



Directors Failing to Receive Majority Support Hits Five-Year High

Released : 10 08 2019

NEW YORK, Oct. 8, 2019 /PRNewswire/ -- The number of board nominees who failed to receive majority shareholder support in the first six months of 2019 reached a five-year high, according to today's released [ProxyPulse™ report](#). The number of board nominees failing to get at least 50% support was 478 compared to 416 in the first six months of 2018.

The report, published by [Broadridge Financial Solutions, Inc.](#) (NYSE:BR) and [PwC US Governance Insights Center](#), features voting trends from 4,059 public company annual shareholder meetings held between January 1 and June 30, 2019, including results for this proxy season with five-year trends.

Key Takeaways

Institutions own 70% of the shares while individuals own 30% of the shares; the percentages remained constant over the prior-year period. Voting participation (of the shares each segment owns) was 90% for institutions and 28% for individuals.

The overall number of proposals that went to a shareholder vote was the lowest in the last five years, down 23% to 420 from 549 in 2015. Overall average support was down as well – from 31% of shares voted in favor in 2018 to 29% in 2019.

Support for say-on-pay slightly declined from 89% in 2018 to 88% in 2019. Of the 124 companies that had say-on-pay proposals that failed to receive 50% support, 33 also had at least one director fail to receive majority support.

For social and environmental proposals, average support declined to 25% in 2019 from 27% in 2018. This was the first such decline over the last five years.

For corporate political spending proposals, average support has continued to increase each year over the last five years and rose to 31% in 2019 from 28% in 2018.

The ProxyPulse report highlighted policies of a few of the largest institutional investors regarding board diversity and environmental issues.

Co-Authors Comments

Chuck Callan, Broadridge SVP, Regulatory Affairs, commented, "On average, shareholder support for directors remained high at 95% of the shares voted. However, in comparison to five years ago, there was nearly a 40% increase in the number of directors who failed to get a majority of the "street" shares voted in their favor. Moreover, over 45% more directors failed to surpass the 70% support threshold and this will factor into opposition voting next year. These trends are occurring despite lower numbers of directors standing for election."

"The overall number of shareholder proposals that went to a vote in 2019 was the lowest we've seen in the last five years. Similarly, average support for proposals declined," said Paul DeNicola, Principal, PwC's Governance Insights Center. "Proposals receiving strong support included corporate political spending and say-on-pay. Areas with diminished shareholder support compared to prior periods included the election of directors and social and environmental proposals."

About ProxyPulse

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

ProxyPulse is a collaboration between Broadridge, the leading provider of investor communications solutions, and PwC's Governance Insights Center, a group that supports directors and investors with governance knowledge. Visit [ProxyPulse.com](#) to access the full report.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE: BR), a \$4 billion global Fintech leader and a part of the S&P 500® Index, is a leading provider of investor communications and technology-driven solutions to banks, broker-dealers, asset and wealth managers and corporate issuers. With more than 50 years of experience, including more than 10 years as an independent public company, Broadridge provides an important infrastructure that powers the financial services industry. Broadridge's infrastructure underpins proxy voting services for more than 50% of public companies and mutual funds globally, and processes on average more than U.S.\$7 trillion in fixed income and equity trades per day of securities. Broadridge employs over 11,000 full-time associates in 18 countries.

For more information about Broadridge, please visit [www.broadridge.com](#)

About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](#).

©2019 PwC. All rights reserved. This content is for general information purposes only and should not be used as a substitute for consultation with professional advisors.

Media Contact:

Andrew MacMillan
The Torrenzano Group
1-212-681-1700
amacmillan@torrenzano.com

Ryan Cangialosi

PwC

1-347-443-2157

Ryan.A.Cangialosi@pwc.com

 View original content: <http://www.prnewswire.com/news-releases/directors-failing-to-receive-majority-support-hits-five-year-high-300933439.html>

SOURCE Broadridge Financial Solutions, Inc.; PwC