

GIBSON DUNN

# 2017 Year-End Activism Update

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Gibson Dunn  
2017 Year-End Activism Update

CONTENTS

**Letter: 2017 Year-End Activism Update** .....2

**Part I: Activist Actions** .....3

    By the Numbers: 2017 Full Year Public Activism Trends .....3

    By the Numbers: H2 2017 Public Activism Trends .....4

    Table: Survey of Selected H2 2017 Activist Public Actions .....5

**Part II: Settlement Agreements** ..... 16

    By the Numbers: Trends in Settlement Agreements (2014-2017).....16

    Table: H2 2017 Settlement Agreement Key Terms.....17

January 26, 2018

This Client Alert provides an update on shareholder activism activity involving NYSE- and NASDAQ-listed companies with equity market capitalizations above \$1 billion during the second half of 2017, as well as a look back at trends for the 2017 calendar year. Activism activity declined modestly during the second half of 2017, similar to the trend we found in the second half of 2016, which can be partially attributed to the passing of the proxy season. Overall, activist activity rose slightly in 2017 from 2016. In 2017, Gibson Dunn's Activism Update surveyed 98 public activist actions involving 82 companies and 63 activist investors, compared to 90 public activist actions involving 78 companies and 60 activist investors in 2016.

Our survey covers 46 total public activist actions, involving 36 different activist investors and 39 companies targeted, during the period from July 1, 2017 to December 31, 2017. Six of those companies faced advances from multiple investors, including three companies that faced coordinated actions by activist groups. Equity market capitalizations of the target companies ranged from just above the \$1 billion minimum covered by this survey to approximately \$235 billion.

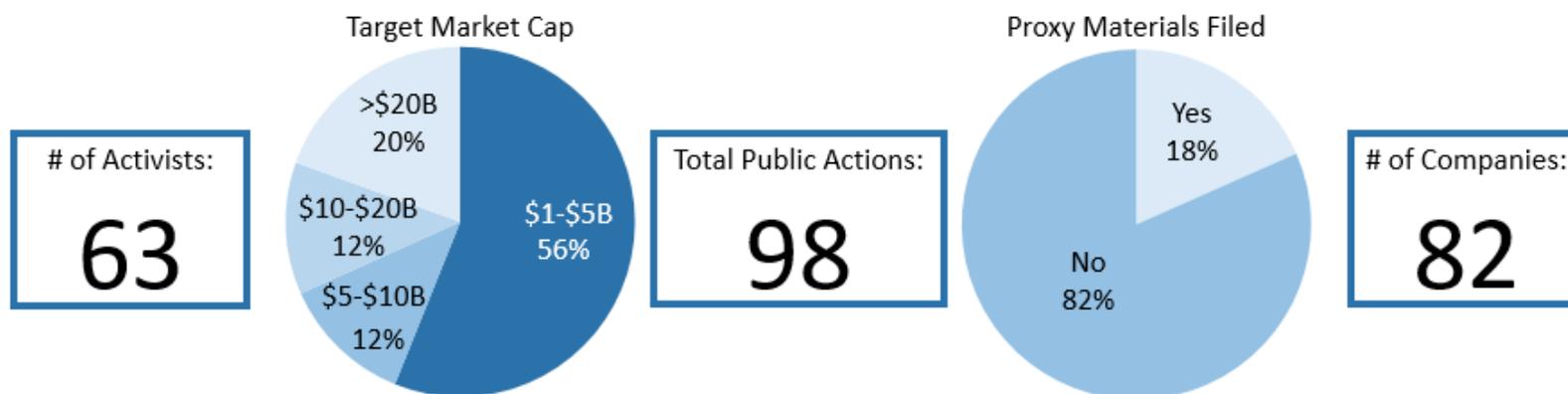
In the second half of 2017, activists most frequently sought to influence target companies' business strategies (63.0% of campaigns), while changes to board composition and M&A-related issues (including pushing for spin-offs and advocating both for and against sales or acquisitions) were sought in 41.3% and 34.7% of campaigns, respectively. Changes to corporate governance practices (including de-staggering boards and amending bylaws) (23.9% of campaigns), changes in management (10.9% of campaigns), and requests for capital returns (10.9% of campaigns) were relatively less common. Seven campaigns involved proxy solicitations during the second half of 2017, five of which reached a vote. Finally, activism was most frequent among small-cap companies (64.1% of companies targeted had equity market capitalizations below \$5 billion). More data and brief summaries of each of the activist actions captured by our survey follow in the first half of this publication.

The most notable change from prior periods surveyed is the decrease in publicly filed settlement agreements, as our survey captured only four such agreements in the second half of 2017, compared to 12 in the first of 2017 and 13 in the second half of 2016. The decline in publicly filed agreements may be partially attributable to the decrease in the percentage of actions in which activists sought board seats. Though certain key terms of settlement agreements, including standstills, voting agreements, ownership thresholds and non-disparagement agreements, remain nearly ubiquitous, we think it is notable, despite the small sample size, that all four agreements covered in this edition of Activism Update included expense reimbursement provisions, which had been on the decline during prior periods.

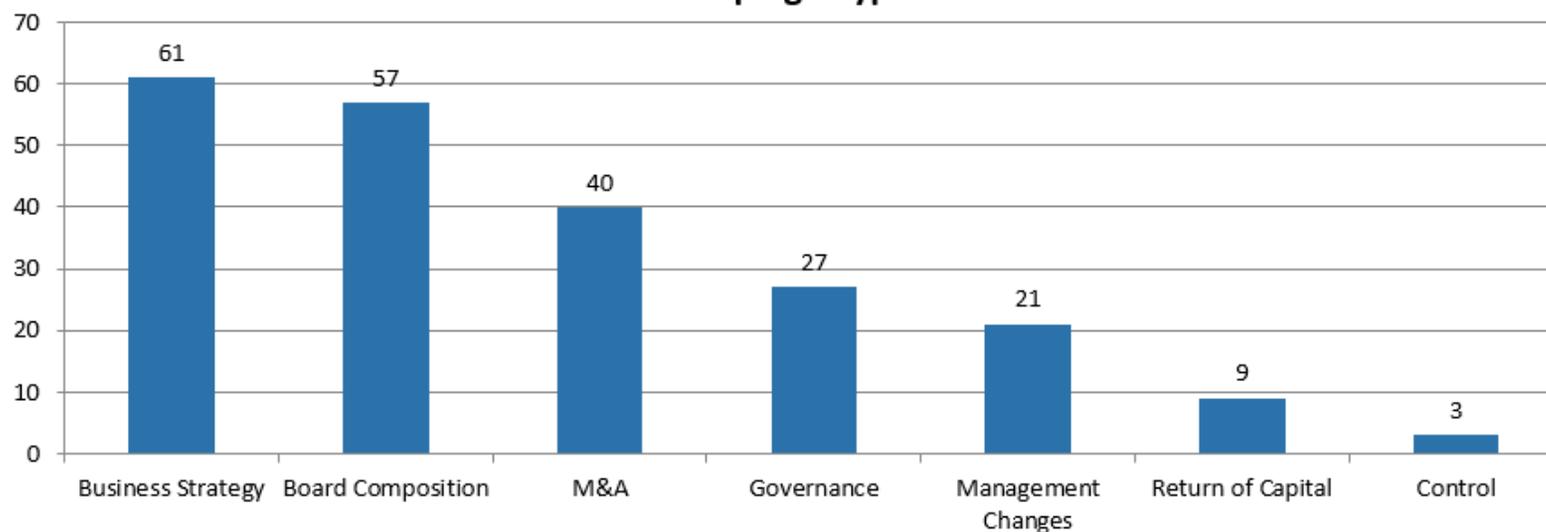
We hope you find Gibson Dunn's 2017 Year-End Activism Update informative. If you have any questions, please do not hesitate to reach out to a member of your Gibson Dunn team.

Sources: Publicly available information, Activist Insight, SharkRepellent, Intelligize, various news outlets

By the Numbers – 2017 Full Year Public Activism Trends

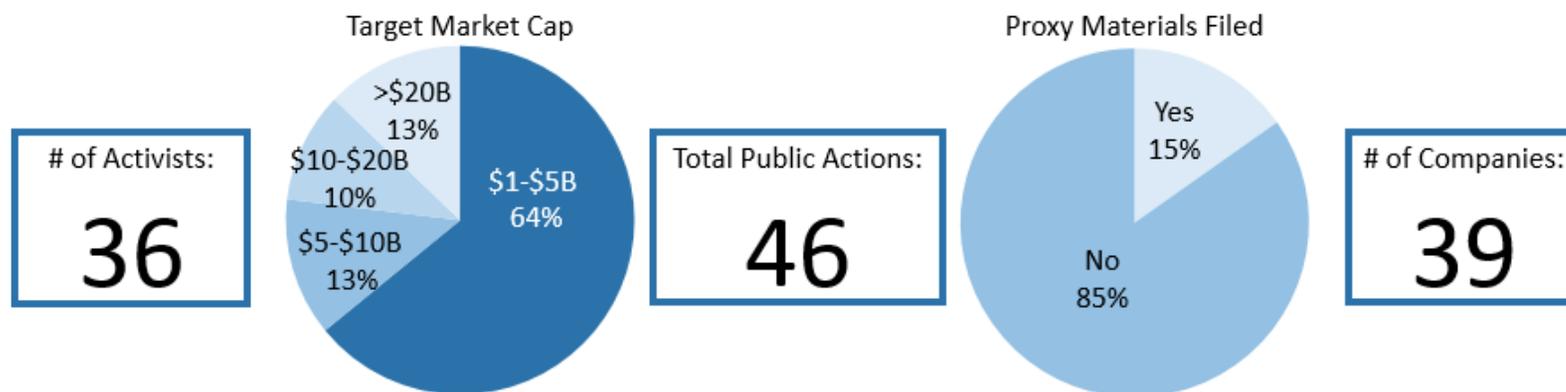


Campaign Types

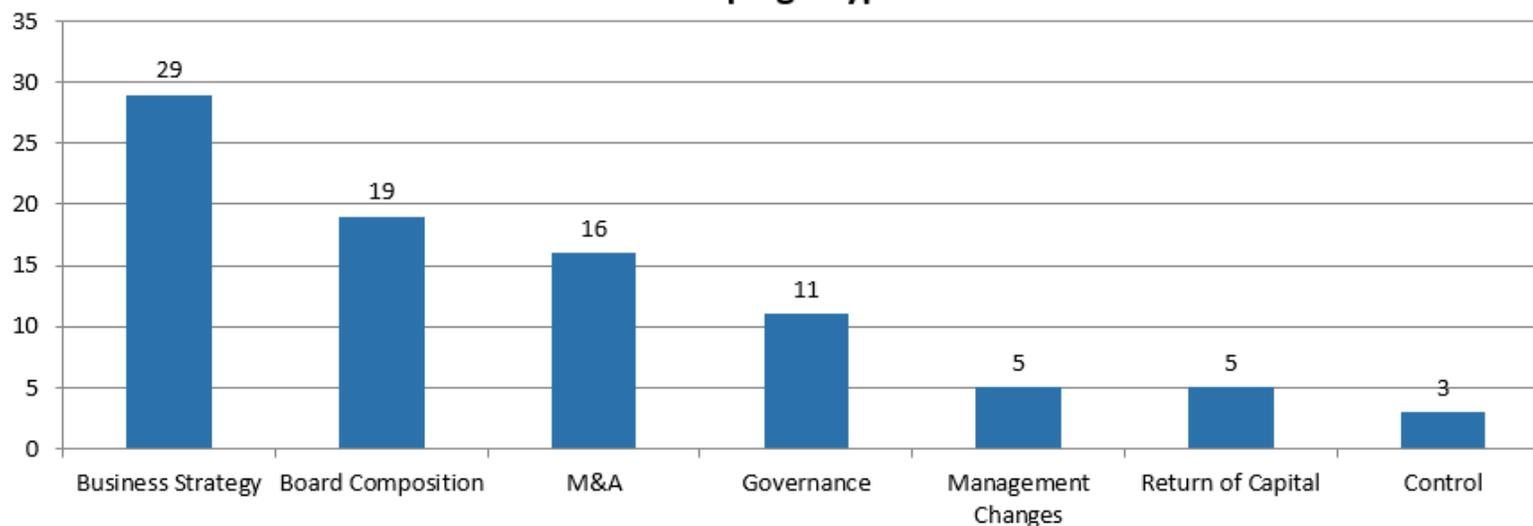


\*Includes data compiled for both 2017 Mid-Year and Year-End Activism Update publications.

## By the Numbers – H2 2017 Public Activism Trends



### Campaign Types



\*Study covers selected activist campaigns involving NYSE and NASDAQ-traded companies with equity market capitalizations of greater than \$1 billion as of December 29, 2017 (unless company is no longer listed).

\*\*All data is derived from the data compiled from the campaigns studied for the 2017 Year-End Activism Update.

## H2 2017 Activist Public Actions

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Aristeia Capital LLC	Sina Corporation	NASDAQ: SINA	9/18/17	\$7.17	4.2%	Board composition; governance	Y	In 9/17, Aristeia launched a proxy contest to elect two nominees to Company's board, receiving support for both nominees from Glass Lewis and for one nominee from ISS. In 11/17, Company announced Aristeia's two nominees had not been elected to board.
Arrowgrass Capital Partners (US) LP	Enscopl	NYSE: ESV	8/3/17	\$2.58	4.8%	M&A	Y	In 8/17, Arrowgrass announced intent to vote against Company's acquisition of Atwood Oceanics, Inc. In 8/17 and 9/17, Arrowgrass launched website and issued letters opposing acquisition. In 10/17, shareholders approved acquisition.
Atlantic Investment Management	Diebold Nixdorf Inc.	NYSE: DBD	12/13/16	\$1.24	9.0%	Business strategy; return of capital	N	In 11/17, Atlantic issued letter urging Company to hire a financial advisor to evaluate strategic alternatives, including buyback of 20% of outstanding shares.
Avenue Capital Group	Ocean Rig UDW Inc.	NASDAQ: ORIG	10/2/17	\$2.45	7.7%	Business strategy; M&A	N	In 10/17, Avenue Capital, Blue Mountain and Elliott formed a group with 32.5% aggregate beneficial ownership and urged the Company hire advisers to review opportunities to maximize shareholder value, including changes to capital structure, utilization of significant assets and possible strategic transactions. In 12/17, it was reported that the Company had interviewed financial advisers to explore a sale.
Benny Landa	Teva Pharmaceutical Industries Ltd.	NYSE: TEVA	6/29/14	\$19.23	<0.2%	Business strategy; management changes	N	In 8/17, Landa urged board to adopt a clear and innovative strategy. In 9/17, Landa commended the appointment of new CEO experienced in pharmaceutical industry. In 12/17, Landa criticized Company's division restructuring and lack of Israeli divisions.

\*Study covers selected activist campaigns involving NYSE- and NASDAQ-listed companies with equity market capitalizations of greater than \$1 billion as of December 29, 2017 (unless company is no longer listed), and all information is derived from publicly available sources.

\*\*Ownership is highest reported ownership since the public action date and includes economic exposure to derivatives where applicable.

## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Berkshire Partners LLC	Advanced Drainage Systems, Inc.	NYSE: WMS	8/8/17	\$1.33	16.3%	Board composition; management changes	N	In 8/17, Berkshire disclosed 16.3% stake and said it may engage with Company regarding succession planning for board and management. Later in 8/17, Company announced management changes, including a new President and CEO and chairman.
BLR Partners LP	Monotype Imaging Holdings Inc.	NASDAQ: TYPE	10/6/17	\$1.01	2.3%	Business strategy	N	In 10/17, BLR disclosed a joint 9.1% stake with Starboard and said Company is undervalued and they may engage with board and management.
Blue Harbour Group	Adient plc	NYSE: ADNT	9/15/17	\$7.33	6.2%	Business strategy; return of capital	N	In 9/17, Blue Harbour disclosed 6.2% stake and said it intended to make business strategy suggestions and urge a share repurchase.
BlueMountain Capital Management, LLC	Ocean Rig UDW Inc.	NASDAQ: ORIG	9/29/17	\$2.45	10.9%	Business strategy; M&A	N	In 10/17, Blue Mountain, Avenue Capital and Elliott formed a group with 32.5% aggregate beneficial ownership and urged the Company hire advisers to review opportunities to maximize shareholder value, including changes to capital structure, utilization of significant assets and possible strategic transactions. In 12/17, it was reported that the Company had interviewed financial advisers to explore a sale.
Carl Icahn	Xerox Corporation	NYSE: XRX	11/23/15	\$7.42	9.8%	Board composition; business strategy; management changes	Y	In 12/17, after terminating standstill under Icahn's 6/16 agreement with Company, Icahn launched proxy content to elect four nominees. Icahn then sent letter to Company shareholders claiming Company has misled shareholders as to stock value and change in board and management is needed.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Corvex Management LP	Energen Corporation	NYSE: EGN	5/31/17	\$5.60	10.1%	Board composition; governance; M&A	N	In 8/17, Corvex sought to call a special meeting and add new directors following Company abandoning a strategic review. In 9/17, Company filed suit claiming the sole right to determine board size and fill vacancies. In 10/17, an Alabama court ruled in Company's favor and enjoined Corvex from calling a special meeting. In 11/17, Corvex announced intention to appeal ruling.
Cruiser Capital Advisors, LLC	A. Schulman, Inc.	NASDAQ: SHLM	8/14/17	\$1.10	7.1%	Board composition; business strategy; governance	N	In 8/17, Cruiser and Kingdon Capital disclosed joint 9.8% stake and interest in a strategic transaction and governance changes. In 9/17, Company reached agreement with Cruiser and Kingdon to appoint two new directors.
D. E. Shaw & Co., L.P.	EQT Corporation	NYSE: EQT	9/14/17	\$14.67	4.0%	Business strategy	N	In 6/17, Company announced its intention to acquire Rice Energy, Inc. In 9/17, D. E. Shaw issued a letter and presentation urging Company to separate pipeline assets from exploration operations after closing of Rice acquisition.
Elliott Management Corp.	Alexion Pharmaceuticals, Inc.	NASDAQ: ALXN	12/7/17	\$26.72	<5%	Board composition; business strategy	N	In 12/17, it was reported that Elliott had a stake in Company and had demanded changes, including cost cutting, higher financial performance targets and board changes. In 1/18, Company announced it would work with Elliott to identify one new director.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Elliott Management Corp.	Ocean Rig UDW Inc.	NASDAQ: ORIG	10/2/17	\$2.45	13.9%	Business strategy; M&A	N	In 10/17, Elliott, Blue Mountain and Avenue Capital formed a group with 32.5% aggregate beneficial ownership and urged the Company hire advisers to review opportunities to maximize shareholder value, including changes to capital structure, utilization of significant assets and possible strategic transactions. In 12/17, it was reported that the Company had interviewed financial advisers to explore a sale.
Elliott Management Corp.	Taubman Centers, Inc.	NYSE: TCO	11/14/17	\$3.97	3.8%	Business strategy; M&A	N	In 11/17, Elliott disclosed 3.8% stake and pushed for changes at Company, including a potential sale. To date, Company has not made any announcements.
Eminence Capital	Sabra Health Care REIT, Inc.	NASDAQ: SBRA	7/24/17	\$3.35	3.9%	M&A	N	In 7/17, Eminence Capital issued letter disapproving of Company's proposed acquisition of Care Capital Properties. In 8/17, shareholders approved acquisition of Care Capital Properties.
Fir Tree Partners	Ultra Petroleum Corp.	NASDAQ: UPL	9/18/17	\$1.78	18.5%	Business strategy	N	In 9/17, Fir Tree announced intention to engage with Company to pursue value-maximizing strategic alternatives for Company. Later in 9/17, Company announced its intention to work with Fir Tree.
GAMCO Investors, Inc.	The E.W. Scripps Company	NYSE: SSP	2/18/15	\$1.28	16.1%	Board composition	N	In 10/17, GAMCO announced intent to nominate up to three candidates for election to Company's board prior to Company's 2/18 nomination deadline.
GAMCO Investors, Inc.	Kaman Corporation	NYSE: KAMN	9/28/17	\$1.64	17.9%	Business strategy	N	In 9/17, GAMCO announced it would submit a shareholder proposal to separate Company's distribution and aerospace segments. In 11/17, GAMCO requested that a separation proposal be included in Company's 2018 proxy statement.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
GAMCO Investors, Inc.	Lennar Corporation	NYSE: LEN	8/2/17	\$14.59	11.8%	Governance	N	In 8/17, GAMCO requested Company's board undertake the necessary steps to provide holders of Class B common stock the right to convert their shares to Class A common stock. In 11/17, GAMCO submitted a proposal for inclusion in Company's 2018 proxy statement, pursuant to which holders of Class B common stock could convert 1% of their stock to Class A common stock each year.
GAMCO Investors, Inc.	National Fuel Gas Company	NYSE: NFG	8/11/10	\$4.70	8.1%	Business strategy	N	In 8/17, GAMCO announced it was considering submitting director nominations or stockholder proposals. In 9/17, GAMCO said it would submit a proposal to issue a tracking stock for Company's local distribution company for inclusion in Company's 2018 proxy statement.
GAMCO Investors, Inc.	Ryman Hospitality Properties, Inc.	NYSE: RHP	9/9/09	\$3.53	13.4%	Business strategy	N	In 9/17, GAMCO requested Company spin-off of its entertainment business into a separate public company. In 11/17, GAMCO requested that a spin-off proposal be included in Company's 2018 proxy statement.
Hill Path Capital LP	SeaWorld Entertainment, Inc.	NYSE: SEAS	5/2/17	\$1.23	15.0%	Board composition; business strategy; governance	N	In 5/17, Hill Path disclosed 7.7% stake and said it was in discussions with Company. In 11/17, Company and Hill Path entered into an agreement pursuant to which Hill Path's managing partner was appointed to board.
Hudson Bay Capital Management LP	Sabra Health Care REIT, Inc.	NASDAQ: SBRA	7/13/17	\$3.35	3.4%	M&A	N	In 7/17, Hudson Bay issued open letter urging shareholders to reject Company's proposed acquisition of Care Capital Properties Inc. In 8/17, shareholders approved acquisition of Care Capital Properties.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
JANA Partners LLC	EQT Corporation	NYSE: EQT	7/3/17	\$14.67	5.9%	M&A	Y	In 7/17, JANA announced opposition to Company's pending acquisition of Rice Energy, Inc. and issued several letters urging shareholders to vote against acquisition. In 10/17, JANA launched proxy contest to oppose acquisition. In 11/17, JANA announced that it still intended to vote against acquisition, but would withdraw proxy contest. In 11/17, Company's shareholders approved acquisition.
JANA Partners LLC	HD Supply Holdings Inc.	NASDAQ: HDS	10/27/16	\$7.47	8.1%	Board composition	N	In 9/17, a JANA partner was appointed to Company's board following long-term discussions between JANA and Company.
Kingdon Capital Management, L.L.C.	A. Schulman, Inc.	NASDAQ: SHLM	8/14/17	\$1.10	2.7%	Board composition; business strategy; governance	N	In 8/17, Kingdon and Cruiser Capital disclosed joint 9.8% stake and interest in a strategic transaction and governance changes. In 9/17, Company reached agreement with Kingdon and Cruiser to appoint two new directors.
Land and Buildings Investment Management LLC	Brookdale Senior Living Inc.	NYSE: BKD	12/20/16	\$1.81	2.7%	Board composition; business strategy; governance	N	In 7/17, Land & Buildings and Company entered into agreement to appoint one director to board. In 10/17, Land & Buildings issued letter to Company's shareholders advocating for more transparency in Company's strategic review process.
Land and Buildings Investment Management LLC	RLJ Lodging Trust	NYSE: RLJ	9/5/17	\$3.84	2.0%	Business strategy; M&A	N	In 9/17, Land and Buildings issued letter calling on Company to provide clarity on strategy following merger with FelCor Lodging Trust and to explore a sale. In 9/17, Company announced that an update would be provided during its Q3 call.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Land and Buildings Investment Management LLC	Taubman Centers, Inc.	NYSE: TCO	10/19/16	\$3.97	1.7%	Board composition; business strategy; governance; management changes	N	In 7/17, Land and Buildings called off proposed special meeting after Company said it would appoint three new directors by 2019 and de-stagger board by 2020 (in 11/17, Company appointed first two directors and implemented plan to de-stagger board). . In 8/17, Land and Buildings demanded changes to company management. In 10/17, Land and Buildings criticized Company's adoption of exclusive forum bylaw. In 11/17 and 12/17, Land and Buildings issued presentations asserting that Company is undervalued and pushing for improvement of Company's operational performance, capital allocation and corporate governance.
Marcato Capital Management	Deckers Outdoor Corporation	NYSE: DECK	2/8/17	\$2.56	8.5%	Board composition; control; governance; M&A; return of capital	Y	In 9/17, Marcato nominated full slate of directors. In 12/17, Marcato reduced slate to three directors and received support from ISS, while Glass Lewis supported Company. In 12/17, all of Company's directors won re-election at the annual meeting.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Mittleman Brothers	Revlon, Inc.	NYSE: REV	8/22/17	\$1.15	5.7%	Control; governance	N	In 8/17, Mittleman issued letter expressing the concern Company's controlling shareholder was attempting to squeeze out minority shareholders. In 9/17, controlling shareholder sent letter to board stating it does not intend increase stake above 89%, but, if it opts to do so, it will give board notice, convene a board meeting, support creation of a special committee, and negotiate with such special committee; controlling shareholder said the foregoing terms will expire one year from the date of the letter. In 10/17, Mittleman demanded additional minority protections and five-year standstill for controlling shareholder.
Neuberger Berman Group LLC	Nuance Communications, Inc.	NASDAQ: NUAN	12/13/17	\$4.75	1.7%	Board composition; governance; management changes	N	In 12/17, Neuberger released letters to Company from 9/17 and 12/17 expressing concern over governance practices, CEO succession plan, and board composition. In 12/17, Company appointed one new independent director.
Pershing Square Capital Management	Automatic Data Processing, Inc.	NASDAQ: ADP	8/4/17	\$51.97	8.3%	Board composition; business strategy; control	Y	In 8/17, Pershing Square announced intent to nominate candidates for election to board (initially five for control, reduced to three). In 10/17, Glass Lewis supported all three Pershing Square candidates and ISS supported one. In 11/17, all Company nominees were elected.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Praesidium Investment Management	Progress Software Corporation	NASDAQ: PRGS	9/15/17	\$2.04	8.9%	Board composition; business strategy; M&A	N	In 8/17, Praesidium disclosed prior meetings with Company and issued presentation calling for five new directors, removal of current chairman, and end of acquisition strategy. In 9/17, Company issued press release rejecting Praesidium's proposals. In 10/17, Company announced plan to appoint two new directors. In 11/17, Praesidium issued letter urging changes to business strategy.
PrimeStone Capital	Tennant Company	NYSE: TNC	12/13/17	\$1.30	5.2%	M&A	N	In 12/17, PrimeStone disclosed 5.2% stake and urged Company to merge with Nilfisk Holding A/S. In 12/17, Company disclosed that it was evaluating PrimeStone's proposal.
RGM Capital LLC	Cornerstone OnDemand, Inc.	NASDAQ: CSOD	7/27/17	\$2.05	5.3%	M&A	N	In 7/17, RGM issued letter urging establishment of a strategic review committee to explore a sale. In 9/17, it was reported that Company had hired advisors to explore a sale. In 11/17, Cornerstone entered agreement with Silver Lake for Silver Lake to invest and take two board seats.
Sachem Head Capital Management	Shire plc	NASDAQ: SHPG	10/14/17	\$47.03	0.2%	Business strategy; M&A	N	In 8/17, Company disclosed intent to spin off neuroscience division. In 10/17, it was reported that Sachem Head and Company had held talks discussing spin-offs of multiple divisions.
SLS Management LLC	Abercrombie & Fitch Co.	NYSE: ANF	7/18/17	\$1.19	0.2%	Business strategy; return of capital	N	In 7/17, SLS issued letter calling for a share repurchase and sales of certain non-core assets.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Snow Park Capital Partners	Dillard's, Inc.	NYSE: DDS	7/31/17	\$1.71	2.0%	Business strategy; return of capital	N	In 7/17, Snow Park disclosed 2.0% stake in Company Class A common stock (Dillard family control board through Class B common stock) and called on Company to realize more value from real estate assets. In 9/17, Snow Park urged company to repurchase shares.
Starboard Value LP	Monotype Imaging Holdings Inc.	NASDAQ: TYPE	10/6/17	\$1.01	6.8%	Business strategy	N	In 10/17, Starboard disclosed joint 9.1% stake with BLR Partners and said Company is undervalued and they may engage with board and management.
Third Point Partners	Dover Corporation	NYSE: DOV	10/20/17	\$15.73	1.1%	Business strategy; M&A	N	In 10/17, Third Point revealed that it had held discussions with Company regarding its capital allocation strategy and potential spin-off of energy business. In 11/17, Company announced plan to spin off upstream energy operation.
Triam Fund Management, L.P.	The Procter & Gamble Company	NYSE: PG	2/14/17	\$233.10	1.5%	Board composition	Y	In 7/17, Triam nominated founder Nelson Peltz for election to board and launched proxy contest. In 10/17, Company announced Peltz had not been elected by slim margin. In 11/17, independent vote certification showed Peltz had been elected, but Company demanded recount. In 12/17, Company conceded and announced appointment of Peltz to board (effective 3/18), though maintained claim that Company had won proxy contest.
Triam Fund Management, L.P.	General Electric Company	NYSE: GE	10/5/15	\$151.33	1.0%	Board composition; business strategy	N	In 3/17, Company agreed with Triam to adopt new performance framework for key executives and cut structural costs. In 6/17, Company announced retirement of CEO. In 10/17, following lengthy discussions, Company agreed to appoint one Triam CIO to board.

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## H2 2017 Activist Public Actions *(continued)*

Investor	Company*	Exchange: Ticker	Public Action Date	Market Cap (in billions)	% Ownership**	Type of Campaign	2017 Proxy Solicitation (Y/N)	Latest News (as of 12/31/17 unless noted)
Voce Capital Management	Analogic Corporation	NASDAQ: ALOG	10/13/17	\$1.05	1.5%	Board composition	N	In 10/17, Voce and Company entered into agreement, pursuant to which Company appointed one new director and formed a strategic alternatives committee.

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By the Numbers: Trends in Settlement Agreements (2014-2017)

H2 2017 Board Representation Analysis

Category	Average
Board Seats Granted	1.25
Total Board Size*	8.8
Percent of Board*	14.1%

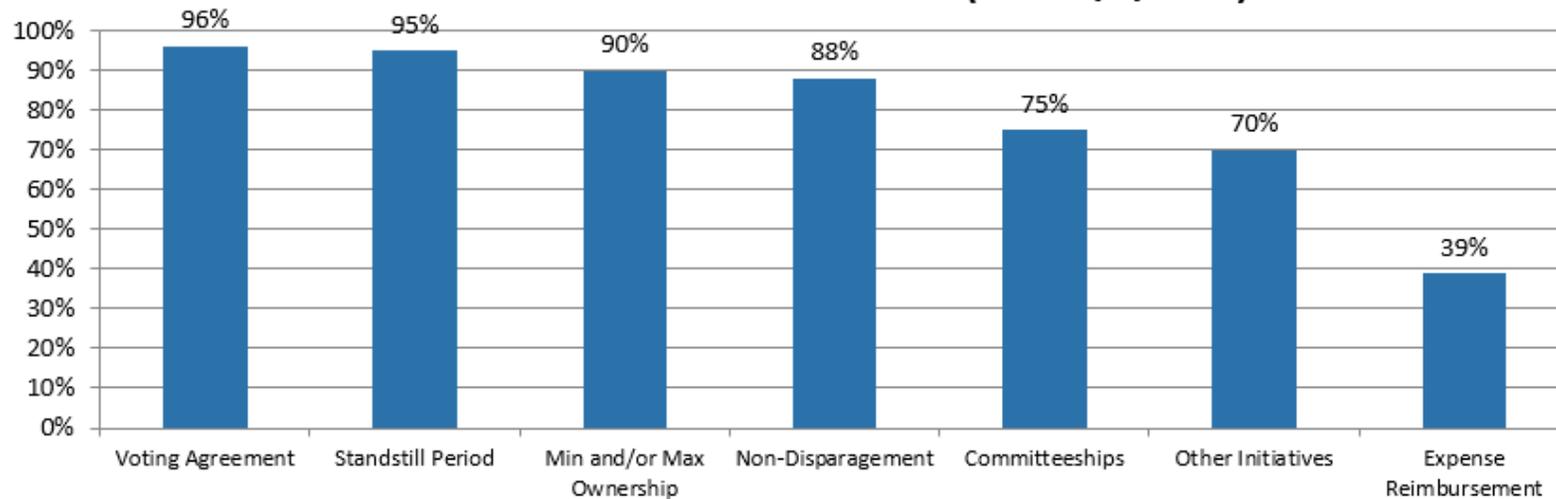
\*Following settlement agreement

2014-2017 Board Representation Analysis

Category	Average
Board Seats Granted	2.1
Total Board Size*	10.9
Percent of Board*	18.4%

\*Following settlement agreement

Common Settlement Provisions (since 1/1/2014)



\*All data represented here is derived from the data compiled from the campaigns studied for Activism Update and includes 12 agreements filed in 2014, 22 agreements filed in 2015, 30 agreements filed in 2016, and 16 agreements filed in 2017.

## H2 2017 Settlement Agreement Key Terms\*

	Cruiser Capital Advisors, LLC & Kingdon Capital Management, L.L.C.	Hill Path Capital LP
<b>Company</b>	A. Schulman Inc.	SeaWorld Entertainment, Inc.
<b>Agreement Date</b>	September 7, 2017	November 5, 2017
<b>Board Seats</b>	2/10 (board size reduced to nine prior to the mailing of the definitive proxy statement for the Company's 2017 annual meeting)	1/9
<b>Standstill (including term)</b>	Yes; until the earlier of (i) 25 business days prior to the nomination deadline for the 2018 annual meeting and (ii) the termination of the settlement agreement due to a material breach by the Company.	Yes; until the earliest of (i) the day after the Company's 2018 annual meeting, (ii) a material Company breach that is not cured within 15 days of written notice from Hill Path, and (iii) the date on which Hill Path delivers notice to the Company of termination of the standstill period (which may not be prior to the nomination deadline for the 2018 annual meeting and must be accompanied by the designee's resignation from the board).
<b>Committee Membership</b>	<ul style="list-style-type: none"> <li>One designee appointed to the Compensation Committee, the Executive Committee, and the Audit Committee.</li> <li>Other designee appointed to the Finance Committee, the Nominating and Corporate Governance Committee, and the Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Designee appointed to the Board Revenue Committee.</li> <li>Designee to be appointed to any new executive committee formed following the agreement.</li> <li>Designee to be considered for appointment to the Compensation Committee.</li> </ul>
<b>Other Strategic Initiatives</b>	None.	None.
<b>Voting</b>	Each investor agrees that it will: (1) continue to have the sole right to vote its shares as of the date of the agreement through the record date for the 2017 annual meeting; and (2) at the 2017 annual meeting, vote all shares owned by it in favor of (i) the slate of directors recommended by the board, (ii) in favor of the board's recommended auditor, and (iii) in accordance with the board's recommendation on the say-on-pay vote.	During the standstill period, Hill Path shall vote its shares in favor of the designee and all current directors (as of the date of the agreement) nominated for reelection by the board.

\* Includes summaries of publicly available agreements filed from July 1, 2017 to December 31, 2017.

## H2 2017 Settlement Agreement Key Terms *(continued)*

<b>Min/Max Ownership</b>	<b>Min:</b> No mandatory resignation, but the right to replace investor designees no longer able to serve is lost if the investors cease to beneficially own in the aggregate at least 5%.	<b>Min:</b> Hill Path must beneficially own at least an aggregate net long position of 6,791,203 shares.
<b>Expense Reimbursement</b>	Yes; up to \$230,000.	Yes; up to \$500,000.
<b>Non-Disparagement</b>	Yes.	Yes.

H2 2017 Settlement Agreement Key Terms *(continued)*

	Land and Buildings Investment Management LLC	Voce Capital Management LLC
<b>Company</b>	Brookdale Senior Living Inc.	Analogic Corporation
<b>Agreement Date</b>	July 25, 2017	October 13, 2017
<b>Board Seats</b>	1/9 (new independent designee to serve until (i) the 2018 annual meeting, prior to which the Company will consult with Land and Buildings on changing the composition of the board or (ii) the 2017 annual meeting if another shareholder nominates a candidate who is ultimately appointed/elected)	1/7
<b>Standstill (including term)</b>	Yes; until the earlier of (i) 30 days prior to the nomination deadline for the 2018 annual meeting and (ii) June 30, 2018.	Yes; until the earlier of (i) the public announcement by the Company of entry into a Material Transaction, (ii) the public announcement by the Company that it has ceased its strategic review process, (iii) the date that is 240 days from the date of the agreement, and (iv) breach by the Company, in any material respect, of its obligations under the agreement which is not cured within 10 business days after receipt of written notice from Voce specifying the material breach.
<b>Committee Membership</b>	<ul style="list-style-type: none"> <li>• Designee appointed to the Audit Committee and the Investment Committee.</li> <li>• Designee to be appointed to any new committee established by the board during the standstill period.</li> </ul>	Designee appointed to the newly created Strategic Alternative Committee.
<b>Other Strategic Initiatives</b>	See <i>Board Seats</i> above.	<ul style="list-style-type: none"> <li>• The Company shall nominate and support the designee at the 2018 annual meeting.</li> <li>• The Company shall establish a Strategic Alternative Committee, comprising three independent directors including the designee, to explore strategic alternatives for the Company.</li> </ul>

## H2 2017 Settlement Agreement Key Terms *(continued)*

		<ul style="list-style-type: none"> <li>Voce shall withdraw its nomination of candidates for election as directors at the 2018 annual meeting.</li> </ul>
<b>Voting</b>	During the standstill period, Land and Buildings shall vote its shares (i) in favor of the election of the slate of directors nominated by the board, (ii) against the removal of any member of the board, and (iii) in accordance with the Board's recommendation with respect to any other proposal presented at a meeting unless ISS recommends otherwise and except in relation to an extraordinary transaction or change in capital structure.	During the standstill period, Voce shall vote its shares (i) in favor of all directors nominated by the board and (ii) in accordance with the recommendation of the board on all other proposals or business, other than approval of a shareholder rights plan, amendments to the Company's articles of incorporation or bylaws that diminish shareholder rights or approval of an extraordinary transaction or stock issuance.
<b>Min/Max Ownership</b>	<b>Min:</b> No mandatory resignation, but the right to replace the designee if he is no longer able to serve is lost if Land and Buildings ceases to beneficially own at least 1%.	None.
<b>Expense Reimbursement</b>	Yes; up to \$200,000.	Yes; up to \$100,000.
<b>Non-Disparagement</b>	Yes.	Yes.

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