

May 18, 2023 Edited by: Henry Hofman



EU court sides with Ryanair on Lufthansa's 2020 bailout

The EU General Court, the second-highest court in the EU, has annulled the European Commission's decision on the approval of state bailout for Deutsche Lufthansa prompted by the 2020 pandemic. The judgment found the EC erroneously considered that Lufthansa could not obtain financing on the markets and failed to ask for the implementation of an incentive mechanism for the airline to buy back the German Government's stake. According to media reports, the decision could force the Commission to make retroactive adjustments to Lufthansa's bailout deal, or if it determines that the company had unfair benefits, it could impose financial penalties or force the company to free up more slots on Germany's largest airports to make room for competitors. Lufthansa has repaid the EUR 6 billion aid earlier than provisioned, in 2021, making it unclear as to what impact the decision will have on the company. The lawsuit was one of several legal actions Ryanair brought against state aid packages provided to airlines during the Covid pandemic. A Ryanair spokesperson welcome the decision made against the "discriminatory state aid".

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

SEC adopts new stock buyback disclosure rules

The SEC adopted enhanced stock buyback disclosure rules. The new rules require companies to report daily repurchase activity, disclose whether directors traded close to announcements days, as well as the reasoning behind the buyback programs. SEC Chair Gary Gensler stated the new rules are intended to "increase the transparency and integrity" of buyback programs and allow investors "to better assess issuer buyback programs". The US Chamber of Commerce sued to block the new rules, arguing that the rules violate companies' free speech and can negatively impact managerial decisions. Companies are expected to implement the new rules starting with Q4 of 2023.

[CNBC](#) | [Bloomberg](#) | [IR Magazine](#)

Italy's Leonardo reshuffles board of directors, appoints new CEO

On May 9, Leonardo's shareholders approved a slate of eight new directors nominated by Italy's Treasury, the company's largest shareholder which holds a 30.2% stake in the defense group. Four other directors were elected from a list proposed by US investors, opposing nominees proposed by Italian investors. The new board is chaired by former NATO ambassador to Afghanistan, Stefano Pontecorvo. In its first meeting, the board appointed former Italian minister for energy and environment Roberto Cingolani as CEO and general manager. Cingolani has previously served as Leonardo's chief technology and innovation officer.

[Reuters](#) | [Borse](#) | [Leonardo](#) |

Grifols names family outsider as CEO

Pharmaceuticals group Grifols has appointed Executive Chairman Thomas Glanzmann as CEO, effective immediately. Glanzmann, who has served as board vice-Chair since 2017, was appointed Executive Chairman of the board in February 2023, following the sudden resignation of Steven F. Mayer. Prior to resigning, Mayer had announced plans to cut 8% of the workforce to save EUR 400 million and to reduce the company's debt. Glanzmann succeeds the company's two founding family co-CEOs, Victor Grifols and Raimon Grifols, who will assume new executive positions and retain their board service. Following the announcement, the company's shares increased by 1.6%

[Reuters](#) | [Seeking Alpha](#) | [Bloomberg](#)

About our Corporate Governance Research & Ratings

Assess corporate governance-related investment risks and opportunities with in-depth, contextual reports that provide analyses and ratings on a global universe of ~4,500 companies.

sustainalytics.com/corporate-governance-research-and-ratings/