

Apple Defeats Proxy Access Shareholder Proposal

March 13, 2015 | Client Update | 2-minute read

At its annual meeting on March 10, Apple's shareholder proposal on proxy access received a little more than 39% of the votes cast in favor of the proposal. The proposal asked the board to provide access rights to shareholders owning 3% for at least 3 years, which is the same threshold others are using this season.

The company's opposition statement argued that the proposal is an "unconventional and potentially risky version of proxy access, which not only lacks protection against abuse but may actually invite it." They note that the proposal does not provide many of the safeguards that were in SEC Rule 14a-11 at the time of adoption, including nominees who must be independent and represent that they do not have a control intent and agree to retain shares through the meeting date. The company acknowledges that a proper proxy access proposal could be thoughtfully designed, and intends to continue discussions regarding the adoption of proxy access, including proper implementation.

It has been [reported](#) that Glass Lewis recommended that investors vote against the proposal. According to the article, Glass Lewis stated that it generally supports proxy access, but opposed the Apple proposal, saying in its analysis, "given the company's increasing responsiveness to shareholders (evidenced by its recent adoption of majority voting and share repurchase activity) and its positive financial performance, we do not believe that adoption of this proposal is necessary at this time." Glass Lewis's replay of its proxy talk on proxy access, which includes Donna Anderson from T. Rowe Price and Bess Joffe from TIAA-CREF, is available on its [blog](#).

Jim McRitchie, the proponent of Apple's proxy access proposal, posted the statement that he made at Apple's annual meeting on his [blog](#).

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.

Ning Chiu

+1 212 450 4908

ning.chiu@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.