

Icahn and Yahoo Reach Agreement, Billionaire Takes 3 Seats in Yahoo's Board

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By Raoul Railey

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The Yahoo board of directors and billionaire investor Carl Icahn seem to have reached a ceasefire agreement in the war over the company's future strategy. Mr. Icahn, who previously said that he intends to change Yahoo's entire board of directors at the upcoming stockholder's meeting, will now join the board, together with two other persons that he will recommend.

In order for this to take place, Yahoo will increase the number of seats that its board of directors has from 9 to 11. Robert Kotick, the Activision Blizzard chief executive who has been in Yahoo's board since 2005, will have to leave, making room for Mr. Carl Icahn himself.

Jerry Yang will remain the company's CEO and Roy Bostock will also keep his position as Chairman of Yahoo's board of directors, that is, of course, if the two will be voted at the August stockholders meeting. The two people that Mr. Icahn will nominate will be chosen from the 8 persons that the billionaire investor wanted to replace Yahoo's management with, and Mr. Jonathan Miller, whom people know as the former CEO of AOL.

The 8 persons that Icahn will choose from are Lucian A. Bebchuk, named one in the 100 most influential players in corporate governance according to the *Directorship* magazine, Adam Dell, the brother of the man behind Dell Inc., as well as John H. Chapple, Frank J. Biondi Jr, Mark Cuban, Brian S. Posner, Edward H. Meyer and Keith A. Meister.

The compromise might reflect that both parts have understood that internal fighting does not benefit the company in anyway, and that an agreement would probably be the best solution to save Yahoo's share price from dropping any further.