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Dear All,

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

Shareholder Activism

- > Reuters reports that **U.S. hedge fund Elliott defeats Vivendi in board vote at Telecom Italia**: <https://www.reuters.com/article/us-telecomitalia-elliott/elliott-slate-secures-two-thirds-of-telecom-italias-board-seats-idUSKBN1I50FL>. "U.S. hedge fund Elliott pulled off a boardroom coup at Telecom Italia on Friday, wresting control away from French media group Vivendi as the fund embarks on a campaign to shake up slumbering companies across Europe. Elliott and Vivendi have been at loggerheads for two months over the former state monopoly, with Elliott accusing Vivendi of serving only its own interests and the French media group saying Elliott was looking only for short-term financial gains. Elliott succeeded in appointing 10 independent directors to the board, securing two thirds of the available seats on Telecom Italia's (TIM) board after a shareholder vote. Five of Vivendi's candidates, including current Telecom Italia boss Amos Genish and the French media group's CEO Arnaud de Puyfontaine, will remain on the board."
- > The Daily Telegraph reports that **Hyundai backs off restructuring**: <https://www.telegraph.co.uk/business/2018/05/21/hyundai-backs-restructuring-win-activist-investor-elliott/>. "South Korea's Hyundai Motor Group has shelved a controversial restructuring plan in a victory for a group of rebel shareholders including feared activist investor Elliott Management. The shake-up – which was due to be put to an investor vote next week – would have given the son of Hyundai's chairman greater control of the business. Under the original plan, car parts manufacturer Hyundai Mobis, which controls Hyundai Motors, would have sold a major part of the affiliated logistics business Hyundai Glovis. The proceeds would help the Chung family, who control Hyundai, to boost their stake in Hyundai Motors, tightening their grip on the sprawling conglomerate which has assets worth \$200bn (£150bn)."
- > The Financial Times reports that **Activists don sustainability cloak to whip up support**: <https://www.ft.com/content/b74d2adc-2b8e-11e8-97ec-4bd3494d5f14>.
- > Bloomberg reports that **Shareholder Activism in Asia Set to Keep Climbing, JPMorgan Says**: <https://www.bloomberg.com/news/articles/2018-05-06/shareholder-activism-in-asia-set-to-keep-climbing-jpmorgan-says>. "Shareholder activism in Asia should increase steadily after campaigns in the region rose more than tenfold in the last six years, according to JPMorgan Chase & Co. Rising foreign ownership of

equities and heightened awareness of corporate governance are fueling activism in Asia, where family-controlled businesses including South Korea's chaebol are becoming targets, the U.S. bank said in a research note this week."

- > Reuters reports that **Activist Crystal Amber says De La Rue vulnerable to takeover:** <https://www.reuters.com/article/us-de-la-rue-activist/activist-crystal-amber-says-de-la-rue-vulnerable-to-takeover-idUSKBN1I243A>. "Activist investor Crystal Amber on Tuesday said De La Rue was 'highly vulnerable' to a takeover after disclosing a stake in the company that makes banknotes and passports, the group's fund manager Richard Bernstein told Reuters. Crystal Amber on Monday revealed a 3.11 percent stake in De La Rue, which recently issued two profit warnings and lost the contract for Britain's' new post-Brexit blue passports to Franco-Dutch digital security group Gemalto."
- > The Harvard Business Review reports about **What CEOs Get Wrong About Activist Investors:** <https://hbr.org/2018/05/what-ceos-get-wrong-about-activist-investors>. "We have written extensively on shareholder activism, and one of us coauthored a study in the Journal of Finance showing that, on average, activists produce value for targeted companies. Because of the empirical evidence, and also as a result of our experiences and observations, we believe that instead of viewing shareholder activists as meddlesome outsiders, managers should view them as a source of potential value – albeit one with both great potential risk and cost."

Europe...

- > State Street Global Advisors have published a **Board Accountability in Europe: A Review of Director Election Practices Across the Region:** <https://www.ssga.com/global/en/our-insights/viewpoints/board-accountability-in-europe.html>. "State Street Global Advisors (SSGA) believes that board accountability is fundamental to strong corporate governance; annual director elections provide increased accountability and encourage board members to be more responsive to shareholder interests thereby improving board quality. There is still significant variation in director election terms in Western Europe which ultimately impacts board quality. Within Europe, board accountability is weakest among German companies, where directors stand for election only once every five years. Other European markets with weak board accountability include France, Spain, Netherlands and Belgium, where board terms are 4-year but due to staggered board elections, at least a portion of the board is up for election in any given year. The excessive terms of office in Germany and other European markets will be a key area of focus for SSGA's Asset Stewardship Team for the following year. In our view, the problem of excessive terms of office would best be addressed at market level. Investors, companies and regulators need to work together to promote change and we aim to push for positive systemic market-wide change on this issue." See here for the full document: <https://www.ssga.com/investment-topics/environmental-social-governance/2018/05/board-accountability-in-europe-2018.pdf>.
- > Reuters reports **AXA's investment arm takes companies to task over diversity:** <https://www.reuters.com/article/axaim-gender-vote/axas-investment-arm-takes-companies-to-task-over-diversity-idUSL8N1S25S9>. "AXA Investment Managers will vote in protest against companies which do not explain how they will boost the number of women on their boards, joining growing demands for workplace diversity. AXA IM, one of Europe's biggest fund managers and part of French insurer AXA Group, said the move followed five years of unsatisfactory private engagement with firms considered to have too few, if any, female decision-makers."

...and beyond

- > ISS-oekom have published their **Corporate Responsibility Review 2018:** http://oekom-research.com/index_en.php?content=studien. "The oekom Corporate Responsibility Review 2018, the annual report on sustainability in corporate management, confirms the upward trend observed over the past five years. The share of companies in the industrialized countries with good and very good ratings is currently 17.19% – slightly higher than in the previous year. Moreover, at 43.62%, the group of companies with a medium sustainability performance is larger than the proportion of companies with inadequate sustainability performance for the first time. [...] It is based on the results of the oekom Corporate Rating for a total of

over 3,800 companies worldwide. Its publication also marks the 25th anniversary of the company, which was founded in 1993 as oekom research and joined Institutional Shareholder Services (ISS) in March this year." See here for the full document: <http://oekom-research.com/homepage/english/2018-04%20oekom%20CR%20Review-EN.pdf>.

- > Bloomberg reports that **The War on Coal Is Making the World's Top Mine Owners a Lot Richer:** <https://www.bloomberg.com/news/articles/2018-05-01/war-on-coal-is-making-the-world-s-top-mine-owners-a-lot-richer>. "The world's war on coal is making its biggest producers a lot richer, at least for now. Anglo American Plc, Glencore Plc and BHP Billiton Ltd. are generating the highest profits in years from their coal mines. Income for the 37 coal producers tracked in a Bloomberg Intelligence index was the highest in six years. It all comes down to the simplest equation in business: supply and demand. With governments from Asia to Europe setting stricter pollution limits as the climate change debate intensifies, output of the planet's dirtiest fuel is dropping. Some of the more significant declines are occurring in China, the top mine operator, and financing for new supplies is drying up. That's creating a windfall for the producers who remain."

UK

- > Reuters reports that **Inmarsat defeated by shareholders over executive pay:** <https://uk.reuters.com/article/uk-inmarsat-outlook/inmarsat-defeated-by-shareholders-over-executive-pay-idUKKBN1I30OR>. "Investors in Inmarsat voted against the British satellite firm's remuneration report as they made clear their unhappiness at executive rewards for a year in which the company's shares fell 35 percent. Some 58.5 percent of shares voted opposed the report in a non-binding vote at the company's AGM on Wednesday. Chairman Andrew Sukawaty said he recognised that shareholders had concerns, and he would consult with them further before next year's annual general meeting. A new remuneration policy would be put forward for shareholder approval at next year's AGM, he said."
- > The Financial Times reports that **Playtech, Cineworld and Jupiter hit by shareholder revolts:** <https://www.ft.com/content/e23a4fe6-5923-11e8-bdb7-f6677d2e1ce8>. "Playtech becomes second UK-listed company this year to lose a vote on its pay report."
- > Sky News reports about **Carillion collapse: What price will 'big four' auditors pay?:** <https://news.sky.com/story/carillion-collapse-what-price-will-big-four-pay-11374735>. "If MPs on the Business and Work and Pensions select committees get their way, the days of the 'big four' audit firms – Deloitte, EY, KPMG and PwC – could be numbered. The pair's joint report on the collapse of Carillion recommends that the Government refers the audit market to the Competition and Markets Authority (CMA), something for which the regulator's incoming chairman, the former MP Andrew Tyrie, has already indicated an appetite. There are two specific terms of reference suggested by the committees to such an investigation. One is that the CMA considers breaking up the big four into more audit firms. The other is 'detaching' audit arms from those providing other professional services, such as consulting, something into which all of the big four have branched out during recent years and which has proved highly lucrative for them."
- > The Financial Times reports that **Investors revolt against directors with too many jobs:** <https://www.ft.com/content/f81c8bda-4fa0-11e8-9471-a083af05aea7>. "'Overboarding' joins governance and pay as AGM target."
- > The Times reports that **Deloitte is sacked after vote by SIG investors:** <https://www.thetimes.co.uk/article/deloitte-is-sacked-after-vote-by-sig-investors-m0f0wfx3x>. "Investors in SIG have overwhelmingly rejected the reappointment of Deloitte as its auditor in a rare shareholder rebellion only months after it was revealed that SIG had exaggerated its profits for years. In a highly unusual move, more than 78 per cent of votes cast by SIG shareholders at its annual meeting yesterday called for Deloitte to be sacked."
- > The Financial News reports that **Legal & General launches gender-focused GIRL fund:** <https://www.fnlonon.com/articles/legal-general-launches-gender-focused-girl-fund-20180517>. "Insurance giant reported a 31% gender pay gap in March, but wants to do its part reducing inequality in business."

France

- > The French asset management association (AFG) has published a report entitled **Exercice des droits de vote par les sociétés de gestion 2017 (Exercise of voting rights by asset management companies 2017)**: <http://www.afg.asso.fr/gouvernement-dentreprise-role-croissant-des-societes-de-gestion-aux-assemblees-generales/> (in French). "The main results of the survey are as follows: 1) Increase in the generalization of voting and international coverage; 2) The actual exercise of voting rights reflects the strengthening of the level of the asset managers' commitment; 3) Differences between AGM resolutions and asset managers' voting policies persist; and, 4) Intensification of dialogue and a rather positive judgment of issuer governance." See here for the full document: http://www.afg.asso.fr/wp-content/uploads/2018/04/2018_04_24_Etude-exercice-des-droits-de-vote-2017.pdf.
- > Le Revenu reports **CAC 40: the exclusive list of executive salaries in 2017**: <https://www.lerevenu.com/bourse/cac-40-le-palmares-exclusif-des-salaires-des-dirigeants-en-2017> (in French). "After a dip in 2016, wages picked up again last year. Find our exclusive table listing all the elements constituting the remuneration of the directors of the CAC 40 in 2017: fixed salaries, variable pay, valuation of stock options and performance shares, exceptional bonuses, directors' fees or other benefits in kind. [...] In 2017, each company in the flagship index of the Paris Bourse paid an average of 5.07 million euros to its number one, an increase of 13.9% year on year." See here for the full table: <https://www.lerevenu.com/tableau-des-remunerations-des-dirigeants-du-cac-40-en-2017>.

Germany

- > The Financial Times reports that **Deutsche Bank chairman under fresh investor pressure ahead of AGM**: <https://www.ft.com/content/c65b1e92-5d95-11e8-ad91-e01af256df68>. "Move follows criticism of how Paul Achleitner handled exit of CEO John Cryan."
- > Reuters reports that **Aktionäre verweigern Ex-Börsen-Chef Kengeter Entlastung (Shareholders refuse to discharge ex-Deutsche Börse boss Kengeter)**: <https://de.reuters.com/article/deutschland-deutsche-b-rse-idDEKCN1IH1U2> (in German). "The shareholders of Deutsche Börse denied the discharge to former CEO Carsten Kengeter, who stumbled over an insider trading affair last year. At the annual general meeting in Frankfurt on Wednesday, only 26.02 percent of the shareholders voted in favor of relieving Kengeter, said supervisory board chairman Joachim Faber. Investigations against Kengeter continue on suspicion of breach of insider trading laws. A non-discharge has no legal consequences, but is considered a vote of no confidence."
- > The Financial Times reports that **VW shareholders urged to reject directors at AGM**: <https://www.ft.com/content/838ca7a4-4dee-11e8-8a8e-22951a2d8493>. "Advisers ISS, Glass Lewis and Hermes call on investors to act on governance concerns." Additionally, The Daily Telegraph reports that **Volkswagen considers €100m legal action that 'could ruin' former boss over Dieselgate**: <https://www.telegraph.co.uk/business/2018/05/06/volkswagen-mulls-legal-action-against-former-boss/>.
- > Die Welt reports that **"Der Name Porsche ist keine Qualifikation für den Aufsichtsrat" ("The Porsche Name is not a qualification to join the Supervisory Board")**: <https://www.welt.de/wirtschaft/article176385510/Porsche-Aktionaere-kritisieren-verdoppelten-Aufsichtsrat-und-Verhalten-im-Abgasskandal.html> (in German). "The younger Porsches and Piëchs move into the Supervisory Board. Instead of ideas, they only present their CV at the Annual General Meeting. This encounters criticism from shareholders, which the company already alienated with previous faux pas."
- > The AllBright Foundation has published a report entitled **Germany Last Place: Corporations across the world get more women into top management**: <http://www.allbright-stiftung.de/allbright-berichte> (in German and English). "In no other country is the predominance of men as top executives in large stock exchange enterprises as notable as in Germany. If one compares the share of women on the management boards of the leading companies in Germany, France, Great Britain, Poland, the USA and Sweden, Germany comes in last. Even though the executive management of the 30 largest DAX-listed companies are more female and more international than the country's small and medium-sized listed enterprises, men still hold a

share of 88 percent. [...] The most common name in the top management of the 160 companies listed on the Frankfurt stock exchange is Thomas. As of April 1, 2018, there are more Thomases and Michaels (56) on these executive boards than women in total (52)." See here for the full document (in English):

<https://static1.squarespace.com>

[/static/56e04212e707ebf17e7d7cd2/t/5afebc7503ce6445740d1f93/1526643856056/Allbrightbericht_English.pdf](https://static1.squarespace.com/static/56e04212e707ebf17e7d7cd2/t/5afebc7503ce6445740d1f93/1526643856056/Allbrightbericht_English.pdf).

Netherlands

- > The Financial Times reports that **Royal Dutch Shell hit by protest over CEO's pay:** <https://www.ft.com/content/7f945fc4-5dc6-11e8-9334-2218e7146b04>. "Dissent over van Beurden's €9m package but backing for climate strategy."

Switzerland

- > Reuters reports that **Meyer Burger shareholders symbolically reject pay plan:** <https://www.reuters.com/article/meyer-burger-agm/meyer-burger-shareholders-symbolically-reject-pay-plan-idUSL8N1S95HH>. "Meyer Burger's shareholders dealt its directors an embarrassing blow on Wednesday when they rejected the loss-making Swiss technology company's salary plans for 2017. Shareholders in Switzerland have a right to vote on executive pay under changes introduced in 2013, but although such rejections are rare Meyer Burger's pay plan will still go ahead because its vote was non-binding. The maker of products used in the solar energy industry, boosted pay to its board and executive management last year, despite a loss of 79 million Swiss francs (\$79 million)."
- > The Financial Times reports that **Saint-Gobain drops bid for control of Swiss rival Sika:** <https://www.ft.com/content/ae5c62c0-54de-11e8-b3ee-41e0209208ec>. "French company's decision ends one of Europe's most contentious takeover battles." See here for the company's official announcement: <https://www.sika.com/en/group/Media/Mediareleases/2018/agreement-reached.html>. Also see a Glass Lewis commentary on the agreement here: <https://www.glasslewis.com/41-months-to-sika-saint-gobain-solution/>.

Norway

- > The Norwegian Corporate Governance Board (NCGB) has published for consultation **proposed changes to the Norwegian Code of Practice for Corporate Governance:** <http://wpstatic.idium.no/nues.no/2018/03/Consultation-paper.pdf>. "The proposed changes stem from legislative and regulatory changes, international developments, and issues that have arisen through the Code's use. In 2016 NCGB commissioned a study to analyse how Norwegian companies use the Code (hereinafter the "2016 study"), financed by the Norwegian Finance Market Fund (Finansmarkedsfondet). The 2016 study provides the background for some of the proposed changes. We are expecting further changes to be made to Norway's legislation in areas including financial reporting, auditors, and shareholding rights as a result of EU legislation. We have therefore decided to postpone proposing changes to the Code in this respect until the nature of the changes that will be made to Norwegian legislation becomes clear." **The consultation closes on 11 June 2018.**

Italy

- > Reuters reports that **New TIM governance does not change Vivendi's obligation re Mediaset: AGCOM:** <https://www.reuters.com/article/us-vivendi-mediasset-agcom/new-tim-governance-does-not-change-vivendis-obligation-re-mediasset-agcom-idUSKBN1I81D0>. "The new governance set up at Telecom Italia does not change the obligations of top shareholder Vivendi regarding its stake in broadcaster Mediaset, an official from the communications regulator AGCOM said on Monday. Last year AGCOM asked Vivendi, which owns 24 percent of TIM and just under 30 percent of Mediaset, to reduce its stake in one of the two groups by April this year to comply with Italian antitrust regulations designed to prevent a concentration of power in the country's telecoms and media sector."

Spain

- > The Financial Times reports that **Santander shows potential of blockchain in company votes**: <https://www.ft.com/content/c03b699e-5918-11e8-bdb7-f6677d2e1ce8>. "Spanish bank points to way to improving annual meetings."
- > El Economista reports that **La CNMV prevé 'estabilidad normativa' en materia de buen gobierno de las cotizadas (The CNMV envisages 'regulatory stability' in terms of corporate governance of listed companies)**: <http://www.economista.es/economia/noticias/9143137/05/18/La-CNMV-preve-estabilidad-normativa-en-materia-de-buen-gobierno-de-las-cotizadas.html> (in Spanish). "The National Securities Market Commission (CNMV) considers that there will be 'regulatory stability' in terms of corporate governance of listed companies, even if 'small modifications' are made in some aspects. 'At the CNMV we think that, although we will have to make small changes in matters that can be improved, we must move towards regulatory stability and allow companies to improve by helping them apply the changes,' said the vice president of the supervisor, Ana María Martínez-Pina, at the opening of the third meeting of directors convened by the Institute of Internal Auditors (IAI). Specifically, the CNMV will approve a Circular modifying the models of the reports on corporate governance and compensation of directors that listed companies are obliged to disclose to the regulator."

United States

- > Wachtell Lipton has published a memo entitled **Congress Increases Pressure on Proxy Advisory Firms**: <https://corpgov.law.harvard.edu/2018/05/23/congress-increases-pressure-on-proxy-advisory-firms/>. "In the latest effort to enhance transparency by proxy advisory firms, six members of the Senate Banking, Housing and Urban Affairs Committee sent letters to Institutional Shareholder Services (ISS) and Glass Lewis & Co., which they noted control 97% of the proxy advisory industry, requesting information regarding their eligibility for exemption from the proxy rules, accuracy of reporting and potential conflicts of interests. The Senators' letters reflect many of the concerns underlying the bill passed by the House of Representatives last December, titled the Corporate Governance Reform and Transparency Act of 2017, which would require proxy advisory firms to register with the U.S. Securities and Exchange Commission, disclose potential conflicts of interest and codes of ethics, and publicize their methodologies for formulating proxy recommendations." The two letters are available here: <http://www.wlrk.com/docs/SenateBankingCommitteeMembersInstitutionalShareholderServices.pdf> and here: <http://www.wlrk.com/docs/SenateBankingCommitteeMembersGlassLewisandCompany.pdf>.
- > The Financial Times reports that **JPMorgan and eBay under fire over shareholder meetings**: <https://www.ft.com/content/41653aee-5861-11e8-bdb7-f6677d2e1ce8>. "Companies are among those trying to halt a burgeoning campaign to increase oversight."
- > Bloomberg reports that **Zynga Founder Mark Pincus Cancels His Super-Voting Share Power**: <https://www.bloomberg.com/news/articles/2018-05-02/zynga-founder-mark-pincus-cancels-his-super-voting-share-power>. "In a rare move, Zynga Inc. co-founder Mark Pincus is eliminating the super-voting privileges on his stock, reducing his control and potentially making the company more vulnerable to a takeover. Pincus is taking his overall voting rights at the San Francisco-based maker of social games down to about 10 percent from about 70 percent, the company said in a statement Wednesday. As part of the move, the company is shifting to a single-class share structure from a multi-class one, giving all shareholders equal voting rights. Mark Pincus Photographer: David Paul Morris/Bloomberg While a number of large companies, including Facebook Inc. and CBS Corp., have special classes of stock that give relatively few people voting control, shareholder activists have long criticized the practice saying that the voices of smaller investors are not heard. In an interview, Pincus said he made the decision in consultation with the board."
- > The Wall Street Journal reports that **CEO Pay and Performance Often Don't Match Up**: <https://www.wsj.com/articles/ceo-pay-and-performance-dont-match-up-1526299200>. "The best-paid CEOs don't necessarily run the best-performing companies. Corporate boards have tried for years to tie chief executive compensation to the results they deliver. The better the company and its shareholders do, the

more the top boss should be paid, or so the pay-for-performance mantra goes. In reality, CEO pay and performance often don't match up, and 2017 was no exception. Among S&P 500 CEOs who got raises last year, the 10% who received the biggest pay increases scored – as a group – in the middle of the pack in terms of total shareholder return, according to a Wall Street Journal analysis of data from MyLogIQ LLC and Institutional Shareholder Services. Similarly, the 10% of companies posting the best total returns to shareholders scored in the middle of the pack in terms of CEO pay, the data show.”

- > The Financial Times reports about **Tech pay: getting shirty**: <https://www.ft.com/content/e6621efe-4132-11e8-803a-295c97e6fd0b>. “Six groups have paid more than a fifth of revenues to employees in the form of stock.”
- > Bloomberg reports that **Walmart Said It Would Cut the CEO's Bonus Last Year. It Didn't.**: <https://www.bloomberg.com/news/articles/2018-04-25/walmart-said-it-would-cut-ceo-s-bonus-last-year-and-then-didn-t>. “Walmart Inc. told shareholders last year that it would cut cash bonuses by 25 percent for top managers including Chief Executive Officer Doug McMillon in favor of more stock awards. That didn't happen. The world's largest retailer didn't use the reduced target amounts when calculating the latest bonuses for McMillon and three other executives, according to a Bloomberg Pay Index analysis of the firm's proxy statements, including its most recent one on Friday. The discrepancy resulted in payments of \$3.12 million in excess of what was stated in the most recent proxies.”

Canada

- > The Globe and Mail reports that **Gender diversity board proposal at Constellation Software gets largest backing in Canada, but still fails**: <https://www.theglobeandmail.com/business/article-investors-push-for-diversity-on-canadian-boards-of-directors/>. “Constellation Software Inc., the Toronto tech company whose stock has risen sixfold in the past five years, is the last firm in the S&P/TSX 60 index to bring a woman on to its board of directors, after yielding to pressure from investors. A year ago, a shareholder resolution calling for diversity on Constellation's all-male board garnered support of 42 per cent of votes, a strong signal of backing among investors for change. In March, Constellation appointed former long-time Deloitte LLP partner Lori O'Neill to its board. Company shareholders, however, voted again on a diversity resolution at Constellation's annual meeting last Thursday. This time, there was 49-per-cent support, and while the shareholder resolution again failed to pass, it was the largest backing for a gender diversity board proposal in Canada, according to the Shareholder Association for Research and Education, an advocacy group also known as SHARE.”

Japan

- > The Financial Times reports that **Japan share buybacks pick up pace ahead of AGM season**: <https://www.ft.com/content/c4a22da4-59d8-11e8-bdb7-f6677d2e1ce8>.

India

- > The Economic Times reports that **Whistleblower writes to Sebi, US SEC, calls current Infosys board a 'disappointment'**: <https://economictimes.indiatimes.com/markets/stocks/news/whistleblower-writes-to-sebi-us-sec-calls-current-infosys-board-a-disappointment/articleshow/64284350.cms>. “A whistleblower has written to the market regulators in India and the US to take action against the Infosys board and claimed the 'current board led by Nandan Nilekani failed to uphold the highest traditions of corporate governance practised by the company' and is 'a huge disappointment'. The anonymous whistleblower, in a fresh letter to Securities and Exchange Board of India (SEBI) and the US Securities and Exchanges Commission, wrote Infosys had quietly revealed in the annual report that they had signed agreements for mutual release of claims with Seshasayee, the earlier chairman of the board and Jeff Lehman, who was earlier head of nominations and remunerations committee of the board.”
- > The Financial Times reports that **Fortis loses fourth board member in blow to founders**: <https://www.ft.com/content/41b3479a-5e68-11e8-9334-2218e7146b04>. “Investors oust ally of Singh

brothers in battle for control of healthcare group.”

South Korea

- > The Financial Times reports that **Samsung arrest casts fresh doubt on group’s reform commitment:** <https://www.ft.com/content/a927b6a8-57e3-11e8-bdb7-f6677d2e1ce8>. “Action comes amid probe of union busting at one of world’s most profitable groups.”

China

- > The Financial Times reports that **MSCI warns of investors facing challenges over China A-shares:** <https://www.ft.com/content/ad7f5aec-599d-11e8-bdb7-f6677d2e1ce8>.

Australia

- > The Financial Times reports that **Shareholders throw out pay proposals at AMP over scandal:** <https://www.ft.com/content/5939b836-5409-11e8-b3ee-41e0209208ec>. “Financial group faces backlash over reputation after public inquiry finds misconduct.”
- > ABC News reports that **ASX proposes tougher governance guidelines:** <http://www.abc.net.au/news/2018-05-02/asx-toughens-governance-standards/9719284>. “The fallout from the financial services royal commission and scandalous bank behaviour has prompted a warning to Australia’s biggest companies to dramatically improve their culture. The ASX Corporate Governance Council has re-drafted some core principles urging company boards to heed calls to enforce a better culture and to always act lawfully and ethically. While not directly mentioning the current flashpoints of AMP and the Commonwealth Bank, the council said the recommended changes recognise ‘emerging domestic and global issues’ in corporate governance.” See here for the consultation documents: <https://www.asx.com.au/regulation/corporate-governance-council/review-and-submissions.htm>. **The consultation closes on 27 July 2018.**

South Africa

- > The Financial Times reports that **Barclays Africa fires KPMG over Gupta connections:** <https://www.ft.com/content/3c5de30a-4eea-11e8-9471-a083af05aea7>. “Fresh blow for auditor after loss of several top corporate clients.”

Saudi Arabia

- > The Financial Times reports that **Saudi Aramco hires new board members as it prepares for IPO:** <https://www.ft.com/content/1a58f68c-4bb1-11e8-8a8e-22951a2d8493>.

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

Kind regards,

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