Shareholders are active sponsors of proxy proposals.

Sample includes Fortune 250 Companies. Decrease in shareholder resolutions in 2011 due in part to Dodd-Frank requirement for say on pay.
Source: Proxy Monitor (Fall 2017).
Individual investors, social investment funds, and unions are the most active sponsors of shareholder proposals.

Sample includes Fortune 250 Companies, 2006-2015.
Source: Proxy Monitor (Spring 2017).
Unions are more likely to sponsor proposals relating to executive compensation and director elections.

Sample includes 5,732 shareholder proposals submitted between 1997-2013.
Source: Matsusaka, Ozbas, and Yi (2017).
Individual investors sponsor a broad array of proposals across topic areas...

Sample includes all individual shareholder proposals, Fortune 500 companies, 2006-2015.
Source: FactSet Research.
PROPOSALS SPONSORED BY INDIVIDUAL INVESTORS

... These proposals generally do not receive majority support.

Sample includes all individual shareholder proposals, Fortune 500 companies, 2006-2015.
Source: FactSet Research.
Proxy advisory firms influence the voting outcomes of director elections.

Average investor support “for” a proposal when proxy advisory firm is “for” or “against” the proposal. Based on the voting records of 713 institutional investors in 2017. Source: Copland (2018).
They also have significant influence over compensation-related proposals.

Average investor support “for” a proposal when proxy advisory firm is “for” or “against” the proposal. Based on the voting records of 713 institutional investors in 2017.
Source: Copland (2018).
Hedge funds are active in waging campaigns against corporations.

Sample includes 2,063 hedge fund activist event between 2000-2011.
Hedge funds usually seek director or CEO turnover in settling with companies.

Sample includes 250 settlement agreements with activist hedge funds between 2000-2011.
The U.S. has an active market for mergers and acquisitions, based on the number and size of transactions.
Some companies face pressure from activists attempting to take control of the board through a proxy contests. Percent Dissident Win is calculated as the number of dissident wins, splits, and settlements as a percentage of total. Source: SharkRepellent.
Companies use a variety of methods to protect themselves from hostile takeovers.

- No cumulative voting: 97.4%
- Blank check preferred stock: 95.1%
- Majority vote standard to elect directors: 90.4%
- Board fills all vacancies: 78.2%
- No action by written consent: 70.3%
- Shareholders cannot call special meetings: 35.9%
- Directors removed only for cause: 25.2%
- Supermajority vote for mergers: 21.6%
- Supermajority vote to remove directors: 17.7%
- Fair price provisions (charter/bylaw): 12.8%
- Classified board: 10.5%
- Expanded constituency provision (charter/bylaw): 7.7%
- Plurality vote standard w/resignation policy: 5.1%

Sample includes S&P 500 companies, 2017
Source: SharkRepellent.

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The number of staggered (or classified) boards has declined over time, particularly among large companies.

Sample includes S&P 1500 companies, 1998-2017
Source: SharkRepellent.
Companies also are less likely to have poison pills in place, although most charters allow for a new pill to be adopted at the board’s discretion.

Sample includes S&P 1500 companies, 1998-2017
Source: SharkRepellent
Shareholders are generally rewarded for a successful deal with a large takeover premium.

<table>
<thead>
<tr>
<th>Sample</th>
<th># of Cases</th>
<th>% of Contests Where the Winner is:</th>
<th>Average Offer Premium (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Initial Bidder</td>
<td>Rival</td>
</tr>
<tr>
<td>All contests</td>
<td>10,806</td>
<td>67%</td>
<td>4%</td>
</tr>
<tr>
<td>1973-1989</td>
<td>3,730</td>
<td>59%</td>
<td>5%</td>
</tr>
<tr>
<td>1990-2002</td>
<td>7,076</td>
<td>71%</td>
<td>3%</td>
</tr>
<tr>
<td>Merger bid</td>
<td>7,750</td>
<td>64%</td>
<td>3%</td>
</tr>
<tr>
<td>Tender offer</td>
<td>3,056</td>
<td>75%</td>
<td>5%</td>
</tr>
<tr>
<td>Acquirer public</td>
<td>6,726</td>
<td>76%</td>
<td>3%</td>
</tr>
<tr>
<td>Acquirer private</td>
<td>4,080</td>
<td>52%</td>
<td>5%</td>
</tr>
<tr>
<td>Single bidder</td>
<td>9,944</td>
<td>71%</td>
<td>0%</td>
</tr>
<tr>
<td>Multiple bidders</td>
<td>862</td>
<td>21%</td>
<td>48%</td>
</tr>
<tr>
<td>Target friendly</td>
<td>10,295</td>
<td>68%</td>
<td>3%</td>
</tr>
<tr>
<td>Target hostile</td>
<td>511</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>All cash</td>
<td>4,185</td>
<td>69%</td>
<td>4%</td>
</tr>
<tr>
<td>Stock/mixed</td>
<td>6,621</td>
<td>65%</td>
<td>4%</td>
</tr>
</tbody>
</table>


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CEOs are also rewarded for a successful deal with a large payout ("golden parachute").

Sample includes between 1463 and 1897 firms, 1990-2006. Not all years reported.

Source: Bebchuk, Cohen, and Wang (2014)


FactSet Research.

Institute for Mergers, Acquisitions, and Alliances.


SharkRepellent, FactSet Research Systems.