

April 15, 2021 Edited by: **Martin Wennerström**



Credit Suisse grapples with Archegos, Greensill fallout

Credit Suisse has announced far-reaching changes following the collapse of U.S. hedge fund Archegos Capital Management and UK supply chain finance company Greensill Capital. Archegos' failure to meet margin commitments will cost Credit Suisse USD 4.7 billion, with the lender having liquidated USD 10 billion worth of funds managed with Greensill. The developments prompted Credit Suisse to amend its 2021 AGM proposals, slashing executive bonuses, cutting its dividend by two thirds, and suspending its share buyback program. In addition, two executive board members were replaced, and the lender withdrew the proposal to discharge the board of directors and executive board members for FY2020, arguing that it is in shareholders' interest to postpone the vote until after investigations into these recent developments have been concluded. Notably, shareholders approving the discharge proposal are precluded from bringing legal action against the discharged directors and executives with regard to facts duly disclosed at the time of the meeting. The developments occur against the backdrop of a high-profile espionage scandal that led to the departure of CEO Tidjane Thiam in February 2020.

[Credit Suisse \(1\)](#) | [Credit Suisse \(2\)](#) | [P&I Online \(1\)](#) | [P&I Online \(2\)](#) | [Georgeson](#) | [Schellenberg Wittmer](#)

Amazon fails to block racial equity proposal

The U.S. SEC has denied a request from Amazon to block a shareholder proposal from being voted on at the company's upcoming 2021 AGM. The resolution, submitted by the New York State Common Retirement Fund, calls for the online retailer to conduct an independent audit of its civil rights practices, diversity, and inclusion. The New York State Comptroller argues that Amazon needs to take "an unbiased look" at how it addresses racial justice and equity, raising concerns over recent allegations of discriminatory practices. Amazon did however succeed in halting a proposal from the New York City Comptroller requesting a report on Amazon's health and safety risks during the COVID-19 pandemic.

[NYC Comptroller](#) | [Reuters](#) | [P&I Online](#)

Japan launches consultation on CG code updates

The Japanese FSA has launched a public consultation on proposed revisions to the country's corporate governance code. The changes would, inter alia, enhance board independence, diversity, and climate-related disclosure. Notably, the revised code recommends that Prime Market companies have one third of the board be comprised of independent directors, with the committees being majority independent. In addition, controlled companies listed on this segment are to establish a majority independent board or set up a fully independent committee to oversee material transactions and conflicts of interest.

[FSA](#) | [CFA](#) | [Lexology](#) | [TSE](#)

Lufthansa shareholders to vote on capital increase proposal

Lufthansa shareholders will vote on a EUR 5.5 billion capital authorization, billed as a "preparatory measure" for repaying the silent participation received from the German federal government in May 2020 at the outset of the COVID-19 pandemic. The bailout's terms restricted executive remuneration, halted dividend payments, and reserved two supervisory board seats for government representatives. Notably, these representatives are not to vote on "usual" resolutions submitted at the AGM, outside of takeover situations. The capital increase resolution will be voted on at the May 4, 2021 AGM, with a simple majority voting standard.

[LH \(1\)](#) | [LH \(2\)](#) | [LH \(3\)](#) | [LH \(4\)](#) | [Bloomberg](#)

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