

The New Era of Shareholder Activism

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Moderator:

Clifton Robbins, Founder and CEO, Blue Harbour Group

Speakers:

Janet Cowell, Treasurer, State of North Carolina (D)

Joseph Dear, Chief Investment Officer, California Public Employees' Retirement System
(CalPERS)

Robert Grady, Chairman, New Jersey State Investment Council

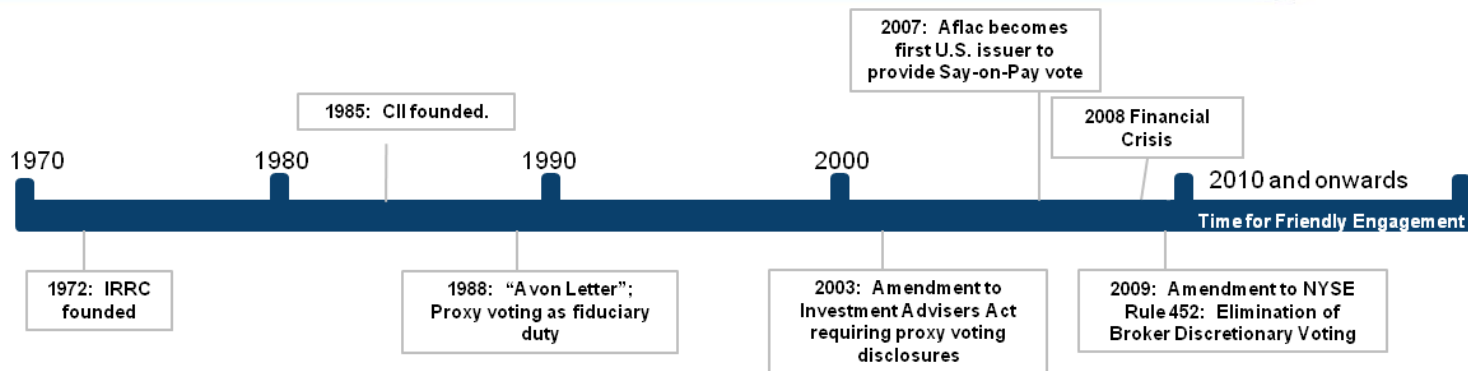
William Royan, Vice President, Relationship Investing, Ontario Teachers' Pension Plan

Anne Sheehan, Director of Corporate Governance, CalSTRS

New Era of Shareholder Activism:



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Era of "Corporate Raiders"

- Generally "unfriendly" environment for shareholders
- Insular Management/ Boards
- Hostile takeovers
- Greenmail
- Increasing debt loads
- Short holding periods

CEOs Fight Back

- Companies implement defensive tactics
- Companies armor defensively
 - Poison pills
 - Golden parachutes
 - Staggered boards

Activist & Governance Investing

- Frauds stress need for better corporate governance
- Sarbanes-Oxley
- Resurgence of aggressive "activists"

Shareholders Matter

- Improved shareholder communication
- Regulatory reforms
- Collaboration is key
- Address shareholder concerns



Current “Hot Button” Issues in Shareholder Activism:

- Driving Strategic and Corporate Change to Create Value
- How Much Engagement Is too Much
- Adoption of Say-on-Pay: The Evolving Effects
- The Importance of Board Diversity
- Focus on Environmental and Social Stewardship
- Increased Role of Proxy Advisors in Corporate Governance Process

Methods of Effecting Change in Corporate Governance:

- Direct Engagement of Large Shareholders with Public Companies, Either through Dialogue or the Proxy
- Active Participation in Changing the Corporate Governance Regulatory Framework
- Partnering with External Managers to Drive Value Creation