

LAZARD'S SHAREHOLDER ADVISORY GROUP

Activism Update – May 2020

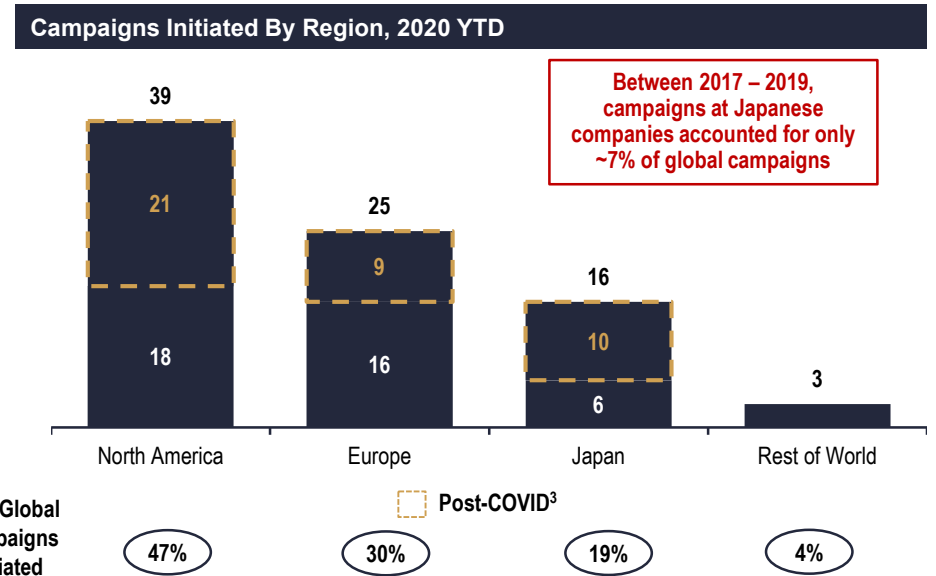
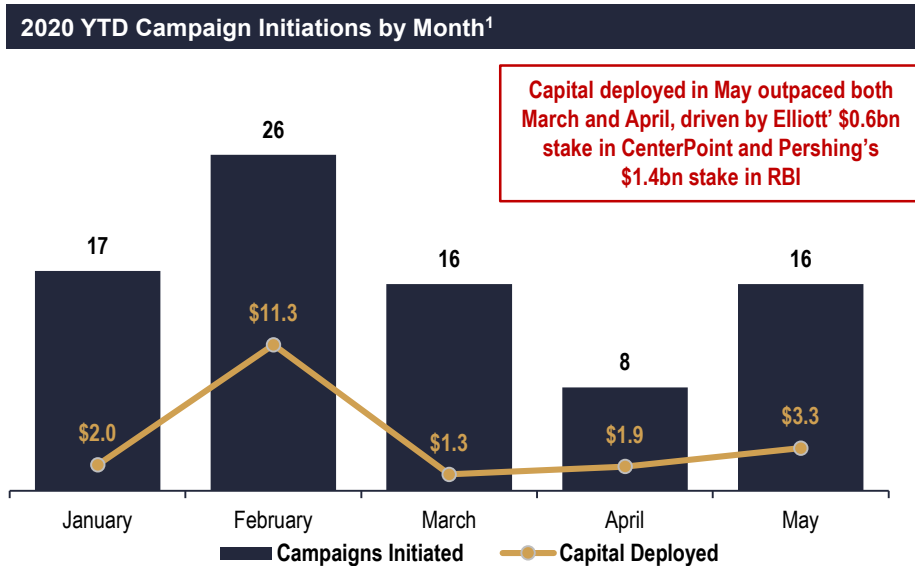
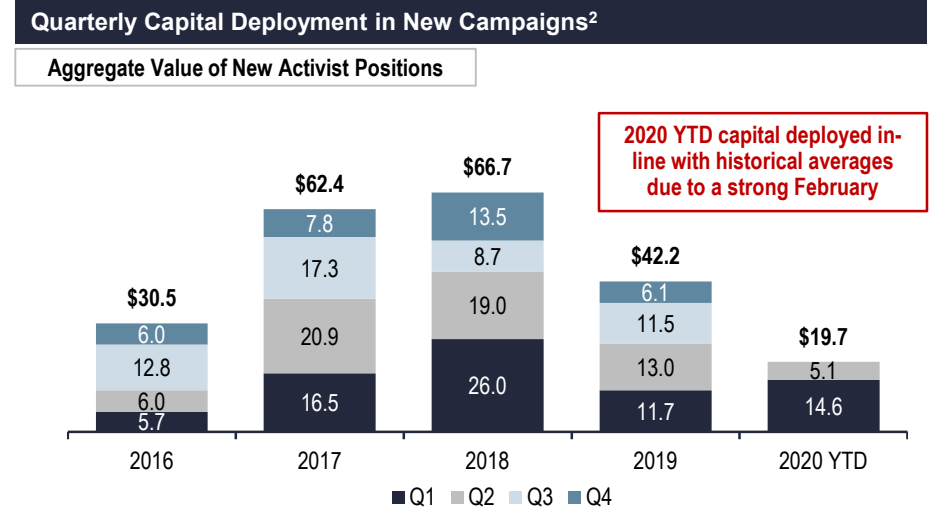
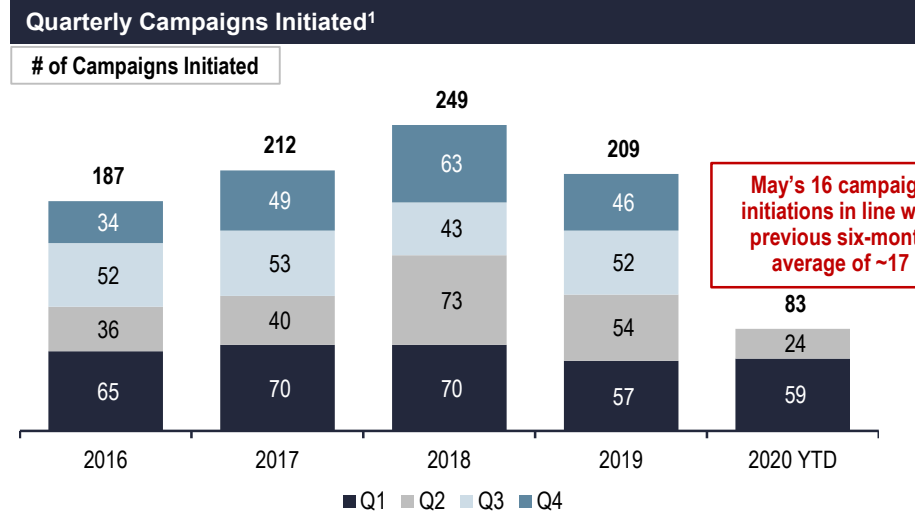
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Activism Monthly Flash Report: May 2020

<p>Uptick in Global Activism Driven by Increased Activity in Japan</p>	<ul style="list-style-type: none"> • May saw an increase in new campaigns compared to March and April; 16 campaigns and \$3.3bn of capital deployed <ul style="list-style-type: none"> – May's campaign initiations were double that of April, while capital deployed was 159% higher than March – However, May activity was still below the monthly averages for the pre-COVID six month period ended in February 2020 with respect to both campaigns initiated (~19) and capital deployed (~\$4.6bn) • Five campaigns in Japan drove much of the activity, continuing the recent trend of heightened APAC activity <ul style="list-style-type: none"> – In 2020 YTD, 16 campaigns initiated in Japan, compared with an average of ~6 over the same period in 2017 – 2019 – Three of the Japanese campaigns initiated in May had a capital return thesis, compared with only one capital return-oriented campaign initiated in the rest of the world in 2020 YTD
<p>Uncommon Activists in Europe</p>	<ul style="list-style-type: none"> • In 2020 YTD, European activism saw broadened sources of agitation as vocalism diversifies across the activism landscape • 80% of campaigns were initiated by occasional activists or institutional and other investors, compared with only 50% of campaigns over the same period in 2019
<p>Activists Holding Europe Management and Boards Accountable</p>	<ul style="list-style-type: none"> • Board and/or Management removal at European companies is becoming a more prominent demand by activists <ul style="list-style-type: none"> – 50% of Q2 campaigns involved attacks against Boards or Management teams • COVID crisis has not deterred activists in situations where they believe management is jeopardizing the future of the company
<p>Notable Updates to Existing Campaigns</p>	<ul style="list-style-type: none"> • In addition to the increase in new campaigns in May, existing campaigns continued to develop, including two failed proxy contests in Europe <ul style="list-style-type: none"> – easyJet founder Stelios Haji-Ioannou failed to remove any of the four Directors he targeted at the EGM – Amber Capital lost its proxy fight against Lagardère, with all eight of its nominees failing to win Board seats – Elliott published a letter criticizing Alexion for its acquisition of Portola and called for an outright sale of the Company
<p>Aperture of Activism Widening</p>	<ul style="list-style-type: none"> • Recent campaigns by private equity (e.g., KKR / Dave & Busters) show the continued blurring of formerly-defined investment lines • Elliott teaming up with MFS, Capital Group and Fidelity to inject capital at CenterPoint highlights the broadening use of activist tactics as well as a new-found comfort of long-only investors publicly teaming up with activists
<p>Board Settlement Activity Down; Starboard Most Prolific in Seats Won</p>	<ul style="list-style-type: none"> • May saw a downturn in settlements for Board seats, with only three campaigns settling for a total of six dissident Board seats relative to seven settlements for 11 Board seats in April <ul style="list-style-type: none"> – In 2020 YTD, 31 settlements have resulted in 60 Board seats versus 37 and 74 in the prior-year period, respectively • Starboard continued to be the most prolific activist in terms of Board seats, settling for three seats at Merit Medical and winning eight Board seats in a proxy contest at GCP in May <ul style="list-style-type: none"> – In 2020 YTD, Starboard has won 14 Board seats and has 14 seats “in-play” at Commvault and Mednax • In 2020 YTD, all Board seats won by activists, aside from Starboard’s proxy win at GCP, have come through settlements

Campaign Activity and Capital Deployment

(\$ in billions)



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; select campaigns with market capitalizations less than \$500 million at time of announcement included during COVID-19 pandemic induced market downturn.

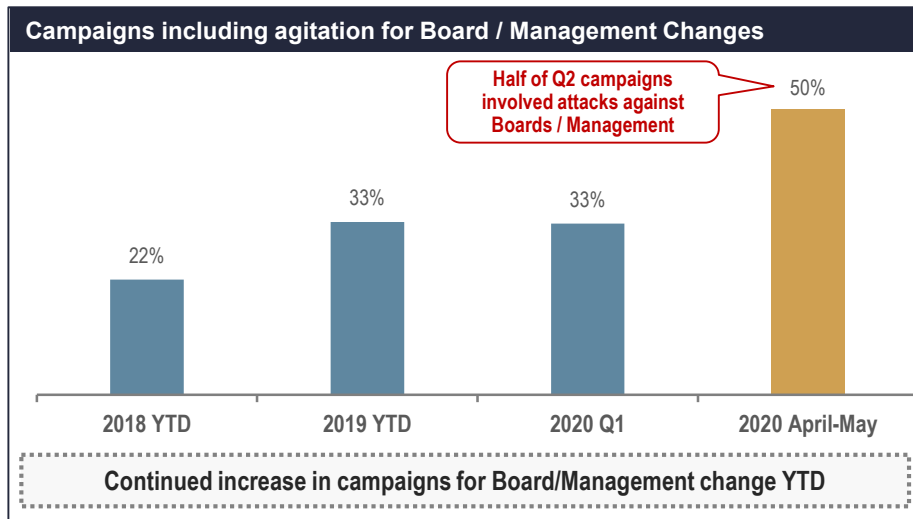
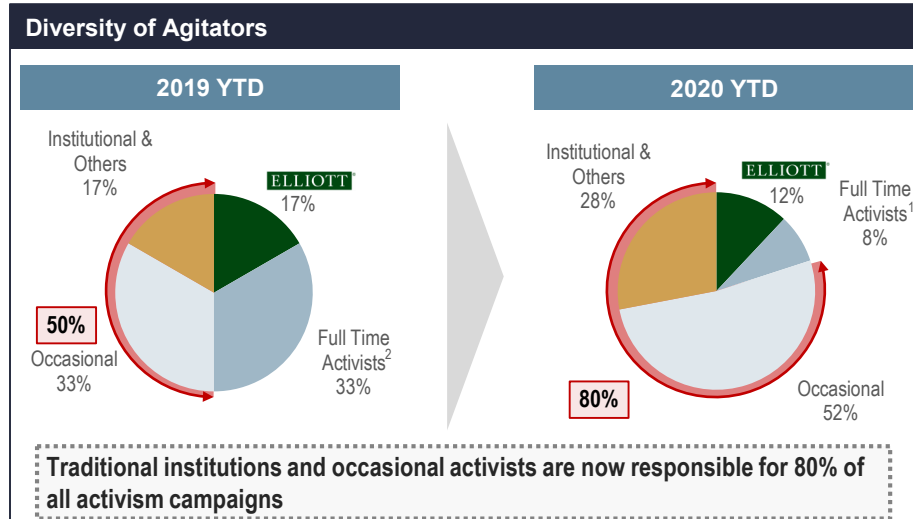
1 Companies spun off as part of campaign process counted separately.

2 Calculated as of campaign announcement date. Does not include derivative positions.

3 Post-COVID period includes all 2020 YTD campaigns initiated after March 1, 2020.

Update on Activism in Europe

While Europe continues to witness a diversification of agitators and geographies, Management teams and Boards have been put under increasing shareholder pressure during this crisis



Management and Board have been under pressure: selected recent activity

Company / Market Cap ²	Activist	Target Board / Management
ARYZTA <i>Food Solutions</i> \$0.4	VERAISON c o b a s asset management	<ul style="list-style-type: none"> Veraison requisitioned a special meeting with the intention of replacing 4 Directors including the Chairman
wirecard \$11.0		<ul style="list-style-type: none"> TCI urged Wirecard to oust CEO after a critical audit failed to address allegations of accounting wrongdoing
easyJet \$2.7	Stelios Haji-loannou	<ul style="list-style-type: none"> Founder Stelios Haji-loannou called for the removal of 4 Directors, including both the Chairman and the CEO
MAISONS DU MONDE \$0.5	TELEIOS	<ul style="list-style-type: none"> Teleios Capital sent a public letter expressing its concerns regarding, among other things, corporate governance
BOSS HUGO BOSS \$3.4	BLUEBELL CAPITAL PARTNERS	<ul style="list-style-type: none"> In March 2020, Hugo Boss announced that its CEO will leave the managing Board amid pressure from Bluebell
 BARCLAYS \$49.8	SHERBORNE INVESTORS*	<ul style="list-style-type: none"> In March 2020, Sherborne released a letter advising Barclays' Board to withdraw its reelection support in favor of the CEO
Lagardere \$4.1	AMBER CAPITAL	<ul style="list-style-type: none"> In March 2020, Amber urged shareholders to vote for a new Supervisory Board and nominated 8 candidates

Source: FactSet, press reports and public filings as of 05/31/2020.





















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1 Includes Cevian, Petrus Advisers, Polygon Partners, Teleios and Third Point.

2 Reported as of initial campaign announcement date.

Notable May 2020 Public Campaign Launches and Developments

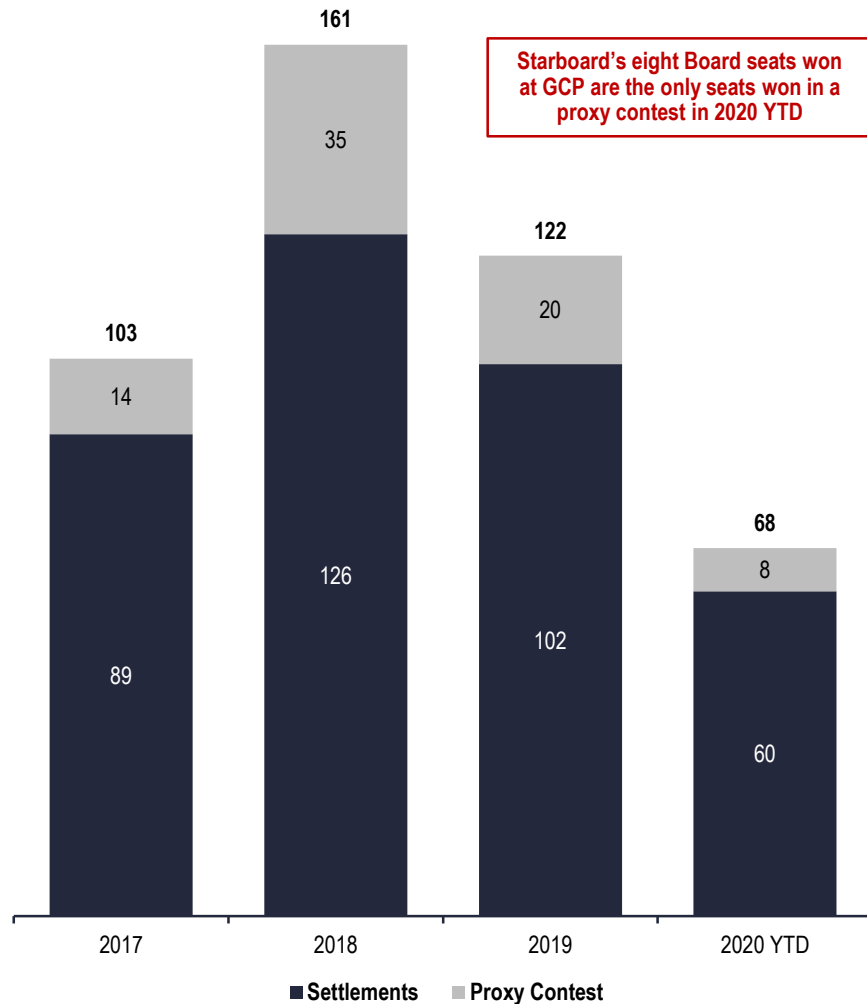
(\$ in billions)

Launch Date	Company / Market Cap ¹	Activist	Highlights	Launch Date	Company / Market Cap ¹	Activist	Highlights
5/20	 Mitsubishi Logistics \$2.0	 OASIS	<ul style="list-style-type: none"> Oasis submitted a proposal at the upcoming AGM for JPY 10bn in share repurchases, the addition of two Directors and the addition of a nominating committee 	1/20	 MERIT MEDICAL \$1.9	 STARBOARD VALUE	<ul style="list-style-type: none"> Starboard and Merit Medical entered into a settlement agreement for three Board seats Merit Medical also agreed to form a new operating committee
5/20	 CenterPoint Energy \$9.0	 ELLIOTT	<ul style="list-style-type: none"> Elliott and Bluescape made \$625 million and \$100 million investments, respectively, in CenterPoint through new Series C convertible preferred stock; MFS, Capital Group and Fidelity also participated in the financing through common shares Elliott also entered into a settlement agreement which saw two new independent Directors added to the Board and the formation of a Business Review and Evaluation Committee 	3/19	 JR-KYUSHU \$5.2	 Fir Tree Partners	<ul style="list-style-type: none"> Fir Tree stated that now would be untimely for a share repurchase program and nominated three Directors
5/20	 rbi restaurant brands international \$14.6	 Pershing Square Capital Management	<ul style="list-style-type: none"> Pershing Square filed a 13D and made general statements about engaging over cost structure, operations, capitalization, governance and Board composition Pershing Square had been a 13G filer at RBI since the Company's founding in Q4 2014 	2/19	 gcp applied technologies \$2.2	 STARBOARD VALUE	<ul style="list-style-type: none"> ISS recommended for six Starboard nominees, while Glass Lewis recommended for six out of ten GCP nominees; GCP stated that Starboard had rejected "numerous" settlement offers Starboard won all 8 Board seats at the AGM
3/20	 easyJet \$2.7	 Stelios Haji-Ioannou	<ul style="list-style-type: none"> Stelios Haji-Ioannou ("SHI") sought to remove the Chairman, CEO, CFO and an additional Director and force the cancellation of easyJet's Airbus contract SHI accused top shareholders Invesco, Ninety One and Phoenix of being "Airbus strawmen" Activist proposal was defeated convincingly by ~99% of the independent vote 	12/17	 ALEXION \$24.4	 ELLIOTT	<ul style="list-style-type: none"> Elliott sent a letter to Alexion's Board calling for the immediate exploration of a sale; Elliott also stated that the recent Portola announcement had a "profoundly negative impact on shareholder value" and eliminated "approximately \$1.7bn from the Company's market capitalization in a single day"
1/20	 DAVE & BUSTERS \$1.5	 KKR	<ul style="list-style-type: none"> John Hockin, head of KKR's public equity investments, was appointed to the Board 	5/17	 Lagardère \$4.1	 AMBER CAPITAL	<ul style="list-style-type: none"> Amber lost its proxy contest for eight Board seats, with one incumbent Director failing to be reelected Despite losing the proxy fight, Amber stated that it would continue its campaign at Lagardère "White knights" (including Vincent Bolloré and others) took significant positions and voted in support of the existing Board

Board Seat Activity

Of the 68 Board seats won YTD, 59 were in the US, 6 in Europe and 3 in Rest of World

Board Seats Won by Year



Starboard's eight Board seats won at GCP are the only seats won in a proxy contest in 2020 YTD

Top Activists by 2020 Board Seats Won

Activist	Board Seats Won
Starboard	14
Elliott	12
H Partners	4
Ancora Advisors / Macellum Capital	3
Icahn	3
Atlas Holdings	3
Luminus Management	3
Voce Capital	3
ValueAct	2
JANA Partners	2
Oaktree Capital	2