

Sports Direct shareholders veto payment to brother of founder Mike Ashley

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Independent shareholders in Sports Direct on Wednesday voted against making a retrospective payment of 11 million pounds to the brother of founder and majority shareholder Mike Ashley for his work as an IT expert.



percent of independent shareholders voted against the payment - Photo: Sports Direct

Sports Direct said last month a report by law firm RPC had found that John Ashley was entitled to the money for his work since the British retailer floated in 2007. It asked independent shareholders to vote on the matter.

At a meeting, held at Sports Direct's headquarters in Shirebrook, central England, 71 percent of independent shareholders voted against the resolution.

"The board respects the views of the company's independent shareholders, and considers all these matters to be closed. We now intend to move on," Sports Direct said.

Mike Ashley, Sports Direct's chief executive and 61 percent shareholder, and the rest of the board had abstained from the vote.

He had said in November he did not expect independent shareholders to back the payment even though he felt John Ashley was owed the money.

RPC had recommended that Sports Direct pay John Ashley 11,029,296 pounds in bonuses for his work between the IPO and April 2015 to bring his compensation into line with other members of the company's senior management team.

John Ashley had received a salary of 150,000 pounds a year after the IPO, and received a bonus of 706,502 pounds under a separate employee bonus scheme, RPC said.

The latest showdown came after years of clashes between shareholders and Ashley. Chairman Keith Hellawell, blamed by investors for a string of management and governance failures, narrowly survived a vote to oust him in September.

Shares in Sports Direct, which will report first-half results on Thursday, were down 1.9 percent at 1325 GMT.

Separately on Wednesday Sky News reported that Mike Ashley was close to selling English Premier League soccer club Newcastle United to Amanda Staveley's PCP Capital Partners.