Blogs
January 31, 2022
Public Chatter

In-House Corner: Shareholder Engagement

This feature of our blog is where our in-house readers share tips, anecdotes and thoughts about things that come up in their daily practice. This particular batch of thoughts is about shareholder engagement [feel free to ping me and share your thoughts – they will be posted anonymously or with attribution, whichever you desire]:

---

1. "Think of your shareholder audience kind of like a hiring manager that reads resumes or a college admissions official that reads applications. Sometimes one company's messages bleed into another's and everything starts to look the same. Think about how to make your key messages pop. Maybe it's good graphics in your deck, or just a really succinct, direct, plain-English way of talking about an issue. Sometimes admitting a mistake and talking about how you're fixing it can be a great way to demonstrate a growth mindset." – Peter Kraus

---

2. "If the particular shareholder you are talking with happens to itself be a public company, review their own ESG practices and initiatives. You'll learn about their priorities and how to find common ground." – Peter Kraus

---

3. "Let the shareholders do the talking. It is a listening tour. The opportunity to be heard is what most shareholders are looking for. 'I really appreciate that input, I am going to be sure to share this with my fellow directors at our next board meeting.'"– Michael Strahan Doe

---

4. "Be prepared for your conversation and anticipate what the shareholder's questions may be. But when you meet with the shareholder, make sure to listen and try to understand what they are really interested in hearing about. There may be specific points you want to get across during your conversation no matter what (i.e., correcting a misperception or providing new information on an important voting topic). However, you don't need to cover every topic and you should try to avoid inadvertently steering the conversation in a direction that it didn't need to take. In one engagement I participated in, one of the company representatives raised a sticky compensation issue during a call that was trending towards a discussion on sustainability matters. The shareholder seemed confused by the change of topic for a moment but then recovered and said 'I hadn't focused on that, but, now that you mention it, I think I should get more information…'" – Sidney Poitier Doe

---

5. "Embrace engagement. We have an on-going dialogue with a shareholder group that submitted a proposal to us many years ago. We meet with them at least twice per year and let them set the agenda. It's a friendly and mutually beneficial relationship." – Regina King Doe

---

6. "The four engagement cornerstones are: - Share an agenda in advance of the call. - Prepare for the call – read applicable voting guidelines, know prior voting history, anticipate questions (and have some answers ready). - Try to make personal connections - remember shareholders are people too - even proxy advisors are. - Be clear, concise and to the point when speaking – they are listening to what you say and how you say it." – Jared Brandman

---

7. "These engagements should be like working groups. You both want to learn more about the other party - and then organize around actions that address any open issues and concerns. Frame the 'ask' and the agenda accordingly. If your tendency leans towards wanting to lecture shareholders, don't waste their time." - Parker Posey Doe

---

Explore more in

Corporate Law
Blog series

Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

View the blog