

July 29, 2021 Edited by: Henry Hofman



## Japan updates CG Code

The Japanese Financial Services Agency has released an updated Corporate Governance Code. The revision, released on June 11, anticipates the upcoming restructuring of the Tokyo Stock Exchange (TSE) in 2022 and is focused, inter alia, on board independence, diversity, and sustainability. Following consultation with institutional investors, the TSE will be reorganized into three segments: Prime Market, Standard Market, and Growth Market. Pursuant to the revised Code, Companies that wish to be listed on the Prime Market will have to comply with higher governance standards. Specifically, at least one-third of the Board members will be required to be independent outside directors and the membership of the nomination and remuneration committees must comprise a majority of independent directors. Moreover, controlled companies listed on this segment will be required to set up either a majority independent board or a fully independent committee to deliberate and review material transactions and conflicts of interest. Regarding sustainability, the revised Code calls for Prime Market companies to collect and analyze data on the impact of climate change-related risks and earning opportunities, as well as improve their climate-related disclosure based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), or an equivalent framework.

[Institutional Investor](#) | [Japan Exchange Group \(1\)](#) | [Japan Exchange Group \(2\)](#) | [Chambers and Partners](#) | [IFLR](#)

## Volkswagen shareholders approve settlement deal

At Volkswagen's July 22 AGM, shareholders approved a settlement deal with four former executives, including former CEO Martin Winterkorn, related to the company's emissions scandal. The carmaker stands to receive compensation amounting to EUR 288 million, of which EUR 11.2 million will be paid by the former CEO. Winterkorn, who resigned in 2015, was found guilty by VW's Supervisory Board of having breached his duties of care. Notably, last month prosecutors accused him of giving a false testimony to the German Parliament, in which he claimed that he was not aware of the firm rigging diesel engine tests. The 'dieselgate' scandal has reportedly cost Volkswagen over EUR 32 billion so far, while shareholder lawsuits for compensation are still ongoing.

[Reuters \(1\)](#) | [Reuters \(2\)](#) | [Reuters \(3\)](#) | [VW \(1\)](#) | [VW \(2\)](#) | [VW \(3\)](#)

## Star Entertainment abandons buyout bid for Crown Resorts

Australian casino operator The Star Entertainment Group has abandoned a AUD 9 billion buyout proposal for rival Crown Resorts. The decision follows reports that Crown could lose its main license to operate, with the inquiry of Victoria's Royal Commission exposing evidence of illegal conduct at the company. Citing the potential material impact of these issues on the value of Crown, Star decided to withdraw the offer as announced on 10 May 2021. Nevertheless, Star stated that it remains open to explore further opportunities with its rival. Notably, Crown has another offer in place from U.S. private equity firm Oaktree Capital Group, which offered to buy "some or all" of the 37% stake held by Crown founder James Packer.

[Star \(1\)](#) | [Star \(2\)](#) | [Crown](#) | [AFR](#) | [ABC](#) | [Reuters](#)

## JPMorgan grants retention award to CEO

JPMorgan Chase has awarded its CEO Jamie Dimon a one-time retention award of 1.5 million options in the form of stock appreciation rights, according to a regulatory filing on July 20. Citing the CEO's "exemplary leadership" and "significant contributions", the bank aims to incentivize Dimon to lead the bank "for a further significant number of years". Dimon has been serving as combined Chairman/CEO since 2006, having been appointed CEO the previous year. The retention award comes in addition to the CEO's regular pay package, which amounted to USD 31.6 million in 2020. Subject to continuous leadership, the options have a ten-year term and will become exercisable in five years.

[WSJ](#) | [CNBC](#) | [JPM&Co. \(1\)](#) | [JPM&Co. \(2\)](#)

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