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Say-on-Pay Approval Below 70% May Receive ?Greater Attention?

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ISS has issued its preliminary US post-season report, which is full of useful statistics about the 2011 proxy season for the data hound. Broc notes some of the key highlights in TheCorporateCounsel.net blog.

The report also provides a possible hint on the question of what level of dissent for say-on-pay votes, beyond failed votes, could cause additional ISS scrutiny. Based on the text in the report as noted below, it appears that companies that received below 70% approval may be targeted, though what “greater attention” means in this context is unclear:

“While investors will have different thresholds for which firms they will scrutinize more closely, it appears likely that issuers with greater than 30 percent opposition this year will receive greater attention in 2012. According to ISS data, 168 companies, or about 6 percent of the total, received more than 30 percent dissent this proxy season.”

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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