

April 29, 2021 Edited by: Martin Wennerström



Canadian carriers battle it out for Kansas City Southern

Canadian National Railway (“CN”) has made an unsolicited bid to acquire U.S. rail carrier Kansas City Southern (“KCS”), sparking a bidding war with its largest domestic competitor Canadian Pacific Railway (“CP”). In March, CP had made a combined stock and cash offer for KCS, implying an enterprise value of USD 29 billion and giving current KCS shareholders 25% of the combined company. U.S. regulators had already exempted the deal from certain stricter aspects of their review process, citing a lack of network overlap between the two carriers and the relatively small size of the combined entity. In contrast, CN’s stock-and-cash offer implies an enterprise value of USD 33.7 billion and gives current KCS shareholders 12% of the combined company. While KCS’ board has entered into talks with CN, such a deal is more likely to fall under the stricter regulatory standards from which the CP-KCS deal was exempted. CP has officially denied that it will raise its bid to match CN, while criticizing CN’s use of debt to finance its offer. Whichever bidder wins out, the resulting merger would create the first rail network connecting the U.S., Canada, and Mexico.

[BNN Bloomberg](#) | [CP](#) | [CN](#) | [Transport Topics](#) | [CTV](#) | [Reuters](#) | [Freight Waves](#)

Samsung’s Lee Jae-Yong again on trial for stock manipulation

Lee Jae-Yong, the Vice-Chairman of Samsung Electronics and a third-generation member of the company’s founding family, is facing new charges of fraud and stock manipulation relating to the 2015 merger of group companies Samsung C&T and Cheil Industries. Lee, the largest shareholder of Cheil Industries at the time of the merger, is accused of artificially lowering the acquisition price of Samsung C&T to obtain a higher stake in the merged entity. Lee is already serving a 30-month prison sentence for bribery, embezzlement, and concealment of criminal proceeds. This follows a retrial of a similar case against him in 2017, for which he served one year of a five-year sentence after having had his sentence reduced.

[Yahoo](#) | [Reuters](#)

Boeing raises retirement age to keep current CEO

Boeing has raised the CEO’s retirement age from 65 to 70 years, to prevent a succession crisis during an exceptionally challenging time for the company. Current CEO Dave Calhoun, aged 64, assumed the top position in January 2020, as the company was recovering from the 737 MAX scandal following two crashes of its latest airplane model. Since then, the aircraft industry has been hard hit by the air travel restrictions brought about by COVID-19. The extended retirement age will allow Calhoun to keep his position or plan for his succession until April 2028, as CFO Greg Smith, once seen as a potential replacement for Calhoun, has announced his departure from the company.

[Boeing](#) | [Bloomberg Quint](#)

Danske CEO quits due to money laundering investigation

Danske Bank CEO Chris Vogelzang has announced his departure from the bank after less than two years, due to having been named as a suspect in a money laundering investigation at his former employer ABN AMRO. Danske has itself been involved in a major money laundering scandal, revealed in 2017 and relating to EUR 200 billion in transactions passing through its Estonian branch between 2007 and 2015. The bank is still under investigation by US, Danish, French and Estonian authorities. Vogelzang’s mandate had been to restore trust in the bank and limit the scandal’s impact. Chief Risk Officer Carsten Egeriis will become CEO, officially on a permanent basis.

[Danske Bank](#) | [Reuters](#) | [Finans.dk](#)

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