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Say-on-Pay Scorecard: 2012 vs. 2011 (So Far)

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With proxy season in full swing, we wanted to provide an update on this year's say-on-pay findings to date and compare them to results from last year at this time, almost to the day. As of the end of last week (May 18, 2012), 639 large accelerated filers reported the voting results from their shareholder meetings. Note that these results do not account for any companies that adopted a triennial or biennial say-on-pay vote, nor do they include smaller companies.

Percentage Approval	Large Accelerated Filers by Say-on-pay Vote (as of May 18, 2012)	Large Accelerated Filers by Say-on-pay Vote (as of May 20, 2011)
90-100%	454	540
80-89%	85	126
70-79%	40	65
60-69%	22	40
50-59%	23	14
40-49%	8	9
30-39%	4	7
20-29%	3	1
0-19%	0	0
Total	639	802

Approval for say-on-pay votes has remained high so far this season, as the average say-on-pay results for all large accelerated filers is 89%. The findings to date reveal that less than 16% of large accelerated filers reported say-on-pay results below the 80% approval level (compared to less than 17% by this time last year), and less than 10% reported results below the 70% approval level (compared to less than 9% by this time last year). Companies that garnered less than 70% approval last year received extra scrutiny from ISS this proxy season.

So far this year, a total of 15 large accelerated filers have lost their say-on-pay votes (compared to 17 by this time last year) - 14 of them received "against" recommendations from ISS. To date, large accelerated filers with "against" recommendations that lost their say-on-pay votes this season have averaged 39% approval, while the large accelerated filer with a "for" recommendation that lost its say-on-pay vote received 41% approval.

Large accelerated filers that received a "for" recommendation from ISS are averaging 92% approval this season.

A total of 27 large accelerated filers reported losing their say-on-pay votes during the 2011 proxy season, of which all except one that have had their meetings to date (14) have reported shareholder approval in 2012.

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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