ADEX547 · SPECIAL TOPICS IN ORGANIZATION & STRATEGY

WEEK 4 · EXECUTIVE DIALOGUE II

When the outside investor pushes back

Outside Investors, Portfolio Restructuring &
Governance Tensions

TODAY'S GUEST EXECUTIVE

Cevdet Alemdar — now General Manager of Marubeni Türkiye; a Sabancı-group veteran who has sat on the board side of the pressures we study today

CA

CEVDET ALEMDAR

Marubeni Türkiye
General Manager & Board Member (now)
Earlier · Sabancı group (1993–2025):
Brisa CEO · Industrial Grp Pres. · Mobility Pres.

Chairman, SUNUM
TÜSİAD Board Member

THE CAREER PATH

Education. Boğaziçi University, Industrial Engineering (1992); MBA, Sabancı University (2000).

Sabancı group since 1993. Leadership roles at Beksa, Sakosa, Kordsa, Temsa İş Makinaları and Brisa.

Global operator. Ran tyre-industry operations in Brazil, Thailand and China; VP of Technology & Market Development at Kordsa.

Distribution builder. As GM of Temsa İş Makinaları managed Komatsu distribution and added Volvo Trucks Türkiye.

WHY THIS GUEST, THIS WEEK

Now at Marubeni. General Manager, Marubeni Türkiye and Board Member — a cross-border Japanese trading-house (sogo shosha) and board perspective, after a full Sabancı-group career (Brisa CEO, group presidencies).

A board-and-restructuring insider. Rising through group presidencies, he has sat on exactly the board side of activist, minority and portfolio-restructuring pressure.

THE LENS Today you hear the pressures of Sessions 3–4 from the seats that absorb them — the board, the group holding company, and now a global trading house.

WHERE WE LEFT OFF — SESSIONS 1, 2 AND 3

The story so far — three sessions of building the corporation from the inside, before the outside investor pushes back today

1

SESSION 1 · STRATEGY FOUNDATIONS

Corporate strategy foundations: the portfolio, diversification, capital allocation — the five uses of cash — and parenting-fit. How a multi-business group creates (or destroys) value.

2

SESSION 2 · CAPITAL ALLOCATION & THE BOARD

Capital allocation as corporate strategy; M&A governance; board accountability and fiduciary duty; the investment committee. Who decides, and to whom they answer.

3

SESSION 3 · CAPITAL MARKETS LAW & SPK

Capital markets law, SPK oversight, disclosure and materiality (probability × magnitude, KAP) and market abuse. The duty to tell the market on equal terms.

THE BRIDGE SESSION 4 — now the OUTSIDE investors push back: activists, minority rights and board negotiation under public capital-market pressure.

WHERE WE LEFT OFF — SESSION 3

Session 3 spoke OUTWARD to the market; today the market speaks back — and pushes

SESSION 3 — DISCLOSURE, OUTWARD

The duty to tell the market. Materiality (probability × magnitude), KAP disclosure, the ban on selective disclosure and market abuse.

The firm as sender. Management decides what is price-relevant and hands it to the market on equal terms.

The market received information — but stayed a *passive* audience.

SESSION 4 — THE MARKET PUSHES BACK

Now the audience acts. Outside investors stop reading disclosures and start making demands — for board seats, break-ups, cash returns and strategy change.

Activists, minority rights, board negotiation under public capital-market pressure — the governance tension of the modern listed firm.

And in Türkiye, a distinctive twist: the pressure often comes through *control changing hands.*

THE PIVOT Session 3 asked "what must we tell the market?" Session 4 asks "what happens when the market tells us what to do?"

SESSION MAP & WHAT YOU ARE READING

Four themes today — each maps to a theme of the Session-4 reader

I — **Activism — motives & mechanics** Who activists are · the four demand types · the engagement lifecycle & defence toolkit

II — **Minority rights in concentrated ownership** Tender offers · squeeze-out / sell-out · related-party & equal-treatment rules

III — **Board negotiation under public pressure** Demand / counter / settle · fight-vs-settle · signalling without disclosure breach

IV — **The Turkish case — Tekfen** Control changing hands: founder-family exit, Can Holding, ARY Holding, OYAK/ON

ON THE READING LIST

Brav et al. (2008) · Gantchev (2013)
Grossman & Hart (1980) — free-rider logic
Kahan & Rock · Coffee & Palia — wolf packs
Bebchuk, Coates & Subramanian (2002)

Reference books (relevant chapters only):
Hitt, Ireland & Hoskisson — Strategic Management.
Haney & Sirbasku — 40 Strategies for Winning in Business.

ONE FRAME Activism is the private solution to the free-rider problem dispersed ownership creates — and its Turkish mirror is the control block.

The four words that start a proxy season.

A 5% stake, a white paper, and a very long agenda

PART I

Shareholder activism — motives & mechanics

Who activists are, what they demand, how an engagement unfolds — and the board's defence toolkit against it.

An activist buys a minority stake to force a change management would not make on its own

WHO THEY ARE

Specialised funds — usually hedge funds — that take a concentrated minority stake and press publicly for change.

The recurring names:
Elliott · Carl Icahn · Third Point · Starboard Value · Trian Partners · Engine No. 1.

They solve a free-rider problem: monitoring is costly, so most holders stay passive. The activist gets paid to do the work others won't (Grossman & Hart, 1980).

THE FOUR CORE DEMAND TYPES

1. **BOARD SEATS** Nominate directors to change the decision-making body from inside.
2. **BREAK-UPS & SPIN-OFFS** Split a conglomerate; unlock a "sum-of-the-parts" discount.
3. **CAPITAL RETURN** Force buybacks or higher dividends — return idle cash to owners.
4. **STRATEGY / GOVERNANCE** Change strategy, management, pay or governance structure.

THE MOTIVE An activist bets that a governance or portfolio change it can force is worth more than the stake it paid to buy the right to force it.

An engagement escalates in stages — most settle long before a shareholder ever votes

1

STAKE-BUILDING

Accumulate quietly — often via derivatives — up to the disclosure threshold (a 13D in the US at 5%).

2

WHITE PAPER & DEMANDS

Go public: a letter or presentation laying out the thesis and a specific demand list.

3

PROXY FIGHT

If rebuffed, nominate directors and canvass for shareholder votes — the escalation point.

4

SETTLEMENT / SEATS

The modal ending: a negotiated settlement — usually one or two board seats and standstill terms.

THE RHYTHM Stake ‣ demands ‣ threat of a vote ‣ deal. Escalation is a bargaining lever, not the goal — the settlement is where value is split.

Every activist move has a board counter-move — the engagement is a toolkit against a toolkit

THE ACTIVIST — OFFENSE

› **13D / stake disclosure** Cross 5% and the clock starts — the stake becomes public and the engagement visible.

› **Public letters & white papers** Argue the thesis to other shareholders and the press.

› **Proxy contest** Nominate a competing slate; force a vote on the universal proxy card.

› **Wolf-pack coordination** Several funds build stakes in parallel, just under "group" status.

THE BOARD — DEFENCE

› **Poison pill** A rights plan that dilutes any buyer crossing a set threshold.

› **Staggered board** Classes elected in rotation — an activist needs two cycles to win control.

› **Advance-notice bylaws** Strict, early notice windows for director nominations.

› **White knight / engagement** Find a friendlier holder — or settle: give a seat, buy peace.

THE BALANCE Defences buy time and raise the activist's cost; they rarely stop a well-argued thesis — which is why most contests end in a negotiated settlement.

Engagements & control contests that defined the playbook — five Western fights here, plus Türkiye's Turkcell deadlock next

ACTIVIST	TARGET	DEMAND	WHAT HAPPENED
Icahn	**Apple**	Return more cash	A public campaign for a far larger buyback; Apple expanded its programme.
Starboard	**Darden (Olive Garden)**	Full board sweep	Replaced the ENTIRE board in 2014 — the rare complete proxy victory.
Trian (Peltz)	**Disney**	Board seats / proxy fight	A high-profile 2024 proxy contest; lost the vote but forced strategic focus.
Engine No. 1	**ExxonMobil**	2 seats on a climate thesis	A tiny stake won two board seats in 2021 by persuading big index holders.
Elliott	**Multiple (tech, energy)**	Break-ups & capital return	The most prolific insurgent — serial engagements across sectors and geographies.

THE RANGE Same lever, different aims: cash (Icahn), the whole board (Starboard), strategy (Trian), a climate thesis (Engine No. 1), everything (Elliott).

A TÜRKİYE CASE · PART I

Turkcell — a decade-long control deadlock resolved not by a proxy win but by a sovereign fund taking control through privileged (imtiyazlı) shares

RESOLUTION & CURRENT STRUCTURE

Three blocs, now resolved. A decade-long deadlock (2005–2020) among Çukurova, Telia and Altimo/Alfa ended not in a proxy win but in exits and a control transfer.

· **TVF —** now the largest holder at ~26.2%; ~15% is PRIVILEGED (imtiyazlı) stock, appointing 5 of 9 directors = control
· **Exits —** Telia sold its ~24.02% indirect stake for ~$530M; Çukurova Holding also exited
· **Minority —** Altimo — folded into LetterOne (Fridman) — did NOT exit; it raised to ~24.8%, the LARGEST minority; 4 of 9 seats need no TVF privilege

Resolution came via a sovereign fund taking control through privileged shares — while the Russian minority stayed in.

THE TEACHING POINT

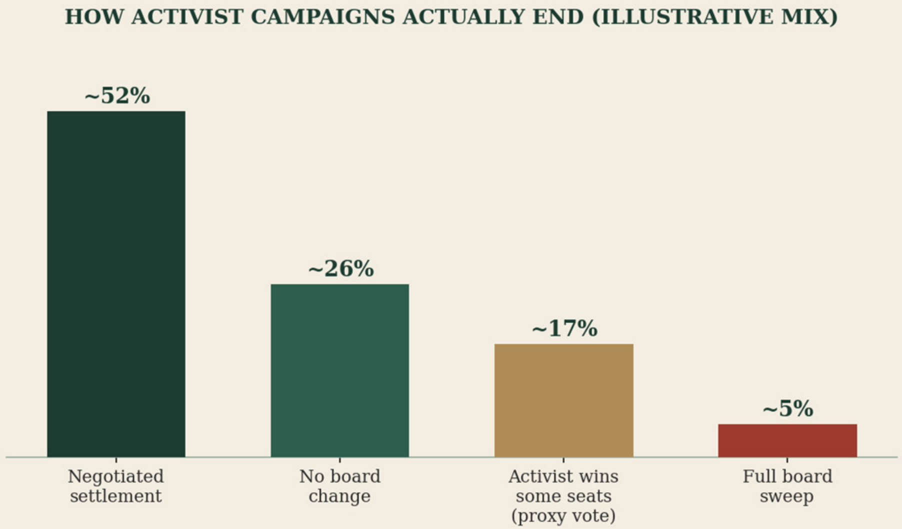
Deadlock, not proxy seats. In emerging markets the classic "activist wins board seats" playbook is often replaced by a control-bloc deadlock among a few large owners.

Resolved differently. Control passed to a sovereign fund (TVF) through PRIVILEGED shares — not a proxy vote — while the Russian minority (LetterOne) stayed in. A very emerging-market resolution.

Cross-reference — Tekfen. Our Part III case shows the other Turkish variant: a control fight waged through general-assembly mechanics and the courts.

THE BRIDGE West and Türkiye differ in FORM, not force: seats and proxy cards there; deadlock, arbitration and control blocs here.

Activists rarely win the vote — they win the settlement; and 2026 was the busiest half-year yet



READING THE EVIDENCE

Settlement is the modal outcome. Most engagements end in a negotiated deal — a seat or two and standstill terms — not a proxy vote.

The vote is a threat, not the plan. Full board sweeps (Starboard/Darden) are rare and expensive.

The evidence. Brav et al. (2008): positive, non-reversing returns around activist filings. Gantchev (2013): escalation is costly enough to deter all-out fights.

THE SIGNAL The credible threat of a vote — not the vote itself — is what moves the board. H1 2026 set a record: 184 global engagements, M&A now the top demand.

Genel

PART II

Minority rights & board negotiation

What protects the minority when one family or the State controls the votes — and how boards negotiate under public pressure.

When one owner controls the votes, the law — not the ballot — is what protects the minority

MANDATORY TENDER OFFER
On a change of control, the buyer must offer to buy out the minority at a regulated, equitable price — sharing the control premium.

SQUEEZE-OUT & SELL-OUT
Past a very high threshold, the controller can compel the residual minority to sell — and they can compel the controller to buy.

RELATED-PARTY RULES
Transactions with the controlling family/group face disclosure, independent review and fairness tests — the anti-tunnelling guard.

CUMULATIVE VOTING
Lets a minority concentrate votes to elect at least one director of its own to the board.

EQUAL TREATMENT
All holders of the same class must be treated alike — no side deals for the controller.

WHY MINORITIES MATTER MORE HERE

In dispersed ownership, unhappy holders sell or vote. Under a control block they can do *neither* — so these statutory exit and fairness rights become the *only* real protection.

THE PRINCIPLE La Porta et al.: legal protection of minorities is the precondition for outside capital. Where votes are locked up, the law does the work the ballot cannot.

The SPK rulebook that actually governs control changes, activism and minority protection in Türkiye

CAPITAL MARKETS LAW No. 6362
The umbrella statute (2012). Establishes the SPK as capital-markets regulator and the legal basis for every communiqué below.

MANDATORY TENDER OFFER (II-26.1)
Pay Alım Teklifi Tebliği. A buyer crossing the control threshold (management control / ~50%) must make a tender offer to minorities at a fair price.

SQUEEZE-OUT & SELL-OUT (II-27.x)
Ortaklıktan Çıkarma ve Satma Hakları. A ~98% controller can squeeze out the rest; minorities can force the controller to buy them out.

CORPORATE GOVERNANCE (II-17.1)
Independent board members; related-party-transaction approval needing independent-director / majority-of-minority sign-off; cumulative voting; committees.

MATERIAL-EVENT DISCLOSURE (II-15.1)
Via KAP: control changes, tender offers and GA outcomes are disclosable material events — the tie back to Session 3.

EX-ANTE, NOT EX-POST

In Türkiye the minority's protection is mostly ***EX-ANTE regulation*** — tender offers, related-party gates and disclosure — rather than the *EX-POST* activist proxy fight that dominates the US and UK.

THE PRINCIPLE The rules set the fair-exit price and gate related-party deals before harm occurs — the ballot does little where votes are locked in a control bloc.

Ordinary vs. privileged (imtiyazlı) shares — how share structure can entrench control

ORDINARY (ADİ) SHARES

One share, one vote. Economic stake and voting power move together — the textbook basis of the activist proxy fight.

· Voting power tracks capital held
· The basis for cumulative voting and proxy contests
· What most free-float minorities actually hold

PRIVILEGED (İMTİYAZLI) SHARES

Votes beyond capital. Extra voting power, or the right to nominate / appoint directors, far above the economic stake.

· TVF — a ~15% privileged block appoints 5 of 9 Turkcell directors
· Founder / family privileged shares across Turkish holdings
· Dual-class abroad — Meta, Alphabet, Volkswagen

WHY IT MATTERS

A minority of capital, a majority of control. Privileged shares let a holder with a minority economic stake keep control — protecting long-term owners, yet trapping minorities whose stake buys little governance power.

The activism link. This is why the classic Western proxy fight is blunted in Türkiye: you cannot out-vote engineered share classes.

THE TAKEAWAY Control follows votes, not capital — and votes can be engineered by share class.

CML 6362 and the SPK write these protections into statute — because ownership here is concentrated

THE STATUTORY BASIS

Capital Markets Law No. 6362 (2012) and SPK communiqués codify:

· mandatory tender offer on control change
· squeeze-out / sell-out (~98%)
· related-party & equal-treatment rules
· disclosure via KAP

Engineered to raise Türkiye's investor-protection score by statute.

WHO REALLY HOLDS THE VOTES

Koç Holding — family vehicle controls the vote (~56% of votes; dual-class), free float ~27%.

Sabancı Holding — family & foundations retain control; free float ~53%.

THY — Türkiye Wealth Fund holds ~49%; the rest is free float.

SO WHAT FOLLOWS

Classic Western activism is blunted: you cannot out-vote a control block.

The pressure re-routes to minority-protection moments — a tender offer, a related-party deal, a squeeze-out — and to *control itself changing hands.*

That is the Turkish equivalent of an activist engagement.

THE TAKEAWAY In concentrated ownership the question is not "can an activist win a vote?" but "is the minority fairly treated when control moves?"

An engagement is a negotiation played in public — the board weighs the deal against the cost of a loss

ROUND 1 · DEMAND

Activist opens with a public thesis and a maximal demand list — the anchor.

ROUND 2 · COUNTER

Board responds: accept, partially accept, or reject — each with a public rationale.

ROUND 3 · SETTLE

Revised positions converge — usually board seats + standstill, or a defined strategic review.

WHEN TO FIGHT vs. WHEN TO SETTLE

Settle when the demand is reasonable, the thesis resonates with big holders, and a proxy loss looks likely.
Fight when the thesis is weak, the demand breaches fiduciary or minority-protection duties, or control makes a loss impossible.

THE REPUTATIONAL STAKES

A proxy loss is a public verdict on the board's judgment — it emboldens the next activist and marks directors.
So boards often settle a survivable demand rather than risk the signal of losing a vote.

THE CRAFT Anchor, counter, concede in sequence, protect the minority — the board that negotiates well rarely has to find out how a vote would go.

Boards must answer an activist in public without breaching the Session-3 disclosure rules

DO

✓ **Speak through official channels** — KAP / the public record, to everyone at once.

✓ **Communicate strategy and confidence** in general, already-public terms.

✓ **Correct false rumours** the duty to correct still applies under pressure.

✓ **Pre-clear market-sensitive replies** with legal / the disclosure committee.

DON'T

✗ **Brief the activist or a favoured holder first** — selective disclosure.

✗ **Leak forward-looking figures** to defend the stock — that is material non-public information.

✗ **Promise a buyback or deal** not yet approved — a misleading signal (recall Tesla, "funding secured").

✗ **Stay silent while a known distortion runs** — silence can itself be a violation.

THE LINE Defend the strategy, not the share price — and say nothing to the activist you would not simultaneously file for every investor to read.

Nine ways a Turkish board can protect the company — and how much each one is actually worth

THE MEASURE	LEGAL BASIS	WHAT IT ACTUALLY DOES	POWER
Piramit yapı & vakıf Holding pyramid	TTK 195–209	Control sits in an unlisted holdco the free float never reaches	●●● HIGH
YK'da temsil imtiyazı Board-nomination right	TTK 360	A share class names up to HALF the board, whatever its capital	●●● HIGH
Oyda imtiyaz Multiple-voting shares	TTK 478 · 479	Up to 15 votes per share — existing classes cannot be voted away	●●● HIGH
Altın hisse Golden share	Law 4046 + sector statute	A ₺0.01 share with a veto over the charter — the State only	●●● STATE ONLY
Tahsisli sermaye artırımı Allocated capital increase	TTK 461 · SPK II-18.1	The board alone dilutes an outside bidder — with no shareholder vote	●●○ MED–HIGH
Ağırlaştırılmış nisap Supermajority quorum	TTK 421 · CML 29/3	Blocks resolutions — but cannot stop the board being replaced	●●○ MEDIUM
TTK 198 hakların donması Notification freeze	TTK 198 · 197–201	Freezes an unnotified holder's votes at the decisive general assembly	●●○ TACTICAL
Pay geri alımı Share buyback	TTK 379 · SPK II-22.1	Treasury shares lose their votes: a 40% holder becomes ~44%	●○○ MEDIUM
Bağlam Transfer restriction	TTK 492–493 · CML 137/3	Watertight off-market — legally dead for BIST-traded shares	○○○ ZERO (LISTED)

THE INVENTORY One pattern runs through all nine: in Türkiye what protects a company is charter-and-structure, settled long before the fight — not tactics deployed during it.

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The privileged share, anatomised — and the wedge it opens between capital and control

THE RULES OF THE PRIVILEGE

Fifteen votes, and no more. TTK 479/2 caps a share at 15 votes. Beyond that only a commercial court may allow it, on a proven institutionalisation project.

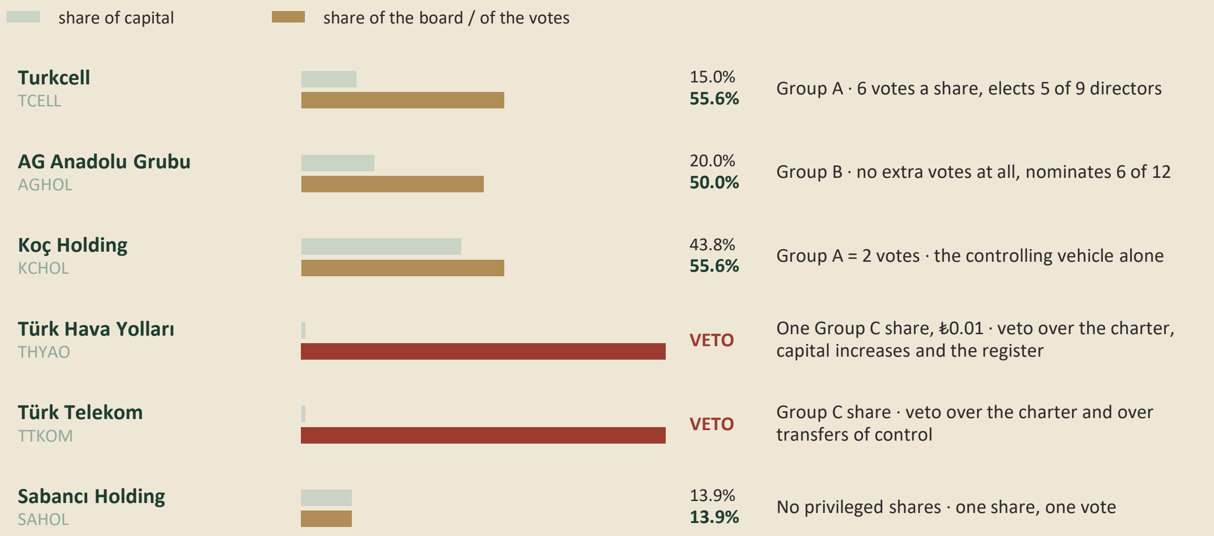
Three votes it may never cast. TTK 479/3: the privilege cannot be used on charter amendments, on the discharge of directors (ibra), or on the decision to sue them.

Half the board is the ceiling. TTK 360: in a listed company the nomination privilege cannot cover more than half the seats — and independents must be at least one third, never fewer than two (II-17.1, 4.3.4).

Creating one after the IPO is dear. It is a significant transaction (II-23.3, 4/1-d): two thirds of the votes present, an exit right for dissenters at market average, and SPK's consent.

Five loss years and it is gone. CML 28/2 with Communiqué II-28.1: five consecutive years of losses and SPK cancels the voting and board privileges outright.

THE WEDGE · CAPITAL vs. CONTROL AT BIST COMPANIES



THE WEDGE Fifteen per cent of the capital can hold fifty-six per cent of the board — and one ₺0.01 share can veto the charter. Control is bought in the esas sözleşme, not on the exchange.

Tahsisli sermaye artırımı — the one defence a Turkish board can fire on its own authority

① THE CHARTER AUTHORITY

Under the registered-capital system (kayıtlı sermaye) the charter may hand the BOARD the power to restrict pre-emptive rights. Ceiling at most five times issued capital; SPK permission runs five years.

SPK II-18.1, 5 & 11

② THE BOARD DECIDES ALONE

Outside registered capital this needs 60% of the capital to vote yes. Inside it, that quorum falls away — the board decides, and publishes a reasoned justification report.

TTK 461/2

③ TAHSİSLİ SATIŞ

The new shares are placed with a chosen investor. No public offering, and no subscription right for the existing holders — including the one you are defending against.

VII-128.1, 13

④ THE BIDDER IS DILUTED

Its percentage falls without a single existing share changing hands, and without a shareholder vote. This is the closest thing Türkiye has to a poison pill.

The functional pill

THE FOUR BRAKES ON IT

HAKLI SEBEP

A justified cause must be shown, reasoned in a report, then registered and published. **TTK 461/2**

EŞİT İŞLEM

The power "cannot be used so as to create inequality among shareholders". **II-18.1, 11/3**

30-DAY İPTAL DAVASI

Any shareholder may sue to annul the board's decision in the commercial court. **II-18.1, 13**

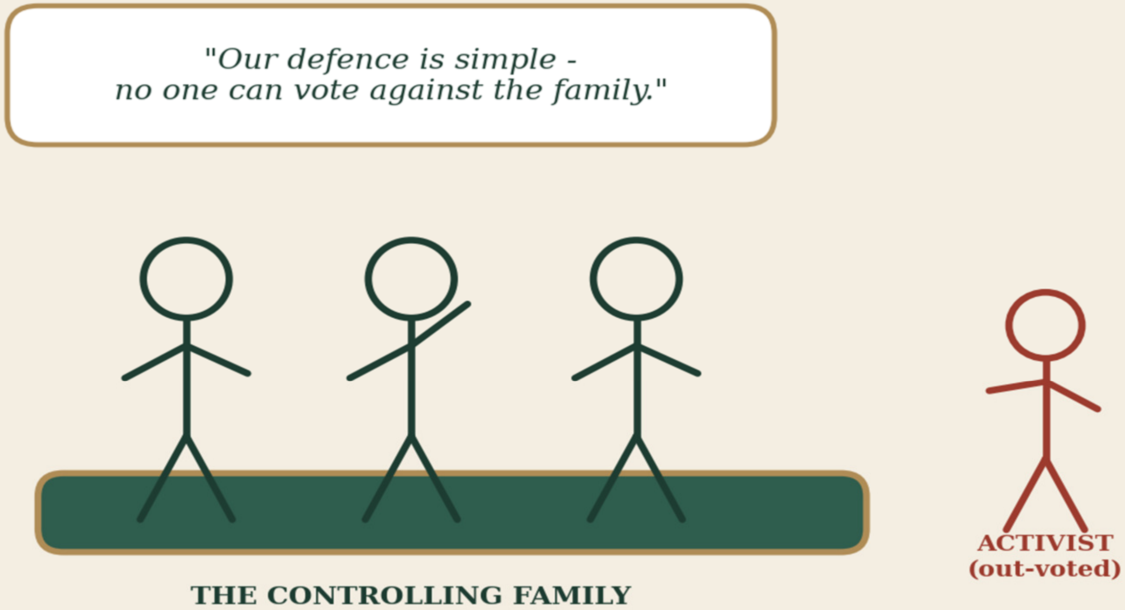
SPK

It approves the issue document — so the regulator sees the placement before it happens. **CML 6362**

TÜRKİYE · THE VERIFIED CASE March 2023 — Halkbank and Vakıfbank raised capital with pre-emptive rights FULLY restricted and the whole issue allocated to the Türkiye Wealth Fund (₺30bn and ₺32bn). Free float fell from about 24.7% to 8% at Halkbank and from 16.1% to 6.5% at Vakıfbank.
So the tool is real and it is used — but here by an incumbent controller consolidating, not by a board repelling a bidder. No BIST case of it being fired as a takeover defence could be verified.

THE ONE UNILATERAL WEAPON Every other Turkish defence needs a supermajority, SPK's consent, or both. This one needs a board meeting — which is exactly why it is the one that gets litigated.

The strongest anti-takeover defence isn't in the bylaws.



Concentrated control ends the proxy fight before it starts.

PART III · THE TURKISH CASE

Tekfen Holding — a founder-family exit

Can Holding, ARY Holding and OYAK: how control of a listed conglomerate changed hands — and what it meant for the minority.

Tekfen — a 1956 conglomerate built by three families, with a founder-family control block

THE COMPANY

Tekfen Holding (BIST: TKFEN) — a diversified conglomerate founded in **1956**.

The name. "Te-k-fen" from the initials of three founders — **Feyyaz Berker, Nihat Gökyiğit and Necati Akçağlılar.**

The businesses. Contracting & engineering (Tekfen İnşaat), agri-industry & fertilisers (Toros Tarım), real estate and more.

WHY IT IS A TEACHING CASE

A widely-followed listed company with a classic founder-family control block — the Turkish ownership archetype.

Then the archetype broke. Over a short period the founding families exited entirely and control changed hands more than once.

It is the perfect counterpoint to a Western proxy fight: here the pressure came not from an activist winning seats, but from the *control block being sold.*

THE SET-UP Tekfen began as three families and one control block — the very structure we called "activism-resistant." Watch what happens when the families leave.

Control passed founder-families → Can Holding / ARY Holding → OYAK, in a chain of block trades

FOUNDER FAMILIES

Berker, Gökyiğit & Akçağlılar hold the founding control block of a ~$1.25bn company.

CAN HOLDING & ARY

Berker daughters (Şebnem & Meltem) sell ~25.23% to Can Holding (~$315M); Akçağlılar shares also go to Can Holding; Gökyiğit shares go to ARY Holding (Ali Rıza Yıldırım, ~21.24% via off-exchange virman).

CAN BECOMES CONTROLLER

Can Holding becomes the large / controlling shareholder; ARY later signs to sell its ~32.08% to Libco İnşaat.

OYAK / ON INVESTMENT

The Competition Authority approves the sale of Can Holding's ~42.8% Tekfen stake to ON Investment, an OYAK subsidiary.

THE PATTERN Not one activist engagement — a chain of block trades. Figures marked "~" are press-sourced; verify against KAP filings before quoting.

The Turkish equivalent of a proxy fight — waged through general-assembly quorum rules, TCC Art. 198, commercial-court annulment suits and competition clearance

THE DISPUTE — ARY vs. CAN

Opposing sides. After the founder-family exits, ARY Holding (Ali Rıza Yıldırım) and Can Holding ended up on OPPOSING sides over control of Tekfen.

The contested GA (7 May 2025). Board-member elections and the executive-pay policy (agenda items 6 & 7) were pushed through at the ordinary general assembly. ARY challenged them.

ARY's legal grounds. Suit at the Istanbul 16th Commercial Court to annul decisions 6 & 7: directors elected though related items were POSTPONED, and "frozen" votes (donmuş oy hakları) improperly counted in quorum, contrary to TCC Art. 198.

The re-run GA. Because of the disputed decisions and the voting-rights defect, the general-assembly process had to be re-run / reopened — a control fight fought through GA mechanics and the courts.

WHY IT IS A PROXY FIGHT, TURKISH-STYLE

Competition Board (Rekabet Kurumu). Each stake transfer — to Can Holding, to ARY, and Can Holding's ~42.8% onward sale to ON Investment / OYAK — needed Turkish Competition Authority clearance: control changes trigger merger review, not just SPK/TCC process — and the Authority fined the Can Group ~₺11m for gun-jumping (next slide).

Not a Western 13D + proxy contest, but:
· GA quorum rules and frozen-voting-rights law (TCC Art. 198)
· commercial-court annulment / invalidity suits
· competition-authority approvals on every stake transfer
· figures "~" — verify against KAP / court records

THE LESSON The Turkish activist fight is won or lost on GA mechanics, TCC Art. 198 and competition clearance — not on a proxy card. Figures press-sourced; verify against KAP / court records.

The Competition-Board fine, ARY's aim, and what should have protected the minority

THE FINE (REKABET KURULU)

~₺10,934,049.80 (~₺11m) for gun-jumping. The Competition Authority found the Can Group "acted as though permission had already been granted," taking control before the review was complete.

· Sole-control transfer NOT valid until the final decision
· Can Group & ARY ordered to take no action giving Can control
· The investigation continues

WHAT WAS ARY'S AIM?

Block sole control; protect its stake. ARY Holding (Ali Rıza Yıldırım) sought to stop Can Holding consolidating SOLE control of Tekfen.

· Use its ~21–32% stake for board influence and leverage
· Protect the value of its position
· Before ultimately selling its ~32.08% to Libco İnşaat

PROTECTING THE MINORITY

Entrenchment tools favoured incumbents. A share buyback (pay geri alımı) and golden parachutes can waste cash minorities own; with the TCC Art. 198 frozen-voting dispute and the contested GA, minorities were left exposed.

Better protections:
· A timed mandatory tender offer at a fair price on control change
· Majority-of-minority gate on the buyback and severance
· A clean GA with voting rights correctly frozen
· Limits on privileged-share entrenchment

THE CHECKLIST What should have protected the minority — figures marked "~" are press-sourced; verify against KAP / court records.

A control change, not a proxy fight — so the minority's protection is the tender-offer, not the vote

WHAT IT MEANS FOR THE MINORITY

Mandatory tender offer? A change of control can trigger the duty to offer the minority an exit at a regulated price.

Equal treatment. Did the minority get terms comparable to the block sellers?

Board reconstitution. Each new owner reshapes the board — governance resets with every block trade.

Related-party risk. A new industrial owner (OYAK) brings its own group transactions into scope.

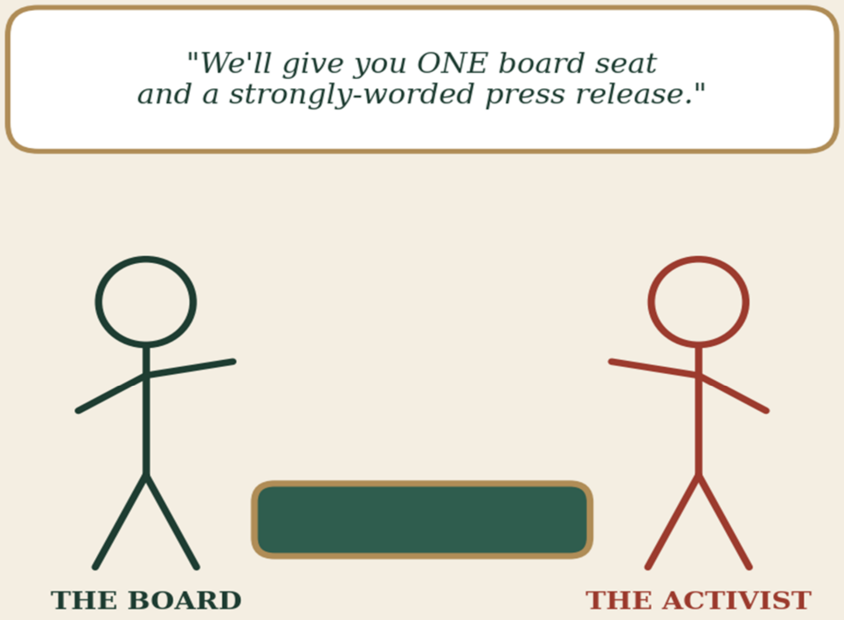
DISCUSSION — COULD IT HAPPEN TO OURS?

Vs. a Western activist: pressure here came through the CONTROL BLOCK changing hands — not an activist winning seats.

For Koç, Sabancı, THY:
· Could a founder-family exit like Tekfen's happen here?
· What would protect the minority if it did?
· Does a Wealth-Fund (THY) or foundation (Sabancı) owner change the answer?
· Is the tender-offer price a real protection — or a formality?

THE LESSON In concentrated ownership the decisive event is the sale of control — and the minority's only lever is the fairness of the exit the law forces.

The art of the settlement, in one sentence.



Most campaigns end at the settlement table, not the ballot box.

IN-CLASS EXERCISE

Governance Negotiation Simulation

Today is the live test of your GW2 activist case — you play the activist, the guest and the board panel play defence.

THE SIMULATION · WHAT IT IS

Each team plays the activist investor from its GW2 thesis and negotiates live against the board

THE SET-UP

Today is the live test of GW2. Each team brings the activist case it built and defends it in real time.

You are the activist. Using your GW2 thesis and demand list, you open the engagement against the company's board.

They are the board. The guest executive, Cevdet Alemdar, and the session's board panel take the board's side — countering your demands with the reasoning a real board would use.

WHAT IS JUDGED

Not whether you "won."

① **Strength of the activist thesis** — is it grounded in real evidence about the company?

② **Realism of the demands** — do they fit the company's ownership reality?

③ **Quality of the negotiation** — anchoring, sequencing concessions, respecting fiduciary limits.

THE POINT This is not a debate to win — it is a negotiation to run well. A team can "lose" the demand and still score highest on craft.

THE SIMULATION · THREE ROUNDS

A real engagement in miniature — open, counter, settle — exactly how it unfolds in the market

1

ROUND 1 · OPENING DEMANDS

The activist team presents its thesis and demand list — board seats, a break-up, capital return, or a governance change. Anchor high, but anchor in evidence.

2

ROUND 2 · BOARD COUNTER-OFFER

The board panel responds: accept, partially accept, or reject — each with reasoning grounded in strategy, fiduciary duty and minority protection.

3

ROUND 3 · REVISED POSITION & SETTLEMENT

The activist revises: what you concede, what you hold firm on. The two sides attempt a settlement — the modal ending of a real engagement.

THE ARC Round 1 sets the anchor · Round 2 tests it against fiduciary reality · Round 3 is where a good negotiator trades the survivable for the essential.

Five possible paths the live negotiation can take — so you know what to expect at the table

PARTIAL CONCESSION
The board offers ONE board seat + a modest buyback. Do you accept and declare victory — or hold out for more and risk the goodwill?

THE BOARD REJECTS
The board refuses on fiduciary / minority-protection grounds. You must escalate — threaten a proxy fight or public engagement — or back down.

THE MINORITY-HARM COUNTER
The board argues your demanded break-up would trigger a mandatory tender offer or hurt minorities. You must reframe the demand or lose the room.

A SETTLEMENT IS REACHED
Standstill agreement, board refresh, capital-return commitment — the modal real-world outcome, and usually the strongest score.

THE OVER-DEMAND (WATCH OUT)
You demand beyond the ownership reality — e.g. break up a family-controlled holding — and lose credibility. The most common student mistake.

HOW YOU'LL BE JUDGED

On thesis strength, realism and negotiation quality — ***not on "winning"***. Watch-outs: don't bluff without evidence; sequence your concessions; keep the board's minority duties in view. Trade the *survivable* to hold the essential.

THE POINT A team can "lose" the demand and still score highest on craft — the path you choose matters less than how well you argue and sequence it.

Negotiate like a real engagement — evidence, sequencing, and the minority always in view

DO

✓ **Anchor demands in evidence** — cite the company's own numbers and filings.

✓ **Sequence your concessions** — trade the survivable to hold the essential.

✓ **Keep the board's minority-protection duties in view** — a demand that harms minorities is a losing demand.

✓ **Read the ownership reality** — calibrate to who actually holds the votes.

DON'T

✗ **Over-demand beyond the ownership reality** — asking a control block to cede control is theatre, not strategy.

✗ **Bluff without evidence** — an unsupported threat collapses on the first counter.

✗ **"Win" by ignoring fiduciary constraints** — a board cannot lawfully agree to some things, and pretending otherwise loses points.

✗ **Confuse volume with leverage.**

THE STANDARD The best team argues like an investor who has read the annual report — not like one who has only read the share price.

THE THREE TEAMS · 14 MEMBERS

Each team runs its running-case company as the activist target

TEAM 1 — KOÇ HOLDING	TEAM 2 — SABANCI HOLDING	TEAM 3 — TÜRK HAVA YOLLARI
Gökberk Pala	Cenk Tanyer	Nuran Erdağ Haberdar
Nedim Büke	Şehnaz Atak Askeroğlu	Serkan Yeter
Tuğçe Çıngay Ataş	Özlem Önal Baran	Mehmet Alptuğ Alkan
Bahar Hanedan	Mısra Memişoğlu	Yurdagül Işık Sevinç
Gülin Coşar	Ali Nemutlu	

THE MATCH-UP Three teams, three running cases — each argues the activist case against the very company it has studied all term.

ASSIGNMENTS

What is due, and what begins today

GW2 is defended live in today's simulation; IW1, the individual M&A governance memo, is assigned now.

GW2 is not a paper you hand in and forget — you defend it live in the negotiation

GW2 — ACTIVIST & CAPITAL-MARKET PRESSURE SIMULATION

Group · 15% · DUE NOW.

Each team has built an activist thesis and demand list against its running-case company.

Today you present and defend it live in the governance negotiation simulation — as the activist, against the board panel.

BRING TO CLASS

① **The written deliverable** — the thesis, evidence and demand list.

② **Negotiation notes** — your anchor, your fall-backs, your walk-away, and the concessions you are willing to sequence.

③ **The evidence base** — the company's filings and numbers you will cite when the board counters.

THE STANDARD GW2 is graded on the thesis AND the live defence — a strong paper defended poorly still loses the marks that matter today.

Worked activist theses to model your GW2 on — a weakness, a demand, and the likely board response

WEAKNESS / SIGNAL	THE DEMAND	LIKELY BOARD RESPONSE
Excess cash / low payout	**Special dividend or buyback**	“We need it for capex and M&A.”
Conglomerate / holding discount	**Spin-off or list a subsidiary**	“The group creates synergies and fills institutional voids.”
An underperforming segment	**Divest the unit**	“It's turning around and strategically core.”
Weak / entrenched board	**Independent directors / board refresh**	“Our directors are qualified and aligned.”
Poor capital discipline	**A hurdle-rate & capital-allocation framework + disclosure**	“We already have governance.”

PICK A REALISTIC THESIS A break-up is credible against a widely-held firm — far less so against family-controlled Koç / Sabancı or state-linked THY.

ONE LINE TO REMEMBER

"In concentrated ownership, the fight is rarely for board seats — it is for control, and for the minority left behind."

BRIDGE TO SESSION 5 From negotiating the deal to judging it: IW1 asks you to reconstruct one real M&A decision at your company and decide whether the board got it right.

SOURCES & FURTHER READING

Where the facts and cases in this session come from

ACTIVISM — THEORY & DATA

Brav, Jiang, Partnoy & Thomas (2008); Gantchev (2013); Grossman & Hart (1980); Kahan & Rock (2007); Coffee & Palia (2016); Bebchuk, Coates & Subramanian (2002).

H1 2026 data: Lazard, "Review of Shareholder Activism — H1 2026" (1 Jul 2026); Barclays Shareholder Advisory Group; Diligent; Harvard Law School Forum on Corporate Governance.

World cases: Icahn/Apple; Starboard/Darden; Trian/Disney; Engine No. 1/ExxonMobil; Elliott — public engagement records. Turkcell deadlock: Moscow Times / Bloomberg, Reuters — Çukurova, TeliaSonera, Altimo/LetterOne, 2016 London arbitration, 2020 Türkiye Wealth Fund purchase & global settlement; current structure (TVF ~26.2%, LetterOne ~24.8%): Türkiye Wealth Fund, Diken / Gazete Duvar.

TEKFEN CASE & GUEST BIO

Tekfen control change: Forbes Türkiye, NTV, Patronlar Dünyası, Sözcü, Paratic, Finansanlık — the Berker / Gökyiğit / Akçağlılar exits, Can Holding, ARY Holding, OYAK / ON Investment, and the ARY–Can dispute (7 May 2025 GA, Istanbul 16th Commercial Court annulment suit, TCC Art. 198, Rekabet Kurumu clearances) plus the ~₺11m Can-Group gun-jumping fine (Karar, Ekonomim, Rekabet.gov.tr). Figures "~"; verify against KAP / court records.

Ownership & law: Koç, Sabancı and THY Investor Relations; Capital Markets Law No. 6362; SPK communiqués.

Guest bio: Marubeni Türkiye, TÜSİAD, SUNUM, and Brisa / Sabancı Holding corporate disclosures — Alemdar now GM, Marubeni Türkiye.

A NOTE ON SOURCING Turkish deal figures are press-sourced and approximate — always confirm against the primary KAP filing before relying on a number.