

November 18, 2021 Edited by: Martin Wennerström



## Boeing settles lawsuit over 737 MAX safety

Boeing's board has agreed to a USD 237.5 million settlement in a lawsuit brought by major investors over the board's safety oversight of the 737 MAX aircraft. Investors claimed that the board members "failed in their fiduciary responsibility" to protect the company and its stakeholders. Two fatal 737 MAX crashes in 2018 and 2019 killed 346 people and have cost the company around USD 20 billion. In September 2021, a Delaware court ruled that investors could bring claims against the board, as the directors ignored the first crash as "a red flag." Nevertheless, the settlement is not expected to include admission of board wrongdoing, and the financial penalty will be paid by insurers. Going forward, Boeing will be required to adopt several measures to enhance its governance and oversight. Under the settlement, the company must appoint an additional director with safety oversight or aviation/aerospace expertise within one year, while ensuring that at least three directors have similar expertise. Additionally, the company must amend its bylaws to separate the CEO and Chairman positions and set up an ombudsperson program in charge of internal complaints from employees on behalf of the Federal Aviation Administration.

[Reuters](#) | [WSJ](#) | [Market Watch](#) | [Seattle Times](#)

## General Electric splits into three independent companies

General Electric is to split into three public companies, in a bid to simplify its business and reduce debt. The three businesses will focus on energy, healthcare and aviation. The spin-off of the Healthcare business is expected to happen in early 2023, with GE retaining a 19.9% stake. GE Healthcare will also issue debt securities to help pay GE's outstanding debt. Furthermore, GE Renewable Energy, GE Power, and GE Digital will be combined into one business which will spin off in early 2024. Following the split, GE will become an aviation-focused company and retain other assets and liabilities of the current GE today. According to CEO Lawrence Culp, the separation will enable the companies to deliver long-term growth and value.

[GE \(1\)](#) | [GE \(2\)](#) | [Reuters](#) | [CNBC](#)

## Softbank announces USD 8.8 billion buyback program

SoftBank has announced the repurchase of circa 15% of its own shares, estimated at JPY 1 trillion (USD 8.8 billion). CEO and founder Masayoshi Son states that the board approved the buyback in response to the firm's estimated trading discount of 52%. The company also announced significant quarterly losses, mainly due to the poor performance of its Vision Fund, whose Chinese investments have suffered from regulatory pressure and a share price decline. Following the announcement, the company's share price increased by more than 10%, after it lost 40% of its peak value from May 2021 when a JPY 2.5 trillion buyback program was completed.

[Reuters](#) | [Yahoo](#) | [City A.M.](#)

## The Williams Cos. loses appeal on blocked poison pill plan

The Delaware Supreme Court has upheld a February 2021 lower court ruling barring the continuation of the poison pill adopted by the Williams Cos. in March 2020. Earlier this year, the company appealed the initial decision of the Delaware Chancery Court that blocked the company's plan on basis that it included "extreme" measures, most notably a 5% ownership trigger. In 2020, amid the beginning of the Covid pandemic and an oil price war that caused the company's share price to plummet, the company's board enforced a poison pill which was contested by shareholders and used as grounds for a shareholder lawsuit against the company and its board.

[Reuters](#) | [Bloomberg](#) | [Delaware Court](#)

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