

Pelham Investment Partners LP Addresses Nickel 28 Capital Corp.'s Rejection of its Good Faith Settlement Offer

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NEW YORK, May 10, 2023 - Pelham Investment Partners LP ("Pelham LP", "we", "our" and similar pronouns) provides on its latest attempt at engaging with management of [Nickel 28 Capital Corp.](#) (formerly Conic Metals Corp.) (TSXV: NK28" or the "Company").

In the hopes of having constructive engagement with the Company and avoiding a costly and unnecessary proxy contest in the face of clear shareholder dissatisfaction, Pelham LP extended a reasonable settlement offer to the board of directors of the Company ("Management" or the "Board"), which was summarily rejected by Management. As the single largest shareholder of the Company, Pelham LP is disappointed that the directors have again opted for entrenchment over discussion.

Management and the Board's Unwillingness to Adopt Necessary Changes

In its May 3, 2023 press release, the Company claimed a "commitment to shareholder engagement" and faulted Pelham LP for having "not engaged with the Board". These statements are misleading. Contrary to these assertions, Pelham LP has made two constructive proposals to the Company, each of which represented an invitation to engage, and neither of which has received any response other than an outright rejection. True engagement necessarily requires a willingness to consider changes to the Board's actions make it clear that it has no such willingness.

Instead of engaging in the hard business of compromise, the Company unilaterally announced, in its May 3, 2023 press release, its decision not to seek the renewal of its existing equity-based compensation plan. This decision should be viewed cynically. As Pelham LP has previously noted, insiders are not permitted to vote on the renewal of such plans, and any proposal for the renewal of the plan would result in a humiliating defeat given shareholder sentiment.

The Settlement Offer

Pelham LP believes that the Board has already squandered substantial shareholder wealth through both gross over-compensation of executives and expenditures designed to insulate itself from attempts to curtail such excessive compensation in the future. The Board to continue on this path, as seems to be its intent, would represent a continued dereliction of both its duty of care and its fiduciary duty to the Company. In a good-faith effort to avert this undesirable outcome, Pelham LP made a settlement offer to the Company which was delivered on the evening of May 7th. This settlement offer presumed the sincerity of the Board's statements that it was interested in engaging with shareholders and that it was interested in instituting sane compensation practices. The terms of this offer included the following:

- At the Company's choice, one of the two current Executive Directors (Mr. Milewski and Mr. Cochrane) could remain on the Board.
- The Company would also decide which one of the three current "independent" directors would remain on the Board.
- Ned Collery of Pelham LP - the Company's largest disclosed shareholder - would join the Board.
- The Company would select two of the other independent nominees proposed by Pelham LP to join the Board.
- Messrs. Milewski, Cochrane, Vydra, and Kearns would return all stock-based compensation granted to them in the 2022 fiscal year.
- Directors Swan and Williams would return half of the stock-based compensation granted to them in the 2022 fiscal year.
- Mr. Lennon and any other employees of the Company who received stock-based compensation would retain 100% of their compensation.
- Pelham LP would agree to a one-year standstill from further activism.

We felt that this was a more-than-reasonable offer which would have: (i) resulted in a refreshed Board with enhanced independence; (ii) provided for continuity of oversight; and (iii) resulted in both management and the Company's single largest shareholder having representation on the Board. This proposal afforded the Company an opportunity to rectify its long-standing glaring issues with corporate governance and excessive compensation. However, yesterday the Company dismissed the offer of hand, seemingly setting itself on course for a proxy contest that stands to be: (i) wasteful of Company resources; (ii) contemptuous of shareholders' interests; and (iii) futile.

Recently, the Board has emphasized the importance of continuity in maximizing the Company's value. Based on past practice, if this Board remains, we believe that the only thing shareholders should expect is a continuation of the past practices of inadequate independent oversight and excessive compensation at the expense of non-management shareholders. The Board has repeatedly shown an unwillingness to do what is right. It is time for them to go.

Management's Ironic Obsession with "Control"

The Company makes much of Pelham LP's purported desire to take "control" of Nickel 28 "without paying all shareholders an appropriate premium". At present, of course, the Company is controlled by a management team that not only failed to pay the Company's own words, "an appropriate premium for their shares", but received the vast majority of such shares from the Company without any cash consideration at all.

The Pelham LP director slate consists of a representative of the Company's single largest shareholder (who has committed no compensation for at least the first year of his term) and four other highly qualified and independent directors. In no way can this arrangement be characterized as giving Pelham LP control of the Board. Further, in the interests of avoiding an expensive and unnecessary contest, Pelham LP proposed in its settlement offer that only three of these five highly qualified directors be elected to the Board, allowing the incumbents to retain two seats and to select which two of Pelham LP's nominees would join the newly reconstituted Board. To characterize this as Pelham LP demanding "control" is laughable.

We anticipate that our slate of directors will be elected at the Company's upcoming annual general and special meeting of shareholders by the vote of a great majority of non-management shareholders. Rather than representing an assertion of Pelham LP of control over the Company, such an outcome will represent a victory for shareholders generally and the breaking of management's current control.

The Board's seeming inability to countenance the idea that Pelham LP proposes to act in the interests of all shareholders is more about them than it does about Pelham LP. To be clear: Pelham LP sees more profit and sounder sleep in a well-run Nickel 28 than it does in the sort of self-serving compensation practices in which the incumbent Board has engaged.

Information in Support of Public Broadcast Solicitation

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable securities laws, however Pelham LP is providing the following disclosure in reliance on section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations in respect of public broadcast solicitations (the "Public Broadcast Exemption"). Pelham LP intends to file a dissident information circular in due course in connection with the upcoming annual general and special meeting of shareholders of the Company to be held on June 12, 2023 (the "Meeting"), in compliance with applicable securities laws.

The information contained herein, and any solicitation made by Pelham LP in advance of the Meeting, is or will be, as a result, made by Pelham LP and not be or on behalf of management of the Company. All costs incurred for any solicitation will be borne by Pelham LP, provided that subject to applicable law, Pelham LP may seek reimbursement from the Company of its out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful outcome resulting from shareholder activism that Pelham LP, in its discretion, may pursue. Pelham LP may engage the services of one or more advisors (including Laurel Hill Advisory Group) and authorize other persons to assist in soliciting proxies on behalf of Pelham LP. Proxies may be solicited pursuant to a dissident information circular, or by way of public broadcast, including through press releases, speeches, publications and by any other manner permitted under Canadian corporate and securities laws. Any proxies may be revoked by instrument in writing executed by a shareholder or by his or her attorney authorized in writing. If the shareholder is a body corporate, by an officer or attorney thereof duly authorized, or by any other manner permitted by applicable law.

Pelham LP intends to nominate for election at the Meeting a slate of individuals to serve on the Board (the "Nominees"). Information about the Nominees, including information required pursuant to the Public Broadcast Exemption, can be found in the press release issued by Pelham LP on May 4, 2023 and filed on SEDAR under the Company's profile at www.sedar.com.

Neither Pelham LP nor, to its knowledge, any of the Nominees, nor any of their respective associates or affiliates, has any direct or indirect interest in any transaction since the commencement of Nickel 28's most recently completed financial year, or in any proposed transaction which has materially affected or will materially affect Nickel 28 or any of its subsidiaries. Neither Pelham LP nor, to its knowledge, any of the Nominees, nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the AGM, other than that set out herein.

To the knowledge of Pelham LP, Nickel 28's head office is located at 155 University Avenue, Suite 1240, Toronto, Ontario M5H 3B7.

3B7 and its registered address is located at Suite 2500, Park Place, 666 Burrard Street, Vancouver, British Columbia, V copy of this press release may be obtained under Nickel 28's SEDAR profile at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this press release, including without limitation statements regarding the upcoming Meeting of the Company and the Nominees to be nominated by Pelham LP thereat contain "forward-looking information" and are prospective in nature. Statements containing forward-looking information are not based on historical facts, but rather on current expectations and projections of future events, and are therefore subject to risks and uncertainties that could cause actual results to differ materially from the outcomes expressed or implied by the statements containing forward-looking information. Often, but not always, statements containing forward-looking information can be identified by the use of forward-looking words such as "plans", "expects", "anticipates", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Although Pelham LP believes that the expectations reflected in the statements containing forward-looking information herein made by it (and not, for greater certainty, any forward-looking information attributable to the Company) are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company's operations will continue substantially in the current state, including, without limitation, with respect to industry conditions, general level of economic activity, continuity and availability of personnel, local and international laws and regulations, foreign currency exchange rates and interest rates, inflation, taxes, that there will be no unplanned material changes to the Company's operations, that the Company's public disclosure record is accurate in all material respects and is not misleading (including by omission). Pelham LP cautions that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of Pelham LP and there is no assurance that they will prove correct. In addition, facts that could cause outcomes to differ materially from those expressed or implied by such forward-looking information include, among other things, actions taken by the Company in connection with the AGM, the content of subsequent public disclosures by the Company, general economic conditions, legislative or regulatory changes and changes in capital or securities markets. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in Pelham LP's forward-looking information. Other unknown and unpredictable factors could also impact outcomes. Statements containing forward-looking information in this press release are based on Pelham LP's beliefs and opinions at the time the statements are made, and there should be no expectation that such forward-looking information will be updated or supplemented as a result of new information, estimates or opinions, future events or results or otherwise, and Pelham LP disclaims any obligation to do so, except as required by applicable law.

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