NEWS RELEASE

Date: November 19, 2018
Subject: Fewer environmental/social shareholder proposals at 2018 annual meetings reflects greater investor influence in negotiations with management, says Georgeson

FOR IMMEDIATE RELEASE

New York, NY – November 19, 2018 – Investors are having a greater influence on corporate environmental and social (E&S) policies through negotiations with management, resulting in a reduction in confrontational shareholder proposals at 2018 annual meetings, according to a report from Georgeson.

In its 2018 Annual Corporate Governance Review, produced in collaboration with Proxy Insight, Georgeson examines corporate governance issues, including shareholder proposals, director elections, say-on-pay and CEO pay ratio disclosure, and shows that fewer E&S shareholder proposals were subject to shareholder votes at S&P 1500 company annual meetings in 2018 than last year (150 compared to 212).

Georgeson says that the decrease reflects greater success among investors in using the private ordering process to ensure the publication of corporate E&S information – and predicts greater use of such measures in 2019.

‘Private ordering’ refers to the practices by which corporate governance is agreed between private parties – namely investors and company management – rather than through law or regulation.

Don Cassidy, Executive Vice President of Business Development and Corporate Strategy at Georgeson, said: “E&S proposals continued to attract significant shareholder support in 2018, suggesting that many investors still want to influence environmental and social corporate policy.

“However, a decrease in the number of related shareholder proposals on the publishing of E&S information suggests that investors are making greater use of the private ordering process to impress upon companies the need for greater disclosure, avoiding the need for confrontational proposals at annual meetings.

“We expect more investors and companies to use such techniques next year in the face of continued interest in both sustainability and a broad range of social issues.”

The report showed that there were less than half the number of shareholder proposals related to climate change in 2018 compared to 2017 (eight compared to 23), although Georgeson said that
this trend may also be due to the success of previous, similar proposals that caused more companies to choose to address proactively concerns such as the ‘2-degree scenario’ (in which companies investigate the effects of a 2°C increase in global temperatures on their business).

The report also revealed that during 2018:

- **Governance**: There were 266 governance-related proposals, a significant increase as compared to 2017 (221), which Georgeson says was driven by increases in two particularly popular proposal types:
  - Shareholder right to act by written consent (increased from 14 to 36)
  - Shareholder right to call a special meeting (increased from 24 to 57)
- **Director elections**: There were several instances where investor support decreased by 5% following consistently high investor vote support for director elections over the previous four years
- **Say-on-pay**: More than 80% of say-on-pay proposals received support from 90% or more shareholders, although the vote support among the top-10 investors based on assets under management averaged 89.4% (which was also a decline from 91.6% in 2017)
- **CEO pay ratios**: The median CEO pay ratio across the Russell 3000 was 70:1, with the consumer cyclical sector having the highest average (409:1) and utilities companies having the lowest (61:1). This was the first year that some companies were required to disclose their ratios in their proxy statements.

Georgeson says this year its report contains new, detailed charts on investor voting outcomes on select employment diversity shareholder proposals, historical director election voting trends by top investors, historical say-on-pay voting trends by top investors and CEO pay ratios by sector.

The report is available [here](#).

Ends

**About Georgeson**

Established in 1935, Georgeson is the world’s foremost provider of strategic shareholder services to corporations and shareholder groups working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, shareholder identification, corporate governance analysis, vote projections and insight into investor ownership and voting profiles. Our local presence and global footprint allow us to analyze and mitigate operational risk associated with various corporate actions worldwide. For more information, visit [www.georgeson.com](http://www.georgeson.com).

**Contact:**

Rachel Hamilton-Wilkes
Georgeson
310-751-1817
Rachel.hamiltonwilkes@computershare.com