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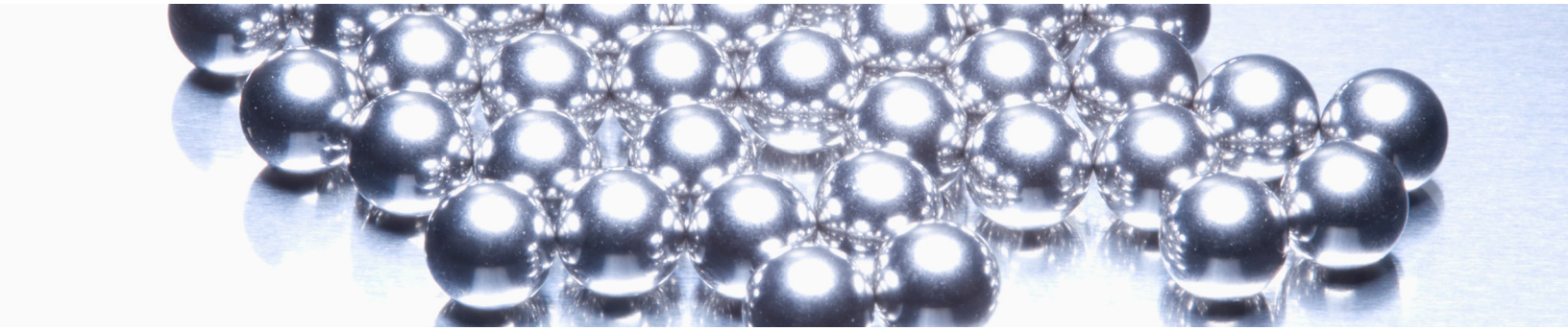
Chart of the Week



THE CONFERENCE BOARD GOVERNANCE CENTER®

Shareholder Proposal Sponsors

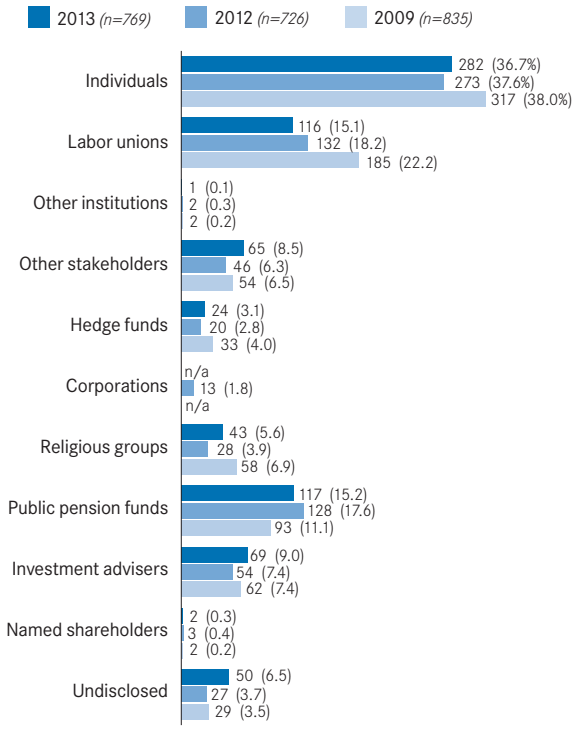
FROM *PROXY VOTING ANALYTICS (2009-2013)*

Religious groups and hedge funds were more active in submitting shareholder proposals during the 2013 proxy season, while submissions by labor unions softened. Religious groups submitted 43 proposals at Russell 3000 companies that held meetings during the first half of the year (5.6 percent of the total in 2013), up from 28 (3.9 percent) in 2012. Several religious groups that had taken a break as proposal sponsors in 2012 reemerged, and most of their proposals related to social and environmental policy issues. Proposals submitted by hedge funds increased to 24, up from 20 during the same period in 2012, as a more speculative, short-term approach to activism resurfaced amid improving economic conditions.

Meanwhile, labor unions reduced their activity amid waning interest in traditional demands for executive compensation disclosure. Their share of the total proposal volume decreased from 22.2 percent to 15.1 percent over the last five years. That phenomenon was due mostly to the void created by the federal say-on-pay mandate and more stringent executive compensation disclosure, which have been a main concern for labor-affiliated investment funds.

Shareholder Proposal Volume—by Sponsor (2009, 2012, and 2013)

Number of shareholder proposals (percentage of total)



Note: In some instances, this report revises calculations published in the 2012 edition to reflect updates to the dataset and, in particular, information on AGMs that was not yet reported or captured as of July 10, 2012. For this reason, direct year-on-year comparisons with the 2012 edition are not always valid.

Percentages may not add to 100 due to rounding.

Source: The Conference Board/FactSet, 2013.

Why it matters…

- Opportunities to implement an activist investment strategy as a result of improved market performance, record-low borrowing costs, and the search for new asset classes; sensitivity to environmental and social topics by part of the financial community; and additional focus on pay equity and pay-for-performance issues driven by say on pay have all resulted in increased activism and engagement by shareholders.
- The social and environmental policy issue proposals that are the focus of many religious groups have grown to compose a larger proportion of the total proposals submitted by shareholders, while the proportion of corporate governance proposals has declined, largely as a result of the progress already made by many companies in the adoption of governance best practices.

For more information on this and other historical data on annual general meetings of shareholders, download *Proxy Voting Analytics (2009-2013)* at: www.conference-board.org/proxyanalytics or contact Matteo Tonello at matteo.tonello@conference-board.org

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