

February 2, 2023 Edited by: Martin Wennerström



## Former McDonald's HR Head faces landmark ruling

The Delaware Court of Chancery has ruled that corporate officers have the same oversight obligations as corporate directors under Delaware law. The decision paves the way for a shareholder lawsuit filed against former McDonald's executive David Fairhurst in 2021. Fairhurst, who served as the firm's Global Chief People Officer from 2015 until his termination in 2019, is accused both of breaching his fiduciary duties by permitting a corporate culture of sexual misconduct and of engaging in sexual misconduct himself. Fairhurst had argued that he could not be sued, citing purportedly precedential rulings that such oversight rests solely with directors. Conversely, the court has now held that the same fiduciary duty does indeed apply to corporate officers, noting that they carry out companies' everyday operations and that it would be illogical to exempt them from oversight duties. The ruling marks the first time that a Delaware court has extended the duty of oversight beyond the boardroom and into the C-suite.

[Lexology](#) | [Reuters \(1\)](#) | [Reuters \(2\)](#) | [Yahoo](#) | [Delaware Courts](#)

## Chevron announces USD 75 billion stock buyback program

Chevron has announced that it will repurchase USD 75 billion worth of shares, in one of the largest-ever corporate buybacks. The company also boosted its quarterly dividend by nearly 6%, to USD 1.51 per share. The new buyback plan comes after the oil producer reported record earnings and cash flow last year, fueled by higher oil and gas prices. The stock repurchase program takes effect in April 2023 and replaces a previous repurchase authorization of USD 25 billion from January 2019 until March 31 this year. Other energy companies have bought back their stock in significant amounts, including Exxon Mobil.

[CNBC](#) | [Reuters](#) | [Bloomberg](#) | [Chevron](#) |

## Grace period for new Tokyo listing rules to end in March 2025

The Tokyo Stock Exchange ("TSE") is planning to set a March 2025 sunset date on the grace period for companies listed on its top-tier "Prime" segment to comply with its updated listing standards. As of that date, noncompliant companies would have an additional year to reach compliance or face either delisting or relegation to the second-tier "Standard" segment. Both the Prime and the Standard segments arose from an April 2022 reorganization aimed at attracting foreign investment, with each segment being *inter alia* subject to a staggered free float threshold.

[Nikkei](#) | [Market Screener](#) | [Reuters](#) | [Winston & Strawn LLP](#)

## Toyota CEO and President Akio Toyoda to step down

Toyota Motor has announced that Akio Toyoda will step down as President and CEO to become the board Chairman on April 1. The Chief Branding Officer of Lexus, Toyota's luxury vehicle division, Koji Sato, will take over the CEO role, while the current Chairman Takeshi Uchiyamada will continue as a member of the board. The unexpected change comes at a time when the Japanese auto giant grapples with the transition to electric vehicles. Toyota has faced criticism over the years for being slow on the shift to clean vehicles amid growing concern about climate change.

[Reuters](#) | [Nikkei](#) | [Bloomberg](#) |

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