

# DEFENDING AGAINST PANDEMIC TAKEOVERS

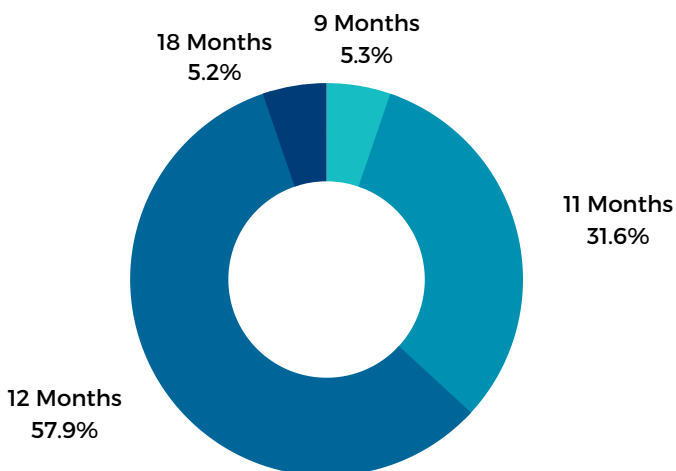
R3000 COMPANIES THAT HAVE ADOPTED SHORT-TERM SHAREHOLDER RIGHTS PLANS AS OF 4/28/20

In response of the market volatility created by the COVID-19 pandemic, companies are taking a defensive position against the threat of potential hostile takeovers. The trend began in March with Occidental Petroleum adopting a limited-duration shareholder rights plan.

In the weeks following, a total of 24 R3000 companies enacted a rights plan with varied durations.

A majority of companies opted for a one year period. Notable companies include: Groupon, Hilton Grand Vacations, and Six Flags.

## RIGHTS PLAN DURATION



**“The adoption of the one-year Rights Plan will protect against parties seeking to take advantage of the current market environment to the detriment of HGV and its shareholders.”**  
- Hilton Grand Vacations, April 16, 2020

**“..., the Board of Directors has taken note of the substantial increase in market volatility as a result of the COVID-19 pandemic, as well as its impact on Groupon’s stock price. Given the current unprecedented environment and trading levels as well as the importance of maintaining focus on the Company’s operations..., the Board believes adopting the Rights Plan is in the best interest of all Groupon stockholders.”**  
-Groupon, April 13, 2020

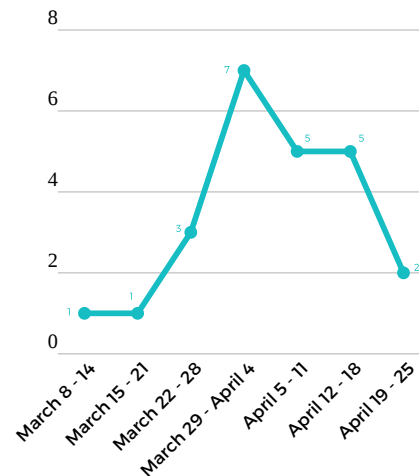
# DEFENDING AGAINST PANDEMIC TAKEOVERS

# 50%

**ADOPTED AT THE START OF Q2**

The majority of rights plan were adopted at the beginning of the second quarter.

ANNOUNCEMENT WEEK OF RIGHTS PLAN

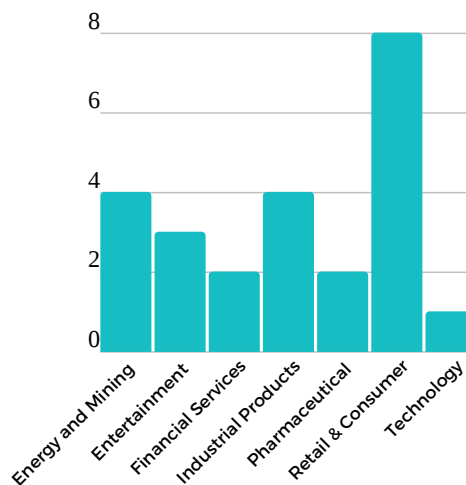


# 30%

**ARE RETAIL & CONSUMER SECTOR**

At the moment, retail is the predominant sector including: Barnes and Noble Education, Dave and Busters, and Express.

RIGHTS PLANS BY SECTOR

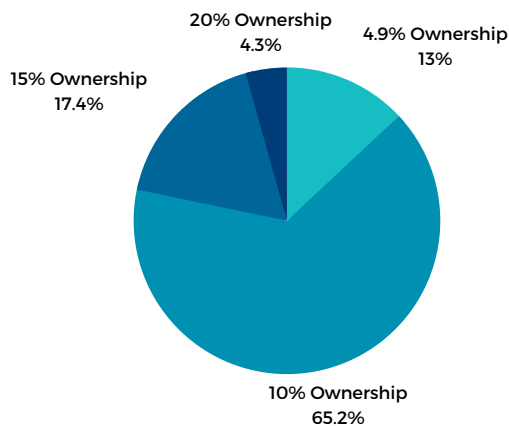


# 13%

**LIMIT SHARE PURCHASES AT 4.9%**

While two-thirds of the companies set a 10% ownership threshold to trigger their rights plans, three companies, or 13%, established a 4.9% limit.

RIGHTS PLAN OWNERSHIP LIMIT



**R3000 Companies That Have Adopted Short-Term Shareholder Rights Plans as of 4/28/20**

	<b>Company Name</b>	<b>Board Adoption Date of Rights Plan</b>	<b>Expiration Date of Rights Plan</b>	<b>Duration of Rights Plan</b>	<b>Ownership Threshold Percentage for Rights Plan to Become Exercisable</b>
1)	AAR CORP	3/30/20	2/28/21	11 Months	10%
2)	AMERICAN FINANCE TRUST, INC	4/13/20	4/12/21	12 Months	4.9%
3)	BARNES & NOBLE EDUCATION, INC.	3/25/20	12/31/20	9 Months	10%
4)	BIOSPECIFICS TECHNOLOGIES CORP	4/10/20	Unspecified	Unspecified	20%
5)	CHEFS' WAREHOUSE, INC.	3/22/20	3/21/21	12 Months	10%
6)	CHICOS FAS INC	4/3/20	4/1/21	12 Months	10%
7)	COMMVault SYSTEMS INC	4/3/20	4/1/21	12 Months	10%
8)	DAVE & BUSTER'S ENTERTAINMENT, INC.	3/18/20	3/17/21	12 Months	15%
9)	EXPRESS, INC.	4/21/20	4/19/21	12 Months	10%
10)	GLOBAL NET LEASE, INC.	4/9/20	4/8/21	12 Months	4.9%
11)	GROUPON, INC.	4/10/20	3/10/21	11 Months	10%
12)	HILTON GRAND VACATIONS INC.	4/16/20	4/15/21	12 Months	10%
13)	NEURONETICS INC	4/8/20	4/8/21	12 Months	10%
14)	NN INC	4/16/20	3/31/21	11 Months	15%
15)	OCCIDENTAL PETROLEUM CORP /DE/	3/12/20	3/11/21	12 Months	Unspecified
16)	PATTERSON UTI ENERGY INC	4/23/20	4/22/21	12 Months	10%
17)	PROPETRO HOLDING CORP.	4/14/20	3/31/21	11 Months	10%
18)	SIX FLAGS ENTERTAINMENT CORP	3/31/20	Unspecified	Unspecified	10%
19)	SYNALLOY CORP	4/1/20	3/31/21	11 Months	15%
20)	TAILORED BRANDS INC	3/31/20	Unspecified	Unspecified	10%
21)	TEMPUR SEALY INTERNATIONAL, INC.	3/27/20	Unspecified	Unspecified	10%
22)	TENNECO INC	4/16/20	10/2/21	18 Months	4.9%
23)	VIAD CORP	3/30/20	2/28/20	11 Months	10%
24)	WOODWARD, INC.	4/6/20	Unspecified	Unspecified	15%