



S&P 500 AGM VOTING RESULTS

1/1/18 - 5/22/18, vs. YEAR-AGO PERIOD

Proxy season rolls on, with nearly 300 of the S&P 500 now having reported their AGM results year-to-date – and we’re likely now at a sufficient sample size to be able to generalize about shareholders’ opinions. 2018 is not necessarily a year of shareholder “revolt” – but certain issues, particularly in the Environmental and Social realm, are seeing additional shareholder opposition – see the table below for more details.

Proposal Group / Category	2018 YTD						Change	2017 Comparable Period				
	# of proposals	Avg % Mgmt Support	Avg % Mgmt Opposition	Avg % Abstention	Minimum % Mgmt Support	Company with Lowest Mgmt. Support On Proposal		Chg % Avg Mgmt Support Vs. 2017	# of proposals	Avg % Mgmt Support	Avg % Mgmt Opposition	Avg % Abstention
Audit	294	97.6%	2.2%	0.2%	64.6%	General Electric Company	(0.4)%	318	98.0%	1.7%	0.2%	75.8%
Ratify Auditors	294	97.6%	2.2%	0.2%	64.6%	General Electric Company	(0.4)%	317	98.0%	1.7%	0.2%	75.8%
Capitalization	23	94.2%	5.3%	0.5%	71.1%	Verizon Communications, Inc.	(0.9)%	17	95.0%	4.4%	0.6%	78.8%
Issue New Equity	16	96.3%	3.2%	0.5%	86.6%	Advanced Micro Devices, Inc.	0.8%	13	95.5%	3.9%	0.6%	83.4%
Other Capital Structure Changes	7	89.2%	10.1%	0.7%	71.1%	Verizon Communications, Inc.	(4.4)%	4	93.6%	6.1%	0.3%	78.8%
Compensation	383	91.0%	8.4%	0.6%	19.9%	Ameriprise Financial, Inc.	(1.3)%	468	92.3%	7.1%	0.6%	31.9%
Director Compensation	2	94.5%	5.3%	0.2%	92.6%	Carnival Corporation	3.7%	3	90.8%	8.7%	0.5%	84.9%
Employee / Exec Incentive Plans	50	91.3%	8.3%	0.4%	65.7%	Goldman Sachs Group, Inc.	(2.2)%	109	93.5%	6.1%	0.4%	69.7%
Employee Incentive Compensation	19	98.1%	1.6%	0.3%	89.7%	Vertex Pharmaceuticals, Inc.	(1.0)%	15	99.1%	0.7%	0.1%	97.1%
Executive Compensation	24	85.4%	14.0%	0.6%	55.9%	Hasbro, Inc.	(1.6)%	29	87.0%	11.9%	1.1%	64.4%
Say-on-Pay	288	90.9%	8.5%	0.6%	19.9%	Wynn Resorts, LTD	(1.1)%	312	92.1%	7.3%	0.6%	31.9%
Director Election	2927	97.1%	2.6%	0.3%	53.0%	Andeavor	0.1%	3138	97.0%	2.7%	0.2%	42.6%
Elect Directors	2927	97.1%	2.6%	0.3%	53.0%	Andeavor	0.1%	3138	97.0%	2.7%	0.2%	42.6%
Environmental/Social	75	69.9%	27.6%	2.5%	39.3%	Kinder Morgan, Inc.	(2.0)%	103	71.9%	23.7%	4.4%	31.9%
Environmental	20	65.0%	33.5%	1.6%	39.3%	Kinder Morgan, Inc.	0.7%	32	64.3%	30.7%	5.0%	31.9%
Political	37	67.1%	30.1%	2.9%	52.2%	The Allstate Corporation	(2.2)%	37	69.3%	27.3%	3.4%	51.6%
Social	18	81.3%	16.1%	2.7%	52.2%	Applied Materials, Inc.	(0.7)%	34	82.0%	13.0%	5.0%	58.9%
Governance	148	72.1%	27.1%	0.8%	13.1%	Costco Wholesale Corporation	(0.1)%	116	72.1%	27.0%	0.9%	13.4%
Board Structure	30	71.4%	27.4%	1.1%	51.2%	Emerson Electric Co.	(1.9)%	26	73.3%	25.6%	1.1%	52.4%
Other Governance	8	91.3%	7.7%	1.0%	55.8%	AmerisourceBergen Corporation	(4.0)%	7	95.2%	4.3%	0.5%	77.6%
Proxy Access	16	74.7%	24.4%	0.9%	65.2%	Edison International	7.9%	31	66.8%	32.3%	0.9%	13.4%
Shareholder Rights	67	63.4%	35.8%	0.8%	47.1%	Kansas City Southern	3.7%	26	59.8%	39.3%	0.9%	35.6%
Voting-Related	25	87.9%	11.6%	0.5%	13.1%	Costco Wholesale Corporation	5.2%	25	82.8%	16.5%	0.7%	27.2%
Routine / Other	24	97.5%	2.2%	0.3%	64.2%	TE Connectivity, LTD	0.6%	22	96.9%	2.5%	0.6%	72.4%
Adjourn	1	64.2%	35.6%	0.2%	64.2%	TE Connectivity, LTD	(8.2)%	1	72.4%	27.3%	0.3%	72.4%
Amend Bylaws-Routine	10	98.0%	1.6%	0.4%	92.4%	Monsanto Company	0.6%	7	97.4%	2.3%	0.3%	86.0%
Routine/Other	12	99.6%	0.2%	0.2%	98.7%	Carnival Corporation	1.3%	14	98.4%	0.9%	0.8%	91.5%

Key Takeaways:

We’re seeing a few outliers on specific votes this year that should be mentioned alongside the broad community. *Wynn Resorts* recorded just 19.9% of shareholders supporting its **say-on-pay** resolution, the lowest we’ve witnessed in the market since *Mylan N.V.* recorded a 16.4% support level in 2017, and one of the five lowest totals reported by an S&P 500 company in the last five years. Elsewhere in the compensation realm, three companies (*Hasbro*, *Moody’s*, and *Verizon*) saw low support for management’s position regarding shareholder proposals on exec comp clawbacks – 56%, 61%, and 64% support, respectively.

The most successful shareholder proposals to date appear to be in the **shareholder rights** realm. Four have now received majority support of voters – *Kansas City Southern*, *Gilead Sciences*, and *HP Inc.* all saw over 50% of votes in support of proposals to allow shareholders to act by written consent, and *Cummins Inc.* received 50.4% support on a proposal to allow shareholders to call special meetings. Companies that haven’t given shareholders these rights previously may want to review their structures, as shareholders continue to express heavy preferences for these type of provisions.

Data from Ipreo BD Corporate Governance

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