

# Anticipating Activism

## Implications for Your 2016 Annual Meeting of Stockholders

Activist investors often begin planning their campaigns as much as a year in advance of the annual meeting. This includes accumulating stock positions, coordinating with other hedge funds in so-called “wolf packs,” analyzing the company’s defenses and vulnerabilities, and making initial contacts with the target company. Therefore, early vigilance and advance preparation by target companies is critically important.

Please email us at [Activism@lw.com](mailto:Activism@lw.com) for more information on activist investors or for the specific dates and implications for your company.

| SAMPLE DATE*                    | EVENT  | DESCRIPTION  | IMPLICATIONS FOR ACTIVISTS  |
|---------------------------------|--|--|---|
| <b>Summer / Fall 2015</b>       | Initial Activist Approach                          | During this period, it is common for an activist to contact the company and may begin pressing demands. Activists may not clearly identify themselves when contacting the company. Review 13F filings for early indications of stake-building. | Initial approach is critical for activist to gauge company receptivity to demands and set tone for discussions.   |
| <b>Mid-August 2015</b>          | Schedule 13Fs filed                                | Schedule 13F disclosures of stock ownership positions can be an early warning signal that an activist or “wolf pack” is preparing to target a company.   | Securities acquired after June 30 are not reportable until mid-November 2015 unless resulting in ownership in excess of 5%.   |
| <b>November 2015</b>            | Third Quarter Earnings Release                     | Third quarter earnings can be a catalyst for activist to go public with campaign, especially if results are weak or company is not responsive to demands.  | Activist campaign and wolf pack is usually fully engaged by this point and prepared to wage a proxy fight, if necessary.  |
| <b>December 2015</b>            | Deadline for 14a-8 Proposals                       | Rule 14a-8 stockholder proposals must be submitted for inclusion in the company’s proxy statement not less than 120 days before the anniversary of the 2015 proxy statement.   | 14a-8 is rarely used by activists, but can be used by governance watchdogs to weaken takeover defenses.   |
| <b>January to February 2016</b> | Deadline for Stockholder Nominations and Proposals | Advance notice deadline for stockholder nominations and proposals is often 90 to 120 days prior to the anniversary of the 2015 annual meeting, as set forth in the bylaws.   | This is often a critical juncture in negotiations with activists. If resolution or settlement is not reached by deadline, activist may be forced to proceed with nominations. |
| <b>March 2016</b>               | Record Date  | Stockholders on this date will be entitled to vote at the annual meeting, even if they later sell their stock.   | Activists and “wolf pack” will want to maximize their voting power by this point.   |
| <b>May 2016</b>                 | Annual Meeting                                     | If the annual meeting date is changed significantly from the 2015 date, it may reopen advance notice and 14a-8 deadlines.  | Proxy statements are commonly mailed 45 days before the meeting.  |

\* This 2016 Annual Meeting Calendar is for illustrative purposes only. It assumes a hypothetical company with a calendar-year fiscal year, an annual meeting in early May, and an advance notice deadline for stockholder nominations of not less than 90 to 120 days prior to the anniversary of the 2015 annual meeting.