

New ProxyPulse Report Reveals Decreased Shareholder Support for Executive Compensation

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NEW YORK, June 26, 2014 /PRNewswire/ -- Shareholder support for executive compensation plans has declined in 2014 at mid-cap, small-cap and micro-cap companies, evidenced by the latest edition of [ProxyPulse™](#), the joint publication from [Broadridge Financial Solutions, Inc.](#) (NYSE:BR) and PwC's Center for Board Governance.

In an analysis of 2,788 shareholder meetings held between January 1 and May 22, Broadridge and PwC found that say-on-pay proposals failed to receive majority support at 72 companies - compared to 54 companies in 2013. "This trend points to the significant pressures boards still face around executive compensation," said Mary Ann Cloyd, Leader of PwC's Center for Board Governance.

The report shows that average support levels for executive compensation plans rose to 91% from 89% at large-cap companies, but a greater percentage of mid-cap and small-cap companies failed to attain at least 50 percent shareholder support. Five percent of mid-cap companies failed to reach majority support so far in 2014, up from 2 percent in the 2013 proxy season.

The analysis also found high levels of shareholder support for directors.

"The results show that when it comes to corporate governance, executives and directors must remain vigilant and engaged," said Chuck Callan, SVP Regulatory Affairs, Broadridge Financial Solutions.

Key 2014 developments include:

- **Large cap companies gain the most support.** They had the highest average approval rates for say-on-pay in 2014, with 93 percent achieving at least 70 percent of shareholder votes in favor.
- **Shareholder support is strong for the majority of directors.** Most directors received strong shareholder support, particularly at large-cap companies; however, 702 directors (4% of the number up for election) failed to achieve at least 70 percent support in 2014, which is a key threshold for some proxy advisory firms.
- **Technological sophistication is on the rise.** Technologies to support virtual shareholder meetings have improved since their introduction five years ago, and the number of companies holding virtual meetings increased to 67 in 2013 from 4 in 2009. With 49 virtual meetings so far in 2014, the use of a virtual component in shareholder meetings proves to be a growing trend.
- **Board declassification proposals retain support.** These proposals continue to attain high levels of support when put to a shareholder vote, with an average of 96 percent of shares voting in favor regardless of company size.

ProxyPulse is a collaboration of Broadridge, the leading provider of investor communication solutions for financial services firms, mutual funds and corporate issuers globally, and PwC's Center for Board Governance, a group within PwC whose mission is to help directors effectively meet the challenges of their critical roles.

The analysis is based upon Broadridge's processing of shares held in street name, which accounts for over 80 percent of all shares outstanding of publicly listed companies in the U.S. Visit [proxypulse.com](#) to access the full version of the ProxyPulse report.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and business process outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 6,400 full-time associates in 13 countries.

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

About PwC's Center for Board Governance

PwC's Center for Board Governance assists corporate boards to more effectively meet the challenges of their oversight role. The Center provides information on significant corporate governance and financial reporting developments through a series of publications, available on our [Center for Board Governance website](#). The Center also engages with directors and executives to share insights through seminars, roundtables, webcasts, and one-on-one meetings.

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