Governance *in Brief*

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Prosus shareholders approve Prosus/Naspers share swap

Prosus NV shareholders have approved a voluntary share exchange offer for parent company Naspers, under which the former will purchase up to 45.3% of the latter's shares during an offer period that runs from July 11 to August 13. The deal seeks to decrease both companies' significant NAV discount, particularly with regard to Prosus' 28.9% stake in China's Tencent. Prosus argues that Naspers' outperformance of the Johannesburg Stock Exchange's SWIX index has exacerbated this NAV discount by prompting certain investors with single-share limits to sell their holdings. As of June 30, Naspers represented 20.94% of the SWIX' total weight, a figure which Prosus expects to grow past 30% unless it is halved to between 11% and 13% as a result of the swap. While the offer was approved by 90.1% of total votes, only 53.35% of non-Naspers votes backed the transaction, with some shareholders describing the deal as overly complex and shareholder unfriendly. Following completion, Naspers will retain control over Prosus through special voting rights and the two companies will continue to share a single board.

The Africa Report | Prosus (1) | Prosus (2) | Reuters | FTSE Russell | News24

China's Didi sued in U.S. as shares plunge

China's Didi Global Inc. faces two class-action lawsuits in the U.S., following an approximate 20% drop in its market value after data security concerns prompted a cybersecurity probe by Chinese authorities. The lawsuits allege that the company made misleading statements to investors and failed to disclose that Chinese regulators had warned it to delay its IPO pending the cybersecurity review. At the end of June, Didi raised USD 4.4 billion in the second-biggest ever U.S. IPO of a Chinese company. The investigation occurs on the back of Beijing's increased scrutiny of Chinese companies listed abroad.

Yahoo | BW (1) | BW (2)

MSP Recovery LLC to go public via SPAC deal

U.S.-based MSP Recovery announced it will go public through a merger with blank-check firm Lionheart Acquisition Corp. II. The deal, which will value the combined company at USD 32.6 billion, would be one of the three largest SPAC transactions ever. MSP Recovery founder and CEO John Ruiz, along with the company's senior executive team, will lead the combined company. As part of the deal, 1.0 billion warrants will be issued to former Lionheart stockholders who elect not to redeem their shares. However, no dilution is expected to result from the additional warrants, as MSP's founders have agreed to sell an equivalent number of their shares back to the company.

Business Wire | Yahoo | Bloomberg

NYSE releases guidelines on ESG disclosure

The NYSE has released a set of eight voluntary guidelines aimed at assisting companies in their ESG-related reporting and stakeholder engagement. The recommendations cover such topics as integrating ESG into business strategy, assessing materiality, identifying stakeholders, establishing governance, ESG research and ratings, and reporting frameworks and standards. There is an emphasis on efficiently conveying ESG performance to investors, particularly with regard to the various reporting frameworks and major ESG ratings providers. The NYSE has indicated that it will continue to communicate around ESG over the coming months.

NYSE | Lexology

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