

PRESENTED AT

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Influence of Activist Shareholders on M&A and Corporate Governance

Moderator:

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Panelists:

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Current Issues in Executive Compensation and Corporate Governance

Guest Lecture Series on Shareholder Activism

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**Harvard Law School
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Topics

- 1 The Impact and Effects of Shareholder Activism – Is Activism Beneficial or Detrimental to the Economy?
- 2 “Wolf Packs” and Schedule 13D “Group” Implications / New SEC Focus on 13D Filing Obligations
- 3 The Current Landscape and Trends in the “Golden Age” of Activism
- 4 Recent Proxy Fights and “War Stories”

The Debate on Activism

- Has the growth of activism resulted in public companies becoming too “short-term” oriented?
- Do activists incentivize companies to focus on short-term results at the expense of long-term growth?
- Can an activist agenda that boosts short-term value be consistent with long-term growth?
- How should investors choose between short-term returns and long-term growth?
- Should long-term shareholders have more voting rights than short-term shareholders?

Is Activism Beneficial or Detrimental to the Economy?

Critics of Shareholder Activists Say:

- Shareholder activism harms companies and the U.S. economy by forcing companies to focus on actions that create a short-term increase in the company's stock price at the expense of long-term growth
- “Typical” activist “playbook” and response to activists leads to the following:
 - reduced capital expenditures, R&D budgets, employee training and wages
 - Decline in long-term innovation and competitiveness
 - For the primary purpose of returning capital to shareholders through dividends and buybacks

Also available as part of the eCourse

[Influence of Activist Shareholders on M&A and Corporate Governance](#)

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