

ICGN was pleased to honour Jon Lukomnik the Excellence in Corporate Governance Award on June 26, 2013 in New York. He was nominated by Stephen David and David-Pitt Watson

Below are remarks from his acceptance speech;



To be acknowledged by my peers is incredibly sweet and rewarding, and the fact that it's in New York makes it even more so.

In keeping with the theme of the conference, I want to ask one important question. Are we, as share owners, fit for purpose? For more than a quarter century, I and others have called for share owner empowerment as the antidote to excesses of capitalism. But do we, today, exhibit and facilitate those same excesses? Have we morphed from the solution to the problem, from the hope of responsible, engaged share ownership to just another short-term market participant, eager to get our share without concern about the long-term health of the economy and the world?

Now, there are three major schools of thought on this, and all agree on the problem. It's the solution that remains elusive. Tomorrow, we'll hear from Martin Lipton, who represents part of the 'shareholder value is the wrong value' school of thought. Mr Lipton believes in Director-centric vision of capitalisms. Others believe in a stakeholder vision. But they all think that share owner value leads inevitably to short-term thinking that robs productive investment of the future. So, they call for rollbacks to the ability of share owners to create change.

The second school of thought, ironically, holds the extreme opposite view. Not only is share owner value the correct path, they say, but we shareholders haven't been aggressive enough. We're too timid, they believe. They, too, call for regulation, but not to roll back our show of power, but because we haven't used it, hence the European laws and regulations which limit Bankers' bonuses and mandate Board diversity.

Finally, there's the middle ground, and I proudly plant my flag on this turf. We believe that, as former ICGN laureate Bob Monks once said, "Capitalism without owners will fail." We believe that share owners and organisations like the ICGN need to go beyond examining individual companies' financial results and other results to look at the financial ecosystem itself, that we need to add sustainability of our companies, our economic system, our societies and our planet to our mandate. We need to replace traders with investors, and investors with owners. We need, in the words of a book I am writing with fellow ICGN members Stephen Davis and David Pitt-Watson, to combine 21st century technology with a return to responsible ownership, a return to judgement, a return to common sense. We need to return to investing strategies that favour real long-term growth, that improve not just our portfolios but the real economy, as well.

Let me conclude on a very personal note. Many of you here today know, as Peter said, that I was involved in co-founding the ICGN, and that before last year's annual meeting, I had never missed a conference. I was very proud of that. Rio was the only one I missed. Two weeks before that meeting, I suffered a bicycle accident that quite literally broke my neck. In fact, I understand there was a picture of me, complete with a set of metal rods, that held my

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head in place that circulated in Rio last year, complete with my email joke that I couldn't quite get the tuning right to hear the conference from my hospital bed in Scotland.

I tell this story not to ask for sympathy – I'm perfectly okay today, but to explain that when you're laid up in a hospital bed, reliant on others for basic needs, for feeding you, for cleaning you, for enabling you to breathe, for making sure your neck doesn't sever your spinal cord, you understand two things. First, sometimes you have to ask for help. So I ask all of you to help to again make capitalism the driver of responsible growth, so that we can improve the standard of living for the world. Unless we rebuke short-term greed and act as responsible owners, we will face increased and deserved criticism, a despoiled environment, a fractured society, the reprobation of our children. So, please help.

Second, and perhaps more importantly, you learn how to say thank you and mean it. I've been lucky enough to receive a number of awards recently, from distinguished organisations such as the NACD and Ethisphere. But given my history with corporate governance, I am, as you can tell, overwhelmed by receiving this award. It means a huge amount to me and always will.

The Board of Directors at the IRRC Institute thank you, Linda, for employing me in a dream job. My frequent collaborators, Stephen Davis and David Pitt-Watson, for challenging me to dream about changing the world and to put into words the mundane and everyday ways we can. The Board and staff and Awards Committee of the ICGN, but most of all, thank you to you, to the people in this room. For two decades, we've been friends, colleagues, compatriots in battles that at times seemed overwhelming. I've had a life, and this is about continuing it, that is simply miraculous. I've had experiences and seen changes that I never anticipated when I chose this field more than 30 years ago. Without the Doctors and Surgeons and Nurses in Glasgow, I wouldn't be here today. But without you, none of the accomplishments that you honour today would have happened.

For that, from the bottom of my heart, truly, thank you.

About Jon

Jon is a founding member of the ICG N and attended its inaugural meeting which was held on the fringes of a CII event in Washington DC in 1995. Jon served on the ICGN Board between 2000 and 2003 and is a serving member of the ICGN Bylaws Committee.

Source: ICGN Award acceptance speech 2013