

SEC Eliminates Broker Discretionary Vote for Director Elections in 2010, Proposes "Better" Proxy Disclosures and Codifies TARP Recipients "Say on Pay"

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The SEC voted today (3-2) to eliminate broker discretionary voting in director elections for meetings held on or after January 1, 2010. Previously, brokers were permitted to vote uninstructed shares in uncontested director elections, which were classified as "routine" under NYSE Rule 452. The rule change, which was adopted as proposed, could make it more difficult for directors to be elected under a majority voting standard, as we discussed in our previous newsflash, SEC Proposes Elimination of Broker Discretionary Vote in Director Elections for 2010.

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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