

LAZARD'S SHAREHOLDER ADVISORY GROUP

Activism Update – April 2020

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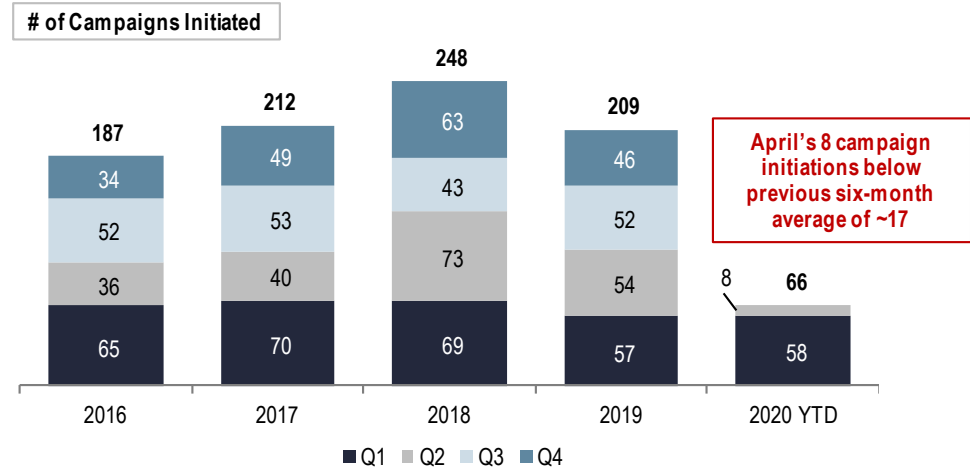
Activism Monthly Flash Report: April 2020

<p>Activism Slowdown Continues</p>	<ul style="list-style-type: none"> • March's decline in new campaign activity continued in April, with only 8 campaigns initiated and \$1.9bn of aggregate capital deployed <ul style="list-style-type: none"> – April's activity was 54% lower than the prior six-month average while capital deployed was 45% lower – ValueAct's initiation at Nintendo and Elliott's campaign at Nielsen were the sole campaigns commenced by leading activists in April • Drop off in activity especially apparent on a weekly basis with the 4-week rolling average falling from ~7 campaigns in February, ~4 in March to ~2 in April • April's muted activity was most profound in the US and Europe, where three and one campaign were initiated in each jurisdiction, respectively, relative to past six-month averages of ~8 and ~5, while four campaigns in APAC were in-line with the prior six-month average
<p>Elliott and Starboard Most Active in 2020 YTD</p>	<ul style="list-style-type: none"> • Despite a relatively quiet April, Elliott and Starboard have remained the most active activists in 2020 YTD with seven and three campaigns initiated this year, respectively <ul style="list-style-type: none"> – Elliott has deployed \$5.6bn into new campaigns this year, the most of any activist • Elliott has settled four campaigns this year (Evergy, Nielsen, Twitter, Peabody), for a total of ten Board seats <ul style="list-style-type: none"> – Elliott's settlement with Nielsen for one Board seat was the only settlement of the four to occur in April • Starboard has settled only one campaign this year (Box) for three Board seats though has 29 seats "in-play" at four companies (Commvault, Merit Medical, Mednax and GCP)
<p>Notable Updates to Existing Campaigns</p>	<ul style="list-style-type: none"> • Despite a slowing of new campaigns in April, existing campaigns continued to develop as activists seek to realize their value creation thesis <ul style="list-style-type: none"> – Standard General failed to win Board seats in its "virtual proxy fight" at Tegna – easyJet founder Stelios Haji-Ioannou publicly called on the removal of four Company Directors – Starboard withdrew its slate at eBay following the appointment of Jamie Iannone as CEO – Ancora and Macellum settled at Big Lots for three Board seats
<p>Settlements and Board Seats Marginally Lower</p>	<ul style="list-style-type: none"> • April saw 7 campaigns settle resulting in 11 dissident Board seats relative to 10 settlements for 19 Board seats in March <ul style="list-style-type: none"> – In 2020 YTD, 28 settlements have resulted in 54 Board seats versus 31 and 57 in the prior-year period, respectively
<p>Activism-Driven M&A to Remain a Near-Term Uncertainty</p>	<ul style="list-style-type: none"> • The evolving situation at L Brands, in which the Company is suing Sycamore Partners for backing out of the Barington-driven deal, underscores the near-term challenge activists will face in catalyzing M&A in the current environment • With additional cancellations likely, it remains to be seen if activists will continue to pursue their original transaction theses, pivot campaign objectives or suspend campaigns altogether

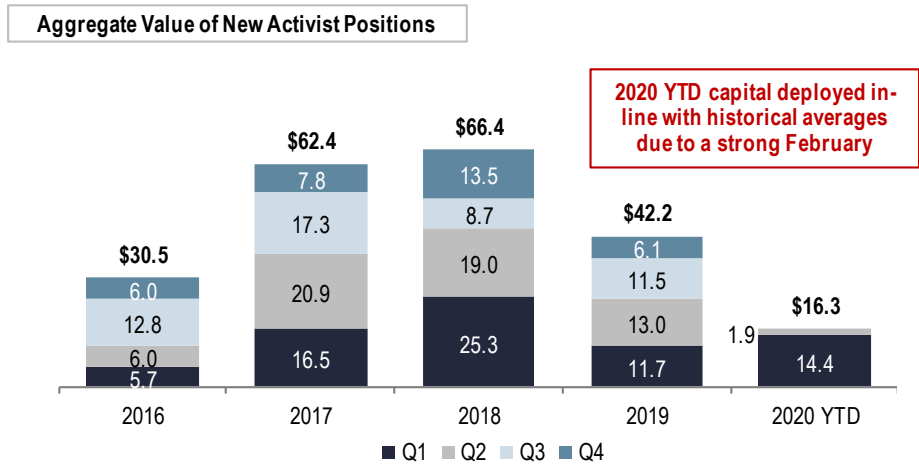
Campaign Activity and Capital Deployment

(\$ in billions)

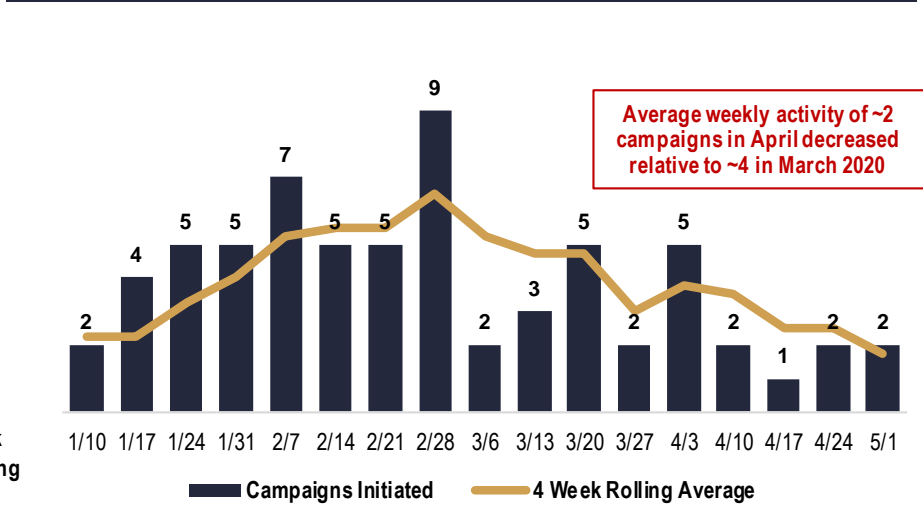
Quarterly Campaigns Initiated¹



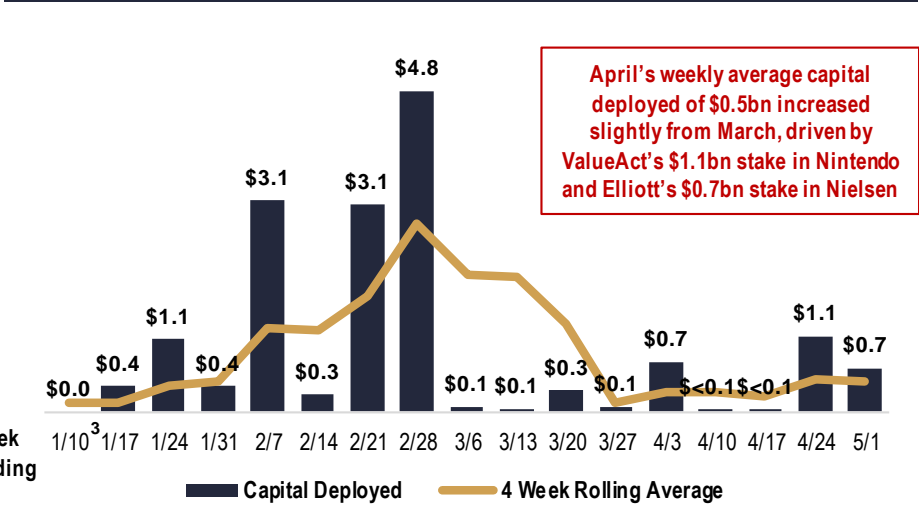
Capital Deployment in New Campaigns²



2020 YTD Campaign Initiations by Week¹



2020 YTD Capital Deployed by Week (\$bn)²





















Source: FactSet, press reports and public filings.

Note: All data is for campaigns conducted globally by activists at companies with market capitalizations greater than \$500 million at time of campaign announcement.

1 Companies spun off as part of campaign process counted separately.
 2 Calculated as of campaign announcement date. Does not include derivative positions.
 3 All campaigns announced during the week had non-public positions.

Notable April 2020 Public Campaign Launches and Developments

(\$ in billions)

Launch Date	Company / Market Cap ¹	Activist	Highlights	Launch Date	Company / Market Cap ¹	Activist	Highlights
4/20	 \$5.1		<ul style="list-style-type: none"> Elliott settled with Nielsen, in return for Jonathan Miller joining the Board, formation of a Finance Committee and an Information Sharing Agreement with the Company; Elliott also increased its stake in the Company from ~5% O/S to ~13% O/S Elliott had previously agitated at Nielsen in 2018, resulting in the Company's announced intent to split into two businesses 	9/19	TEGNA \$3.4		<ul style="list-style-type: none"> Standard General posted an investor presentation on its website demanding four Board seats ISS issued a split recommendation, advocating support for one Standard General nominee; Glass Lewis and Egan Jones recommended votes for all 12 Tegna nominees All 12 Tegna nominees were elected at the AGM
4/20	 \$56.3		<ul style="list-style-type: none"> ValueAct reportedly sent a letter to Nintendo, pushing for Nintendo to transform itself into a broader entertainment company ValueAct has reportedly held several meetings with Nintendo and has supported CEO Shuntaro Furukawa's vision for the Company 	9/19	 \$268.8		<ul style="list-style-type: none"> AT&T announced that Chairman & CEO Randall Stephenson would retire as CEO but remain as executive Chairman; Stephenson to be replaced by COO John Stankey Elliott released a statement in support of Stankey
3/20	 \$2.7	Stelios Haji-loannou	<ul style="list-style-type: none"> Founder Stelios Haji-loannou called for the removal of four Directors, including both the Chairman and the CEO, and submitted a complaint to the Financial Conduct Authority on the Company's deferral of aircraft deliveries Later, it was reported that Haji-loannou seeks to replace the entire Board 	3/19	Lbrands \$7.4		<ul style="list-style-type: none"> Sycamore attempted to exit its agreement to buy a majority stake in Victoria's Secret, stating that the Company breached its agreement by closing stores without its prior approval It was reported that L Brands is suing Sycamore for withdrawing from the deal
3/20	 \$1.8		<ul style="list-style-type: none"> Commvault adopted a poison pill with an ownership trigger of 10% for active owners Starboard nominated a six-Director slate for election at the 2020 AGM, including Starboard managing partner Jeff Smith 	1/19	 \$31.7		<ul style="list-style-type: none"> Starboard announced that it had withdrawn its four-nominee slate following the appointment of Jamie Iannone as CEO
3/20	 \$0.7	 	<ul style="list-style-type: none"> Big Lots announced a sale-leaseback transaction for its four distribution centers; Macellum and Ancora stated that while pleased with the sale-leaseback, the Board still needed immediate refreshment Ancora and Macellum settled for three Board seats, including Macellum PM Aaron Goldstein 	5/17	 \$4.1		<ul style="list-style-type: none"> Lagardère announced it would be suspending its dividend for 2020, consistent with a demand from Amber ISS recommended for a split vote, in favor of five Amber nominees and for the removal of five incumbent Directors (including the Chairman); Proxinvest recommended for Amber's full slate

2020 YTD Board Seats Won and “In Play”

Board representation has remained a common activist demand, with 28 settlements resulting in 54 Board seats won 2020 YTD and 50 Board seats at 11 companies still “in play”

Selected Dissident Board Seats Won in 2020				
Date Appointed	Company	Activist	Board Seats	Director(s) Appointed
4/30	Nielsen	Elliott	1	Jonathan Miller
4/24	Big Lots	Ancora Advisors / Macellum Capital	3	Andrew Clarke, Aaron Goldstein*, Thomas Kingsbury
4/9	Bloomin' Brands	JANA	2	Scott Ostfeld*, John Gainor
3/26	Lindblad Expedition	ValueAct	1	Sarah Farrell*
3/25	Occidental Petroleum	Icahn	3	Andrew Langham*, Nicholas Graziano*, Margarita Paláu-Hernández
3/23	Box	Starboard	3	Jack Lazar, Bethany Mayer ¹ , TBD
3/9	Twitter	Elliott	3	Egon Durban, Jesse Cohn*, TBD
3/2	Olin	Sachem Head	2	Scott Ferguson*, W. Barnes Hauptfuehrer
3/2	Eergy	Elliott	2	Paul Keglevic, Kirk Andrews
2/5	Peabody Energy	Elliott	4	Dave Miller*, Samantha Algaze*, Darren Yeates, TBD

Selected Board Seats Currently “In Play”			
Meeting Date	Company (AGM)	Activist	Board Seats Sought
Mid May ²	Mednax	Starboard	8
5/28	GCP	Starboard	8
5/5	Lagardère	Amber Capital	8
Late May ²	Merit Medical Systems	Starboard	7
Late August ²	Commvault	Starboard	6
5/2	easyJet	Stelios Haji-Ioannou	4
6/10	Mack-Cali Realty	Bow Street	4
6/12	GameStop	Hestia Capital Management / Permit Enterprise	2
5/12	Turquoise Hill Resources	Pentwater Capital Management	1