

Hogan
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Our Shareholder
Activism Practice

No company is immune to shareholder activism, but here are some reasons you may be an especially attractive target.

- Operational underperformance compared to peers
- Perceived corporate governance weaknesses
- Poor pay practices/misalignment of executive compensation with company performance
- Large amounts of excess cash on the company's balance sheet
- An underleveraged capital structure
- Non-core corporate assets that can be divested
- Over-tenured board members



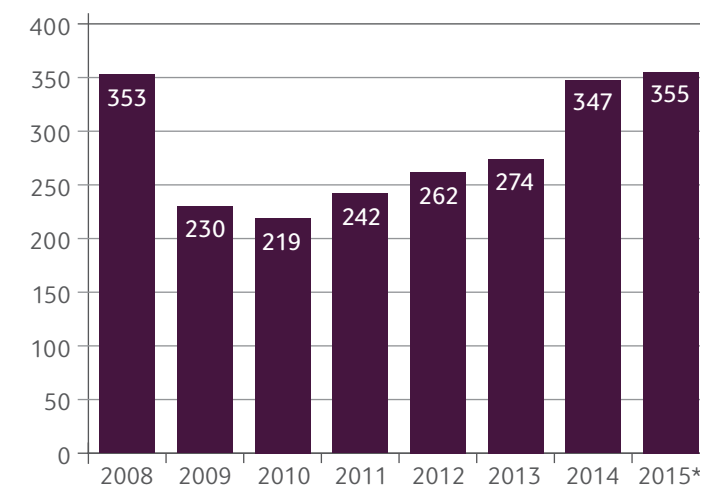
Preparing for Activist Shareholders

Activist investors have been busier than ever, with no signs of slowing down. In 2015, a record-setting 355 activist campaigns were announced against U.S. companies. And activists' efforts were not limited to smaller companies with poor performance – 33 campaigns targeted Fortune 500 companies, many of which were established household names.¹

The strong performance and surge of activist funds in recent years have created an environment where companies of all sizes and performance levels are vulnerable to shareholder activism. It is now more important than ever for companies to be poised and ready to respond.

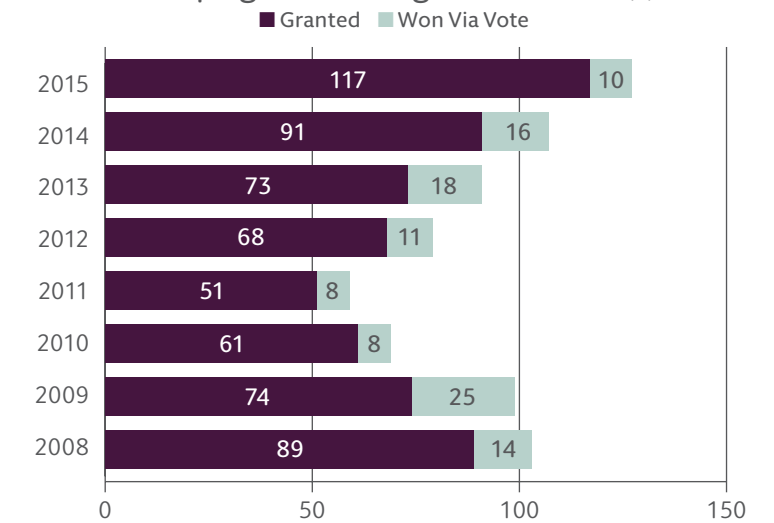
¹ Record-Setting Year for Activism (*SharkRepellent.net*, 2015). Data as of 14 December 2015.

US Activism Campaign Announcements



*2015 as of December 14th, all other full year

Campaigns Resulting in Board Seat(s)



Based on seat won/granted date

Source: Record-Setting Year for Activism. *SharkRepellent.net*, 2015

Our Shareholder Activism Practice

Our Shareholder Activism Practice Group works with some of the largest public companies in America against well-known activists like Carl Icahn and Starboard Value. We advise our clients on shareholder activism before it happens by taking into account the views of activists and institutional shareholders when advising on items such as corporate governance, executive compensation, and shareholder engagement.

We have a unique insight into the tactics and practices regularly used by activist investors because we have advised over 100 public company clients in the United States, most of which have had interactions with activists. Our team consists of members of our corporate governance, takeover defense, and litigation practices. This multi-disciplinary approach allows us to identify your potential vulnerabilities and create a tailored response plan to minimize your exposure to activist investors, and to respond effectively to any situation. No activist campaign is exactly alike, and many situations can be resolved before they become a proxy contest.

Our Areas of Focus



- Settlement Negotiations and Agreements
- Activism-Related Litigation
- Proxy Contests
- SEC Disclosure and Proxy Rules
- Takeover Defenses (Including Shareholder Rights Plans)
- Advance Notice Bylaw Provisions
- Shareholder Engagement
- Corporate Governance
- Organizational Document Review
- Advance Planning Procedures and Checklists

“Our victory on all contested board seats was in no small part due to Hogan Lovells’ leadership and advice. Their deep, technical expertise regarding SEC proxy rules and practical experience dealing with activists helped us develop and implement a winning strategy.”

General counsel of a Nasdaq-listed company



Our Recent Activist Engagements



Office Depot

Advising on negotiations with activist Starboard Value Fund, resulting in a settlement with Starboard



VIVUS

Advising on its proxy contest and hostile interactions with First Manhattan Co., which resulted in a settlement with First Manhattan



Orthofix

Advising in connection with its proxy contest and hostile interactions with Ramius Group



Novoste

Advising on its proxy contest and hostile interactions with Steel Partners.



Confidential

Advising personal computer and technology company on its proxy contest with two high-profile activist stockholders, who were campaigning against the company’s merger transaction



Confidential

Advising an international hotel company on its proxy contest and hostile interactions with a large shareholder which had existing board representation



Confidential

Advising a multi-billion dollar technology company in connection with a public campaign (and aborted proxy contest) initiated by Carl Ichan to increase the company’s share repurchases



Confidential

Advising a public pharmaceutical company in negotiations with an activist stockholder seeking a change in board composition



Confidential

Advising a public restaurant company in negotiations with an activist stockholder encouraging the company to add more leverage to its capital structure



Confidential

Advising a technology-driven language and reading company in its negotiation with an activist stockholder seeking representation on the board



Confidential

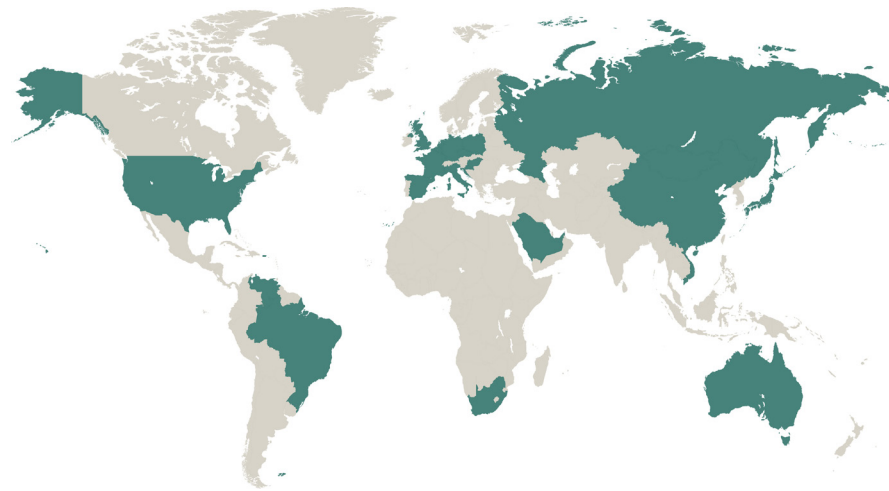
Advising a public healthcare company in connection with a recent accumulation of its common stock by certain potentially-activist stockholders

“We have worked with numerous firms over the last ten years and [Hogan Lovells] is the best of all those we have worked with in any and every area of performance.”







Legal 500 US

Our Corporate Practice

Hogan Lovells is consistently ranked among the top corporate legal practices in the country. With a network of offices strategically located throughout the United States and the world, our team of 900+ corporate lawyers provides a collaborative approach that spans practices, regions, and industry sectors.



Our Industries

-  Aerospace, Defense and Government Services
-  Energy and Natural Resources
-  Insurance
-  Automotive
-  Financial Institutions
-  Life Sciences and Healthcare
-  Consumer
-  Infrastructure and Transportation
-  Real Estate
-  Education
-  Technology, Media, and Telecommunications



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Legal Week 2015-16

Third strongest firm for client service

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