

June 24, 2021 Edited by: **Martin Wennerström**



## Activision Blizzard narrowly passes say-on-pay proposal

The June 14, 2021, AGM of video game publisher and developer Activision Blizzard approved the firm's non-binding say-on-pay resolution with only a scant 54% majority. Moreover, this level of support was achieved only after the meeting was adjourned and polls for this voting item were extended, purportedly to provide shareholders with "adequate" time to review the firm's responses to "misleading" statements. CtW Investment Group, an entity that coordinates activist campaigns on behalf of union-sponsored pension funds, had urged shareholders to reject the proposal due to the firm's failure "to address longstanding shareholder concerns about executive pay practices." Meanwhile, proxy advisors had recommended a vote against the resolution due to, *inter alia*, the "outsized" pay of founder and CEO Robert Kotick. Kotick's 2020 remuneration package included equity awards valued at USD 150 million, with the bulk granted in Q4 2020 and vested in March 2021 based on Activision Blizzard's 2017 - 2020 cumulative TSR performance.

[SEC \(1\)](#) | [SEC \(2\)](#) | [SEC \(3\)](#)

## SEC sued over amendments to shareholder proposal rules

Interfaith Center on Corporate Responsibility, As You Sow, and governance activist James McRitchie are suing the U.S. SEC over its recent decision to sharpen requirements for submitting shareholder proposals. The new requirements effectively raise the minimum shareholding threshold for shorter-term holdings from USD 2,000 to USD 25,000. In addition, they curb shareholders' ability to aggregate their holdings and use representatives, while raising resubmission thresholds. The plaintiffs demand that these changes be vacated, citing shareholder unfriendliness and a lack of adequate justification on the part of the SEC.

[Lawsuit](#) | [SEC](#) | [JDSupra](#) | [P&I](#) | [Reuters](#)

## Crown Resorts founder receives revised exit offer

Australia's Crown Resorts announced that U.S. private equity firm Oaktree increased its offer to acquire "some or all" of the 37% stake indirectly held by Crown founder James Packer. Packer had agreed in April 2021 to measures aimed at limiting his powers over the casino giant, after the government-commissioned "Bergin" report described his influence as "disastrous." This agreement prevents Packer from, *inter alia*, seeking to install representatives on Crown's board or initiating discussions with Crown about its businesses or operations. The AUD 3.1 billion deal would cap Oaktree's stake at 9.99%, in line with the 10% ownership cap recommended by the Bergin report.

[Crown](#) | [NSW](#) | [Bloomberg](#) | [AFR](#)

## Mizuho releases report on IT failures, offers remedies

Japan's third-largest lender Mizuho Financial Group has released a report into a series of IT system failures that occurred between February and March 2021. The investigation concluded that weaknesses in crisis response capabilities were a root cause of the incidents, while noting "inadequate" communication with executives and reporting delays. The probe also identified a hesitation to speak up and act when the failures were first noticed. The lender will establish a dedicated IT system failure response committee, while Mizuho Financial Group CEO Tatsufumi Sakai and Mizuho Bank CEO Koji Fujiwara will have their monthly pay halved for six and four months, respectively.

[Mizuho \(1\)](#) | [Mizuho \(2\)](#) | [Reuters](#) | [Japan Times](#)

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