

The Value of Dissent: Market Reaction to Voting Intention Disclosures

Finance Working Paper N° 1033/2025

September 2025

Tzu-TingChiu

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

Simone Traini

Department of Accounting, Auditing and Law, NHH Norwegian School of Economics

© Tzu-TingChiu, Xi Li, Rusha Nandy and Simone Traini 2025. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

This paper can be downloaded without charge from:
<https://www.ecgi.global/publications/working-papers>

ECGI Working Paper Series in Finance

The Value of Dissent: Market Reaction to Voting Intention Disclosures

Working Paper N° 1033/2025
September 2025

Tzu-TingChiu

Xi Li

Rusha Nandy

Simone Traini

We thank Alexis Wegerich and Tobias Hyldmo of the Active Ownership Department at Norges Bank Investment Management for valuable discussions and for sharing the engagement data, and Yinan Li for excellent research assistance.

© Tzu-TingChiu, Xi Li, Rusha Nandy and Simone Traini 2025. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

Abstract

This study examines the stock market reaction to institutional investors' pre-disclosure of voting positions. Specifically, we investigate price reactions 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. We classify a voting intention as "dissent" when it opposes management's vote recommendation on a proxy proposal. We find positive abnormal returns around announcements of dissent for proposals that later pass or fail by a narrow margin. These results are concentrated in firms with weaker corporate governance, poorer past performance, or greater NBIM influence, and in proposals concerning board independence or capital structure. We explore two mechanisms that may explain the market reaction: a prediction channel, where NBIM's dissent affects voting outcomes, and a certification channel, where dissent signals value-enhancing shareholder monitoring. We find no evidence that dissent increases the likelihood of a proposal passing in line with NBIM's position. Instead, our results support the certification channel: NBIM is more likely to engage with firms where it dissents, suggesting that investors perceive dissent as a credible signal of increased monitoring. Overall, our findings show that voting intention disclosures by a large universal investor are value-relevant, providing implications for the debate on increasing transparency of institutional investors' proxy voting, particularly through pre-declaration of votes.

Keywords: dissent; voting intentions; shareholder monitoring/engagement; corporate governance;

JEL Classification: G14; G23; G34; M41

Tzu-TingChiu

Xi Li

London School of Economics and Political Science and ECGI

Associate Professor of Accounting

London School of Economics and Political Science

e-mail: xi.li@lse.ac.uk

Rusha Nandy

Norwegian School of Economics

Researcher

e-mail: Rusha.Nandy@nhh.no

Simone Traini

Norwegian School of Economics

Associate Professor

e-mail: Simone.Traini@nhh.no

The Value of Dissent: Market Reaction to Voting Intention Disclosures

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

September 2025

We are grateful for the helpful comments and suggestions from Ana Albuquerque, François Brochet, Lei Chen (discussant), Xia Chen, David Erkens (discussant), Fabrizio Ferri, David Godsell, Ole-Kristian Hope, Yun Lou, Daniele Macciocchi, Jim Ohlson (discussant), Aneesh Raghunandan (discussant), David Samuel, Chong Shu, Arthur Stenzel, Charles C.Y. Wang, Rustam Zufarov (discussant), and participants at the AAA IAS Webinar, the 2023 CAAA Annual Conference, the 2023 Nordic Accounting Conference, the 2024 CCGAR Research Camp, the 2024 CEIBS Accounting and Finance Symposium, the 2024 Journal of International Accounting Research Conference, the 2024 LBS Alumni Workshop, the 2025 AAA Annual Meeting, and seminars at Aalto University, HEC Paris, NHH Norwegian School of Economics, Simon Fraser University, Singapore Management University, Southampton Business School, S.P. Jain Institute of Management Research, SWUFE Institute of Financial Studies, and the University of Bristol. We thank Alexis Wegerich and Tobias Hyldmo of the Active Ownership Department at Norges Bank Investment Management for valuable discussions and for sharing the engagement data, and Yinan Li for excellent research assistance. Tzu-Ting Chiu and Rusha Nandy acknowledge funding from the MØST Fund and the Arthur Andersen Fund at the Department of Accounting, Auditing and Law at NHH Norwegian School of Economics. Rusha Nandy further acknowledges access to ISS data during her research stay at Columbia University.

The Value of Dissent: Market Reaction to Voting Intention Disclosures

Abstract

This study examines the stock market reaction to institutional investors' pre-disclosure of voting positions. Specifically, we investigate price reactions 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. We classify a voting intention as "dissent" when it opposes management's vote recommendation on a proxy proposal. We find positive abnormal returns around announcements of dissent for proposals that later pass or fail by a narrow margin. These results are concentrated in firms with weaker corporate governance, poorer past performance, or greater NBIM influence, and in proposals concerning board independence or capital structure. We explore two mechanisms that may explain the market reaction: a prediction channel, where NBIM's dissent affects voting outcomes, and a certification channel, where dissent signals value-enhancing shareholder monitoring. We find no evidence that dissent increases the likelihood of a proposal passing in line with NBIM's position. Instead, our results support the certification channel: NBIM is more likely to engage with firms where it dissents, suggesting that investors perceive dissent as a credible signal of increased monitoring. Overall, our findings show that voting intention disclosures by a large universal investor are value-relevant, providing implications for the debate on increasing transparency of institutional investors' proxy voting, particularly through pre-declaration of votes.

Keywords: dissent; voting intentions; shareholder monitoring/engagement; corporate governance; sovereign wealth fund

JEL Classification: G14; G23; G34; M41

1. Introduction

This study examines whether and how the stock market reacts to pre-disclosure of voting positions by a large universal institutional investor, Norges Bank Investment Management (NBIM), the asset manager of the world's largest sovereign wealth fund (SWF) – Norway Government Pension Fund Global. In recent years, proxy voting by institutional investors has attracted growing attention from regulators and other stakeholders, with the goal of promoting investment stewardship and improving transparency.¹ In response, several large asset managers have begun pre-disclosing their voting intentions ahead of portfolio firms' annual general meetings (AGM), particularly when they intend to oppose management.² The most prominent example is NBIM, which since 2021 has become the first – and remains the *only* – institutional investor to systematically disclose voting intentions ahead of shareholder meetings, publishing its positions on *all* agenda items five calendar days before *each* portfolio firm's AGM. NBIM's consistent pre-disclosures of voting positions provide us with a unique setting to assess the value relevance of these disclosures and their impact on portfolio firms' stock prices.

Building on the theoretical model of the information content of interim news developed by Alexander, Chen, Seppi, and Spatt (2010), we propose two mechanisms through which NBIM's voting intentions, particularly its dissent, may affect portfolio firms' stock prices. The first

¹ See the [speech](#) by US Securities and Exchange Commission (SEC) Commissioner Allison Lee on the importance of fund voting and disclosure. In 2022, the SEC adopted [rules](#) to enhance proxy voting disclosures. The push for greater transparency has been fueled, in part, by criticism of fund managers who failed to disclose votes against management recommendations in advance. For example, Berkshire Hathaway CEO Warren Buffett was criticized by shareholders for not revealing his intention to abstain from voting on Coca-Cola's executive bonus plan proposal before the company's annual general meeting in 2014.

² For example, in 2022, Neuberger Berman, a US asset manager, announced its voting intentions for 63 key votes and opposed management in 54% of them. In May 2022, Schroders, a UK asset manager, pre-declared its voting intentions one week in advance for 11 shareholder proposals against management 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 the company's legal action against activist investors.

mechanism is through revising investors' beliefs about voting outcomes, which may influence future firm policies and performance. As a large, well-resourced fund manager, NBIM's voting intention disclosures can serve as third-party proxy voting advice, either persuading other shareholders to vote in line with its position or acting as a coordination device. We refer to this as the prediction channel. The second mechanism is through signaling shareholder monitoring and potential actions that NBIM may take following its dissent. As a universal owner and long-term investor, such actions may create firm value. We refer to this as the certification channel.

While the prediction and certification channels imply positive price reactions, NBIM's dissent voting intentions might also elicit negative stock price reactions or no reaction at all. If investors perceive NBIM's dissent as indicative of poor governance practices and failed private engagements, they may respond negatively. Moreover, NBIM's dual mandate as a SWF manager pursuing both financial and political objectives may raise investors' concerns about the effectiveness of its monitoring and potential misalignment with shareholder interests. It is also possible that investors find little new information in NBIM's voting intention disclosures, given its published voting guidelines, reliance on proxy advisor services, and the sheer volume of proposals to vote on. Collectively, these arguments suggest that the price reaction to NBIM's dissent voting intentions is ambiguous *ex ante*, and ultimately, an empirical question.

To measure stock price reactions to NBIM's voting intentions, we calculate cumulative abnormal returns (CAR) over a three-day window surrounding the disclosure date of NBIM's voting positions on proxy proposals at each portfolio firm's AGM. Our analysis primarily focuses on proposals that are expected to be close-call, i.e., those later passing or failing by a narrow margin ($\pm 5\%$) at AGMs, where NBIM's voting intentions are likely most informative. The close-call sample consists of voting intention disclosures for 695 proxy proposals to be voted on at 537

AGMs between 2021 and 2023. Of these, 229 are classified as dissent, where NBIM disagrees with management's vote recommendation. We document a significant average three-day CAR of 0.62% for close-call proposals with NBIM's dissent but an insignificant average three-day CAR for those without dissent. The difference between the two is statistically significant, suggesting that NBIM's dissent voting intentions are viewed positively by the market. These results remain robust when we calculate CAR using alternative event windows or conduct the analysis at the meeting level rather than at the proposal level. We also observe that the positive market reaction strengthens when we tighten the close-call threshold but diminishes when we broaden the threshold. The average price reaction to non-close-call proposals is close to zero. These findings support our conjecture that NBIM's dissent voting intentions are most informative in close-call proposals.

We then explore cross-sectional variations in proposal topics and sponsor types, firm characteristics, and NBIM's potential to influence voting outcomes. We find that positive abnormal returns are most pronounced when NBIM intends to oppose management proposals related to firm capitalization or investment and support shareholder proposals aimed at enhancing board independence. We also find that positive abnormal returns are concentrated in firms with weaker governance or poorer past performance. These findings are consistent with investors interpreting NBIM's dissent voting intentions as a signal of value-enhancing shareholder monitoring, especially in situations where shareholders may be vulnerable to potential expropriation or inadequate monitoring. Furthermore, we find that positive abnormal returns are stronger when NBIM holds larger equity stakes or when shareholders can still cast votes after NBIM's disclosures, consistent with the idea that NBIM's voting intention disclosures are more informative and influential when they have greater potential to affect voting outcomes.

The above cross-sectional analysis provides indicative evidence consistent with both the prediction and certification channels. We next formally test these two channels using the estimation models based on Alexander et al. (2010). We find that NBIM's dissent voting intention is not significantly related to the likelihood of a proposal passing in line with its position, although it is positively associated with the percentage of dissent votes for a proposal. This finding is unsurprising given NBIM's relatively small equity stakes in most of its portfolio firms. We further observe that price reactions around AGMs are muted for close-call proposals with NBIM's dissent, regardless of the voting outcomes, suggesting that the market is not surprised by the final results. In contrast, we find evidence supporting the certification channel: abnormal returns are positively associated with NBIM's dissent voting intentions after accounting for adjusted investors' beliefs about the probability of dissident victory. Additionally, we find a higher likelihood and intensity of NBIM's engagements with portfolio firms following dissent, corroborating the certification channel that NBIM's dissent signals value-enhancing shareholder actions.

Lastly, we analyze how predictable NBIM's dissent voting intentions are. We find that although NBIM's dissent voting intentions appear broadly aligned with proxy advisor recommendations, portfolio firm characteristics and proxy advisor recommendations explain only a small portion of them, suggesting that market participants are unlikely to fully predict NBIM's dissent voting intentions ex ante. These findings support the view that NBIM's dissent voting intention disclosures provide incremental information to the market.

Our study makes three main contributions. First, it provides policy implications for the ongoing debate on enhancing transparency and stewardship in institutional investors' proxy voting, particularly through pre-declaration of votes. Research suggests that mandatory disclosure of voting records increases shareholder participation, thereby strengthening monitoring and

engagement (Li and Yoon 2024). The United Nations (UN) Principles for Responsible Investment (PRI), the world’s leading proponent of responsible investment, recommends that investors publicly pre-declare their voting intentions, particularly for high-profile votes, and provides a vote declaration system that allows its signatories to voluntarily pre-declare and share their voting intentions.³ However, some fund managers have expressed concerns that US SEC may treat certain pre-disclosures of voting intentions as a form of proxy solicitation, potentially exposing them to legal liability under the proxy rules (see, e.g., SEC Rule 14a-1(l) under the Securities Exchange Act of 1934).⁴ Our findings inform this debate by providing evidence on the capital market effect of pre-disclosing voting positions.

Second, we contribute to the literature on shareholder activism, particularly in the context of shareholder voting. Unlike prior research that primarily analyzes *ex post* voting records (e.g., Cuñat, Gine, and Guadalupe 2012, Ertimur, Ferri, and Oesch 2018, Aggarwal, Dahiya, and Yilmaz 2024, Michaely, Rubio, and Yi 2024), we are among the first to examine *ex ante* voting intentions.⁵ A universal owner’s pre-disclosure of voting positions may represent a new form of shareholder activism, distinct from other types of public engagement, 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

³ See the PRI [press release](#) on its vote declaration system.

⁴ For example, BlackRock stated in its [2024 investment stewardship annual report](#) 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.” Informal conversations with stewardship professionals at another large US asset manager further suggest that this reluctance is widespread, with practitioners citing concerns that the SEC could interpret advance disclosures as evidence of “acting in concert” or as a form of proxy solicitation.

⁵ Our study is related to, but distinct from, concurrent work by Fahlenbrach, Rudolf, and Wegerich (2024) and Carter, Pawliczek, Tuna, and Underwood (2025). Specifically, we examine the value relevance of NBIM’s pre-disclosure of voting positions and show that its dissent conveys a credible signal of monitoring even when it does not affect proposal passage, whereas the other two papers primarily focus on its effect on voting outcomes and shareholder coordination.

Muslu 2011). Our evidence suggests that a universal owner’s disclosure of voting intentions ahead of AGMs appears to provide value-relevant information to market participants.

Finally, our study adds to the literature on SWFs, which remain relatively understudied in accounting (Godsell 2022, 2024). Prior research has primarily examined 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 generally document positive market reactions to announcements of SWF investments but provide mixed evidence on their long-term effects on firm performance (see Megginson, Malik, and Zhou (2023) for a review). We extend this literature by focusing on market reactions to SWFs’ voting intention disclosures rather than to investment announcements. Our findings highlight shareholder voting as a potential mechanism through which SWFs may create value. Nonetheless, we caution that NBIM’s distinctive governance structure, investment strategy, and high degree of transparency set it apart from most other SWF managers. Consequently, our evidence based on NBIM’s disclosures may not be fully generalizable to the broader population of SWFs.

2. Institutional background, relevant literature, and hypothesis development

2.1. Institutional background

The Norwegian SWF, formally known as the Government Pension Fund Global and commonly referred to as the Oil Fund, is the largest SWF in the world.⁶ It was established in 1990 to ensure responsible and long-term management of income derived from Norway’s oil and gas resources, safeguarding wealth for current and future generations. In 1998, Norges Bank (the Central Bank of Norway) established NBIM to manage the Norwegian SWF. At the end of 2024,

⁶ See the Sovereign Wealth Fund Institute [website](#) for rankings of SWFs by assets under management.

the fund's market value was approximately 1.74 trillion US dollars. NBIM invests globally across multiple asset classes, including equities, fixed income, real estate, and renewable energy infrastructure, with equity investments accounting for 71.4% of its portfolio. As a universal owner, it holds shares in more than 8,500 companies across over 60 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 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 limited short-term liquidity needs. However, several features distinguish NBIM 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 domestically and holds relatively small equity stakes in each portfolio company (Dewenter et al. 2010). As a result, voting serves as its primary tool for monitoring and exerting influence. Second, NBIM is highly independent from the sponsoring government and insulated from political interference. The Norwegian SWF is widely regarded as the most professionally managed and transparent SWF (Ang, Goetzmann, and Schaefer 2009, Caner and Grennes 2010, Bortolotti et al. 2015, Vasudeva, Nachum, and Say 2018). Compared

⁷ See NBIM's [risk-based divestments](#) and [ethical exclusions](#).

⁸ See NBIM's [investment strategy](#).

with other SWF managers, NBIM is considered less likely to expropriate minority shareholders or use its investments to pursue political agendas or fulfill social objectives (Kotter and Lel 2011).

During the early years from 1998 to 2000, NBIM delegated shareholder voting responsibilities to external fund managers, limiting its insights into how votes were cast on its behalf. In 2001, NBIM started requesting reports on these voting activities. Since then, it has internalized voting decisions and implemented measures to enhance transparency. In 2015, for the first time, NBIM announced its voting intentions ahead of the AGMs of BP and Shell, supporting shareholder proposals on climate reporting. To further increase transparency, starting in January 2021, NBIM began publishing its voting intentions for *all* agenda items *five calendar days* before the AGMs of *all* portfolio companies, wherever feasible.⁹ This initiative has substantially amplified NBIM's influence on corporate governance, positioning it as a prominent institutional investor 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.

Besides voting, another way for NBIM to exercise monitoring is through direct engagement with portfolio firms.¹¹ Owing to the scale of its investments, NBIM often has access to firms' board members and senior management to engage in dialogues on various topics, such as strategy, performance, corporate governance, and sustainability. Given the breadth of its portfolio, NBIM

⁹ See the [mention](#) of this initiative. Our conversations with NBIM staff responsible for voting indicate that instances in which NBIM does not disclose voting intentions ahead of AGMs are very rare. These cases typically occur when portfolio firms cancel or postpone their AGMs on short notice.

¹⁰ See the [article](#) published on the Board Agenda website.

¹¹ See NBIM's [engagement with companies](#).

likely prioritizes engagement with firms in which it holds larger equity stakes. In 2024, it engaged with 1,342 firms across 3,313 meetings.

To date, NBIM remains the *sole* institutional shareholder that consistently discloses voting intentions on *all* agenda items prior to the AGMs of *all* portfolio companies.¹² This uniform disclosure practice allows us to attribute observed price reactions to the content of the disclosure itself, mitigating concerns about self-selection bias (i.e., the possibility that a fund manager discloses voting intentions only when anticipating a favorable market response).

2.2. Relevant literature and hypothesis development

As the asset manager of the world's largest SWF, NBIM's actions are often viewed as exemplary, and its public statements typically receive considerable media attention.¹³ Building on the theoretical model of interim news and its information content developed by Alexander et al. (2010), we propose two mechanisms through which NBIM's voting intention disclosures may affect portfolio firms' stock prices.¹⁴

The first mechanism is the prediction channel: NBIM's voting intentions may influence investors' beliefs about voting outcomes. 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 stems from in-house research, external services, and access to firm management as well as local governments and regulators (Dewenter et al. 2010,

¹² 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 on an ad hoc and unsystematic basis.

¹³ For example, on June 8, 2024, NBIM announced on its [website](#) that it was going to vote against Elon Musk's \$56 million pay package at Tesla's upcoming AGM on June 13. This announcement was covered by major news outlets worldwide within the next two days, including [Financial Times](#), [Reuters](#), [Bloomberg](#), and several others. Similarly, on May 24, 2024, when NBIM announced its intention to vote against ExxonMobil director Joseph Hooley at the upcoming AGM on May 29, this announcement received widespread media coverage.

¹⁴ In Alexander et al.'s (2010) model, interim news is defined as "early and incomplete information about the outcome of a future event."

Vasudeva et al. 2018).¹⁵ Prior evidence suggests that NBIM's investment decisions convey value-relevant information to other investors, particularly those without the capacity for independent research or access to local markets (Dewenter et al. 2010, Kotter and Lel 2011, Bortolotti et al. 2015).¹⁶ In particular, the textual explanations, i.e., the voting rationale, accompanying each dissent vote may provide decision-useful information to other shareholders (Michaely et al. 2024). Consequently, similar to proxy advisory dissent recommendations, NBIM's dissent voting intentions may serve as a coordination device, persuading other shareholders to align their votes with its positions. Consistent with this argument, Fahlenbrach et al. (2024) and Carter et al. (2025) document a positive association between NBIM's voting intentions and the percentage of votes in line with its positions. NBIM's own votes, together with those influenced by its pre-disclosures, should increase the perceived probability of dissident victory, leading to positive price reactions.¹⁷

The second mechanism is the certification channel: NBIM's voting intentions, especially dissent, may signal value-enhancing shareholder monitoring. Previous studies suggest that long-term investors, including SWFs, often serve as active monitors (Bushee 1998, Godsell 2024). As an ultra-long-term investor and universal owner, NBIM often engages directly with firm management, pushing for improvements in corporate governance and policies. As a result, dissent voting intentions may convey NBIM's intent to undertake shareholder actions, such as engagements, that could create value to the firm (Dimson, Karakaş, and Li 2015).

The prediction and certification channels are conceptually distinct but not mutually exclusive, and positive price reactions to NBIM's dissent voting intentions could be driven by

¹⁵ See NBIM's [external service providers](#).

¹⁶ [Anecdotal evidence](#) indicates that many investors closely follow NBIM's investment decisions, especially the list of companies it excludes from its portfolio due to governance concerns.

¹⁷ Prior evidence generally supports a positive relation between dissident victories in proxy contests and future firm value. For example, Cuñat et al. (2012) find that passing close-call shareholder proposals on governance issues leads to significant positive abnormal returns and long-term performance improvements. Similarly, Iliev, Lins, Miller, and Roth (2015) document a positive association between support for dissent voting and future governance improvements.

both. Even if NBIM's dissent does not alter final voting outcomes, market participants may still interpret it as value-enhancing shareholder activism. Consistent with this view, Ertimur et al. (2018) find that dissent votes in uncontested director elections rarely result in director turnover but often prompt firms to address the underlying issues raised by shareholders. Similarly, Michaely et al. (2024) show that high levels of dissent on board diversity, director tenure, and director busyness are associated with subsequent changes in board composition.

However, NBIM's dissent voting intentions might trigger negative stock price reactions. If investors view dissent as a signal of weak corporate governance or failed private engagements, they may respond unfavorably, especially when NBIM's influence on voting outcomes is limited.¹⁸ Consistent with this perspective, Gillan and Starks (2000) document negative stock price reactions to shareholder proposals sponsored by institutions or coordinated groups, suggesting that investors may perceive such initiatives as evidence of management's reluctance to engage constructively with shareholders. As a SWF manager, NBIM pursues not only financial goals but also political objectives (Aguilera, Capapé, and Santiso 2016). When its attention is divided across multiple goals, the effectiveness of its monitoring might be undermined (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 is not considered enhancing shareholder value, it could lead to negative market reactions. Supporting this notion, Bortolotti et al. (2015) document a valuation discount associated with SWF equity investments, and Godsell (2022) finds increased financial reporting opacity in firms following SWF investments.

¹⁸ Carine Smith Ihenacho, Chief Governance and Compliance Officer at NBIM, stated in a video on NBIM's website explaining its voting practices: "... Before we decide on how to vote, we have internal discussions, we look at external data, and *we talk to the companies ...*"

Alternatively, market reactions to NBIM’s voting intention disclosures may be negligible if other shareholders perceive the proposals opposed by NBIM as value-irrelevant. Aggarwal, Litov, and Rajgopal (2025) show that engagements by the Big Three asset managers (BlackRock, Vanguard, and State Street Global Advisors) generate only transitory and minimal negative abnormal returns, implying that investors view such engagements as neither effective nor value-enhancing. Similarly, Ertimur, Ferri, and Oesch (2013) find no market reaction to the implementation of changes in compensation plans in response to shareholder dissent on say-on-pay proposals. Ertimur et al. (2018) further show that the issues that drive shareholder dissent votes are often unrelated to firm value.

Market reactions may also be minimal if NBIM’s voting behavior is predictable. Like many asset managers, NBIM publishes voting guidelines on its website, claiming that these principles govern its voting decisions.¹⁹ Existing research suggests that shareholder votes largely follow proxy advisor recommendations (e.g., Cai, Garner, and Walkling 2009, Ertimur et al. 2013). NBIM uses Institutional Shareholder Services (ISS) for voting research and recommendations.²⁰ If market participants can predict NBIM’s voting positions based on its voting guidelines or ISS recommendations, its voting intention disclosures may convey little new information. Moreover, NBIM votes on more than 120,000 proposals at over 12,000 AGMs each year, raising concerns about the extent of research that NBIM can conduct on each proposal and hence the informativeness of its voting intention disclosures.

Ultimately, whether and how the stock market reacts to NBIM’s dissent voting intentions is an empirical question.

¹⁹ See NBIM’s [voting guidelines](#).

²⁰ NBIM asserts that ISS’s vote recommendations are based on a bespoke voting policy set by NBIM.

3. Research design

3.1. Measuring stock price reactions

To measure price reactions to NBIM’s voting intention disclosures, we use an event study methodology. Figure 1 illustrates the timeline of NBIM’s voting intention disclosures and the event window used to capture the price reaction. The event date is the date when NBIM publishes its voting intentions, typically five calendar days before the AGM. If 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 using a three-day event window. First, the exact timing of NBIM’s disclosures is unavailable, making it difficult to determine when the information becomes publicly accessible and tradable, especially for portfolio firms listed on stock exchanges across different time zones. Second, for approximately half of the sample, the disclosure date falls on a weekend, making it unclear whether the information is released immediately before, during, or after the weekend. A three-day window accommodates these timing uncertainties. We define the market reaction measure, *Disclosure CAR*, as the sum of daily firm returns minus local market returns over the three-day event window.²¹

3.2. Defining dissent and close-call proposals

Consistent with prior literature (e.g., Aggarwal, Dahiya, and Prabhala 2019, Brochet, Ferri, and Miller 2021), we define NBIM’s dissent voting intentions (*Dissent*) as those disagreeing with

²¹ For each firm, we retain the primary listing and adjust 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.

management recommendations – namely, in the vast majority of cases, voting against management proposals or in favor of shareholder proposals.²²

In the main analysis, we define close-call proposals as those with a vote margin of $\pm 5\%$ around the required threshold for passage. We focus on these proposals for two main reasons. First, given NBIM’s relatively small equity stakes in its portfolio firm, its voting intentions are likely to carry more weight when outcomes are more uncertain *ex ante* (Cuñat et al. 2012). Second, due to the large number of proposals voted on annually, NBIM likely concentrates its attention and research effort on the most important and contentious items (Hu, Malenko, and Zytnick 2024). Therefore, NBIM’s voting intentions on close-call proposals are expected to be most informative. We later vary the margin threshold to examine whether stock price reactions differ.

3.3. Sample and data

Our initial sample comprises 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 voting [website](#). Our sample period begins in January 2021, when NBIM started systematically publishing voting intentions five days prior to AGMs of all its portfolio firms. 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, institutional ownership data from FactSet, and board information from BoardEx.

Table 1, Panel A describes the sample selection procedure. The initial sample includes 301,182 proxy proposals from the AGMs of 9,927 firms. We exclude 49,474 proposals due to missing data in ISS Voting Analytics and further eliminate 30,151 proposals lacking stock price

²² We observe a few rare cases in our sample where management recommends voting against a management proposal while supporting a shareholder proposal.

data and 8,416 proposals lacking financial data. We then remove 5,695 proposals where management recommendations or NBIM voting intentions are withheld or abstained.²³ Finally, we exclude 15,575 proposals with an unusually low 1% approval threshold to reduce noise, since most proposals in our sample require more than 50% to pass.²⁴ The final sample consists of 191,871 proposals, of which 695 are classified as close-call proposals and 191,176 as non-close-call proposals. The 695 close-call proposals are voted on at 537 AGMs, representing 476 firms.

Table 1, Panel B presents the distribution of close-call proposals in our sample by AGM year. These proposals are generally evenly distributed across the sample period, with NBIM's dissent rate ranging from 29% to 37%, indicating that even among close-call proposals, NBIM is relatively restrained in expressing dissent. Untabulated analysis shows a similarly even distribution across years for non-close-call proposals, where NBIM's dissent rate is substantially lower, at approximately 4%.

Table 1, Panel C shows that close-call proposals are distributed across 28 countries, with the largest numbers from the United States (284), India (60), and France (54). NBIM's dissent rate varies by country, ranging from 100% in Turkey to 0% in countries such as Finland and Malaysia. In Section 4.4, we further explore whether country-level characteristics explain this variation in NBIM's dissent voting behavior.

4. Results

4.1. Main analysis

²³ These cases are more ambiguous in terms of defining dissent. We obtain robust results if we alternatively classify them as dissent.

²⁴ Our main results remain robust regardless of whether these proposals, which are mostly non-close-call, are included or excluded.

4.1.1. Univariate analysis

Table 2, Panel A reports results on stock price reactions around NBIM's voting intention announcements for close-call proposals. We find that the average three-day CAR around NBIM's dissent voting intention disclosures is 0.62% and statistically significant. The magnitude is comparable to the market reaction to SWF investment announcements documented in prior literature.²⁵ However, it is considerably smaller than the reaction to proxy advisors' dissent recommendations in proxy contests, as documented by Alexander et al. (2010). This is unsurprising given that proxy advisor recommendations are likely to have a stronger influence due to their timeliness and broad dissemination within the investment community.

In contrast, the average three-day CAR around NBIM's non-dissent voting intention disclosures is close to zero (0.025%) and statistically insignificant. This too is expected, as NBIM routinely announces its voting intentions across all proposals. In an informationally efficient market, such consistent disclosures would yield an unconditional mean price reaction close to zero (Alexander et al. 2010). Moreover, we find that the difference in the average CAR between NBIM's dissent and non-dissent intentions is statistically significant (p -value = 0.039), suggesting that the market responds more positively to dissent voting intentions than to non-dissent voting intentions for close-call proposals.

We further examine how this effect varies with different close-call margin thresholds. As we relax the margin from $\pm 5\%$ (baseline) to $\pm 8\%$, the positive price reaction to dissent voting intentions diminishes, despite the increase in sample size. Conversely, narrowing the margin from $\pm 5\%$ to $\pm 3\%$ increases the magnitude of the price reaction to dissent voting intentions, making the

²⁵ For example, Dewenter et al. (2010) document an average three-day CAR of 1.5%, Kotter and Lel (2011) document an average CAR of 2.2%, and Bortolotti et al. (2015) document an average CAR of 0.84% across all SWFs, with a substantially higher CAR when excluding NBIM from their sample.

difference between dissent and non-dissent more pronounced. One exception occurs at the $\pm 2\%$ margin, where the average CAR for dissent returns to levels similar to the $\pm 5\%$ baseline, likely due to reduced statistical power from the smaller sample size. Across all margins, the average CAR around NBIM's non-dissent disclosures remains statistically insignificant.

Overall, these findings suggest that the market responds more favorably to NBIM's dissent voting intentions when proposals are more closely contested. This is consistent with our conjecture that investors expect such dissent to be more influential on voting outcomes, or that they believe NBIM conducts more thorough due diligence on contentious proposals, making these dissent voting intentions more informative. These results support using close-call proposals as a salient setting for identifying potential price impacts of NBIM's voting intention disclosures.

4.1.2. Robustness analysis using alternative event windows

NBIM typically publishes voting intentions five calendar days before each of its portfolio firms' AGMs. Depending on the day and time of the AGM, the disclosure may occur on a trading or 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 releases its voting intentions immediately before, during, or immediately after the weekend. To address this uncertainty, we conduct robustness tests using alternative event windows to account for different scenarios.

Table 2, Panel B presents the price reaction results using different event windows. We break down the event window into individual trading days. Row (1) reports the average abnormal returns on the trading day preceding the disclosure date (Day -1). Rows (2) and (3) report the average abnormal returns on the disclosure date (Day 0). For disclosures issued on non-trading days, Day 0 corresponds to the preceding (following) trading day in Row (2) (Row (3)). Row (4)

reports the average abnormal returns on the trading day following the disclosure date (Day +1). We observe the strongest price reaction to dissent voting intentions on Day -1 in Row (1), suggesting that NBIM may release some voting intention disclosures earlier than five calendar days before the AGM. The weakest price reaction is observed on Day +1 in Row (4), suggesting that the market has likely already responded for some firms by that time. We find similar price reactions to dissent voting intentions in Rows (2) and (3), indicating that our findings are robust to different treatments of Day 0 for disclosures that fall on non-trading days. In Row (5), we use a two-day event window $[-1, 0]$. The two-day CAR exhibits a similar, albeit slightly weaker, pattern to the three-day CAR in our main results. This may be due to the insufficiency of the two-day window to capture variations in the timing of NBIM's voting intention disclosures and/or differences in market reaction timing across time zones.

Across all rows, the difference in average abnormal returns between close-call proposals with and without dissent is statistically significant, indicating that the market reaction to dissent voting intentions is significantly different from that to non-dissent intentions across various event windows. Collectively, these results show that our findings are robust to alternative event windows and treatments of Day 0 for disclosures that fall on non-trading days.

4.1.3. *Multivariate analysis*

Table 3 presents the results of a proposal-level OLS regression of the three-day CAR around NBIM's voting intention disclosures on an indicator for dissent (*Dissent*), an indicator for non-dissent (*Non-Dissent*), and firm-level risk factors, including firm size (*Size*) and book-to-market ratio (*Book-to-Market*). We also control for abnormal returns cumulated from 40 to two trading days prior to NBIM's voting intention disclosures (*Pre-Disclosure CAR*) to account for the

information environment between a firm's proxy filing date and NBIM's disclosure date.²⁶ Dimitrov and Jain (2011) document positive abnormal returns in the 40 days leading up to the AGM, attributing this to managers releasing favorable corporate news in response to increased shareholder scrutiny. In addition, Brochet et al. (2021) find that pre-AGM returns are especially pronounced for contentious proposals, potentially due to new information released during this period, such as proxy advisor reports, additional management disclosures, or communication between management and dissenting shareholders.

Table 3, Panel A reports the descriptive statistics for variables used in the proposal-level regression analysis for the close-call sample. All continuous variables are winsorized at the 1st and 99th percentiles, and variable definitions are provided in Appendix 3. Panel B reports regression results, where Columns (1) and (2) use the close-call proposal sample, and Column (3) uses the non-close-call proposal sample for comparison. We suppress the constant term and demean all continuous variables to avoid the dummy variable trap and to facilitate the interpretation of indicator variables.

We find that *Dissent* has a positive and significant coefficient in both Columns (1) and (2), with a magnitude slightly smaller than that in the univariate analysis, suggesting that including control variables only marginally reduces the CAR associated with NBIM's dissent voting intentions. The coefficient on *Non-Dissent* is insignificant, and the difference in the coefficients on *Dissent* and *Non-Dissent* is statistically significant in both columns, consistent with the univariate results.

For non-close-call proposals, both the coefficients on *Dissent* and *Non-Dissent* are statistically insignificant in Column (3). Consistent with the results in Panel A of Table 2, this

²⁶ This window approximates the period between the proxy filing date and NBIM's disclosure date because the exact dates when proxy statements became publicly available for our sample firms are unknown.

finding suggests that investors perceive NBIM's dissent voting intentions as influential or informative only when proposals are closely contested. In Columns (2) and (3), we observe a negative and significant coefficient on pre-disclosure CAR, indicating that the market reacts more positively to NBIM's voting intention disclosures when the prior information environment is more negative.

4.1.4. *Meeting-level analysis*

When NBIM publishes its voting intentions, it simultaneously discloses how it intends to vote on all proposals at a portfolio firm's AGM. To control for the confounding effect of market reactions driven by dissent on non-close-call proposals or non-dissent on close-call proposals, we alternatively conduct our analysis at the meeting level after aggregating different types of voting intentions. Table 3, Panel C reports the results of this analysis, where Columns (1) - (3) use a sample of meetings with close-call proposals, while Column (4) uses a sample of all meetings.

Consistent with the main results, we find that the number of close-call proposals with NBIM's dissent (*# Close-Call Dissent*) has a positive and significant association with the disclosure CAR in all columns. In contrast, the coefficients on the number of close-call proposals without NBIM's dissent (*# Close-Call Non-Dissent*), the number of non-close-call proposals with NBIM's dissent (*# Non-Close-Call Dissent*), and the number of non-close-call proposals without NBIM's dissent (*# Non-Close-Call Non-Dissent*) are insignificant across all columns, except for a significantly negative coefficient on *# Non-Close-Call Dissent* in Column (4). Moreover, the difference in the coefficients on *# Close-Call Dissent* and *# Close-Call Non-Dissent* is statistically significant in Columns (1) - (3) and is marginally significant in Column (4). These findings suggest that our main results are unlikely driven by NBIM's non-dissent on close-call proposals or its

dissent on non-close-call proposals. Overall, the inferences remain robust in the meeting-level analysis.

4.2. Cross-sectional analysis

4.2.1. *By proposal topic and sponsor type*

In this analysis, we examine whether the market reaction to NBIM's dissent voting intentions varies across different proposal topics and types. We follow the ISS voting guidelines and classify proposals into the following topics: (1) board (other than director elections), (2) capital, (3) compensation, (4) director elections, (5) environmental & social, (6) shareholder rights, and (7) routine & audit.²⁷ Examples for each proposal topic are presented in Appendix 2.

Table 4, Panel A reports the number of proposals by topic and sponsor type, the average three-day CAR surrounding NBIM's dissent versus non-dissent voting intention announcements, and the difference in the mean values of CAR between the two. We find that NBIM's dissent voting intentions for close-call proposals on capital-related topics generate an average CAR of 2.435%, whereas non-dissent voting intentions for these proposals exhibit negative but insignificant abnormal returns. The difference is statistically significant between capital-related close-call proposals with and without dissent (p -value < 0.001). Capital-related proposals typically refer to management proposals involving financing and investment issues, such as equity issuances and related party transactions. Given the long-term implications of these actions, institutional investors with extended investment horizons are likely to scrutinize them carefully to guard against decisions that could harm existing shareholders or diminish long-term firm value.²⁸ This scrutiny

²⁷ See the definition of each topic in [ISS voting guidelines](#). We distinguish director elections from other board-related topics because prior literature has examined director elections as a distinct category (e.g., Fischer, Gramlich, Miller, and White 2009, Ertimur et al. 2018, Aggarwal et al. 2019).

²⁸ Appendix 1 illustrates such a case, where Wacker Neuson's management proposed creating new authorized capital with the option to exclude subscription rights. NBIM opposed the proposal, arguing that existing shareholders should have the right to approve share issuances to prevent ownership dilution. In [another case](#), Tata Motors sought approval of related-party transactions between Tata Cummins Private Limited and its affiliates. NBIM recommended voting

may explain the observed positive and significant abnormal returns when NBIM discloses dissent voting intentions on capital-related proposals that are contentious.

Additionally, we observe that NBIM's dissent voting intentions on other board-related close-call proposals generate a positive and significant market reaction, despite a small sample size. A closer examination of these proposals reveals that price reactions are primarily driven by cases where NBIM supports shareholder-sponsored proposals advocating an independent board chair or a separation of the chairperson and CEO roles.²⁹ The positive market reaction suggests that investors concur with NBIM's opinions, recognizing that having an independent board chair or separating the CEO and chairperson roles enhances the board's effectiveness in monitoring management.³⁰

Interestingly, we find positive and significant abnormal returns for NBIM's non-dissent voting intentions for director election proposals that are close-call. One possible explanation is that investors view NBIM's support of director elections as a sign of approval, especially when the elections are contentious. The lack of market reactions to NBIM's dissent voting intentions on other proposal topics suggests that it is unclear ex ante whether opposing management on these issues would enhance shareholder value.³¹

Next, we categorize proposals based on whether they are sponsored by management or shareholders. Unsurprisingly, the majority of the proposals are management-sponsored, for which

against this proposal, arguing that related-party transactions should be avoided unless their benefits to shareholders can be demonstrated. Moreover, NBIM emphasized that the board should disclose the parties involved, transaction values and costs, and the business rationale.

²⁹ For example, NBIM explains its [rationale](#) for separating the chairperson and CEO roles as follows: "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."

³⁰ Note that the evidence on the relation 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).

³¹ For example, it is unclear whether disapproving executive compensation (compensation proposals), supporting the adoption of environmental targets (environmental proposals), or opposing management's proposed amendments to the articles of association (shareholder rights proposals) would unequivocally enhance shareholder value.

management's vote recommendation is almost always for. The average CAR is 0.79% for close-call management proposals with NBIM's dissent, which is significantly higher than that for proposals without NBIM's dissent (p -value = 0.031). However, we do not observe significant abnormal returns for close-call 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 increase firm value.

Taken together, these findings suggest that the market reacts positively to NBIM's dissent voting intentions, which are likely aimed at curbing management's deviation from best corporate practices.

4.2.2. *By firm characteristic and performance*

Prior studies document 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, Hail and Leuz 2006, La Porta, Lopez-de-Silanes, and Shleifer 2006). Thus, we 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 et al. 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 securities are issued. They find that civil law systems provide shareholders with weaker legal rights and protections compared

to common law systems. 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, leading to stronger market reactions to NBIM's dissent voting intentions when portfolio firms are located in countries with weaker legal enforcement, civil-law systems, or lower levels of investor protection.

We additionally capture firm-level governance quality using two proxies. The first 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 firm ownership is dispersed among small shareholders who often lack the research capabilities or incentives for proxy voting, NBIM's voting intention disclosures become particularly useful for their decision-making.

We divide our sample into two groups based on the median values of country-level legal institutions and firm-level governance variables, and report the cross-sectional results on disclosure CAR in Table 4, Panel B. Consistent with our expectations, we find that the market reaction is positive and significant only for the subsample of portfolio firms located in countries with weak legal institutions (i.e., weak legal enforcement, civil-law system, and low investor protection) and for firms exhibiting weak corporate governance (i.e., low board independence and

low blockholder ownership). Moreover, the difference in the mean CAR between dissent and non-dissent voting intentions is statistically significant in this subsample. These results support our argument that the market reacts positively to NBIM's dissent voting intentions because investors consider its monitoring valuable. This monitoring is especially important when firms lack effective oversight from other governance mechanisms, such as the board or blockholders. Consistent with Iliev et al. (2015), our findings highlight the interplay between country-level legal institutions and shareholder monitoring through dissent voting.

Next, we split the sample into two based on past firm performance, measured by buy-and-hold market-adjusted returns over the event window [-360, -41] relative to the AGM date (*Past Performance*). Firms with negative past stock returns (referred to as past losers) face potential shareholder value expropriation and are therefore more likely to benefit from external shareholder monitoring certified by NBIM's dissent. We find that the mean CAR is significantly positive and the difference between dissent and non-dissent voting intentions is significant only in the subsample of past losers. Prior studies also use poor firm performance as a proxy for increased shareholder pressure that firms face before AGMs (Dimitrov and Jain 2011, Ertimur et al. 2018, Brochet et al. 2021). These results are thus consistent with the certification channel, whereby NBIM's dissent is particularly value-enhancing because firms are more likely to respond to shareholder dissent under increased pressure (Ertimur et al. 2018).

4.2.3. By NBIM influence

When NBIM holds a higher stake in a firm, it has more skin in the game, increasing its incentives to research and monitor the firm closely, making its votes more informative. Furthermore, a larger stake makes NBIM's votes more likely to be pivotal. We thus expect a stronger price reaction to NBIM's dissent when NBIM has a higher 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%). In Table 4, Panel C, we find that the mean CAR is significantly positive and the difference between dissent and non-dissent voting intentions is significant only in the subsample of portfolio firms where NBIM owns a larger block of shares.

We additionally explore variations in voting cutoff dates across portfolio firms and contend that NBIM's voting intention disclosures have the potential to influence other shareholders' voting decisions only when they can still cast votes after observing NBIM's disclosures. Therefore, we expect the positive market reaction to be concentrated in cases where the voting cutoff date is after NBIM's disclosure date.³² Consistent with this expectation, we find that the mean CAR is significantly positive and the difference between dissent and non-dissent voting intentions is significant only in the subsample with a cutoff date within five calendar days before the AGM.

4.3. Tests of prediction and certification channels

So far, our analysis provides suggestive evidence consistent with both the prediction and certification channels. In this section, we formally test these two channels using the estimation models proposed by Alexander et al. (2010).

4.3.1. Prediction channel

We test the prediction channel using a multivariate probit model that estimates the probability of dissident victory (*Dissident Win*) as a function of NBIM's dissent voting intentions

³² We obtain country-level effective voting cutoff dates from NBIM's [shareholder voting process report](#). These cutoff dates account for the registration deadline plus the days required by custodians and sub-custodians to process voting instructions and execute votes through the voting chain. We acknowledge the limitations of using country-level cutoff dates as proxies for the effective cutoff dates of individual meetings because these dates could vary depending on local market regulations, deadlines from custodians and proxy filing firms, and the form of votes. Another issue is that the cutoff date for US firms is missing from NBIM's country-level list. In practice, US firms often allow investors to vote in person during AGMs or submit their votes online shortly before the meetings. Therefore, we classify the US as having a voting cutoff date within five days before the AGM. Due to the aforementioned noise in voting cutoff dates, we advise caution in interpreting this result.

(*Dissent*) and other factors that may influence voting outcomes, including firm characteristics (*Size*, *Book-to-Market*, *ROA*, *NBIM Ownership*, *Blockholder Ownership*, *Board Independence*, and *Pre-Disclosure CAR*), proposal sponsor type (*Management Proposal*), and industry fixed effects (based on the Fama and French (1997) 12-industry classification). The dependent variable, *Dissident Win*, is an indicator variable equal to one if a proposal is won by the dissident, and zero otherwise. If NBIM's voting intention disclosures convey information to investors about voting outcome probabilities, NBIM's dissent voting intentions would be positively correlated with the probability of dissident victory.

We report the estimated marginal effects from this probit analysis in Columns (1) - (4) of Table 5, Panel A, where Column (1) presents the base specification and Columns (2) - (4) include additional variables. In all these columns, the coefficient on *Dissent* is statistically insignificant, suggesting that NBIM's dissent voting intentions have no significant effect on the probability of dissident victory. This likely reflects the relatively small equity stakes that NBIM holds in most of its portfolio firms.

We further examine the relation between NBIM's dissent voting intentions (*Dissent*) and the percentage of dissent votes (*% Dissent Votes*) and report the OLS regression results in Columns (5) and (6). Consistent with Fahlenbrach et al. (2024) and Carter et al. (2025), we find that NBIM's dissent voting intentions are positively associated with the percentage of dissent votes, suggesting that these disclosures may influence other shareholders' voting decisions.

To corroborate the findings from the test for a relation between NBIM's dissent voting intentions and voting outcomes, we examine the average three-day CAR [-1, +1] around the AGM (*AGM CAR*) for close-call proposals with and without NBIM's dissent, along with their voting outcomes. Results in Table 5, Panel B indicate that stock price reactions around the AGM are

muted for close-call proposals with NBIM's dissent, regardless of the voting outcome (i.e., whether dissidents win or lose). These results suggest that the market might have expected that voting outcomes would remain unchanged even with NBIM's dissent. The average rate of dissident victory across close-call proposals with and without NBIM's dissent is nearly identical, 29.3% and 29.6%, respectively, consistent with the regression results reported in Panel A.

Taken together, these results provide no evidence supporting the prediction channel, as the probability of dissident victory is similar with or without NBIM's dissent. Interestingly, we observe a statistically significant negative market reaction around the AGM for close-call proposals without NBIM's dissent, particularly when dissidents win. This negative reaction possibly reflects market disappointment at NBIM's lack of monitoring through dissent in these cases.

4.3.2. Certification channel

We test the certification channel by estimating the three-day probability-adjusted returns (PAR) around NBIM's voting intention disclosures (*Disclosure PAR*) as a function of NBIM's dissent, using the generalized method of moments (GMM). Similar to Equation (13) in Alexander et al. (2010), we define *Disclosure PAR* as:

$$Disclosure\ PAR \equiv Disclosure\ CAR - (\widehat{Dissent\ Win\ (conditional)} - \widehat{Dissent\ Win\ (unconditional)}) \times \left(\frac{AGM\ CAR}{\widehat{Dissent\ Win} - \widehat{Dissent\ Win\ (conditional)}} \right) \times \left(\frac{Stock\ Price\ (t+1)}{Stock\ Price\ (t-2)} \right),$$

where $\widehat{Dissent\ Win\ (conditional)}$ and $\widehat{Dissent\ Win\ (unconditional)}$ are the predicted value of *Dissent Win* using Column (3) or (4) of Table 5, Panel A with and without including the variable *Dissent* in the regression, respectively. *Stock Price* ($t - 2$) and *Stock Price* ($t + 1$) are the stock prices on two trading days before and one trading day after NBIM's voting intention disclosure, respectively. *Disclosure PAR* nets out the price reaction attributable to changes in the

expected probability of dissident victory (the prediction effect), leaving the component that captures the market's reassessment of the dissident's potential to enhance firm value, i.e., the certification effect.

Under the certification channel, NBIM's voting intention disclosures update investors' valuation beliefs. In the absence of the certification effect, NBIM's dissent would be uncorrelated with *Disclosure PAR*. In contrast, if NBIM's dissent is correlated with *Disclosure PAR*, this indicates the presence of the certification effect. Table 6, Columns (1) and (5) report the GMM estimation results of *Disclosure PAR* on NBIM's dissent. To account for the possibility that investors' ex ante beliefs about the probability of dissident victory (i.e., $\widehat{Dissident\ Win(unconditional)}$) might amplify or reduce the price impact of certification, in Columns (2) and (6), we interact NBIM's dissent with $\widehat{Dissident\ Win(unconditional)}$.³³ In Columns (3), (4), (7), and (8), we replace *Disclosure PAR* with *Disclosure CAR* because the impact of NBIM's dissent on the probability of dissident victory reported in Table 5, Panel A is indistinguishable from zero; thus, conceptually, PAR would be equal to CAR.

Results across all specifications in Table 6 show a consistent positive association between probability-adjusted returns around NBIM's voting intention disclosures and NBIM's dissent. These findings provide evidence supporting the certification channel – the positive market reaction to NBIM's dissent is driven by investors' belief in value-enhancing monitoring by NBIM.

As argued earlier, NBIM's dissent may entail shareholder actions that investors perceive as value-enhancing. To provide further evidence on the mechanisms driving the positive price reaction, we examine NBIM's subsequent engagements with firms following its dissent on close-

³³ These two model specifications resemble Equations (12) and (14) in Alexander et al. (2010).

call proposals.³⁴ Specifically, we construct six variables capturing the intensity and likelihood of NBIM’s engagements with a firm after the AGM at which the votes were cast: (1) *Engagements Next Year*, (2) *Engagements Following Years*, (3) *Engaged Next Year*, (4) *Engaged Following Years*, (5) *Governance Engaged Next Year*, and (6) *Governance Engaged Following Years*. Variables (1) and (2) measure the number of engagements NBIM conducts with a firm in the year immediately following the AGM and in all subsequent years, respectively. Variables (3) and (4) are indicators equal to one if NBIM conducts at least one engagement with the firm during the corresponding period. Variables (5) and (6) restrict the measure to governance-related engagements. Firms not included in NBIM’s engagement list are assigned a value of zero, under the assumption of no engagement. Since our engagement data begins in 2023, variables (1), (3), and (5) cannot be calculated for votes cast at 2021 AGMs.

We report the univariate results on engagements in Table 7, Panel A and the multivariate results in Panel B. Both panels reveal a consistent pattern: NBIM conducts more engagements and is more likely to engage with portfolio firms following dissent votes than non-dissent votes on close-call proposals, and these differences are economically meaningful. Panel A also reports the mean values of NBIM’s engagements following non-close-call dissent votes. We find that NBIM is much less likely to engage after non-close-call dissent than close-call dissent, consistent with our conjecture that NBIM allocates more attention and resources to portfolio firms facing contentious items.

Overall, these findings corroborate the certification channel results in Table 6, suggesting that NBIM’s dissent signals shareholder actions that may enhance firm value over the long run.

³⁴ Based on conversations with staff in NBIM’s Active Ownership Department, they began systematically collecting engagement data in 2023. They shared the 2023 data with us, and we obtained the 2024 from the [annual review of company dialogues](#) available on NBIM’s website.

4.4. Determinant analysis

In this section, we explore factors that may influence NBIM's dissent voting decisions. Specifically, we intend to assess whether NBIM's dissent voting intentions are ex ante predictable based on firm characteristics, country-level legal institutions, proposal sponsor types, and proxy advisor recommendations. The sample used in this analysis consists of 604 close-call proposals and 134,298 non-close-call proposals.

Table 8 reports the marginal effects from probit regressions on the determinants of NBIM's dissent voting intentions. Columns (1) through (3) present the results for the sample of close-call proposals, where Column (1) includes portfolio firms across all countries and Columns (2) and (3) include only US portfolio firms for which we are able to obtain imputed proxy advisor recommendations.³⁵ Columns (4) through (6) present the results for the sample of non-close-call proposals using all firms and US firms.

In general, we find that NBIM is more likely to express dissent for portfolio firms with poorer performance (lower ROA or pre-disclosure CAR) or weaker governance (lower board independence or weaker legal institutions).³⁶ These findings indicate that NBIM's dissent voting intentions are likely triggered by concerns over firm performance or governance, consistent with findings in Iliev et al. (2015). Interestingly, we find that NBIM is less likely to express dissent when it holds a larger equity stake in a firm (Column (4)). This is likely due to the potential for resolving issues through private engagements, as larger equity holdings may give NBIM better access to management and board. We observe a negative and significant coefficient on the

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

³⁶ The positive and significant coefficient on *Blockholder Ownership* in Columns (1) and (4) may be influenced by country-specific factors. After controlling for country fixed effects in the regressions, this coefficient either loses significance or becomes negative (untabulated). The negative and significant coefficient on *Civil Law* in Column (4) 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.

indicator variable for management-sponsored proposals in most columns. This finding suggests that NBIM typically supports management proposals, which appears practical given their focus on day-to-day operations and their overwhelming prevalence (approximately 99% of all proposals).³⁷ Notably, for close-call proposals across all firms (Column (1)) and non-close-call proposals at US firms (Column (6)), NBIM is more likely to express dissent when the firm is larger. In contrast, for non-close-call proposals across all firms (Column (4)), larger firm size is associated with a lower likelihood of dissent. These results suggest that depending on the context, firm size influences NBIM's dissent voting behavior differently.

In Columns (3) and (6), we further examine whether NBIM's dissent aligns with proxy advisors' benchmark recommendations. *Dissent ISS* and *Glass Lewis Dissent* are indicator variables equal to one if the imputed ISS and Glass Lewis recommendations, respectively, differ from management's vote recommendation for a proposal. The results show a positive and significant coefficient on *Dissent ISS* in both columns and on *Glass Lewis Dissent* in Column (6), indicating that NBIM is more likely to oppose management when proxy advisors issue dissent recommendations.

Collectively, this analysis suggests that although NBIM's dissent appears to align with proxy advisor recommendations, firm characteristics and proxy advisor recommendations explain only a small fraction of these decisions (pseudo R-squared below 30% across all columns and even lower for close-call proposals). These results imply that fully predicting NBIM's dissent based on observable firm and country characteristics, along with proxy advisor recommendations, is nearly

³⁷ The only exception occurs with close-call proposals at US firms after controlling for proxy advisor recommendations (Column 3), likely because NBIM invests greater effort in independent research for contentious proposals, leading to voting decisions that may diverge from both management and proxy advisor recommendations.

impossible, supporting our argument that NBIM's dissent voting intention disclosures provide incremental information to market participants.

5. Conclusion

Since January 2021, NBIM has started disclosing 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. Our findings suggest that investors perceive NBIM's dissent voting intentions as value-relevant in proposals that are expected to be closely contested. The value of dissent is concentrated in firms with weaker corporate governance, poorer past performance, or greater NBIM influence, as well as in proposals related to board independence or capital structure. Our channel analysis indicates that investors respond favorably to NBIM's dissent because they view it as a certification of value-enhancing shareholder monitoring. Overall, this study provides empirical evidence on the value relevance of voting intention disclosures by institutional investors and contributes to the ongoing debate on improving transparency in proxy voting through pre-declaration of votes before AGMs.

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 intention disclosures convey value-relevant information, they demonstrate the potential of informed voting. However, informed voting is costly, and the benefits may not always outweigh the costs. Supporting this argument, Iliev and Lowry (2015) find that smaller and higher-turnover mutual funds face lower net benefits from informed voting and are

more likely to follow proxy advisor recommendations. Consequently, pre-disclosures of voting intentions by less-resourced institutional investors may not be as informative as those by NBIM.

References

- Aggarwal D, Litov LP, Rajgopal S (2025) Big three (dis)engagements. Working paper, Northwestern Pritzker School of Law, University of Oklahoma, Columbia Business School.
- Aggarwal R, Dahiya S, Prabhala NR (2019) The power of shareholder votes: Evidence from uncontested director elections. *J. Financial Econom.* 133(1):134-153.
- Aggarwal R, Dahiya S, Yilmaz U (2024) Why do investors vote against corporate directors? Working paper, European Corporate Governance Institute, Georgetown University, University of Missouri.
- Aggarwal R, Erel I, Ferreira M, Matos P (2011) Does governance travel around the world? Evidence from institutional investors. *J. Financial Econom.* 100(1):154-181.
- Aguilera R, Bermejo V, Capapé J, Cuñat V (2021) The systemic governance influence of universal owners: Evidence from an expectation document. Working paper, Northeastern University, Universitat Ramon Llull, IE University, London School of Economics, European Corporate Governance Institute.
- Aguilera RV, Capapé J, Santiso J (2016) Sovereign wealth funds: A strategic governance view. *Academy of Management Perspectives.* 30(1):5-23.
- Alexander CR, Chen MA, Seppi DJ, Spatt CS (2010) Interim news and the role of proxy voting advice. *Rev. Financial Stud.* 23(12):4419-4454.
- Ang A, Goetzmann WN, Schaefer S (2009) Evaluation of active management of the Norwegian Government Pension Fund–Global. Report to the Norwegian Ministry of Finance.
- Backer LC (2013) Sovereign investing and markets-based transnational rule of law building: The Norwegian sovereign wealth fund in global markets. *American University International Law Rev.* 29(1):1-122.
- Bortolotti B, Fotak V, Megginson WL (2015) The sovereign wealth fund discount: Evidence from public equity investments. *Rev. Financial Stud.* 28(11):2993-3035.
- Brickley JA, Coles JL, Jarrell G (1997) Leadership structure: Separating the CEO and chairman of the board. *J. Corporate Finance* 3(3):189-220.
- Brochet F, Ferri F, Miller GS (2021) Investors' perceptions of activism via voting: Evidence from contentious shareholder meetings. *Contemporary Accounting Res.* 38(4):2758-2794.
- Bushee BJ (1998) The influence of institutional investors on myopic R&D investment behavior. *Accounting Rev.* 73(3):305-333.
- Cai J, Garner JL, Walkling RA (2009) Electing directors. *J. Finance* 64(5):2389-2421.
- Caner M, Grennes T (2010) Sovereign wealth funds: The Norwegian experience. *World Economy* 33(4):597-614.
- Carter ME, Pawliczek A, Tuna I, Underwood J (2025) Tacit coordination: The role of voting pre-disclosure and direct engagement. Working paper, Boston College, University of Colorado-Boulder, London Business School, University of Iowa.
- Cuñat V, Gine M, Guadalupe M (2012) The vote is cast: The effect of corporate governance on shareholder value. *J. Finance* 67(5):1943-1977.
- Del Guercio D, Seery L, Woidtke T (2008) Do boards pay attention when institutional investor activists “just vote no”? *J. Financial Econom.* 90(1):84-103.
- Dewenter KL, Han X, Malatesta PH (2010) Firm values and sovereign wealth fund investments. *J. Financial Econom.* 98(2):256-278.
- Dimitrov V, Jain PC (2011) It's showtime: Do managers report better news before annual shareholder meetings? *J. Accounting Res.* 49(5):1193-1221.

- Dimson E, Karakaş O, Li X (2015) Active ownership. *Rev. Financial Stud.* 28(12):3225-3268.
- Djankov S, La Porta R, Lopez-de-Silanes F, Shleifer A (2008) The law and economics of self-dealing. *J. Financial Econom.* 88(3):430-465.
- Durnev A, Kim EH (2005) To steal or not to steal: Firm attributes, legal environment, and valuation. *J. Finance* 60(3):1461-1493.
- Edmans A, Holderness CG (2017) Blockholders: A survey of theory and evidence. *The Handbook of the Economics of Corporate Governance* 1:541-636.
- Ertimur Y, Ferri F, Muslu V (2011) Shareholder activism and CEO pay. *Rev. Financial Stud.* 24(2):535-592.
- Ertimur Y, Ferri F, Oesch D (2013) Shareholder votes and proxy advisors: Evidence from say on pay. *J. Accounting Res.* 51(5):951-996.
- Ertimur Y, Ferri F, Oesch D (2018) Understanding uncontested director elections. *Management Sci.* 64(7):3400-3420.
- Fahlenbrach R, Rudolf N, Wegerich A (2024) Leading by example: Can one universal shareholder's voting pre-disclosure influence voting. Working paper, Ecole Polytechnique Fédérale de Lausanne, Swiss Finance Institute, European Corporate Governance Institute, University of Lausanne, Norges Bank Investment Management.
- Fama EF, French KR (1997) Industry costs of equity. *J. Financial Econom.* 43(2):153-193.
- Fischer PE, Gramlich JD, Miller BP, White HD (2009) "Investor perceptions of board performance: Evidence from uncontested director elections." *J. Accounting Econom.* 48(2-3):172-189.
- Gillan SL (2006) Recent developments in corporate governance: An overview. *J. Corporate Finance* 12(3):381-402.
- Gillan SL, Starks LT (2000) Corporate governance proposals and shareholder activism: The role of institutional investors. *J. Financial Econom.* 57(2):275-305.
- Godsell D (2022) Financial reporting consequences of sovereign wealth fund investment. *Contemporary Accounting Res.* 39(3):2090-2129.
- Godsell D (2024) Sovereign wealth fund ownership and target firm investment efficiency. Working paper, University of Illinois.
- Griffin JM, Kelly PJ, Nardari F (2010) Do market efficiency measures yield correct inferences? A comparison of developed and emerging markets. *Rev. Financial Stud.* 23(8):3225-3277.
- Hail L, Leuz C (2006) International differences in the cost of equity capital: Do legal institutions and securities regulation matter? *J. Accounting Res.* 44(3):485-531.
- Hu E, Malenko N, Zytneck J (2024) Custom proxy voting advice. Working paper, University of Virginia School of Law, Boston College, Georgetown University Law School.
- Iliev P, Lins KV, Miller DP, Roth L (2015) Shareholder voting and corporate governance around the world. *Rev. Financial Stud.* 28(8):2167-2202.
- Iliev P, Lowry M (2015) Are mutual funds active voters? *Rev. Financial Stud.* 28(2): 446-485.
- Kaufmann D, Kraay A, Mastruzzi M (2011) The worldwide governance indicators: methodology and analytical issues. *Hague Journal on the Rule of Law* 3(2):220-246.
- Kotter J, Lel U (2011) Friends or foes? Target selection decisions of sovereign wealth funds and their consequences. *J. Financial Econom.* 101(2):360-381.
- Krause R, Semadeni M, Cannella Jr AA (2014) CEO duality: A review and research agenda. *J. Management* 40(1):256-286.
- La Porta R, Lopez-de-Silanes F, Shleifer A (2006) What works in securities laws? *J. Finance* 61(1):1-32.

- La Porta R, Lopez-de-Silanes F, Shleifer A, Vishny R (2002) Investor protection and corporate valuation. *J. Finance* 57(3):1147-1170.
- La Porta R, Lopez-de-Silanes F, Shleifer A, Vishny RW (1998) Law and finance. *J. Political Econom.* 106(6):1113-1155.
- Li N, Yoon YSJ (2024) Every vote counts: Mandatory disclosure and voting outcomes. Working paper, University of Minnesota.
- Megginson WL, Malik AI, Zhou XY (2023) Sovereign wealth funds in the post-pandemic era. *Journal of International Business Policy* 6(1):253-275.
- Michael R, Rubio S, Yi I (2024) Voting rationales. Working paper, University of Hong Kong, European Corporate Governance Institute, University of Bristol, University of Toronto.
- Pawliczek A, Skinner AN, Wellman LA (2021) A new take on voice: The influence of Blackrock's 'Dear CEO' letters. *Rev. Accounting Stud.* 26(3):1088-1136.
- Vasudeva G, Nachum L, Say GD (2018) A signaling theory of institutional activism: How Norway's sovereign wealth fund investments affect firms' foreign acquisitions. *Academy of Management Journal* 61(4):1583-1611.

Appendix 1

Example of NBIM's voting intention disclosure

This appendix provides an example of NBIM's voting intention disclosure for Wacker Neuson's 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 of the disclosure and a link to it are included below.

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 on a pro rata basis 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's 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. <u>Global Voting Guidelines</u> <u>Shareholder rights in equity issuances</u>	For	Against
8	Authorize Share Repurchase Program and Reissuance or Cancellation of Repurchased Shares	For	For

Source:³⁸

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

³⁸ All links included in this paper were last accessed on September 12, 2025.

Appendix 2

Examples of proposals across different topics

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

Topic	Example
Board	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 Management Board 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 (name) Reelect (name) as Director Elect (name) as Board Chairman Ratify Appointment of and Elect (name) 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	Example
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 Authorize the Company to Call General Meeting with Two Weeks' Notice Accept Financial Statements and Statutory Reports for Fiscal Year (year) Appoint Statutory Auditor (name) Elect (name) as Fiscal Council Member and (name) as Alternate Appoint Shareholder Statutory Auditor Nominee (name)

Appendix 3

Variable definitions

Variable	Definition
<u>Return variables</u>	
<i>Disclosure CAR</i>	Three-day cumulative abnormal returns around NBIM's voting intention disclosure date, calculated as the sum of abnormal returns (<i>ABNRET</i>) over the event window [-1, +1] around NBIM's voting intention disclosure date. (Source: Compustat, Datastream, and WRDS World Indices)
<i>ABNRET</i>	Abnormal return, calculated as the firm's actual return minus the local market return. (Source: Compustat, Datastream, and WRDS World Indices)
<i>AGM CAR</i>	Three-day cumulative abnormal returns around the firm's AGM, calculated as the sum of abnormal returns (<i>ABNRET</i>) over the event window [-1, +1] around the firm's AGM date. (Source: Compustat, Datastream, and WRDS World Indices)
<i>Disclosure PAR</i>	Three-day cumulative probability-adjusted abnormal returns around NBIM's voting intention disclosure date, as described in Section 4.3.2. (Source: Compustat, Datastream, WRDS World Indices, ISS, and NBIM)
<u>Engagement variables</u>	
<i>Engagements Next Year</i>	The number of dialogues NBIM engages in with the firm in the year immediately following its dissent. (Source: NBIM)
<i>Engagements Following Years</i>	The number of dialogues NBIM engages in with the firm in the years following its dissent. (Source: NBIM)
<i>Engaged Next Year</i>	An indicator variable equal to one if NBIM engages in at least one dialogue with the firm in the year immediately following its dissent. (Source: NBIM)
<i>Engaged Following Years</i>	An indicator variable equal to one if NBIM engages in at least one dialogue with the firm in the years following its dissent. (Source: NBIM)
<i>Governance Engaged Next Year</i>	An indicator variable equal to one if NBIM engages in at least one governance-related dialogue with the firm in the year immediately following its dissent. (Source: NBIM)
<i>Governance Engaged Following Years</i>	An indicator variable equal to one if NBIM engages in at least one governance-related dialogue with the firm in the years following its dissent. (Source: NBIM)
<u>Dissent variables</u>	
<i>Dissent</i>	An indicator variable equal to one if NBIM's voting intention disagrees with management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM)
<i>Non-Dissent</i>	An indicator variable equal to one if NBIM's voting intention agrees with management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM)
<i># Close-Call Dissent</i>	The number of close-call proposals at an AGM where NBIM's voting intention differs from management's vote recommendation. (Source: NBIM)
<i># Close-Call Non-Dissent</i>	The number of close-call proposals at an AGM where NBIM's voting intention aligns with management's vote recommendation. (Source: NBIM)
<i># Non-Close-Call Dissent</i>	The number of non-close-call proposals at an AGM where NBIM's voting intention differs from management's vote recommendation. (Source: NBIM)
<i># Non-Close-Call Non-Dissent</i>	The number of non-close-call proposals at an AGM where NBIM's voting intention aligns with management's vote recommendation. (Source: NBIM)
<i>Dissident Win</i>	An indicator variable equal to one if dissidents (i.e., shareholders opposing management) win the proposal, and zero otherwise. (Source: ISS)
<i>% Dissent Votes</i>	The number of votes disagreeing with management's vote recommendation divided by the total number of votes for the proposal. (Source: ISS)
<i>ISS Dissent</i>	An 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 and Jon Zytznick's website)

Variable	Definition
<i>Glass Lewis Dissent</i>	An indicator variable equal to one if the imputed Glass Lewis recommendation differs from management's vote recommendation for a proposal to be voted on at the AGM, and zero otherwise. (Source: NBIM and Jon Zytznick's website)
<u>Firm variables</u>	
<i>Size</i>	The natural logarithm of the market value of equity at the end of the most recent fiscal year prior to the AGM, calculated as the share price (in USD) multiplied by the number of common shares outstanding. (Source: Compustat)
<i>Book-to-Market</i>	The book value of equity divided by the market value of equity at the end of the most recent fiscal year prior to the AGM. (Source: Compustat)
<i>Pre-Disclosure CAR</i>	Cumulative abnormal returns over the event window [-40, -2] relative to NBIM's voting intention disclosure date. (Source: Compustat, Datastream, and WRDS World Indices)
<i>ROA</i>	Pre-tax income divided by total assets at the end of the most recent fiscal year prior to the AGM. (Source: Compustat)
<i>Past Performance</i>	Buy-and-hold market-adjusted returns over the event window [-360, -41] relative to the AGM date. (Source: Compustat, Datastream, and WRDS World Indices)
<i>Board Independence</i>	The number of independent directors divided by the total number of directors on the board. (Source: BoardEx)
<i>Blockholder Ownership</i>	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)
<i>NBIM Ownership</i>	The number of shares held by NBIM in a firm divided by the total number of shares outstanding. (Source: FactSet)
<u>Country variables</u>	
<i>Rule of Law</i>	The rule of law index, defined as the average of the World Bank's rule of law measure over the sample period for each country, following Kaufmann et al. (2011). (Source: World Bank)
<i>Civil Law</i>	An indicator variable equal to one if the firm is located in a civil law country, and zero otherwise. (Source: La Porta et al. 1998)
<i>Investor Protection</i>	The anti-self-dealing index, measuring the degree of legal protection afforded to minority shareholders in a country against expropriations by corporate insiders. (Source: Djankov et al. 2008)
<i>Voting Cutoff Date</i>	The number of days before a firm's AGM by which shareholders are required to cast their votes. (Source: NBIM)
<u>Proposal sponsor type variable</u>	
<i>Management Proposal</i>	An indicator variable equal to one for management-sponsored proposals, and zero otherwise. (Source: ISS)

Figure 1
Timeline of NBIM's voting intention disclosure

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

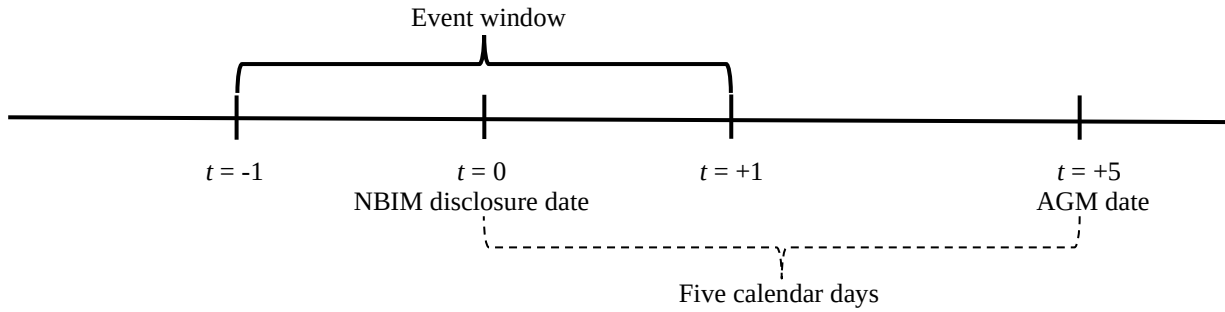


Table 1
Sample selection and distribution

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

Panel A. Sample selection

	# Proposals
Proposals to be voted on at NBIM portfolio firms' AGMs between 2021 and 2023	301,182
Less: Missing voting data from ISS Voting Analytics	(49,474)
Less: Missing stock price data from Compustat, Datastream, or WRDS World Indices	(30,151)
Less: Missing values for control variables in the main regression model	(8,416)
Less: Abstained or withheld management recommendations or voting intentions	(5,695)
Less: Unusually low required voting threshold of 1% for passage	(15,575)
Final sample	191,871
Close-call proposals	695
Non-close-call proposals	191,176

Panel B. Sample distribution by year

Year	Close-call proposals			# AGMs with close-call proposals
	All	# Dissent	% Dissent	
2021	220	72	33%	171
2022	243	89	37%	190
2023	232	68	29%	176
Total	695	229	33%	537

Panel C. Sample distribution by country

Country	Close-call proposals			# AGMs with close-call proposals
	All	# Dissent	% Dissent	
Australia	50	13	26%	45
Austria	5	2	40%	4
Belgium	8	3	38%	7
Brazil	14	1	7%	13
Canada	6	1	17%	5
China	7	0	0%	7
Finland	3	0	0%	3
France	54	40	74%	26
Germany	23	5	22%	21
Hong Kong	7	0	0%	4
India	60	11	18%	40
Ireland	1	0	0%	1
Italy	12	7	58%	9
Japan	26	5	19%	8
Malaysia	6	0	0%	2
Netherlands	30	5	17%	20
Poland	6	2	33%	4
Singapore	2	0	0%	2
South Africa	14	1	7%	10
South Korea	2	1	50%	2
Spain	5	1	20%	3
Sweden	3	0	0%	2
Switzerland	8	3	38%	7
Taiwan	18	4	22%	12
Thailand	2	0	0%	2
Turkey	3	3	100%	2
United Kingdom	36	4	11%	29
United States	284	117	41%	247
Total	695	229	33%	537

Table 2
Abnormal returns around NBIM's voting intention disclosures

This table reports the average cumulative abnormal returns (CAR) around NBIM's voting intentions disclosures for close-call proposals. Panel A presents the average three-day CAR across different thresholds for defining close-call proposals. Panel B presents the average abnormal returns using alternative event windows. All return measures are winsorized at the 1st and 99th percentiles to mitigate the influence of outliers. All variables are defined in Appendix 3. Numbers in bold indicate statistical significance at the 10% level or better.

Panel A. Average three-day CAR by different close-call thresholds

	<i>Disclosure CAR</i>							
	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	t-stat	N	Mean	t-stat	Mean	p-value
Close-call proposals	229	0.620	2.793	466	0.025	0.150	0.595	0.039
<u>Alternative close-call threshold</u>								
±2%	100	0.696	1.849	177	-0.276	-0.998	0.972	0.038
±3%	150	0.960	3.206	274	-0.028	-0.125	0.988	0.009
±4%	193	0.805	3.257	364	0.014	0.073	0.791	0.012
±5% (baseline)	229	0.620	2.793	466	0.025	0.150	0.595	0.039
±6%	287	0.410	2.010	561	0.062	0.404	0.348	0.173
±7%	350	0.292	1.555	666	0.069	0.501	0.223	0.339
±8%	413	0.071	0.413	813	0.034	0.278	0.037	0.861

Panel B. Average abnormal returns by alternative event windows

	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	t-stat	N	Mean	t-stat	Mean	p-value
(1) Trading day preceding NBIM disclosure date: $ABNRET_{t-1}$	229	0.343	2.522	466	0.001	0.006	0.343	0.041
(2) NBIM disclosure date, or the preceding trading day if it falls on a non-trading day: $ABNRET_{t=0}$	229	0.259	1.896	466	-0.277	-2.915	0.536	0.001
(3) NBIM disclosure date, or the following trading day if it falls on a non-trading day: $ABNRET_{t=0}$	229	0.246	1.848	466	-0.112	-1.258	0.358	0.025
(4) Trading day following NBIM disclosure date: $ABNRET_{t=+1}$	229	0.208	1.590	466	-0.089	-1.028	0.298	0.059
(5) Preceding trading day and NBIM disclosure date (or the following trading day if it falls on a non-trading day): $CAR [-1, 0]$	229	0.619	3.036	466	-0.097	-0.704	0.717	0.004

Table 3
Stock price reaction to NBIM's voting intention disclosures

This table reports summary statistics and regression results for the stock market reaction to NBIM's voting intention disclosures. Panel A presents summary statistics for the main regression variables. Panel B presents regression results at the proposal level, where Columns (1) and (2) report results for close-call proposals and Column (3) reports results for non-close-call proposals. Panel C presents regression results at the meeting level, where Columns (1) to (3) report results for meetings with close-call proposals and Column (4) reports results for all meetings. All continuous variables are winsorized at the 1st and 99th percentiles, and variable definitions are provided in Appendix 3. The constant term is suppressed in all regressions. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity in all columns and clustered by firm in Column (3) of Panel B and Column (4) of Panel C. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. Summary statistics at the proposal level

	N	Mean	SD	Q1	Median	Q3
<i>Disclosure CAR</i>	695	0.221	3.570	-1.641	0.294	2.052
<i>Dissent</i>	695	0.330	0.470	0.000	0.000	1.000
<i>Non-Dissent</i>	695	0.670	0.470	0.000	1.000	1.000
<i>Size</i>	695	8.364	2.058	6.903	8.044	9.886
<i>Book-to-Market</i>	695	0.572	0.664	0.155	0.393	0.810
<i>Pre-Disclosure CAR</i>	695	-1.981	14.452	-8.956	-1.783	6.108

Panel B. Regression results at the proposal level

Dependent variable:	Close-call proposals		Non-close-call proposals
<i>Disclosure CAR</i>	(1)	(2)	(3)
<i>Dissent</i>	0.598*** (2.710)	0.539** (2.543)	-0.097 (-1.483)
<i>Non-Dissent</i>	0.036 (0.214)	0.065 (0.386)	0.027 (1.063)
De-meaned <i>Size</i>	-0.081 (-1.075)	-0.020 (-0.271)	0.013 (0.779)
De-meaned <i>Book-to-Market</i>	-0.466** (-2.160)	-0.320 (-1.538)	0.014 (0.446)
De-meaned <i>Pre-Disclosure CAR</i>		-0.041*** (-3.275)	-0.011*** (-4.305)
N	695	695	191,152
Adjusted R ²	0.012	0.037	0.002
<i>p</i> -value for the diff. (<i>Dissent</i> - <i>Non-Dissent</i>)	0.045	0.081	0.037

Panel C. Regression results at the meeting level

Dependent variable:	Meetings with close-call proposals			All meetings
<i>Disclosure CAR</i>	(1)	(2)	(3)	(4)
<i># Close-Call Dissent</i>	0.436** (2.218)	0.493*** (2.887)	0.482*** (2.799)	0.331** (1.990)
<i># Close-Call Non-Dissent</i>	0.033 (0.201)	0.123 (0.817)	0.118 (0.772)	-0.035 (-0.246)
<i># Non-Close-Call Dissent</i>	-0.109 (-1.411)	-0.111 (-1.438)	-0.113 (-1.447)	-0.052** (-2.399)
<i># Non-Close-Call Non-Dissent</i>	-0.003 (-0.211)	0.029 (1.300)	0.030 (1.312)	-0.002 (-0.568)
<i>Size</i>		-0.042 (-1.226)	-0.042 (-1.227)	0.010 (1.515)
<i>Book-to-Market</i>		-0.342 (-1.569)	-0.338 (-1.553)	-0.002 (-0.068)
<i>Pre-Disclosure CAR</i>			-0.005 (-0.370)	-0.010*** (-4.135)
N	537	537	537	19,206
Adjusted R ²	0.003	0.007	0.006	0.002
<i>p-value for the diff. (# Close-Call Dissent - # Close-Call Non-Dissent)</i>	0.052	0.049	0.050	0.102

Table 4
Stock price reaction by proposal, firm characteristic, and NBIM influence

This table reports the average three-day CAR around NBIM's voting intention disclosures by proposal topic and sponsor type (Panel A), firm characteristic and performance (Panel B), and NBIM influence (Panel C). Strong/weak and high/low classifications are based on the sample median. Past losers (winners) are firms with negative (positive) buy-and-hold market-adjusted returns over the event window [-360, -41] relative to the AGM date. All variables are defined in Appendix 3. Numbers in bold indicate statistical significance at the 10% level or better.

Panel A. By proposal topic and sponsor type

	<i>Disclosure CAR</i>							
	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	<i>t</i> -stat	N	Mean	<i>t</i> -stat	Mean	<i>p</i> -value
<u>Proposal topic</u>								
Board	11	1.497	3.068	47	-0.606	-1.023	2.102	0.099
Capital	45	2.435	3.861	66	-0.211	-0.527	2.646	0.000
Compensation	87	0.111	0.312	173	-0.064	0.238	0.175	0.700
Director elections	23	0.379	0.568	66	1.121	2.544	-0.742	0.382
Environmental & social	30	-0.172	-0.381	9	0.461	0.815	-0.633	0.478
Shareholder rights	29	0.185	0.379	79	-0.099	-0.217	0.285	0.727
Routine & audit	4	-0.675	-1.426	26	-0.192	-0.258	-0.483	0.805
<u>Sponsor type</u>								
Management	171	0.790	2.888	393	0.075	0.412	0.715	0.031
Shareholder	58	0.119	0.351	73	-0.242	-0.531	0.361	0.545

Panel B. By firm characteristic and performance

	<i>Disclosure CAR</i>							
	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	t-stat	N	Mean	t-stat	Mean	p-value
<u>Rule of law</u>								
Strong	155	0.169	0.677	322	0.217	1.081	-0.048	0.882
Weak	74	1.564	3.673	144	-0.403	-1.286	1.967	0.000
<u>Legal origin</u>								
Civil law	79	1.721	4.628	140	0.021	0.060	1.700	0.001
Common law	150	0.040	0.151	326	0.027	0.142	0.013	0.970
<u>Investor protection</u>								
Strong	135	0.201	0.724	274	0.057	0.272	0.144	0.677
Weak	94	1.222	3.421	192	-0.019	-0.067	1.241	0.007
<u>Board independence</u>								
High	89	0.156	0.451	229	0.060	0.260	0.096	0.816
Low	124	1.094	3.518	192	0.230	0.934	0.864	0.030
<u>Blockholder ownership</u>								
High	129	0.255	0.942	210	-0.122	-0.499	0.377	0.302
Low	98	1.173	3.189	243	0.152	0.630	1.021	0.021
<u>Past performance</u>								
Past losers	126	0.914	2.812	235	0.084	0.371	0.830	0.035
Past winners	103	0.261	0.896	231	-0.035	-0.137	0.296	0.487

Panel C. By NBIM influence

	<i>Disclosure CAR</i>							
	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	t-stat	N	Mean	t-stat	Mean	p-value
<u>NBIM ownership</u>								
High	105	0.988	3.001	227	-0.234	-0.942	1.222	0.003
Low	117	0.324	1.034	215	0.263	1.073	0.061	0.879
<u>Voting cutoff date</u>								
≤ 5 days before AGM	95	1.164	3.132	251	-0.019	-0.079	1.183	0.008
> 5 days before AGM	134	0.234	0.872	215	0.077	0.313	0.157	0.665

Table 5
Test of the prediction channel

This table presents results for testing the prediction channel, i.e., whether NBIM's voting intentions predict voting outcomes at the AGM. Columns (1) to (4) of Panel A report estimated marginal effects from probit regressions, where the dependent variable is an indicator variable equal to one if dissidents (i.e., shareholders opposing management) win the proposal, and zero otherwise. Columns (5) and (6) report OLS regression results using the percentage of dissent votes as the dependent variable. Panel B reports the average three-day CAR around the AGM for close-call proposals, comparing those with versus without NBIM's dissent and dissident wins versus losses. All continuous variables are winsorized at the 1st and 99th percentiles, and variable definitions are provided in Appendix 3. Z- statistics and t- statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively. Numbers in bold indicate statistical significance at the 10% level or better.

Panel A. Prediction of voting outcomes at the AGM

Dependent variable:	<i>Dissident Win</i>				<i>% Dissent Votes</i>	
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Dissent</i>	-0.009 (-0.255)	-0.009 (-0.234)	-0.000 (-0.013)	0.020 (0.507)	0.100*** (9.468)	0.096*** (8.674)
<i>Size</i>		-0.004 (-0.490)	-0.028** (-2.462)	-0.026** (-2.077)	0.009*** (3.112)	-0.008* (-1.870)
<i>Book-to-Market</i>		-0.021 (-0.708)	-0.027 (-0.839)	-0.010 (-0.287)	0.024** (2.299)	0.014 (1.355)
<i>ROA</i>			0.188 (1.599)	0.237* (1.794)		0.082** (2.342)
<i>Management Proposal</i>			-0.096* (-1.923)	-0.040 (-0.730)		-0.148*** (-10.296)
<i>NBIM Ownership</i>			1.301 (0.667)	-0.011 (-0.005)		1.332* (1.932)
<i>Blockholder Ownership</i>			0.271** (2.008)	0.135 (0.870)		-0.091 (-1.488)
<i>Board Independence</i>				0.158 (1.273)		-0.008 (-0.190)
<i>Pre-Disclosure CAR</i>				0.001 (1.059)		0.000 (0.070)
<i>Intercept</i>					0.229*** (6.209)	0.494*** (9.651)
Industry fixed effects	Yes	Yes	Yes	Yes	Yes	Yes
N	695	695	663	604	695	604
Pseudo/Adjusted R ²	0.038	0.039	0.054	0.057	0.096	0.226

Panel B. Average three-day CAR around the AGM

	AGM CAR							
	Dissent			Non-Dissent			Diff. (Dissent - Non-Dissent)	
	N	Mean	t-stat	N	Mean	t-stat	Mean	p-value
Close-call proposals	229	-0.257	-1.061	466	-0.343	-1.840	0.086	0.786
<u>Voting outcome</u>								
Dissident wins	67	-0.287	-0.633	138	-0.654	-1.807	0.368	0.546
Dissident losses	162	-0.245	-0.851	328	-0.212	-0.979	-0.033	0.929
Dissident win rate	29.3%			29.6%				
p-value for χ^2 test of dissident wins vs. dissident losses: 0.923								

Table 6
Test of the certification channel

This table presents results for testing the certification channel using the GMM estimation, which regresses three-day probability-adjusted returns (PAR) or CAR around NBIM's voting intention disclosures on NBIM's dissent voting intentions or on the interaction between NBIM's dissent voting intentions and the predicted probability of dissident victory. Columns (1) to (4) (Columns (5) to (8)) report results using predicted *Dissident Win* (*Dissident Win (unconditional)*) estimated from Table 5, Panel A, Column (4) (Column (3)). The dependent variable in Columns (1), (2), (5), and (6) is three-day disclosure PAR, while the dependent variable in Columns (3), (4), (7), and (8) is three-day disclosure CAR. All variables are defined in Appendix 3. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	<i>Dissident Win (unconditional)</i> estimated using Table 5, Panel A, Col. (4)				<i>Dissident Win (unconditional)</i> estimated using Table 5, Panel A, Col. (3)			
	<i>Disclosure PAR</i>		<i>Disclosure CAR</i>		<i>Disclosure PAR</i>		<i>Disclosure CAR</i>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Dissent</i>	0.575* (1.95)		0.594** (2.02)		0.623** (2.17)		0.624** (2.18)	
<i>Dissident Win (unconditional) × Dissent</i>		1.936* (1.94)		2.001** (2.00)		2.079** (2.16)		2.083** (2.16)
<i>Intercept</i>	0.139 (0.81)	0.127 (0.73)	0.133 (0.77)	0.121 (0.70)	0.014 (0.08)	0.002 (0.01)	0.014 (0.08)	0.002 (0.01)
N	604	604	604	604	663	663	663	663

Table 7
Engagements by NBIM

This table presents univariate results (Panel A) and multivariate results (Panel B) on future engagements by NBIM with portfolio firms following its dissent. Panel A compares the number and likelihood of engagements for close-call proposals with versus without NBIM's dissent, as well as between close-call and non-close-call proposals with NBIM's dissent. Numbers in bold indicate statistical significance at the 10% level or better. Panel B reports OLS regression results on the relation between NBIM's dissent and future engagements for close-call proposals. The dependent variable in Columns (1) and (2) is the inverse hyperbolic sine (IHS) transformation of the number of engagements in the next year and in subsequent years, respectively. In Columns (3) and (4) (Columns (5) and (6)), the dependent variable is an indicator for (governance) engagements in the next year and in subsequent years, respectively. All variables are defined in Appendix 3. The constant term is suppressed in all regressions. *t*-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. Univariate analysis of future engagements by NBIM

	Close-Call Dissent			Close-Call Non-Dissent			Diff. (Close-Call Dissent - Close-Call Non-Dissent)		Non-Close-Call Dissent			Diff. (Close-Call Dissent - Non-Close-Call Dissent)	
	N	Mean	<i>t</i> -stat	N	Mean	<i>t</i> -stat	Mean	<i>p</i> -value	N	Mean	<i>t</i> -stat	Mean	<i>p</i> -value
(1) <i>Engagements Next Year</i>	157	1.064	6.523	318	0.541	6.552	0.523	0.000	5,433	0.511	27.462	0.553	0.000
(2) <i>Engagements Following Years</i>	229	1.900	7.359	466	0.955	7.878	0.945	0.000	7,743	0.745	31.408	1.155	0.000
(3) <i>Engaged Next Year</i>	157	0.306	8.288	318	0.201	8.937	0.104	0.010	5,433	0.193	35.988	0.113	0.000
(4) <i>Engaged Following Years</i>	229	0.345	10.580	466	0.225	11.630	0.120	0.000	7,743	0.209	45.257	0.136	0.000
(5) <i>Governance Engaged Next Year</i>	157	0.261	7.426	318	0.151	7.507	0.110	0.000	5,433	0.147	30.604	0.114	0.000
(6) <i>Governance Engaged Following Years</i>	229	0.310	10.122	466	0.193	10.550	0.117	0.000	7,743	0.171	39.942	0.139	0.000

Panel B. Multivariate analysis of future engagements by NBIM

Dependent variable:	IHS(<i>Engagements Next Year</i>)	IHS(<i>Engagements Following Years</i>)	<i>Engaged Next Year</i>	<i>Engaged Following Years</i>	<i>Governance Engaged Next Year</i>	<i>Governance Engaged Following Years</i>
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Dissent</i>	0.497*** (9.751)	0.408*** (9.337)	0.281*** (10.470)	0.225*** (9.940)	0.242*** (8.938)	0.207*** (9.228)
<i>Non-Dissent</i>	0.332*** (11.205)	0.284*** (10.965)	0.220*** (12.411)	0.179*** (12.150)	0.165*** (9.203)	0.137*** (9.687)
De-meaned <i>Size</i>	0.248*** (15.129)	0.220*** (13.979)	0.136*** (18.835)	0.115*** (17.013)	0.109*** (13.363)	0.096*** (13.800)
De-meaned <i>Book-to-Market</i>	0.069* (1.828)	0.088*** (2.824)	0.013 (0.645)	0.026 (1.628)	0.040* (1.932)	0.041*** (2.617)
De-meaned <i>Pre-Disclosure CAR</i>	-0.000 (-0.120)	-0.000 (-0.269)	0.000 (0.396)	0.000 (0.236)	-0.000 (-0.177)	-0.000 (-0.041)
N	475	695	475	695	475	695
Adjusted R ²	0.563	0.473	0.571	0.476	0.452	0.401
<i>p</i> -value for the diff. (<i>Dissent</i> - <i>Non-Dissent</i>)	0.006	0.017	0.059	0.099	0.018	0.010

Table 8
Determinants of NBIM's dissent voting intentions

This table reports estimated marginal effects from probit regressions on the determinants of NBIM's dissent voting intentions. Columns (1) to (3) (Columns (4) to (6)) show results for close-call (non-close-call) proposals, where Columns (1) and (4) include firms from all countries and the remaining columns include US firms only. All variables are defined in Appendix 3. Z-statistics are reported in parentheses. Standard errors are robust to heteroskedasticity in all columns and clustered by firm in Columns (4) to (6). ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Dependent variable: <i>Dissent</i>	Close-call proposals			Non-close-call proposals		
	All	US only		All	US only	
	countries			countries		
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Size</i>	0.033*** (2.737)	-0.001 (-0.024)	0.017 (0.714)	-0.002** (-2.179)	0.000 (0.099)	0.008*** (5.131)
<i>Book-to-Market</i>	-0.042 (-1.119)	-0.056 (-0.624)	-0.056 (-0.702)	-0.003** (-2.246)	-0.011* (-1.890)	0.004 (0.929)
<i>ROA</i>	-0.507*** (-4.744)	-0.090 (-0.396)	-0.012 (-0.052)	-0.055*** (-4.950)	-0.105*** (-5.856)	-0.013 (-0.840)
<i>Management Proposal</i>	-0.051 (-0.982)	-0.122* (-1.762)	0.119* (1.751)	-0.106*** (-19.193)	-0.155*** (-26.193)	-0.039*** (-7.212)
<i>NBIM Ownership</i>	-0.368 (-0.164)	3.564 (0.789)	4.059 (0.956)	-0.578*** (-4.555)	-0.459 (-1.018)	-0.143 (-0.611)
<i>Blockholder Ownership</i>	0.414** (2.342)	0.495 (1.344)	0.553 (1.417)	0.058*** (7.119)	-0.002 (-0.081)	0.015 (0.828)
<i>Board Independence</i>	-0.251* (-1.841)	-0.325 (-1.077)	-0.192 (-0.684)	-0.082*** (-11.965)	-0.063*** (-3.313)	0.014 (0.932)
<i>Pre-Disclosure CAR</i>	-0.002 (-1.086)	0.002 (1.003)	0.001 (0.676)	-0.000*** (-3.607)	-0.000*** (-2.911)	-0.000 (-1.556)
<i>Rule of Law</i>	0.038 (0.952)			-0.008*** (-4.416)		
<i>Civil Law</i>	-0.019 (-0.211)			-0.026*** (-6.469)		
<i>Investor Protection</i>	-0.284 (-1.571)			-0.092*** (-10.789)		
<i>ISS Dissent</i>			0.637*** (6.277)			0.131*** (23.092)
<i>Glass Lewis Dissent</i>			0.082 (1.095)			0.050*** (11.895)
N	604	254	254	134,298	30,332	30,332
Pseudo R ²	0.082	0.024	0.196	0.070	0.109	0.250

About ECGI

ECGI is an international non-profit membership organisation that provides a platform for debate and dialogue among academics, policymakers, and business leaders, with a focus on major corporate governance, ESG, and stewardship issues.

The views expressed in this working paper are those of the authors, not those of the ECGI or its members.

www.ecgi.global

ECGI Working Paper Series in Finance

Editorial Board

Editor

Nadya Malenko, Professor of Finance, Boston College

Consulting Editors

Renée Adams, Professor of Finance, University of Oxford

Franklin Allen, Professor of Finance and Economics, Imperial London

Julian Franks, Professor of Finance, London Business School

Mireia Giné, Professor of Finance, IESE Business School

Marco Pagano, Professor of Economics, Facoltà di Economia Università di Napoli
Federico II

Series Manager

Asif Malik, ECGI Working Paper Series Manager

<https://www.ecgi.global/publications/working-papers>