

## SEC Guidance on Use of Proxy Advisory Firms for Voting Proxies

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The power and influence of proxy advisory firms in affecting the outcome of shareholder meetings have been hotly debated in recent years, with many seeking a regulatory solution. Yesterday, the SEC released a Staff Legal Bulletin to address investment advisers' responsibilities in voting client proxies and retaining proxy advisory firms, as well as two exemptions to the federal proxy rules that are often relied upon by proxy advisory firms. Although fairly specific in its explanation of the requirements, the Staff guidance will do little to quell the debate about the role of the proxy advisory firms.

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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