

Succeeding in the New Paradigm for Corporate Governance

Recognizing that the incentive for long-term investment is broken, leading institutional investors are developing a new paradigm for corporate governance that prioritizes sustainable value over short-termism, integrates long-term corporate strategy with substantive corporate governance and requires transparency as to director involvement, according to an article by **Martin Lipton** of **Wachtell, Lipton, Rosen & Katz**.

The article is posted on the **Harvard Law School Forum on Corporate Governance and Financial Regulation**.

He wrote that he believes the new paradigm can reduce or even eliminate the outsourcing of corporate governance and portfolio oversight to ISS and activist hedge funds.

Among the topics he covers in the article are: Make the case for long-term investments, reinvesting in the business for growth and pursuing R&D and Innovation; Explain why the right mix of directors is in the boardroom; Articulate the link between compensation design and corporate strategy; Discuss how board practices and board culture support independent oversight.

Read the article.