



February 2018

Dear All,

Please find below a rundown of recent corporate governance news and developments that have taken place around the world:

### **Shareholder Activism**

- > The Financial Times has published a full-page article entitled **Investing: activism enters the mainstream**: <https://www.ft.com/content/e04547b8-0d0b-11e8-839d-41ca06376bf2>. "Traditionally seen as aggressive, a new wave of players is taking a different approach to getting a seat on the board."
- > Reuters reports that **Growth formula eludes under-fire Nestlé, L'Oréal stake unchanged**: <https://www.reuters.com/article/us-nestle-results/growth-formula-eludes-under-fire-nestle-loreal-stake-unchanged-idUSKCN1FZ0I7>. "Weakness in North America led Nestle to forecast only modest organic sales growth this year after its slowest gain in at least two decades, giving fuel to investor Daniel Loeb's campaign to overhaul strategy at the world's biggest food group. Nestle also said it had no intention to increase its 23 percent stake in French cosmetics company L'Oreal but stressed it remained committed to the group. [...] Loeb's hedge fund Third Point took a \$3.5 billion Nestle stake last summer and has been pushing to speed up its transformation into a higher-growth, more efficient health food company."
- > The Financial Times reports that **Clariant results hit by spending in activist battle**: <https://www.ft.com/content/bd9f8e84-1176-11e8-940e-08320fc2a277>. "Profits dented because of money spent in defence of abandoned merger plan."
- > Bloomberg reports that **Bezeq Is Said to Accept Elliott Demand to Hire New Directors**: <https://www.bloomberg.com/news/articles/2018-02-15/bezeq-is-said-to-accept-elliott-s-request-to-hire-new-directors>. "Bezeq Israeli Telecommunication Corp. plans to bow to demands from hedge fund Elliott Management Corp. that it hire new directors to run the company, according to a person familiar with the matter. Bezeq's board of directors will form a subcommittee with members who aren't linked to majority shareholder Shaul Elovitch to find new directors for the firm, said the person, asking not to be identified because the discussions are private. The committee will also work with an executive search firm to make the hiring process more transparent, the person said."
- > The Financial Times reports that **Bull market foils activist shareholders**: <https://www.ft.com/content/91921cbe-0819-11e8-9650-9c0ad2d7c5b5>. "Proxy fights hit a 5-year low [in the US] as more companies stop disagreements from escalating."
- > The Financial News reports that **Two hedge funds pick a fight in India**: <https://www.fnlonon.com/articles/two-hedge-funds-pick-a-fight-in-india-20180226>. "For two prominent hedge fund managers – including Sir Christopher Hohn – a bet on Indian real estate has turned into a giant quagmire."
- > Nikkei Asian Review reports that **Japan Inc. faces new age of shareholder accountability**: <https://asia.nikkei.com/Markets/Tokyo-Market/Japan-Inc.-faces-new-age-of-shareholder-accountability>. "Wuthelam's Nippon Paint proposal could spark a new trend."

- > The Financial Times reports that **SoftBank seeks to join Swiss Re board in \$10bn stake talks:** <https://www.ft.com/content/348cfd72-149e-11e8-9376-4a6390addb44>. "Japanese group looks to acquire up to 30 per cent share in reinsurer."
- > CNBC reports that **Icahn, Deason criticize Xerox's proposed deal with Fujifilm:** <https://www.cnbc.com/2018/02/12/icahn-deason-criticize-xeroxs-proposed-deal-with-fujifilm.html>. "Xerox shareholders Carl Icahn and Darwin Deason strongly criticized the company's plan to sell itself to Japan's Fujifilm, saying the transaction 'dramatically undervalues Xerox and disproportionately favors Fuji'."

### **Europe...**

- > The European Commission has announced **Sustainable Finance: High-Level Expert Group delivers roadmap for greener and cleaner economy:** [http://europa.eu/rapid/press-release\\_IP-18-542\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-18-542_en.htm?locale=en). "The European Commission welcomes the final report by its High-Level Expert Group on Sustainable Finance (HLEG), which sets out strategic recommendations for a financial system that supports sustainable investments. The Commission will now move to finalise its strategy on sustainable finance on the basis of these recommendations. Delivering an EU strategy on sustainable finance is a priority action of the Commission's Capital Markets Union (CMU) Action Plan, as well as one of the key steps towards implementing the historic Paris Agreement and the EU's Agenda for sustainable development."
- > The Financial Times reports that **Vanguard creates new European stewardship team:** <https://www.ft.com/content/5dbd7d56-1256-11e8-940e-08320fc2a277>. "\$5tn asset manager has faced criticism for failing to influence corporate policies" See here for the Vanguard announcement: [https://www.vanguard.co.uk/documents/portal/press\\_releases/vanguard-appoints-adrienne-monley.pdf](https://www.vanguard.co.uk/documents/portal/press_releases/vanguard-appoints-adrienne-monley.pdf).

### **...and beyond**

- > Hermes argues that **A trio of concerns set to dominate institutional investors' agendas at AGMs:** <https://www.hermes-investment.com/ukw/blog/press/trio-concerns-set-dominate-institutional-investors-agendas-agms/>. "Institutional investors will be looking for companies to address concerns around their management of climate change, board diversity, and executive remuneration during this year's AGM season, says Dr Hans-Christoph Hirt, Head of Hermes EOS, the stewardship and engagement team at Hermes Investment Management."
- > The Financial Times reports that **Strong ESG policies are no protection against scandal:** <https://www.ft.com/content/08a3420e-05bf-11e8-9650-9c0ad2d7c5b5>. "BlackRock study 'expected to find better social performance. We were wrong'."
- > Deloitte have published their **Directors' Alert 2018: Linkages to success:** <https://www2.deloitte.com/global/en/pages/risk/articles/deloitte-risk-directors-alert-2018.html>. "This edition of Directors' Alert directs your attention to some of the most powerful levers the board can pull to enhance and protect reputation. Specifically, we focus on the board's oversight of three critical areas: strategy and risk appetite, CEO succession and organizational culture, and digital innovation. Oversight of strategy and risk appetite are at the heart of a board's responsibilities; this is particularly true in the current environment, where it is essential to take risks to create value while also avoiding risks that erode value. The board's role in CEO succession may be the most powerful lever it has to influence culture, and culture stands among the primary components of organizational reputation. Digital innovation drives growth in many organizations but holds risks that must be overseen by boards that may be unfamiliar with recent innovation; when it comes to digital, boards need to update their knowledge and capabilities continuously." The full document is available here: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Risk/directors-alert-2018.pdf>.
- > The Financial Times reports that **Coal chief warns against 'green' failure to back industry:** <https://www.ft.com/content/3775522a-13f2-11e8-9376-4a6390addb44>. "Head of trade body says

investment boycotts will damage drive for cleaner world.”

- > The 30% Club has announced that **Investors focus on diversity with growth of 30% Club UK Investor Group**: <https://30percentclub.org/press-releases/view/investors-focus-on-diversity-with-growth-of-30-club-uk-investor-group>. “The 30% Club UK Investor Group has grown from 7 to 27 members and from £1.6 trillion to £10.5 trillion in assets under management. The initiative is now global, with significant groups in Australia and Canada as well as a new group forming in the US. The London Stock Exchange opening was followed by a panel discussion including Paul Polman, Hiro Mizuno, Mark Zinkula, CEO of Legal & General Investment Management and Hanneke Smits, CEO of Newton Investment Management, and attendees included a wide representation of asset owners and asset managers as well as CEOs and Chairs of UK plc companies.”
- > **MSCI Reopens the Consultation on the Treatment of Unequal Voting Structures and Releases a Discussion Paper**: <https://www.msci.com/documents/10199/d4d619dd-ec0b-4cb3-8d9a-cef31b5d617b>. “MSCI Inc. (NYSE: MSCI), a leading provider of research-based indexes and analytics, announced today the launch of a consultation with the investment community on a revised proposal on the treatment of stocks with unequal voting rights. Under this proposal MSCI would adjust the weights of such stocks in the MSCI Equity Indexes to reflect company level listed voting power in addition to free float. MSCI also released today a discussion paper which aims to serve as the basis of the consultation and facilitate debate among market participants. In particular, the paper examines the theoretical and practical issues of the application of a ‘one share, one vote’ principle to the investment opportunity set of international institutional investors.”  
**The consultation closes on 31 May 2018.**

## **UK**

- > The Guardian reports that **Persimmon slashes boss’s bonus... to just £75m**: <https://www.theguardian.com/business/2018/feb/23/persimmon-slashes-boss-bonus-to-just-75m>. “Persimmon is slashing bonus payouts to three executives by £51m, including a £25m cut for its chief executive, after the UK’s second largest housebuilder was strongly criticised over its controversial pay deal. The FTSE 100 firm said Jeff Fairburn would receive £75m worth of shares rather than £100m under the company’s long-term incentive bonus plan. Based on Thursday’s closing share price, Mike Killoran, the finance director, will receive £24m less than the £78m originally slated, while the bonus for Dave Jenkinson, the managing director, will be cut by £2m to £38m.”
- > The parliamentary Carillion joint inquiry has announced that **Major shareholders views on Carillion collapse published**: <http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/carillion-shareholders-17-19/>. “At the end of January the Work and Pensions and Business, Energy and Industrial Strategy Committees wrote to major shareholders in Carillion, with questions on their interaction with the company and the timing and motivation of their share selloffs. The Committees publish their responses, which show a variety of different perceptions about Carillion among its institutional investors, and very different levels of engagement with the board.”  
See here for the main Carillion joint enquiry page:  
<http://www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/inquiries/parliament-2017/carillion-inquiry-17-19/>.
- > City A.M. reports that **Upper Crust operator SSP Group met with shareholder rebellion over chairman’s busy schedule**: <http://www.cityam.com/281348/upper-crust-operator-ssp-group-met-shareholder-rebellion>. “Upper Crust and Ritazza operator SSP Group faced shareholder unrest at its annual general meeting (AGM) today, as almost a third of investors rebelled against its chairman. Chair Vagn Sørensen had been criticised by an investor advice service for his multiple roles. Today 32.1 per cent of votes cast opposed his re-election. [...] But the statement said that Sorensen will review his portfolio over the coming period. The company also faced opposition to its remuneration policy, as nearly 23 per cent of votes were cast against. The board responded by saying it would engage with shareholders on the issue.”
- > The Financial Times reports that **Former Lloyds chief Eric Daniels sues bank for £1m share award**: <https://www.ft.com/content/e73ab186-18c6-11e8-9e9c-25c814761640>. “Case weighs contracts against rules

allowing banks to claw back money due to failings.”

- > The Department for Business, Energy & Industrial Strategy has announced that **Government to research whether companies buy back their own shares to inflate executive pay**: <https://www.gov.uk/government/news/government-to-research-whether-companies-buy-back-their-own-shares-to-inflate-executive-pay>. “New research into whether some companies are repurchasing their own shares to artificially inflate executive pay has been announced today by the government. [...] While there are a number of valid reasons why a company would use these schemes, there are concerns that a minority of companies are using them to inflate executive pay and that they can crowd out investment. This new research will help to understand how companies use share buybacks and whether any further action is needed to prevent them from being misused.”
- > The Financial News reports about **Anger over Standard Life Aberdeen’s 569% bonus to co-CEO**: <https://www.fnlondon.com/articles/anger-over-standard-life-aberdeens-569-bonus-to-co-ceo-20180226> “Campaigners and shareholders have hit out at the bonus paid to Martin Gilbert, the co-chief executive of the UK’s largest listed investment manager.”
- > The Investor Forum has published its **2017 Review of Activities**: [https://docs.wixstatic.com/ugd/1cf1e4\\_da19f4ab524947e6b175a75a6d29b569.pdf](https://docs.wixstatic.com/ugd/1cf1e4_da19f4ab524947e6b175a75a6d29b569.pdf). “The Investor Forum is today publishing its 2017 Review of Activities, which identifies the companies with whom it engaged last year and provides an update on its stewardship activities. The Forum’s activities and approach are becoming valuable tools for shareholders to escalate concerns and address complex problems with UK-listed companies. The collective engagements that the Forum has undertaken have made a valuable contribution to rebuild trust between shareholders and company boards in a number of situations. 2017 saw a significant pick up in collective engagement activity: Members proposed 14 different company situations for collective engagement; 10 of those situations resulted in comprehensive engagement with companies; Details of 7 completed engagements are disclosed in the 2017 review and they are (in order of initiation): Amerisur plc, BT Group plc, IP Group plc, ECO Animal Health plc, Worldpay plc, Rio Tinto plc and London Stock Exchange plc.” The full document is available here: [https://docs.wixstatic.com/ugd/1cf1e4\\_c6e9ab1e41e54c8aaa24902548eca631.pdf](https://docs.wixstatic.com/ugd/1cf1e4_c6e9ab1e41e54c8aaa24902548eca631.pdf).

## **France**

- > The AFEP and the MEDEF have announced **Gouvernance des entreprises : L’Afep et le Medef lancent une consultation publique en vue de la révision du Code de gouvernement d’entreprise (“Corporate governance: Afep and Medef launch public consultation about the revision of the Corporate Governance Code.”)**: <http://www.medef.com/fr/communiquede-presse/article/gouvernance-des-entreprises-lafep-et-le-medef-lancent-une-consultation-publique> (in French only for now). “For the second time, the Afep and Medef have called for the establishment of a public stakeholder consultation as part of the revision of the Corporate Governance Code. [...] The proposed changes relate to: Long-term value creation; Employee directors; Corporate commitments on non-discrimination and diversity at the highest level; and, the High Committee on Corporate Governance.” See here for the consultation document: <http://consultation.codeafepmedef.fr/>. **The consultation closes on 10 April 2018.**
- > The Financial Times reports that **Carlos Ghosn defends reappointment as Renault chief**: <https://www.ft.com/content/1e2f6308-1304-11e8-8cb6-b9ccc4c4dbbb>. “Succession question overshadows carmaker’s record figures for profits and sales.”

## **Germany**

- > Handelsblatt reports about **Why German corporate governance is so different**: <https://global.handelsblatt.com/companies/why-german-corporate-governance-is-so-different-892389>. “For over a century, corporate governance evolved differently in Germany than in English-speaking countries: with a two-tier board system, where labor representatives often hold sway. To do business with German firms, foreigners need to understand the rules.”

- > The Financial Times reports that **Germany's Union takes stand to prove value of active managers:** <https://www.ft.com/content/bf808c8e-119f-11e8-8cb6-b9ccc4c4dbbb>. "Fund group says suing companies can improve behaviour and share price."
- > Manager Magazin reports that **Karl-Ludwig Kley sammelte zu viele Mandate – eine Provokation für Investoren ("Karl-Ludwig Kley collected too many mandates - a provocation for investors"):** <https://heft.manager-magazin.de/MM/2018/3/155801124/index.html> (in German). "Because Kley, who until two years ago served as CEO of the Darmstadt-based pharmaceutical company Merck, has launched his second career as a supervisory board member simply with too much enthusiasm. At BMW, he heads the important audit committee, while at US telecommunications giant Verizon, he serves on the board. And then there are the two chairmanships at Eon and Lufthansa!"

### **Netherlands**

- > Eumedion has published a **position paper on restricted stock awards:** <https://eumedion.nl/nl/nieuws/eumedion-staat-onder-voorwaarden-welwillend-tegenover-introductie-restricted-stock--regelingen> (in Dutch only). "Eumedion is sympathetic, subject to conditions, to potential proposals from listed companies to replace their long-term incentive plans with a share plan whereby the shares have to be held for a long time, but no performance criteria apply. This is the conclusion of a position paper on so-called restricted stock schemes that Eumedion has published today. [...] In any case, the Supervisory Board will have to justify such a proposal well, so that shareholders can understand the reasons for it. Furthermore, the introduction must be accompanied by a discount of around 50% on the expected 'at target' value of the previous long-term incentive plan as an uncertain reward element is exchanged for a certain reward element. Furthermore, the directors should hold the shares for at least 5 years." See here for the full document: <https://www.eumedion.nl/nl/public/kennisbank/position-papers/2018-02-eumedion-positie-t.a.v.-restricted-stock.pdf>.
- > Osborne Clarke has published a memo about **Four exceptions to the Dutch 20% bonus cap for financial undertakings:** <http://www.osborneclarke.com/insights/four-exceptions-to-the-dutch-20-bonus-cap-for-financial-undertakings/>. "Amsterdam is an attractive option for financial services organisations looking to enter the EU market. The headline 20% cap on employee bonuses is often seen as a hindrance, but there are a number of exceptions, or alternatives, that can mitigate or avoid the impact of the cap."

### **Switzerland**

- > Reuters reports that **High share price lets Sika offer better deal to family: CEO:** <https://www.reuters.com/article/us-sika-results-family/high-share-price-lets-sika-offer-better-deal-to-family-ceo-idUSKCN1G71A0>. "Sika's high share price provides scope for the Swiss construction chemicals group to offer its controlling family shareholders a better buyout offer than one the clan has agreed with France's Saint-Gobain, Sika's CEO said."

### **Luxembourg**

- > The Luxembourg Stock Exchange has announced that a **New principle on corporate social responsibility added to the X Principles of Corporate Governance of the Luxembourg Stock Exchange:** <https://www.bourse.lu/pr-new-csr-added-to-x-principles-corp-governance>. "[Pierre Margue, Chairman of the working group stated:] 'After a year of intense work, we are proposing a document that encourages listed Luxembourgish companies to abide by the revised rules. The most significant change is the new Principle 9 that introduces mandatory disclosure of the companies' CSR commitment'. By introducing its new CSR principle in its X Principles, the stock exchange underscores its engagement towards promoting sustainable growth of the global economy."

## **Norway**

- › Norges Bank have published their review of **Responsible Investment 2017**: <https://www.nbim.no/en/transparency/news-list/2018/expectations-on-anti-corruption/>. "Today, we publish for the fourth time a broad and comprehensive review of our work on responsible investment in the Government Pension Fund Global. The fund is managed for future generations, and we rely on sustainable business practices to create long-term returns." The full document is available here: <https://www.nbim.no/en/transparency/reports/2017/responsible-investment-2017/>.

## **Italy**

- › The Financial Times reports that **Fiat Chrysler chief scores almost €40m in pay and awards**: <https://www.ft.com/content/201bedc4-1662-11e8-9376-4a6390addb44>. "Sergio Marchionne received €10.9m last year in pay and bonuses, as well as a €29m share award for targets hit over the past three years."

## **United States**

- › The Financial Times reports that **Jamie Dimon calls shareholder meetings 'complete waste of time'**: <https://www.ft.com/content/dee1b4be-1be4-11e8-956a-43db76e69936>. "JPMorgan Chase boss came under fire at US bank's last annual get-together in Delaware."
- › Reuters reports that **Snap chief earns \$638 million in 2017, third-highest CEO payout ever**: <https://www.reuters.com/article/us-snap-ceo-compensation/snap-chief-earns-638-million-in-2017-third-highest-ceo-payout-ever-idUSKCN1G626U>. "Snap Inc Chief Executive Evan Spiegel received \$637.8 million as total compensation last year after the company went public, the third-highest annual payout ever received by a company's CEO. Spiegel's payout trails the 2007 and 2008 compensations of Daniel Och, CEO of hedge fund Och-Ziff Capital Management Group, according to ISS Analytics, the data arm of Institutional Shareholder Services Inc. Och received an annual compensation of \$918.9 million in fiscal year 2007 and \$1.19 billion in 2008. Spiegel's pay package is based on stock-based awards worth \$636.6 million and salary and other compensation worth about \$1.2 million, according to a security filing by Snap on Thursday."
- › The Financial Times reports that **Citigroup increases pay package of chief by nearly 50%**: <https://www.ft.com/content/f3def682-132a-11e8-940e-08320fc2a277>. "Critics say 2017 rise for Michael Corbat is out of sync with his performance."
- › Bloomberg reports that **BlackRock Doesn't Want CEOs to 'Overboard' Themselves**: <https://www.bna.com/blackrock-doesnt-ceos-n57982088608/>. "The world's largest investment manager thinks chief executive officers who sit on more than one public company board besides their own are 'overboarded.' BlackRock Inc. is threatening to vote against them and other directors seen as over-committed in upcoming elections as part of a recent update to its voting guidelines for the U.S. The guidelines previously said CEOs shouldn't sit on more than two outside boards. Michelle Edkins, a managing director at BlackRock and global head of its investment stewardship team, said the update reflects what's now "widely accepted as good practice" among the companies and boards it talks with throughout the year."
- › The Florida SBA has published a report entitled **Time is Money: The Link Between Over-Boarded Directors and Portfolio Value**: <https://www.sbafla.com/fsb/Portals/FSB/Content/CorporateGovernance/Reports/2018%20Time%20is%20Money%20Governance%20Brief.pdf>. The highlights include the following: "high directorships linked to lower stock performance; most large companies limit outside board membership; SBA policy encourages less than 4 directorships."
- › The Financial Times reports that **Dropbox plans for IPO raise ire over share structure**: <https://www.ft.com/content/a8dafc0a-18dc-11e8-9376-4a6390addb44>. "Cloud storage group eyes dual-class

listing that concentrates power with top management.”

- > Bloomberg reports that **JPMorgan Joins U.S. Banks Showing Pay Gap for Women of Only 1%:** <https://www.bloomberg.com/news/articles/2018-02-23/women-at-jpmorgan-earn-1-less-than-their-male-coworkers-do>. “As a growing number of financial firms reveal whether men and women are compensated equally, they have clustered around 99 percent parity, after adjusting for factors such as job role, seniority and locale. In addition to Wells Fargo & Co., Bank of America Corp., Citigroup Inc. and Bank of New York Mellon Corp., MasterCard Inc. last week reported that its gender pay gap was around 1 percent. The numbers stand in stark contrast to the average gender pay gap in the U.S., which has hovered around 20 percent since 2007, according to the National Women’s Law Center.”

### **India**

- > Business Today reports about **The lone wolf: Amit Tandon is taking on the high and mighty of the corporate world. But there are challenges, too:** <https://www.businesstoday.in/magazine/the-hub/the-lone-wolf/story/269874.html>. “In a short span of seven years, IiAS has managed to send shivers down the spine of several big promoters. Be it the Tata Group, Infosys or ITC, IiAS has been giving its opinion on every major issue concerning shareholders. [...] The proxy-advisory business is expected to grow as corporate governance takes centre stage. Institutional investors as well as portfolio advisory companies are already taking up issues wherever they feel the decision is not in the interests of shareholders. Issues such as managerial compensation, related-party transactions, valuation, protection of minority shareholders' interest keep hitting headlines.”

### **Japan**

- > Nikkei Asian Review reports that **Japan’s corporate code to urge companies to explain CEO hiring:** <https://asia.nikkei.com/Politics-Economy/Policy-Politics/Japan-s-corporate-code-to-urge-companies-to-explain-CEO-hiring>. “New rules are intended to foster greater openness and foreign investment.”

### **Singapore**

- > The Straits Times reports that there are a **Higher proportion of women on boards of listed firms in Singapore:** [www.straitstimes.com/business/companies-markets/higher-proportion-of-women-on-boards-of-listed-firms-here](http://www.straitstimes.com/business/companies-markets/higher-proportion-of-women-on-boards-of-listed-firms-here). “Percentage of all-male boards dips, but new seats still mostly filled by men [...] Women accounted for 10.8 per cent of directorships last year, up a tad from 9.9 per cent in 2016 and 9.5 per cent in 2015.”

### **Malaysia**

- > KPMG reports that the **Average remuneration of non-executive directors increased to RM162,000 per annum:** <https://home.kpmg.com/my/en/home/media/press-releases/2018/02/neds-report.html>. “According to Mohd Khaidzir Shahari, KPMG’s Head of Risk Consulting in Malaysia [...] ‘Given that the Malaysian Code on Corporate Governance (MCCG) calls upon companies to establish dedicated remuneration and risk management committees for more focused oversight on relevant matters, it would be reasonable to expect the responsibilities, resultant time commitment and accordingly, the remuneration of NEDs to increase in the coming years.’”

### **Israel**

- > Reuters report that **Tel Aviv bourse sees sale of controlling stake to overseas exchange by April:** <https://www.reuters.com/article/israel-bourse/tel-aviv-bourse-sees-sale-of-controlling-stake-to-overseas-exchange-by-april-idUSL8N1PV310>. “The Tel Aviv Stock Exchange (TASE) expects to have a deal in place by April to sell a controlling stake to a large foreign bourse, its chief executive said on Monday. [...] At the same time, the bourse is trying to lure many of the 90 Israeli companies listed abroad – with a market value of \$70 billion – to dual-list in Tel Aviv. One barrier for companies listed on Nasdaq to trade in Tel Aviv has been

removed, with companies allowed to be advised by International Shareholder Services Inc (ISS) instead of Entropy in Israel." **Please note that the Tel-Aviv Stock Exchange has confirmed to Georgeson** that "to facilitate dual listings, TASE entered into an agreement with Entropy, according to which Entropy will accept the recommendations issued by ISS regarding those companies which do not have controlling shareholders, and will disseminate their recommendations to Israeli investors."

### **Brazil**

- > Investment & Pensions Europe reports that **USS settles lawsuit against Petrobras auditor for \$50m**: <https://www.ipe.com/countries/uk/uss-settles-lawsuit-against-petrobras-auditor-for-50m/10023052.article>. "The UK's largest pension scheme has agreed a \$50m (€40.1m) settlement with PricewaterhouseCoopers' (PwC) Brazilian subsidiary as part of a class action lawsuit against oil giant Petrobras. The deal forms part of a \$3bn settlement with Petrobras, agreed last month and awaiting approval from the court in New York. It relates to accusations of bribery and money laundering. Petrobras admitted in 2015 it had lost billions to corruption."

If you have any comments or questions please do not hesitate to contact me.

Kind regards,

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