

BUSINESS NEWS

Rio Tinto Settles Suit Over Mongolia Mine

Deal ends dispute over costs, delays at Gobi desert site key to copper strategy

By RHIANNON HOYLE

Rio Tinto agreed to pay \$138.75 million to resolve a class-action lawsuit that alleged the company concealed problems during the expansion of a giant copper mine in Mongolia.

The plaintiffs in the lawsuit, led by Pentwater Capital Management, alleged the company misrepresented and omitted information about the expansion of the Oyu Tolgoi mine, which ran years late and nearly \$2 billion over budget.

The case was filed in the U.S. District Court for the Southern District of New York in 2020, alleging violations of federal securities laws. The proposed settlement was filed Wednesday and is subject to the court's approval.

Rio Tinto, the world's second-biggest miner by market value, said in emailed remarks that it "welcomes the proposed resolution of this class action on appropriate and reasonable terms."

The company agreed to the settlement without any admission of wrongdoing or liability. Rio Tinto entered the settlement to avoid the uncertainty



A class-action lawsuit alleged Rio Tinto hid problems at the Oyu Tolgoi copper mine.

and expense of continued litigation, according to the court documents.

"Rio Tinto and the individual defendants vigorously deny all allegations of wrongdoing, fault, liability or damages," the

company said in the emailed remarks. Rio Tinto's former chief executive, Jean-Sebastien Jacques, who stepped down in 2021, was among the defendants named in the suit.

Pentwater Capital Manage-

ment couldn't be reached for comment. The court documents said Pentwater agreed to the settlement to lock in an immediate cash benefit, without the risk or delays of ongoing legal action.

Oyu Tolgoi, in Mongolia's Gobi desert, is at the heart of Rio Tinto's plans to expand its copper business, as the miner seeks to play a key role in the world's transition away from fossil fuels to cleaner alterna-

tives. Copper is widely viewed as being essential to growth in electric cars and renewable power, as well as data centers, and Oyu Tolgoi is expected to become one of the world's largest sources of the metal.

Rio Tinto and its partners originally budgeted \$5.3 billion for an underground expansion at Oyu Tolgoi in 2016, targeting maiden copper output in 2020.

In 2018, Rio Tinto said the project was advancing on track. But by mid-2019, Rio Tinto warned the project could be delayed by up to 30 months and cost as much \$1.9 billion more than it envisaged. It said it had to revisit its mine plan after finding ground conditions to be more challenging than expected.

At the time, Oyu Tolgoi had a complex ownership structure, with Rio Tinto holding a 34% indirect interest through a majority stake in Canada's Turquoise Hill Resources. It bought out minority shareholders in Turquoise Hill in 2022.

The lawsuit sought damages on behalf of shareholders of Turquoise Hill between July 2018 and July 2019, claiming that Rio Tinto and some executives made material misrepresentations and omissions during that period—allegations the defendants denied.

Rio Tinto today owns 66% of the Oyu Tolgoi mine. The Mongolian government owns the rest.

UniCredit's Banco BPM Bid Gets Conditional EU Nod

By EDITH HANCOCK

The European Union approved **UniCredit's** bid for **Banco BPM** with conditions, clearing a hurdle for the deal to go ahead after Italian officials tried to intervene on national security grounds.

UniCredit committed to sell 209 branches in areas of Italy where the two banks have overlap to address competi-

tion concerns raised by the European Commission, the EU body said Thursday. The European Commission—the bloc's antitrust enforcer—said the commitments fully address those concerns.

The Italian banks didn't respond to requests to comment.

UniCredit said earlier in June that the European Commission's merger enforcer had indicated it wouldn't carry out

an in-depth probe of the deal after the lender offered concessions to ease the regulator's concerns.

The clearance comes as EU policymakers are leaning toward allowing European companies in some key sectors—such as telecommunications, defense or banking—to consolidate in order to compete with their overseas rivals. The commission is reworking the

guidelines it uses to implement its own merger rules, seeking feedback from interested parties until September.

UniCredit launched an all-stock offer last November for Banco BPM, which at the time valued the Italian lender at 10.1 billion euros, equivalent to \$11.60 billion, part of a broader push to strengthen its foothold in Italy and increase its market share in the northern part of

the country. Banco BPM has rejected the approach.

The European Commission said it had rejected a request from the Italian competition authority to refer the merger to it for a review under Italian competition law. There are no compelling reasons that would justify a referral of the transaction to Italy, it said.

The Italian competition authority declined to comment.

The Italian government said in April that it would clear the transaction if certain conditions were met. UniCredit responded that the merit of the prescriptions imposed by Rome wasn't clear and that it could constrain the way in which the combined entity would run its future credit activities and liquidity, and on its activities in Russia, where it has been winding down operations.

BUSINESS WATCH



Mars is seeking to acquire Kellanova in a \$30 billion deal.

MARS AND KELLANOVA Antitrust Deadline For Deal Missed

Candy and snacks maker Mars hasn't submitted remedies to European Union antitrust officials for its nearly \$30 billion deal to take over Pringles and Cheez-It seller Kellanova.

Privately held Mars hadn't offered any remedies by Wednesday's deadline, according to an update on the website of the European Commission, the EU's executive arm. The EU set a deadline of June 25 to decide on the merger, by which time it should indicate how it plans to proceed.

Mars and Kellanova didn't respond to requests for comment.

Mars agreed to buy Kellanova in an all-cash deal in August last year in a bid to grow its snacking portfolio, which includes M&M's, Twix and Skittles. Kellanova sells products such as Pringles, Cheez-It, Pop-Tarts, Eggo and MorningStar Farms, as well as some cereals and noodles. The deal would catapult Mars into supermarkets' chips and crackers aisles and tap consumers who are having fewer sit-down meals amid high prices for groceries.

Kellanova, which was spun off from Kellogg in 2023, logged a net profit of \$1.34 billion for the year ended Dec. 28, 2024, up from \$951 million a year earlier. Sales declined 2.8% to \$12.75 billion.

—Edith Hancock

OPENAI ChatGPT Pricing Is Revamped

OpenAI is changing how it sells the business version of its ChatGPT chatbot, amid increasingly heated competition in the artificial-intelligence space.

Previously, the U.S. AI giant sold its enterprise product at a fixed price. Now, its pricing structure has changed to include a credits system that clients can use to upgrade to more advanced tools and add more features, according to a person familiar with the matter.

The price for ChatGPT Enterprise varies based on how many credits the user buys, according to this person, allowing more companies to use the product across their workforce.

Technology news outlet the Information reported on Wednesday that OpenAI has started selling discounted ChatGPT subscriptions, with price cuts ranging between 10% and 20%.

Pricing for ChatGPT Enterprise isn't publicly available. OpenAI's rise has driven fierce competition in the AI industry. The company hit \$10 billion in annual recurring revenue solely from its products as of June, driven by the growth of ChatGPT.

News Corp, owner of Dow Jones Newswires and The Wall Street Journal, has a content-licensing partnership with OpenAI.

—Kimberley Kao

CANADIAN AIRLINES

Foreign-Ownership Rules Easing Eyed

OTTAWA—Canada's antitrust watchdog recommends the government ease restrictions on foreign investment in the country's airline sector to stimulate competition—such as allowing nonresidents to own 100% of a domestic-focused carrier.

The Competition Bureau issued its findings after a nearly yearlong study about Canada's airline market on ways to stoke fiercer rivalries among operators.

The country's two major airlines, Air Canada and WestJet, account for about half to three-quarters of domestic passenger traffic, the bureau said.

"Canada's aviation sector is constrained by foreign ownership limits and restrictions on foreign carriers operating domestic routes in Canada," said the study, which also examined other elements of the airline sector, such as infrastructure and regulatory costs.

"Reconsidering these restrictions would unlock new capital sources for Canadian airlines. This in turn will stimulate greater competition and innovation in the domestic market."

Among the watchdog's chief suggestions is to allow up to 100% foreign ownership for domestic-only Canadian airlines, noting that Australia allows for such an arrangement. Creating a new class of carrier licenses "may attract more foreign capital and expertise to increase competition, yet it would avoid complications under Canada's international agreements."

The study also suggests Ottawa should increase the limit on how much a lone foreign investor can own of a Canadian airline to 49% from 25%. The current rules allow foreigners to own up to 49% of a Canadian airline's voting shares, but limits how much an individual investor can hold. Such a move would give airlines more flexibility in accessing capital, the study said.

—Paul Vieira

Who's Who of Distinguished Leaders: 2025 Honoree

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It is our great pleasure to present one of them here: Lee J. Tiedrich.



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LEE J. TIEDRICH

ARTIFICIAL INTELLIGENCE (AI), DATA AND EMERGING TECH LEADER

OECD AND GLOBAL PARTNERSHIP ON AI EXPERT

SENIOR ADVISOR TO UK AI SAFETY SUMMIT REPORT

Hailing from more than three decades of multifaceted experience spanning law, policy and engineering, Lee J. Tiedrich understands market dynamics and helps organizations unlock innovation and manage risk in a complex, regulated and changing world. A widely recognized global leader, she is at the forefront of AI and emerging tech policy, serving as an AI expert for the OECD and the Global Partnership on AI (GPAI) and a senior advisor for the AI safety report arising from the international AI Safety Summit at Bletchley Park. These multilateral efforts involve governments and other stakeholders and help shape responsible AI globally. Through these roles, Ms. Tiedrich leads international AI projects on data, intellectual property, and AI and the environment. She is deeply involved in AI governance, privacy and other cutting-edge matters.

Outside of her international policy work, Ms. Tiedrich serves on the faculty of Duke University, and her appointments have spanned several disciplines, including law, engineering and health care. In addition to her multi-disciplinary AI and data research, Ms. Tiedrich has designed and taught innovative courses,

including one that enables graduate students to address real-world responsibility tech problems in multi-disciplinary teams. She is the principal investigator for Duke's participation in the U.S. AI Safety Institute Consortium, established through the U.S. Commerce Department. Her work is widely published.

Prior to joining Duke, Ms. Tiedrich was a partner at the global law firm Covington & Burling, where she led the firm's global and multi-disciplinary AI initiative and helped clients with a broad range of corporate, intellectual property, regulatory, policy and other matters. Impressively, she became the 22nd woman elected to Covington's partnership in 1999. Ms. Tiedrich has a proven track record of guiding organizations through technology transformations and legal uncertainties, beginning decades ago with cellular and the internet to the present day. In addition to her practice, Ms. Tiedrich led Covington's Women's Forum and Diversity Committee.

Well-regarded as an expert, Ms. Tiedrich presents globally to governments and other leaders in North America, Europe, India and Taiwan. Venues have included the Council on Foreign Relations, the Federal Judicial Center, the National Judicial College, the OECD, COP-27, GPAI, the UN AI High-Level Advisory Board, UNESCO, and the UN's World Intellectual Property Organization. Ms. Tiedrich serves on the CEIMIA board of directors and the editorial board of the Journal of AI Law and Regulation. She previously served on the Duke Engineering School Board of Visitors and chaired its strategy committee and on the board of the UC Hastings College of the Law Work-Life Law Center. Additionally, Ms. Tiedrich has held leadership positions with the American Bar Association and served as a peer reviewer for Oxford University Press. She has been selected for CIOLook's 10 Best Leaders of the AI Age, shaping a New Technological Era – 2024 and CIO Business World's 10 Most Visionary Women Leaders in AI Creating Global Impact, 2024. She received a Duke Women Innovators Award in 2023 and is featured by TechCrunch as a woman making a difference in AI.

Before launching her professional journey, Ms. Tiedrich was one of the few women who majored in electrical engineering at Duke University in the mid-1980s. She earned a Bachelor of Science in engineering from Duke with honors. She subsequently attended the University of Pennsylvania Law School, graduating with honors. Prior to joining the Duke faculty, Ms. Tiedrich was an adjunct faculty member at the University of Pennsylvania Law School.

MARQUIS Who's Who

