

July 8, 2021 Edited by: **Martin Wennerström**



## RemCo Chair ousted at JD Sports

Sportswear retailer JD Sports Fashion faced significant investor backlash over executive remuneration at its July 1 AGM. 54.65% of independent votes were cast against the re-election of remuneration committee Chairman Andrew Leslie, forcing his immediate resignation. Meanwhile, the remuneration report and policy received 31.51% and 20.01% dissent, respectively. While the 2020 AGM had seen comparable levels of dissent for these three voting items, Leslie had at that time managed to be narrowly reelected. However, dissent against the company's long-term incentive plan did noticeably diminish from 29.68% in 2020 to 16.57% in 2021. The firm has faced criticism for paying the Executive Chairman a GBP 4.3 million bonus for 2020 while benefitting from COVID-19 relief funds. The board has begun the search for Leslie's successor as a Non-Executive Director and Committee Chairman, and will appoint an interim Committee Chairman in the meantime. Shortly before the AGM, JD Sports announced that it will appoint a new CEO over the next year, thus splitting Peter Cowgill's combined role as Executive Chairman and CEO.

[2021 AGM](#) | [2020 AGM](#) | [JD Sports](#) | [Euronews](#) | [Reuters](#) | [BBC](#)

## Investors on the brink of bidding war over Morrisons

Apollo Global Management may make an offer for Wm Morrison Supermarkets. The announcement came shortly after Morrisons accepted a GBP 6.3 billion offer from a consortium led by Fortress Investment Group. The offer represents a premium of around 42% on Morrisons' June 18 closing price, which has since surged following the board's rejection of a GBP 5.5 billion bid from CD&R. Notably, Morrisons shareholder J O Hambro stated that a potential bidder would have to raise the offer to GBP 6.5 billion in order to effect a successful takeover.

[WmM \(1\)](#) | [WmM \(2\)](#) | [WmM \(3\)](#) | [BBC](#)

## Elliot pushes for board changes at GlaxoSmithKline

Elliott Management has urged GlaxoSmithKline Plc ("GSK") to undertake leadership changes prior to spinning off its consumer healthcare business. The investor cited the company's "poor record of execution and value creation" and argued that the two businesses could attain a 45% higher combined market valuation relative to GSK's current valuation. In response, GSK highlighted its previously announced growth plan and stated that the process of appointing the spun-off company's CEO and board is underway, while rejecting Elliot's recommendation to replace current GSK CEO Emma Walmsley.

[Elliott](#) | [GSK](#) | [Market Watch](#) | [WSJ](#)

## Amid COVID recovery, Southwest Airlines appoints new CEO

Southwest Airlines has recently announced that Gary Kelly will relinquish his role as combined Chairman/CEO in 2022. EVP Robert Jordan, a 33-year company veteran, will take over as CEO while joining the board of directors. Kelly, who has served as CEO since 2004 and as Chairman since 2008, will stay on as Executive Chairman "through at least 2026". The airline describes Jordan as having been instrumental in the company's staffing strategy during the COVID-19 pandemic. Southwest describes the shift as opportune in light of the firm's relative profitability amid an uptick in travel demand.

[CNBC](#) | [Reuters](#) | [Southwest](#)

## About our Corporate Governance Research & Ratings

Assess corporate governance-related investment risks and opportunities with in-depth, contextual reports that provide analyses and ratings on a global universe of ~4,100 companies.

[sustainalytics.com/corporate-governance-research-and-ratings/](https://sustainalytics.com/corporate-governance-research-and-ratings/)