

Retail Shareholders Voted Against Proxy Access Proposals

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The importance of the retail shareholder vote came out in force this past season, as 85% of retail shares were cast against proxy access shareholder proposals at over 80 companies. At the same time, 61% of the shares held by institutional investors supported proxy access.

[ProxyPulse](#), a report from Broadridge and PwC's Center for Board Governance, examined 4,280 companies that held meetings between January 1, 2015 and June 30, 2015. Over the last four years, retail investors have held about 32% of all shares. Unfortunately for companies, retail shareholders voted only 28% of the shares they owned, leaving over 97 billion shares not voted.

This gives institutional investors an undue influence even relative to the size of their holdings, since institutions voted 91% of the shares they own. While institutional investors held 68% of outstanding shares of all public companies, they hold more shares at bigger companies, with 72% of the shares at large-caps and 76% of the shares at mid-caps.

The report also found that average support was 96% for the nearly 23,000 directors that stood for election during this period. 1,184 directors failed to receive more than 70% support, and 345 directors at 169 companies did not receive majority support. Similar to say-on-pay results, more than 40% of the companies that showed poor voting results in director elections had the same issue last year.

For say-on-pay, only 10% of companies received less than 70% support on say-on-pay, but 40% of those companies had similar results in 2014.

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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