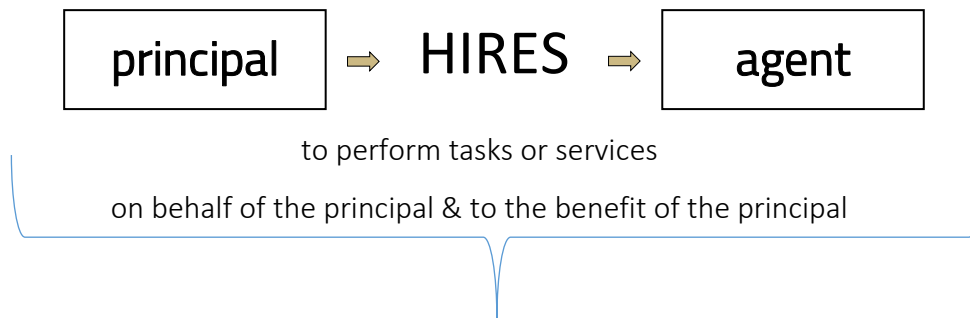


CFA level 1, CF: Principal-agent (agency) relationship



A common **agency relationship** is the **shareholders vs directors/managers** relationship.
Shareholders elect their representatives to protect their interests
but due to potentially contradictory interests conflicts often occur.

Read more at: <http://soleadea.org/corporate-governance-esg>
and make your own notes to improve your knowledge retention.

My notes:

Create a free CFA study plan at: <http://soleadea.org/cfa-exam/study-planner>
It will help you control your prep 😊