Keywords:
» Europe
» Switzerland
» Asset Owners
» Corporates
» ESG
» Governance
» Mergers & Acquisitions
» Stewardship

Latest News:

Responsible Funds, January 16: Spinnaker Trust, Hermes' ESG fund, Helios Investment Partners

Proposal on proxy voting at fund giant T. Rowe Price withdrawn by SRI firm Zevin

Leading pension funds warn OECD tax proposals could hit cross-border investment

La Française Inflection Point launches €50m global equities fund run by new hire

Nordea asset management chief Polack named as CEO at Denmark's PFA Pension

Eleven pension funds team up with proxy firm Ethos to oppose controversial takeover

Investors are against the terms of Saint Gobain's takeover of Sika

by **Jan Wagner** | January 14th, 2015

Swiss pension-backed proxy firm Ethos has fired another salvo in the battle for control of Swiss speciality chemicals group Sika, forming a coalition of shareholders – including 11 pension funds – in opposing a takeover by French glass group Saint Gobain.

The investor disquiet stems from an opting out clause at Sika through which Saint Gobain is seeking to gain control of the company by acquiring just the 16% stake held by the Burkard-Schenker family, the descendants of Sika's founder.

This is because the Burkard-Schenker stake comes with 52% of the voting rights, and Swiss press reports say that to get it, Saint Gobain is willing to pay 80% above the stake's market value. The adhesives maker's fate is to be decided at a special shareholder meeting.

But in late December, Ethos and a group of institutional shareholders, who together own 1.7% of Sika, filed a proposal for that meeting calling for the opting out clause to be axed. Its removal would force Saint Gobain to make an offer for all of the outstanding share capital in Sika.

Now Ethos has formed a coalition of shareholders backing the proposal and has appealed to others to join it. As of today (January 14), the coalition comprised 14 institutional shareholders, among them Ethos, 11 pension schemes, fund managers Vontobel and Pictet as well as six private investors.

"By joining us, you support a proposal that would strike a clause whose sole purpose is to favour a single major shareholder at the expense of minority shareholders in the company. This is unacceptable," Ethos said. Support for the coalition could come from several international shareholders in Baar-based Sika, including the Bill and Melinda Gates Foundation as well as asset managers Fidelity, Threadneedle Investments and Cascade Investment.

According to the NZZ newspaper, these shareholders have written to Sika's management to say that a takeover as proposed would "greatly damage the interests of shareholders who own a majority of the firm." The shareholders also expressed "grave concern" about the prospects for the company and its 16,000 employees if it were taken over by the French company.

In other Swiss news, ESG research firm Inrate says it has fully absorbed zRating, the corporate governance firm it acquired in May 2014. The move means that Gregor Greber, founder of zRating, will remove himself from the company's daily operations. Full responsibility for those operations has been given to Michael Otte, who in turn reports to Phillip Leu, Inrate's Chief Executive. Greber remains a board director at Inrate.

According to Inrate, its zRating affiliate provided corporate governance services to more than 40 institutional investors in 2014, among them pension schemes, investment trusts and foundations.

Email / Forward

RSS

Related Articles

Nordea asset management chief Polack named as CEO at Denmark's PFA Pension
RI ESG Briefing, Jan. 15: Stewardship still a "box-ticking exercise" says UK watchdog
Analysis: new mega European strategic investment fund takes major step forward
Clarity over Dodd-Frank conflict minerals rule still lacking as corporates fight back
RI ESG Briefing, January 13: Swiss pension fund-backed Ethos critical of Credit Suisse chief's role at GSK