



Diligent Market Intelligence

Shareholder Activism Annual Review 2026

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Editor's foreword



Josh Black

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Last year was another dramatic chapter for shareholder activism – but then, aren't they all? The past 12 months saw activists embrace tactical flexibility: settling early, experimenting with withhold campaigns and targeted pressure on compensation committee members.

One of the defining stories of 2026 is likely to be M&A activism. Our latest data show that M&A-driven campaigns are at a five-year high, with the number of U.S. companies facing explicit “push to sell” demands up almost 30% year-on-year and close to double the level we recorded in 2021. Globally, we see a similar pattern, with a 20% increase in issuers publicly pressed to explore a sale or break-up. Everywhere, activists are saying the quiet part out loud: selling the company is a reliable way to crystallize value quickly.

That aggression is complemented by a different approach to board-related activism. In the U.S., 89% of board seats won by activists in 2025 came via settlement rather than a vote, even as overall seat gains climbed 17% year-on-year. Proxy fights have by no means disappeared, but their outcomes are increasingly unpredictable.

Meanwhile, executive compensation has taken on a larger role. In 2025, the number of remuneration-related demands by primary and partial-focus activists at U.S. companies jumped by almost 70%, to 22 from 13 the prior year. Activists are also using “say on pay” as an early warning system: among Russell 3000 companies that failed to secure majority support for their pay plans in 2024, one-in-four went on to attract activist demands in 2025, most commonly calling for the removal of the CEO or another director. Pay may rarely be the only issue, but it has become a highly effective wedge that can open the door

to broader debates about capital allocation, strategy and board composition.

Against this backdrop, the evolution of Diligent Market Intelligence continues apace. Our new Stewardship Feed – a dedicated data service that delivers expanded global governance and compensation intelligence directly into the workflows of asset managers and advisors – is being utilized to help stewardship teams move from reactive analysis to proactive, portfolio-wide oversight. Expect more announcements on that front in the coming months.

We are also deepening our engagement with the stewardship community in person. On March 3, we will host our next Stewardship Series event, bringing together activists, issuers, advisors and investors to debate the themes highlighted in this Review. You will also find the Diligent team at key gatherings throughout the year, including the Council of Institutional Investors (CII) and the Tulane Corporate Law Institute, where we will be sharing fresh research and listening closely to how market participants are adapting to this new phase of activism.

This publication, compiled by DMI's Antoinette Giblin, would not be possible without the support and insight of our partners. I am delighted to again thank Olshan Frome Wolosky and Sidley Austin – the number one law firms globally for shareholder activism and defense work – for their sponsorship and contributions. We are equally grateful to Georgeson for their continued partnership, and to insurance giant Marsh.

As ever, our goal is not simply to chronicle another “dramatic” year, but to equip boards, investors and advisors with the data and context they need to navigate whatever comes next. We hope you find this year's Review a useful guide to that journey.

Activism's record run extends into 2026

Andrew Freedman and Kenneth Mantel, chair of and partner in Olshan's Shareholder Activism Practice.



Shareholder activism had another banner year in 2025 with the number of companies targeted globally surpassing 1,000 for the third consecutive year. While activism mainstays Elliott Management and Starboard Value led the way on key metrics such as number of board seats won, first time and occasional activists repeated their strong showing from 2024, reinforcing the broad acceptance of the effectiveness of activism strategies to drive value and achieve investor goals. A particularly strong H2 2025 and positive outlook for M&A indicate that we are in for an exciting 2026.

The U.S. continues to be the most active jurisdiction for shareholder activism, accounting for well over half of global activity, according to Diligent. Highlights from the 2025 season included Elliott's campaign at Phillips 66, which marked the activist's first U.S. campaign to go to a shareholder vote, Browning West's engagement with The Cooper Companies, resulting in a cooperation agreement providing for the appointment of Browning West's nominee to the board and an agreement to appoint a mutually selected independent director, and HoldCo Asset Management's series of campaigns pushing for changes at U.S. regional banks. Japan also had a record year with a 40% increase in activity as investors from across the globe

“ There is no more ‘off season’ for shareholder activism. ”

continue to show interest in the jurisdiction. Campaigns in Europe declined for a second straight year, with the U.K. remaining the hub of activity, hosting over half of the region's campaigns.

M&A stands to be a key driver of activity in 2026, with a marked increase in M&A-related campaigns toward the end of 2025. We see robust M&A activity spur activism in multiple ways, including campaigns pressing companies to realize shareholder value via whole company transactions or divesting certain businesses or assets, and campaigns responding negatively to deals that investors see as underpriced or value-destructive.

New regulatory developments are also meaningfully impacting activism campaigns. Securities and Exchange Commission (SEC) guidance on when a more-than-5% shareholder is required to file a Schedule 13D rather than a short-form Schedule 13G led institutional investors to reevaluate their engagement practices and, according

to company and activist advisors, made them reticent about sharing their views on key corporate matters. Proxy advisory firms have come under pressure on a number of fronts and are modifying their approaches to adapt. The SEC's work on new rules allowing companies to report earnings on a semiannual rather than quarterly basis could lead to significant change on the information flowing to investors and impact their ability to hold boards and management teams accountable for business performance.

“ A particularly strong H2 2025 and positive outlook for M&A indicate that we are in for an exciting 2026. ”

The landscape for investors courted by companies and activists is changing as well. Tactics to reach investors have evolved. In addition to the usual press releases, presentations and one-on-one meetings, companies and activists now regularly utilize digital media, including websites, social media and podcasts, to connect with shareholders in impactful ways. Institutional investment managers are giving the investors they serve additional opportunities to direct the voting of shares held by certain funds, and are changing their stewardship programs in an attempt to align better with the intentions of their investors. Following receipt of a no-action letter from the SEC, ExxonMobil implemented a retail investor voting program where participants can elect to automate voting in line with the board's recommendations indefinitely, including on significant corporate matters such as director

elections and transformative transactions. In our view, this controversial move to “lock in” retail shareholder support without any information on what they actually will be voting on (subject to a right to subsequently vote or opt out of the program) establishes bad incentives for boards, which threatens to reduce the quality of information available to retail investors in the lead-up to shareholder votes and entrench underperformers.

Defense advisors have it right – there is no more “off season” for shareholder activism. Activists have effective tools to drive change apart from traditional director nominations, including withhold campaigns and public pressure outside of the annual meeting cycle, and have shown a willingness to pursue multi-year campaigns. Further, activists' success has enabled them to draw highly-qualified director candidates that give defense advisors nightmares about head-to-head matchups against companies' weakest directors. Companies and their advisors need to remain vigilant year-round, proactively monitoring and engaging with their investor base, understanding vulnerabilities, and taking action to meet the latest business challenges. Unfortunately, rather than doing this hard work, we continue to see companies manipulate their corporate governance to avoid accountability and entrench their boards, including by revising corporate governance provisions (under the guise of “modernization”) to create unnecessary procedural hurdles for shareholders seeking to exercise their legal rights.

Whether or not a robust M&A market takes hold, 2026 will present activists and companies with a dynamic environment. We expect that activists will continue to demonstrate their ability to innovate, find opportunity, and consistently and effectively drive change.

Pause, pivot, pressure

Kai Liekefett and Derek Zaba,
co-chairs of Sidley Austin's
shareholder activism and
corporate defense practice.



2025 offered a reminder, to boards and investors alike, that shareholder activism does not move in a straight line.

Market volatility, best exemplified by the second-quarter turmoil surrounding “Liberation Day,” prompted many activists to pause or recalibrate. Engagement rebounded with force in the second half of the year, a period marked by the speed with which participants adapted. This reinforced a theme we always tell clients: activism is no longer limited to the traditional proxy season, but rather is a persistent and structural feature of the public company environment.

Activism continues to rise globally, with activity remaining heavily concentrated in the United States, surging in Asia-Pacific markets, and quieting down in Europe. In parallel, M&A deal activity and activism continued to converge. Unsolicited and hostile approaches remained prominent in an active M&A market. At the same time, we saw activists publicly opposing high-profile transactions with notable success.

Regulatory changes also added another layer of uncertainty. The Securities and Exchange Commission (SEC) kicked off the year with an interpretation of beneficial ownership reporting that expanded the definition of

“Engagement rebounded with force in the second half of the year, a period marked by the speed with which participants adapted.”

“active” engagement. The full effects of these actions on certain forms of routine investor dialogue – particularly among the large institutional investors – remain to be seen heading into this proxy season. The political environment materially affected the viability of ESG and DEI campaigns. Separately, changes in the SEC’s handling of Rule 14a-8 no-action requests introduced additional uncertainty about how shareholder proposals may appear (or be challenged) in the coming proxy season. At the same time, the SEC staff’s position on a novel retail voting program – in particular, one that permits standing and revocable voting instructions that align retail votes with board recommendations – emphasized the growing focus on retail participation and vote mechanics. While questions

remain around hurdles to implementation, legal challenges to adoption, and the long-term impact, there is no doubt that such programs broaden investor participation in shareholder democracy.

“ Activism is no longer limited to the traditional proxy season, but rather is a persistent and structural feature of the public company environment. ”

2025 also exhibited a resurgence in two activist tactics. Withhold the vote campaigns reemerged as a means of applying pressure without nominating a competing director slate, and CEO targeting accelerated in a more direct way than it has before. Throughout, proxy advisors and investors continued to focus on whether activists were able to demonstrate a compelling case for change, with candidate quality being a secondary consideration.

Three years into the universal proxy regime, we continue to observe the effects of the change. Shareholders' ability to “mix and match” nominees has altered the map of electoral outcomes: dissidents have a slightly higher chance of winning limited representation in the new regime (though typically not more than one independent director), while sweeping change has become nearly impossible to achieve (there has not been a single successful control proxy fight in the last three years).

Looking ahead, 2026 is shaping up to be lively. An active M&A market will give rise to a crop of activists seeking to push for, accelerate, or oppose M&A transactions across a variety of industries. Retail investors and alternative media may also play a larger role in how complex theses are communicated and disseminated among a broader audience. Evolving policy developments, including heightened scrutiny around the role of proxy advisors and “unknown unknowns,” will continue to reshape the landscape. One thing remains certain – navigating this evolving ecosystem requires having the right team of experienced advisors.

Executive summary

1. M&A returned to the activist agenda in 2025 with the number of U.S. companies facing push-to-sell demands increasing by almost 30% and a 20% increase recorded globally.
2. Amid regulatory uncertainty and tariff turmoil, 2025 marked a shift in how activists exerted influence to secure a record 183 board seats at U.S.-based companies, up 17% on 2024 and with 89% achieved through settlement.
3. As settlements eclipsed proxy fights, the number of board seats secured via shareholder vote at U.S targets fell by 20%, with eight activists claiming victory at the ballot box.
4. Of the Russell 3000 companies that failed to secure more than 50% support for their “say on pay” plans in 2024, 25% went on to attract activist attention in 2025, with the most common demand seeking the removal of the CEO or another board member.
5. Elliott Management topped the DMI ranking of the most prominent activist investors in 2025, pushing for reforms at 17 companies across six markets and gaining 19 board seats.
6. Short activity peaked in 2025 with 166 campaigns initiated globally, up over 55% on 2024 and almost 50% when compared to 2023.

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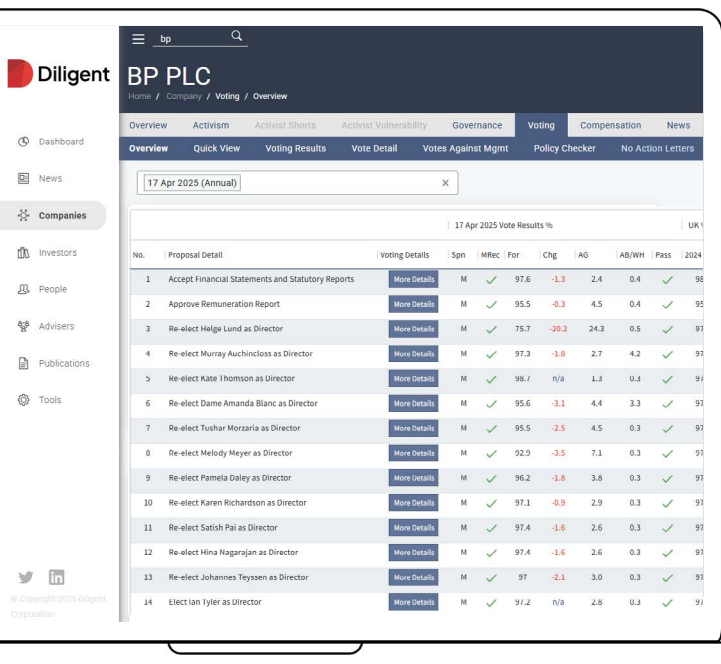
Public Demand Highlights

Company (Campaign Start Year)	Campaign Start Date	Campaign End Date	Campaign TFR	Appoint Personnel	Remove Personnel	Push For M
Qorvo Inc (Apr 2025)	14-Apr-25		-		-	-
Algonquin Power & Utilities Corp. (Mar 2025)	13-Mar-25	13-Mar-25	-		-	-
Fortrea Holdings Inc (Feb 2025)	21-Feb-25	21-Feb-25	0%		-	-
Becton, Dickinson and Company (Feb 2025)	03-Feb-25		-	-	-	-
Riot Platforms, Inc. (Dec 2024)	12-Dec-24		-	-	-	-
Healthcare Realty Trust Incorporated (Dec 2024)	09-Dec-24	09-Dec-24	0%		-	-
Kenvue Inc. (Oct 2024)	22-Oct-24	05-Mar-25	0.48%		-	-
Pfizer Inc. (Oct 2024)	10-Oct-24	27-Jan-25	-6.99%	-	-	-
Match Group, Inc. (Jul 2024)	15-Jul-24	30-Jul-24	5.22%	-	-	-

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Our **Voting** module presents the most comprehensive set of proxy voting data available, and offers features designed to meet the requirements of users from both the buy and sell sides. Complete with thousands of investor profiles, voting policies, rationales and proxy advisor recommendations, this is an essential tool to navigate today's ever-changing stewardship landscape.

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17 Apr 2025 (Annual)

17 Apr 2025 Vote Results %

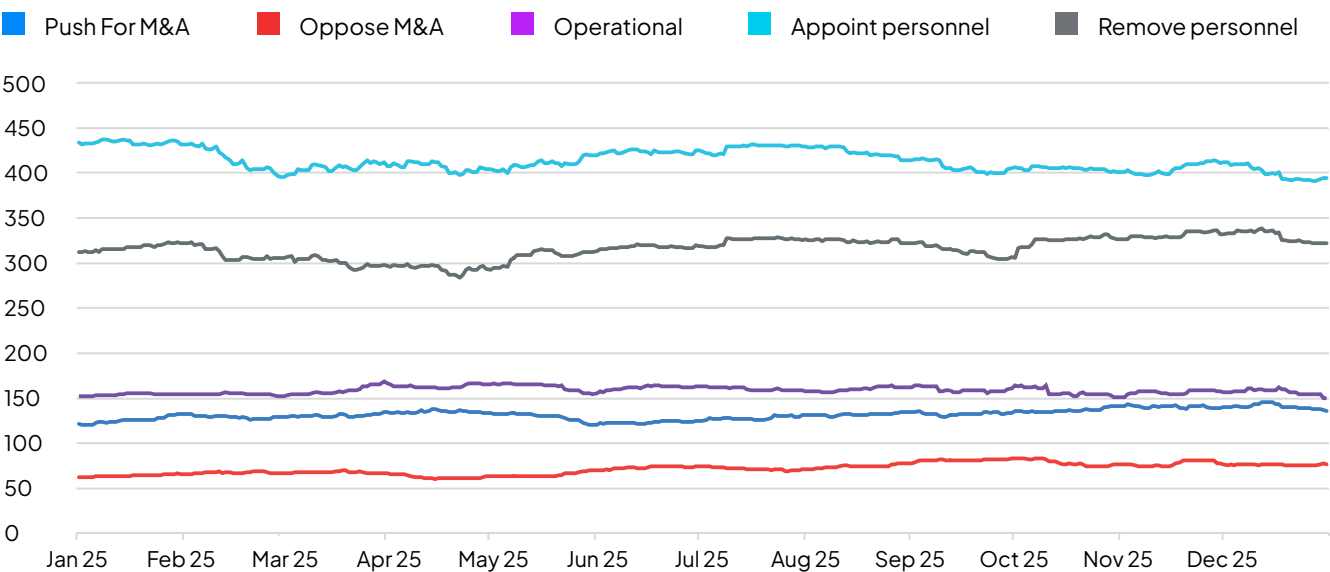
No.	Proposal Detail	Voting Details	Spn	Mfrc	For	Chg	AG	AB/WH	Pass	2024
1	Accept Financial Statements and Statutory Reports	More Details	M	✓	97.6	-1.3	2.4	0.4	✓	96
2	Approve Remuneration Report	More Details	M	✓	95.5	-0.3	4.5	0.4	✓	95
3	Re-elect Helge Lund as Director	More Details	M	✓	75.7	-20.2	24.3	0.5	✓	97
4	Re-elect Murray Auchincloss as Director	More Details	M	✓	97.3	-1.8	2.7	4.2	✓	97
5	Re-elect Kate Thomson as Director	More Details	M	✓	98.7	n/a	1.3	0.3	✓	97
6	Re-elect Dame Amanda Blanc as Director	More Details	M	✓	95.6	-3.1	4.4	3.3	✓	97
7	Re-elect Tushar Morzaria as Director	More Details	M	✓	95.5	-2.5	4.5	0.3	✓	97
8	Re-elect Melody Meyer as Director	More Details	M	✓	92.0	-3.5	7.1	0.3	✓	97
9	Re-elect Pamela Daley as Director	More Details	M	✓	96.2	-1.8	3.8	0.3	✓	97
10	Re-elect Karen Richardson as Director	More Details	M	✓	97.1	-0.9	2.9	0.3	✓	97
11	Re-elect Satish Pai as Director	More Details	M	✓	97.4	-1.6	2.6	0.3	✓	97
12	Re-elect Hina Nagarajan as Director	More Details	M	✓	97.4	-1.6	2.6	0.3	✓	97
13	Re-elect Johannes Teyssens as Director	More Details	M	✓	97	-2.1	3.0	0.3	✓	97
14	Election Tyler as Director	More Details	M	✓	97.2	n/a	2.8	0.3	✓	97



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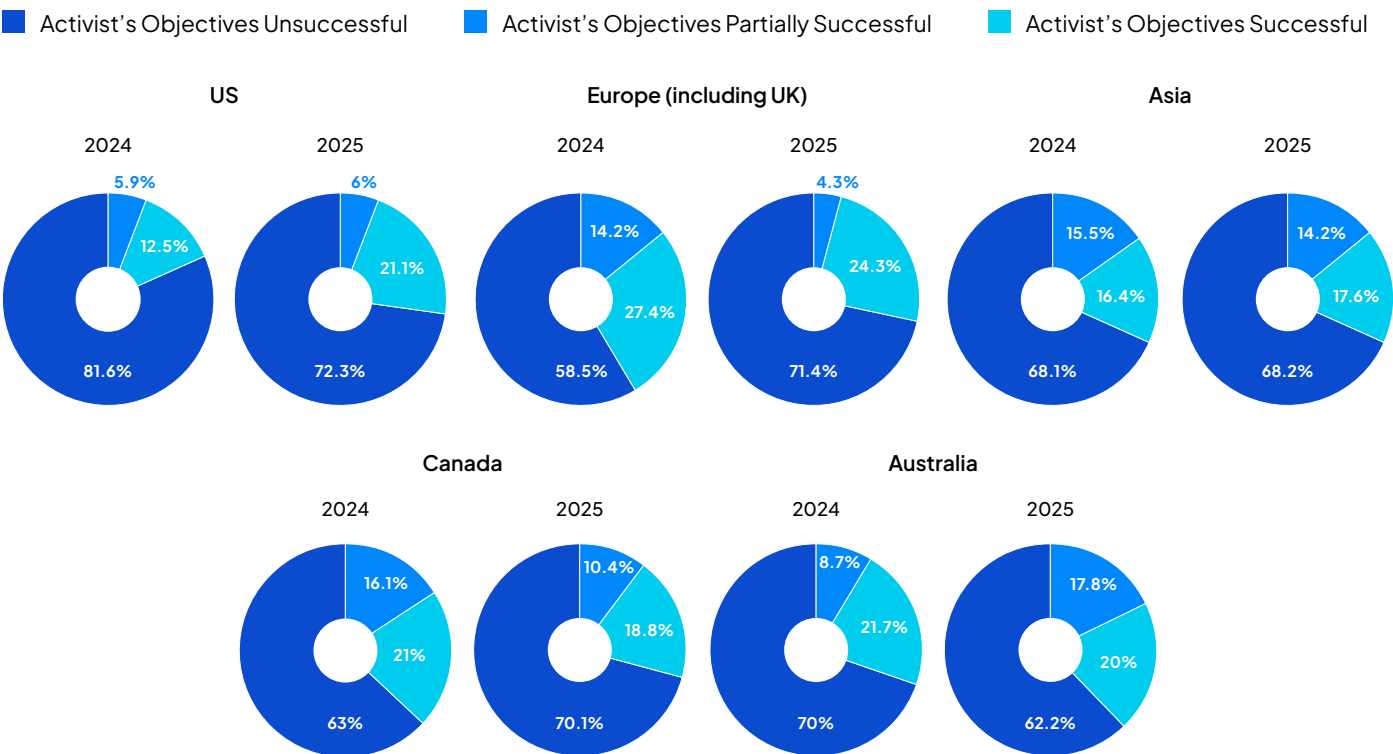
Activism infographics

Activism: Rolling 365-day total of public demands by demand type (from Jan,1, 2025 - Dec 31, 2025)



Source: Diligent Market Intelligence / Activism

Success rate (%) of activist campaigns in 2025 and 2024, by region



Source: Diligent Market Intelligence / Activism

No. companies publically subjected to activist demands by year and region

Region	2021	2022	2023	2024	2025
Asia	134	189	221	203	246
Australasia	71	64	56	59	50
Canada	45	55	74	58	54
Europe (including UK)	180	143	128	106	98
Other	22	16	8	13	13
US	462	510	555	596	579

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists globally, by method and region

Region and method	2021	2022	2023	2024	2025
US	133	176	162	157	183
Settlement	113	145	147	132	163
Vote	20	31	15	25	20
Europe (including UK)	51	39	36	49	35
Settlement	31	14	11	27	7
Vote	20	25	25	22	28
Asia	72	90	97	82	95
Settlement	9	14	18	4	8
Vote	63	76	79	78	87
Canada	20	30	44	50	29
Settlement	7	15	25	29	19
Vote	13	15	19	21	10
Australasia	36	33	26	7	31
Settlement	18	18	8	5	16
Vote	18	15	18	2	15
Total	321	379	368	347	385

Source: Diligent Market Intelligence / Activism

Demand type breakdown of companies globally publicly subjected to activist demands, by year

Demand	2021	2022	2023	2024	2025	% Change 24-25
Appoint Personnel	296	315	342	342	315	▼ 7.89%
Capital Structure	37	56	66	56	78	▲ 39.29%
Divestiture	65	77	77	72	82	▲ 13.89%
Environmental	84	137	136	134	99	▼ 26.12%
Governance	394	419	443	435	507	▲ 16.55%
Operational	73	89	107	98	109	▲ 11.22%
Oppose M&A	77	53	66	43	60	▲ 39.53%
Push For M&A	72	76	88	101	121	▲ 19.80%
Remove Personnel	158	190	207	222	226	▲ 1.80%
Remuneration	92	116	153	142	160	▲ 12.68%
Return Cash to Shareholders	107	153	177	159	153	▼ 3.77%
Social	118	150	160	192	126	▼ 34.38%
Total	1,573	1,831	2,022	1,996	2,036	

Source: Diligent Market Intelligence / Activism

Crunch time

M&A-driven activism surged to a five-year high in 2025, fueled by a more accommodating regulatory landscape and pent-up demand – momentum that is poised to shape the corporate agenda well into 2026, writes Antoinette Giblin.



The number of U.S. companies facing push-to-sell campaigns has almost doubled since 2021, Diligent Market Intelligence (DMI) data show, reaching over 70 in 2025. That figure was up 29% on 2024 despite a slow start to the year for dealmaking activity.

On the global stage, a similar pattern emerged with a 20% increase in the number of companies facing push-to-sell demands.

“M&A is much more robust now and that’s due to many factors such as market, regulatory and financing conditions which all make it a favorable environment for deals,” Amy Lissauer, global head of activism and raid defense at Bank of America, told DMI. Hostile bids where a potential buyer also advances a slate of directors have become plentiful, with Paramount Skydance starting 2026 by adding a proxy fight to its tender offer for Warner Bros. Discovery and Europe’s Berretta pursuing U.S. gunmaker Sturm Ruger. Last year, Brad Jacobs’ QXO successfully acquired Beacon Roofing after nominating directors.

“Time is of the essence. If you’re going to have a long regulatory review process ahead, you have to start moving quickly.”

A narrow window

Timing is seen as one of the major forces behind the renewed wave of M&A interest with many plans for outright sales or breakups having sat on the backburner due to a perceived difficult antitrust environment under the previous administration. “The mentality we’re hearing from investors right now is that this is a unique opportunity to get transactions done, but you should move decisively in this current environment because we don’t know what the future will hold,” said Lissauer.

The sense of urgency is most pronounced in heavily regulated sectors, where lengthy approval processes can quickly narrow the window for execution.

“Time is of the essence. If you’re going to have a long regulatory review process ahead, you have to start moving quickly. So, it’s not surprising we are seeing many of these

cases play out right now,” said Sagar Gupta, portfolio manager at Anson Funds, who pointed to media as one of the biggest beneficiaries of the shifting regulatory backdrop.

Beyond media, activist-driven M&A has also gained traction in technology and banking. In the latter, HoldCo Asset Management has emerged as one of the main agitators. “Banking was a sector where we hadn’t seen a lot of activism over recent years and in the past it had been by much smaller funds targeting smaller banks. There is a shift now that has drawn some activists to larger banks,” noted Lissauer.

Activists toughen their stance

2025 also underscored a growing willingness among investors to speak out when a proposed transaction falls short of their value expectations. Shareholder resistance to M&A gathered pace over the year, with just over 30 U.S.-based companies facing investor pushback, up from 19 in 2024, and many of those challenges coming from occasional activists rather than dedicated campaigners. Globally, the number of issuers to encounter activist opposition to transactions climbed by almost 40%.

Activists had most success when they were able to convince other shareholders that there were issues not just with valuation, but also with governance in the negotiation.

“On assessing a deal, there’s price and then there’s process,” said Anson’s Gupta. “I think the process aspect can help explain the price, whether good or bad. So, if you see a transaction where the price was underwhelming in your opinion, if the process was robust, then you should find comfort in that this was truly the best price that was achieved.”

Fertile ground

The M&A uptick is expected to remain on solid ground in 2026 with sectors including medtech, industrial manufacturing and technology likely to account for a large portion of deal volume, according to a report by PwC. The firm found that even amid major shifts in economic policy in 2025, total deal value rose about 45% from 2024 and was the second-highest ever recorded.

Goldman Sachs’ 2026 M&A Outlook argued that U.S. activists were growing impatient with corporate turnarounds and more confident in the potential for

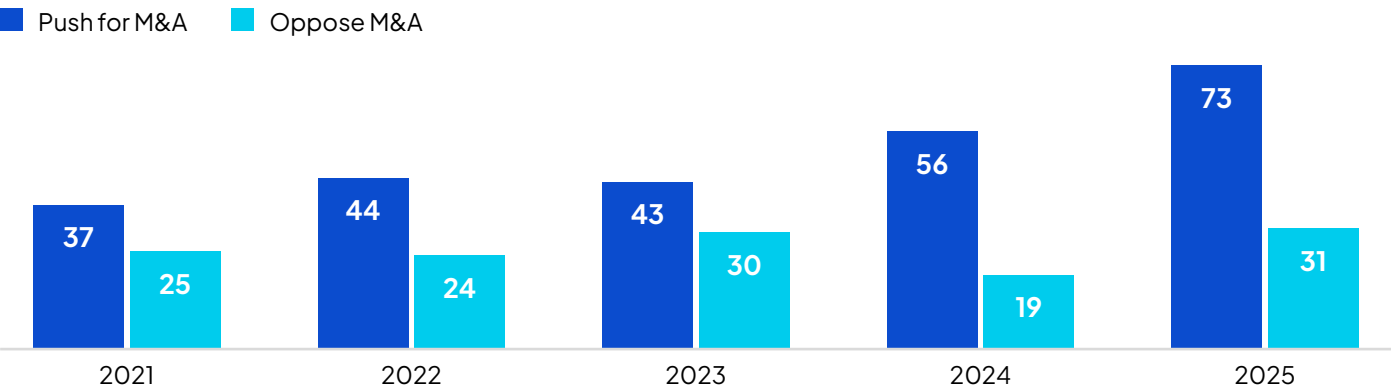
M&A premiums in a broader range of targets. The bank predicted more breakup, capital allocation and push-for-sale campaigns, along with scrutiny of announced deals, including efforts to “bump” or “break” deals.

As activist interest builds, the spotlight is likely to fall most intensely on companies that continue to lag their peers. Ryan Nebel, vice chair of Olshan’s shareholder activism practice, warned that prolonged underperformance leaves little room for complacency as investor patience wears thin. “If there’s an underperforming company and activists have identified operational improvements to make, those will still be set out,” said Nebel. “But as an alternative, you

“ M&A is much more robust now and that’s due to many factors such as market, regulatory and financing conditions. ”

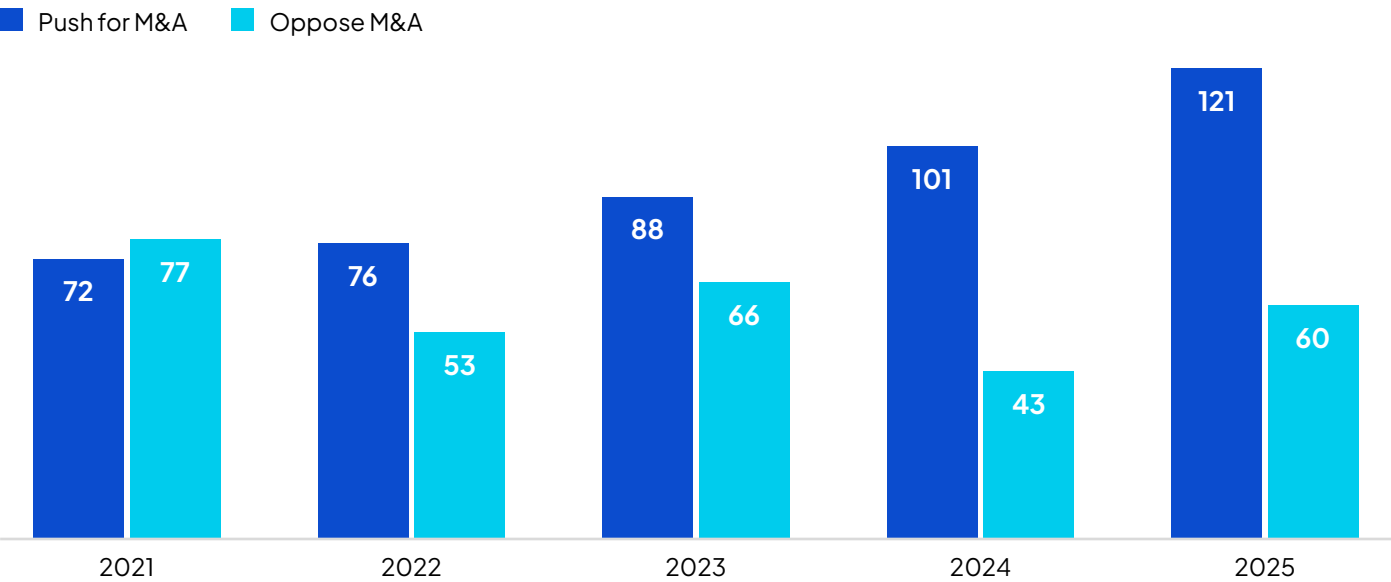
could also see a call for the sale of the company if this leadership team has demonstrated its inability to drive value. It’s natural to call for strategic alternatives and to get the company into the right ownership and perhaps it’s better suited for private markets.”

No. US-based companies to face M&A demands, by year



Source: Diligent Market Intelligence / Activism

No. companies to face M&A demands globally, by year



Source: Diligent Market Intelligence / Activism

Riding the storm

Shareholder activists had a strong year in 2025, winning a bumper crop of board seats while navigating a rapidly shifting regulatory and economic environment, writes Jason Booth.



In a year marked by regulatory upheaval and macroeconomic volatility, the overwhelming impression was of a flood of activism deferred. By traditional volume metrics, activism cooled modestly last year. According to Diligent Market Intelligence (DMI) data, 579 U.S.-based companies were publicly targeted and subjected to demands, down from 596 in 2024.

Measured by outcomes, however, 2025 ranked among the most consequential years in recent memory, with activists winning 183 board seats at their U.S. targets, up 17% on 2024. Worldwide, activists secured 385 seats, up from 345 a year earlier, with much of that increase driven by Japan.

The year could also rank among the most challenging, fund managers told DMI, citing the narrowness of the market that drove multiple activists toward the same targets, persistently high interest rates, and regulatory and tariff turmoil that disrupted several otherwise well-planned spring campaigns.

“When you start talking about non-M&A activism, most of it is about operational improvements and turnarounds.”

“From an activist perspective, you had a huge disruption in April with the imposition of tariffs,” Glenn Welling, founder of Engaged Capital told DMI. “It was a distraction for lots of companies that took many, many months to work through.”

Nowhere was that more clearly demonstrated than at United States Steel Corp., where Ancora Advisors nominated nine board candidates as part of a proxy challenge aimed at replacing its CEO and preventing a sale of the 124-year-old company to Japan’s Nippon Steel. In April, however, Ancora was compelled to abandon its campaign after the Trump administration abruptly reversed its opposition to the merger.

“The U.S Steel proxy fight, which is how the year started for us, feels like it happened in a completely different environment from how the year ended,” said James Chadwick, portfolio manager at Ancora, which advanced public demands at six companies last year.

Changing tactics

The uncertainty was reflected in a shift in activist tactics, with U.S. activists favoring negotiated settlements over public confrontation and withhold campaigns rather than nominating directors.

Settlements dominated outcomes in the U.S., accounting for 89% of the overall seat gains, up from 84% in 2024. All but 20 board seats were won via negotiated agreements rather than proxy contests. That dynamic reflected not only cost pressures and regulatory considerations but also the increasing sophistication of activist strategies and the ability to adapt amid market uncertainty.

“I think activists have gotten more sophisticated and learned how to partner with companies in different ways,” said Welling.

Elliott Management, which holds the top spot on DMI’s activist watchlist for the period, led the field with 19 board seats. Most were via settlements, although the investment giant went all the way to a vote at Phillips 66, where it gained two of the four seats it had targeted. Starboard Value, also ranked within the Top 3, secured 14 seats.

Control without confrontation

The settlement-heavy environment was also shaped by market structure. Very large activist funds continued to dominate activity while equity valuations remained near record highs, reducing the perceived need for all-out confrontation.

“In a market that keeps going up and up, maybe you don’t feel like you have to make that much of an effort to get a good outcome,” said James Rasteh, founding partner of Coast Capital. “Maybe you don’t need to really go all out and blast people for underperforming. You push for certain things, but you don’t push anywhere near as far as you normally would.”

Japan presented a sharp contrast. There, nearly all the 37 board seats were won through public proxy votes rather than settlements – a striking signal of how far the market has moved beyond its reputation for shareholder passivity.

Pressure turns operational

With dealmaking constrained for the early portion of the year amid market instability, activists increasingly turned to the most immediate lever available: operations.

According to DMI data, 55 U.S.-based companies faced such demands, largely flat on 2024 and up 6% on 2023. Asia also saw a focus on operations, with the volume of such demands jumping from 12 to 27, reflecting a broader regional focus on efficiency and execution.

“We’ve had a pretty lengthy period where M&A has been challenging for a variety of reasons,” Chadwick said. “And when you start talking about non-M&A activism, most of it is about operational improvements and turnarounds.”

“ Activism is one of the few ways you can actually create value today by driving change. ”

High-profile examples reinforced the trend. In October, PepsiCo said it would intensify cost-cutting efforts and pursue a portfolio overhaul amid talks with Elliott Management. Lamb Weston Holdings outlined plans to save “at least” \$250 million following a settlement with Continental Grain and Jana Partners, which together held roughly 7% of the company.

The operational turn also put management teams and the CEOs at the helm under sharper pressure as activists pushed for margin improvement, execution discipline and faster decision-making, against the backdrop of rapid technological developments such as AI.

In 2025, 49 CEOs departed U.S.-based issuers within a year of their companies becoming activist targets, according to DMI Governance data.

“It puts the CEO much more in the crosshairs,” Rasteh told DMI, adding that leadership changes were closely tied to the type of operational activism dominating the market.

Cautious optimism

Uncertainty over tariffs and economic policy is expected to persist in 2026 and likely compounded by new challenges. Many activists predict that proxy advisors’ influence may weaken under government scrutiny, especially in contested elections. At the same time, the “Big Three” index funds – BlackRock, Vanguard and State Street – face heightened SEC scrutiny which could make them more cautious about supporting activists to avoid headline risk.

Yet despite these headwinds, there is optimism that changes in market dynamics may benefit activists in the year ahead.

“I’m cautiously optimistic that in 2026 people are starting to think about structural changes at companies that are going to unlock value that’s not readily apparent today. So stock picking becomes really important in a market that looks like that,” said Welling.

Chadwick took a similar view, pointing to the Trump administration’s emphasis on domestic manufacturing and sourcing as a potential catalyst for renewed M&A interest in industrials. He referenced rail operator CSX, in which Ancora holds a stake, as one industrial name well positioned for dealmaking.

More broadly, however, activists told DMI that their role in capital markets is becoming more central, not less. As AI automates much of traditional investing and large institutions grow more cautious about engagement amid political and regulatory scrutiny, activists increasingly see themselves filling a widening gap.

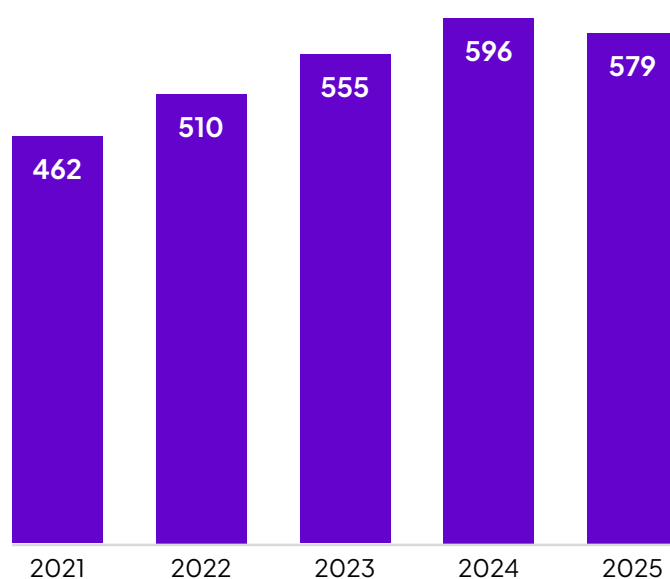
“Activism is one of the few ways you can actually create value today by driving change,” Rasteh concluded.

No. board seats won by activists at US-based companies, by method and year

Method	2021	2022	2023	2024	2025
Settlement	113	145	147	132	163
Vote	20	31	15	25	20
Total	133	176	162	157	183

Source: Diligent Market Intelligence / Activism

No. US-based companies publicly subjected to activist demands, by year



Source: Diligent Market Intelligence / Activism

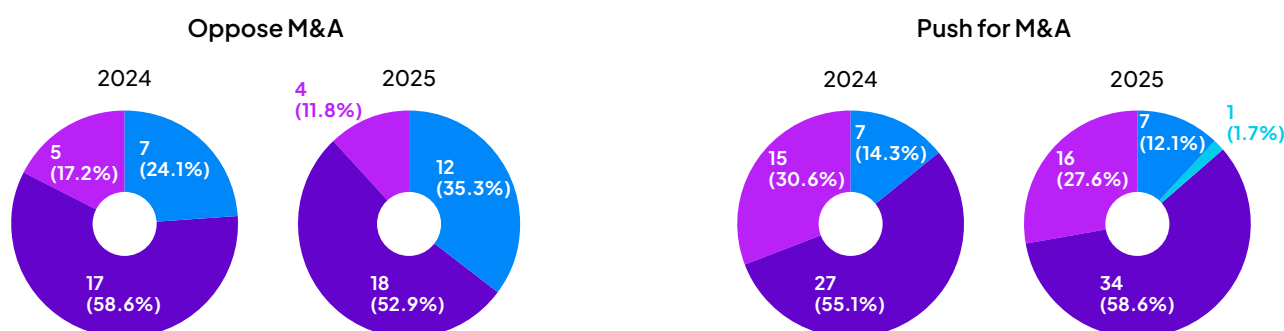
Demand type breakdown of activist demands at US-based companies, by year

	2021	2022	2023	2024	2025
Appoint personnel	114	139	154	168	154
Capital structure	18	22	19	20	29
Divestiture	28	22	27	36	35
Environmental	42	73	87	100	65
Governance	246	262	254	248	284
Operational	45	40	52	56	55
Oppose M&A	25	24	30	19	31
Push for M&A	37	44	43	56	73
Remove personnel	41	58	53	66	76
Remuneration	52	59	82	83	91
Return cash to shareholders	31	35	34	54	38
Social	86	109	131	168	102

Source: Diligent Market Intelligence / Activism

Success rate of activist M&A demands at US-based companies

■ Successful
 ■ Partially successful
 ■ Unsuccessful
 ■ Demand withdrawn



Source: Diligent Market Intelligence / Activism

A regulatory reckoning

2025 marked a regulatory inflection point, with changes that continue to reshape how activism, engagement and corporate governance are likely to evolve.

The timeline of events

At the turn of the year, President Donald Trump signed an executive order (EO) and directed federal agencies to “relentlessly combat private sector discrimination.” Among other things, the EO directed the attorney general to target large companies and institutions with criminal and civil lawsuits to halt DEI programs banned by the administration. The stewardship community took note, with proxy advisors and large index funds moving to revise or remove DEI references from their voting policies.

January

The U.S. Securities and Exchange Commission (SEC) altered guidance on what counts as “passive investor” status under Section 13(d)/(g) of the Securities Exchange Act. A bulletin indicated that investors who discuss voting intentions in engagements may lose passive status and be forced to file disclosures under Schedule 13D rather than the lighter Schedule 13G. The move briefly chilled engagement ahead of proxy season.

February

The SEC voted to end its defense of the rules requiring disclosure of climate-related risks and greenhouse gas emissions.

March

The SEC announced a review of executive compensation disclosures under Item 402 while questioning the “increased complexity and length” of proxy compensation discussion and analysis sections. A public comment period and June roundtable drew more than 70 submissions, with regulators since assessing feedback and next steps.

May

At a state level, Texas Governor Greg Abbott signed legislation that would require proxy advisors to provide more extensive financial analyses for any recommendations that diverge from board-recommended voting outcomes (SB 2337).

June

Both Glass Lewis and Institutional Shareholder Services (ISS) filed suit, challenging the Texas law and setting up a broader legal test of state authority over proxy voting advice.

July

SEC Chair Paul Atkins delivered a keynote speech that suggested shareholders should have to justify their right to file proposals under Delaware law rather than Rule 14a-8.

October

The SEC announced it would no longer respond substantively to most no-action requests with issuers who intend to exclude proposals required to notify the commission “for information only.”

November

President Donald Trump signed an EO that sets out to “end the outsized influence of proxy advisors” by directing the SEC, Federal Trade Commission (FTC) and Department of Labor to conduct reviews of the rules governing the industry.

December

The SEC revised previous guidance to restrict the voluntary filing of Notices of Exempt Solicitation on EDGAR, its electronic filing system, in a move that could significantly limit how smaller shareholders communicate with fellow investors ahead of corporate votes.

January
2026

Activists still bet on diversity despite DEI dial down

As corporate America dials back formal DEI commitments under mounting political and regulatory pressure, shareholder activists are quietly holding the line, writes Ross Carney.



Even as explicit diversity triggers fade from voting policies and boards enjoy record investor support, activists continue to prioritize diverse director candidates arguing that breadth of perspective and skill, not box-ticking, remains more essential than ever to long-term value creation.

With formal diversity qualifiers removed and amid strong markets, boards saw record levels of investor support in 2025 with average backing of 95.1% at the Russell 3000, up from 94.7% in 2024 and with support reaching 96.4% at the S&P 500, according to data from Diligent Market Intelligence (DMI).

Yet for activists, the pullback in formal DEI commitments has not translated into a rethink of board composition strategy. “Identifying and installing diverse candidates is good for business and can drive long-term value. While a lot of the formalities around DEI may have been pulled back, there is still a layer of consciousness inside the boardroom now around diversity that won’t be undone,” Sagar Gupta, portfolio manager at Anson Funds, told DMI.

“The focus is on what expertise is needed to address the activist’s case for change and because of that, I don’t think there’s been much of a shift in proxy fight slates.”

Data examined by DMI underscore that point. While the majority of named dissident nominees successfully installed by primary and partial-focus activists in 2025 were men, activists placed three more female directors in 2025 than they did in 2024.

Lauren Gojkovich, founder and managing partner of LDG Advisory, told DMI that she is “not surprised” by the increase, noting that “those who understand how activists think and how investors react to director slates understand that everyone takes their proxy fight vote seriously, and everyone does a lot of thoughtful in-depth analysis before they cast their vote.”

A broader view

Even before the DEI reset that was prompted by an executive order unveiled by the Trump administration at the start of 2025, the gender divide had been widening on

U.S.-based boards with the proportion of women directors appointed falling from 40% in 2021 to just over 25% in 2025, DMI Governance data show.

Observers told DMI that even without explicit mandates, boards should be focused on finding the right skillsets needed to address current challenges with gender and background a part of the broader view. “It’s not about diversity for diversity’s sake. It’s about the value of cognitive differences in the boardroom for decision making,” Patricia Lenkov, president of Agility Executive Search, told DMI. “Companies, activist investors and proxy advisors all recognize that having different people around the table leads to better outcomes. The language may change, formal programs may be cut, but the actual behavior continues and will continue.”

For Gojkovich, activists selecting candidates for a slate are focused on finding the directors that will be best placed to correct the path when a company is facing challenges, irrespective of gender or background.

“When shareholders are asked to focus on a specific company, there’s a strong emphasis on what skills are absolutely necessary on the board to right the ship. The focus is on what expertise is needed to address the activist’s case for change and because of that, I don’t think there’s been much of a shift in proxy fight slates over time,” she stated.

Starboard Value was named one of the Top Three activists in DMI’s watchlist for 2025. In a sample of 11 named nominees that were successfully appointed by the activist fund, six were women and five were men.

Bigger boards demand more diverse candidates

For bigger boards, there may be an exception, according to Steven Seiden, president of executive search firm Seiden Kreiger Associates. “The larger the company, the more the activist wants to include a candidate with DEI credentials. Activists feel the need to include at least some gender diversity, alongside industry expertise and committee eligibility.”

After talks with Elliott Management in September, large-cap Global Payments installed two women directors with deep financial technology and payments industry expertise to its 12-member board as it was moving to integrate Worldpay following an acquisition.

In an October settlement with Starboard, Bill Holdings revamped its 13-member board with four new independent directors, adding an even mix of male and female candidates and citing their relevant skills in the areas of AI, digital transformation, FinTech and compliance.

Muted shareholder signaling

As the evolving regulatory environment reshapes engagement dynamics, a key challenge for activists assembling slates in 2026 will be interpreting where DEI priorities sit among a quieter shareholder base.

"The real difficulty around it is for both companies and activists to really gauge which shareholders care about this and the magnitude of which they care about it," Gupta told DMI.

For Seiden, the shift is more one of perspective than retreat. "Diversity shouldn't be thought about in a narrow or quota-driven way. Companies should also think about

“ It's not about diversity for diversity's sake. It's about the value of cognitive differences in the boardroom for decision making. ”

vocational diversity, boards should look more broadly at candidates who bring perspectives beyond purely corporate credentials.”

Within that broader lens, industry expertise is expected to play a decisive role in determining the success of activist nominees next year. "Activists have changed how boards think about industry expertise. Before activism became as prevalent, industry experience wasn't always a top priority for boards. Activists have now put it front and center," said Lenkov.

Scale research workflows with Diligent Market Intelligence data feeds, now available on Snowflake Marketplace.



Activists seize on pay misalignment as wedge for wider change

Executive pay has taken on heightened significance in activist campaigns, with remuneration increasingly deployed as a lever to force broader corporate change, writes Simon Roughneen.



In 2025, the number of remuneration-related demands advanced by primary and partial-focus activists rose by almost 70% as activists sought to rally fellow shareholders to back their reform agendas. According to Diligent Market Intelligence (DMI) data, 22 such demands were advanced at U.S.-based companies by the end of the year, compared to 13 recorded in 2024, and up from 10 in 2023. Much of the pay-related activism was folded into wider campaigns in which dissidents had also set their sights on leadership change, board seats or strategic resets.

“Pay is not usually a leading issue for activists,” said Laura Wanlass, partner and corporate governance & ESG practice leader at Aon. Instead, she described compensation as a “wedge topic” – a way to build momentum and gain leverage in shareholder activism campaigns aimed at reshaping the board or forcing executive transitions.

And that dynamic is well understood by activists, according to Shaun Bisman, partner at Compensation Advisory Partners (CAP). “From an activist standpoint, compensation is often used as a proxy for broader strategic, operational, or governance concerns,” he said, adding that companies with poorly designed compensation programs or big pay increases misaligned with shareholder returns can expose themselves to unnecessary scrutiny.

“Pay results are closely watched, and companies are keen to avoid outcomes that signal misalignment or raise questions about pay rigor.”

Performance versus pay

Where activists perceive a disconnect between executive pay and performance, scrutiny often extends beyond the beneficiaries to those who approved the company’s compensation policies.

Jonathan Litt’s real estate-focused activism platform Land & Buildings emerged as one of the most prolific pay-related agitators in 2025, accounting for 10 of the companies targeted and in many cases he argued that the best way for shareholders to express their frustration was to withhold support on the compensation committee.

At all 10, the targeted directors were returned but support for pay often saw a dip. Alexandria Real Estate Equities faced the largest pushback from investors with 27% opposition to the pay plan presented at its May 13 annual meeting. Litt continued to agitate for change at the REIT with a November warning flagging alleged balance sheet issues and the likelihood of a substantial dividend cut.

At Rexford Industrial Realty, average support for the pay plan was also dented with 14% opposition. Two other Litt targets also saw double-digit rebellions on pay.

Outside of Litt’s efforts, other activists also took issue with pay as part of wider efforts to refresh the board. In a high-profile campaign targeting Cracker Barrel Old Country Store, Biglari Holdings failed in its bid to remove CEO Julie Masino at a November 20 special meeting, but succeeded in its drive to remove Gilbert Davila, the director the activist had deemed part-responsible for the diner chain’s much-criticized mid-year rebrand and for signing off on excessive pay as compensation committee chair. The pay plan also saw dissent with 20% opposition.

‘Say on pay’ dissent sounds alarm

Votes against “say on pay” are increasingly being viewed as a harbinger of further activism, with the dissatisfaction around remuneration practices and policies providing a ready platform for activists who want to see bigger changes effected.

“While advisory, the vote can have real consequences if support is weak, including reputational damage, pressure on directors, and increased vulnerability to activism,” said Ariane Marchis-Mouren, senior governance researcher at The Conference Board. “As a result, pay design is increasingly shaped by how shareholders and proxy advisors will assess alignment, rigor, and fairness,” she explained.

The numbers underscore that risk. Of the Russell 3000 companies that failed to secure more than 50% support for their “say on pay” in 2024, 25% went on to attract activist attention in 2025, with the most common demand seeking the removal of the CEO or another board member.

“‘Say on pay’ results are closely watched, and companies are keen to avoid outcomes that signal misalignment or raise questions about pay rigor,” said CAP’s Bisman.

Several high-profile campaigns illustrate how pay dissent can escalate into broader challenges. Airline JetBlue saw 76% opposition to its pay plan in 2024 and was later targeted by Vladimir Galkin, its number two stakeholder, who demanded the carrier save money by cutting the number of directors from 13 to five.

Harley Davidson, which saw its pay plan fail by a slim margin in 2024, was targeted by H Partners in a 2025 withhold campaign that ended with CEO and Chair Jochem Zeitz exiting in October despite surviving the reelection vote.

Paramount Group also saw a near-even divide, with 50.3% of votes cast against the 2024 “say on pay.” Saray Capital entered its stock with a 5% stake in May keen to discuss potential business combinations and later saw its takeover offer rejected in favor of a competing offer from asset manager Rithm Capital.

Managing investor expectations

As companies move to design remuneration plans, CEO pay has reached record levels. DMI data show that median total compensation in the Russell 3000 has climbed by more than 12% to just over \$7 million, while the S&P 500 has seen an almost 8% increase to \$17.1 million. Those gains

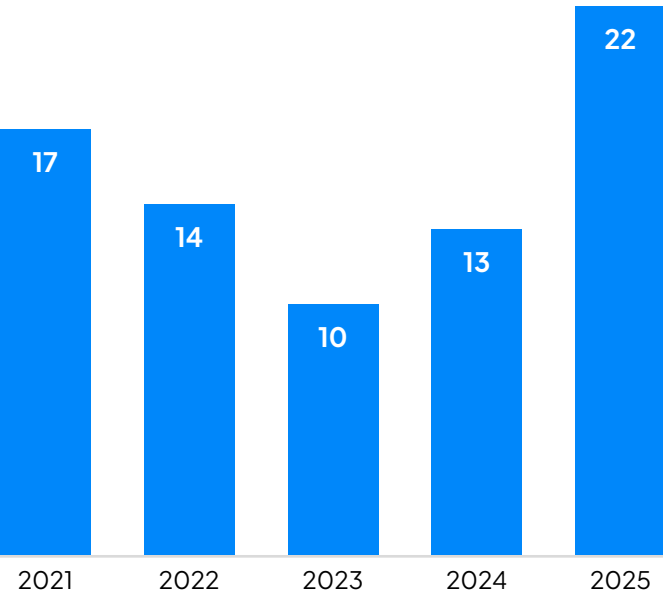
“ While advisory, the vote can have real consequences if support is weak, including reputational damage, pressure on directors, and increased vulnerability to activism. ”

have coincided with strong market performance with total shareholder returns reaching highs at both indices.

However, stronger markets are not enough to insulate companies from scrutiny. Observers told DMI that companies can still find themselves in activists’ crosshairs, particularly when they make outlier pay decisions.

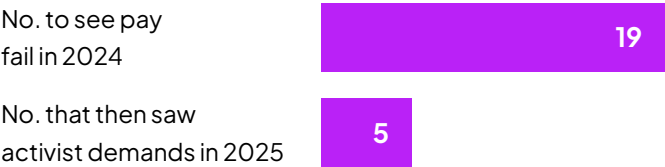
“Companies must think about how they come across like in their proxy statements or any external communications, to show that not only the board but the compensation committee has a thoughtful approach to any executive pay decisions,” Wanlass explained, adding that boards need to tell that story to avoid giving an activist a case to make.

No. remuneration-related demands made by primary and partial-focus activists at U.S.-based companies, by year



Source: Diligent Market Intelligence / Activism

Russell 3000 companies to see pay plan fail* in 2024 and draw activist demands in 2025



*less than 50% support
Source: Diligent Market Intelligence / Voting & Activism

- Top 3 demands
- 1 Removal of CEO or other board member
 - 2 Remuneration
 - 3 Board independence

Source: Diligent Market Intelligence / Activism

The new rules of defense in a fragmented voting landscape



Cas Sydorowitz
Global Head of Georgeson
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“ Outcomes increasingly hinge on how early issuers develop insight into their shareholder base and prepare for activist scrutiny. ”

Global shareholder activism has entered a new phase: campaigns are more frequent, better resourced and harder to predict, and almost every listed issuer is now a potential target regardless of size or sector.

In this environment, outcomes increasingly hinge on how early issuers develop insight into their shareholder base and prepare for activist scrutiny.

Activist campaigns are at near record levels with a growing focus on board change, break ups and M&A in a bid to “unlock value.” At the same time, universal proxies in the U.S. and rising financial and governance expectations have made it easier for activists to win board representation with smaller stakes and targeted slates.

Historically, IR teams and company secretaries could reasonably anticipate voting outcomes by understanding how a small group of asset managers would vote, largely guided by the two global proxy advisors they had relied on. Today, those dynamics have splintered, and historical voting patterns offer far less insight into how investors will respond to the next proxy contest, “say on pay” plan or strategic transaction.

Big index funds change structure

BlackRock, Vanguard and State Street continue to anchor many shareholder registers, but changes in their stewardship structures now have meaningful implications in activist situations. Many have reorganized stewardship teams by fund type (index versus active) or by client base (domestic versus international), meaning different teams within the same asset manager may assess the same activist thesis in very different ways.

In parallel, “pass through” or “voting choice” programs mean more underlying clients now direct votes themselves instead of defaulting to a house voting policy of their asset managers. Although adoption is uneven, this trend is reducing vote concentration and increasing dispersion across similar proposals and contests. For issuers, a single engagement approach focused on top investors is no longer sufficient; a granular understanding of who actually controls the vote within the register and how to engage them is now essential.

Proxy advisors shift to custom models

The proxy advisory landscape is also in flux. Glass Lewis has announced that it will phase out its single benchmark policy and move fully to frameworks aligned with different client philosophies, reinforcing the shift from one size fits all recommendations to investor specific approaches.

At the same time, some of the largest managers are breaking with the traditional proxy advisor model altogether. J.P. Morgan Asset Management has ended its use of the major proxy advisors for U.S. voting and will rely on its own internal platform to source information and apply its policies. Wells Fargo has also exited from an external advisor in favor of an in house system tailored to its governance views. For issuers, external reports are no longer a reliable proxy for how key shareholders will vote, especially in a contested situation.

For IR teams and company secretaries, the implications are clear. Predicting outcomes in a high-stakes vote can no longer be done by reference to a narrow set of public policies or proxy advisor reports. Effective engagement now requires a far more segmented approach – one that accounts for differences in investor type, geography, mandate, and whether voting decisions are shaped by pass-through programs, custom policies, or internal platforms.

In an activist situation, speed to insight becomes critical with the need for an up-to-date view of potential swing voters, their decision makers and the constraints of their voting frameworks.

Developing and maintaining this level of intelligence in-house, alongside growing disclosure, governance, and regulatory demands, is increasingly unrealistic for all but the largest companies.

In this complex ecosystem, Georgeson provides practical intelligence on how investors, stewardship teams, proxy advisors and intermediaries behave in real-world campaigns. This insight supports the early identification of vulnerabilities, enables the mapping and prioritization of the share register, and informs messaging tailored to the specific decision-makers who determine voting outcomes.

When an activist challenge is already underway, Georgeson supports the testing of the activist’s thesis, the refinement of response strategy, and the coordination of targeted outreach to ensure key shareholders understand the company’s position well in advance of voting deadlines. This approach replaces piecemeal reactions with a coordinated defence that aligns strategy and shareholder engagement.



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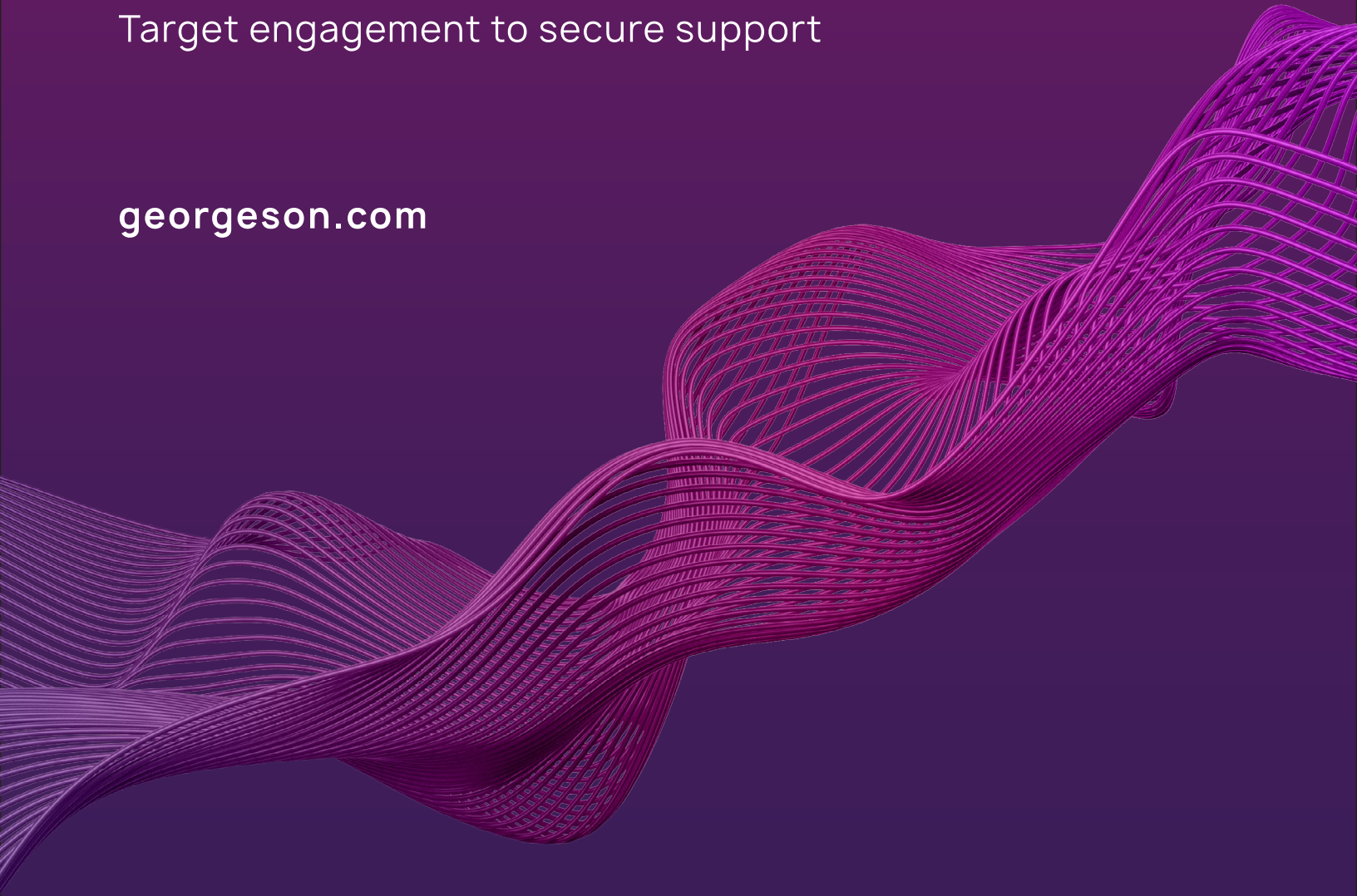
Better governance decisions

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The 2025 activist watchlist

Each year, Diligent Market Intelligence (DMI) creates a ranking of the most prolific activists over the past year, based on the quantity and size of their activist investments, comprehensively derived from the DMI database.

The following categories have been used to create a points-based ranking of each activist for this year's list: number of companies publicly subjected to activist demands, average market capitalization of targeted companies, success of public demands and the depth of news coverage on the activist on DMI in 2025. The methodology excludes investors that do not regularly employ an activist strategy and have targeted fewer than three companies in the period.



1: Elliott Management

No. companies publicly subjected to activist demands in 2025: **17**

No. countries where campaigns were launched in 2025: **6**

Average target market-cap: \$49.4B

No. proxy contests that concluded in settlement in 2025: **8**

No. proxy contests that went to a vote in 2025: **1**

No. board seats gained in 2025: **19**

Most successful demand in 2025: **Gain board representation**

DMI news stories: **145**

Topping the league table for 2025, Elliott found its targets across global markets but with the U.S. accounting for almost 59% of its overall activity. Chief among its U.S. targets was Phillips 66, where the activist secured two out of four seats sought on the 14-member staggered board in a campaign that delivered a novel governance proposal and showcased the power of digital communications with new messaging methods such as video and podcasts that brought director interviews directly to voters. The contest was the activist hedge fund's first in recent years to go all the way to a shareholder vote after recording 13 settlements between 2022 and 2024 and with many inked at the eleventh hour.

In the U.K. market, Elliott focused its attention on BP where it pressed the oil major to shift away from renewables and channel investment back into oil and gas, while also pushing for significant cost cuts. The energy giant's board was also overhauled with Chair Helge Lund stepping down to be replaced by Albert Manifold and Giulia Chierchia, who had headed BP's renewables business, also moving on. Of the new additions, Anglo American director Ian Tyler joined the lineup in March with former Devon Energy Chair and

“ Elliott found its targets across global markets but with the U.S. accounting for almost 59% of its overall activity. ”

CEO David Hager following in May. In December, BP moved to sell a 65% stake in its Castrol lubricants business, having at the time announced more than half of its targeted \$20 billion in divestments, designed to reduce its \$26.1 billion of debt and portfolio complexity.

One of the fund's headline campaigns in Asia saw it turn its attention to Toyota Industries, arguing that Toyota Motor's buyout offer for the accessories and parts maker was insufficient. A sweetened offer advanced in January still failed to mollify the activist which also warned that it may use its voting power to advance shareholder proposals at the target.

2: Saba Capital Management

No. companies publicly subjected to activist demands in 2025: **25**

No. countries where campaigns were launched in 2025: **2**

Average target market-cap: **\$728.3M**

No. proxy contests that concluded in settlement in 2025: **2**

No. proxy contests that went to a vote in 2025: **9**

No. board seats gained in 2025: **5**

Most successful demand in 2025: **Share repurchase**

DMI news stories: **151**

In second place on the activist watchlist, Saba Capital Management found the largest number of targets overall in 2025 with its niche strategy focused on closed end funds (CEF) viewed to be trading at a discount to net asset value (NAV).

The U.S. market accounted for 68% of its activity with Pioneer, BNY Mellon and BlackRock funds among the chosen targets. At six Pioneer funds, Saba urged fellow investors to reject the implementation of a new investment advisory agreement arguing that shareholders should be given the opportunity to exit the funds at NAV. Meanwhile, two New York-listed closed-end funds managed by BlackRock agreed to conduct large self-tenders as part of settlement deals.

Outside of the investment fund space, Saba had further success at U.S.-based ASA Gold and Precious Metals with the mining company adding a director in August. Saba had secured two seats at ASA's 2024 annual meeting.

Having expanded its CEF focus to the U.K. market in recent years, the hedge fund had failed in its initial strategy to overhaul the boards of seven London-listed funds. In

“Saba found the largest number of targets overall in 2025 with its niche strategy focused on closed end funds.”

2025, it targeted eight trusts for reforms including some of its former targets. Of the two settlements reached in the period, CQS Natural Resources Growth and Income agreed to run a full self-tender, boost its dividend and slash its management fee while the European Smaller Companies Trust also committed to conduct a tender offer for over 40% of its shares.

Addressing a London investor conference in late-2025, Boaz Weinstein of Saba Capital warned that “there is a storm brewing in the market as discounts on investment trusts grow.”

3: Starboard Value

No. companies publicly subjected to activist demands in 2025: 11
 No. countries where campaigns were launched in 2025: 2
 Average target market-cap: \$14.4B
 No. proxy contests that concluded in settlement in 2025: 7

No. proxy contests that went to a vote in 2025: N/A
 No. board seats gained in 2025: 14
 Most successful demand in 2025: **Gain board representation**
 DMI news stories: 51

With 11 targets in its sights in 2025, Starboard Value focused its efforts largely on technology and healthcare stocks and with all of its board seat wins achieved through negotiated settlements.

Of the tech companies to give the activist access to its board, online payments company BILL Holdings named four new directors including Starboard Value's Peter Feld. Design software provider Autodesk also dodged a proxy contest with Jeff Smith's fund by agreeing to name two new board members and striking an information sharing agreement.

The year also saw Starboard push for asset sales at online travel company TripAdvisor while in the closing months of 2025, another tech target Clearwater Analytics agreed to be acquired by private equity firms Permira and Warburg Pincus after the activist pushed for a sale process in a bid to unlock trapped value.

“Starboard focused its efforts largely on technology and healthcare stocks.”

In healthcare, Becton, Dickinson and Company agreed to combine its biosciences and diagnostic-solutions business with smaller peer Waters Corp some months after Starboard had applied pressure for a separation period.

Meanwhile, in the consumer space, Kenvue agreed to name three new board members, including Starboard's Jeff Smith, in a March pact after the dissident had pushed for changes to prop up the share price. It later went on to agree a sale with Kimberly-Clark in a deal that valued the U.S.-based Tylenol maker at almost \$49 billion.

4: Ancora Advisors

No. companies publicly subjected to activist demands in 2025: 6
 No. countries where campaigns were launched in 2025: 1

Average target market-cap: \$15B
 DMI news stories: 56

Ancora kicked off 2025 by mounting a nine-candidate proxy challenge at United States Steel aimed at replacing its CEO and preventing a sale of the 124-year-old company to Japan's Nippon Steel. The controversial sale had been blocked by former President Joe Biden on national security grounds and had also prompted the intervention of his successor Donald Trump. The activist ultimately withdrew its slate in April citing “productive conversations” with the Trump Administration and U.S. Steel was acquired by Nippon with the U.S. government acquiring a golden share.

In another M&A-themed campaign, Ancora returned to Forward Air with a withhold effort targeting three incumbents over their support for the freight and logistics

company's acquisition of Omni Logistics. The three stepped down after the annual meeting in June and the company is since understood to have been fielding multiple buyout offers as part of its strategic review.

Having emerged victorious from a board fight at Norfolk Southern in 2024, Ancora went on to target another rail company in 2025 – pressuring CSX Corporation to revamp its leadership or merge with a peer with CSX proceeding to name a new CEO in September.

For 2026, Ancora Portfolio Manager James Chadwick says all eyes will be on M&A. “M&A is the big one. If it truly comes back, it would be a boom for activism.”

5: Land and Buildings

No. companies publicly subjected to activist demands in 2025: 14
No. countries where campaigns were launched in 2025: 1

Average target market-cap: \$15.8B
DMI news stories: 37

Compensation was a key driver of demands for Land and Buildings' Jonathan Litt in 2025, who criticized targets across the real estate investment trust (REIT) space over perceived mismatches between pay and performance. Moving behind the pay plan alone, the dissident also escalated many efforts to push for a vote against the compensation committee. At Rexford Industrial Realty, the activist cited "egregious" remuneration as he launched an unsuccessful push for the removal of its compensation committee members. Some months later,

the REIT announced the departure of its co-CEOs amid constructive discussions with Elliott Management. Litt's efforts at Equity Residential were similarly framed as contrasting long-term underperformance with outsized pay packages. Among Land & Buildings' 14 targets, Crown Castle and AvalonBay Communities were hit with similar critiques, with Litt taking to social media platform X to assert that long-standing underperformance should not be rewarded with multimillion-dollar pay packages.

6: Engine Capital

No. companies publicly subjected to activist demands in 2025: 9
No. countries where campaigns were launched in 2025: 3

Average target market-cap: \$5B
DMI news stories: 47

Arnaud Ajdler's Engine Capital found nine targets across the U.S., Canada and the U.K. in 2025.

U.K.-based Smiths Group was one of the first to draw its attention with the activist pushing the engineering company to pursue a strategic review in a January public letter. By the end of the year and amid increasing activist pressure, Smiths had announced the sale of its Interconnect business to Molex Electronic Technologies also moved to divest its Detection arm in a deal with private equity firm CVC Capital.

Engine won board representation at National Vision Holdings when the U.S.-based optical retailer added two directors in a March pact, naming of a new CEO a month later. Engine Capital also set its sights on the board of Unifirst Corporation, where it eyed two seats and a sale of the company. While the incumbents were returned in a December vote, Cintas, which had been pursuing Unifirst for nearly four years, advanced a fresh takeover offer in December.

7: Dalton Investments

No. companies publicly subjected to activist demands in 2025: 14
No. countries where campaigns were launched in 2025: 2

Average target market-cap: \$6.9B
DMI news stories: 29

Dalton Investments solidified its standing as one of the most influential foreign activist investors in Japan in 2025, while broadening its reach across Asia. The year was anchored by a drawn-out and highly public campaign at Fuji Media Holdings, launched in the wake of a sexual misconduct scandal.

Elsewhere, Dalton came out against a proposed privatization at Toyota Industries, arguing for stronger capital efficiency and board independence. In healthcare, co-founder James Rosenwald won a board seat at Hogen

Medical in June with the company later moving to enter buyout talks led by Carlyle Group.

Beyond company-specific campaigns, Dalton closed the year leading a coalition of more than 130 investors in a call for faster governance reform in Japan and expanded activism into South Korea. Revealing its intention to submit multiple shareholder proposals, Dalton stated that its main objectives are to ensure that a board engages in deadline-driven discussion and decision-making, and to make the collective will of all shareholders visible.

8. Carl Icahn

No. companies publicly subjected to activist demands in 2025: 5
No. countries where campaigns were launched in 2025: 1

Average target market-cap: \$2.7B
DMI news stories: 22

Even at 89, Carl Icahn remained a prominent force in shareholder activism in 2025, taking large stakes and exerting board influence across healthcare, energy, autos and utilities, often through negotiated settlements.

Having built a roughly 34% economic interest in Bausch Health Companies, the two sides reached a standstill agreement in May. Icahn later exited the position and his two board representatives resigned in August.

Energy, long a core focus for the veteran activist, again featured prominently. Icahn extended a tender offer for CVR Energy and secured a board seat for his son,

Brett Icahn, following the announced retirement of the company's CEO. Brett Icahn also joined the board of SandRidge Energy.

At auto-parts provider Dana, Icahn backed plans to divest the off-highway business and later exited after the company agreed to repurchase his stake.

Elsewhere, Icahn maintained influence through extended or revised agreements at Southwest Gas Holdings and American Electric Power and drove the merger of Enzon Pharmaceuticals with Icahn-controlled Viskase Companies.

9: Anany Capital Management

No. companies publicly subjected to activist demands in 2025: 4
No. countries where campaigns were launched in 2025: 2

Average target market-cap: \$4.4B
DMI news stories: 18

Anany Capital Management, founded by Charlie Penner and Alex Silver, targeted four companies in 2025 while often using M&A as the key lever.

At Henry Schein, where Anany had reportedly been mulling a board bid having already engaged on a push for a spinoff of its medical distribution arm, the dental and medical supplies distributor saw its longtime CEO Stanley Bergman as well as company President James Breslawski both step down over the course of the year.

Another target, auto parts company LKQ, closed the year with an announcement that it had commenced a process to explore the potential sale of its Specialty segment as it simplifies its portfolio.

Turning its attention to Europe, the activist finished the year by acquiring a stake in Germany-based Siemens Energy with plans to press the company to sell its wind energy segment.

10: Palliser Capital

No. companies publicly subjected to activist demands in 2025: 9
No. countries where campaigns were launched in 2025: 6

Average target market-cap: \$2.6B
DMI news stories: 44

U.K.-based activist Palliser Capital cast a wide geographical net in 2025 finding its targets in six countries.

The firm was most active, however, in Japan, with campaigns at Keisei Electric Railway, Taiheiyo Cement Corporation, Toyo Tire Corporation and Japan Post Holdings Co.

At Keisei, having publicly engaged since late 2023, Palliser led a withhold campaign targeting CEO and Chair Toshiya Kobayashi as well as five management nominees with investors siding with management in a June vote.

Elsewhere, Palliser saw its push for Rio Tinto Group to review its dual-listing status rejected by 80% of votes cast at the mining company's two annual meetings in the U.K. and Australia. In November, the activist returned to Rio Tinto, urging it to make a counterbid for Canadian miner Teck Resources.

Palliser's only U.S.-based target in the period was TripAdvisor with demands to carry out a strategic review and potentially consider a sale. Despite being joined in the stock by Starboard, Palliser's campaign has yet to bear fruit.

Activism happens – are you insured?

An interview with Matt Terry, managing director at global insurance broker and risk advisor Marsh.



Matt Terry
Managing Director at Marsh
matt.terry@marsh.com



“ The burden can be particularly heavy for small to mid-cap companies who are likely to rely more heavily on external expertise. ”

What are some of the key challenges for boards facing activist campaigns?

The costs of responding to an activist campaign can be enormous. On average, defending a proxy contest cost issuers an estimated US\$4.6 million in 2025, up nearly 300% from 2015, according to Diligent Market Intelligence (DMI) data. Even when a contest settled, the average estimated cost was \$3.7 million.

Experienced activists are often well-resourced and likely to exploit this funding imbalance as a vulnerability. This, in turn, can pressure the target into making strategic decisions that may not be in their best interest.

Specialist legal and public relations advice is essential to both respond effectively and protect the company's reputation and its relationship with its wider shareholder base. The burden can be particularly heavy for small to mid-cap companies that are likely to rely more heavily on external expertise.

What role do you think advanced planning plays in responding to an activist campaign?

Advanced planning can play an incredibly important part in a successful defense. If a board is taken by surprise, it can be at a disadvantage and give activists an inherent advantage.

As activists become more sophisticated and well-funded, leadership teams are increasingly looking at better ways to prepare, engage, and protect themselves by building contingency plans, stress testing operations and governance, and assessing and addressing vulnerabilities.

Effective planning can also include the possibility of insurance to mitigate the enormous costs that the target would otherwise face, thereby balancing the scales of funding a defense.

Would a traditional directors and officers (D&O) policy cover this?

Unlikely. D&O insurance is purchased principally to protect individual directors from liability arising out of decisions made while discharging their duties as directors. Traditional policies may include “Side C” cover; while this does provide

some protection to the company for its own liabilities, that is generally limited to securities claims and requires an allegation of a wrongful act to be triggered. Activist demands generally do not trigger this cover, as the activist shareholder is seeking to effect change rather than establish liability for a wrongful act.

There could also be a small element of incidental cover under the Company Crisis section of some D&O policies, but this does not typically scratch the surface of the costs associated with defending against an activist campaign.

Based on our clients' concerns, Marsh concluded that a fresh approach was necessary, leading to the development and launch of a specific solution to provide comprehensive cover to support the defense of an activist campaign.

Is it now possible to insure against the costs of defending an activist campaign?

Yes, we have been working on a new insurance solution, underwritten in the Lloyd's of London market, to mitigate the out-of-pocket costs that a company faces when responding to an activist challenge. These include activist response costs that cover costs for activist defense (including experts), public relations, and mediators. Proxy response costs are also available and include proxy advisory costs as well as defense costs and public relations costs.

The cover is formulated as an endorsement to a company's main D&O insurance, and coverage is subject to the full terms, conditions, and limitations set out in the policy.

Activism insurance can help companies to meet a campaign on a level playing field, funding a defense robustly, and making decisions based on what they believe to be right for their business as opposed to a purely financial equation.

How could this new insurance change the activist landscape?

By being insured against this exposure, organizations will not entirely eliminate the risk of being a target for activism. However, we believe it has the potential to change the course of some campaigns by enabling boards to evaluate demands based on their substance without fearing the financial impact of a prolonged contest.



MARSH

Activist Protect

Using insurance as part of a response strategy

**A new way to mitigate the costs of
defending against an activist campaign.**

Providing cover for boards of US-listed firms, to
level the financial playing field when responding
to the demands of a well-resourced activist.

Designed by Marsh in collaboration with leading
activism lawyers and underwritten by Lloyd's
of London insurers for US-listed businesses.

To find out more, arrange to meet
Matt Terry at the upcoming Diligent
Market Intelligence Stewardship Series
in New York on March 3.

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Activism in Asia

Asia was the only region globally to see a significant rebound in shareholder activism in 2025 with 246 companies facing public demands, up 21% on 2024.

Amid ongoing regulatory change in the market, governance trumped all other activist objectives with 141 demands, up from 109 in 2024. This was followed by efforts

to return cash to shareholders with 90 demands, up from 73 the year prior.

The saw also saw activists record greater success in gaining board representation with a record 95 seats gained, up 19% on 2024 and with 92% achieved via shareholder vote.

Breakdown of activist demands at Asia-based companies, by year

Demand	2024	2025
Appoint personnel	69	70
Capital structure	23	33
Divestiture	19	30
Environmental	8	10
Governance	109	141
Operational	12	27
Oppose M&A	6	11
Push for M&A	11	12
Remove personnel	64	75
Remuneration	42	51
Return cash to shareholders	73	90
Social	14	6

Source: Diligent Market Intelligence / Activism

No. Asia-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
Asia	134	189	221	203	246

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at Asia-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	9	14	18	4	8
Vote	63	76	79	78	87
Total	72	90	97	82	95

Source: Diligent Market Intelligence / Activism

Activism in Japan

Shareholder activism in Japan intensified in 2025, marked by a surge in campaigns and a growing willingness by investors to force disputes onto shareholder ballots rather than resolve them through private engagement.

According to DMI data, 137 Japan-based companies were subjected to activist demands in 2025, up from 97 in 2024 and well above the prior peak of 109 in 2022. Pressure was directed across sectors including consumer, industrials, media, utilities and healthcare.

In a record year for board gains, activists secured 37 seats at Japan-based companies in 2025, a sharp rebound from just seven in 2024 and the highest rate achieved since 2022.

Notably, every seat was won via contested votes, with none gained through settlement, underscoring an increasing willingness by Japanese shareholders to confront management via public proxy fights.

That shift was evident in several high-profile situations. At Fuji Media, a governance crisis escalated into one of Japan's most closely watched activist battles, drawing in Dalton Investments, Murakami-affiliated funds and Rising Sun Management. While management avoided a full board overhaul, activist pressure did force company president

Osamu Kanemitsu and three directors to step down and sparked a debate over the broadcaster's real estate strategy.

As M&A heated up, so did activist opposition to deals deemed unfriendly to minority shareholders. Proposed buyouts at companies such as Toyota Industries, Mandom, Fujisoft and Yomeishu Seizo each drew opposition from both domestic and foreign activists.

Singapore based funds headed by Japanese fund managers, 3D Investment Partners and Hibiki Path Advisors were especially active, pursuing repeated proxy contests and litigation at companies including Sapporo Holdings, Toho Holdings and Japan Pure Chemical.

U.S. and European funds such as Elliott Management, ValueAct Capital Management and Third Point Partners also pressed targets for asset sales, buybacks and reductions in cross-shareholdings.

Activism should remain strong through 2026, Dalton's Masumi Nishida told DMI in a recent interview. "Structurally, a lot of things now work in favor of Japanese companies: the shift from deflation to inflation, better capital discipline and improved governance. So, I think the long-term story for Japan is still very positive."

No. Japan-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
Japan	66	109	103	97	137

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at Japan-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	9	10	6	0	0
Vote	22	34	23	7	37
Total	31	44	29	7	37

Source: Diligent Market Intelligence / Activism

Activism in South Korea

South Korea activism slowed moderately in 2025 as a rapidly rising stock market was seen to reduce the need for direct action by shareholders. But the campaigns that did advance were often contentious, with many disputes spilling into courtrooms.

According to DMI data, 60 South Korea-based companies were subject to activist demands in 2025, down from 66 in 2024, but up 55% when compared to 2021. The number of board seats gained also declined to 10, from 21 in 2024.

One of the most notable board wins of the year was at cosmetics company Kolmar, where U.S.-based Dalton Investments secured a seat just two weeks after disclosing a stake, with that disclosure sending the stock up more than 30% on the day.

Domestic activist funds were also highly active. Align Partners Capital Management launched high-profile campaigns at Coway and STIC Investments, pressing for board independence, improved returns on equity and clearer succession planning, while also disclosing major activist stakes in Gabia, Dentium and A Plus Asset Advisor.

Litigation played a role in a number of campaigns. This included a prolonged battle for control of Korea Zinc, where dissident shareholder Young Poong and private equity firm MBK Partners waged a months long proxy and litigation campaign against management. In other legal situations, textile chemicals company Taekwang Industrial scrapped a planned \$235 million convertible bond issue after Truston Asset Management filed litigation, while Flashlight Capital Partners sued the board of Korean tobacco and ginseng producer KT&B over what the activist described as “illegal donations” of treasury stock to insiders, including former CEOs.

Rising market values may have reduced the need for proxy fights in the short term, but shareholder activism in Korea is only just beginning, according to Align Partners founder Changhwan Lee, who has pointed to the growing role of retail investors in the market.

“That is really the key difference between Korea and other markets,” he told DMI in a recent interview. “There’s a lot of retail investors and they are gathering powers through online platforms, making their voices heard at companies, taking legal action and even demonstrating.”

No. South Korea-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
South Korea	27	49	77	66	60

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at South Korea-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	0	0	1	1	0
Vote	10	26	33	21	10
Total	10	26	34	22	10

Source: Diligent Market Intelligence / Activism

Activism in Europe

The number of Europe-based companies targeted with public activist demands fell just below 100 in 2025, with overall activity down 7.5% on the year prior.

The U.K. continued to dominate, accounting for over 50% of all targets with interest driven by perceived low valuations and an institutional investor base eager to see new vigor injected into British financial markets.

Germany also maintained its standing as a fertile landscape for shareholder activism with 12 companies targeted, largely flat on 2024.

This was followed by Italy where the jurisdiction's unique slate voting system continued to draw activists with seven companies targeted, up from just two in 2024.

Activity also ticked up in Ireland with five companies drawing activist attention across healthcare and consumer sectors.

Overall, the volume of board seats won at Europe-based companies fell to 35, down almost 29% on 2024. Settlement activity chilled to deliver just seven seats, down from 27 the year prior while a greater number of seats were achieved via shareholder vote.

Governance was the priority focus for activists operating in Europe in 2025 with 39 demands followed by efforts to overhaul the board. M&A also moved up the agenda with a steady increase in demands both pushing for dealmaking and those standing against proposed transactions.

No. *Europe-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
Europe	180	143	128	106	98

*Including UK

Source: Diligent Market Intelligence / Activism

Breakdown of activist demands at *Europe-based companies, by year

Demand	2024	2025
Appoint personnel	49	34
Capital structure	4	6
Divestiture	11	9
Environmental	4	5
Governance	38	39
Operational	21	16
Oppose M&A	6	9
Push for M&A	18	22
Remove personnel	38	25
Remuneration	7	9
Return cash to shareholders	25	17
Social	3	6

*Including UK

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at *Europe-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	31	14	11	27	7
Vote	20	25	25	22	28
Total	51	39	36	49	35

*Including UK

Source: Diligent Market Intelligence / Activism

No. *Europe-based companies subject to activist demands, by region

Country	2025
UK	50
Germany	12
Italy	7
Norway	6
Ireland	5
France	3
Spain	3
Switzerland	3
Luxembourg	2
Denmark	2
Other	5
Total	98

Activism in the UK

The U.K. market continued to draw both domestic and international activist attention in 2025 with 50 companies facing demands – a 9% uptick on 2024 and up 39% when compared to 2023.

Saba Capital Management was one of the main agitators in the market advancing demands at eight closed end funds viewed to be trading at a discount to net asset value. Elliott Management also looked to the market as it pressed oil major BP to shift strategy away from renewables and focus on cost cuts. U.K.-based Palliser Capital led another campaign at Rio Tinto but failed in its efforts to have the company review its dual listing status.

Activists had less success in 2025, however, when it came to board seat gains with eight seats secured in the market, down from 15 in 2024. Of those achieved via negotiated settlement, local activist Frasers Group secured a seat on the board of retailer Mulberry Group while U.S.-based Oaktree Capital Management found success at pharmaceuticals company Indivior.

Of the five seats won via shareholder vote, Empresaria Group saw its former Chair Anthony Martin remake the board to replace four company directors, including the CEO. At another special meeting vote, U.S. activist Almitas Capital secured a seat on the board of British Virgin Islands-based real estate investment company DCI Advisors.

No. UK-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
UK	47	43	36	46	50

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at UK-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	17	10	4	11	3
Vote	3	5	6	4	5
Total	20	15	10	15	8

Source: Diligent Market Intelligence / Activism

Activism in Canada

While market volatility and geopolitical tension saw a cooling off in the volume of activist campaigns in many regions in 2025, Canada was one of few markets to see the level of activity remain largely flat on 2024 with 54 companies targeted with public demands.

Board access was top of mind accounting for 29 activist demands with a further 16 focused on removing personnel. Governance reforms were next in line, with the volume of such demands slightly down on 2024.

After a record year for board wins in 2024, activists operating in Canada saw an almost 40% decline in the volume of seats gained. Settlements delivered 19 seats, down from 27 the year prior.

This included a seat for Browning West on the board of aerospace and defense company CAE and one for

Starboard Value at Algonquin Power and Utilities. Dye & Durham gave a board seat to Plantro, an activist fund headed by its former CEO Matthew Proud, before the legal software company closed the year by announcing a board overhaul as part of an agreement with OneMoveCapital, a fund led by Tyler Proud, Matthew’s brother.

Ten seats were won via vote, a five-year low and half the rate achieved in 2024. One of the four special meetings saw an activist coalition led by Ljubo Mikulic revamp the board of Lincoln Gold Mining with two seats gained at the end of a campaign that had zeroed in on the miner’s management and capital strategy. Elsewhere, at drilling fluid chemicals company Bri-Chem, investors backed the four-person slate put forward by Cenatex’s Barry Huggins.

Overall, activists were successful in achieving their objectives in 19% of cases, down from 21% in 2024.

Breakdown of activist demands at Canada-based companies, by year

Demand	2024	2025
Appoint personnel	23	29
Capital structure	6	7
Divestiture	3	6
Environmental	15	9
Governance	30	26
Operational	4	7
Oppose M&A	7	6
Push for M&A	9	6
Remove personnel	14	16
Remuneration	6	6
Return cash to shareholders	2	4
Social	5	9

Source: Diligent Market Intelligence / Activism

No. Canada-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
Canada	45	55	74	58	54

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at Canada-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	7	15	25	27	19
Vote	13	15	19	21	10
Total	20	30	44	48	29

Source: Diligent Market Intelligence / Activism

Activism in Australia

Although the level of activist activity in Australia hit a five-year low in 2025, dissident investors operating in the region found record success in gaining access to the boardroom with 26 seats secured during the period, up from just seven in 2024.

Some 47 Australia-based companies were targeted by public activist demands in 2025, down from 56 the year prior and an over 30% drop when compared to a peak reached in 2021.

Activists found greatest success at the ballot box, with 15 board seats secured through a vote, compared to four the year prior.

Hedge fund manager Geoffrey Wilson of Wilson Asset Management (WAM) gained four board seats at Pengana Industrial Equities, including one for himself, after pushing for a strategy reset to boost returns at the Sydney-listed investment company. At an October vote, L1 Capital saw off a rival bid by WAM for three board seats at Australia-based Platinum Capital.

Occasional activist 7 enterprises also had success securing two seats on the board of gold miner Middle Island Resources at an April special meeting.

In a market that has been seen to favor negotiated, outcome-driven engagement over public confrontation, 11 board seats were achieved through a settlement in 2025, up from three in 2024.

One such settlement saw Gold and copper prospector Koonenberry Gold avert a proxy contest with Datt Capital by naming one of the dissident nominees to its board in a May announcement. Another truce saw shale company Tamboran Resources reach a June cooperation agreement with Texas oil magnate Bryan Sheffield, a 17.6% shareholder, with the appointment of two directors.

In a recent interview with DMI, Gabriel Radzynski, founder, managing director and chief investment officer of Sandon Capital, stated that Australia is only in the early stages of embracing shareholder activism as a catalyst for change.

“The market for activism, the market being both for investors in activist funds and the market for activist ideas, is still evolving and is probably 10–15 years behind the U.S. and Europe.”

No. Australia-based companies subject to activist demands, by year

	2021	2022	2023	2024	2025
Australia	69	63	55	56	47

Source: Diligent Market Intelligence / Activism

No. board seats gained by activists at Australia-based companies, by year and method

Method	2021	2022	2023	2024	2025
Settlement	15	18	8	3	11
Vote	17	15	18	4	15
Total	32	33	26	7	26

Source: Diligent Market Intelligence / Activism

On The Record

Olshan's Ryan Nebel and Meagan Reda, and Sidley's Kai Liekefett and Derek Zaba reflect on what's in store for 2026.



Ryan Nebel
Olshan Frome Wolosky



Meagan Reda
Olshan Frome Wolosky



Kai Liekefett
Sidley Austin



Derek Zaba
Sidley Austin



“ I expect to see some carryover from the 2025 proxy season, particularly in situations where pressure was exerted but the company did not adequately respond and performance concerns continue. ”

The 2025 proxy season was stunted by market volatility stemming from Liberation Day. Do you expect much of that planned activity to move into 2026?

Meagan: I expect to see some carryover from the 2025 proxy season, particularly in situations where pressure was exerted (whether through a withhold or letter-writing campaign or an informal or “friendly” settlement), but the company did not adequately respond to or fully implement the agreed-upon changes and performance concerns continue.

Further, while the immediate aftermath of “Liberation Day” may have created an initial pause in activity in the first half of 2025, it did not chill shareholder activism as we continued to see investors pressure companies and launch campaigns throughout the 2025 proxy season.

Kai: Liberation Day certainly liberated corporate America from many proxy contests last year. It is hard to predict whether we are going to see a similar Black Swan event in this year’s proxy season.

The name of the game in the current environment is to expect the unexpected. Activists are proceeding with their campaigns and, based on our workload here at Sidley from the fall and right into Q1, I expect a record-breaking proxy season while remembering the caveat that macroeconomic and geopolitical issues could derail it.

DMI data show that M&A-related activist demands hit a five-year high in 2025, despite the M&A market being quiet in the first half. Is M&A activism likely to be the defining theme for activism in the season ahead?

Ryan: We certainly expect M&A-related activism to be one of the defining themes of the 2026 proxy season, but operational-focused campaigns will remain prevalent

as well. With M&A activity rebounding in 2025, it was no surprise to see an influx of M&A-focused activist campaigns, particularly in the second half of the year. This momentum has been carried forward into the early stages of 2026 and is currently expected to continue. A fertile deal environment leads to an uptick in M&A-focused activism because it fosters multiple types of activist campaigns. First, improved market conditions and an eased regulatory environment allow activists to credibly run campaigns pushing companies to commence strategic review processes, particularly when the last several months have demonstrated that there are ample well-capitalized buyers ready to transact.

On the flipside, more dealmaking inevitably leads to more opportunities for activists to take issue with announced deals that they believe undervalue the acquired company. One way or another, expect plenty of M&A activism in 2026.

Derek: Absolutely. M&A is one of the easiest ways for activists to walk away with a significant profit, and the current M&A market is red hot in the U.S. This is driven, in part, by the tax policies of the current administration, as well as its approach to antitrust. There is a widely held market perception that it is now or never when it comes to trying to get sensitive mergers approved by antitrust regulators.

Withhold campaigns emerged as one of the tactics activists used for more cost-effective influence last year. Was that a one-off?

Ryan: No. While they may not have garnered as much attention historically, withhold campaigns have been a powerful tool in the activist playbook for years. More than a decade ago, we advised on H Partners’ monumental withhold campaign victory at Tempur Sealy that ousted the company’s chairman, CEO and chair of the nominating committee, and resulted in additional governance changes. As more companies rightly adopt majority voting

“ The current M&A market is red hot in the U.S. This is driven in part by the tax policies of the current administration as well as its approach to antitrust. ”

standards in uncontested elections, coupled with director resignation policies for failing to receive the requisite majority vote, withhold campaigns may become even more impactful and prevalent. They are also an attractive strategy for investors due to their ability to deliver meaningful change at a fraction of the cost of traditional proxy contests.

Kai: There are withhold campaigns each and every year, but 2025 saw the theme gain traction mainly due to the big-name brands that witnessed such advances. The reason why activists typically don't use withhold-the-vote campaigns as a tool is that they usually don't get a lot of traction with shareholders. What it takes for this type of campaign to succeed is massive underperformance, a scandal, or some other seismic event at a company that occurred after the nomination deadline. In the absence of that, shareholders have very little patience for someone who is targeting an incumbent board without offering alternative board members.

Activists secured a record number of board seats in 2025, overwhelmingly through settlements – even as some big fights went all the way to a vote. What will be the key drivers of settlements in 2026?

Ryan: Each situation is unique, but whether a settlement can be reached ultimately comes down to whether the company and the investor are in the same ballpark with the changes that the investor believes need to be made at the target company. While settlements have seemingly always been the likeliest outcome for activist campaigns, the universal proxy rules that took effect in September 2022 have contributed to a rise in even more (and quicker) settlements, and we expect that to continue in 2026. Apart from the universal proxy rules, the improved quality of activist-nominated director candidates is another key driver of settlements – we have seen an uptick in

credible individuals holding C-suite experience at public companies willing to serve on activist slates. Finally, more often than not, activists and companies alike want to avoid the uncertainty that comes along with a costly and time-consuming proxy contest.

Derek: Most situations settle because neither the company nor the activist actually wants to go to a proxy contest. It is typically not a good outcome for either party to have a contested shareholder meeting. However, what really matters are the terms of the settlement. The advent of the universal proxy card (UPC) in 2022 made it more difficult for activists to elect multiple director candidates. There is often a good case to be made to settle for one independent director. However, to settle for more than that, companies should think long and hard about whether their situation is different enough from the typical campaign to justify such a settlement. In recent years, companies have won the majority of all proxy fights without losing any board seat. And in those proxy contests where they lost seats, it was typically just one to an independent dissident nominee, not the principal. So that should be the north star of any settlement.

What recent legislation or case law do you think will have the most impact on future activist campaigns?

Meagan: As the majority of public companies remain Delaware corporations, we expect that Delaware SB 21 will have the most impact on future activist campaigns. First, it amends the books-and-records statute, Section 220, by limiting access to informal materials and raising the evidentiary bar to receive books and records which is concerning given this is an important means for holding boards accountable. Second, SB 21 amends DGCL Section 144 to add safe harbors for interested directors and officers undertaking conflict of interest transactions, including a presumption that public company directors

are disinterested and various cleansing mechanisms. As a result of this provision and the changes to SB 21, activists challenging conflicted transactions are likely to find investigating fiduciary misconduct more difficult than before.

Kai: If the SEC was to revisit the UPC rule, that would certainly have an impact. At the time of its adoption, the Republican commissioners on the SEC were very skeptical and it wouldn't at all surprise me if the SEC were to take up the topic again during the current administration. However, it doesn't seem to be high on the SEC's priority list right now.

How do you expect December's executive order on proxy advisors, last February's 13D guidance, and the rise of pass-through voting to affect activist campaigns in 2026 and beyond?

Meagan: While it is too early to assess how much of an impact these changes will have on activist campaigns in 2026 and beyond, they will inevitably cause a less predictable 2026 proxy season, from both an engagement and voting perspective.

As we saw during the 2025 proxy season, last February's 13D guidance had a chilling effect on shareholder engagement, making it more difficult for companies and

activists to assess vote outcomes, particularly with respect to large institutional investors. While I expect more active engagement to eventually resume after investors get comfortable navigating the SEC guidance, other shifts in voting policies and regulatory changes lay the groundwork for an unpredictable 2026 proxy season.

The rise in pass-through voting decreases visibility into what portion of a company's stock will be voted in accordance with what policies. The shift away from benchmark voting policies toward custom voting policies, together with the recent executive order seeking to curtail the influence of proxy advisory firms, creates even further uncertainty in the vote outcome.

As companies and activists navigate a less predictable 2026 proxy season, I expect to see an increase in the use of AI and data-driven tools for both assessing vote outcomes and creating custom voting policies.

Kai: I think the relative influence of Institutional Shareholder Services (ISS) and Glass Lewis is certainly eroding. We have yet to see a significant impact of pass-through voting. The SEC's amended guidance regarding 13D and 13G filings certainly impacted the way 5% shareholders are engaging with our clients, and we are very careful in thinking about how to structure our engagement with those shareholders at this time.

O L S H A N

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The 2025 short seller watchlist

Short activity reached a multi-year record high in 2025 with 166 campaigns initiated globally, up over 55% on 2024 and almost 50% when compared to 2023.

The surge was propelled by a new wave of short activist players in a market viewed as increasingly receptive to such campaigns.

The year saw nine new short sellers added to the Diligent Market Intelligence (DMI) database with many turning their attention to tech targets as they made their public debut.

The U.S. maintained its position as the most popular market for short sellers accounting for over 73% of all campaigns. Europe, meanwhile, accounted for 11% of overall activity with 18 campaigns initiated, up from 12 in 2024.

The Asia market also saw renewed interest with a doubling in the number of campaigns from seven in the 12 months to 2024 to 14 at the close of 2025 and with the industrials sector emerging as a popular draw.

BMF Capital, founded by Frankie Gerola - one of 2025's many newcomers in the space - leads the short seller watchlist with the ranking based on a range of DMI criteria including the number of short campaigns, average campaign returns and average target market-cap.



1: BMF Capital

One of 2025's many new short activist players, BMF Capital topped the DMI ranking, recording 15 campaigns.

With technology stocks being one of the areas to draw its interest, the Arizona-based outfit's first public campaign targeted BigBear.ai questioning what it described as a "lack of true AI innovation." In an interview with DMI, BMF founder Frankie Gerola stated that the campaign it deems among its most successful in the space was its July 23 report on Aether Holdings – a fintech accused by BMF to have seen "brazen violations of SEC [Securities and Exchange Commission] regulations."

"Beyond price action, what mattered most was the accountability it created. Former associates even reached out thanking us for exposing a pattern they had long suspected. For us, that's the essence of effective short activism, transparency and accountability," Gerola stated. Aether's share price fell as much as 26% on the day of the report.

BMF was also active in biotechnology with four campaigns initiated at such targets.

Activist short campaigns launched in 2025: **15**
Average one-month campaign returns: **26.4%**
Average target market cap: **\$2.1B**
DMI news stories: **13**

“We’re drawn to companies that repeatedly change narratives in search of relevance.”

Gerola told DMI that biotech is one of the sectors “most structurally rich for short activism,” arguing that the “space generates consistent, testable catalysts that create measurable inflection points.”

“Beyond biotech, we’re drawn to companies that repeatedly change narratives in search of relevance such as a sports company pivoting into AI dating, then blockchain finance. That kind of identity drift usually precedes capital stress or poor fundamentals.”

2. Spruce Point Capital Management

Spruce Point Capital Management found all 12 of its targets in the U.S., with activity largely unchanged from 2024.

The list of short bets spanned across sectors. In tech, it flagged competition risks at Clear Secure and questioned customer testimonials at payment services firm Remitly Global.

In consumer names, Spruce Point issued a report on Monster Beverage highlighting competitive pressures, which the company dismissed as containing “inaccuracies and aspersions.” In a short bet on DraftKings, Spruce Point argued online sports betting firms are “stuck between a rock and a hard place” as prediction exchanges gain traction.

Activist short campaigns launched in 2025: **12**
Average one-month campaign returns: **2.6%**
Average target market cap: **\$10.6B**
DMI news stories: **19**

Healthcare was another focus, with three targets including Procept BioRobotics, which Spruce Point accused of “dramatically” overstating its addressable market and raised concerns about the credibility of key metrics. Six months later, Procept appointed a new CEO.

In industrials, the short outfit launched three campaigns, including an allegation that revenue at asphalt and paving company Construction Partners was poised to decline.

3. Fugazi Research

Another new entrant, Fugazi Research, set its sights on half a dozen targets during the year, launching campaigns at companies based in the U.S., Europe and Asia.

Its first public foray into short selling was centered on U.S.-based Advent Technologies Holdings with an August report that saw the target's stock fall by 4%. It followed up in October with another U.S. target, Richtech Robotics — a hospitality robotics company that had been shorted by Capybara Research some weeks before.

In Europe, Fugazi accused Ireland-based, Nasdaq-listed sports investment group Brera Holdings of “conflicts of interest” and “minimal operational substance.”

Activist short campaigns launched in 2025: **6**
 Average one-month campaign returns: **43.4%**
 Average target market cap: **\$301.6M**
 DMI news stories: **8**

The firm's global sweep continued in Singapore, where it launched two campaigns: one against Sound Group in September and another in November against Davis Commodities, both centered on allegations of misleading accounting.

4. Grizzly Research

Grizzly Research initiated 11 campaigns during the year, nearly doubling its activity from 2024, with targets across the U.S., the U.K., Germany, Brazil and China.

More than half of its 2025 campaigns focused on technology, particularly electronic components. At U.K.-based fuel cell developer Ceres Power, Grizzly cited an alleged “flawed business model” leading to “miniscule earnings.” A report on Microvast claimed the lithium battery maker was “fabricating” a “significant part” of its business and capabilities; its chief financial officer departed two months later.

In consumer markets, Grizzly returned to Europe with a November report on HelloFresh, alleging weakening

Activist short campaigns launched in 2025: **11**
 Average one-month campaign returns: **Negative 3.4%**
 Average target market cap: **\$2.4B**
 DMI news stories: **20**

demand and quality issues. The company denied the claims.

Elsewhere, Grizzly alleged that profits at Brazilian Nasdaq-listed fintech XP depended on a “Ponzi-like structure.” XP rejected the accusations and sued Grizzly in July, claiming \$100 million in losses tied to client, investor and partner departures. Grizzly reiterated its thesis in November.

5. Culper Research

Culper Research recorded eight campaigns, up from six in 2024, with technology accounting for nearly 63% of its targets.

Culper was one of four firms to short adtech company AppLovin, calling its software a “smokescreen” and alleging growth was driven by “silent, backdoor app installations directly onto users’ phones.” AppLovin shares fell more than 20% on February 26 when Culper and Fuzzy Panda released reports. The company has since been investigated by the U.S. Securities and Exchange Commission over its data collection practices.

Activist short campaigns launched in 2025: **8**
 Average one-month campaign returns: **7.8%**
 Average target market cap: **\$31.2B**
 DMI news stories: **16**

Culper also published an August report on Colombia-based Tecnoglass, accusing senior executives of involvement in a scheme linked to a cartel – claims “categorically rejected” by Tecnoglass which went on to file a lawsuit against Culper in September.

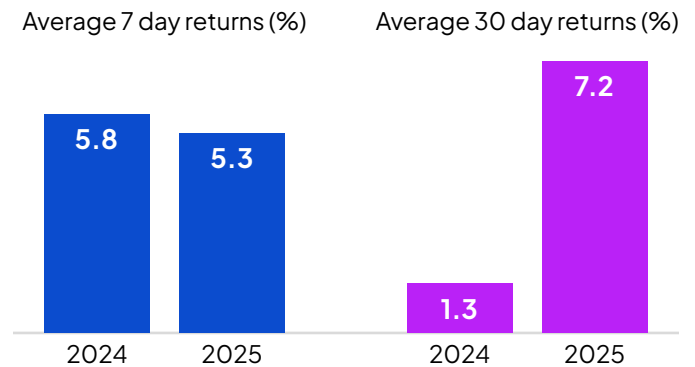
Shorts infographics

No. short campaigns launched by year and region

Region	2021	2022	2023	2024	2025
Asia	21	6	11	7	14
Australasia	4	2	0	1	1
Canada	11	9	5	3	8
Europe	7	9	6	12	18
Other	4	2	0	0	3
US	81	70	89	84	122
Total	128	98	111	107	166

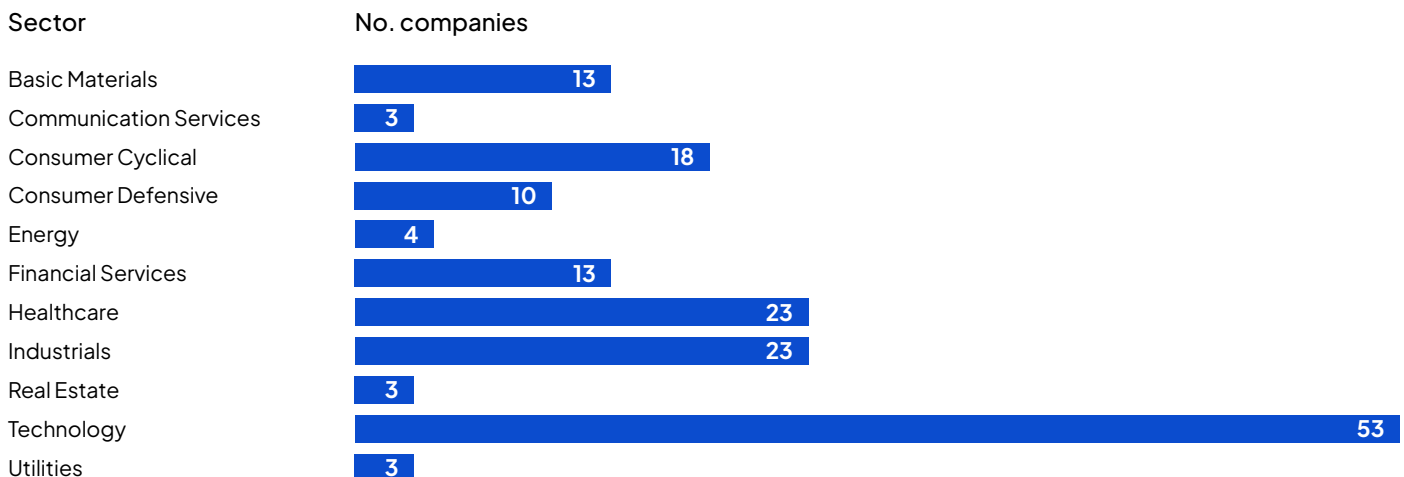
Source: Diligent Market Intelligence / Activist Shorts

Average activist short campaign returns globally by year



Source: Diligent Market Intelligence / Activist Shorts

Sectors most commonly targeted by short sellers in 2025



Source: Diligent Market Intelligence / Activist Shorts



About Diligent Market Intelligence

Diligent Market Intelligence is the leading provider of corporate governance, shareholder engagement and investor stewardship data. Trusted by advisors, investors and issuers globally, the Diligent Market Intelligence platform equips firms with the necessary information to proactively manage shareholder pressures, mitigate governance risks, and maintain a competitive edge in the market.

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