



2001 Inaugural ICGN Annual Awards Ceremony

at the Tokyo Stock Exchange

7th ICGN Annual Conference - July 11 - 13, 2001

Opening Address by ICGN Co-Chairman André Baladi

Ladies and Gentlemen,

On behalf of the ICGN Board of Governors, I wish to express our most sincere gratitude to Mr. Masaaki Tsuchida, President of the Tokyo Stock Exchange ; to both Mr. Nobuo Tateishi and Mr. Taiji Okusu, respectively Chairman and Secretary General of the ICGN Hosting Committee ; to ICGN Board Governor Ariyoshi Okumura ; as well as to all the other diligent Japanese members of the ICGN Conference Team, for hosting, organizing and managing this Conference.

We are both pleased and honored to be in Tokyo for this 7th Conference of the ICGN, which was preceded by Annual Conferences held successively in Washington DC, London, Paris, San Francisco, Frankfurt and New York.

Although the ICGN is only seven years old, it already assembles leading corporate governance experts, corporate officials, attorneys, auditors, bankers, financial analysts and stock exchange representatives with global investors holding total assets estimated to exceed US\$ 10 trillion.

This success stems from the vision, the drive, the fortitude and the charisma of the pioneers who initially contributed - and of those who currently contribute - to develop corporate governance initiatives around the world.

The ICGN Awards Committee - composed of the Committee Chairman, ICGN Board Governor Dr. Stephen Davis, with ICGN Board Governor Jon Lukomnik and Mr. Christian Strenger - has selected this year three recipients according to the following set of criteria :

1. Exceptional achievements in the corporate governance field.
2. Contribution to significant improvements of corporate governance practices in one or more jurisdictions.
3. Positive impact, with long-term significance, on one or more economies.
4. Confrontation to frustrating oppositions, requiring vision, courage, and fortitude.
5. Enhancement of their future corporate governance initiatives through such recognition by the ICGN.

The ICGN Awards Committee decided to grant awards to candidates from three Continents : the Americas, Asia and Europe. The chosen Nominees include two "giants" of the field who deserve equal and long-past-due recognition, as well as a personality who strives to develop adequate practices in a challenging emerging corporate governance environment.

The three Awardees are : Sir Adrian Cadbury in the U.K.; the world renowned Attorney, Ira Millstein in the U.S.; and Professor Hasung Jang in South Korea.

The Awards recognize the fundamental, global impact of the endeavors of both Sir Adrian Cadbury and Ira Millstein, as well as the courageous and path-breaking labors of Professor Hasung Jang. They symbolize the earliest framers of our field, together with the future promise of corporate governance. In their own ways, Cadbury, Millstein and Jang each pioneered strategies to improve the welfare of people around the world. Here is a brief outline of their respective track records :

- Sir Adrian Cadbury : Sir Adrian chaired the Cadbury Group from 1965 until 1989, a quarter of a century during which he developed a participative corporate management structure and edited one of the first corporate charters of Business Principles. He was also a Director of the Bank of England from 1970 to 1994, and founded Pro Ned, a Bank of England - backed organization aimed at professionalizing non-executive directors. Sir Adrian is still very active, among others as member of the Panel of Conciliators of the International Centre for Settlement of Investment Disputes, and as Chancellor of Aston University. He also recently started a small community loan fund for entrepreneurs who have no access to conventional financial sources. His renowned 1990 book, "The Company Chairman", was reedited in 1995. His most celebrated achievement, for which he will be long-remembered, is the seminal 1992 "Cadbury Code" on corporate governance, which became the model for reform around the world.

These are but a few of his past involvements, to which should be added that Sir Adrian also happened to chair the U.K. Committee on the Financial Aspects of Corporate Governance, and to contribute to the influential OECD Corporate Governance Business Advisory Group, chaired by Ira Millstein.

- Ira Millstein : The Senior Partner of the prestigious law firm Weil, Gotshal & Manges has been a leading voice in promoting corporate governance reforms for the past 20 years, first in the U.S. and then on the international stage. He has represented corporate boards, executives and institutional investors, which is rare in the legal field. He is singularly gifted, to be able to represent the different sides of a controversy or a dispute, and adapt his approach to multi-cultural audiences. A significant portion of his corporate governance activities has been undertaken on a pro bono basis. After contributing, as Counsel to the U.S. Business Roundtable, to the publication of "The Role and Composition of the Board of Directors for the Large Publicly-Owned Corporation", he co-authored "The Limits of Corporate Power" and "Industrial Policy and the Law". He also edited "The Impact of the Modern Corporation", and authored several hundred articles and reports. His academic connections include, among others, Columbia University Law School, Harvard University John F. Kennedy School of Government, New York University Law School, and Yale University School of Organization and Management.

After advising the General Motors Board on its restructuring in 1992, Ira Millstein contributed to drafting its seminal "Board Guidelines on Significant Corporate Governance Issues", which incited many companies to develop codes of best practice. He also chaired the U.S. National Association of Corporate Directors (NACD) Blue Ribbon Commission on Director Professionalism, as well as the OECD Business Sector Advisory Group which drafted the report that laid the foundation for the "OECD Principles of Corporate Governance". He was also a key member of the OECD Task Force which drafted these Principles. Two U.S. Presidents, as well as New York State and City Governors, appointed him on numerous occasions as either Chairman or member of important Commissions, such as the Pension Investment Task Force for instance.

Thanks to Ira Millstein, corporate directors are more aware today of their responsibilities, shareholders are more aware of their rights, and executives are more likely to do something about poor corporate performance.

- Professor Hasung Jang : We are told that Korea University Finance Professor Hasung Jang nurtures orchids, which he claims to be "very restrained, controlled and patient, but when they bloom, the fragrance of only one blossom can permeate an entire house". The U.S. Wharton School Finance PhD graduate, winner of the 1995 Graham & Dodd Award, couldn't have found a better metaphor to describe his relentless corporate governance crusade in South Korea.

As founder of the shareholder advocacy unit of the Peoples Solidarity for Participatory Democracy (PSPD) group, Professor Jang's team gathers hard-to-find information on "chaebols", and then methodically challenges the most flagrant governance inadequacies through shareholder AGMs, courts, and other forums. He has faced epic confrontations with several "chaebol" officials over the past few years, as a result of which he developed a devoted following among institutional investors around the world. Moreover, three large Korean public pension funds recently backed one of his resolutions at a major AGM. Furthermore, Hasung Jang has been appointed as advisor to the Korean Stock Exchange, and to the Fair Trade Commission (the Korean antitrust agency). Incidentally, during the first four months of this year, one of the best performing stock market indexes was Korea's KOSPI, with + 17 % , versus - 40 % for the worst performer, the Swiss New Market Technology index (both in local currency terms). Could that over-performance be an outcome of the "Jang Effect" ? Actually, he is reported to have stated that "with more transparency and greater investor confidence, we can easily create Won 10 to 20 trillion (US\$ 8 to 16 billion) of additional value in Korea".

In any event, Hasung Jang is willing to be patient. He is after all a man who will wait two years for a single orchid to bloom.

"Professor Jang's efforts are being closely watched in Asia. If he is perceived to succeed, other Asian countries may find they have to contend with their own Jangs", wrote "Institutional Investor" in its April 2001 issue.

I am indeed proud to have been granted the privilege to bestow the first ICGN Awards, rewarding three exceptional personalities who act according to the global humanistic spirit which inspired the founders of the ICGN 7 years ago.