

SECOND EDITION 2016

# 2016 Proxy Mid-Season Review

This edition of ProxyPulse summarizes shareholder voting trends from 1,881 US public company shareholder meetings that were held between January 1, 2016 and May 15, 2016. Results from the first part of the 2016 proxy season and overall corporate governance trends continue to point to the need for proactive board-shareholder engagement.

## DIRECTOR ELECTIONS

- Overall shareholder support declined compared to the same period in 2015.
- 151 directors at 64 different companies failed to achieve majority shareholder support so far this season, compared to 126 directors for the same period last year.
- Almost half of the companies that had at least one director fail to gain majority support last year also had a director fail this year.
- 478 directors, or almost 5% of directors up for election, failed to receive at least 70% shareholder support.

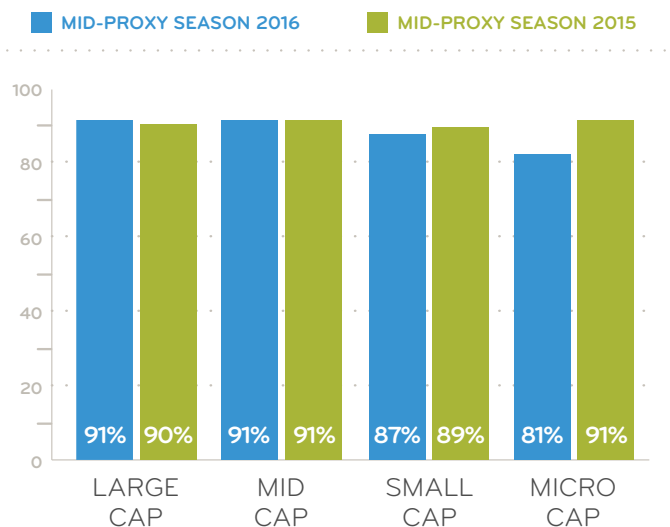
## SAY-ON-PAY

- Of the 1,085 say-on-pay proposals so far this season, just over 3% failed to achieve majority shareholder support, a slight increase from the same period last year.
- Support at micro-cap companies fell 10 percentage points. Small cap companies saw a slight decrease in shareholder support—from 89% on average during the first part of 2015's proxy season, to 87% on average so far this year.
- 43% of companies that failed to achieve the 70% support threshold in 2015, also failed to hit 70% this season.

## DIRECTOR SUPPORT – MID-SEASON 2016

Shareholder Support Level	# of Directors Mid-Season 2016	# of Directors Mid-Season 2015
90-100%	8,923	9,948
80-89%	738	924
70-79%	392	337
60-69%	191	188
50-59%	136	144
<50%	151	126
<b>Total</b>	<b>10,531</b>	<b>11,667</b>

## AVERAGE SAY-ON-PAY SUPPORT BY COMPANY SIZE



**Key defining company size:** Large Cap: \$10b+ • Mid Cap: \$2b–\$10b • Small Cap: \$300m–\$2b • Micro Cap: \$300m or less

## PROXY ACCESS PROPOSALS

- Over 30 shareholder proposals for proxy access came to a vote during the first part of 2016. Almost 70% of the companies targeted this year by the Boardroom Accountability Project reached agreement to adopt proxy access bylaws and avoid a shareholder vote.
- Over half of the shareholder proxy access proposals so far this season failed to achieve majority support.

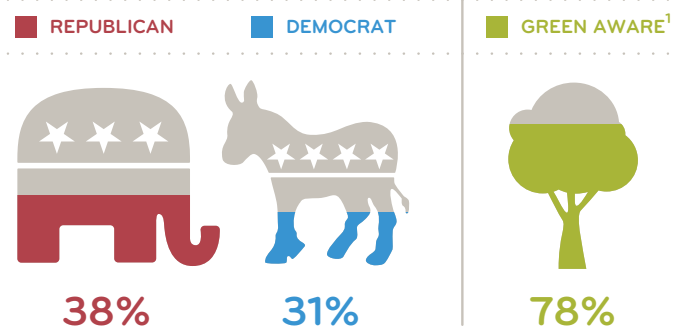
## RETAIL SHAREHOLDER DEMOGRAPHICS

We are introducing new data on the demographic make-up of retail shareholders, partly in response to companies seeking greater understanding of their shareholder base.

Broadridge randomly sampled 50,000 beneficial and registered proxy records, which were matched to a leading market and credit data analysis provider to develop aggregate profiles of individual investors that hold shares in US public companies.

Look for more analysis in the full proxy season report in September 2016.

## RETAIL SHAREHOLDERS OF US COMPANIES – POLITICAL PARTY AFFILIATION AND ENVIRONMENTAL AWARENESS



<sup>1</sup> Measured as those who, when given a choice, lean towards products that claim to be environmentally conscious.

## ABOUT

ProxyPulse is based in part on Broadridge's processing of shares held in street name, which accounts for over 80% of all shares outstanding of US publicly-listed companies. Shareholder voting trends during the proxy season represent a snapshot in time and may not be predictive of full-year results.

**Broadridge Financial Solutions** is the leading third-party processor of shareholder communications and proxy voting. Each year it processes over 600 billion shares at over 12,000 meetings.

**PwC's Governance Insights Center** is a group within PwC whose mission is to help directors and investors alike better understand insights and latest thinking on current governance issues.

### Broadridge Financial Solutions

**Chuck Callan**

Senior Vice President –  
Regulatory Affairs

845.398.0550

chuck.callan@broadridge.com

**Sharyn Bilenker**

Vice President – Corporate  
Affairs & Strategic Development

201.714.8778

sharyn.bilenker@broadridge.com

### PwC's Governance Insights Center

**Paula Loop**

Leader, Governance  
Insights Center

646.471.1881

paula.loop@pwc.com

**Paul DeNicola**

Managing Director,  
Governance Insights Center

646.471.8897

paul.denicola@pwc.com

**Privacy:** The data provided in these reports is anonymous, aggregated data, which is a result of the data processing involved in the voting process. As a result of the automated processing used to quantify and report on proxy voting, data is aggregated and disassociated from individual companies, financial intermediaries, and shareholders. We do not provide any data without sufficient voting volume to eliminate association with the voting party.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

PricewaterhouseCoopers LLP did not examine, compile, or perform any procedures with respect to the ProxyPulse report, and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

Copyright © 2016 Broadridge Investor Communication Solutions, Inc. All rights reserved.

Copyright © 2016 PricewaterhouseCoopers LLP, a Delaware limited liability partnership. All rights reserved.