Statutory Reports for Fiscal Year XXXX" "Appoint Statutory Auditor XXX" "Elect XXX as Fiscal Council Member and XXX as Alternate" "Appoint Shareholder Statutory Auditor Nominee XXX"

Appendix 3
Variable definitions

Variable	Definition
Dependent variable	
CAR	Market-adjusted cumulative abnormal returns, calculated as the sum of abnormal returns during the event window [-1, +1] centered on NBIM's voting intention disclosure date, where daily abnormal returns are calculated as actual firm returns minus local market returns. (Source: Compustat, Datastream, and WRDS World Indices)
Variables of interest	
Dissent	Indicator variable equal to one when NBIM's voting intention disagrees with the management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM's website)
Non-Dissent	Indicator variable equal to one when NBIM's voting intention agrees with the management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM's website)
Other variables	
Size	Natural logarithm of market value of equity at the end of the latest fiscal year prior to the AGM. Market value of equity is the share price (in USD) times common shares outstanding. (Source: Compustat)
Book-to-Market	Book value of equity divided by market value of equity at the end of the latest fiscal year prior to the AGM. (Source: Compustat)
ROA	Pre-tax income divided by total assets at the end of the latest fiscal year prior to the AGM. (Source: Compustat)
Management Proposal	Indicator variable equal to one for management-sponsored proposals, and zero for shareholder-sponsored proposals. (Source: ISS)
Board Independence	The number of independent directors divided by the total number of directors on the board. (Source: BoardEx)
Blockholder Ownership	The number of shares held by blockholders (i.e., shareholders with at least 5% ownership) divided by the total number of shares outstanding. (Source: FactSet)
NBIM Ownership	The number of shares held by NBIM in a firm divided by the total number of shares outstanding. (Source: FactSet)
Rule of Law	The rule of law index is the average value of the rule of law measure from the World Bank governance indicators over the sample period for each country, as per Kaufmann, Kraay, and Mastruzzi [2011]. (Source: World Bank)
Civil Law	Indicator variable equal to one if a firm is in a civil law country, and zero otherwise. (Source: La Porta, Lopez-de-Silanes, Shleifer, and Vishny [1998])
Investor Protection	The anti-self-dealing index measuring the degree of the legal protection that minority shareholders have in a country against expropriations by corporate insiders. (Source: Djankov, La Porta, Lopez-de-Silanes, and Shleifer [2008])
Dissent ISS	Indicator variable equal to one if the imputed ISS recommendation differs from management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM's website and Jon Zytnick's website)
# of Close-Call Dissent	The number of close-call proposals where NBIM's voting intention differs from the management's vote recommendation at an AGM. (Source: NBIM's website)
# of Close-Call Non-Dissent	The number of close-call proposals where NBIM's voting intention aligns with the management's vote recommendation at an AGM. (Source: NBIM's website)
# of Non-Close-Call Dissent	The number of non-close-call proposals where NBIM's voting intention differs from the management's vote recommendation at an AGM. (Source: NBIM's website)

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Figure 1
Timeline of NBIM's voting intention disclosures

This figure shows the timeline of NBIM's voting intention disclosures. Beginning in January 2021, NBIM started publishing its voting intentions five calendar days before each of its portfolio firm's annual general meetings. The event date in our study is the disclosure date of voting intentions by NBIM. In cases where voting intentions are published on a non-trading day, we use the previous trading day as Day 0.

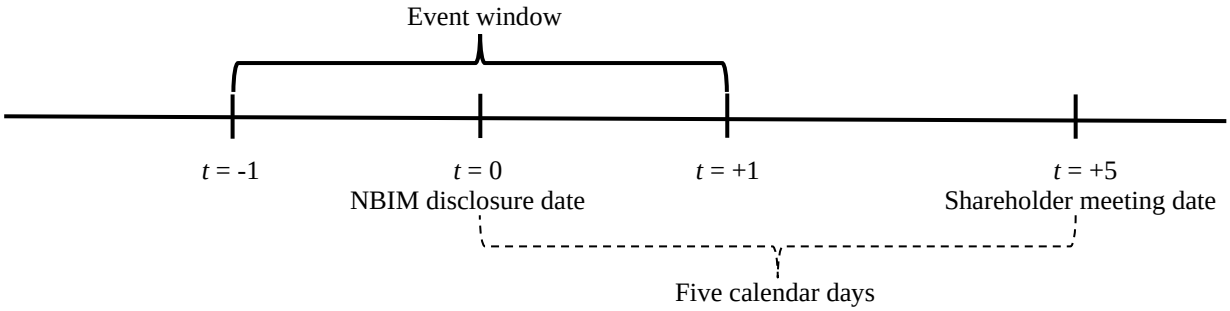

Table 1
Sample selection and distribution

This table presents the sample selection procedure in Panel A and the sample distribution by year and country in Panels B, and C, respectively.

Panel A. Sample selection

	# Proposals	
	Close-call	All
Proposals to be voted on at NBIM portfolio firms' AGMs between 2021 and 2023	301,182	301,182
Less: Missing voting data from ISS	(49,474)	(49,474)
Less: Missing market data from Compustat, Datastream, and WRDS World Indices	(67,543)	(67,543)
Less: Abstained or withheld management recommendations or voting intentions	(2,611)	(2,611)
Less: Non-close-call proposals	(180,841)	(0)
Less: Missing values for control variables in the main regression model	(10)	(7,418)
Sample for the main analysis	703	174,136
Less: Missing values for additional variables in the determinant analysis	(150)	(40,630)
Sample for the determinant analysis	553	133,506

Panel B. Sample distribution by year

Year	# Close-call proposals	# Dissent proposals	# Non-dissent proposals	# Annual meetings
2021	227	72	155	175
2022	244	90	154	191
2023	232	68	164	176
Total	703	230	473	542

Panel C. Sample distribution by country

Country	# Close-call proposals	# Dissent proposals	# Non-dissent proposals	# Annual meetings	Strong rule of law	Civil law	High investor protection
Australia	50	13	37	45	1	0	1
Austria	5	2	3	4	1	1	0
Belgium	8	3	5	7	0	0	0
Brazil	14	1	13	13	0	1	0
Canada	6	1	5	5	1	0	0
China	7	0	7	7	0	1	1
Finland	3	0	3	3	1	1	0
France	54	40	14	26	0	1	0
Germany	23	5	18	21	1	1	0
Hong Kong	7	0	7	4	0	0	1
India	60	11	49	40	0	0	0
Ireland	1	0	1	1	1	0	1
Italy	12	7	5	9	0	1	0
Japan	26	5	21	8	1	1	0
Malaysia	6	0	6	2	0	0	1
Netherlands	30	5	25	20	1	1	0
Poland	6	2	4	4	0	1	0
Singapore	2	0	2	2	1	0	1
South Africa	14	1	13	10	0	0	1
South Korea	2	1	1	2	0	1	0
Spain	5	1	4	3	0	1	0
Sweden	3	0	3	2	1	1	0
Switzerland	8	3	5	7	1	1	0
Taiwan	26	5	21	17	0	1	0
Thailand	2	0	2	2	0	0	1
Turkey	3	3	0	2	0	1	0
United Kingdom	36	4	32	29	1	0	1
United States	284	117	167	247	1	0	1
Total	703	230	473	542			

Table 2
Summary statistics of proposals by topic and sponsor type

This table reports the distribution and descriptive statistics of the mean values and *t*-statistics of cumulative abnormal returns (CAR) for close-call proposals in our sample, categorized by topic (Panel A) and sponsor type (Panel B). Definitions of all variables are provided in Appendix 3. Bold text indicates that the mean values for dissent and non-dissent proposals are statistically significantly different at the 10% level or better.

Panel A. Proposals by topic

Topic	Dissent			Non-dissent			Diff.	*p*-value
	N	Mean	*t*-statistics	N	Mean	*t*-statistics		
Board other	11	**1.497**	**3.068**	47	-0.610	-1.033	**1.685**	**0.098**
Capital	45	**2.435**	**3.861**	66	-0.214	-0.535	**2.649**	**0.000**
Compensation	87	0.109	0.307	173	-0.065	0.243	0.174	0.702
Director elections	24	0.440	0.690	73	**1.018**	**2.540**	-0.578	0.466
Environmental & social	30	-0.172	-0.381	9	0.461	0.815	-0.633	0.478
Shareholder rights	29	0.185	0.379	79	-0.104	-0.228	0.289	0.722
Routine & audit	4	-0.675	-1.426	26	-0.192	-0.258	-0.483	0.805

Panel B. Proposals by sponsor type

Sponsor type	Dissent			Non-dissent			Diff.	*p*-value
	N	Mean	*t*-statistics	N	Mean	*t*-statistics		
Management	172	**0.795**	**2.926**	399	0.069	0.384	**0.726**	**0.026**
Shareholder	58	0.119	0.351	74	-0.219	-0.486	0.338	0.569

Table 3
Descriptive statistics and Pearson correlations

This table presents descriptive statistics and Pearson correlations for main regression variables in Panels A and B, respectively. All variables are defined in Appendix 3. Bold denotes statistical significance at the 10% level or better.

Panel A. Descriptive statistics

	N	Mean	SD	P 25	P 50	P 75
CAR	703	0.22	3.55	-1.59	0.29	2.02
Dissent	703	0.33	0.47	0.00	0.00	1.00
Size	703	8.34	2.06	6.88	8.04	9.85
Book-to-Market	703	0.57	0.65	0.15	0.40	0.82
Board Independence	582	0.71	0.19	0.57	0.75	0.89
Blockholder Ownership	688	0.12	0.13	0.00	0.06	0.22
NBIM Ownership	672	0.01	0.01	0.01	0.01	0.02
Rule of Law	703	1.17	0.53	1.21	1.36	1.40
Civil Law	703	0.32	0.47	0.00	0.00	1.00
Investor Protection	703	0.59	0.19	0.50	0.65	0.65

Panel B. Pearson correlations

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) *CAR*	1.00									
(2) *Dissent*	**0.08**	1.00								
(3) *Size*	-0.01	**0.12**	1.00							
(4) *Book-to-Market*	**-0.08**	**-0.12**	**-0.28**	1.00						
(5) *Board Independence*	**-0.11**	0.04	**0.45**	**-0.15**	1.00					
(6) *Blockholder Ownership*	-0.04	**0.13**	**0.38**	**-0.23**	**0.60**	1.00				
(7) *NBIM Ownership*	-0.04	-0.05	**-0.14**	**0.22**	**-0.13**	**-0.23**	1.00			
(8) *Rule of Law*	0.04	**0.08**	**0.14**	**-0.08**	**0.27**	**0.24**	0.06	1.00		
(9) *Civil Law*	**0.08**	0.04	**-0.35**	**0.15**	**-0.57**	**-0.51**	**0.30**	-0.01	1.00	
(10) *Investor Protection*	-0.05	**-0.10**	**0.14**	0.05	**0.37**	**0.26**	**-0.21**	0.03	**-0.79**	1.00

Table 4
Price impact of shareholder dissent in close-call proposals

This table presents the regression results of the stock market reaction to dissent voting intentions for close-call proposals. Panel A shows the baseline results. Panel B shows the regression results for alternative close-call thresholds. All variables are defined in Appendix 3. The constant term is suppressed in all regression specifications. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

Panel A. Baseline results

	(1)	(2)
Dissent	0.624***	1.560**
	(2.83)	(2.01)
Non-Dissent	0.024	0.993
	(0.14)	(1.37)
Size		-0.082
		(-1.10)
Book-to-Market		-0.482**
		(-2.18)
Adjusted R^2	0.007	0.012
N	703	703
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.030	0.041

Panel B. Alternative close-call thresholds

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	±8%		±7%		±6%		±4%		±3%		±2%	
Dissent	0.076	0.882	0.297	0.997	0.415**	1.324*	0.812***	2.221***	0.967***	2.530***	0.709*	1.615
	(0.44)	(1.50)	(1.59)	(1.50)	(2.04)	(1.83)	(3.30)	(2.72)	(3.25)	(2.74)	(1.90)	(1.41)
Non-Dissent	0.031	0.860	0.065	0.788	0.055	0.991	0.011	1.461*	-0.024	1.613*	-0.266	0.666
	(0.26)	(1.59)	(0.48)	(1.28)	(0.36)	(1.48)	(0.06)	(1.88)	(-0.11)	(1.83)	(-0.98)	(0.64)
Size		-0.067		-0.058		-0.077		-0.129		-0.141		-0.086
		(-1.18)		(-0.92)		(-1.11)		(-1.63)		(-1.59)		(-0.78)
Book-to-Market		-0.445***		-0.391**		-0.488**		-0.638**		-0.844**		-0.400
		(-2.88)		(-2.16)		(-2.47)		(-2.51)		(-2.53)		(-1.19)
Adjusted R^2	-0.001	0.004	0.001	0.003	0.002	0.007	0.014	0.024	0.019	0.032	0.009	0.009
N	1,238	1,238	1,028	1,028	859	859	564	564	428	428	281	281
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.831	0.918	0.316	0.371	0.154	0.193	0.011	0.014	0.008	0.011	0.036	0.041

Table 5
Analysis of portfolio firms' home country characteristics

This table presents the regression results of cross-sectional analyses based on the institutional characteristics of portfolio firms' home countries. Panel A shows the results for countries with strong versus weak rule of law. Strong and weak rule of law is defined based on the sample median (1.36) of the rule of law index, calculated using the average value of the rule of law measure from the World Bank governance indicators over the sample period for each country. Panel B shows the results for common versus civil law countries, as defined in La Porta, Lopez-de-Silanes, Shleifer, and Vishny [1998]. Panel C shows the results for countries with high versus low investor protection. High and low investor protection is defined based on the sample median (0.65) of the anti-self-dealing index in Djankov, La Porta, Lopez-de-Silanes, and Shleifer [2008]. All variables are defined in Appendix 3. The constant term is suppressed in all regression specifications. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

Panel A. Rule of law

	(1)	(2)	(3)	(4)
	Strong rule of law		Weak rule of law	
Dissent	0.167	-0.507	1.570***	5.303***
	(0.67)	(-0.61)	(3.74)	(3.64)
Non-Dissent	0.214	-0.392	-0.382	3.509**
	(1.07)	(-0.49)	(-1.28)	(2.39)
Size		0.074		-0.461***
		(0.96)		(-2.63)
Book-to-Market		-0.051		-0.709**
		(-0.17)		(-2.24)
Adjusted R^2	-0.001	-0.003	0.056	0.099
N	477	477	226	226
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.883	0.724	0.000	0.000
p-value of the coeff. difference between strong and weak rule of law			0.004	0.001

Panel B. Legal origin

	(1)	(2)	(3)	(4)
	Civil law		Common law	
Dissent	1.725***	4.914***	0.037	-1.610*
	(4.70)	(3.87)	(0.14)	(-1.84)
Non-Dissent	0.022	3.465***	0.025	-1.515*
	(0.07)	(2.73)	(0.13)	(-1.85)
Size		-0.332**		0.164**
		(-2.13)		(2.04)
Book-to-Market		-1.300***		0.255
		(-4.11)		(0.88)
Adjusted R^2	0.062	0.131	-0.004	0.000
N	227	227	476	476
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.001	0.002	0.869	0.775
p-value of the coeff. difference between civil and common law			0.000	0.000

Panel C. Investor protection

	(1)	(2)	(3)	(4)
	High investor protection		Low investor protection	
Dissent	0.198	-1.342	1.230***	4.674***
	(0.72)	(-1.42)	(3.48)	(3.69)
Non-Dissent	0.053	-1.423	-0.017	3.463***
	(0.26)	(-1.57)	(-0.06)	(2.77)
Size		0.149*		-0.366**
		(1.74)		(-2.38)
Book-to-Market		0.284		-1.235***
		(0.97)		(-4.43)
Adjusted R^2	-0.004	-0.001	0.027	0.083
N	409	409	294	294
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.675	0.823	0.006	0.004
p-value of the coeff. difference between high and low investor protection			0.022	0.000

Table 6
Analysis of portfolio firms' governance characteristics

This table presents the regression results of cross-sectional analyses based on the governance characteristics of portfolio firms. Panel A shows the results for firms with high versus low board independence. High and low board independence is defined based on the sample median (0.75) of the ratio of independent to total directors on the board. Panel B shows the results for firms with high versus low blockholder ownership. Blockholders are shareholders with at least 5% ownership in a firm. High and low blockholder ownership is defined based on the sample median (0.06) of blockholder shareholding. Panel C shows the results for firms with high versus low NBIM ownership. High and low NBIM ownership is defined based on the sample median (0.01) of NBIM's shareholding. All variables are defined in Appendix 3. The constant term is suppressed in all regression specifications. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

Panel A. Board independence

	(1)	(2)	(3)	(4)
	High board independence		Low board independence	
Dissent	0.232	-1.174	1.533***	6.005***
	(0.77)	(-1.09)	(3.77)	(4.48)
Non-Dissent	-0.074	-1.311	0.395	5.019***
	(-0.31)	(-1.32)	(1.59)	(3.87)
Size		0.149		-0.557***
		(1.54)		(-3.61)
Book-to-Market		-0.320		-0.677*
		(-0.94)		(-1.73)
Adjusted R^2	-0.004	0.002	0.058	0.110
N	309	309	273	273
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.427	0.728	0.018	0.029
p-value of the coeff. difference between high and low board independence			0.011	0.000

Panel B. Blockholder ownership

	(1)	(2)	(3)	(4)
	High blockholder ownership		Low blockholder ownership	
Dissent	0.272	-0.534	1.165***	2.987**
	(1.01)	(-0.58)	(3.17)	(2.38)
Non-Dissent	-0.087	-0.799	0.119	2.030*
	(-0.36)	(-0.87)	(0.51)	(1.70)
Size		0.097		-0.201
		(1.14)		(-1.43)
Book-to-Market		-0.395		-0.559**
		(-0.99)		(-2.12)
Adjusted R^2	-0.003	-0.001	0.023	0.035
N	344	344	344	344
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.324	0.470	0.017	0.022
p-value of the coeff. difference between high and low blockholder ownership			0.050	0.024

Panel C. NBIM ownership

	(1)	(2)	(3)	(4)
	High NBIM ownership		Low NBIM ownership	
Dissent	0.988***	2.692**	0.335	-0.187
	(3.00)	(2.30)	(1.08)	(-0.21)
Non-Dissent	-0.221	1.674	0.247	-0.313
	(-0.91)	(1.49)	(1.02)	(-0.37)
Size		-0.137		0.031
		(-1.17)		(0.35)
Book-to-Market		-1.098***		0.611*
		(-3.70)		(1.70)
Adjusted R^2	0.020	0.054	0.001	0.004
N	336	336	336	336
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.003	0.010	0.823	0.758
p-value of the coeff. difference between high and low NBIM ownership			0.149	0.052

Table 7
Determinant analysis

This table presents the determinant analysis for NBIM's dissent votes. Panel A shows descriptive statistics for the variables included in the determinant analysis for the full sample. Panel B shows the sample distribution by proposal topic for the full sample. Panel C shows the regression results for both the close-call sample and the full sample. All variables are defined in Appendix 3. *t*-statistics are reported in parentheses. In Panel B, standard errors are robust to heteroskedasticity in all columns. In Columns (3), (4), and (6), standard errors are additionally adjusted for clustering at the firm level. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

Panel A. Descriptive statistics

	N	Mean	SD	P 25	P 50	P 75
Dissent	133,506	0.04	0.19	0.00	0.00	0.00
Size	133,506	8.40	1.58	7.31	8.28	9.40
Book-to-Market	133,506	0.70	0.75	0.22	0.48	0.92
ROA	133,506	0.05	0.09	0.01	0.05	0.09
Management Proposal	133,506	0.99	0.12	1.00	1.00	1.00
Board Independence	133,506	0.63	0.22	0.44	0.67	0.83
Blockholder Ownership	133,506	0.10	0.14	0.00	0.00	0.19
NBIM Ownership	133,506	0.01	0.01	0.01	0.01	0.02
Rule of Law	133,506	1.24	0.49	1.26	1.36	1.54
Civil Law	133,506	0.41	0.49	0.00	0.00	1.00
Investor Protection	133,506	0.60	0.21	0.46	0.65	0.65

Panel B. Sample distribution by proposal topic

Topic	Dissent		Non-Dissent		Total
	N	%	N	%	N
Board other	318	3.0	10,407	97.0	10,725
Capital	662	4.1	15,461	95.9	16,123
Compensation	1,074	5.7	17,932	94.3	19,006
Director elections	2,545	3.8	64,253	96.2	66,798
Environmental & social	308	19.4	1,280	80.6	1,588
Shareholder rights	192	9.7	1,780	90.3	1,972
Routine & audit	240	1.1	21,275	98.9	21,515

Panel C. Determinant analysis

Dependent variable = *Dissent*	(1)	(2)	(3)	(4)	(5)	(6)
	Close-call		All		Close-call	All
Size	0.041***	0.043***	0.000	-0.001	0.026	0.007***
	(3.29)	(2.83)	(0.47)	(-0.63)	(1.10)	(7.77)
Book-to-Market	-0.035	0.021	-0.002	0.001	-0.004	0.002
	(-0.95)	(0.43)	(-1.36)	(0.49)	(-0.04)	(0.69)
ROA	-0.586***	-0.330**	-0.052***	-0.032***	-0.030	0.009
	(-5.24)	(-2.37)	(-3.69)	(-2.65)	(-0.11)	(0.73)
Management Proposal	-0.076	-0.104	-0.268***	-0.268***	0.079	-0.272***
	(-1.28)	(-1.58)	(-13.31)	(-14.14)	(0.94)	(-19.58)
Board Independence	-0.165	-0.197	-0.060***	-0.087***	-0.065	0.078***
	(-1.14)	(-1.00)	(-7.57)	(-8.83)	(-0.12)	(6.16)
Blockholder Ownership	0.424**	0.523	0.028***	-0.034***	0.694*	0.022*
	(2.09)	(1.61)	(3.53)	(-2.87)	(1.85)	(1.96)
NBIM Ownership	-1.241	-5.180**	-0.315***	-0.491***	1.087	-0.314
	(-0.56)	(-2.03)	(-3.51)	(-4.43)	(0.11)	(-1.57)
Rule of Law	0.019		-0.010***			
	(0.49)		(-4.52)			
Civil Law	0.029		-0.030***			
	(0.31)		(-6.17)			
Investor Protection	-0.178		-0.092***			
	(-1.09)		(-11.04)			
Dissent ISS					0.545***	0.205***
					(7.04)	(25.52)
Constant	0.214	0.475*	0.432***	0.387***	0.109	0.168***
	(1.07)	(1.90)	(18.57)	(17.66)	(0.21)	(8.19)
Country fixed effects	Excluded	Included	Excluded	Included	Only US	Only US
Industry fixed effects	Excluded	Included	Included	Included	Included	Included
Year fixed effects	Excluded	Included	Included	Included	Included	Included
Adjusted R^2	0.084	0.163	0.037	0.053	0.168	0.164
N	553	553	133,506	133,506	227	35,943

Table 8
Meeting-level analysis

This table presents the regression results of the stock market reaction to dissent voting intentions at the shareholder annual meeting level. All variables are defined in Appendix 3. The constant term is suppressed in all regression specifications. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

	(1)	(2)
# of Close-Call Dissent	0.420**	0.512***
	(2.47)	(3.10)
# of Close-Call Non-Dissent	0.018	0.127
	(0.14)	(0.86)
# of Non-Close-Call Dissent	-0.111	-0.090
	(-1.47)	(-1.18)
Size		-0.012
		(-0.48)
Book-to-Market		-0.262
		(-1.21)
Adjusted R^2	0.005	0.006
N	542	542
p-value of the coeff. difference between *# of Close-Call Dissent* and *# of Close-Call Non-Dissent*	0.055	0.037

Table 9
Alternative event windows

This table presents the regression results of the stock market reaction to dissent voting intentions across various event windows. Columns (1) to (8) report the daily abnormal returns. Columns (1) and (2) use the trading day preceding the disclosure date (Day -1) as the event window. Columns (3) to (6) use the disclosure date (Day 0) as the event window. For disclosures issued on non-trading days, Day 0 corresponds to the preceding trading day in Columns (3) and (4) or the following trading day in Columns (5) and (6). Columns (7) and (8) use the trading day following the disclosure date (Day +1) as the event window. Columns (9) to (12) present the two-day cumulative abnormal returns (CAR). For disclosures on trading days, Day -1 and Day 0 are used in Columns (9) and (10), while Day -1 and Day +1 are used in Columns (11) and (12). For disclosures on non-trading days, the preceding trading day and the following trading day are used in these four columns. All variables are defined in Appendix 3. The constant term is suppressed in all regression specifications. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% level, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	[-1, -1] Trading day preceding the disclosure date		[0, 0] Disclosure date, or the preceding trading day if the disclosure date falls on a non-trading day		[0, 0] Disclosure date, or the following trading day if the disclosure date falls on a non-trading day		[+1, +1] Trading day following the disclosure date		Two-day CAR: Preceding trading day and the disclosure date for trading-day disclosures; preceding and following trading days for non-trading-day disclosures		Two-day CAR: Preceding and following trading days for both trading-day and non-trading-day disclosures	
Dissent	0.334**	0.880*	0.258*	0.217	0.250*	0.244	0.211	0.275	0.623***	1.115	0.577***	1.286
	(2.51)	(1.86)	(1.92)	(0.46)	(1.90)	(0.55)	(1.62)	(0.60)	(3.07)	(1.47)	(2.80)	(1.61)
Non-Dissent	0.002	0.541	-0.264***	-0.281	-0.115	-0.101	-0.089	-0.018	-0.096	0.409	-0.071	0.629
	(0.02)	(1.22)	(-2.83)	(-0.65)	(-1.31)	(-0.26)	(-1.03)	(-0.04)	(-0.71)	(0.59)	(-0.52)	(0.87)
Size		-0.055		0.011		0.006		-0.004		-0.044		-0.072
		(-1.20)		(0.25)		(0.15)		(-0.10)		(-0.63)		(-0.98)
Book-to-Market		-0.142		-0.117		-0.102		-0.059		-0.230		-0.182
		(-0.99)		(-0.92)		(-0.91)		(-0.48)		(-1.12)		(-0.90)
Adjusted R^2	0.006	0.007	0.014	0.012	0.005	0.003	0.003	0.000	0.012	0.011	0.009	0.009
N	703	703	703	703	703	703	703	703	703	703	703	703
p-value of the coeff. difference between *Dissent* and *Non-Dissent*	0.043	0.041	0.002	0.003	0.021	0.032	0.055	0.065	0.003	0.004	0.009	0.009

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