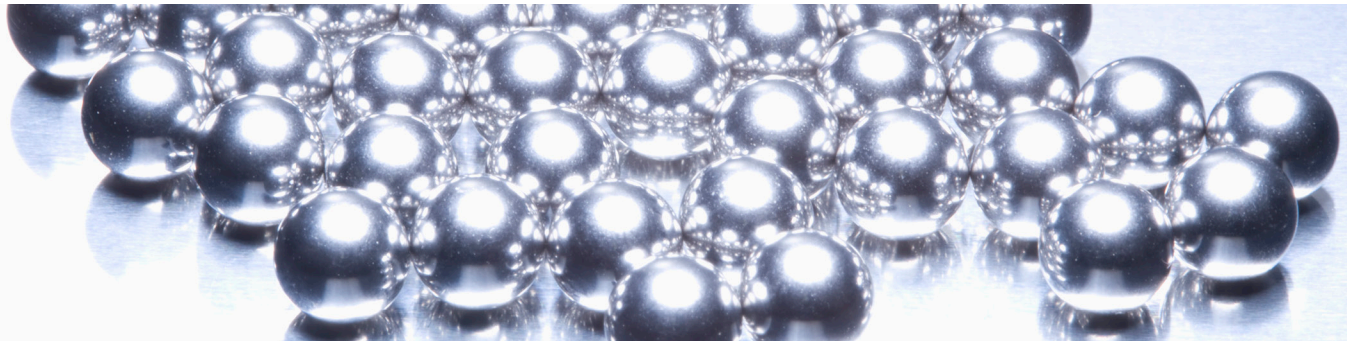




Chart of the Week



Majority-supported Shareholder Proposals

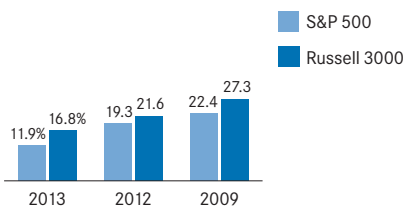
FROM PROXY VOTING ANALYTICS (2009-2013)

The percentage of shareholder proposals receiving majority support reached a five-year low in 2013. This sensible reduction resulted from the decline in the volume of proposals on topics that are traditionally and widely supported by shareholders (namely, majority voting and board declassification, by now more widely adopted) and was compounded by the growing share of resolutions that historically failed to obtain majority support (including those on environmental concerns and those on political issues). For meetings held between January 1 and June 30, the percentage of voted proposals that passed in the Russell 3000 was merely 16.8, compared to 21.6 percent in 2012 and 27.3 percent in 2009.

By subject, none of the 84 shareholder proposals on executive compensation voted during the period received majority support. In the social and environmental policy category, only 1.2 percent of the 163 proposals that went to a vote during the first half of the year received majority support. The percentage of corporate governance proposals that received a majority of votes cast was lower: 35.1 percent, down from 42.1 percent during the same period in 2012 and 43.3 percent in 2009.

Shareholder Proposals Receiving Majority Support—by Index (2009, 2012, and 2013)

Percentage of voted shareholder proposals receiving majority support

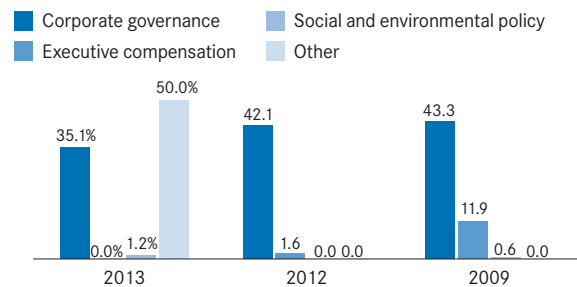


Notes: Majority support is calculated based on votes *for* as a percentage of votes cast, including abstentions and excluding broker nonvotes. Results do not include "elect dissident director nominee" proposals.

Source: The Conference Board/FactSet, 2013.

Shareholder Proposals Receiving Majority Support—by Subject (2009, 2012, and 2013)

Percentage of voted shareholder proposals receiving majority support



Note: Majority support is calculated based on votes *for* as a percentage of votes cast, including abstentions and excluding broker nonvotes. Results do not include "elect dissident director nominee" proposals.

Source: The Conference Board/FactSet, 2013.

Why it matters...

- When a proposal receives a majority of votes cast or shares outstanding, the impact takes on increased importance since directors on boards that are deemed unresponsive to such proposals could face opposition or withhold votes during the following season.
- Activists' interests have started to shift toward new topics, notably progressive executive compensation policies, such as limitations on tax gross-ups and equity retention requirements, as well as social and environmental matters such as political contribution disclosure.

For more information on this and other proxy voting data and analysis for companies in the Russell 3000 and S&P 500, download *Proxy Voting Analytics (2009-2013)* at: www.conference-board.org/proxy2013 or contact Matteo Tonello at matteo.tonello@conference-board.org