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Floor Resolutions at Annual Meeting

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Notwithstanding the proliferation of advance notice bylaws, floor resolutions at annual meetings are fairly unusual. In January, Walden Asset Management and 44 other investors contacted over 30 companies with representation on the Chamber of Commerce board regarding the Chamber's position on climate change, health care legislation, financial reform and its political spending, noting its intent to introduce resolutions at annual meetings asking boards to initiate a review of the companies' participation with the Chamber. It appears that Walden embarked on this strategy after determining that the resolution risked being excluded under SEC Rule 14a-8 for being too direct and specific in focus. After discussions with several companies, in early April Walden announced its plans to introduce resolutions at six companies.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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