



THE GOLDEN AGE OF ACTIVISM INVESTING

SHAREHOLDER ACTIVISM

KEVIN ROMANTEAU

**« The secret to change is not to focus not on fighting the old,
but on building the new. »**

Socrates

About The Author – Kevin Romanteau



PROFESSIONAL BACKGROUND

- Currently working in Private Equity (London)
- Worked at BNP Paribas Corporate Finance
- Worked at Rabobank M&A (Paris & Amsterdam) and Marceau Finance



ACADEMIC BACKGROUND

- Corporate Finance from HEC (Paris)
- Financial Market from ESLSCA (Paris)
- Auditor Economic Warfare School (Paris)
- Bachelor's Degree in Real Estate from ESPI



ADDITIONAL BACKGROUND

- Speaker at the Middle East Investment Summit
- Mergers & Acquisitions Lecturer, ESLSCA
- Member of Institute of Higher National Defense (Paris)
- Interviewed in the first Business Channel, BFM Business
- Qualified twice to the biggest French trading competition "Les Talents du Trading"



Declaration of interests:

The views expressed in this report are exclusively those of the author. The author certifies that no relationship exists liable to influence the content of the views expressed herein in one way or another.

Executive Summary

From an early age I have been fascinated by finance and in particular Hedge Funds. At the age of 16, I started trading and my passion grew for niche areas, directing me towards the corporate strategic actions taken by these funds.

As the years passed, my acumen and understanding of Activism matured - through analyzing and following Activist campaigns in the US and Europe. Furthermore, my previous experience both in Investment Banking- and current position in PE fund, gave me the necessary tools to analyze markets, situational frameworks and valuations. Recently, I was invited to present my work to asset managers, corporations, and political decision-makers in Europe.

Although this report is primarily aimed at European and Emerging Activist hedge funds looking to take advantage of opportunities inside/outside their traditional geographical borders and use their investment tools to generate Alpha, it can be used by other entities.

Activism is a strategy in which an investment firm takes a minority position in a public company with the ultimate goal of unlocking value. It targets companies with poor stock price performance, ineffective and/or inefficient capital deployment and/or poor corporate governance.

By deploying a wide range of private and public tactics, Activists can achieve improvements in company performance and share price. Activists typically follow a familiar pattern of escalating pressure by focusing on corporate strategy, performance, capital structure, boards of directors and M&A activity.

In this report, I focus on Europe as it still has not recovered from the global financial crisis and is five years behind the US with regards to Activism. Europe is an attractive liquid market offering plentiful opportunities as many listed mid/large cap companies still operate under their peers. In the same time I am focusing on a new form of activism applied “constructivism”.

In the coming years, Activism will adopt a more constructive approach by working closely with corporate boards in a cooperative way. Fund managers will have greater interaction with the companies they invest in, but retain their sense of Activism as opposed to asset-stripping.

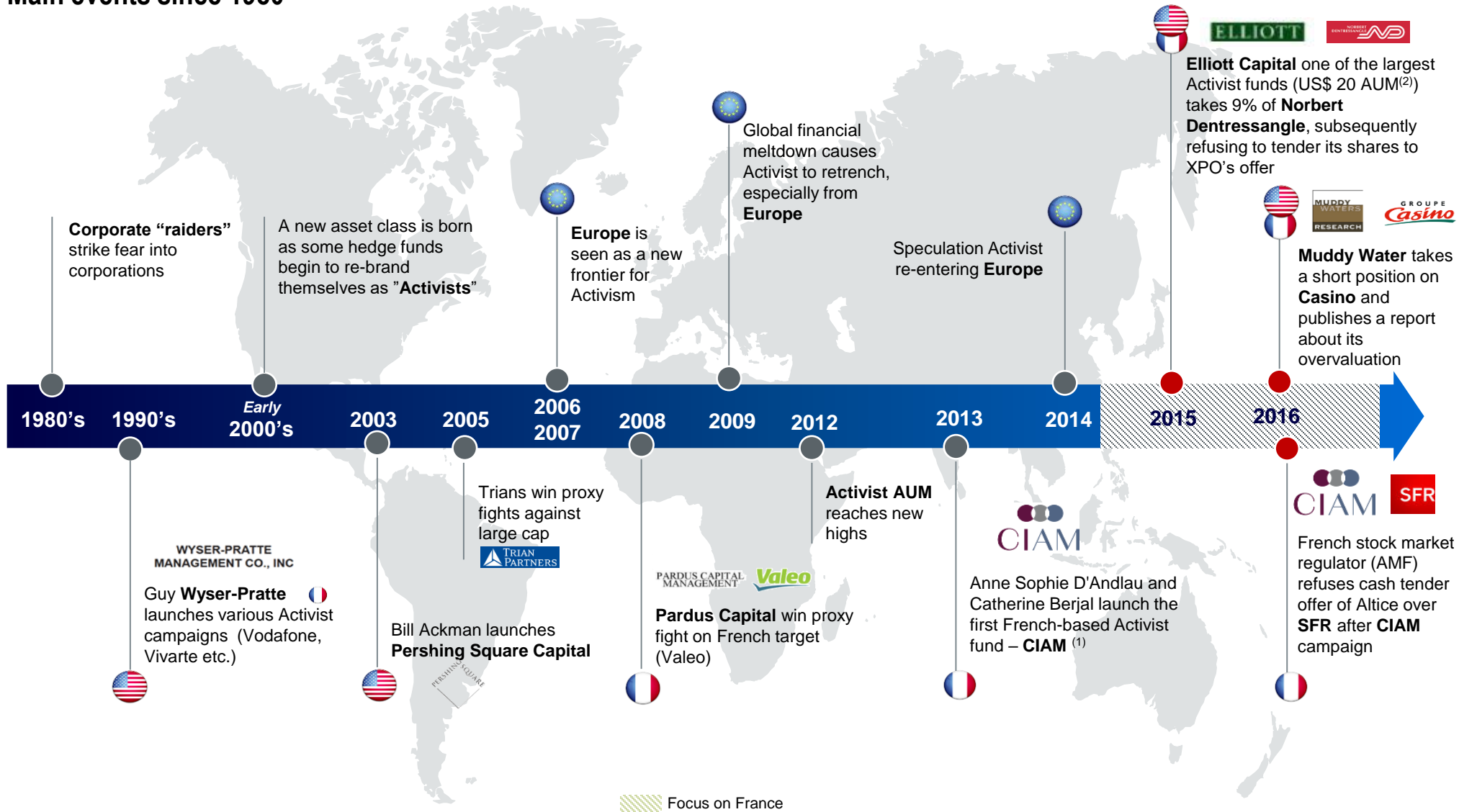
Finally, I see Activism becoming more sophisticated and spread across emerging markets such as the Middle East and Asia.

Kevin Romanteau

-
- 1 Overview on Shareholder Activism**
 - 2 How To Target The Right Company Through The appropriate Campaign
 - 3 Strategied Applied To Unlock The Value
 - 4 Dealing With Activist Hedge Fund
 - 5 Appendix

Key Milestones

Main events since 1980



Source: Press release (1) Founded in 2010 (2) AUM allocated to Activist strategies

What Is Shareholder Activism

Shareholder Activism is a way that shareholders can influence a corporation's behavior by exerting their rights

Objectives



Share price



★★★★★
Publicity/enhance



Attract like-minded investors

What is driving rise?



Funds inflows



Attractive returns



Large investor alignment

What make a companies vulnerable?



Multiples business



Return capital to shareholders



Owned real estate



Unlock value



Management/Board composition



Entrenchment



Undervaluation/overvaluation



Sell the company



Strategic actions/inactions



Vote against the deal/Sell the Co.

Areas of activist focus

Governance



- Add/remove directors
- Board structure
- Replace management
- Compensation

Capital structure



- Return capital/Excess cash
- Increase leverage

Strategic



- Strategic direction
- Sale of company
- Divestitures/Asset monetization
- Impact announced M&A deals or strategies (price/process)

Source: Perkinscoie

Activism At A Glance

Since the 2008 financial crisis, shareholder Activism has played an increasingly prominent role both in the capital markets and the public dialogue

1 What is shareholder Activism?

- Activism is a strategy in which an investment manager takes a **minority position in a public company** with the goal of **unlocking value** through altering its **capital allocation** activities.
 - Strategies used include financial restructuring, operational turnarounds and/or strategic initiatives.
 - **Influencing** the company's **Board management** to adopt its suggested changes.
 - Taking a **small equity portion (circa 5%)** and pushing for performance-enhancing changes.
 - Encouraging other shareholders to support its proposals in order to create value for all the shareholders.

2 What are the aims of Activism?

- Seeking to **influence a company**, rather than control it (as is the case with private equity funds).
- Elaborating a course of action that **unlocks value** in share price and **transforms the long-term prospects** of the target company.
- Courses of action include **improvement of corporate governance**, **shifts in company strategy** and **reforms to the capital structure**.

3 How do companies respond to Activist involvement?

- Companies often engage constructively through **discussion** with Activists investors, meeting the Activist fund and agreeing on specific measures.
- Often the issue is **put to shareholder vote**.
- Identifying issues that might attract Activist's attention, then **helping them understand the business model** and **capital allocation** decisions.

4 Where does Activism occur?

- Since the late **1990s**, Activism has become more prevalent in the corporate governance landscape.
- Shareholder Activism is still predominantly in the US.
- It is increasingly gaining **popularity across Europe** and **Asia**.

1 Overview on Shareholder Activism

1.1 Worldwide

1.2 Europe

1.3 France

2 How To Target The Right Company Through The appropriate Campaign

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An Overview Of Shareholder Activism

- 1 Shareholders of listed companies are increasingly **influencing boardroom** decision-making globally. **Activism is growing** beyond traditional North American markets into Europe, Asia and probably the Middle East in the next decade.
- 2 A common campaign **focus is M&A**, where Activists seek better returns through pressuring Boards to **sell underperforming businesses** or influencing the pricing of takeovers.
- 3 **Mid caps** in certain sectors have been **traditional targets for Activism**, but no corporation is immune in today's relatively low return economic climate. Investors actively **seeking high returns** can turn their focus on the strategy, business or management of any enterprise that is not optimizing its returns. **Size is not a barrier**.
- 4 The strategies Activists employ are varied, as are the types of investors **seeking to bring about change**.

805



Number of Activist campaigns started in 2017

+44%



Percentage of Activist campaigns launched in 2017 that were partially or wholly successful

+167



Number of public companies subjected to M&A-related Activist demand in 2017

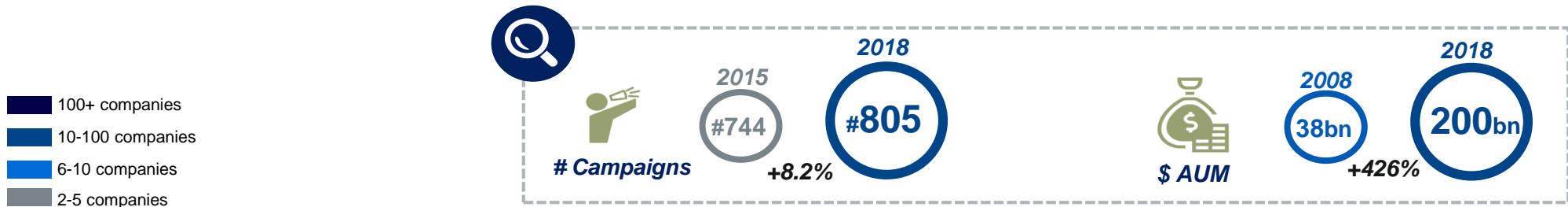
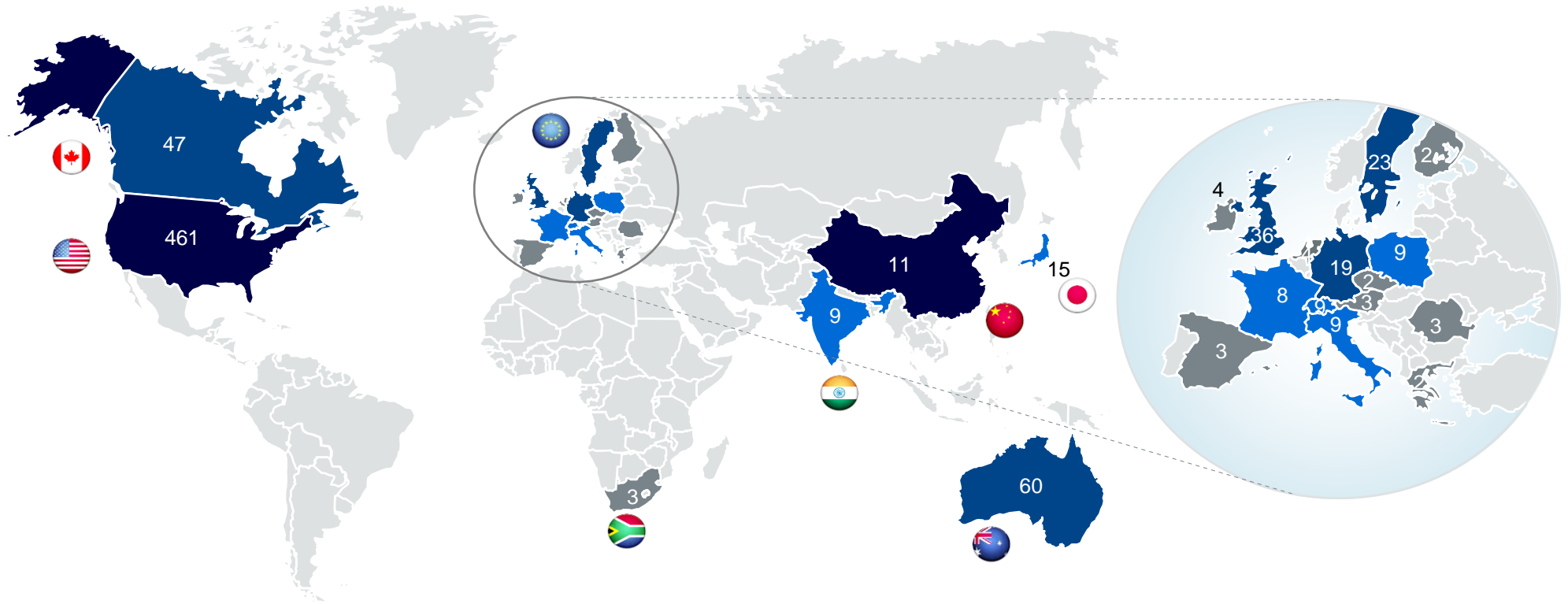
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Number of AUM in US\$, according to Activist Insight in 2018

Activism Booms Outside The US

Number of European companies publicly facing Activist demand in 2017 reached circa 140 campaigns

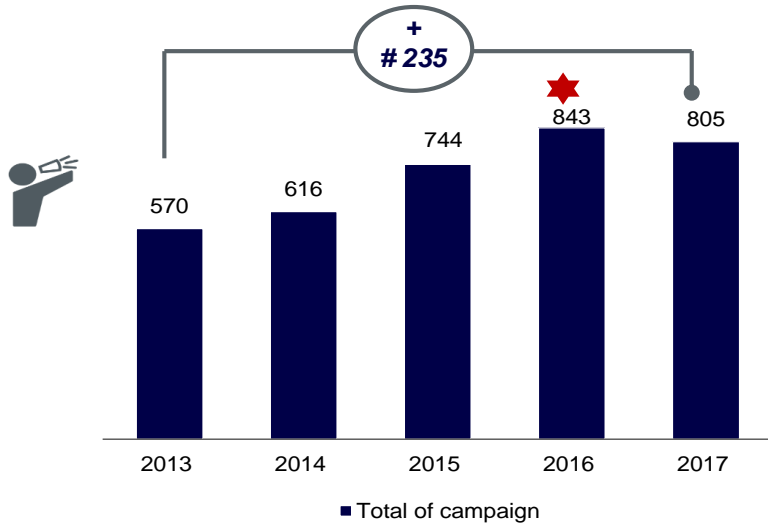


Source: Activist Insight, public information (1) As of 2017

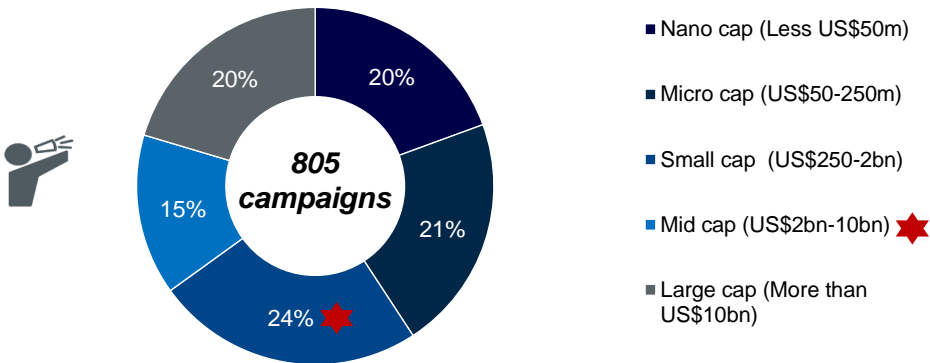
Key Trends

More than US\$470bn⁽¹⁾ moved into passive funds in 2016, accelerating Activist launch in Europe

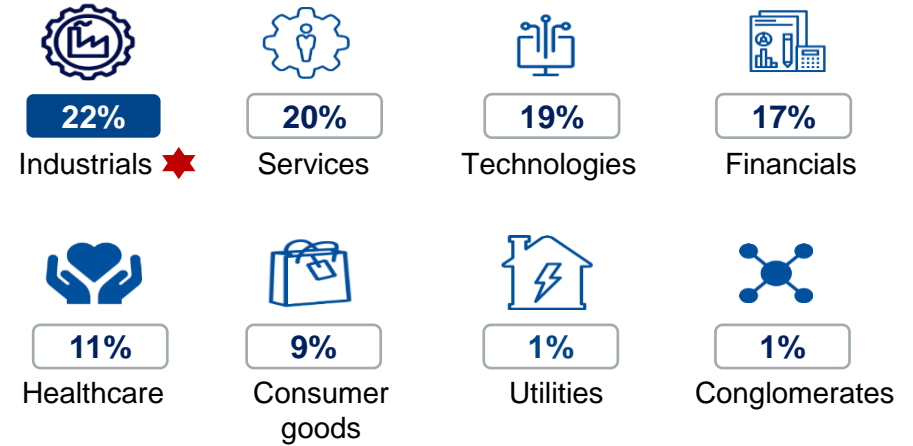
Campaign evolution since 2013



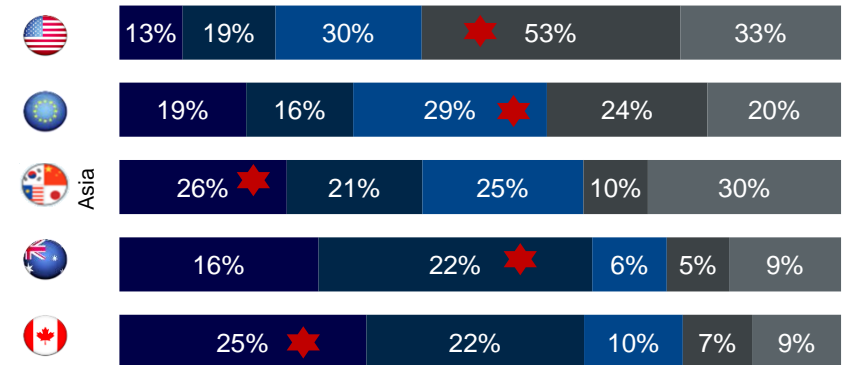
Campaign breakdown by market capitalization in 2017



Breakdown of Activist targets by sector












Campaign breakdown by region and market capitalization in 2017



Source: Activist insight, FactSet (1) Morningstar

Notable Campaigns In 2017

In Europe, Third Point took a US\$3.5bn stake in Nestlé while Corvex saw success in its campaign to scuttle Clariant's planned takeover of Huntsman

| Launch Date | Company | Activist | Highlights |
|-------------|---|---|--|
| Dec-17 |  |  | <ul style="list-style-type: none"> Icahn disclosed intent to nominate 4 candidates to the Board at the 2018 AGM Follows agitation in 2016 that ultimately resulted in separation of Conduent and multiple Board seats for Icahn |
| Aug-17 |  |  | <ul style="list-style-type: none"> Pershing unsuccessfully pursued 3 seats in highly acrimonious campaign Pershing received < 25% of votes, but earned the support of ISS, Glass Lewis and BlackRock |
| Jul-17 |  |  | <ul style="list-style-type: none"> Elliott grievances included dual listing, capital return and Canadian potash development BHP announced U.S. shale divestment and new Chairman pledged more stringent criteria for future investments |
| Jul-17 |  |  | <ul style="list-style-type: none"> Corvex and 40 North (acting as White Tale) successfully opposed planned merger with Huntsman with rapid stake build-up After the proposed merger was terminated, White Tale demanded 3 Board seats and a strategic review process at Clariant. Finally, SABIC acquired Clariant |
| Jun-17 |  |  | <ul style="list-style-type: none"> High retail shareholder base (circa 40%) presented a battle ground for the most costly proxy fight in history After certified vote revealed that P&G had prevailed, P&G voluntarily added Peltz to the Board |
| Jun-17 |  |  | <ul style="list-style-type: none"> Nestlé set margin targets after Third Point called for "bold action" including sale of L'Oréal stake and share buybacks Largest Third Point position ever at US\$3.5bn |
| Apr-17 |  |  | <ul style="list-style-type: none"> Neuberger Berman rumoured to invite Activist interest in the stock JANA's refusal to settle for Board seats resolved by the Company's ultimate sale |
| Mar-17 |  |  | <ul style="list-style-type: none"> Greenlight nominated 3 candidates as part of campaign to split GM's stock into dividend and growth shares Value proposition did not resonate with shareholders, who voted against the proposal and Greenlight's nominees |
| Mar-17 |  |  | <ul style="list-style-type: none"> Elliott sued unsuccessfully to convene EGM after Akzo rebuffed 3 takeover offers from PPG CEO stepped down and sides settled on new Supervisory Board nominees |
| Feb-17 |  |  | <ul style="list-style-type: none"> Mantle Ridge established special purpose Activist fund targeting single investment Shareholders approved sizable make-whole payment for incoming CEO in connection with campaign |

Source: FactSet, Activist insight, Reuters, Public information

 European companies targeted by shareholder Activists

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Key Environment For Shareholder Activism In Europe

- 1 Recent activity clearly demonstrates that **European companies are not immune to shareholder Activism** action for the next years, including large-cap companies.
- 2 The **European Union adopted shareholder rights** directives that encourage shareholder participation, paving the way for **increased Activism in the future**.
- 3 M&A was an important driver of activity in the region, but operational Activism is slowly taking off, with **Germany and France at the forefront**.
- 4 There is a different **legal framework, corporate culture and shareholder structure between the US and Europe**. In fact, the legal framework regarding corporate aspects is typically less stringent than in the US, but provides more mechanisms for shareholders to exercise their ownership rights.
- 5 Eurozone companies are sitting on **US\$1.6 trillion in cash and cash equivalents**. Excluding banks, Eurozone firms have a war chest of about EUR900 billion.

220 

Number of campaigns launched in Europe since 2015

30 

Number of targets with a market cap of more than US\$10billion⁽¹⁾

+99 

Increase in Activist campaigns against European HQ companies over the last 3 years

1.6 

US\$1.4 trillion of cash and cash equivalent owned by Eurozone companies

Source: Activist insight, Reuters (1) As of 2016

What Is Driving European Activism?

Europe was slower to recover from the global financial crisis

- 1 Evolution of investor landscape towards increased institutional ownership and **rise of ETF** together with **passive investment** in the last 2 years. The rise in investment funds has put pressure on active funds to improve their performance in order to justify higher fees.
- 2 **Europe** is an interesting **environment for Activists**, driven by a perceived **undervaluation of certain companies**, which provides an entry point for Activists with downside protection.
- 3 European **small and mid cap stocks** offer **attractive investment opportunities**, as well as the potential to capture additional return.
- 4 Activist tactics in Europe range from friendly to hostile. Activists have taken a more **co-operative approach** compared to the US. Activist investors initially engage with target companies some discussion regarding the possible strategy. Simultaneously, few asset managers have dabbled in Activism as a way to drive returns.



Bill Ackman, Pershing Square

"Europe is **10 years behind the US** in the degree of shareholder Activism and how directors respond. Demand for returns to meet pension obligations will make shareholders inherently more active in Europe."



Dan Loeb, Third Point

"We are **seeking more opportunities in Europe** because of strong and improving economic data, a trend that will likely continue now that the French elections have passed without incident."



Christer Gardel, Cevian Capital



"The **European market is not as complicated as investors in the U.S.** think it is. Obviously if you go further down in the Mediterranean, it gets a little bit trickier. Our core markets are Scandinavia, Germany, and the U.K."



Anne-Sophie d'Andlau, CIAM



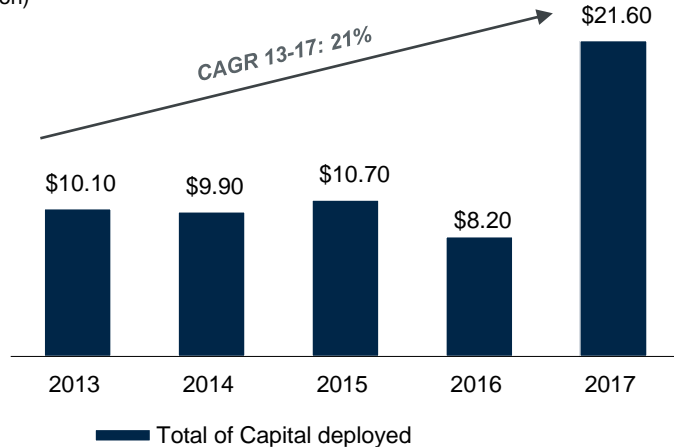
"What we are doing is really creating a **European way** of doing Activism. Of course, we are looking at what they are doing in the US and what they have done, and the tactics and all of this, but you have to **adapt this to Europe**, to the Continent."

Key Trends In Europe

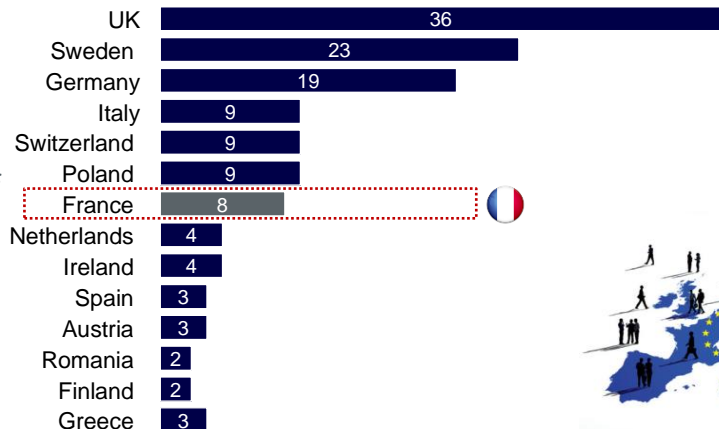
US shareholder Activism is having strong appetite in Europe

Capital deployment in European Campaign 2013-2017

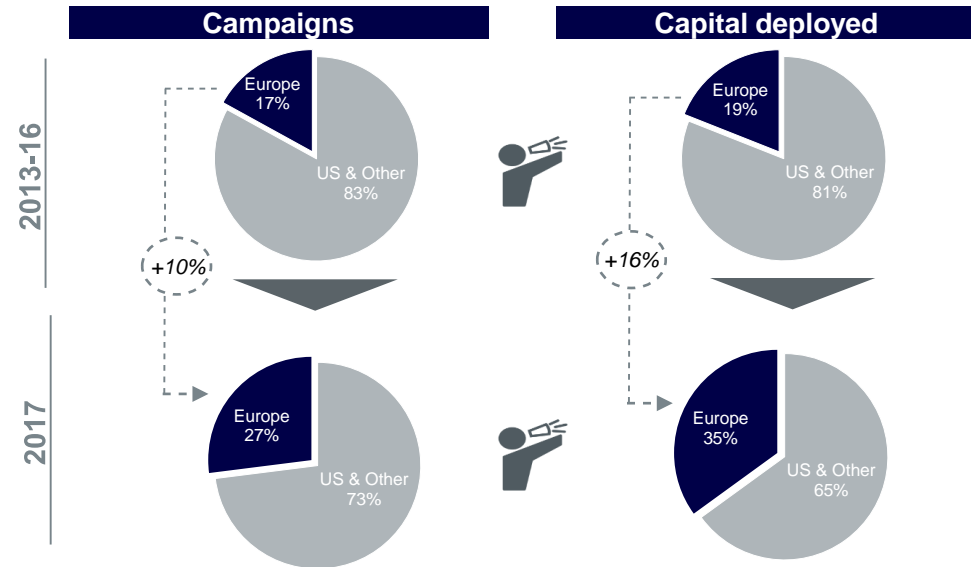
(US\$ in billion)



Campaign in Europe by country - 2017



Campaigns and capital deployed in Europe



| | Activist | Capital deployed (US\$m) | Campaigns (in Europe) |
|---|-----------------------------|--------------------------|-----------------------|
| 1 | ELLIOTT (1) | 4,744 | 7 ★ |
| 2 | THIRD POINT | 3,387 | 1 |
| 3 | TCI Fund Management Limited | 2,201 | 3 |
| 4 | Cevian Capital | 1,212 | 2 |
| 5 | KNIGHT VINKE | 565 | 1 |
| 6 | CORVEX MANAGEMENT | 535 | 1 |

Source: Mergermarket, Activist insight, Public information (1) #21 companies subjected to its publics demands across nine countries



Shareholder Activism In Europe Gaining Momentum

Activist shareholders were successful in European M&A campaigns in recent months

Active Stake-building

Clariant AG (Switzerland, Chemicals)



CLARIANT 

- In May 2017, Clariant announced a merger of equals with US-based Huntsman valued at approximately US\$20bn. In July, Activist investors Corvex and 40 North (acting through White Tale Holdings) publicly opposed the transaction, stating that it lacked strategic rational, it would destroy shareholder value, and it undervalued Clariant.
- When White Tale began its campaign it disclosed a 7.2% shareholding in Clariant but subsequently increased its stake to 20%. In October 2017, Clariant and Huntsman jointly abandoned the merger citing uncertainty over shareholder approval.

Strategic Long-termism

Safran SA (France, Aerospace & Defence)



 SAFRAN

- In January 2017, Safran agreed to buy Zodiac Aerospace, a French listed aerospace company. Activist shareholder TCI Fund Management (which had been a Safran shareholder for five years), claimed the merger was significantly overpriced. TCI also questioned synergies, deal structure and its fairness to shareholders.
- Safran adjusted the share ratio and reduced the headline price which, according to TCI, resulted in an aggregate price reduction of approximately 26% (from EUR9.5bn to EUR7bn). Safran also restructured the deal and accepted TCI's share buyback suggestion.

ACTIVIST PROFILE

Most Activist demands are based on seeking increased shareholder return, but a broad range of tactics can be employed. Within any given campaign, several of these might be used in tandem



Pay-out Seekers

Seeking cash returns through special dividends, share buybacks, recapitalizations. Proposing a sale or other M&A-based strategy to reward shareholders.



Portfolio Appraiser

Evaluating the business divisions and structure of a business. Recommending divestments and spin-offs. Opposing planned mergers.



Boardroom Agitator

Injecting new blood to stimulate action in the boardroom. Calling for CEO replacement or executive compensation changes linked to performance.



Strategist or Reformer

Looking for a long-term strategic shift or shake-up in current goals. Might look for a board seat to influence strategic direction.



Bid Opportunist

Buying in to get short-term gain in a takeover situation. Undertaking "bumpitrag" to increase the bid price.

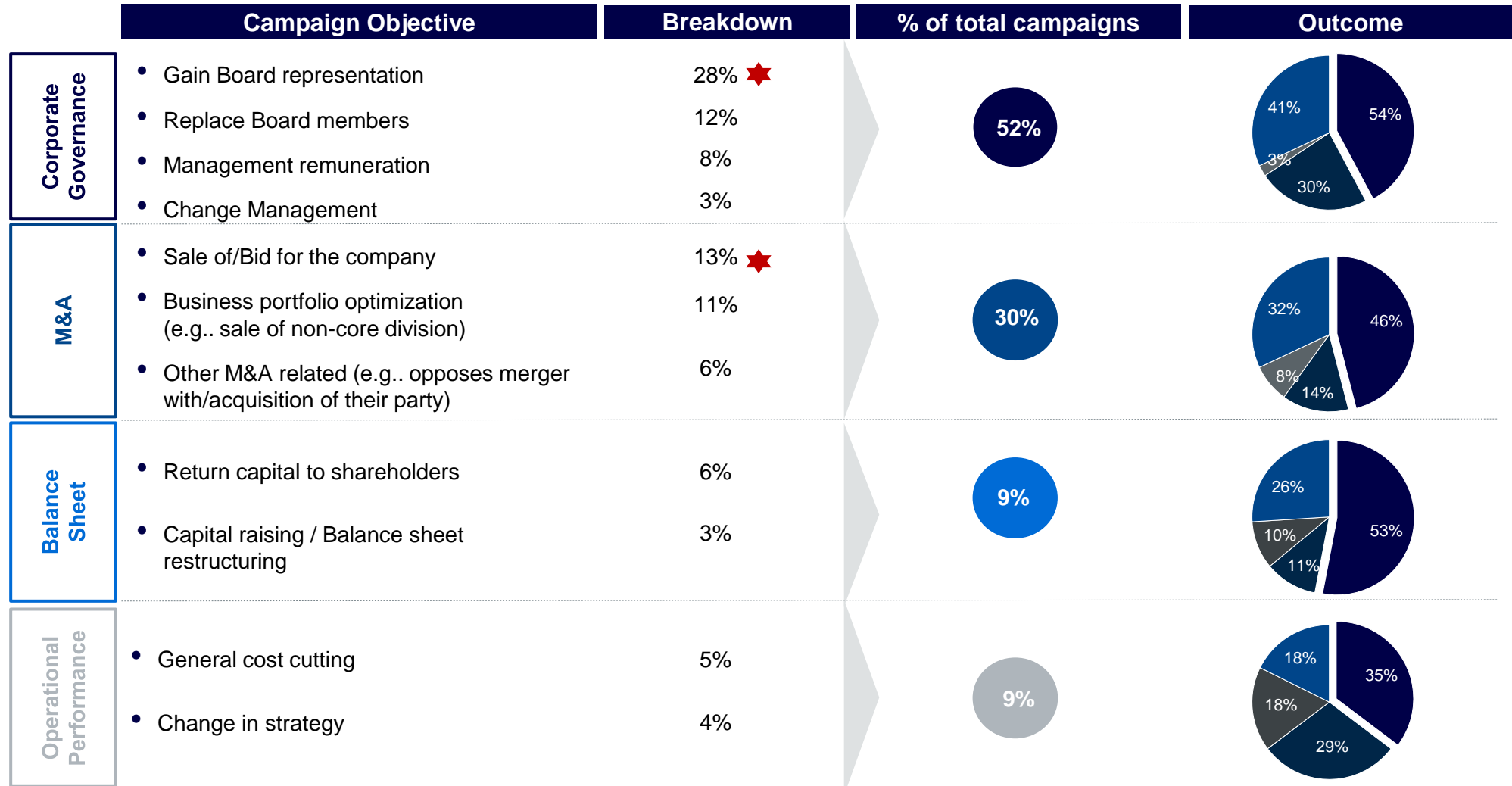


Ethical Activist

Pushing for change around a wide range of sustainability and ethical issues, such as climate change, or gender and diversity gaps. The ethical Activist is the new kid on the block.

European Activist Campaigns By Objectives And Outcomes (2010-2013)

The primary objectives of Shareholder Activism is to gain a board representation and M&A transaction



Successful
 Partially successful
 Ongoing
 Unsuccessful

Source: JP Morgan European Activism data base, 2014



Europe Is Welcoming Towards Activism

However, dealmakers must inform themselves about the diverging approaches and political sentiments which characterize individual countries and the latest “direction or travel”



Czech Republic

Sensitive Sectors:

Defense, Telecom, Energy

Remains very open to foreign investment despite calls for stricter rules. The Government has expressly voiced a preference for foreign investment in sophisticated sectors will higher added value.

Traditionally open, and staying that way.



France

Sensitive Sectors:

Defense, Energy, Healthcare, Infrastructure

To date the Government has been flexible in the use of its power block foreign investment, limiting their use to defend assets or iconic national champions. However, recent proposals suggest increasing scrutiny in the future, notably in high tech activities.

Traditionally open, may be starting to close.



Germany

Sensitive Sectors:

Defense, Energy, Telecom

A new law has given the government greater and greater power to restrict foreign investment. This will result in greater scrutiny but is not expected to lead to more blocked deals, given potential political impact.

Traditionally open, now starting to close.



Italy

Sensitive Sectors:

Defense, Energy, Transportation, TMT

Government tends to favor foreign investment although this traditionally open approach has been criticized and now the Government has become more cautious, blocking the sale of Telecom Italia and Next Ingengneria.

Traditionally open, now starting to close.



Netherlands

Sensitive Sectors:

Telecom, Infrastructure

While still very open, authorities are taking greater interest in foreign investment in strategic sectors and will likely introduce measures to tighten control on foreign takeover in key sectors (e.g., Akzo Nobel).

Traditionally open, may start to close.



Poland

Sensitive Sectors:

Defense, Energy

The government is becoming more concerned about protecting national security and its national champions, so is becoming more interventionist. The recent appointment of a former bank CEO as prime minister may act as a counterweight to this shift.

Traditionally cautions, staying closed.



Spain

Sensitive Sectors:

Defense, Telecom

The government tends to favor foreign investment and has limited powers to interfere. However it has voiced its disapproval over the privatization of national champions to state-owned foreign buyers.

Traditionally open, may be starting to close.



UK


Sensitive Sectors:

Defense, Energy, Transportation, TMT

While the government has exercised its ‘soft power’ to intervene in foreign takeovers, it is seeking greater powers to intervene formally on national security grounds and mandatory filings. A particular focus is expected on critical infrastructures and advanced technology.

Traditionally open, may be starting to close.

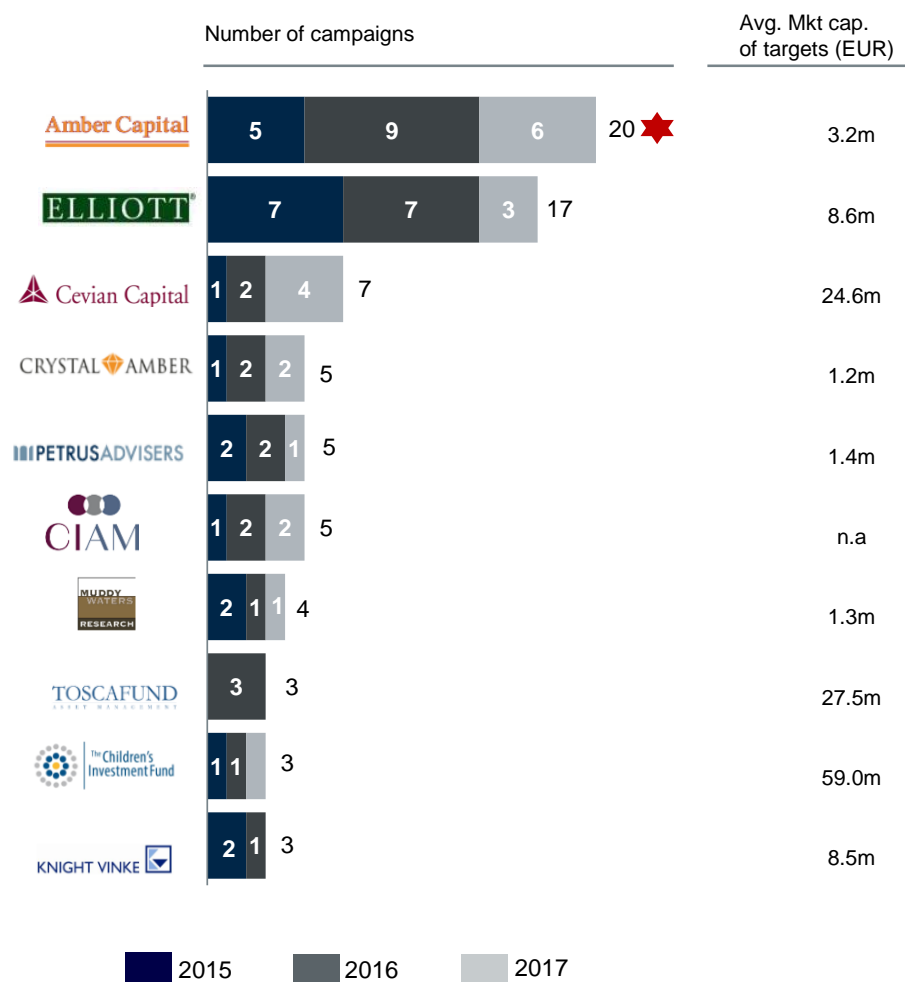
Source: Clifford, Public information

 Limited action

2017 European League Table

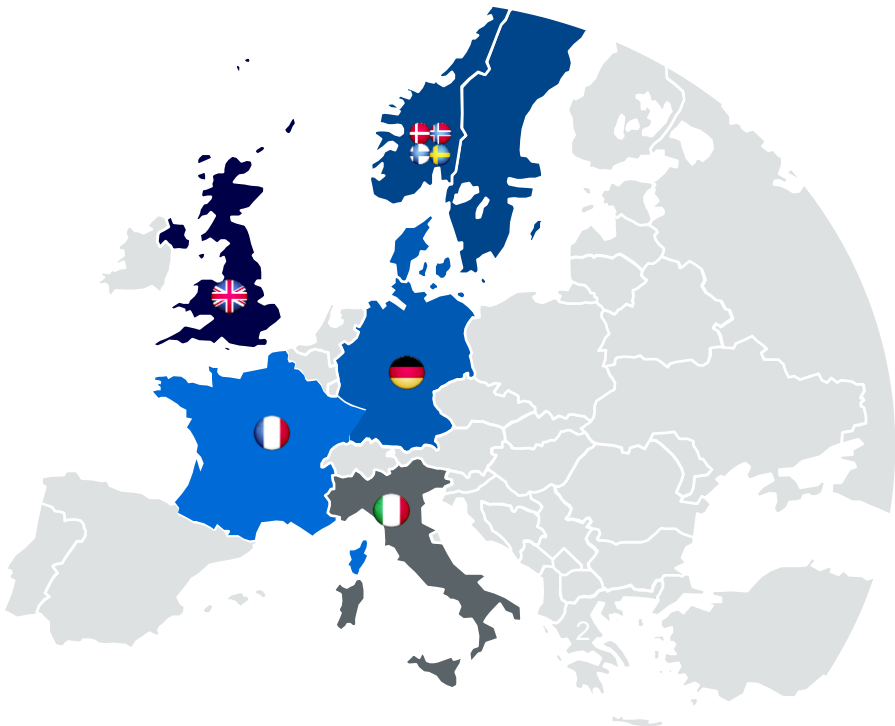
France and Germany are major Activist playgrounds

Top 10 Activist investors – Most campaigns initiated



Top 5 European regions targeted⁽¹⁾ (2015-2017)

| | | | 2015 | 2016 | 2017 | |
|---|---------|--------------|------|------|------|---|
| 1 | UK | 84 campaigns | 17 | 31 | 36 | ★ |
| 2 | Nordics | 42 campaigns | 10 | 9 | 23 | |
| 3 | Germany | 37 campaigns | 5 | 13 | 19 | |
| 4 | France | 29 campaigns | 10 | 11 | 8 | |
| 5 | Italy | 28 campaigns | 10 | 9 | 9 | |



Source: FactSet, Public information (1) c.220 campaigns since 2015



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Shareholder Activism Framework In France

1 Environment

- France recently became a **large market** for Shareholder Activism in Europe
- **Since 2015**, circa **30 campaigns** have been **launched** in France
- Shareholder Activism is not widespread in France as it is in the US
- As well as in Europe, French shareholder Activists **rarely focus on environmental and political issues**

2 Legal

- The last 20 years, the French **legal environment** has significantly **changed** and **increased the rights of shareholders**
- New Corporate governance rules, such as the recent introduction of the say-on-pay, encouraging shareholder Activist development

3 Strategic

- Exercising the right to submit discussion items and resolution proposals, often use the public media to advertise their positions
- Certain **shareholders write directly** to the French **regulator** (AMF)
- Shareholder Activism **focuses** principally on (i) **CEO & Management**, (ii) **Governance** and (iii) **M&A**
- Usually target specific governance, M&A issues (incl. takeovers bids and capital increases) and Governance

4 Efficient Campaign

- Swedish **Cevian Capital**'s campaign against Rexel, which resulted in the dismissal of the **Rexel's CEO** and most of the its executive committee (2016)
- **CIAM** against the cash tender offer of **Altice** over **SFR**, which led the French regulator (AMF) to turn down the transaction (2016)
- **TCI**'s campaign against the **Zodiac**'s takeover of by Safran, which resulted in the renegotiation and restructuring of the transaction (2017)
- Activist short-selling is also making its presence felt, e.g. **Muddy Waters** on grocery chain **Group Casino** (2017)

5 Why Target France?

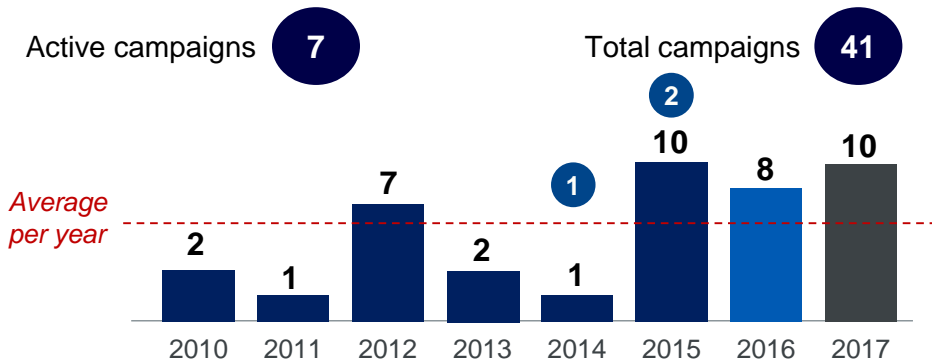
- Although Shareholder Activism is **still in its development** phase in **France**, it is very likely to become a permanent feature on the French market
- Operating campaign in France is an **opportunity** to have a more “**Constructive approach**” and work alongside management rather than launch a contentious battle



French Landscape For Shareholder Activism

France's post-election political stability has brought about renewed business confidence particularly amongst small- and mid-cap companies, the most likely targets for activism

Campaign by years



Top campaign by type

2017

1. Removal of CEO or other Board member
2. Remuneration
3. Lack of/Inaccurate information from company

2016

1. Gain Board representation
2. Oppose takeover terms
3. Removal of CEO or other Board member

Country Summary

France has long considered itself immune to activism thanks to its legal and regulatory system, often viewed by French companies as the 'scarecrow' protecting them.

Despite the unfriendly environment for activists, France has recently become **one of the largest markets for shareholder activism in Europe**. Even so, state influence over companies and management & employee protections leave roughly 40 percent of activist campaigns unsatisfied.

Five percent of the voting rights give shareholders power to submit resolution proposals

France has long considered itself immune to activism thanks to its legal and regulatory system, often viewed by French companies as the 'scarecrow' protecting them.

In **March of 2014**, the **Florange law** has doubled voting rights to shares registered for more than two years. **1**

In **August 2015**, the "Say-on-pay" has been approved, regarding the top executives' compensation. **2**

Company Defense

Structural defenses are limited.

However, the "**Société en Commandite par Actions**" is probably the best-known type of defense structure, often used by family-owned companies. It protects the incumbent management through a partnership between general partners bearing unlimited liability and shareholders with limited liability.

Data as of 30 December 2017

French Landscape For Shareholder Activism (Key Players)

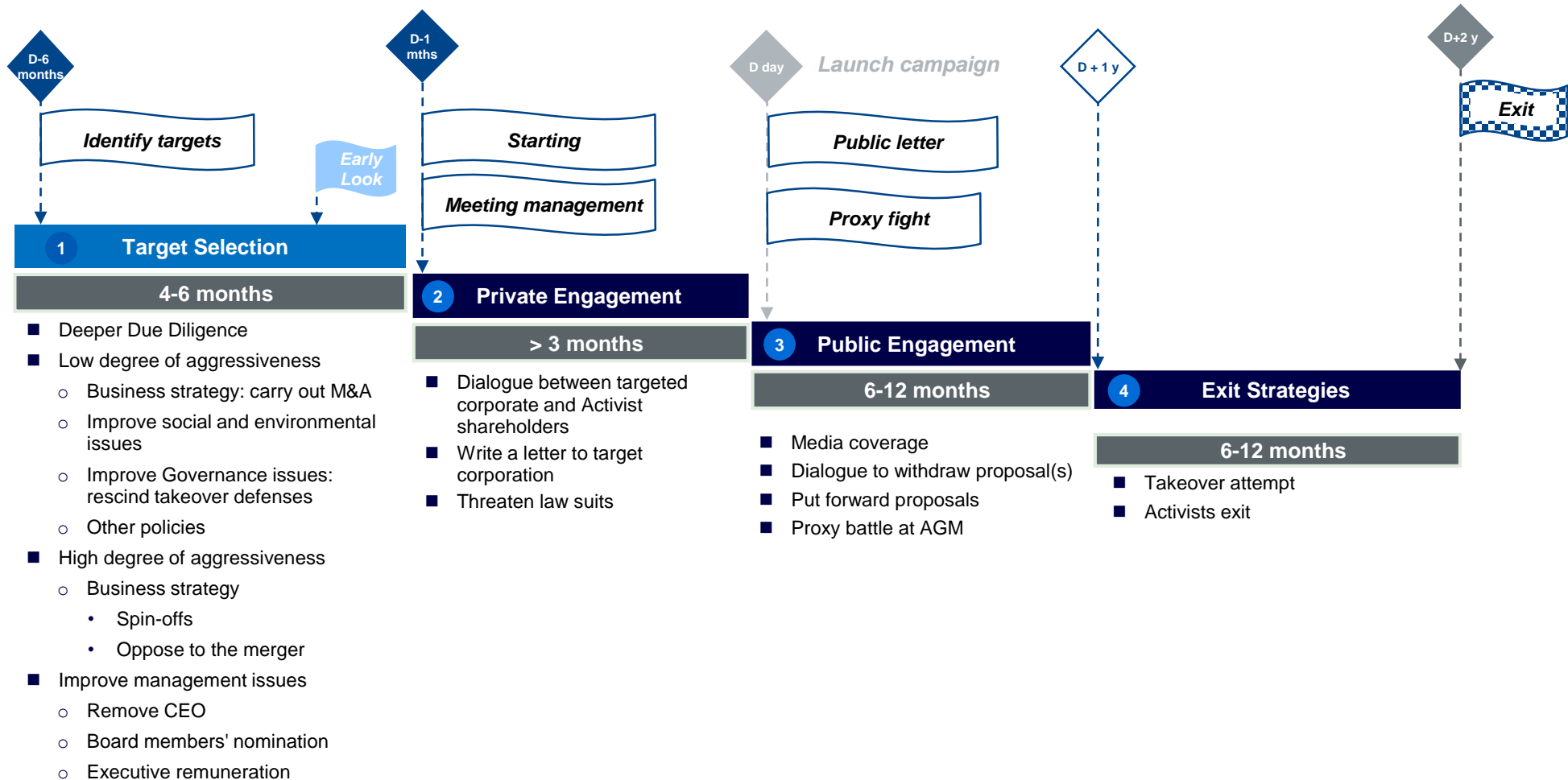
French Activism has been involved in a variety of campaigns, mainly led by US Hedge Fund

Rationale

| | | |
|--|---|---|
| <p>Long Standing European Activists</p> |  | <ul style="list-style-type: none"> ■ Inflow of new money oblige US Activist funds to focus on investment abroad ■ Specific geographic convergence ■ Combine US and Europe-wide methods |
| <p>U.S Activists</p> |  | <ul style="list-style-type: none"> ■ Opportunistic approach to Europe ■ "Fittest" funds expected to increase focus on Europe ■ Presence in Europe also depends on performance in the US |
| <p>French Activists</p> |  | <ul style="list-style-type: none"> ■ Often use media to advertise their positions ■ Less hostile, working closely with the Management ■ Intend direct action through French regulator (AMF) |
| <p>Institutional Investors</p> |  | <ul style="list-style-type: none"> ■ Less hostile, working closely with the Management ■ Under pressure to be more active due to industry evolution (rise of passive management and consolidation in active management) |
| <p>Corporate</p> |  | <ul style="list-style-type: none"> ■ Bolloré is known to be a corporate raider ■ LVMH built up a stake in Hermes when it bought equity swaps in 2008 |

An Hybrid Model Less Aggressive And More Constructive

Engage in dialogue with company to suggest opportunities to enhance intrinsic value

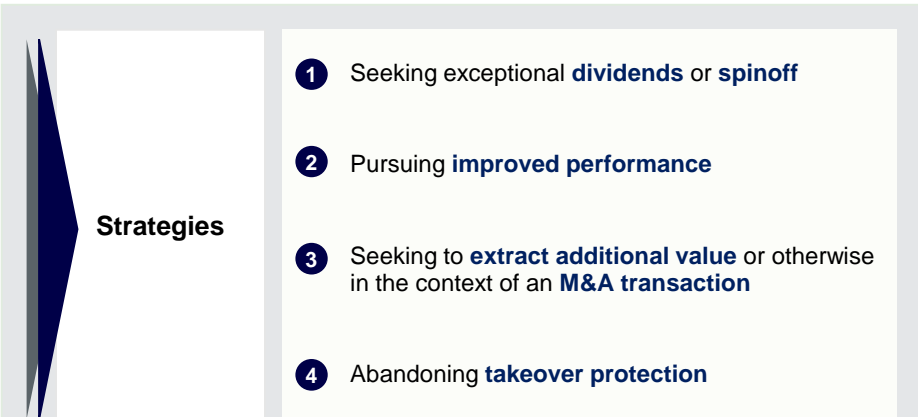


Key milestone

Key Trends In French Shareholder Activism Framework

The emergence of Hedge Fund Activism in France is synchronous with reforms on corporate governance, allowing capitalization on ill-governed companies

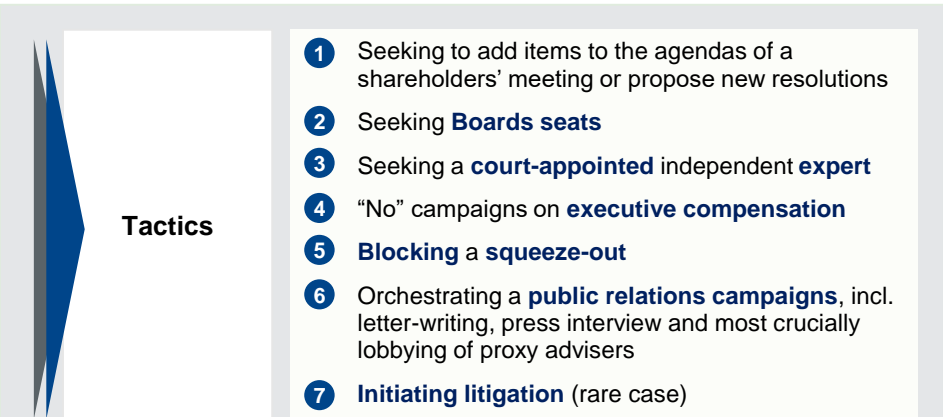
Activist strategies and objectives in France are determined by the situation



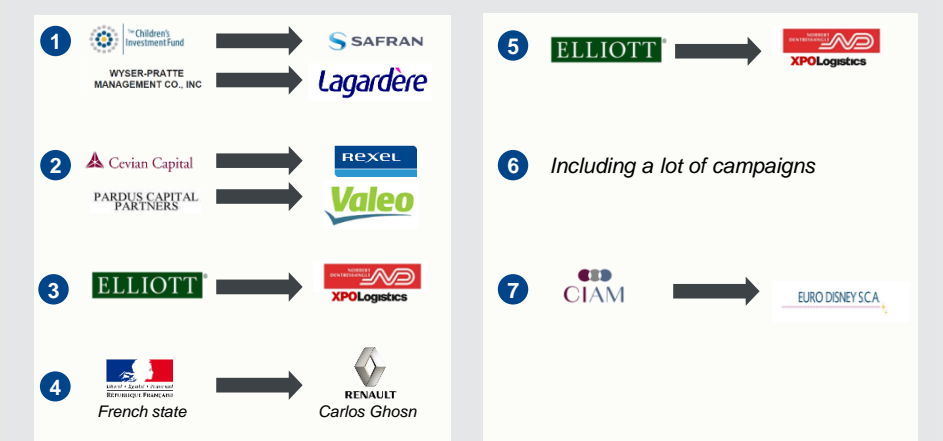
Selected campaigns



Tactics are varied and determined by the strategy and situation



Selected campaigns



Case Study – Nestlé Under Pressure To Sell Stake In L'Oréal

Daniel Loeb (Third Point) targeting Europe's largest company in the biggest bet of his two-decade career as an Activist investor



Campaign Milestone



- **Nestlé** is a nutrition, health and wellness company based in Switzerland
 - Nestlé owns 23.12% stake in L'Oréal
 - CEO, Mark Schneider (Since Jan. 2017)
- Nestlé business model has traditionally focused on leveraging its sales, growth, and its size as a defense against possible takeover attempts (e.g. Unilever / Kraft Heinz's actions)
- Jun-2017, Third Point (Daniel Loeb) has taken an investment position of roughly 40m shares (1.3% of the company)
- Feb-2018 L'Oréal said it could finance a purchase of the holding with cash by selling its stake in French drug-maker Sanofi **2**

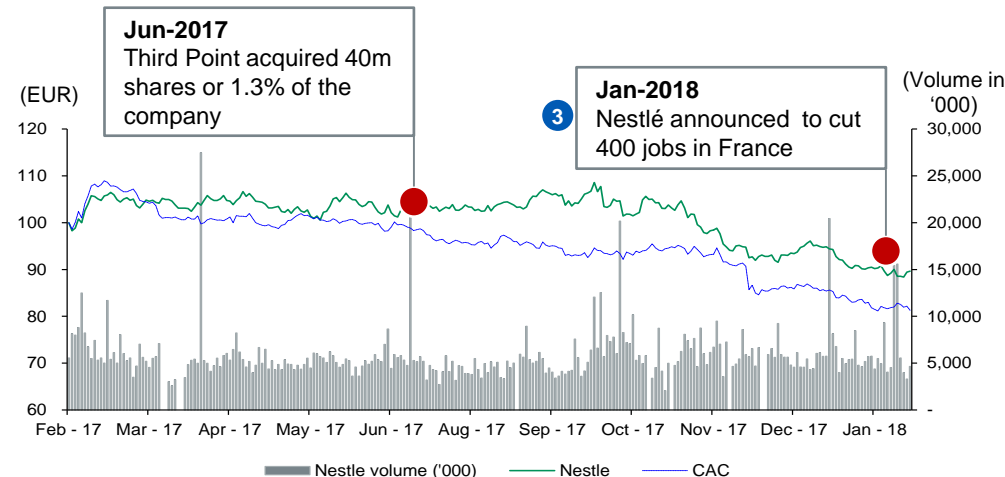
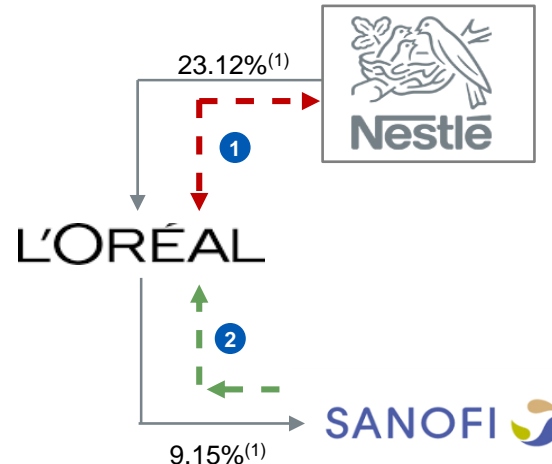
Third Point Rationale



- Third Point considered Nestlé products: baby milk, pet food, Nespresso coffee and KitKat chocolate bars under pressure
- Nestlé significantly outperformed most of its European and US peers
- Hedge fund proposed a set formal profit margin target of 18-20% by 2020 (current operating margin is about 15%)
 - Reduce its debt by buyback shares by selling noncore assets **3**
- Sell its circa 23% stake in cosmetic maker L'Oréal
- Third Point pressed Nestlé to sell L'Oréal stake **1**

After Activist's attack

- 1 Nestlé could buyback its stake in L'Oréal
- 2 L'Oréal could sell its 9.12% stake in Sanofi to purchase its own stock
- 3 Buy-back program of up to CHF 20bn (June 2017)



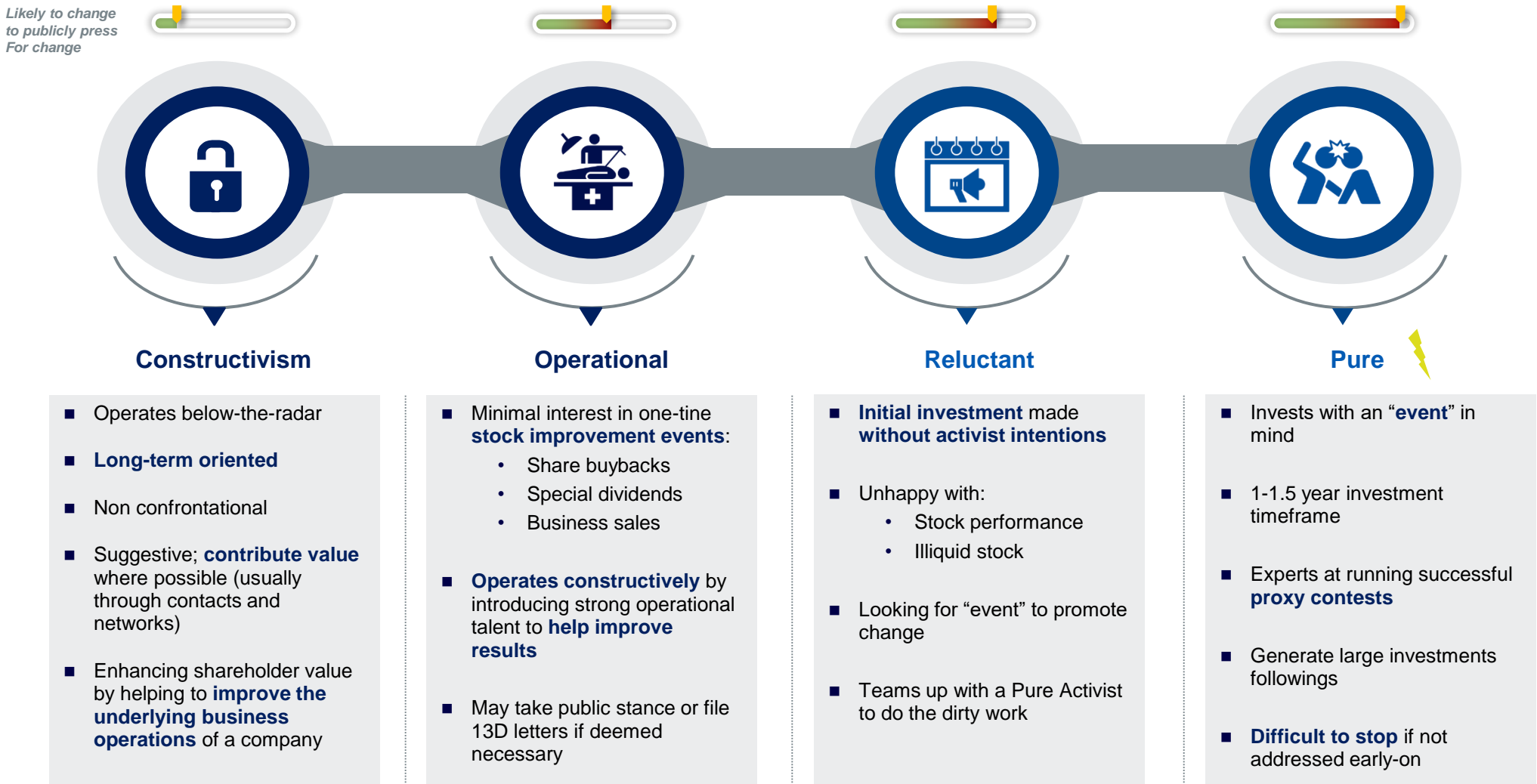
Source: Company, Public information, FactSet as of 21 Feb 2017 (1) As at 31 December 2017

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Categories Of Activists Investors

Activism comes in many forms. While not exclusive or exhaustive, activities can generally be broken down into four major categories

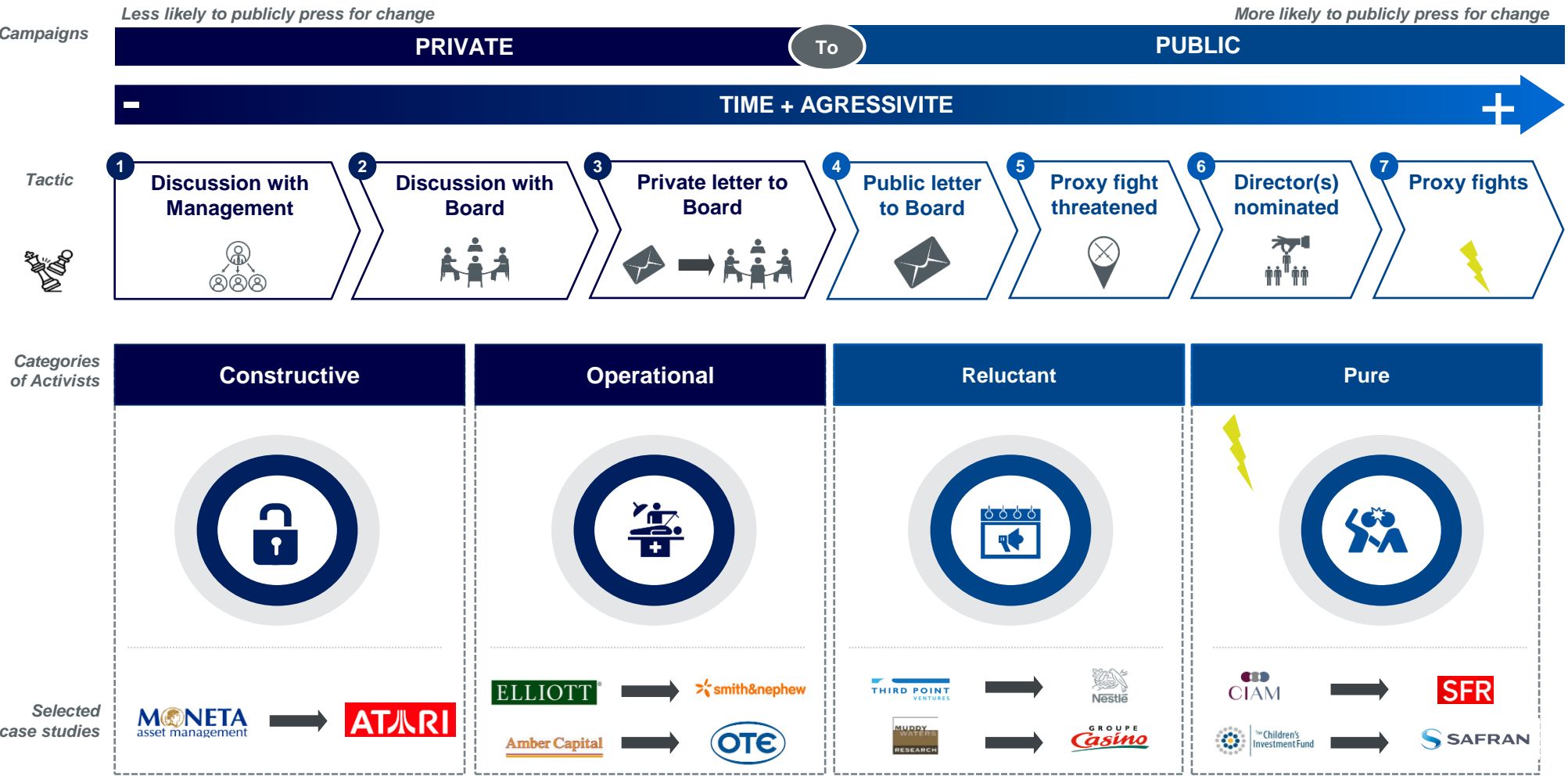


Activist Screening Criteria To Identify Targets

| FACTORS | POTENTIAL QUESTIONS | RATIONALE |
|--|---|--|
|  Stock Price Performance | <ul style="list-style-type: none"> What is the absolute stock price performance? How is the stock performing vs. peer and/or industry? How is the level of liquidity of the stock? | <ul style="list-style-type: none"> Underperforming companies are more receptive to Activist investment and advice Targets are generally small or mid-cap companies The cost of acquiring a meaningful stake increases with the market value of the company |
|  Strategy | <ul style="list-style-type: none"> Has the company clearly and consistently articulated its strategy? Is the company's strategy well supported by the market? Is there excess cash with a poorly defined strategy for deployment? Is cash/debt funded repurchase accretive? Is the company a logical target for a strategic consolidation? Is it possible to reduce the capex to run the business? | <ul style="list-style-type: none"> Target poorly performing companies Target companies tend to be: <ul style="list-style-type: none"> Below-growth companies Less indebted More profitable than comparable companies |
|  Management | <ul style="list-style-type: none"> Has there been a change in CEO or other top excess or CEO succession questions? Has the company had difficulty filling key vacancies? | |
|  Stockholders | <ul style="list-style-type: none"> Are there other Activists in the stock to team with? What percentages of institutions do hedge funds and index funds comprise? How significant is retail ownership? | <ul style="list-style-type: none"> Activists tend to avoid "opaque" and overly complex businesses, such as those with high levels of R&D, to avoid delays in the intervention's impact on the share price. A larger part of the capital owned by institutional investors allows for wider potential support for an Activist campaign |
|  Corporate Governance | <ul style="list-style-type: none"> Has ISS recommended any "withhold" votes for directors at other direction ships? What are the ISS and Corporate Library scores? Any notable downgrades? Is there a history of stockholders proposals? Are the Company's directors long-tenured, senior in age or over-boarded? | <ul style="list-style-type: none"> Takeover defences prevent traditional forms of managerial discipline (typically takeovers) Some countries have stronger shareholder-rights provisions, which can prove helpful for Activism |
|  Takeover Defence | <ul style="list-style-type: none"> Is the Company vulnerable from a structural defence standpoint? <ul style="list-style-type: none"> Can directors be removed without cause? Is there a stockholder rights plan in place? Can action be taken by written consent or calling a special meeting? | |
|  Analyst / Press commentary | <ul style="list-style-type: none"> Are there any reports or press calling for sale of the company or subsidiary? Any rumours about the Board, management team or company's operation? | |

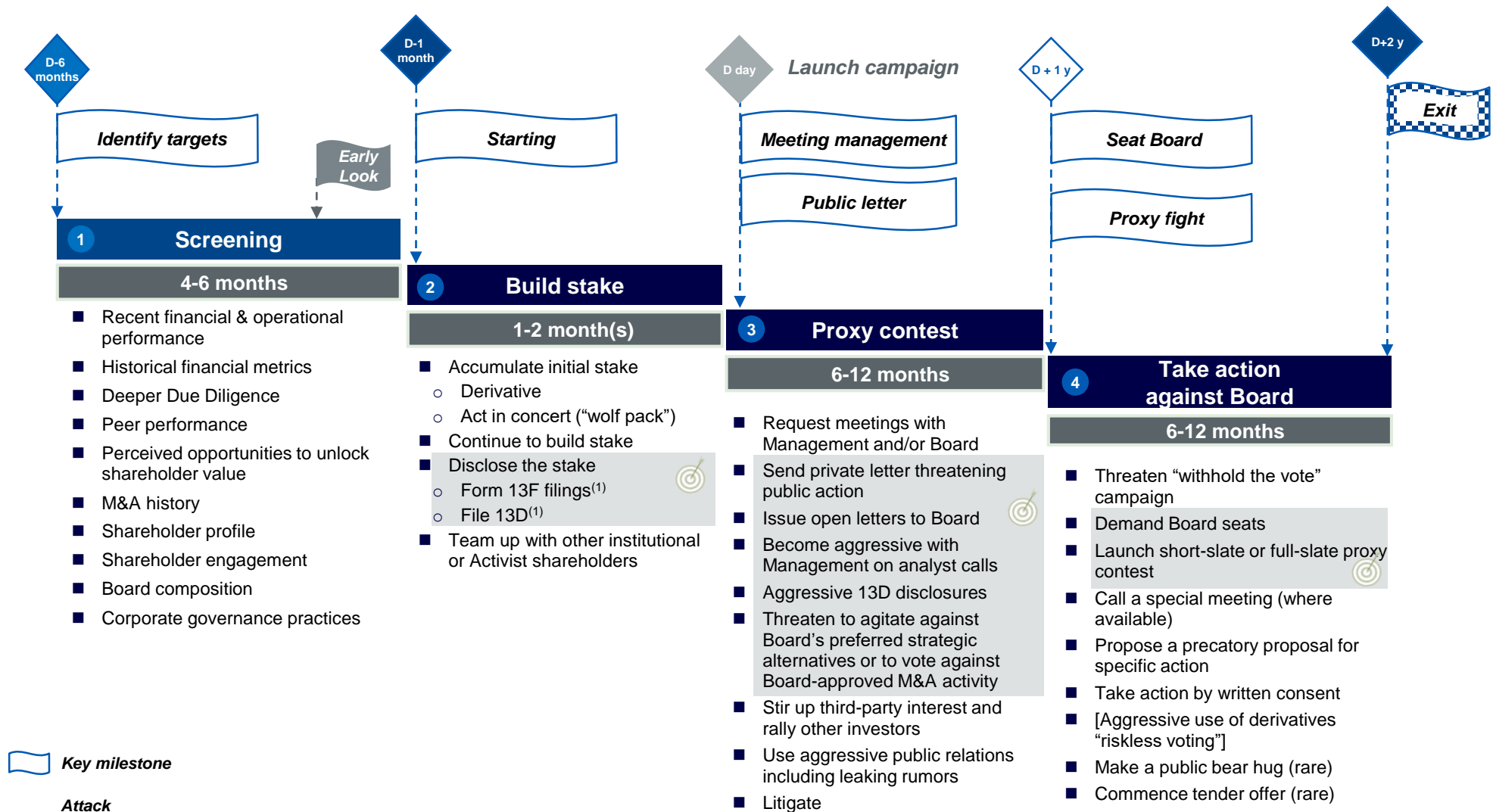
Activist Campaign Process

Activism seeking to effect change in a corporation through private or public engagement with management, board of directors, and or shareholders



Indicative Activist Campaign Frameworks

An average campaign varies between 1-3 year(s) depending of the strategy applied



(1) Depending of the regulation/country

Structuration to Build A Stake In A Public Company

Co-investment have long been a staple components of PE, but becoming more prevalent in the Hedge Fund universe

Illustrative schematic

Key considerations

Overview

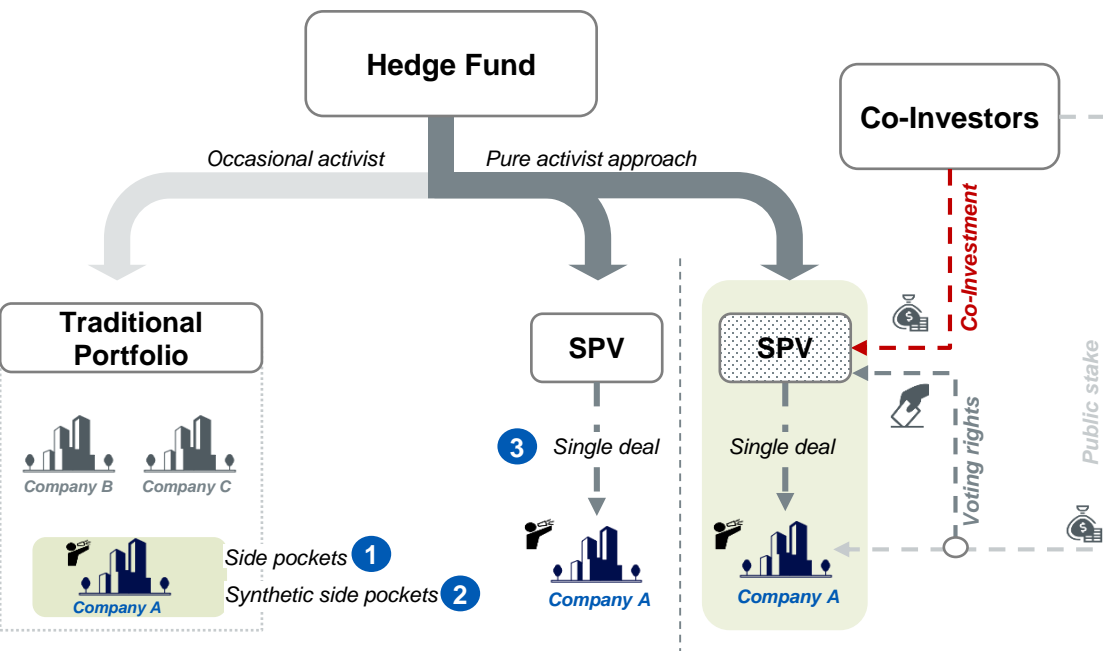
- Activism is an **hybrid model** between HF et PE
- Access to **high conviction ideas**
- Need to amass and to maintain sufficiently large position
- **Holding period between 1-3 years**
- Vehicle tend to share Private Equity structuration
- Co-investment **reduces fee structures** and **enhanced transparency** for the investors

Structuration

- Standard Hedge Fund portfolio
- 1 **Side pockets**: Segregate illiquid or hard-to-value assets from the remainder of the fund's portfolio
- 2 **Synthetic side pockets**: Creation of a new SPV, the fund assigns to the SPV the benefit of the future proceeds of the illiquid assets
- Single trade 3
 - **Hybrid vehicle** between PE and HF
 - **Co-investment** vehicles

Strategies

- Buy **traditional outstanding shares** usually with voting rights
- Using **equity derivatives strategies** (options, warrant, swap, Total Equity Return Swaps⁽¹⁾, Contracts For Differences)
- Decoupling technique through **share loan agreement**
 - Empty voting / Hidden ownership
- Using **ADR** (American Depositary Receipt)



Comparison of representative terms

| | Hedge Fund terms | Private Equity terms | Co-Investment |
|---------------------|------------------|----------------------|-------------------------------|
| Subscription period | Indefinite | Finite | Fixed |
| Committed capital | Rolling | 4-7 years | 1-3 years |
| Redemptions | Allowing | None | Lock-up period ⁽²⁾ |
| Management fees | 1-3% | 1-2% | None |
| Perf. fees | 15-20% | 15-20% | [20%] |

(1) LVMH amassed more than 20% holding in Hermes, largely through the use of equity derivatives (2) Permitted periodically thereafter, or specified horizon for liquidation / distribution of capital

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Six Activist Levers To Identify And Unlock Shareholder Value

Activist time horizon

| Levers | Identifiers | Value Levers | |
|---|---|---|---|
| Portfolio Strategy 1 | <ul style="list-style-type: none"> Sum of Parts > Trading price Consensus trading > Trading price Low P/E or EV/EBITDA vs. peers | <ul style="list-style-type: none"> Sell company or units within the company Reassess portfolio roles or reallocate capital according to TSR potential | 1 While management often focuses on measures such as revenues growth, EPS and profitability, common levers Activists use include identifying value creation opportunities such as: <ul style="list-style-type: none"> Divesting parts of the group Reassigning portfolio roles for each business unit Reallocating capital according to TSR potential |
| Financial Policies 2 | <ul style="list-style-type: none"> Excessively high cash | <ul style="list-style-type: none"> Return more cash to shareholders | 2 A review of dividend payout policies and shares repurchase plans can reveal unlocked value within the organization. <ul style="list-style-type: none"> Cash in a balance sheet is often valued at less than face value → share buyback can be a quick way to release value to shareholders An industry with high volatility and requirements for large deployments → Preserving cash buffers |
| Capital Structure 3 | <ul style="list-style-type: none"> Low leverage ratio vs. peers | <ul style="list-style-type: none"> Increase leverage ratio | 3 Higher levels of debt financing lower the overall cost of capital of the company and provide more funds to invest back into the company or return to shareholders |
| Capital Allocation 4 | <ul style="list-style-type: none"> Low ROGI⁽¹⁾ vs. peers High capex % of sales vs. peers | <ul style="list-style-type: none"> Shift investment among business segments | 4 If a company or business unit return on gross investment (ROGI ⁽¹⁾) is lower than its peers. An Activist can: <ul style="list-style-type: none"> Operate to cut growth funding to a low-return business Management can free up excess cash to invest in more attractive business segments of interest |
| Governance 5 | <ul style="list-style-type: none"> Compensation not tied to TSR Board very long standing and/or inexperienced in industry | <ul style="list-style-type: none"> Changes in Board composition or executives policies | 5 A long standing or entrenched Board with close ties to management, or one that lacks experience in an industry, can indicate opportunities to improve governance. <ul style="list-style-type: none"> Improving relevant experience on a Board can help improve the strategic direction of a company Aligning interests can also improve investor perceptions |
| Business Performance 6 | <ul style="list-style-type: none"> SG&A high % of revenue Low TSR relative to peers | <ul style="list-style-type: none"> Improve business strategy, execution capabilities or cost structure | 6 Common indicator of suboptimal business strategy and/or execution, which can be identified through poor relative TSR performance vs. peers. Improving: <ul style="list-style-type: none"> Strategy and execution capabilities Cost of structure → is a sure-fire way of unlocking shareholder value although this can take years of dedicated effort |

Source: Public information, BCG (1) Business unit return on gross investment

Common Strategies Of Activist Funds

Four common Activist strategies that create shareholder value

Selected examples

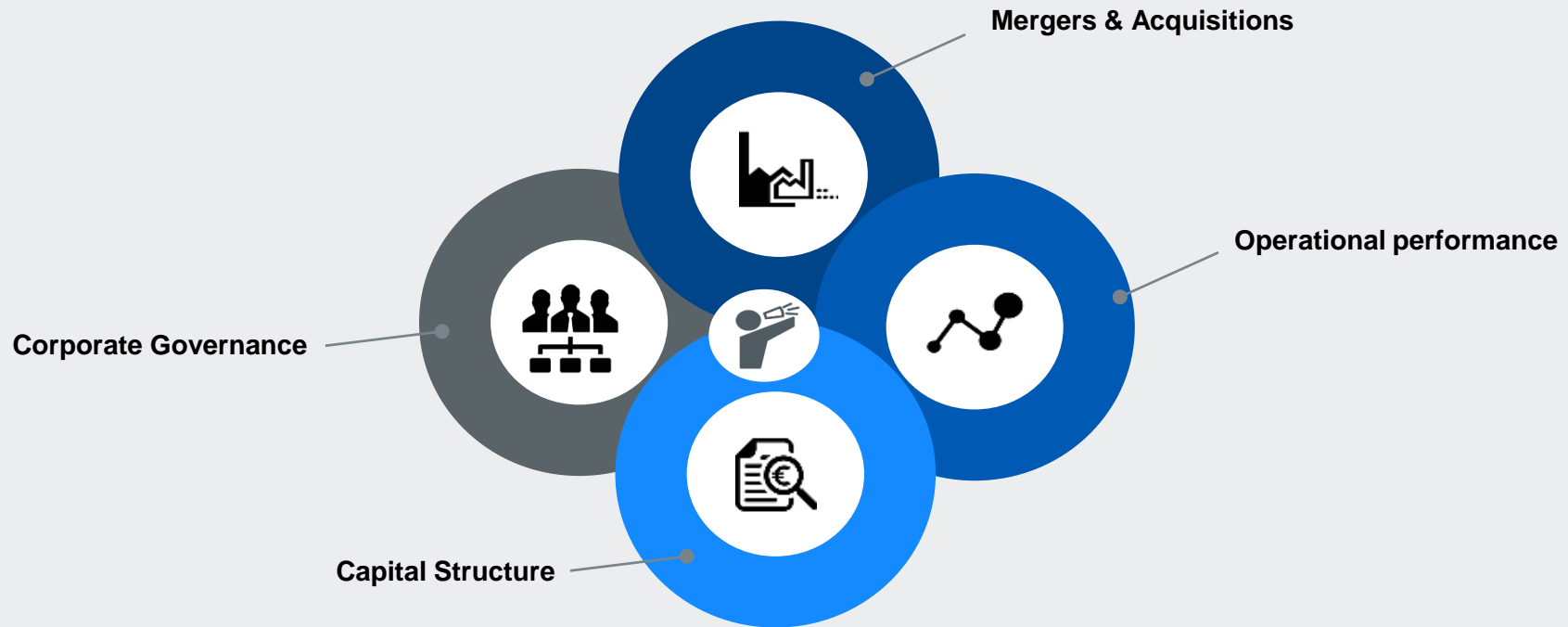
| | | |
|--|--|---|
|  <h3>M&A Activism</h3> | <ul style="list-style-type: none"> Mergers and Acquisitions (M&A) is one of the most applied Activist strategy. Bringing a targeted company into play, agitating for the sale or break up of the company. Seeking out sectors where they expect consolidation, or where this is already underway. Activists pursue M&A as leverage to realize high returns in a short period of time and maximize shareholder value. |  →   →   →  |
|  <h3>Capital Structure Activism</h3> | <ul style="list-style-type: none"> Maximizing shareholder value often simply involves putting pressure on companies with large cash balances. Identifying companies with a large amount of cash. <ul style="list-style-type: none"> Many companies have cash balances due to tax considerations, corporate liquidity, rating agency view, covenants. Record amount of sitting cash on a company's balance sheets today. Balance sheet strategy to returning "excess cash" to shareholders through stock buybacks or dividends. |  →   →   →  |
|  <h3>Operational Activism</h3> | <ul style="list-style-type: none"> Operational performance is complex, requiring industry expertise and patience. Focusing on driving improved returns on capital for the targeted company. Seeking to rationalize cost structures or wring efficiencies out of working capital or capital spend. Requires more time to realize value creation since implementing change, fixing any perceived faults in the business and then capitalizing on the investment. |  →   →  |
|  <h3>Corporate Governance</h3> | <ul style="list-style-type: none"> Corporate governance strategy seeks to replace directors on the Corporate Boards via a proxy fight. This strategy is often coupled with one of three other strategies (previously mentioned⁽¹⁾). Shareholders turn to corporate governance, when management is not maximizing the company's potential returns. |  →   →  |

Source: Public information (1) M&A, Capital structure, Operational performance

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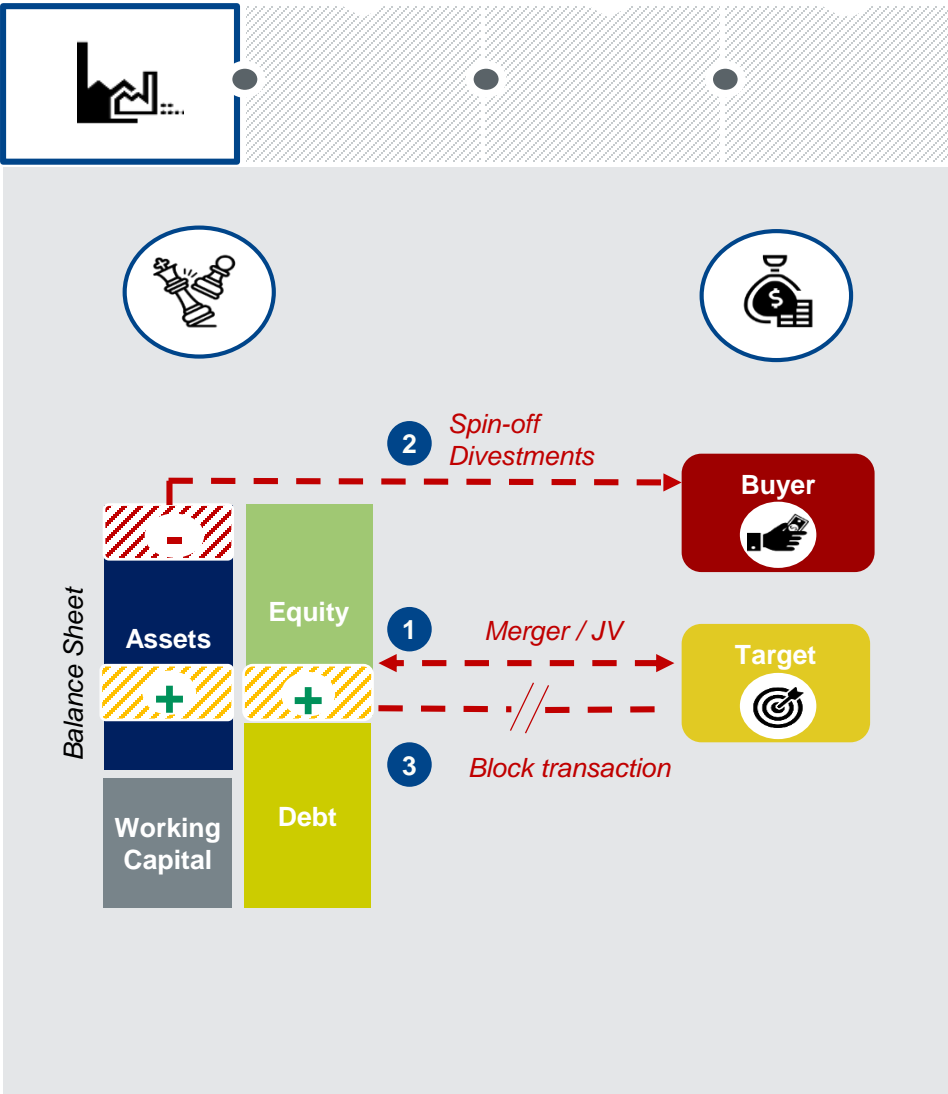
Activism Strategies Overview

How to unlock the value?



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Mergers And Acquisitions Strategies



| Mergers & Acquisitions | |
|------------------------|---|
| | <ul style="list-style-type: none"> Merger or Joint Venture (JV) Spinoff of non-core business Divestments and other restructurings Block transactions |
| | |
| | <ul style="list-style-type: none"> Lower/remove conglomerate discounts Long-term improvements on performance Friendly merger with another company Focus on the ROIC "core" business |
| | |
| | <p>#167 Campaign in 2017</p> <ul style="list-style-type: none"> 47% Push M&A 22% Oppose deal 17% Activist takeover 14% Split company |
| | |

Mergers And Acquisitions Activism

The influence of activists in M&As has grown significantly since the financial crisis

Strategies

M&A is used by Activists as a means of enhancing returns. Activists may oppose existing M&A transactions or undertake bumpitrag campaigns. In other cases they seek to undertake M&A and shake up existing businesses (e.g.. Whole Foods)

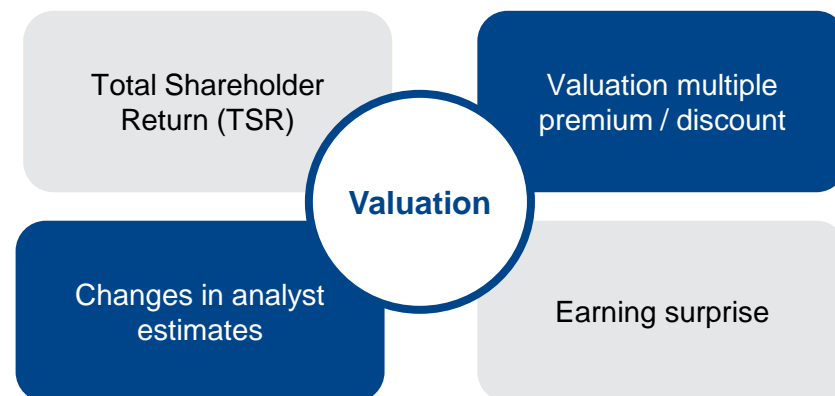
- Sale, merger or IPO (incl. cross-border opportunities)
- Spinoff of non-core business, asset, or real estate
- Divestments and other restructurings
- Block the transaction

Easiest Activist strategy – quick capture of a takeover premium for attractive returns over a short period of time

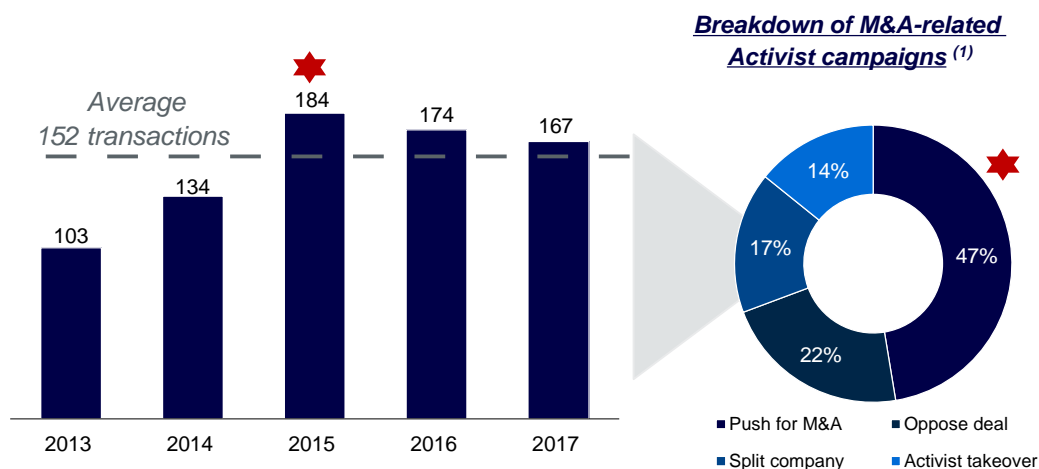
- Start a process to sell the company
- Break-up companies to unlock “hidden value”
 1. Elimination of the “conglomerate discount”
 2. Focus on the ROIC “core” business
- Hold-up transactions for bumpitrag or block deals

Activist campaign related to M&A transactions have gained both Boards and the market’s attention in recent years

Components of Activist risk assessment



M&A campaign per year



Source: Activist Insight (1) Based on North America companies since 2010

Examples Of Recent M&A Activism Campaigns In Europe

CORVEX 40^{north}

CLARIANT



- **Sector:** Chemical
- **Strategies**
 - **Review Strategic:** Sell the plastics and coatings division, redeploy capital proceeds + Governance demand
 - **Block Acquisition:** Opposition to the proposed merger with Huntsman
- **Tactic:** Board Seats (3)
- **Stake:** circa 40%
- **Current status:** Closed in Jan-2017
- **Performance** (holding period): 24.1%

RBR CAPITAL ADVISORS

CREDIT SUISSE



- **Sector:** Banking
- **Strategies**
 - **Divest assets:** Launching a campaign for breaking-up Credit Suisse into three-parts
- **Tactic:** Letter to investors
- **Stake:** 0.25%
- **Current status:** Ongoing
- **Performance** (as at 13/03/2018): 11.4%



SAFRAN



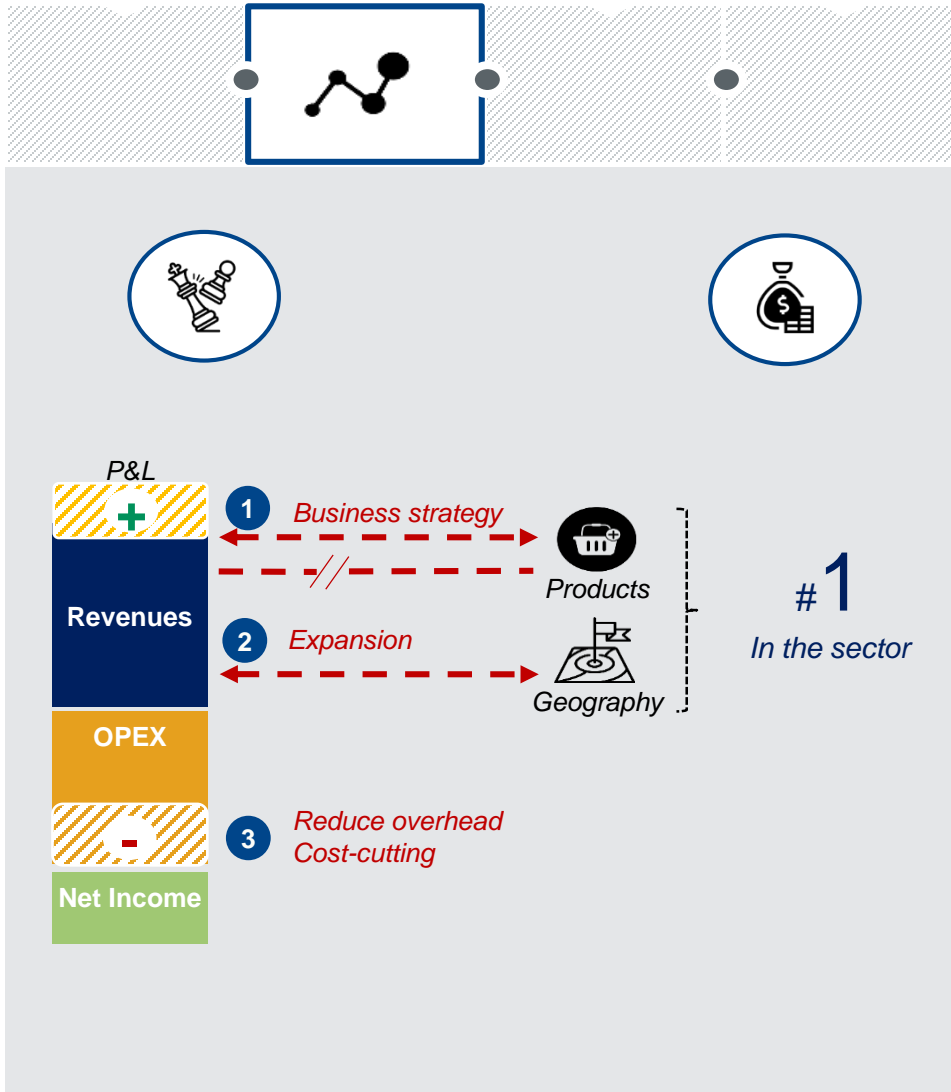
- **Sector:** Aerospace & Defense
- **Strategies**
 - **Block Acquisition:** Opposed to the planned business combination between Safran and Zodiac
- **Tactic:** Letter to the Board
- **Stake (%):** 4.10%
- **Current status:** Ongoing
- **Performance** (as at 13/03/2018): 38.4%



Source: FactSet, Public information

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Operational Performance Strategies



| Operational Performance | |
|-------------------------|--|
| | <ul style="list-style-type: none"> Pursue new business strategy Eliminate business-line or products Revising geographic focus Reduce overhead Pursue cost-cutting measures |
| | <ul style="list-style-type: none"> Make a pure player in sector Operating performance Short-term improvements performance Reallocation R&D expenses Pension plans, employer contributions |
| | <p>#169 Campaign in 2017</p> <p>#40% Significant long-term effect on the long term value</p> |

Operational Performance Activism

Operational activism is now seen as a more mainstream and broadly accepted method of influencing corporate direction

Strategies

Seek operational improvements, elimination of business lines and products, geographic expansion. Operational Activism significantly improves accountability by:

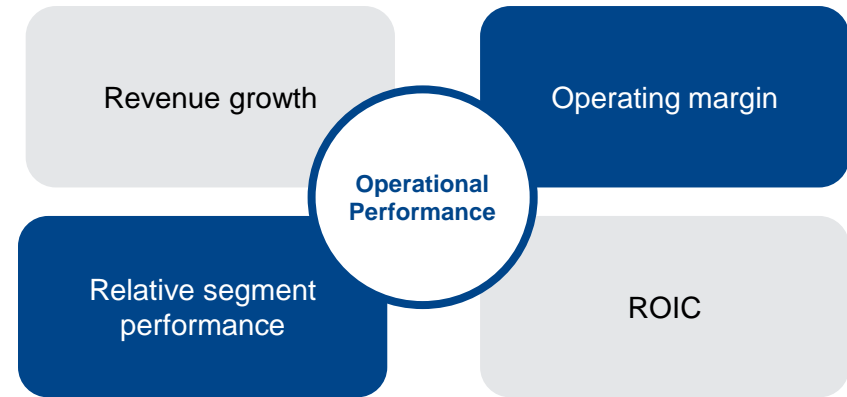
- Cost cutting
- Reducing SG&A
- Improving cash flow
- Eliminating business lines or products
- Revising geographic focus
- Changing business strategy / business model
- Monetizing intellectual property assets

Hardest and rarest strategy – requires industry experience and patience

- Focus on income statement (similar to “private equity”)
- Change management, including direct attacks on CEO
- Rationalize cost structure (SG&A, R&D) and maximize ROIC
- Requires extensive industry experience and expertise

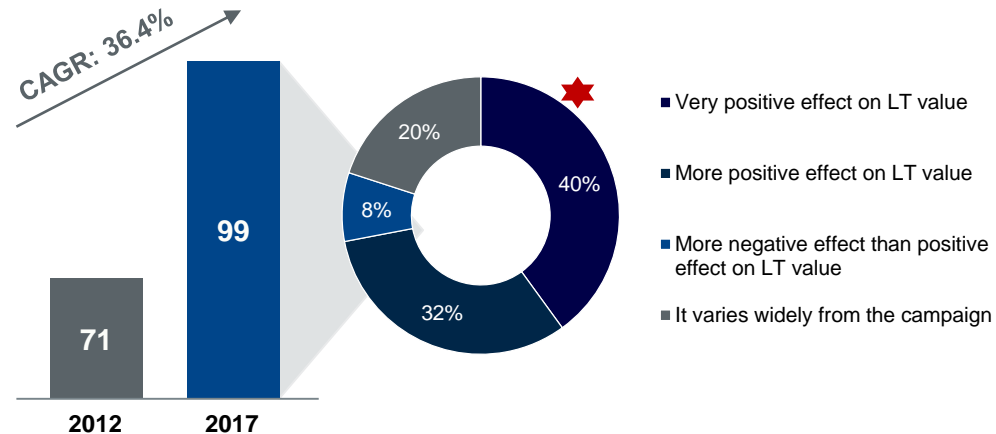
An Activist will either have to successfully persuade Management and/ or Board or seek Board changes with an eye on the new strategy

Components of Activist risk assessment



Long-term impact of operational campaign on the target

Number of campaigns growth 2012-2017



Source: Activist Insight, Public information



Examples Of Recent Operational Performance Campaigns

ELLIOTT®

GEA



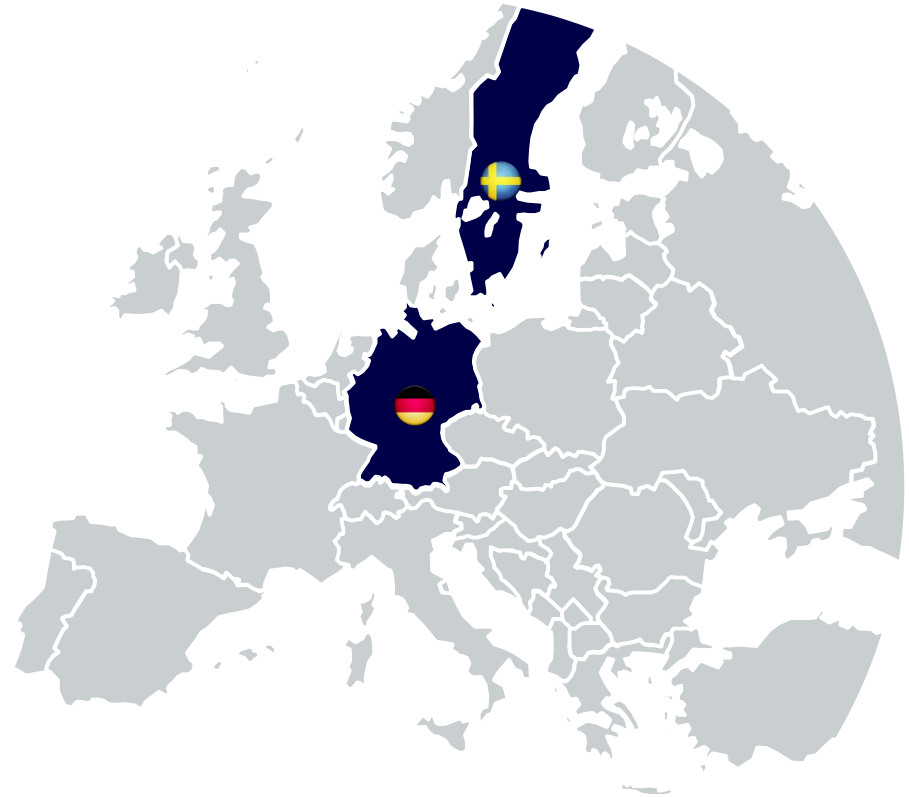
- **Sector:** Food processing
- **Strategies**
 - **Performing:** Cost cutting, improving margins and push for a possible share buyback
- **Tactics:** Letter to the CEO
- **Stake:** 3.0%
- **Current status:** Opened
- **Performance :** n.a

Cevian Capital

ERICSSON



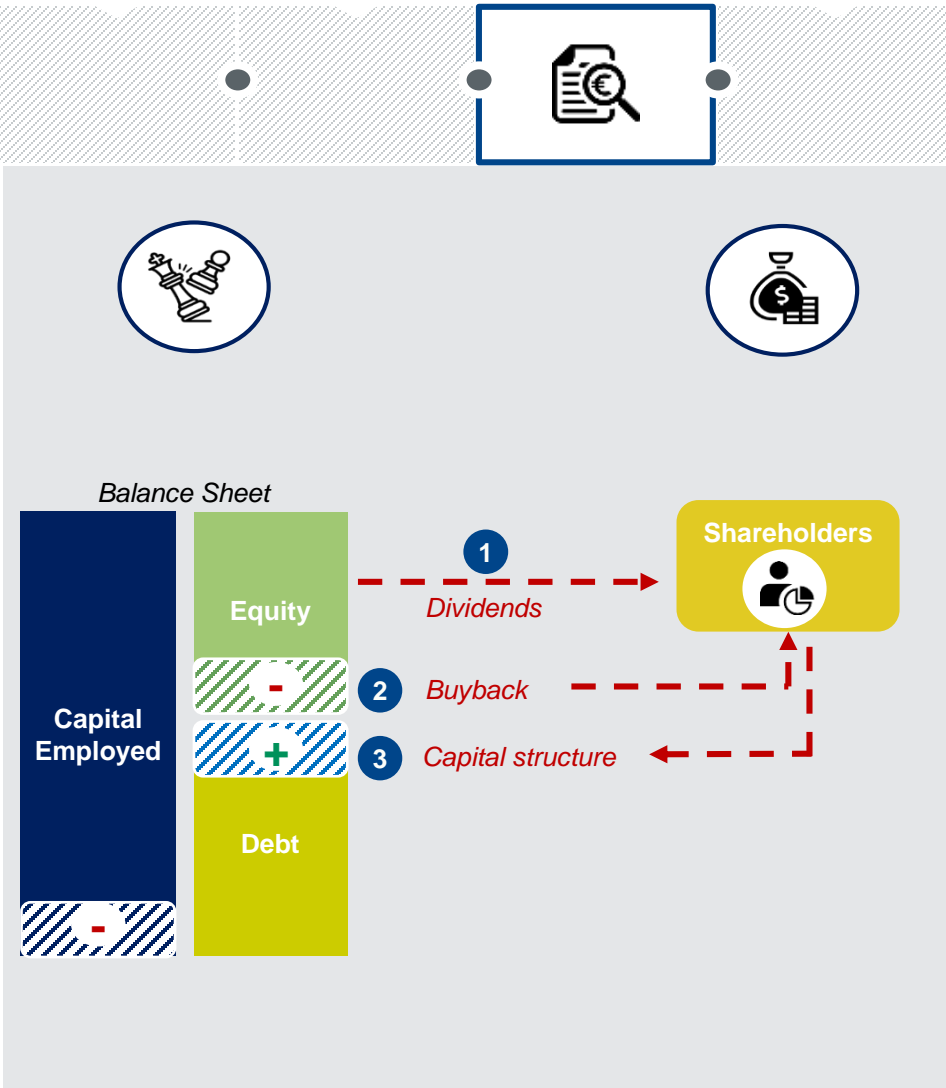
- **Sector:** Electronic technology
- **Strategies**
 - **Maximize shareholder value:** Bought c.5.6% stake but controlled 21.8% of its votes
- **Tactics:** Letter to the CEO
- **Stake:** c. 5.6%
- **Current status:** Closed in Jun-2016
- **Performance** (holding period): 7.7%



Source: FactSet, Public information

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Capital Structure Strategies



| Capital Structure | |
|-------------------|--|
| | <ul style="list-style-type: none"> Returning cash via dividends Special cash dividends Share buyback program Leverage |
| | <p>1</p> <p>2</p> <p>3</p> |
| | <ul style="list-style-type: none"> Enhance shareholder value in the long-term Returning "excess cash to shareholders" TSR increasing Increase the leverage |
| | <p>\$1.6trillion</p> <p>Cash & cash equivalent owned by Eurozone companies</p> |
| | <p># 6 month</p> <p>Median Activists campaign's holding period</p> |

Capital Structure Activism

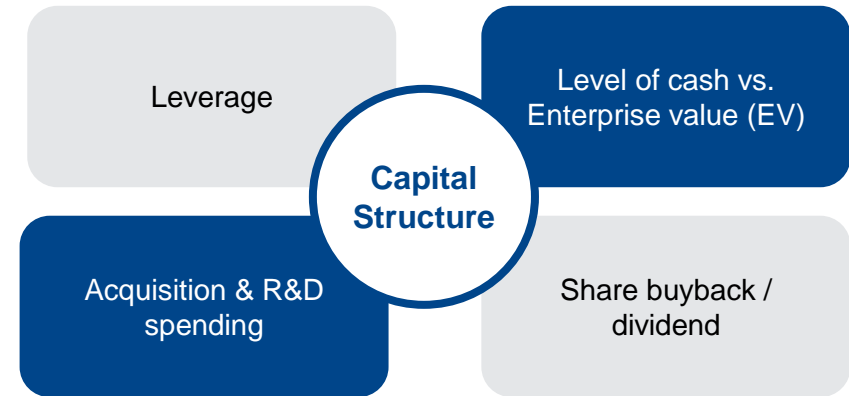
Capital structure most frequently involves returning surplus cash to investors

Strategies

Maximize shareholder value by:

- Returning cash via dividends or buybacks
- Changing capital structure (increasing leverage)
- Enhance shareholder value in the long-term
- Share buyback program
- Special cash dividends

Components of Activist risk assessment

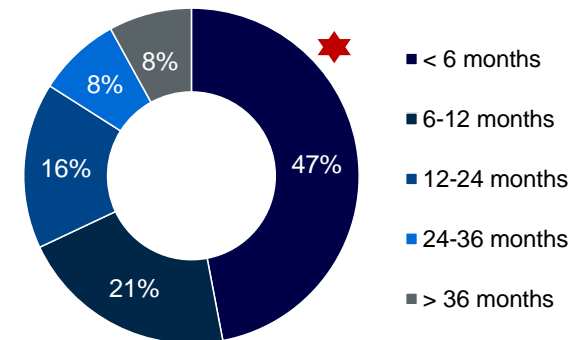


Activist's campaigns holding period

Easy strategy – run simple screen to identify targets

- Return capital to shareholders (share buyback, special dividend)
- Record high cash on balance sheets, but subject to repatriation tax leakage

- Half of Activist campaigns are shorter than six months
- Over two thirds of the campaigns last less than one year
- Less than 15% of the positions have been held longer than 24 months



Median Holding 6 months

Examples Of Recent Capital Structure Activism Campaigns

THIRD POINT
VENTURES



- **Sector:** Food & Beverage
- **Strategies**
 - **Divest assets:** has asked Nestlé to buyback its 22% stake in L'Oréal
- **Tactic:** Letter to stockholders
- **Stake (%):** 1.3%
- **Current status:** Ongoing
- **Performance** (as at 13/03/2018): (9.2%)

Amber Capital



- **Sector:** Telecom
- **Strategies**
 - **Maximize shareholder value:** Return cash dividends / share buybacks targeted at 65%/35%
- **Tactic:** Letter to the Chairman, CEO, and Board of Hellenic Telecommunications Organization
- **Stake:** n.a
- **Current status:** Closed in Jan-2018
- **Performance** (holding period): 9.4%

WYSER-PRATTE
MANAGEMENT CO., INC



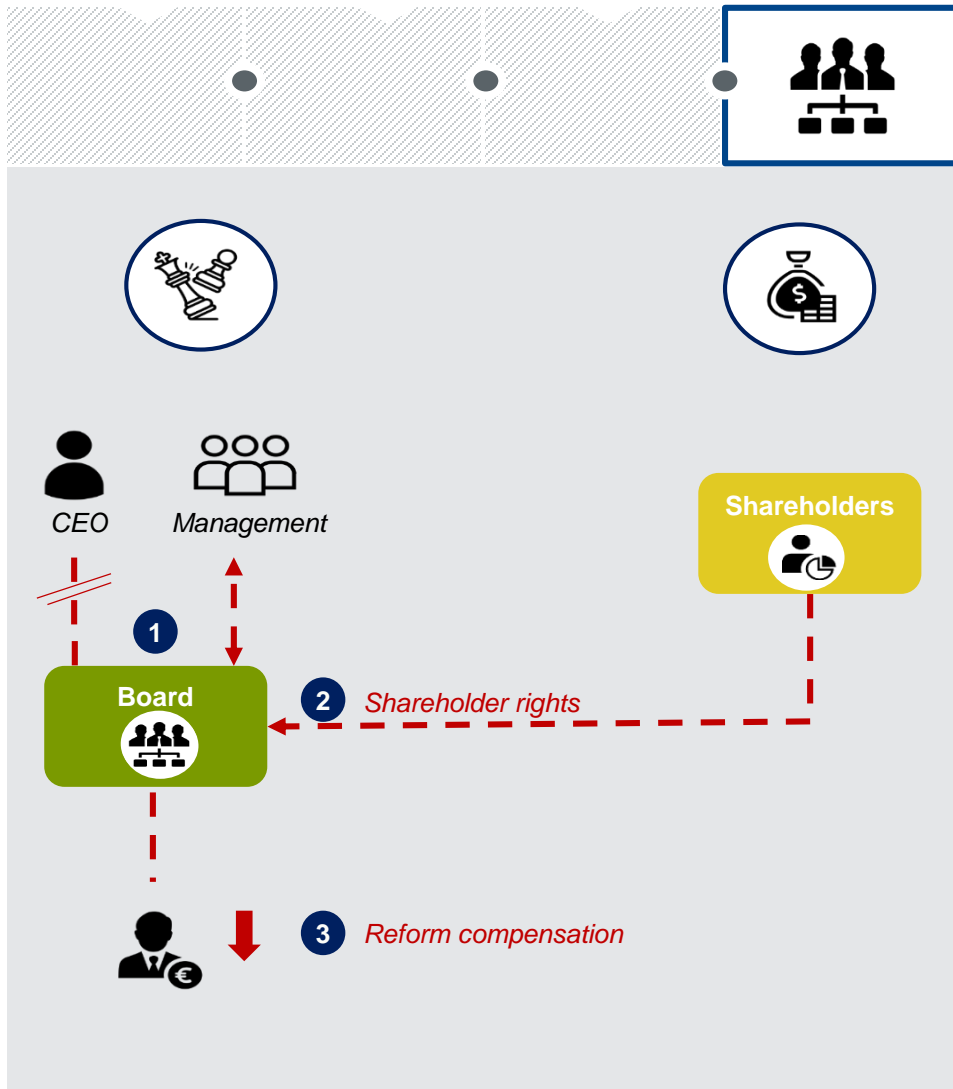
- **Sector:** Technology
- **Strategies**
 - **Maximization shareholder value:** Management restructuring
- **Tactics:** Letter to CEO
- **Stake:** 2.0%
- **Current status:** Closed in Dec-2017
- **Performance** (holding period): 21.1%



Source: FactSet, Public information

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Corporate Governance Strategies



| Corporate Governance | |
|----------------------|---|
| | <ul style="list-style-type: none"> Change Board composition or management Remove Officers / Directors Separate Chairman / CEO roles Shareholder rights / Takeover defences Reform compensation |
| | 1 |
| | 2 |
| | 3 |
| | |
| | <ul style="list-style-type: none"> ▲ Investors are generally positive ▲ Pay for Management performance ▼ Reduce CEO compensation ▼ Reduce salaries and/or count |
| | |
| | |
| | |
| | |
| | <p>29%</p> <p>Sets Boards campaigns</p> |
| | |
| | |
| | |
| | |
| | <p>58%</p> <p>Success rate for activists winning proxy fights</p> |
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| | |
| | |
| | |

Corporate Governance Activism

Activist investors first try to resolve difference with management amicably, through non-public measures

Strategies

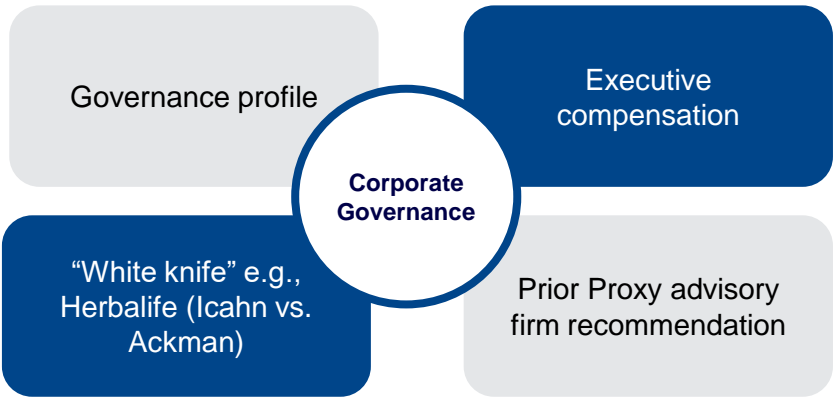
Activism leads to changes in board composition. Activists are increasingly assembling slates of directors with a mix of seasoned executives, Corporate governance notables and others with “investor” perspective:

- Change Board composition or management
- Remove Officers / Directors
- Separate Chairman / CEO roles
- Shareholder rights / Takeover defenses
- Reform executive and/or director compensation
- Related party transactions

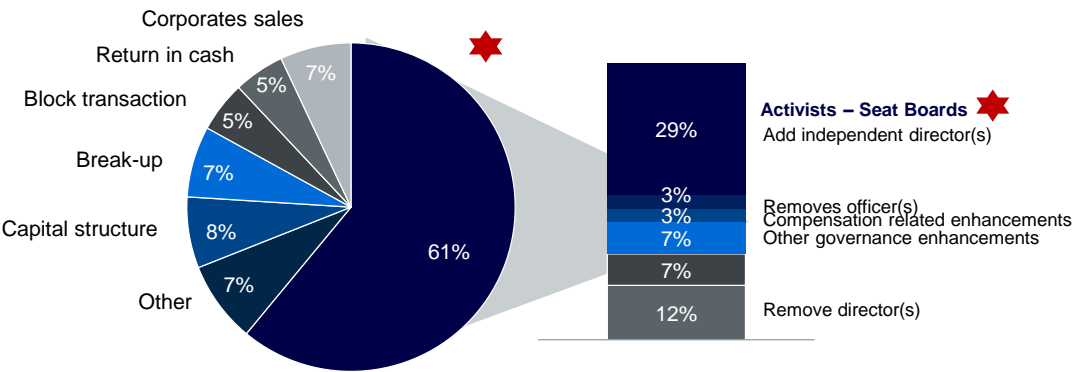
Activists may seek to discredit individual directors and undermine the Board

- Replace directors via a proxy fight or public/private pressure
- Push for governance “best practices”
- Declassify Board
- Compensation changes
- Adopt majority voting
- Allow shareholders to call a special meeting or take action by written consent
- Revise executive compensation

Components of Activist risk assessment



Explicit demands in YTD 2017 campaigns



| Attack Themes | Long-tenured directors | Lack of recent/relevant industry expertise | Over-boarded directors | “Too many” insiders | “Alleged “conflicts of interest” | “Problem” directors | Lack of share ownership |
|---------------|------------------------|--|------------------------|---------------------|----------------------------------|---------------------|-------------------------|
|---------------|------------------------|--|------------------------|---------------------|----------------------------------|---------------------|-------------------------|

Source: Activist insight, FactSet as of 30/06/2017, Financial times, Public information



Examples Of Recent Corporate Governance Campaigns



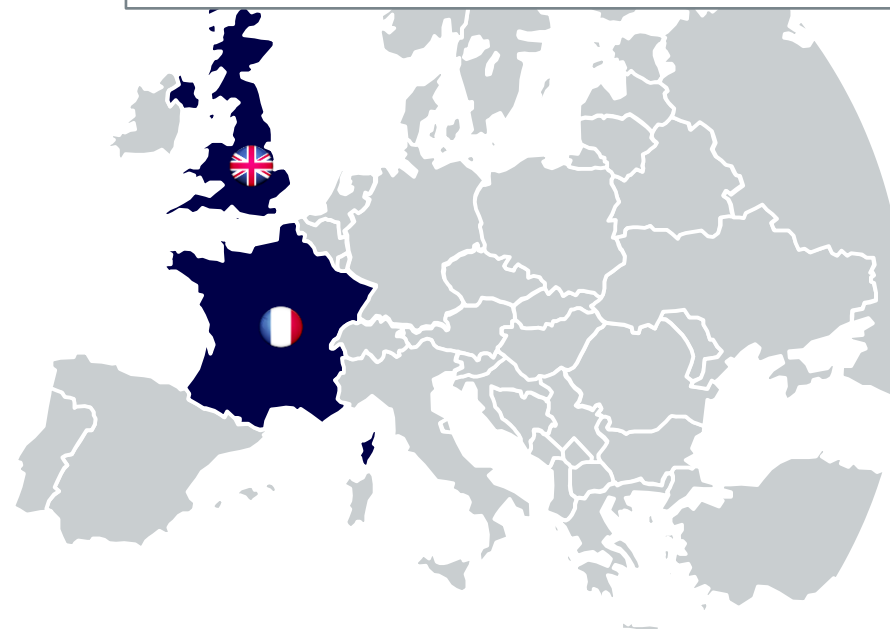
- **Sector:** Aerospace & Defense
- **Strategy**
 - **Proxy fight⁽¹⁾:** vote against the appointment of Fidoma to the Board, the re-election of non-independent directors and the performance shares granted to CEO, his deputy and former CEO. All proposals passed at the 2017 AGM
- **Tactics:** Withhold vote for Director
- **Stake:** n.a
- **Current status:** ongoing



- **Sector:** Telecom
- **Strategy**
 - **Proxy fight:** Board control, letter to the shareholders, confirming the nominations of six candidates for election to the board at the 24/04/2018 general meeting
- **Tactics:** Propose binding proposal
- **Stake:** n.a
- **Current status:** ongoing



- **Sector:** Banking
- **Strategy**
 - **Vote for a stockholder proposal:** Letter to Chairman, asking his resignation with the claim that Xavier Rolet, CEO, was being forced to leave the company
 - **Tactics:** Propose binding proposal
- **Stake:** 5.0%
- **Current status:** Closed in 2017

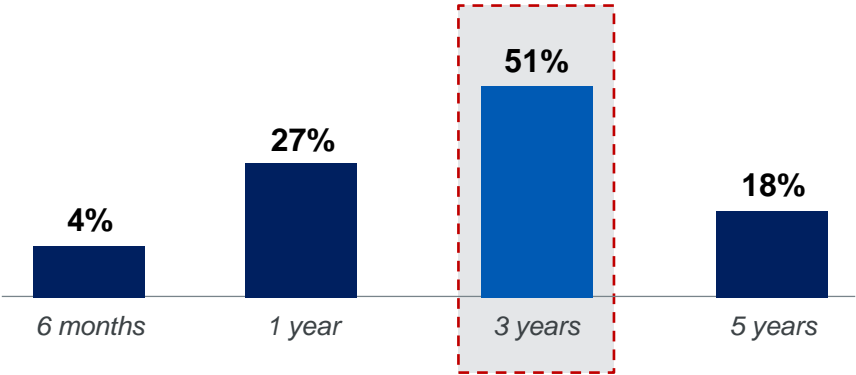


Source: FactSet, Public information (1) Hired proxy solicitor Georgeson and was preparing for a "battle" in Zodiac Aerospace SA's annual meeting on 19/01/017

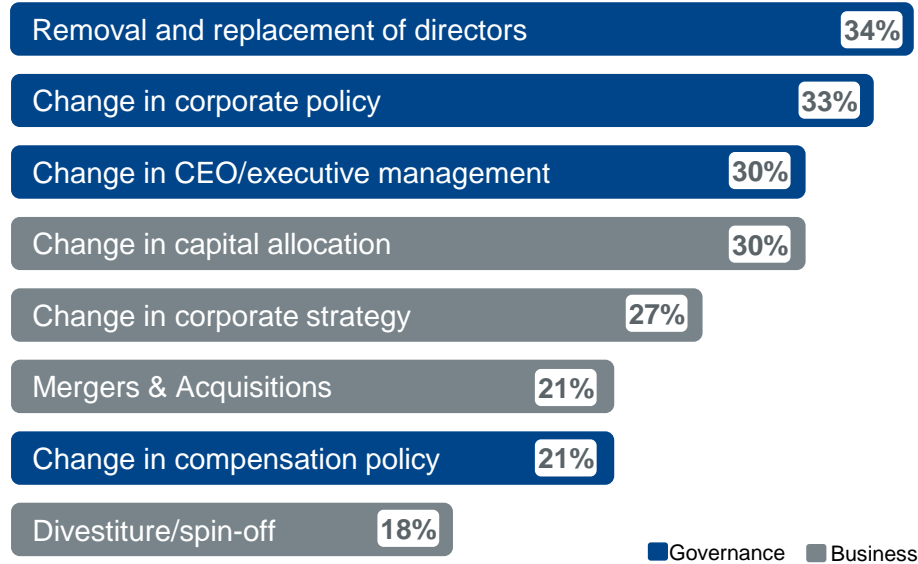
-
- 1 Overview on Shareholder Activism
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 - 5 Appendix

Communication And Engagement

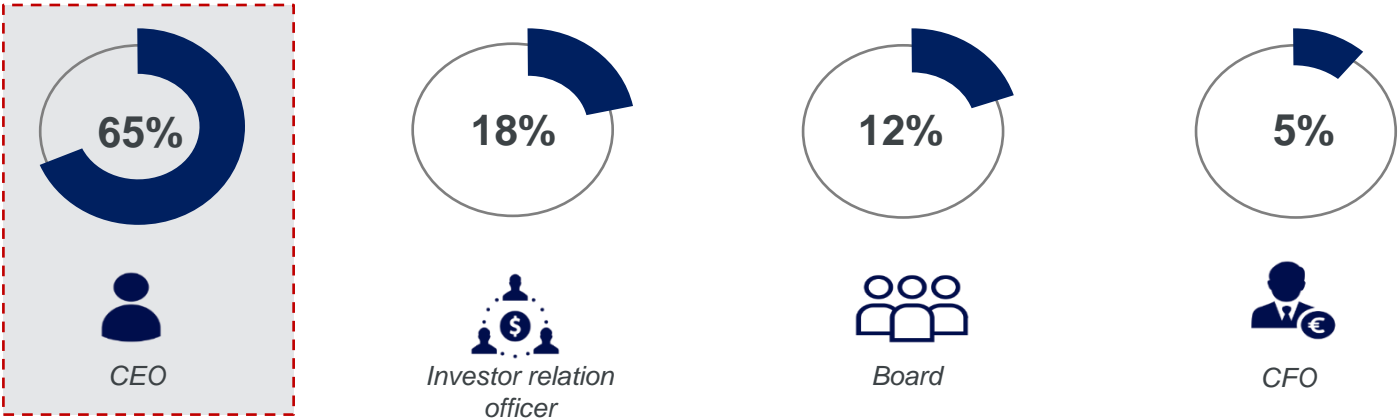
How long should activist who push for changes in strategy be required to hold the shares subsequent to the implementation of that strategy



Outcomes of Activist campaign within the past five years



With whom have investors sought engagement in the past years?



Company campaign costs is between:

US\$ 10m and US\$ 20m – plus weeks of management time to develop plans and meet with investors

Advanced Preparation

Takeover defence is an art, not a science ...

Board meeting

1 Create team to deal with activist

- **Small group** (2-5) of key officers plus legal counsel, investment banker, proxy soliciting firm, and public relation firm
- Ensure the ability to convene **special meeting of board** within 24 to 48 hours
- Continuing contact and **periodic meetings** are important
- Periodic **updates** to the company's board of directors
- Warlist of contacts updated regularly

2 Prepare instructions for dealing with:

- Press
- Message board, blogs and other real time sources
- Stock exchange
- Directors
- Employees
- Customers/suppliers/banks
- Institutional investors
- Public officials and **governments contacts**

3 Review structural defenses

- Assisted investments banks and legal counsel to structure:
 - Charter and bylaw provisions
 - "Poison pills"
- Options under state takeover laws:
 - Control share
 - Business combination
 - Fair price
 - Pill validation
 - Constituencies
 - Disclosure

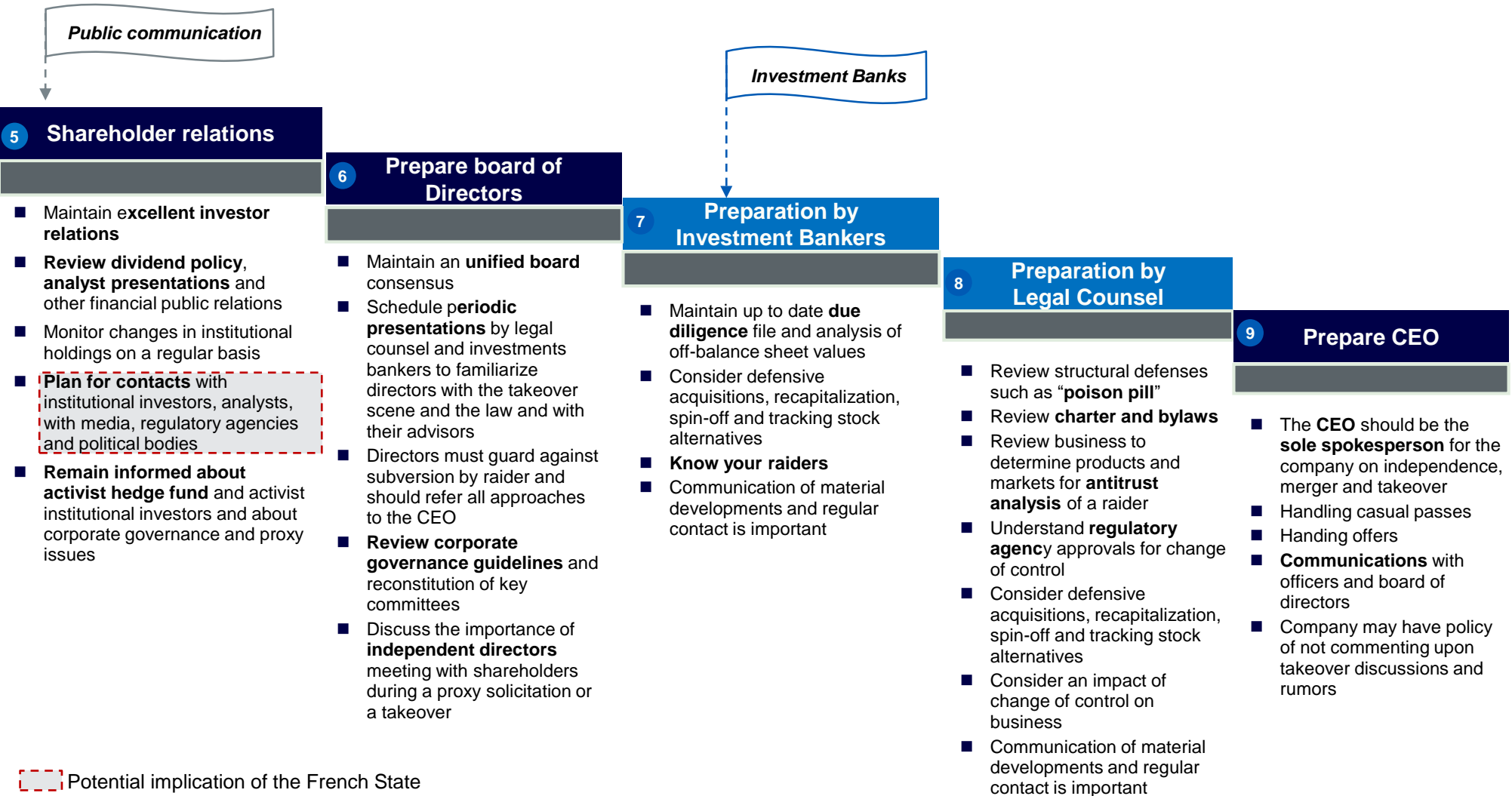
4 Additional preparation

- **Review of portfolio and strategy:**
 - Dividend policy
 - Leverage
 - Share repurchase
 - Divestitures and spinoffs
- **Evaluation of takeover bid** and alternative transactions
- Amendments of stock options, employments agreements, executive incentive plans and "golden parachutes"
- Protection of overfunded pensions plans
- **White knight/white squire arrangements**

Potential implication of the French State

Advanced Preparation (cont'd)

... It is essential to be able to adopt new defences quickly and to be flexible in responding to changing takeover tactics



Responding To An Activist Call's

General guidelines

What to do or say ...

- Emphasis that the Company is open to engaging with all shareholders and listening to their perspectives
- Highlight that the Company values are receiving the activist's view and input as a shareholder
- Listen more than speak, and allow the activist to lead the conversation
- Maintain the high ground and avoid debating with the activist; however, it's okay to correct factual errors
- Remember that everything you say could be put in the activist's public filings
- Avoid commentary on how the Board will view a particular action (other than that the Board is firmly committed to delivering shareholder value)

What not to do or say ...

- Do not establish any hard lines in the sand
- Do not engage in a detailed debate on the merits of any proposal or respond to hypothetical scenarios
- Do not make negative comments regarding the Company governance or operations
- Do not say anything that you do not want to see subsequently disclosed to the press or shareholders (avoid sound bites)
- Do not commit to respond on any particular timetable
- Do not commit to any particularly follow up (such as agreeing to allow the activist to talk to other executives, directors or the whole Board)



To forestall an attack, a company should regularly review its business portfolio, strategy and its governance and executive compensation issues.

-
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 - 5.1 Relevant Campaigns In 2017
 - 5.2 Activist League Table

2017 Relevant Campaigns

| Campaign Announce date | Open / Closed | Company | Mkt cap. (m\$) | Sector | Activist | Initial %O/S | Perf (%) | Business Strategy | Board change | Governance | M&A | Capital return/Structure | Operational | Management board |
|------------------------|---------------|------------------------------|----------------|------------------------|---------------------------|--------------|----------|-------------------|--------------|------------|-----|--------------------------|-------------|------------------|
| 21/12/2017 | n.a | Banca Popolare di Sondrio | 1,662 | Finance | Amber Capital | 5.0% | 4.3% | ✓ | | | | | | |
| 20/12/2017 | Open | Uniper | 11,263 | Utilities | Kinght Vinke Mgmt | 5.0% | -7.5% | | | | | | | |
| 18/12/2017 | Open | Sonic | 1,136 | Consumer Services | Southeastern Mgmt | 16.0% | -10.9% | ✓ | | | | ✓ | | |
| 18/12/2017 | Open | Penn Virginia Corporation | 527 | Energy Minerals | Contrarian Capital | 7.5% | 1.0% | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| 15/12/2017 | Open | Cars.com | 1,952 | Technology Services | Starboard Value | | 9.1% | | | | | | | |
| 15/12/2017 | Close | Akamai Technologies | 9,614 | Technology Services | Elliott Mgmt | 6.5% | 30.0% | | | | ✓ | | ✓ | |
| 14/12/2017 | Open | Hess | 13,559 | Energy Minerals | Elliott Mgmt | 6.7% | 14.8% | | | | ✓ | ✓ | | ✓ |
| 13/12/2017 | Open | Tennant Company | 1,107 | Producer Manufacturing | Primestone Capital | 5.2% | 12.6% | | | | ✓ | | | |
| 13/12/2017 | Close | Babcock & Wilcox Enterprises | 208 | Producer Manufacturing | Vintage Capital | 14.9% | 16.1% | | ✓ | | | | | |
| 11/12/2017 | Open | Xerox Corp | 7,523 | Electronic Technology | icahn Associates | 9.7% | 5.1% | | ✓ | | | | | ✓ |
| 27/11/2017 | Open | CA Immobilien Anlagen AG | 2,574 | Finance | Petrus Advisers | 2.0% | 1.6% | | | | ✓ | ✓ | | |
| 22/11/2017 | Open | SandRidge Energy | 595 | Energy Minerals | icahn Associates | 13.5% | -17.1% | | | | ✓ | | | |
| 20/11/2017 | Close | SandRidge Energy | 593 | Energy Minerals | Fir Tree | 8.2% | 17.4% | | | | ✓ | | | |
| 20/11/2017 | Close | Bloomin' Brands | 1,666 | Consumer Services | JANA Partners | 8.9% | 12.4% | | ✓ | ✓ | ✓ | | ✓ | |
| 20/11/2017 | Open | Mellanox Technologies | 2,600 | Electronic Technology | Starboard Value | 9.8% | 45.7% | ✓ | ✓ | | ✓ | | | |
| 20/11/2017 | Open | HomeStreet | 793 | Finance | Roaring Blue Lion Capital | 5.6% | 2.0% | ✓ | ✓ | | ✓ | | | |
| 20/11/2017 | Open | Obsidian Energy | 628 | Energy Minerals | Frontfour Capital | 5.6% | -23.8% | ✓ | ✓ | | | | | |
| 17/11/2017 | n.a | Envision Healthcare | 3,515 | Health Services | Starboard Value | 2.2% | 34.3% | | | | ✓ | | | |
| 17/11/2017 | Close | Hellenic Telecommunications | 5,862 | Communications | Amber Capital | -- | 21.3% | | | | | ✓ | | |
| 16/11/2017 | Open | Mednax | 4,271 | Health Services | Elliott Mgmt | 7.0% | 11.0% | ✓ | | | | | | |
| 14/11/2017 | Open | Midstates Petroleum | 436 | Energy Minerals | Avenue Capital | 13.9% | -21.7% | ✓ | | | ✓ | ✓ | | |
| 14/11/2017 | n.a | Taubman Centers | 3,422 | Finance | Elliott Mgmt | 3.8% | 1.8% | | | | ✓ | | | |
| 09/11/2017 | Open | Pasona Group | 597 | Commercial Services | Oasis Mgmt | 4.8% | 29.9% | | | ✓ | | ✓ | ✓ | |
| 07/11/2017 | n.a | Sky PLC | 20,604 | Consumer Services | Odey AM | 0.9% | 40.8% | | | | ✓ | | ✓ | |
| 03/11/2017 | Close | London Stock Exchange | 16,963 | Finance | TCI | 5.1% | 1.2% | | ✓ | | | | | ✓ |
| 27/10/2017 | Close | Ingles Markets | 489 | Retail Trade | GAMCO Asset Mgmt. | 16.9% | 41.7% | | ✓ | | | | | |
| 25/10/2017 | Open | SUPERVALU | 586 | Retail Trade | Blackwells Capital | 3.6% | -0.3% | ✓ | ✓ | | | | | ✓ |
| 25/10/2017 | Close | Cedar Realty Trust | 457 | Finance | Snow Park | 3.5% | -25.6% | | | | ✓ | | | |
| 24/10/2017 | Open | Power Corp. of Canada | 10,798 | Finance | W. Graeme Rouston | <1% | -9.2% | | ✓ | | | | | |
| 20/10/2017 | n.a | Dover Corporation | 14,792 | Producer Manufacturing | Third Point | 1.1% | 5.4% | | | | | | ✓ | |
| 18/10/2017 | Close | Analogic | 1,005 | Health Technology | Voce Capital | 1.5% | 0.0% | | ✓ | | | | | |
| 17/10/2017 | Close | ASATSU-DK | 1,419 | Consumer Services | Oasis Management | -- | -- | | | | ✓ | | | |
| 16/10/2017 | n.a | Shire | 47,296 | Health Technology | Sachem Head Capital Mgt | 0.2% | -18.2% | | | | | | | |
| 16/10/2017 | Open | Credit Suisse | 40,523 | Finance | RBR Capital Advisors | 0.3% | 12.7% | ✓ | | | | | | |
| 11/10/2017 | n.a | Smith & Nephew | 16,166 | Health Technology | Elliott Mgmt | 2.0% | -5.1% | | | | ✓ | | | |
| 11/10/2017 | Open | Babcock & Wilcox | 193 | Producer Manufacturing | VIEX Capital Advisors | 6.4% | 12.7% | | ✓ | | | ✓ | ✓ | |
| 11/10/2017 | n.a | GEA | 9,118 | Producer Manufacturing | Elliott Mgmt | 3.0% | -11.7% | | | | | | ✓ | |
| 08/10/2017 | Close | Monotype Imaging | 839 | Technology Services | Starboard Value / BLR | 9.0% | 26.6% | | | | | | | |
| 06/10/2017 | Open | Cincinnati Bell | 903 | Communications | GAMCO Asset Mgmt. | 11.4% | -25.1% | | ✓ | | | | | |

Source: Activist Insights, Factset Note: Based on a sample of 185 campaigns in 2017

2017 Relevant Campaigns (cont'd)

| Campaign Announce date | Open / Closed | Company | Mkt cap. (m\$) | Sector | Activist | Initial %O/S | Perf (%) | Business Strategy | Board change | Governance | M&A | Capital return/Structure | Operational | Management board |
|------------------------------|------------------|------------------------------|-------------------|------------------------|---|--------------|----------|----------------------|--------------|------------|-----|-----------------------------|-------------|---------------------|
| 06/10/2017 | Close | Sky PLC | 21,145 | Consumer Services | Royal London AM | -- | 0.3% | | | | | | | |
| 02/10/2017 | n.a | Bazaarvoice | 421 | Technology Services | VIEX Capital Advisors | 3.7% | -- | | ✓ | | | | | |
| 29/09/2017 | Open | Ocean Rig UDW | 2,155 | Industrial Services | Blue Mountain / Elliot Mgmt / Avenue Capital | 39.0% | 5.2% | | ✓ | | | | | |
| 28/09/2017 | Open | Kaman Corporation | 1,506 | Electronic Technology | GAMCO Asset Mgmt. | 17.8% | 14.1% | ✓ | | | ✓ | | | |
| 25/09/2017 | Open | Ryman Hospitality Properties | 3,155 | Finance | GAMCO Asset Mgmt. | 10.4% | 24.1% | ✓ | | | ✓ | | | |
| 22/09/2017 | Close | BroadSoft | 1,522 | Electronic Technology | P2 Capital Partners | 7.3% | -- | | | | ✓ | | ✓ | |
| 20/09/2017 | n.a | Abertis | 20,109 | Transportation | TCI | 1.0% | 6.7% | | | | ✓ | | | |
| 20/09/2017 | n.a | Alior Bank SA | 2,416 | Finance | Aviva Investors | 8.9% | 16.1% | | ✓ | | | | | |
| 18/09/2017 | Open | Ultra Petroleum | 1,752 | Energy Minerals | Fir Tree | 18.5% | -47.6% | | | | | | ✓ | |
| 18/09/2017 | Open | SINA Corporation | 8,220 | Technology Services | Aristeia Capital | 3.2% | 1.5% | | ✓ | | ✓ | ✓ | | |
| 15/09/2017 | Open | Adient | 7,520 | Producer Manufacturing | Blue Harbour Group | 6.2% | -25.5% | | ✓ | | ✓ | | | |
| 14/09/2017 | n.a | Hitachi Kokusai Electric | 2,767 | Electronic Technology | Elliott Management | 6.1% | 10.7% | | | | | | | |
| 14/09/2017 | Close | EQT Corporation | 10,949 | Energy Minerals | D.E. Shaw | 4.0% | 1.6% | | ✓ | | ✓ | | ✓ | |
| 13/09/2017 | Close | Penn Virginia Corporation | 585 | Energy Minerals | Strategic Value Partners | 10.0% | 14.1% | | ✓ | | | | | |
| 13/09/2017 | n.a | Abertis | 20,193 | Transportation | Elliott Mgmt | 1.1% | 6.2% | | | | ✓ | | | |
| 12/09/2017 | Open | Team | 382 | Commercial Services | Engine Capital Mgmt | 1.4% | 27.6% | | ✓ | | | | ✓ | ✓ |
| 12/09/2017 | n.a | Commerzbank | 19,021 | Finance | Petrus Advisers | 5.0% | 10.3% | ✓ | ✓ | | ✓ | | ✓ | |
| 06/09/2017 | Close | Matrix Service Company | 323 | Industrial Services | Engine Capital Mgmt | 1.7% | 18.7% | | | | | | | |
| 05/09/2017 | Open | RLJ Lodging Trust | 2,502 | Finance | Land & Buildings Inv. Mgmt | 2.0% | 1.7% | | | | ✓ | | | |
| 01/09/2017 | Open | Penn Virginia Corporation | 577 | Energy Minerals | Mangrove Partners | 9.4% | -6.2% | | ✓ | | | | | |
| 31/08/2017 | Open | Stada Arzneimittel | 5,824 | Health Technology | Elliott Mgmt | 15.2% | 3.4% | | | | ✓ | ✓ | | |
| 25/08/2017 | Open | Cars.com | 1,814 | Technology Services | Catalus Capital Mgmt | 6.0% | 17.4% | ✓ | | | | | | |
| 25/08/2017 | n.a | Amplify Snack Brands | 454 | Consumer Non-Durables | Discovery Group I | 5.7% | -- | | | | | | | |
| 22/08/2017 | Open | Revlon | 918 | Consumer Non-Durables | Mittleman Brothers | 5.4% | 47.1% | | | ✓ | | | | |
| 21/08/2017 | Open | Community Health Systems | 807 | Health Services | ASL Strategic Value Fund | -- | -43.2% | | | | | | ✓ | ✓ |
| 17/08/2017 | Close | OHB SE | 790 | Technology Services | Wyser-Pratte Management C | 2.0% | 36.2% | ✓ | ✓ | | | | | ✓ |
| 14/08/2017 | Close | A. Schulman | 791 | Process Industries | Cruiser / Kingdon Capital | 8.8% | 5.9% | | ✓ | ✓ | | | ✓ | |
| 14/08/2017 | Close | Refresco Group | 1,690 | Consumer Non-Durables | Wyser-Pratte Management C | -- | 21.8% | ✓ | | | ✓ | | | |
| 11/08/2017 | Close | Seagate Technology | 19,186 | Electronic Technology | ValueAct Capital | 7.2% | 0.0% | | | ✓ | | | | |
| 08/08/2017 | Open | Advanced Drainage System | 1,148 | Producer Manufacturing | Berkshire Partners | 16.3% | 17.8% | | ✓ | | | | ✓ | |
| 07/08/2017 | Close | Acorda | 1,000 | Health Technology | Scopia Capital Mgmt. | 16.5% | 7.0% | | | | ✓ | | | |
| 04/08/2017 | Close | NXP | 38,240 | Electronic Technology | Elliott Mgmt. | 6.0% | 11.7% | | | | ✓ | | | |
| 04/08/2017 | Open | ADP | 50,042 | Technology Services | Pershing Square | 8.3% | 5.2% | ✓ | ✓ | | | | | |
| 03/08/2017 | Close | Enscopl | 2,313 | Industrial Services | Arrow grass Capital Partners | 3.4% | 5.2% | | | | ✓ | | | |
| 31/07/2017 | Open | Dillard's | 2,406 | Retail Trade | Snow Park | 2.0% | 9.4% | ✓ | | | | | ✓ | |
| 28/07/2017 | Open | Team | 434 | Commercial Services | GAMCO Asset Mgmt. | 7.0% | 8.1% | | | | | | | |
| 27/07/2017 | Open | Cornerstone OnDemand | 2,314 | Technology Services | RGM Capital | 4.7% | 8.1% | | | | ✓ | | | |
| 25/07/2017 | Open | Barnes & Noble | 514 | Retail Trade | Sandell Asset Management | 1.4% | -35.5% | | | | | | ✓ | ✓ |
| 25/07/2017 | Close | ComScore | 1,554 | Commercial Services | Starboard Value | 4.9% | 3.0% | ✓ | | ✓ | | | | |

Source: Activist Insights, Factset Note: Based on a sample of 185 campaigns in 2017

2017 Relevant Campaigns (cont'd)

| Campaign Announce date | Open / Closed | Company | Mkt cap. (m\$) | Sector | Activist | Initial %O/S | Perf (%) | Business Strategy | Board change | Governance | M&A | Capital return/Structure | Operational | Management board |
|------------------------------|------------------|----------------------------|-------------------|------------------------|---|-----------------------|----------|----------------------|--------------|------------|-----|-----------------------------|-------------|---------------------|
| 24/07/2017 | Close | Sabra REIT | 1,534 | Finance | Eminence Capital | 3.9% | -7.7% | | | | ✓ | | | |
| 18/07/2017 | Open | Abercrombie & Fitch | 630 | Retail Trade | SLS Management | 0.8% | 142.2% | | | | | ✓ | | |
| 13/07/2017 | n.a | Zimmer Biomet | 25,453 | Health Technology | JANA Partners | 2.3% | -9.4% | | | | | | | |
| 13/07/2017 | Close | Sabra REIT | 1,503 | Finance | Hudson Bay Capital | 3.2% | -6.8% | | | | ✓ | | | |
| 10/07/2017 | Close | Burberry Group PLC | 9,257 | Consumer Non-Durables | Royal London Asset Mgmt. | 0.5% | 3.0% | | ✓ | | | ✓ | | |
| 04/07/2017 | Close | Clariant | 7,424 | Process Industries | Process Mgmt. / 40 North | 7.2% | 17.4% | | | | ✓ | | | |
| 03/07/2017 | Close | EQT Corporation | 10,396 | Energy Minerals | JANA Partners / Chapter IV | 5.8% | 5.1% | ✓ | | | ✓ | | ✓ | |
| 03/07/2017 | Open | Basic Energy Services | 647 | Industrial Services | Silver Point Capital | 18.8% | -38.1% | ✓ | | | | | ✓ | |
| 29/06/2017 | Close | Hain Celestial Group | 3,685 | Consumer Non-Durables | Engaged Capital | 9.9% | 13.8% | ✓ | ✓ | | | | | |
| 28/06/2017 | Close | Dow | 77,273 | Process Industries | Glenview | 1.3% | 13.9% | | | | ✓ | | | |
| 28/06/2017 | Open | Mediaset SpA | 3,879 | Consumer Services | Amber Capital | 2.5% | -12.1% | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| 27/09/2017 | Open | Nestle | 262,528 | Consumer Non-Durables | Third Point | 1.3% | -6.2% | ✓ | | | ✓ | | | |
| 23/06/2017 | Open | Liberty Media | 7,075 | Consumer Services | GAMCO Asset Mgmt. | 7.7% | -7.4% | | | | | | | |
| 19/06/2017 | Close | Hudson's Bay Co | 1,160 | Retail Trade | Land & Buildings Inv. Mgmt. | 4.3% | 12.1% | ✓ | | | ✓ | | ✓ | |
| 16/06/2017 | Close | Procter & Gamble | 225,763 | Consumer Non-Durables | Triar Partners | 1.4% | 2.2% | | ✓ | | | | | |
| 05/06/2017 | n.a | Ocado | 2,512 | Retail Trade | Crystal Amber | 0.5% | 87.6% | ✓ | | | | | | |
| 01/06/2017 | Close | ShoreTel | 392 | Communications | RGM Capital | 0.5% | 27.4% | ✓ | | | | | ✓ | |
| 01/06/2017 | n.a | FirstGroup plc | 1,568 | Transportation | West Face Capital | 5.0% | -42.1% | | | | ✓ | | | |
| 30/05/2017 | Open | Ericsson | 21,643 | Electronic Technology | Cevian Capital | 5.6% | -8.0% | | ✓ | | | | | |
| 30/05/2017 | Close | Energen | 5,412 | Energy Minerals | Corvex Mgmt. | 5.5% | 1.6% | ✓ | | | ✓ | | | |
| 24/05/2017 | Open | ILG | 3,400 | Consumer Services | FrontFour Capital | 0.7% | 23.3% | ✓ | | | ✓ | | | |
| 22/05/2017 | n.a | Cheniere Energy Partners | 6,153 | Industrial Services | Zimmer Partners | 5.5% | -9.3% | | | | | ✓ | ✓ | |
| 22/05/2017 | Close | Babcock & Wilcox | 454 | Producer Manufacturing | Lightship Capital | 9.9% | -8.6% | | | | ✓ | ✓ | ✓ | ✓ |
| 18/05/2017 | Close | athenahealth | 4,230 | Technology Services | Elliott Mgmt. | 9.2% | 5.9% | ✓ | ✓ | | ✓ | | ✓ | |
| 18/05/2017 | Close | Spectrum Brands | 7,511 | Producer Manufacturing | Tourbillon Capital | 3.7% | -18.4% | | | | ✓ | | | |
| 17/05/2017 | n.a | Arcam | 751 | Producer Manufacturing | Elliott Mgmt. | 10.1% | 17.6% | | | | | ✓ | | |
| 17/05/2017 | n.a | Mueller Water Products | 1,779 | Producer Manufacturing | GAMCO Asset Mgmt. | 5.0% | 5.3% | | | | | | | |
| 11/05/2017 | Close | Parexel | 3,803 | Health Technology | Starboard Value | 5.7% | -- | ✓ | | | ✓ | | ✓ | |
| 08/05/2017 | Close | Century Link | 12,953 | Communications | Corvex Mgmt. | 5.5% | -28.0% | ✓ | | | | | ✓ | ✓ |
| 08/05/2017 | Close | Gigamon | 1,271 | Technology Services | Elliott Mgmt. | 15.3% | -- | | | | ✓ | | | |
| 04/05/2017 | Close | Avon Products | 1,592 | Consumer Non-Durables | Barington Capital | 0.7% | -17.1% | | | | | | | ✓ |
| 04/05/2017 | n.a | Lagardère | 4,140 | Retail Trade | Amber Capital | 4.3% | -19.6% | | | | | ✓ | | |
| 02/05/2017 | Close | Granite REIT | 1,715 | Finance | FrontFour Capital / Sandpipe | 6.2% | 0.6% | | ✓ | | ✓ | ✓ | ✓ | |
| 02/05/2017 | Close | Etsy | 1,283 | Commercial Services | Black & White Capital / TPG Dragoneer Inv. Group | 2.0% / 4.3% / 3.7% | 37.3% | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| 01/05/2017 | Close | SeaWorld Entertainment | 1,496 | Consumer Services | Hill Path Capital | 7.7% | -36.1% | ✓ | | ✓ | | | | |
| 27/04/2017 | Open | KKR | 8,480 | Finance | ValueAct Capital | 4.9% | 0.0% | ✓ | | | | | | |
| 27/04/2017 | Close | Honeywell | 99,012 | Producer Manufacturing | Third Point | 0.2% | 10.3% | ✓ | | | ✓ | | | |
| 13/04/2017 | Open | Peabody Energy Corporation | 3,500 | Energy Minerals | Elliott Mgmt. | 25.4% | 68.5% | | | | | | | |
| 13/04/2017 | Open | Peabody Energy Corporation | 3,500 | Energy Minerals | Discovery Capital Mgmt. | 29.6% | 68.5% | | | | | | | |
| 10/04/2017 | Open | BHP Billiton | 99,283 | Non-Energy Minerals | Elliott Mgmt. | 4.1% | 13.3% | ✓ | | | ✓ | ✓ | ✓ | |

Source: Activist Insights, Factset Note: Based on a sample of 185 campaigns in 2017

2017 Relevant Campaigns (cont'd)

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|------------------------------|------------------|--------------------------------|-------------------|------------------------|--|--------------|----------|----------------------|--------------|------------|-----|-----------------------------|-------------|---------------------|
| 10/04/2017 | Close | Rent-A-Center | 510 | Retail Trade | Marcato Capital Mgmt | 4.9% | 18.6% | | | | ✓ | | | |
| 10/04/2017 | Close | Whole Foods Market | 9,896 | Energy Minerals | JANA Partners | 8.8% | 47.8% | ✓ | ✓ | | | ✓ | ✓ | |
| 06/04/2017 | n.a | ENAV SpA | 2,598 | Transportation | Amber Capital | -- | 16.2% | | ✓ | | | | | |
| 05/04/2017 | n.a | Ascopiave S.p.A | 898 | Utilities | Amber Capital | 3.1% | -8.8% | | ✓ | | | | | |
| 29/03/2017 | Open | Lennar Corporation (Class B) | 1,296 | Consumer Durables | GAMCO Asset Mgmt | 11.2% | 17.0% | ✓ | | | | | | |
| 28/03/2017 | n.a | Achaogen | 855 | Health Technology | Robert Duggan | 5.7% | -51.9% | | | | | | | |
| 28/03/2017 | Close | General Motors Company | 55,690 | Consumer Durables | Greenlight | 5.0% | -3.2% | | ✓ | ✓ | | ✓ | | |
| 28/03/2017 | Open | Deckers Outdoor Corporation | 1,804 | Consumer Non-Durables | Red Mountain Capital | 3.3% | 57.7% | ✓ | | ✓ | ✓ | | ✓ | |
| 27/03/2017 | Open | tronc | 506 | Consumer Services | Patrick Soon-Shiong (California Capital Equity) | 26.7% | 15.3% | | | | | | | |
| 27/03/2017 | Close | Tesco | 23,397 | Retail Trade | Artisan Partners / Schroders | 9.0% | 8.9% | ✓ | | | | | | |
| 27/03/2017 | Close | Ansaldo STS | 2,519 | Industrial Services | Litespeed Management | 3.8% | 1.5% | | | | ✓ | | | |
| 23/03/2017 | Open | ASM International N.V. | 3,304 | Electronic Technology | Eminence Capital | 9.0% | 23.9% | ✓ | | | | | | |
| 20/03/2017 | Close | Blackhawk Network Holdings | 2,010 | Commercial Services | JANA Partners | 4.7% | 0.0% | | ✓ | | | | ✓ | |
| 17/03/2017 | Close | AkzoNobel N.V. | 20,372 | Process Industries | Elliott Mgmt | 3.3% | 2.7% | | | | ✓ | | | |
| 17/03/2017 | Open | Armstrong Flooring | 533 | Producer Manufacturing | GAMCO Asset Mgmt. | 7.1% | -25.7% | | | | | | | |
| 14/03/2017 | Open | Immofinanz AG | 2,205 | Finance | Petrus Advisers | -- | 11.5% | | | | ✓ | ✓ | | |
| 13/03/2017 | Open | Community Health Systems | 1,073 | Health Services | Shanda Asset Mgmt. | 13.7% | -53.8% | ✓ | | | | | | |
| 13/03/2017 | n.a | GCP Applied Technologies | 2,330 | Process Industries | 40 North | 9.0% | -8.4% | | | | | | | |
| 09/03/2017 | Close | PHH Corporation | 669 | Finance | EJF Capital | 8.4% | 3.3% | | ✓ | | | ✓ | | |
| 08/03/2017 | Close | Southwest Gas Holdings | 4,036 | Utilities | Scopia Capital Mgmt | 2.7% | 2.0% | | ✓ | | | | | |
| 07/03/2017 | Close | Innoviva | 1,274 | Health Technology | Sarissa Capital Mgmt | 3.1% | 2.2% | | ✓ | ✓ | | | | |
| 03/03/2017 | n.a | Arconic | 12,515 | Non-Energy Minerals | Allan & Gill Gray Foundation | 2.8% | -12.6% | ✓ | | | | | | ✓ |
| 02/03/2017 | n.a | Hispania Activos Inmobiliarios | 1,929 | Finance | Soros Fund Management | 16.6% | 36.9% | | ✓ | | | | | |
| 27/02/2017 | Close | GAM Holding AG | 1,790 | Finance | RBR Capital | 2.1% | 9.4% | | ✓ | | | | | |
| 21/02/2017 | n.a | Bristol-Myers Squibb | 91,314 | Health Technology | Icahn Associates | -- | 21.6% | | | | | | | |
| 21/02/2017 | Close | Bristol-Myers Squibb | 91,314 | Health Technology | JANA Partners | 0.2% | 0.0% | | ✓ | | | | | |
| 21/02/2017 | Close | Motorcar Parts of America | 542 | Consumer Durables | Engine Capital Mgmt | 0.7% | 0.0% | | ✓ | ✓ | | | | |
| 21/02/2017 | Open | Tribune Media Co. | 2,927 | Consumer Services | Starboard Value | 6.6% | 22.3% | | | | | | | |
| 21/02/2017 | Close | Tiffany & Co. | 10,726 | Retail Trade | Francesco Trapani / JANA | 5.1% | 0.0% | | ✓ | | | | | |
| 17/02/2017 | Close | Bioerativ | 4,783 | Health Technology | ValueAct Capital | 7.1% | 28.3% | | ✓ | | | | | |
| 17/02/2017 | Close | Cypress Semiconductor | 4,106 | Electronic Technology | Thurman John Rodgers | 2.7% | 2.6% | | ✓ | ✓ | | | | |
| 15/02/2017 | Open | Parmalat | 6,116 | Consumer Non-Durables | Amber Capital | 1.2% | -1.3% | | | | | | | |
| 15/02/2017 | n.a | Arconic | 12,809 | Non-Energy Minerals | Orbis Investment Management | 0.2% | -15.9% | ✓ | ✓ | | | ✓ | ✓ | ✓ |
| 14/02/2017 | Open | Safran | 28,283 | Electronic Technology | TCI | 4.0% | 37.0% | | | | | | | |
| 14/02/2017 | Close | CSX Corporation | 35,544 | Transportation | Mantle Ridge | 4.9% | 3.7% | ✓ | ✓ | ✓ | | | ✓ | ✓ |
| 10/02/2017 | Open | Wacker Neuson | 1,171 | Producer Manufacturing | Petrus Advisers | -- | 71.9% | | | | | | ✓ | ✓ |
| 09/02/2017 | Close | Columbia Pipeline Partners | 1,726 | Energy Minerals | Whetstone Capital Advisors | 1.2% | -- | ✓ | | | | | | |
| 08/02/2017 | Close | Deckers Outdoor Corporation | 1,443 | Consumer Non-Durables | Marcato Capital Mgmt. | 6.0% | 51.2% | ✓ | | | | | | |
| 08/02/2017 | n.a | Thomas Cook | 1,843 | Consumer Services | Standard Life | 13.0% | 30.4% | | | ✓ | | | | |
| 06/02/2017 | Open | Arconic | 11,538 | Non-Energy Minerals | First Pacific Advisors | 4.5% | 5.5% | | | ✓ | | | | |

Source: Activist Insights, Factset Note: Based on a sample of 185 campaigns in 2017

2017 Relevant Campaigns (cont'd)

| Campaign Announce date | Open / Closed | Company | Mkt cap. (m\$) | Sector | Activist | Initial %O/S | Perf (%) | Business Strategy | Board change | Governance | M&A | Capital return/Structure | Operational | Management board |
|------------------------------|------------------|----------------------------|-------------------|------------------------|---|--------------|----------|----------------------|--------------|------------|-----|-----------------------------|-------------|---------------------|
| 02/02/2017 | n.a | CoLucid Pharmaceuticals | 892 | Health Technology | GAMCO Asset Mgmt. | 6.3% | -- | | | | | | | |
| 02/02/2017 | n.a | CLARCOR | 4,035 | Process Industries | GAMCO Asset Mgmt. | 5.3% | -- | | | | | | | |
| 31/01/2017 | n.a | Vascular Solutions | 979 | Health Technology | GAMCO Asset Mgmt. | 5.7% | -- | | | | | | | |
| 31/01/2017 | Open | Grammer AG | 579 | Producer Manufacturing | Nijaz Hastor (Cascade International Investment) | 20.2% | -5.6% | | ✓ | | | | | ✓ |
| 30/01/2017 | Open | Foundation Medicine | 682 | Health Technology | Discovery Group | 5.2% | 319.2% | | | | | | | |
| 30/01/2017 | Open | Forest City Realty Trust | 5,606 | Finance | Land & Buildings Inv. Mgmt | 1.0% | -4.5% | | ✓ | ✓ | ✓ | | | |
| 30/01/2017 | Open | Rent-A-Center | 500 | Retail Trade | Engaged Capital | 9.9% | 5.8% | | | | ✓ | | | |
| 25/01/2017 | Open | Cabot Microelectronics | 1,596 | Process Industries | Hudson Executive Capital | 5.0% | 71.8% | ✓ | | ✓ | | | | |
| 24/01/2017 | Open | Banc of California | 729 | Finance | Legion Partners Asset Mgmt / CalSTRS | 6.3% / 0.2% | 29.6% | | ✓ | ✓ | ✓ | | | |
| 24/01/2017 | Open | Virtus Investment Partners | 916 | Finance | Marcato Capital Mgmt | 1.4% | 5.6% | | | | | ✓ | | |
| 24/01/2017 | n.a | AtriCure | 497 | Health Technology | Hudson Executive Capital | 5.6% | 33.9% | ✓ | | ✓ | | | | |
| 21/01/2017 | Close | Bovis Home | 4,500 | Consumer Durables | Schroders | 6.4% | 44.9% | | | | ✓ | | | |
| 19/01/2017 | Open | Rudolph Technologies | 703 | Electronic Technology | Voce Capital Mgmt | 0.8% | 32.5% | ✓ | | | ✓ | | | |
| 19/01/2017 | Close | Nanometrics Incorporated | 627 | Electronic Technology | Voce Capital Mgmt | 0.8% | -- | ✓ | | | ✓ | | | |
| 18/01/2017 | n.a | Radius Health | 1,926 | Health Technology | Farallon Capital Mgmt | 6.0% | -19.6% | | | | | | | |
| 17/01/2017 | Close | NRG Energy | 4,605 | Utilities | Bluescape Energy Partners / Elliott Mgmt | 2.5% / 6.9% | 8.8% | | ✓ | | | | ✓ | |
| 17/01/2017 | n.a | Burberry Group PLC | 9,257 | Consumer Non-Durables | Livermore Partners | -- | 4.8% | | | | ✓ | | | |
| 12/01/2017 | Close | The Advisory Board | 1,451 | Technology Services | Elliott Mgmt. | 8.3% | -- | ✓ | | | ✓ | | | |
| 10/01/2017 | Open | Zodiac Aerospace | 7,550 | Electronic Technology | CIAM | -- | 8.7% | ✓ | | | | | | |
| 09/01/2017 | Open | Conduent | 2,946 | Commercial Services | Icahn Associates | 9.8% | 42.2% | | | | | | | |
| 06/01/2017 | Close | Progress Software | 1,511 | Technology Services | Praesidium Inv. Mgmt | 10.2% | 58.4% | | | | | | | |
| 04/01/2017 | Open | Hertz Global Holdings | 1,859 | Finance | GAMCO Asset Mgmt | 5.1% | -13.7% | | | | | | | |
| 04/01/2017 | Close | Columbia Pipeline Partners | 1,721 | Energy Minerals | GAMCO Asset Mgmt | 5.5% | -- | | | | | | | |
| 03/01/2017 | Open | EQT Corporation | 11,298 | Energy Minerals | Chapter IV Investors | 0.2% | -21.3% | ✓ | | | ✓ | | | |
| 02/01/2017 | n.a | Telia | 17,477 | Communications | Cevian Capital | -- | 6.9% | | | | ✓ | | | |

Source: Activist Insights, Factset Note: Based on a sample of 185 campaigns in 2017

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- 1 Overview on Shareholder Activism
 - 2 How To Target The Right Company Through The appropriate Campaign
 - 3 Strategied Applied To Unlock The Value
 - 4 Dealing With Activist Hedge Fund
 - 5 **Appendix**
 - 5.1 Relevant Campaigns In 2017
 - 5.2 Activist League Table

League table: Most important Hedge Fund

| Name | Key Individual(s) | Equity Assets (\$mil) | Total Campaign | High Impact | Open | Closed |
|---------------------------------------|-----------------------------------|-----------------------|----------------|-------------|------|--------|
| TCI Fund Management Ltd. | Christopher Anthony Hohn, MBA | 24,521 | 19 | 15 | 2 | 17 |
| Icahn Associates Holding LLC | Carl Celian Icahn | 24,225 | 140 | 94 | 3 | 137 |
| Elliott Management Corp. | Paul Elliott Singer | 20,233 | 140 | 83 | 12 | 128 |
| GAMCO Asset Management, Inc. | Mario Joseph Gabelli, CFA, MBA | 17,963 | 582 | 68 | 6 | 576 |
| Third Point LLC | Dan Loeb | 17,607 | 62 | 41 | 1 | 61 |
| ValueAct Capital Management LP | Jeffrey Williams Ubben, MBA | 12,924 | 104 | 42 | 2 | 102 |
| Southeastern Asset Management, Inc. | Mason Hawkins, CFA, MBA | 12,318 | 30 | 19 | 2 | 28 |
| Trian Fund Management LP | Nelson Peltz | 10,085 | 25 | 25 | - | 25 |
| Carlson Capital LP | Clint Duane Carlson, MBA | 5,911 | 30 | 13 | 1 | 29 |
| Pershing Square Capital Management LP | Bill Ackman, MBA | 5,886 | 60 | 33 | - | 60 |
| Greenlight Capital, Inc. | David Michael Einhorn | 5,578 | 40 | 24 | 2 | 38 |
| Starboard Value LP | Jeffrey Chad Smith | 4,456 | 142 | 102 | 4 | 138 |
| JANA Partners LLC | Barry S. Rosenstein, MBA | 3,773 | 61 | 47 | 2 | 59 |
| Steel Partners LLC | Warren G. Lichtenstein | 3,183 | 136 | 74 | 1 | 135 |
| Karpus Management, Inc. | George William Karpus | 2,392 | 128 | 65 | 3 | 125 |
| Basswood Capital Management LLC | Matthew Amiel Lindenbaum | 2,213 | 11 | 10 | - | 11 |
| Corvex Management LP | Keith Arlyn Meister | 2,199 | 20 | 18 | - | 20 |
| Ancora Advisors LLC | Fred DiSanto, MBA | 1,326 | 41 | 27 | 4 | 37 |
| Biglari Capital LLC | Sardar Biglari | 1,241 | 20 | 15 | - | 20 |
| Clinton Group, Inc. | George Estes Hall, MBA | 1,139 | 52 | 45 | - | 52 |
| Engaged Capital LLC | Glenn William Welling | 726 | 25 | 22 | - | 25 |
| Sandell Asset Management Corp. | Tom Sandell, MBA | 636 | 40 | 35 | 1 | 39 |
| Marcato Capital Management LP | Richard Trainor McGuire, III, MBA | 589 | 25 | 24 | 1 | 24 |
| Raging Capital Management LLC | William Charles Martin | 586 | 32 | 23 | 2 | 30 |
| Highland Capital Management LP | James David Dondero, CFA, CPA | 572 | 24 | 16 | - | 24 |
| Sarissa Capital Management LP | Alexander John Denner, PhD | 461 | 11 | 7 | - | 11 |
| Bulldog Investors LLC | Phillip Franklin Goldstein | 459 | 198 | 147 | 4 | 194 |
| Land & Buildings Investment Managemen | Jonathan I. Litt, MBA | 450 | 23 | 20 | 4 | 19 |
| PL Capital Advisors LLC | Rich Lashley, MBA | 398 | 53 | 41 | - | 53 |
| Cannell Capital LLC | James Carlo Cannell | 339 | 41 | 31 | - | 41 |

Source: Activist Insights, Factset

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