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AIDAF–EY Chair
of Strategic Family Business
in memory of Alberto Falck



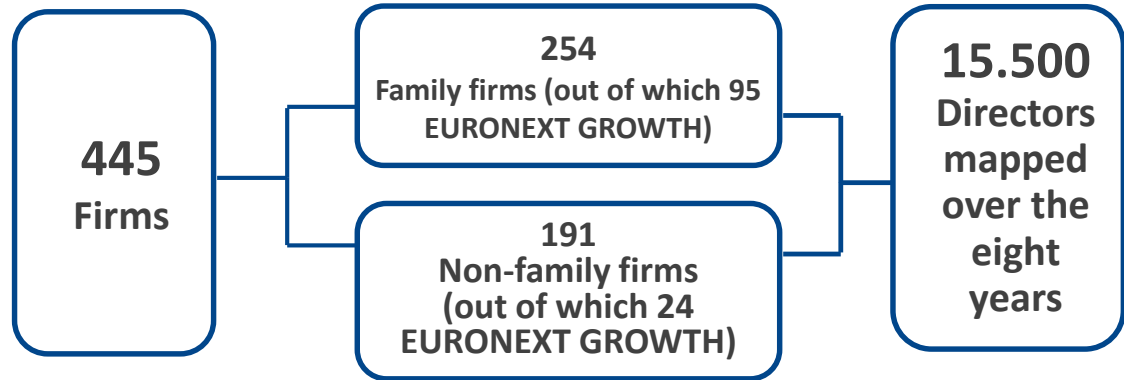
Università Commerciale
Luigi Bocconi

XIV AUB Observatory

Governance structures of Italian listed companies

By Guido Corbetta and Fabio Quarato

Period:
2014-2021



Data on
individual
board
members

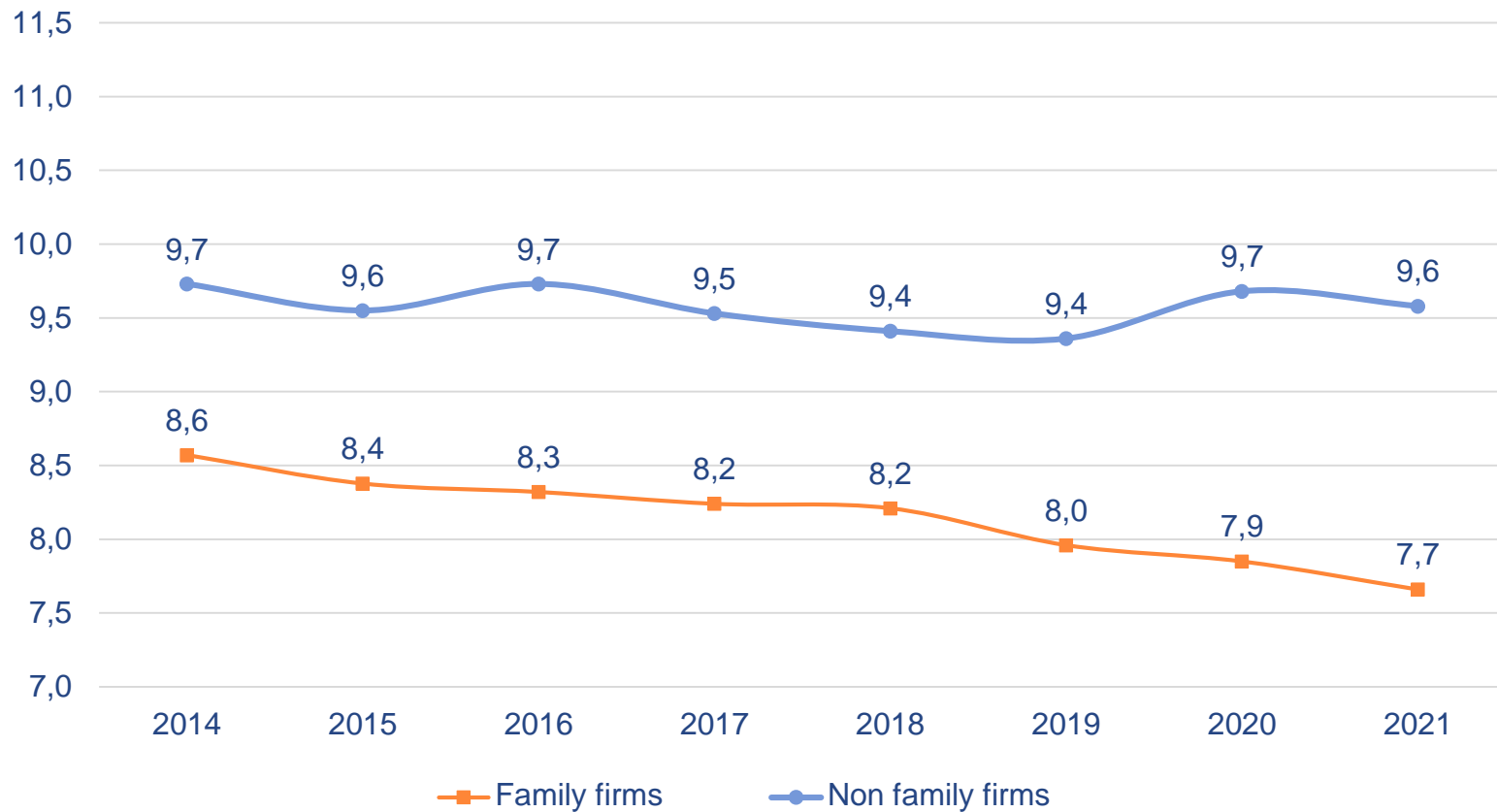


- Date of appointment
- Executive director;
- Independent director;
- Family director;
- Male/female director;
- Majority/minority director;
- Number of other positions held (2+ and 3+);
- CEO duality and presence of LID
- Age and seniority of Chairman and CEO.
- Percentage of attendance at board meetings;
- Presence of an ESG committee.

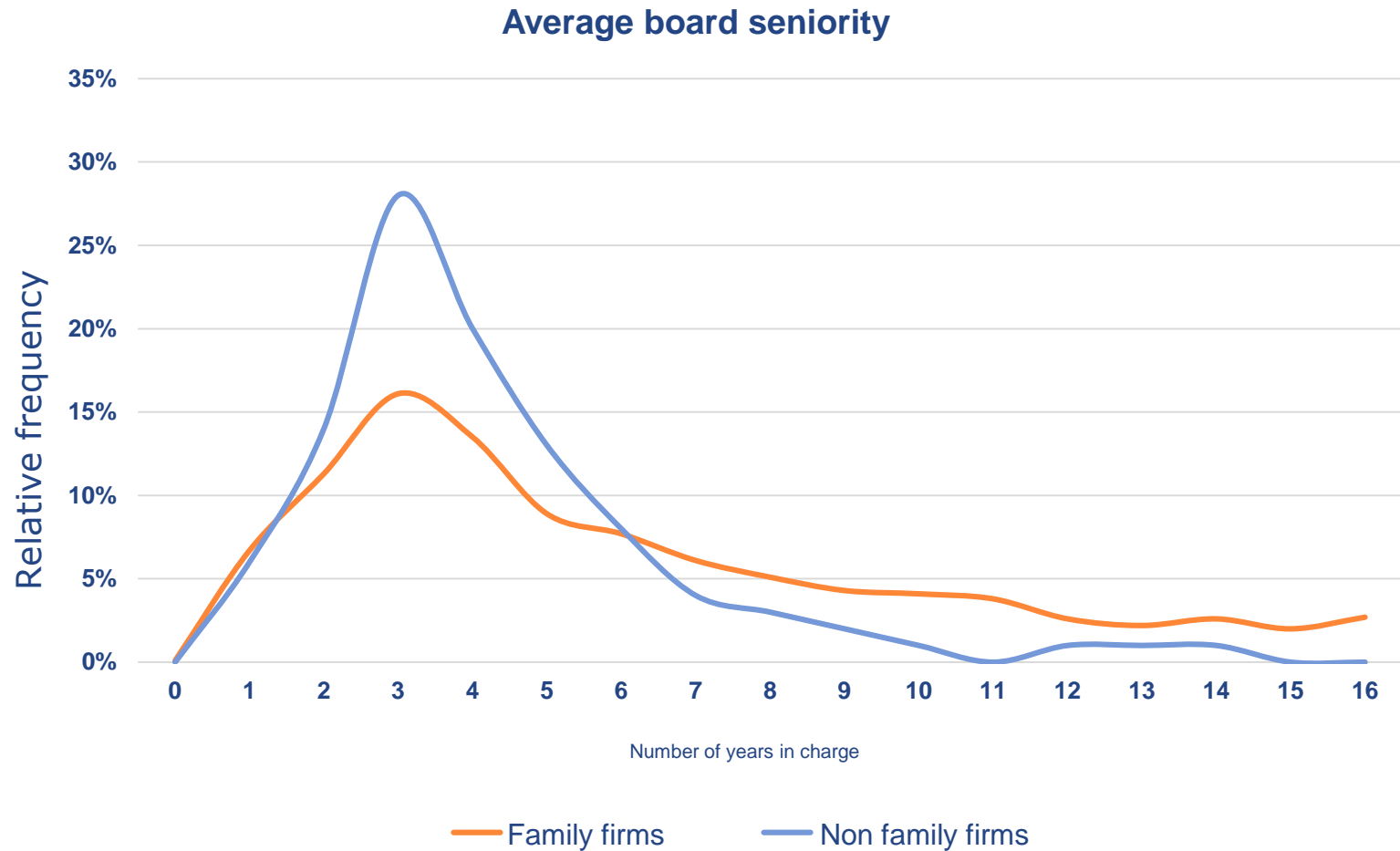
Family control reduces board size: family firms have about 20 percent fewer board members in 2021 than non-family firms

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Average number of board directors

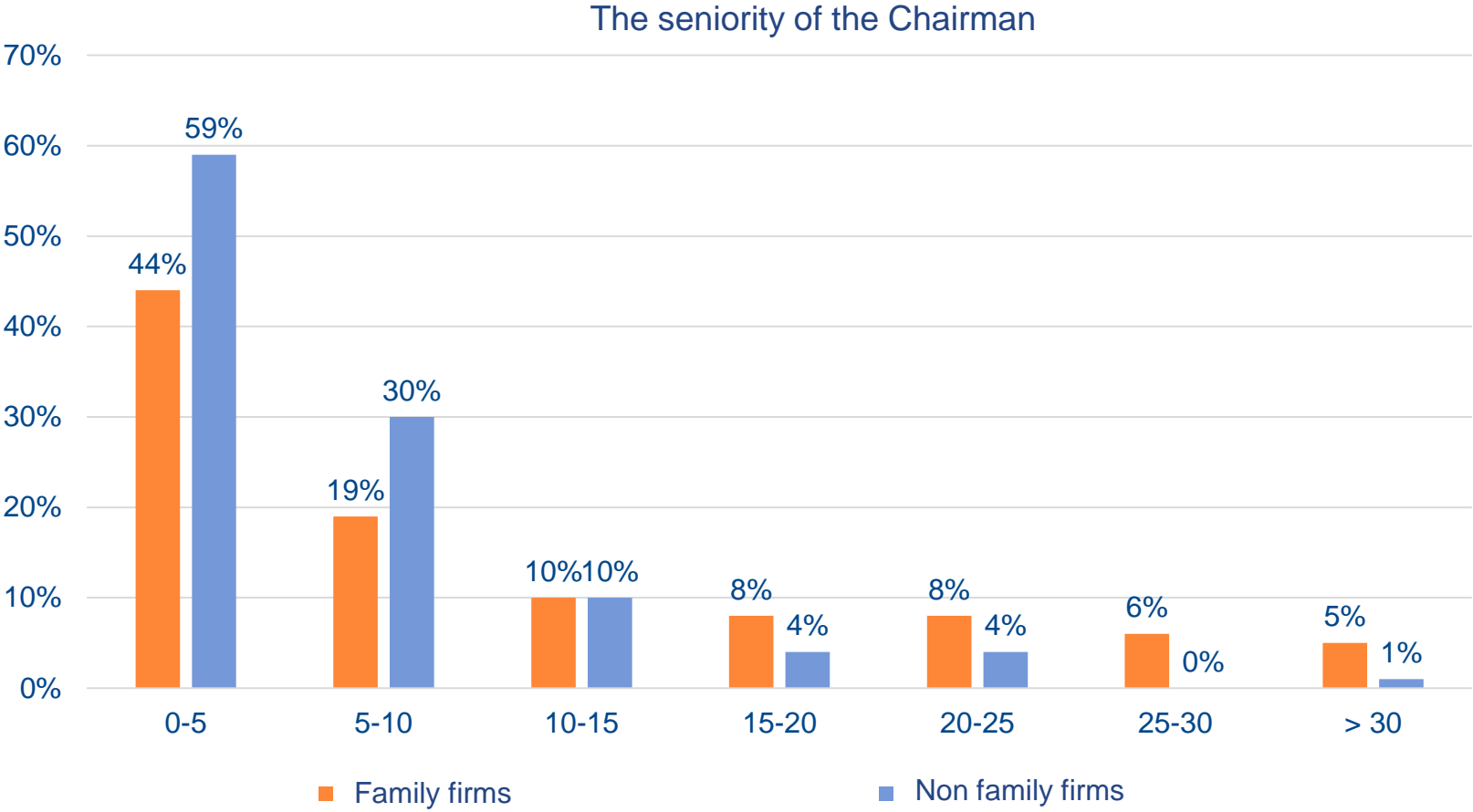


Family firms have BoDs that **remain in charge for a greater number of years**

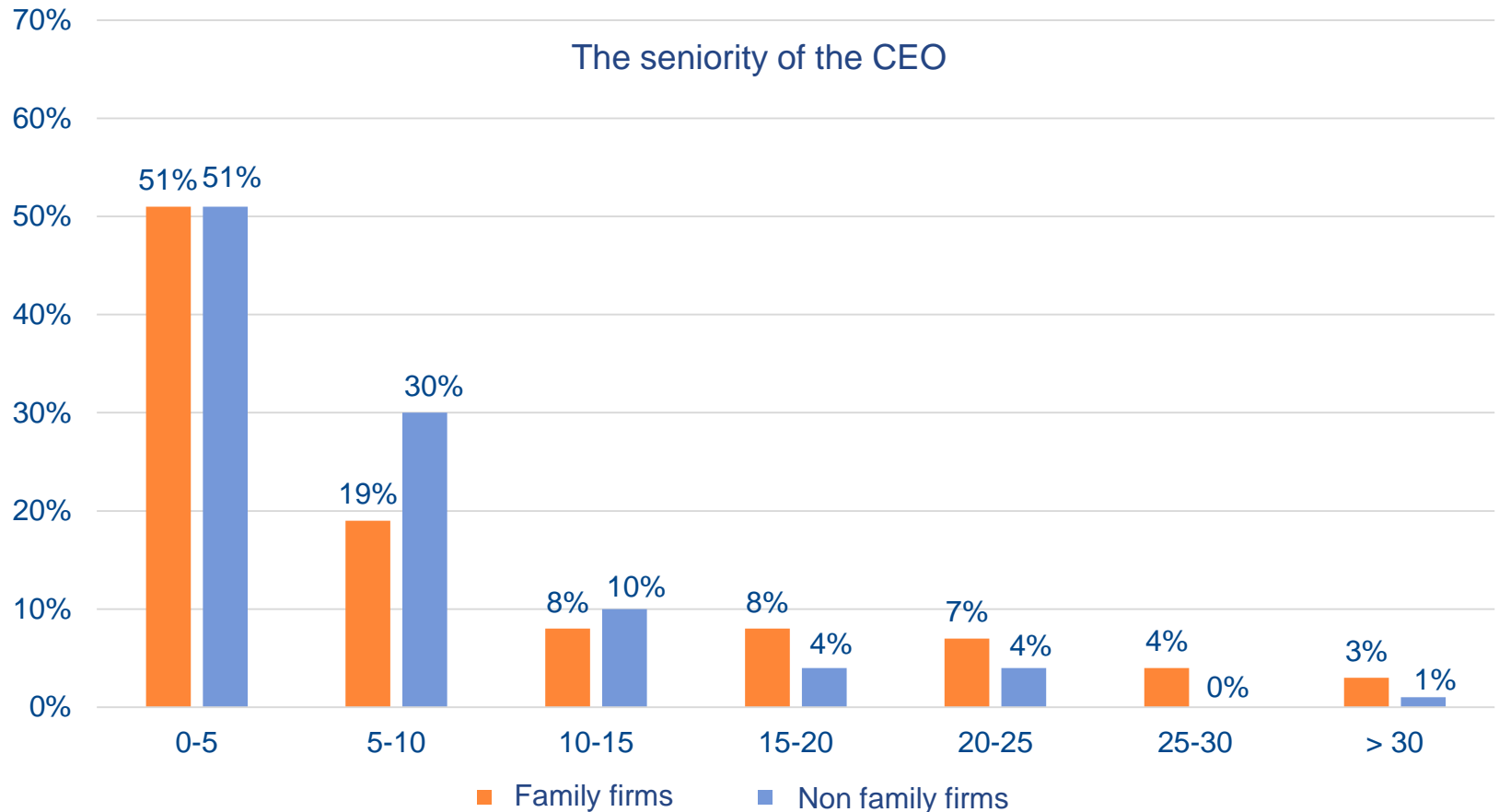


Family control has a strong impact on the average seniority of the Chairman: in 56% of cases it is more than 5 years in family firms (versus 41% in non-family firms)

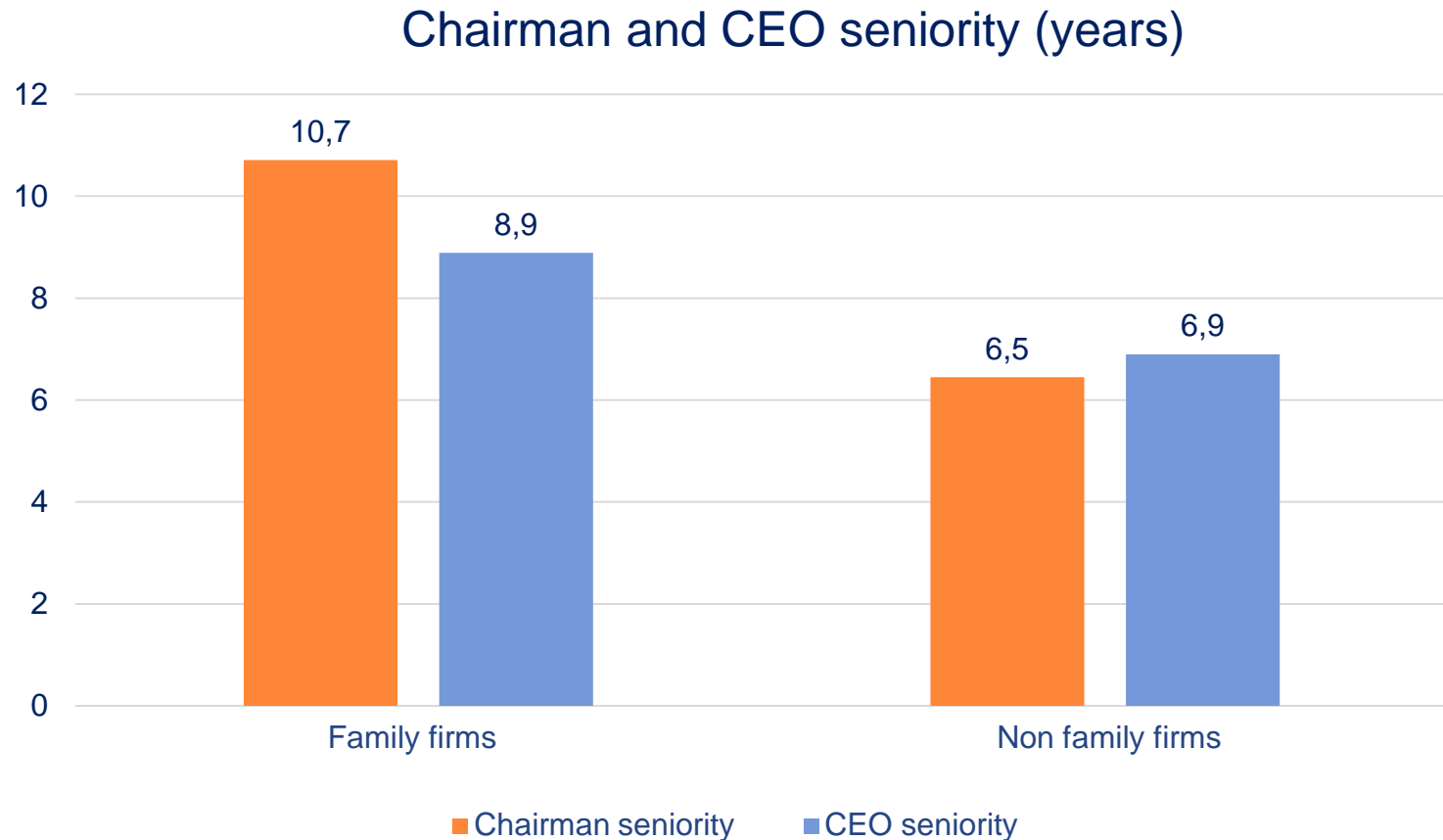
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Family control has a strong impact on CEO seniority: in 50% of cases he/she stays in office less than 5 years, but in family firms there are more cases with seniority of more than 15 years (22% versus 9%)

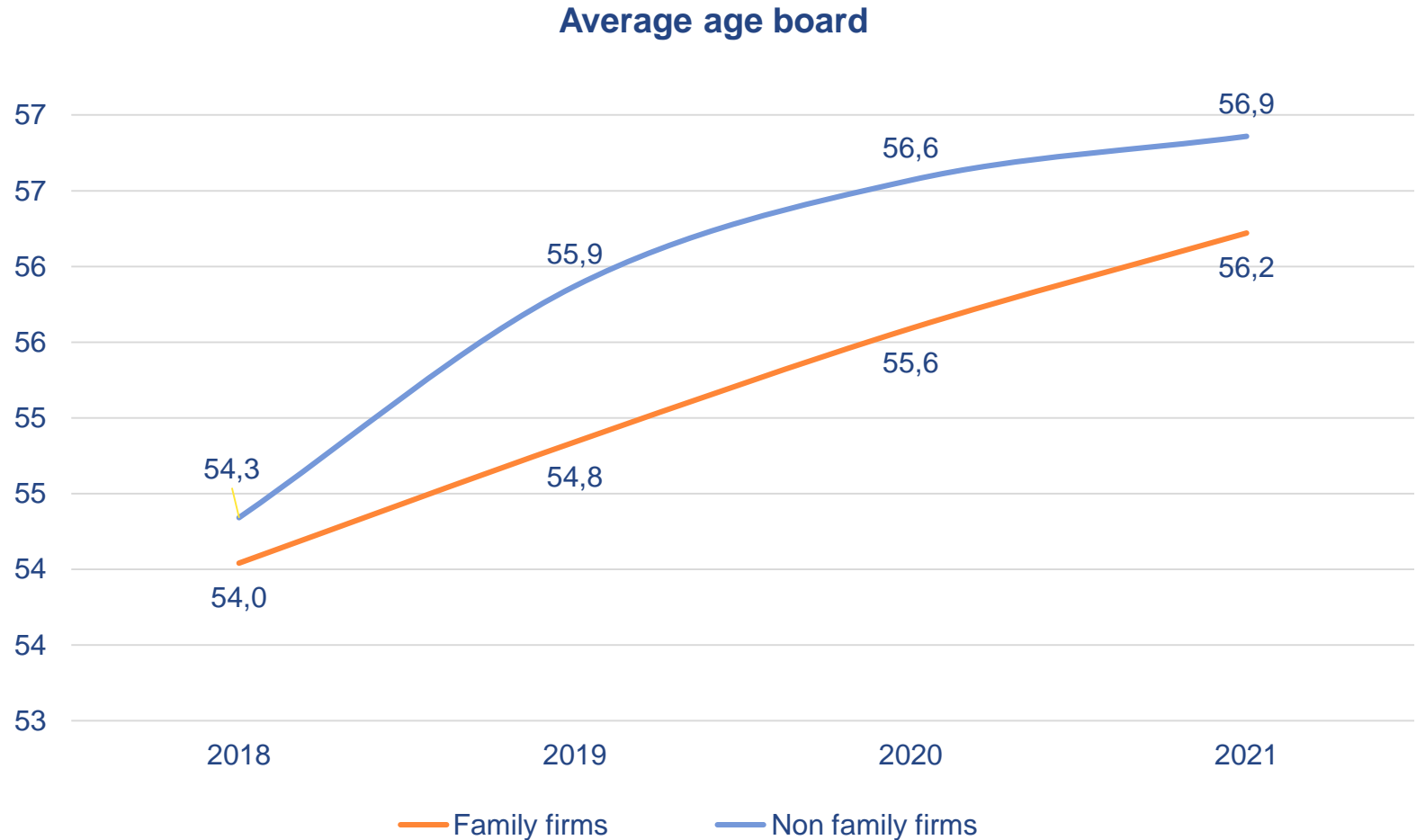


The seniority of the Chairman and CEO in family firms is 64% and 29% higher, respectively, than in non-family firms



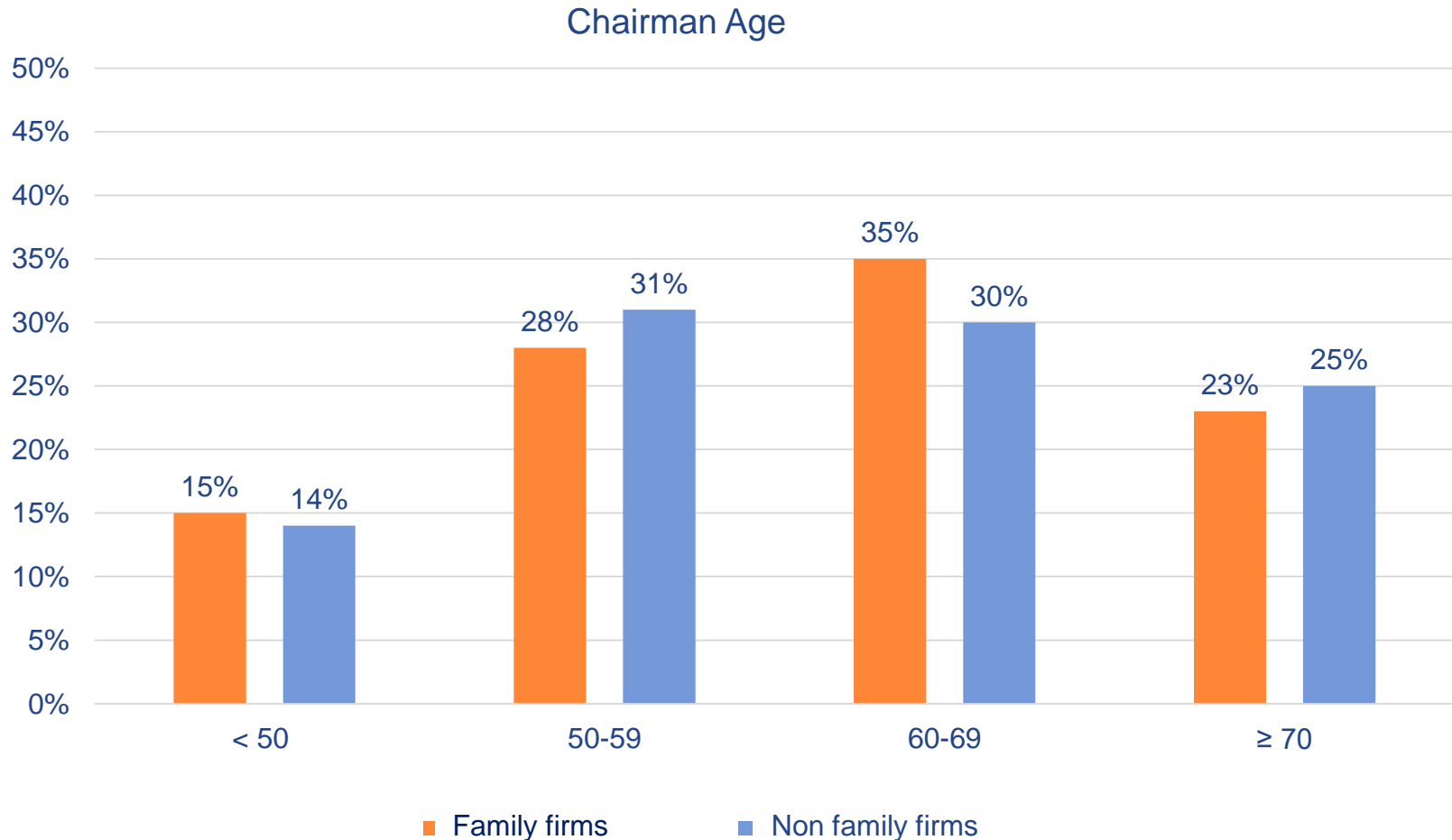
The average age of board members is similar among family and non-family firms

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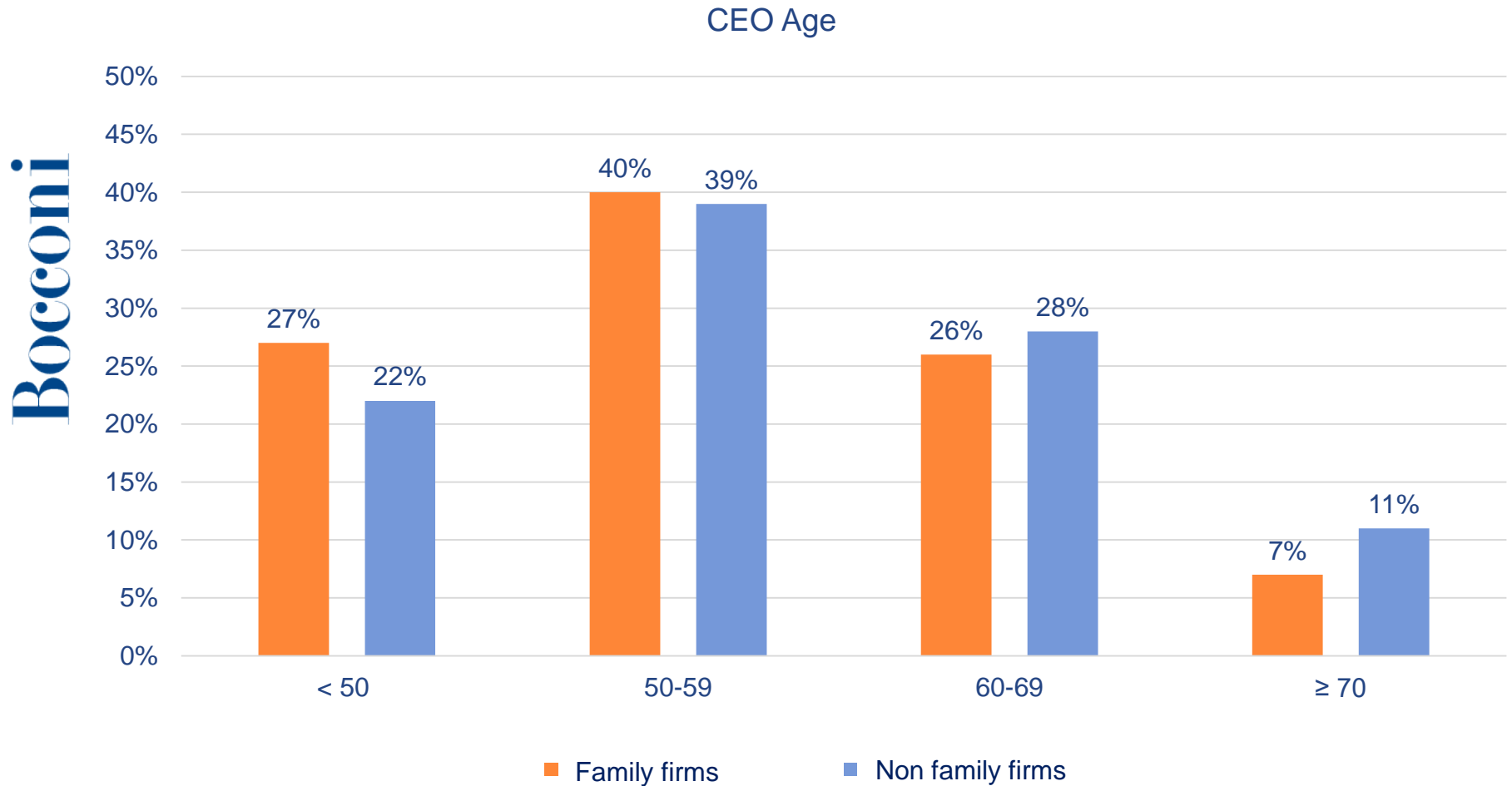


Family control does not influence the average age of the Chairman: in about 1 out of 4 cases, the Chairman is over 70 in all firms, family and non-family

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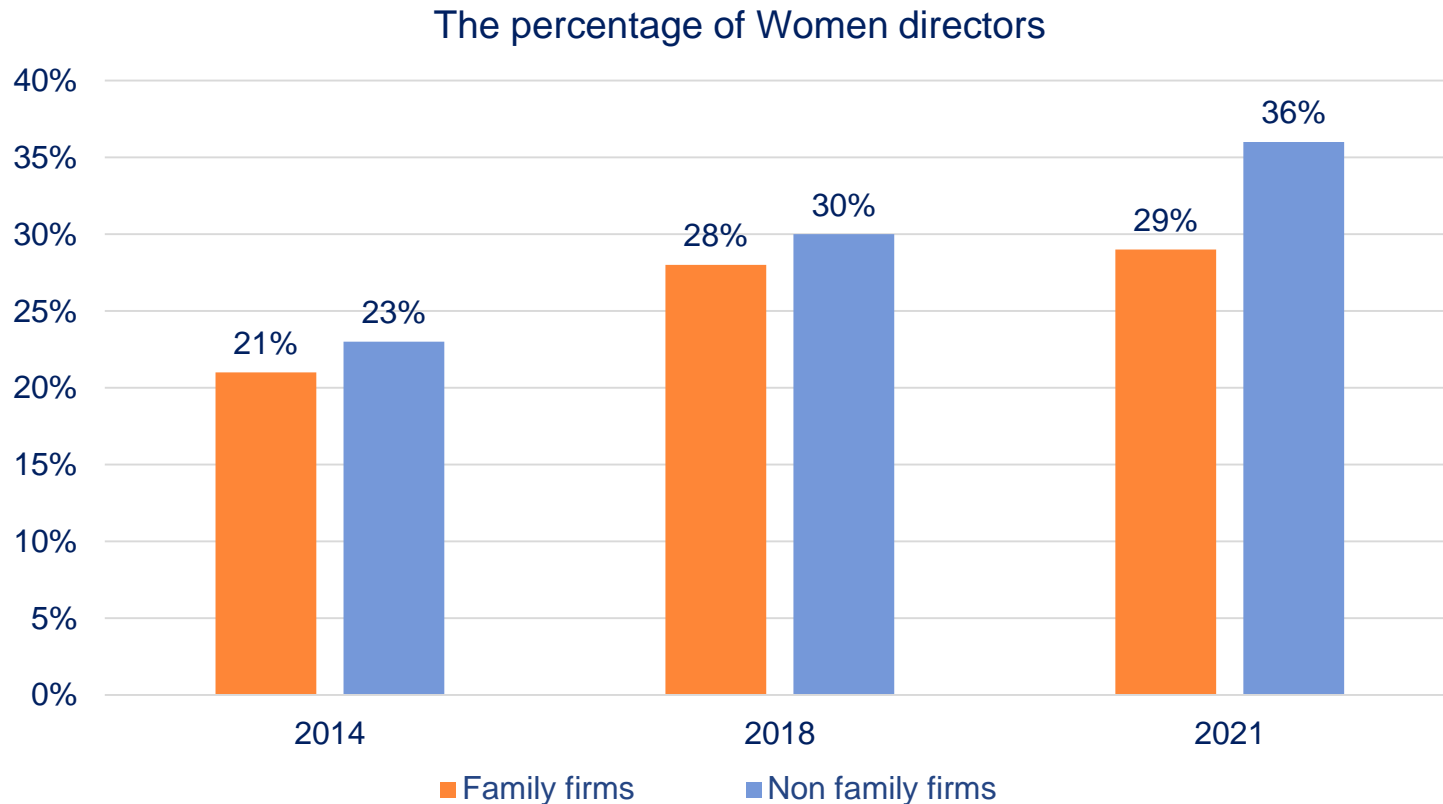


In family firms, about 1 out of 4 CEOs is under the age of 50, a figure 5 points higher than in non-family



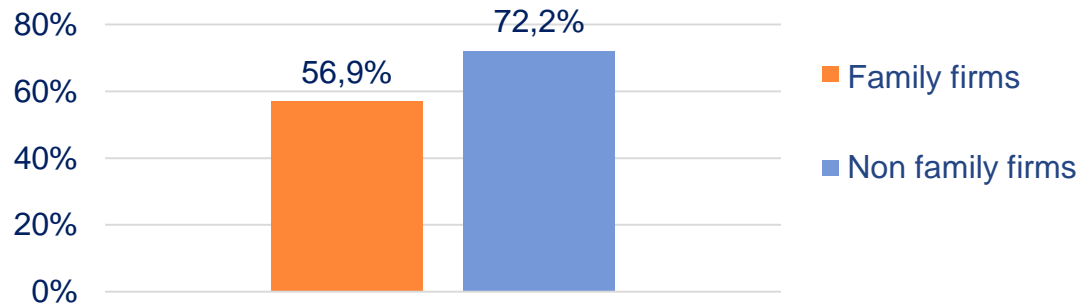
The incidence of **women directors** in family firms has grown less than that in non-family firms since the Golfo-Mosca law came into effect

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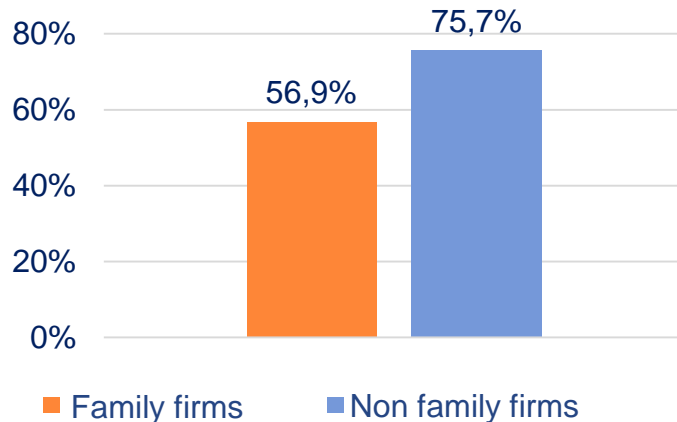


The majority of firms, albeit with a gap between family and non-family members, met the **33.3% threshold of women directors**, while the majority of firms did not meet the **40% requirement** under the "new" Golfo-Mosca law

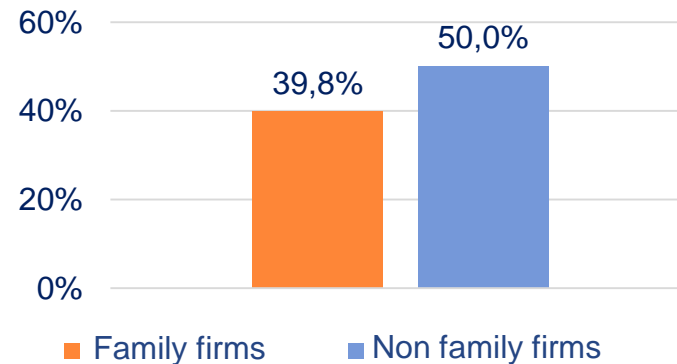
Compliance with 33.3% threshold (pre 2020)



33.3% threshold (2021)

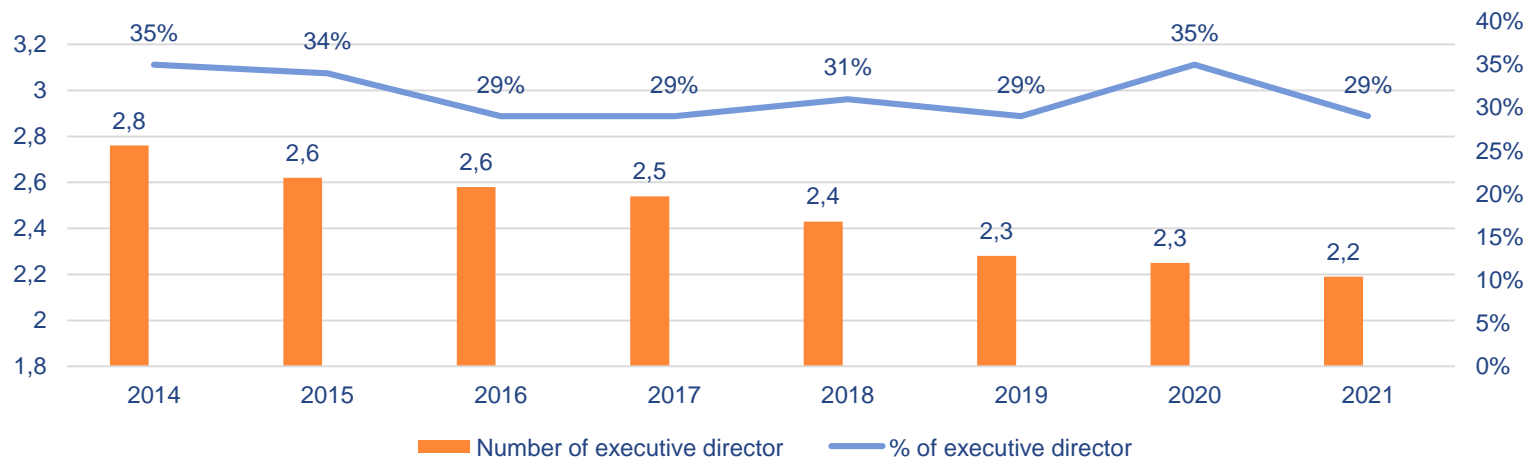


Compliance with 40% threshold (2021)

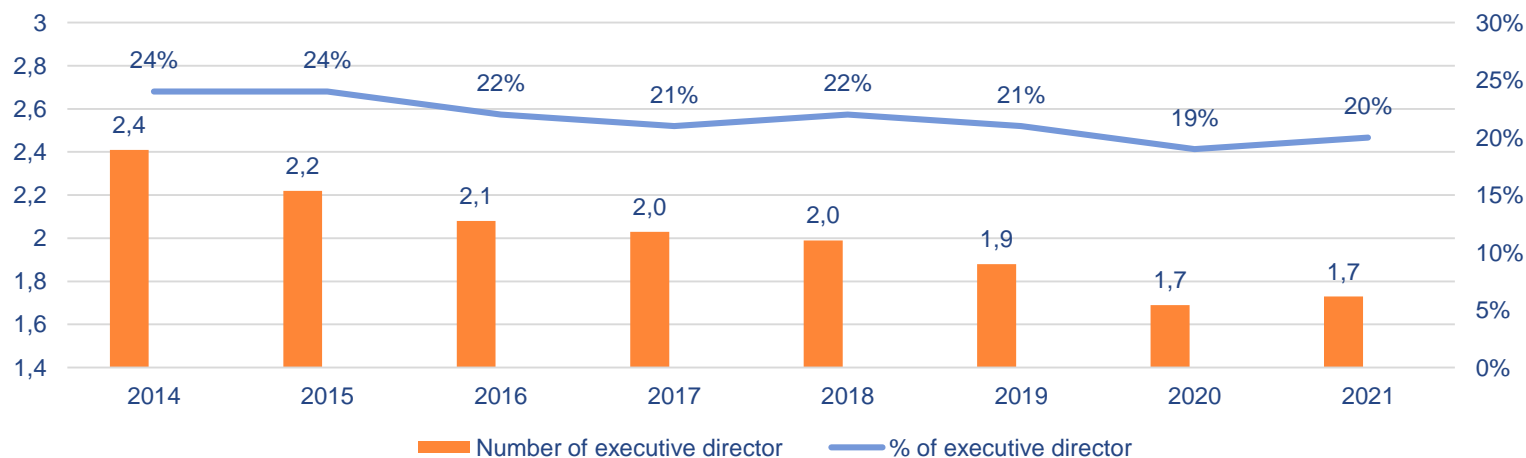


Family firms have a higher incidence of **executive directors** (29% vs. 20% in 2021)

Executive directors on the board of directors of family firms



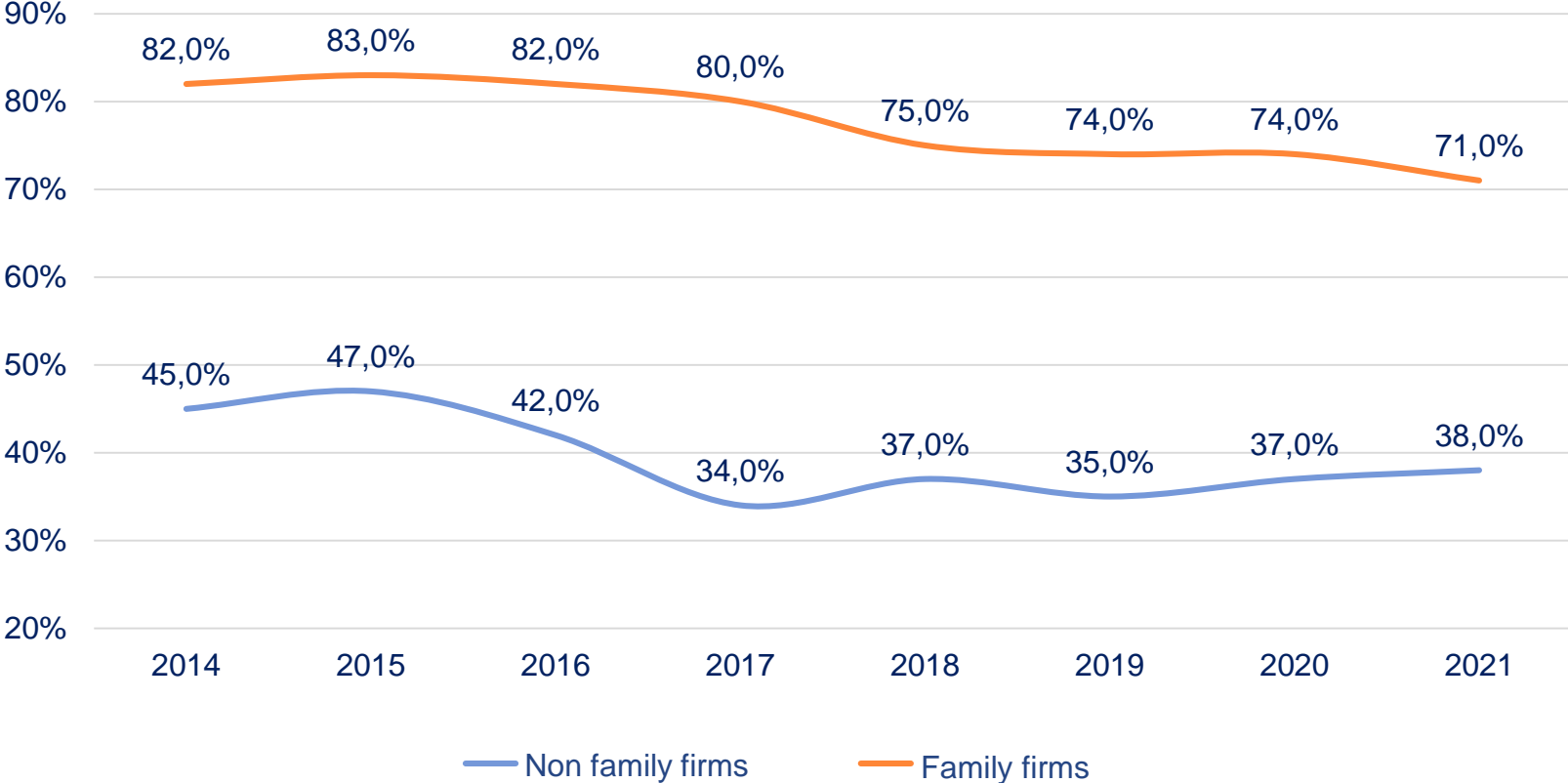
Executive directors on the board of directors of non-family firms



Almost twice the percentage of family firms are characterized by the presence of an **Executive Chairman**, although the figure shows a decline in recent years (down 11 % in eight years)

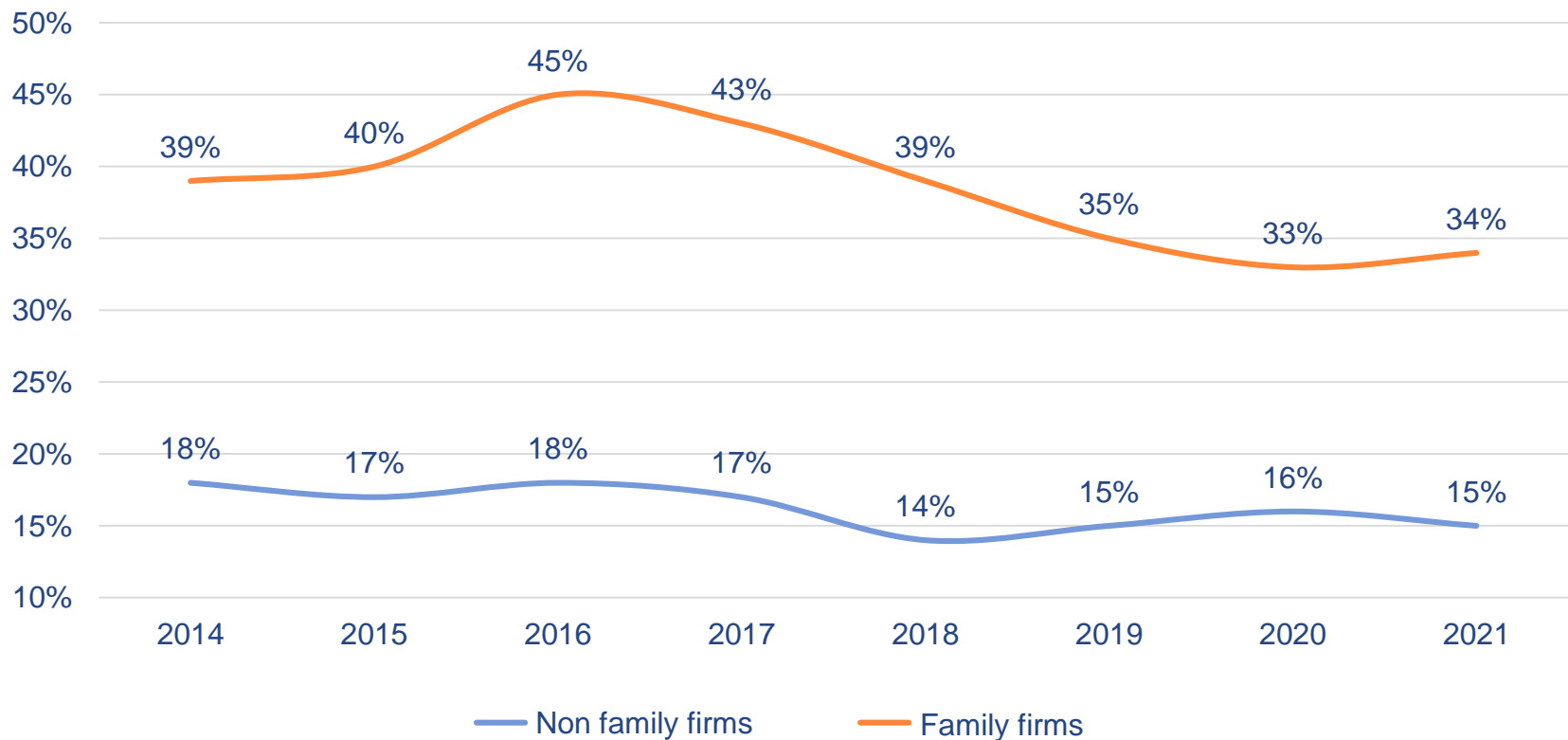
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The percentage of Executive Chairmen



The figure of the **LID is more prevalent in family firms, partly because of the large number of family Chairmen (more than 2/3, cases in which the Governance Code provides for the appointment of the LID).**

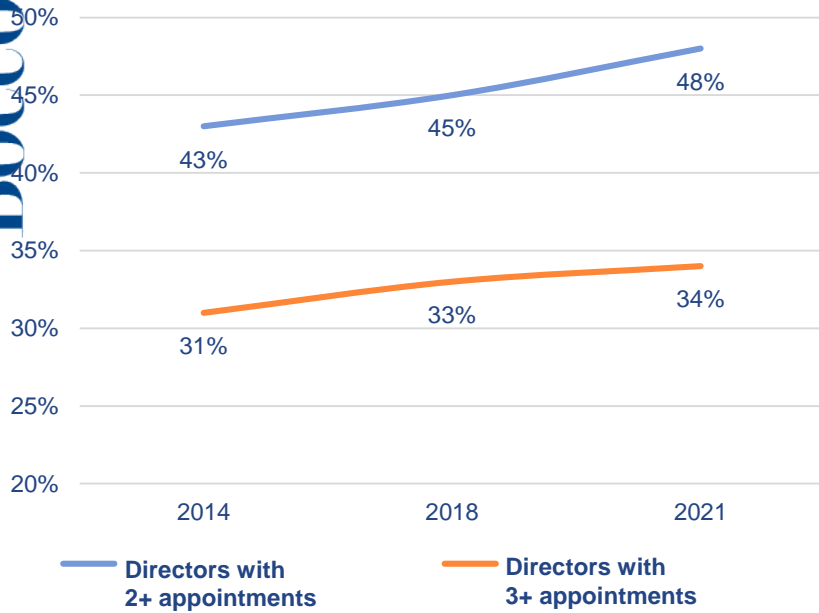
Companies with LID



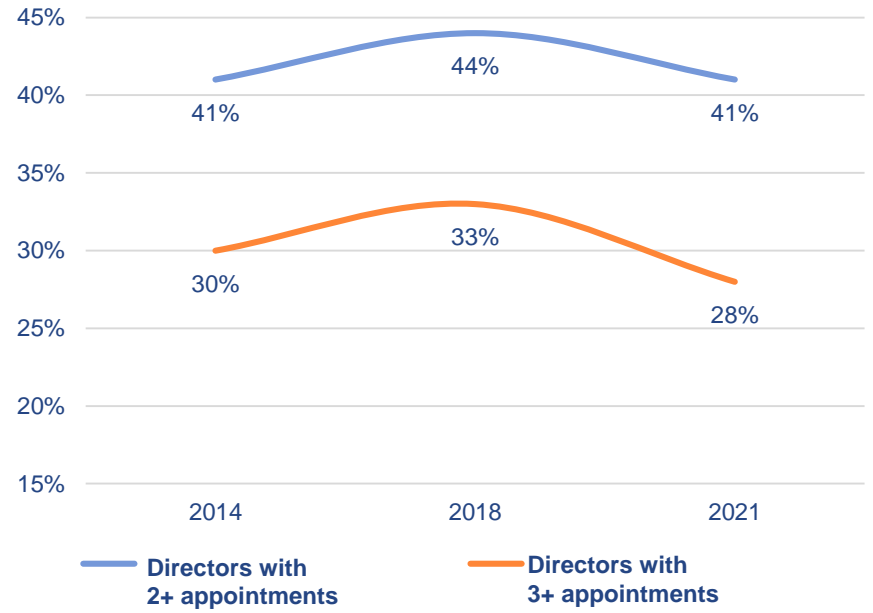
The incidence of directors with **2 or more appointments** shows differences between family and non-family firms reaching **7 points** higher for family firms

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Directors with other positions
(family firms)



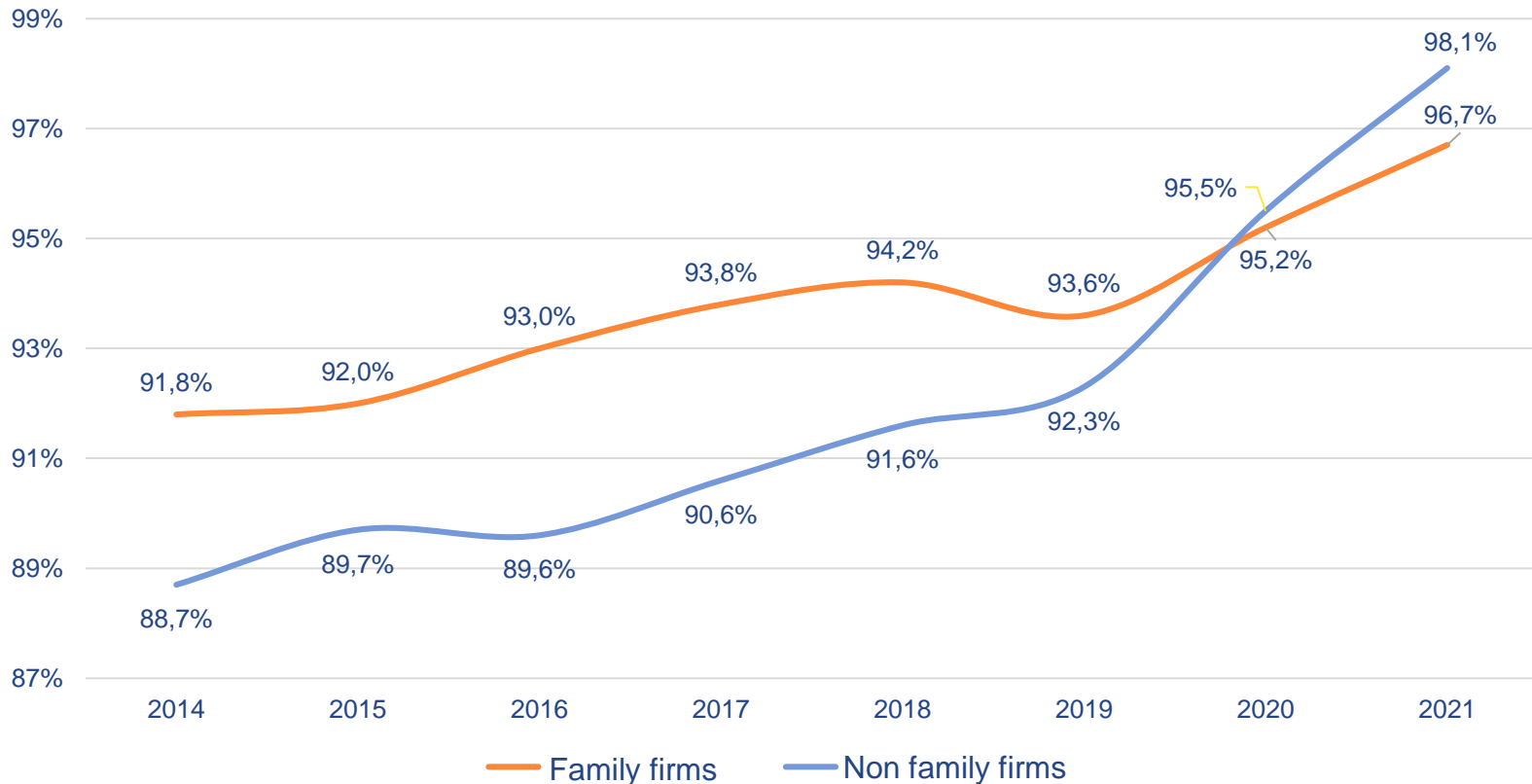
Directors with other positions
(non-family firms)



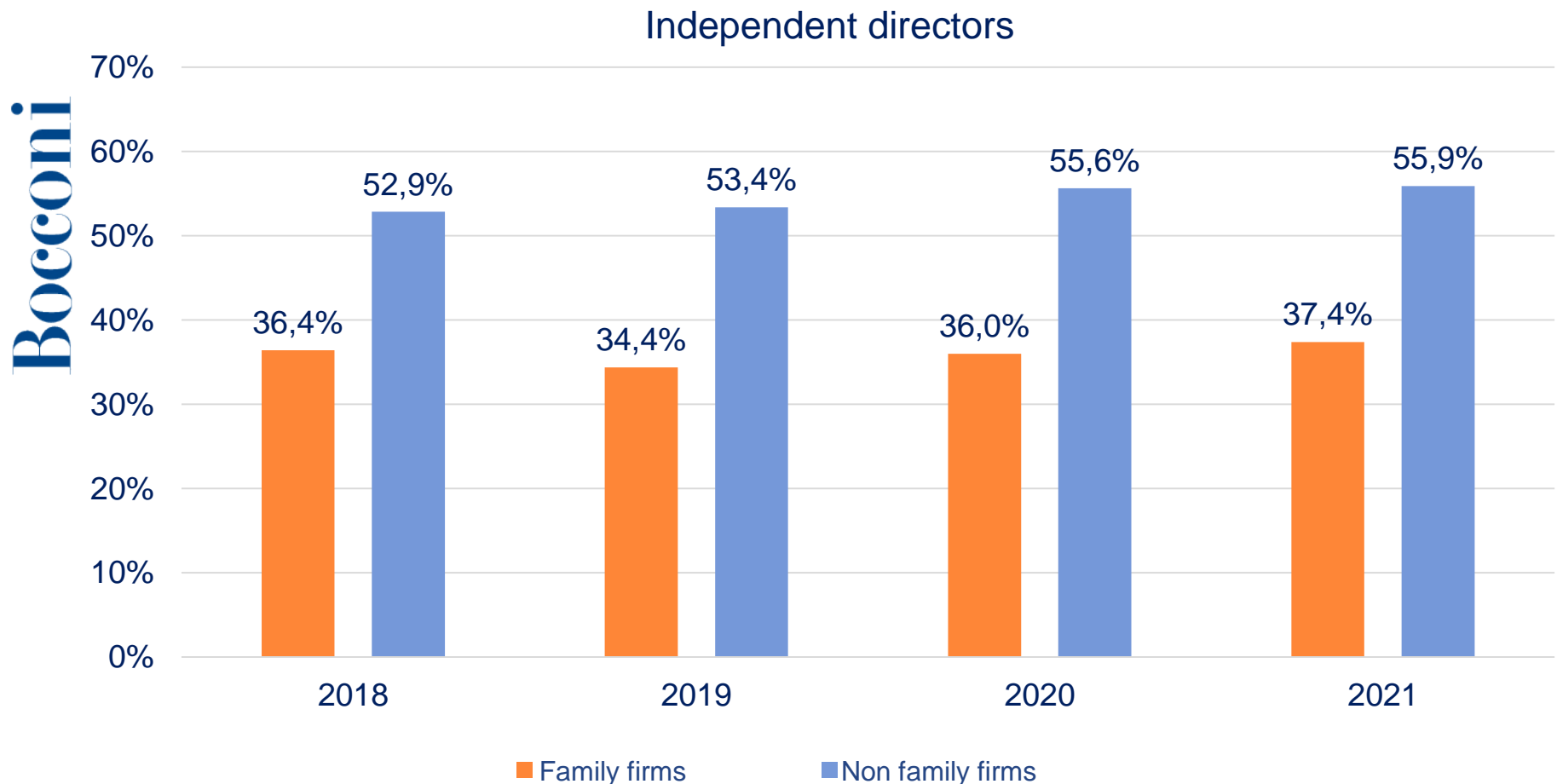
Attendance at board meetings has increased in all companies, family or non-family ones

Average "attendance" rate at board meetings

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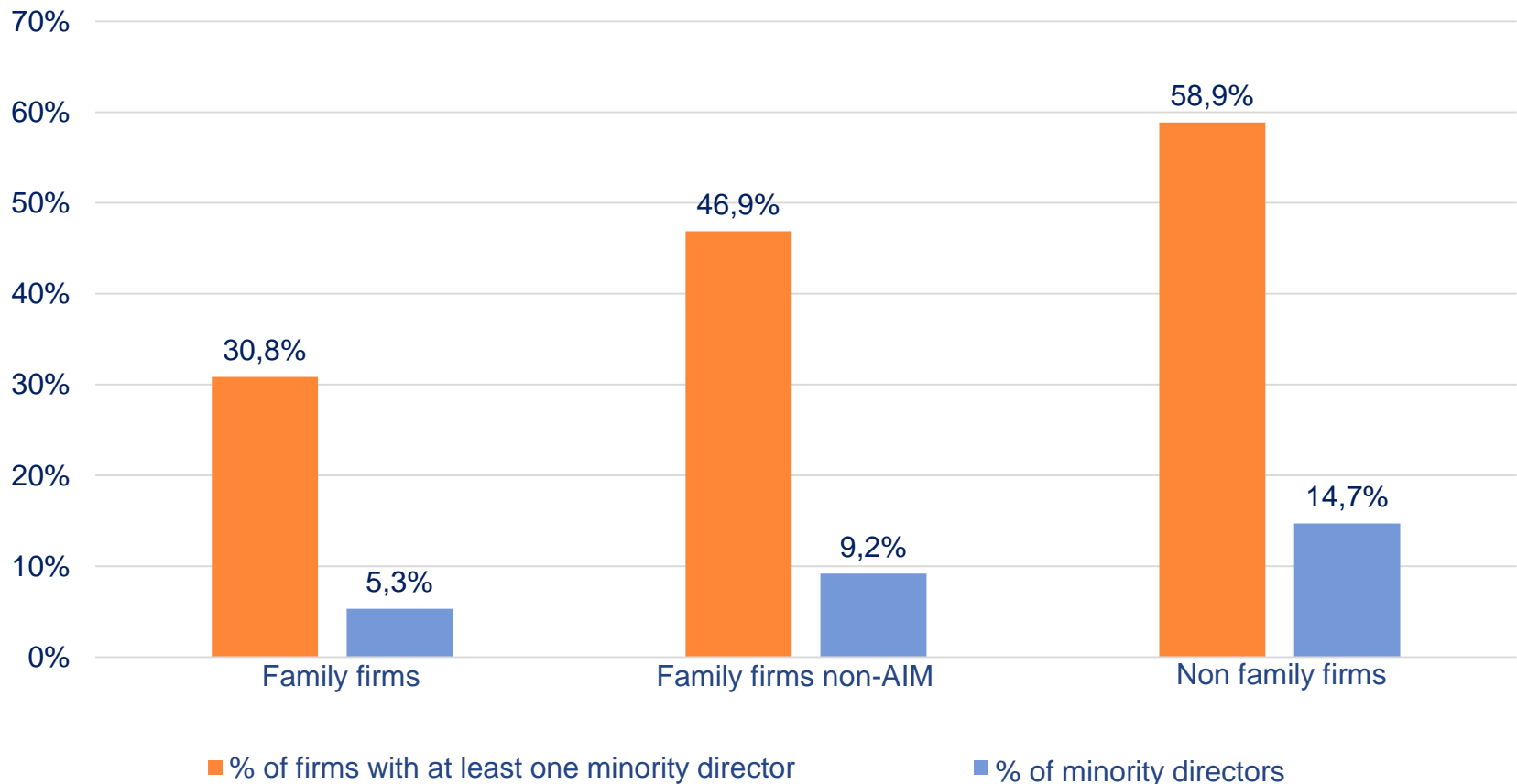


The percentage of **independent directors** is about 18 points lower in family firms



The incidence of firms with at least **one director elected by minority shareholders** has increased from 40 percent in 2014 to 45% in 2021, but a wide gap remains with non-family firms

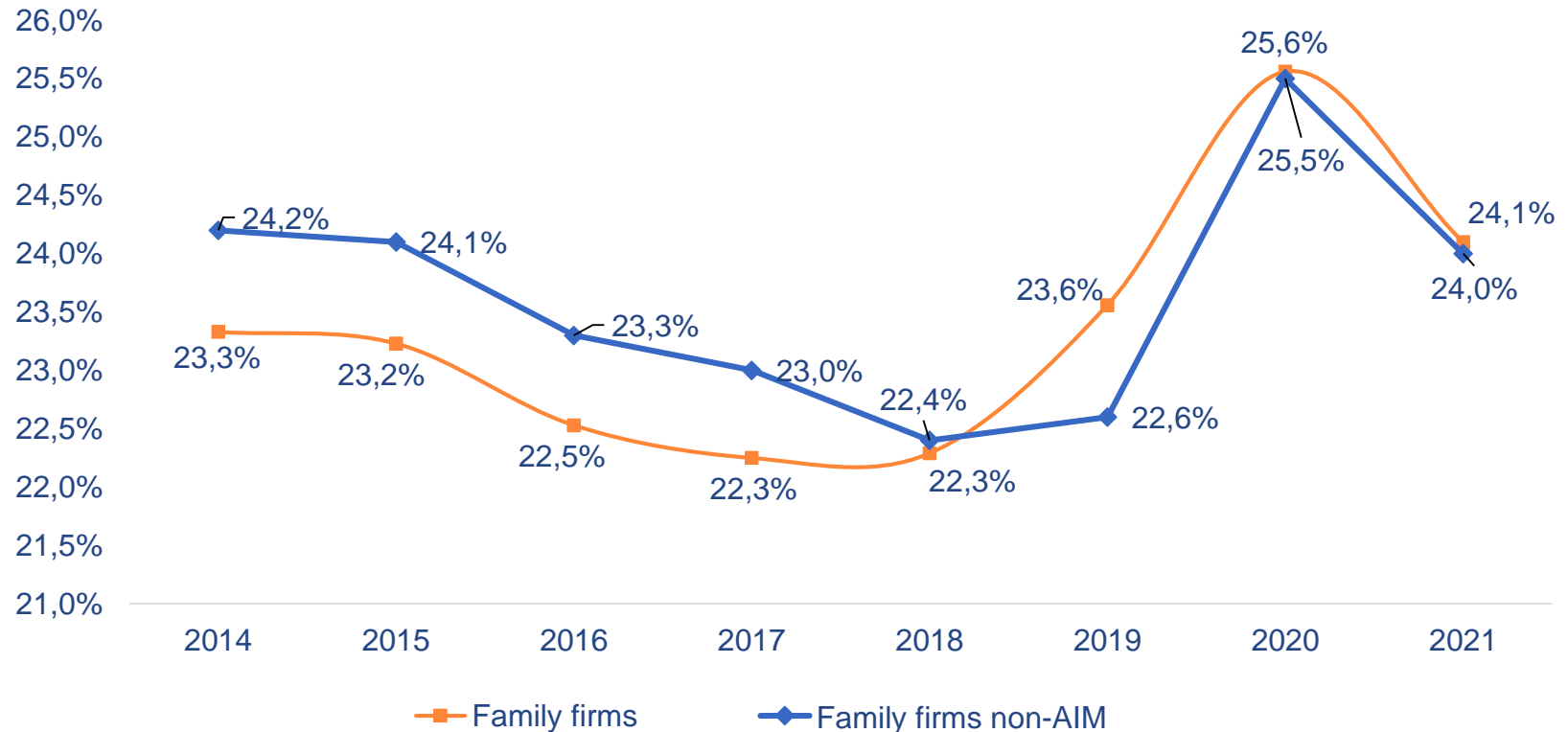
Directors elected from minority lists



The percentage of **family directors** has remained essentially stable over the 2014-2021 period analyzed

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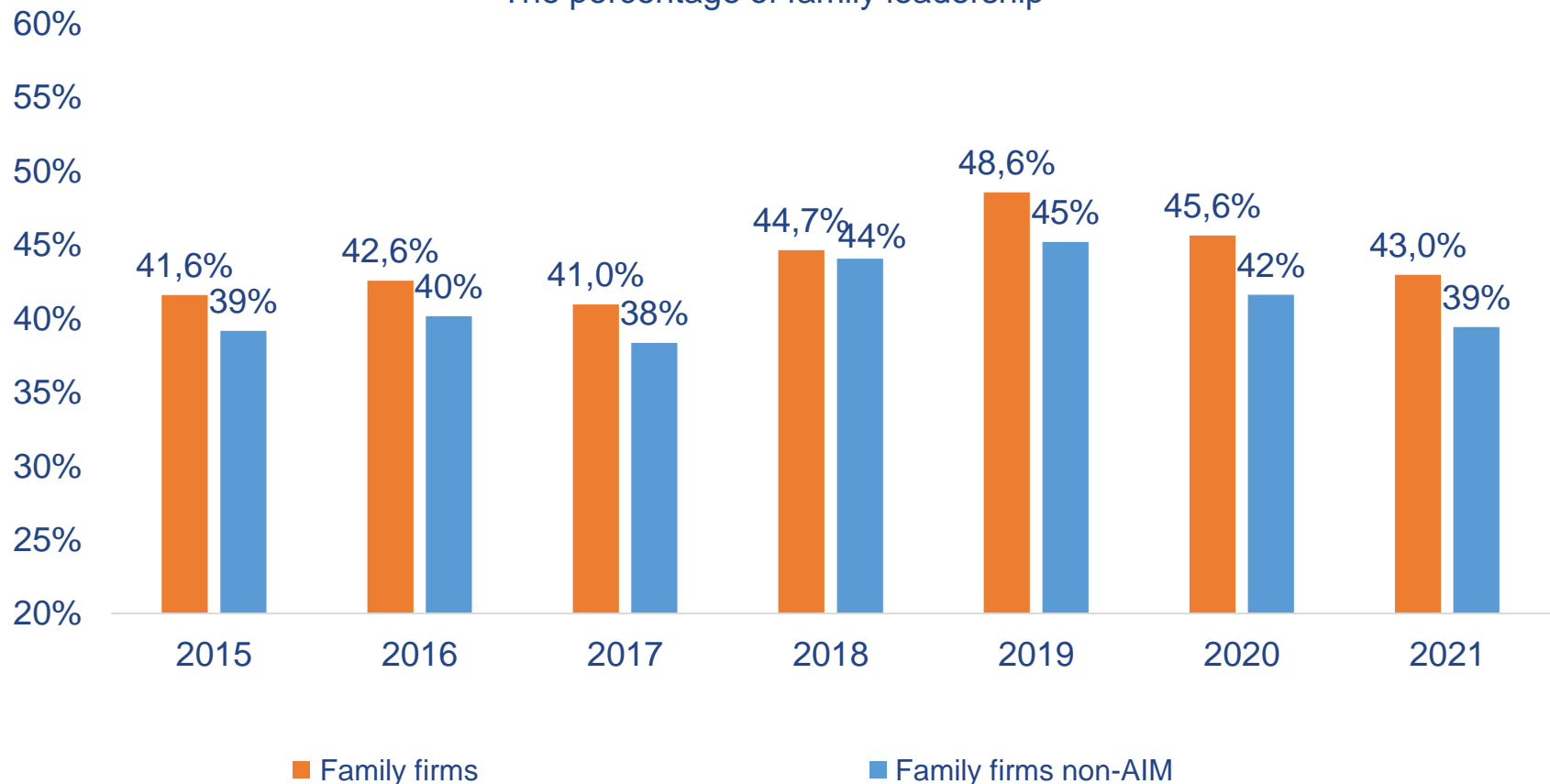
Familiar directors in BoD percentage



Fewer than 1 in 2 firms have family leadership, and this percentage is essentially stable over the period analyzed

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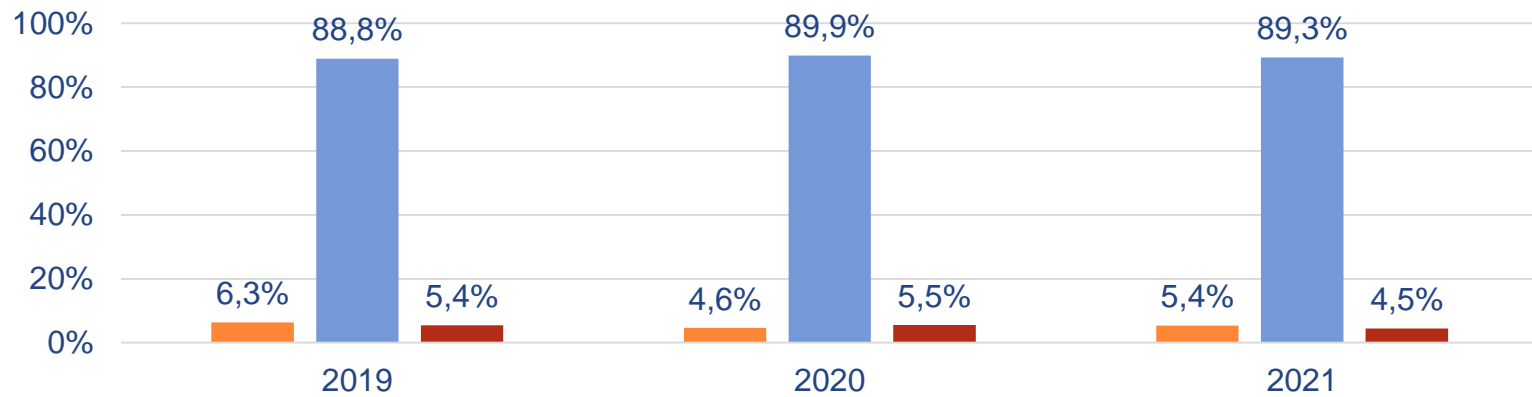
The percentage of family leadership



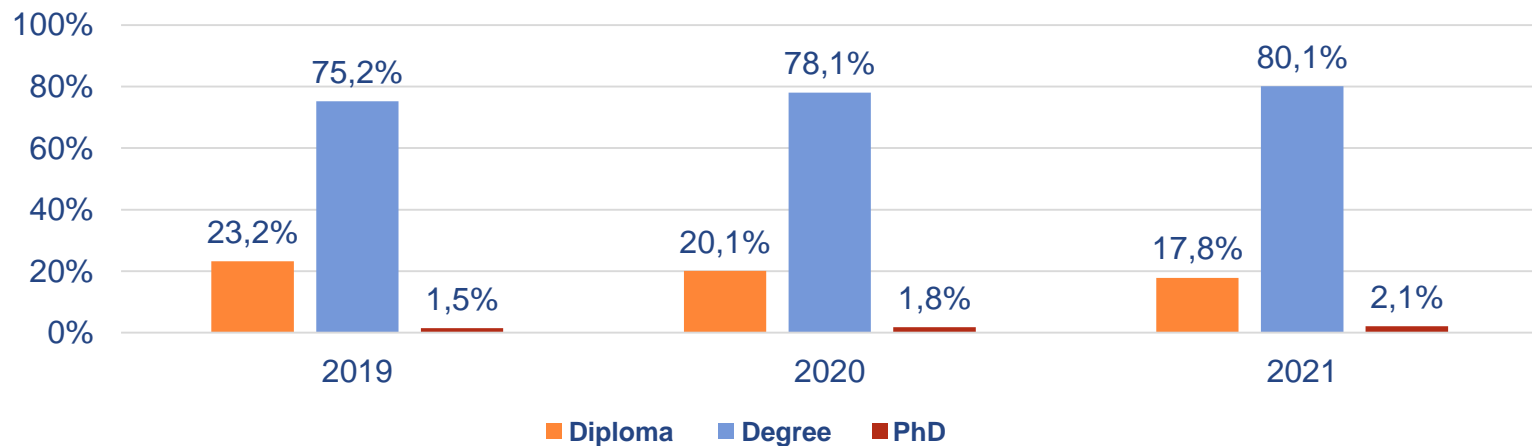
CEOs of non-family firms have, on average, higher education: 94,5 percent have a bachelor's degree, compared with 82.2 percent of CEOs of family firms

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CEO education in non-family firms

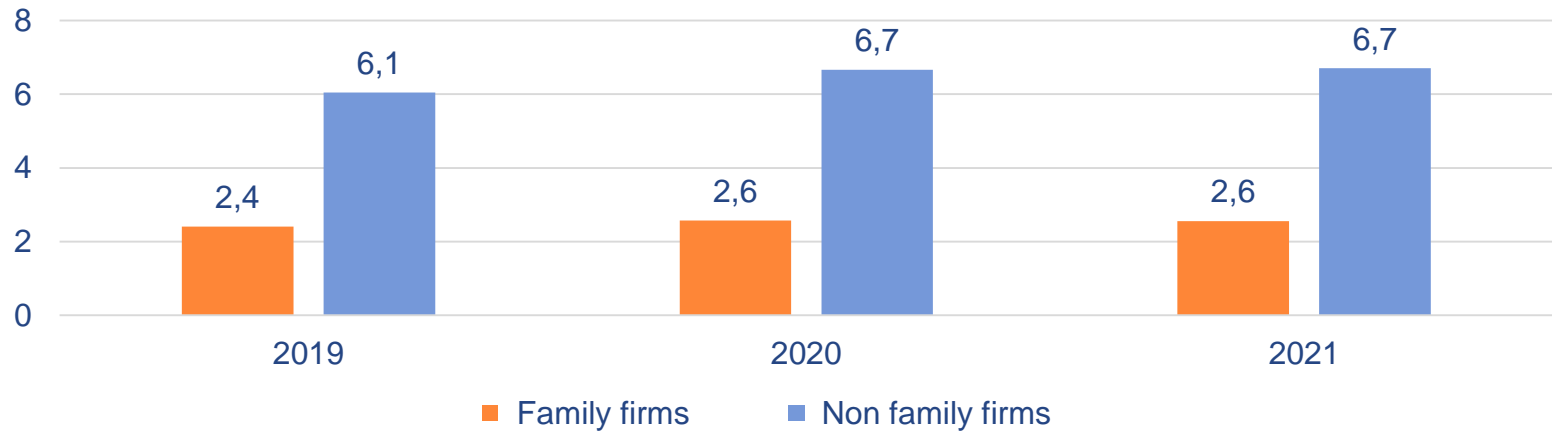


CEO education in family firms

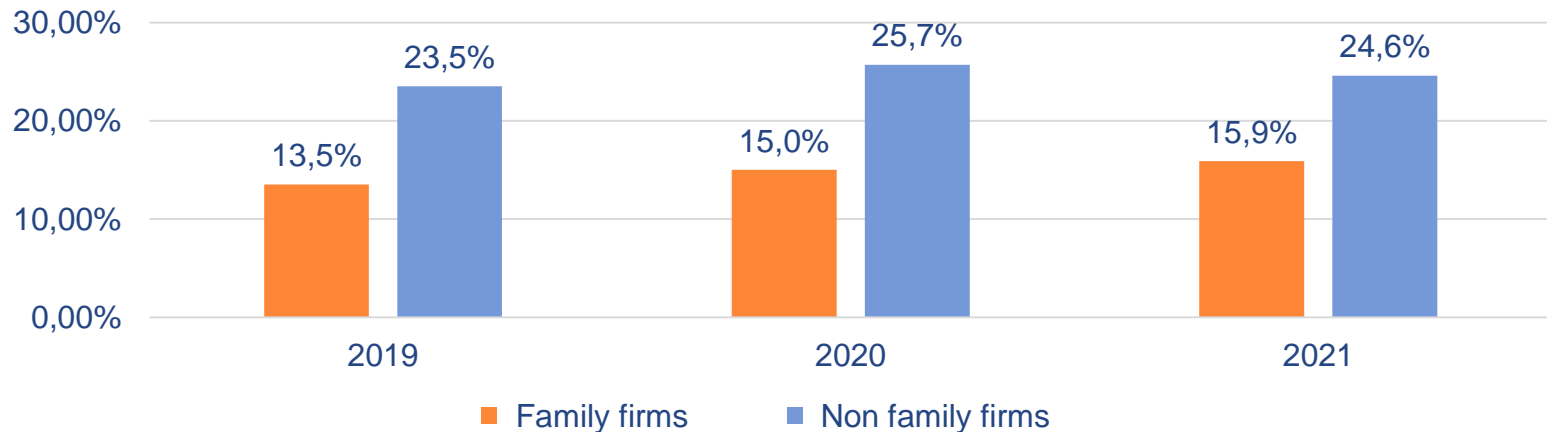


CEOs of non-family firms show, on average, more years of work and/or study experience abroad

N. of years of work abroad of the CEO



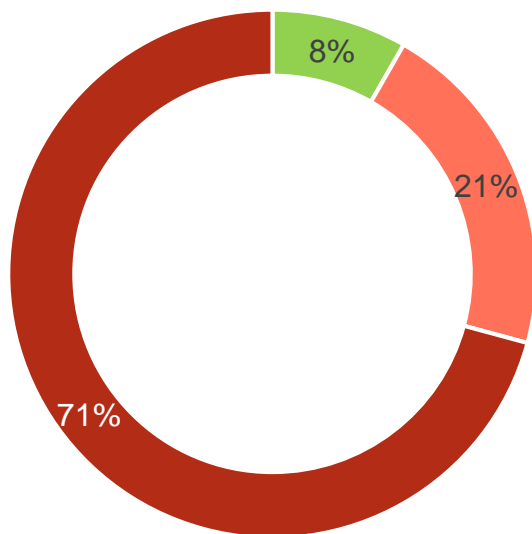
Percentage CEOs with study abroad experience



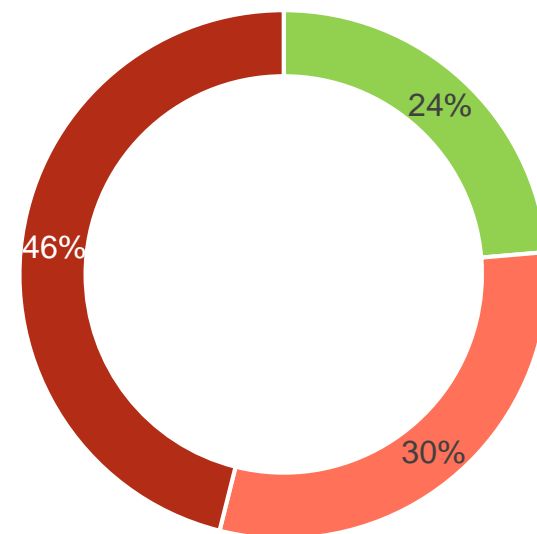
29% of family firms have a **Committee that deals with ESG issues, compared with 54% of non-family firms**

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Family firms



Non family firms



- Autonomous ESG Committee
- Shared ESG Committee
- No ESG committee