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SHAREHOLDER ENGAGEMENT AND THE PROXY SEASON

The upcoming proxy system will involve say-on-pay votes and a variety of shareholder proposals on social, environmental, and corporate governance issues. The authors discuss the effect of say-on-pay on proxy compensation disclosures, say-on-pay results, and responses to negative recommendations from proxy advisory firms. They then turn to the handling of shareholder proposals, popular topics for such proposals, and the record of success in the last proxy season. They also address technology's impact on the proxy season. Their leitmotif is that the proxy season is an ideal time for companies to reflect on their shareholder engagement practices.

By Laura D. Richman and Michael L. Hermsen *

The annual meeting of shareholders and the related proxy solicitation provide a regularly scheduled opportunity for public companies to connect with their shareholders, both for companies to communicate their messages and strategies, and to listen and react to shareholder views. Therefore, proxy season is an ideal time for companies to reflect on their shareholder engagement practices.

Many shareholder engagement activities take place outside proxy season by necessity. Because large investors have to review so many proxy statements during proxy season, it can be difficult for companies, especially calendar year-end companies, to schedule sufficient time with their major shareholders during that period. In addition, shareholder engagement often follows the proxy season to further explore shareholder responses to the agenda items that were voted on at the meeting.

While shareholder engagement is important post-proxy season, it also should be a focus of the proxy season. As a result, public companies should consider creating a year-round strategy for engaging with their shareholders. An important piece of this process is the drafting and designing of the proxy statement, especially as it relates to compensation disclosures, handling shareholder proposal issues, and conducting shareholder meetings.

Say-on-Pay and Compensation Disclosure Considerations

Impact of "Say-On-Pay" on Shareholder Engagement. In accordance with the Dodd-Frank Act, public companies subject to the proxy rules of the Securities Exchange Commission have been required to conduct an advisory vote to determine whether or not their shareholders approve the executive compensation disclosed in their proxy statements. Under the SEC's rules, companies are allowed to conduct this say-on-pay

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vote on a frequency of once every one, two, or three years, but in practice it is very common for companies to conduct a say-on-pay vote annually.

While the say-on-pay vote is advisory and nonbinding, it nevertheless has a practical impact. If a say-on-pay vote is not approved, or even if it is barely approved, it will generate adverse publicity. It may also generate corporate governance consequences, such as poorer corporate governance ratings or increased votes against election of directors. As a result, say-on-pay has given rise to increased shareholder engagement throughout the year, because outreach to key investors has been recognized as an important element of a successful say-on-pay vote.

Much of pay-related outreach occurs after the annual meeting is completed. By following up with investors after the meeting to determine what specific compensation concerns may exist, companies provide a forum for shareholders to discuss their concerns without necessarily having to vote against a say-on-pay proposal. This opportunity highlights the need for a year-round strategy for engaging with shareholders. It is important to remember that while companies may generally contact investors throughout the year, including during proxy season, to discuss executive compensation and ask about their concerns, companies should not solicit a shareholder to vote in favor of the say-on-pay proposal at any given meeting until the proxy statement for such meeting has been filed with the SEC and made available to shareholders.

Say-on-Pay Results. Shareholders, for the most part, approved their companies' say-on-pay proposals in 2014, often by wide margins. Of the Russell 3000 companies that held say-on-pay votes between January 1, 2014 and September 5, 2014, the average vote result was 91 percent in favor; only 2.4 percent had their say-on-pay proposal fail. Since say-on-pay first became required in 2011, 92.2 percent of the Russell 3000 had their say-on-pay votes pass in all four years.[1] While shareholders on an overall basis gave a high level of support to say-on-pay votes in 2014, support for say-on-pay at mid-cap, small-cap, and micro-cap companies showed some signs of weakening.[2]

While say-on-pay proposals most frequently receive high levels of approval, every year some companies fail to achieve majority support. And, companies may fail their say-on-pay vote in a given year, even after receiving significant approval percentages in prior years. Institutional Shareholder Services ("ISS") and some shareholders view support levels of below 70% as indicative of significant shareholder disapproval of executive compensation. For all these reasons, public companies do not want to take say-on-pay proposals for granted. As a result, say-on-pay has increased shareholder engagement in general and, specifically, on compensation issues.

Say-on-Pay's Effect on Proxy Disclosure. The proxy statement, a document that typically takes several months of drafting and which is reviewed by senior executives and directors of the company, represents a mainstay of public company shareholder engagement. Although say-on-pay is a nonbinding, advisory vote, it can be a sensitive agenda item for executive officers and directors. Therefore, public companies often devote considerable attention to how compensation is presented in the proxy statement, especially, but not only, in the compensation discussion and analysis ("CD&A") section.

As a result of SEC proxy disclosure requirements, compensation disclosure can be quite voluminous in proxy statements and can be quite complex. Because the compensation disclosure is key to supporting the company's say-on-pay proposal, it should be drafted in a reader-friendly fashion. Plain English is very important to a clear presentation of compensation disclosure, promulgating the rationale for the company's compensation decisions. Executive summaries have become a very common (although not required)

[1] Semler Brossy, *2014 Say on Pay Results*, September 10, 2014, *available at* http://www.semlerbrossy.com/wp- content/ uploads/SBCG-2014-Say-on-Pay-Report-2014-09-10.pdf.

[2] Broadridge Financial Solutions, Inc. and PwC Center for Board Governance, *Proxy Pulse Third Edition 2014*, *available at* http://www.pwc.com/en_US/us/corporate-governance/ publications/assets/proxypulse-3rd-edition-october-2014-pwc.pdf.

component of the CD&A. Many companies include charts and graphs, often in color, to enhance the readability of their CD&A (although this can be expensive, so companies should evaluate whether this is a cost-effective method). Some companies include a proxy statement summary at the beginning of the proxy statement that, among other matters, highlights key aspects of the executive compensation program and rationales supporting compensation decisions. Even technical details, such as a hyperlinked table of contents for the proxy statement, including CD&A subsections, are being used to facilitate shareholder review of executive compensation. Although not required by SEC rules, these items make it easier to communicate important information to shareholders.

In the CD&A, companies are specifically required to discuss the extent to which compensation decisions were impacted by the results of the prior year's say-on-pay vote. This is required whether or not the proposal received the support of a majority of the shares voting. This disclosure requirement itself may have increased shareholder engagement on compensation matters so that companies can be proactive and have something robust to disclose. This section of the CD&A also provides public companies with a window on the type of shareholder engagement activities engaged in by their peers or other public companies.

Although the proxy rules require extensive compensation disclosure, some companies have chosen to provide additional, optional disclosure to explain their compensation to shareholders. Realized pay disclosures provide an example of this form of proxy statement shareholder engagement. The summary compensation table of the proxy statement requires the inclusion of compensation, such as equity or non-equity incentive awards, that is payable only if performance measures are met or stock price levels are achieved. Furthermore, equity-based awards are included in the year of grant at grant-date fair value. While public companies do not have the discretion to change the required presentation of the summary compensation table, they can provide supplemental disclosure, such as the amount of compensation the person actually realized during the year. As a result, some companies provide realized pay disclosure in which equity awards are typically included at the value realized upon lapse of restrictions on stock awards or upon the exercise of options. Compensation reported to the Internal Revenue Service on an employee's W-2 form is frequently used as a measure of realized pay. Companies disclosing realized pay often provide a separate realized pay table, noting that it is not a substitute for the total compensation included in the summary compensation table. If the company includes compensation information in its proxy summary, it is likely to also include realized compensation information in the summary. Graphics, such as a bar graph, have been used to visually represent the difference between total reported compensation and total realized compensation. Sometimes, reported, realizable, and realized pay are all separately reported in the proxy statement.

Impact of Compensation Litigation on Proxy Disclosure. There have been several types of litigation instituted or threatened with respect to say-on-pay votes and proxy compensation disclosure. For example, some lawsuits alleged breach of fiduciary duties, some alleged insufficient compensation disclosures and sought to enjoin the shareholder vote, and some challenged specific compensation actions. While many of these cases have failed, there have been some victories for the plaintiffs, so public companies need to be aware of the potential for compensation-related lawsuits to be brought in connection with the 2015 proxy season. Deflecting compensation litigation presents another reason why proxy statement compensation disclosures should be prepared, and compensation decisions should be made, with care, especially for companies that anticipate resistance to their say-on-pay proposals.

Negative Proxy Advisory Firm Recommendations and Responses. Proxy advisory firms, such as ISS and Glass Lewis & Co., LLC, recommend to their institutional clients how to vote on the various matters put to a vote at an annual meeting, including say-on-pay. A negative recommendation on executive pay from a proxy advisory firm will not necessarily result in a failed say-on-pay vote. There are precedents for companies receiving majority approval for their say-on-pay proposals even when a proxy advisory firm recommends votes against them, but it is likely that a negative recommendation will at least result in a lower percentage of approval and cause companies to engage more directly with their shareholders than they otherwise might.

Some companies increase their solicitation efforts if they receive a negative recommendation on say-on-pay from a proxy advisory firm. For example, they may prepare slides, a letter to shareholders, a proxy statement supplement, a script, or talking points to counter assertions made in the proxy advisory firm's report, or to emphasize why they believe executive compensation should be approved. With careful planning during the drafting stage, some of this additional information may be able to be included in the proxy statement, obviating the need for creating additional soliciting materials. In any event, before a company may use any additional

solicitation material, the material must first be filed with the SEC.

When deciding whether to prepare any additional solicitation materials in response to a negative say-on-pay proxy advisory firm recommendation as a shareholder engagement matter, a company should consider its shareholder base to determine if the effort is likely to make a difference. The answer could depend on the percentage of the outstanding shares that are held by companies who vote solely based on ISS recommendations. A proxy solicitor or the company's investment relations department may be helpful in this regard. In its analysis of Russell 3000 companies holding annual meetings between January 1, 2014 and September 5, 2014, Semler Brossy found that "Company responses to an 'against' recommendation from ISS do not appear to have a material impact on vote results."[3] However, general statistics do not necessarily mean the additional soliciting materials would not be helpful in a specific circumstance. For example, an analyst who follows a company for an institutional investor may be a different person than the individual responsible for proxy voting. If the analyst thinks the company is doing well, the analyst may be receptive to voting in favor of executive compensation, but may not directly have the power to do so. In that situation, it might be useful for the company to prepare and file a document summarizing the company's position that the analyst could forward to the colleague in charge of proxy voting, with the analyst's recommendation to vote in favor.

Say-on-Pay Shareholder Engagement Beyond the Proxy Season. To the extent that a company seeks input on particular aspects of pay practices, it should contact shareholders in time to consider their responses when making compensation decisions that will be disclosed in proxy statements. As we noted earlier, many companies include shareholder engagement as part of their proxy process, especially in the say-on-pay area, and they are often trying to reach the same large shareholders at the same time. For a more effective discussion, companies should prepare in advance to focus the scope of their discussions on particular issues.

In conversations with shareholders regarding pay practices (or any other topic), companies should be careful not to selectively disclose material, nonpublic information. If such information is disclosed in such discussions, the company will need to disseminate such information in a Regulation FD compliant manner.

[3] Semler Brossy, *2014 Say on Pay Results*, September 10, 2014, *available at* http://www.semlerbrossy.com/wp-content/uploads/SBCG-2014-Say-on-Pay-Report-2014-09-10.pdf.

Shareholder Proposals

Shareholder Proposal Framework. Rule 14a-8 under the Securities Exchange Act of 1934 permits shareholders who, for one year, either own $2,000 in market value or one percent of the voting stock, to submit a proposal that a company must include in its proxy statement, unless the proposal has specified procedural deficiencies or can be excluded based on substantive grounds that are set forth in the rule. Receipt of a shareholder proposal for inclusion in a proxy statement may be the first occasion a company has heard from the particular shareholder, or a company may receive a shareholder proposal following other requests for action from that shareholder. Some shareholders regularly present shareholder proposals. Regardless, when a public company receives a shareholder proposal, it must engage with that shareholder.

Upon receipt of a shareholder proposal, a public company must decide whether it wants to try to exclude the proposal in its entirely, negotiate with the proponent to seek a compromise, take corporate action of the type requested, or simply include the proposal in the proxy statement. Each of these strategies will result in a different type of shareholder engagement, and a company receiving proposals from several different proponents may take a different strategy with each. However, while deciding on its approach, the company must remain cognizant that Rule 14a-8 specifies the ground rules for proposals that shareholders submit for inclusion in the proxy statement.

If a company wants to exclude a shareholder proposal (and the shareholder's associated statement of support), it will need one or more procedural or substantive grounds to omit the proposal under Rule 14a-8. When available, procedural deficiencies (such as failing to provide the requisite proof of ownership) can present a clear-cut argument supporting a no-action request to the SEC to omit a shareholder proposal from the proxy statement, but only if the company notifies the proponent in writing about the defect within 14 days of its receipt of the proposal. The company does not have to notify the proponent of a defect that cannot be remedied, such as late submission of the proposal. After receiving a notice of procedural defect, the proponent has 14 days to correct it. Because of these deadlines, it is important for companies to have a procedure in place so that shareholder proposals are quickly reviewed by someone familiar with Rule 14a-8 to identify potential defects in time to preserve an effective basis for exclusion. A company could always choose to voluntarily include a proposal that was submitted with a procedural defect, but once the Rule 14a-8 deadlines

governing such deficiencies pass without appropriate action by the company, it becomes too late to exclude a shareholder proposal on such grounds.

In addition to procedural grounds, Rule 14a-8 provides 13 substantive grounds for excluding a shareholder proposal. For example, Rule 14a-8 permits a company to exclude a shareholder proposal if it is an improper subject under the laws of the company's jurisdiction of incorporation or if it would cause the company to violate any law if implemented. Rule 14a-8 also permits exclusion if the proposal or the supporting statement is contrary to the SEC's proxy rules, for example, by containing materially false or misleading statements. Among the other substantive grounds to exclude a shareholder proposal from a proxy statement include the proposal's dealing with ordinary course of business management functions, already being substantially implemented, conflicting with a company proposal or duplicating another shareholder proposal that will be in the proxy statement, or being a resubmission of a proposal recently included in the proxy statement that did not achieve required thresholds of shareholder support.

If a company believes that Rule 14a-8 specifically provides grounds, procedural or substantive, to exclude a shareholder proposal from its proxy statement, it should submit a no-action request to the SEC staff. The no-action request should describe each alternative argument for why Rule 14a-8 permits the exclusion of the proposal. A no-action request must be sent to the SEC and the proponent at least 80 days before the company intends to file its definitive proxy materials. When a no-action letter is submitted, the proponent can, and often does, file its own response to the SEC. This correspondence, which ultimately becomes public, can continue if either the company or the shareholder wants to bring further information or analysis to the staff's attention. There are many twists and subtleties for many of the grounds of exclusion. For example, if the SEC staff believes a proposal involves a significant social policy, it will not permit the proposal to be excluded on the grounds that it involves the ordinary business functions. The SEC staff has provided guidance on the various exclusions through staff legal bulletins and the no-action letter process, which should be consulted before determining whether submitting a no-action request to the SEC is worthwhile for a particular proposal.

In recent years, some companies have turned to the courts to seek exclusion of shareholder proposals, but such litigation has had mixed results. In addition, shareholders have also turned to the courts to appeal decisions of the SEC staff. For example, on November 26, 2014, the U.S. District Court for the District of Delaware held that Wal-Mart should not have excluded from its 2014 proxy statement a shareholder proposal involving oversight of the formulation and implementation of policies with respect to potential sales of products that could endanger public safety (notwithstanding the fact that Wal-Mart received a favorable no-action letter from the SEC staff). The court enjoined Wal-Mart from excluding that proposal from its 2015 proxy statement.[4] Despite recent litigation, most public companies rely on the SEC staff's no-action process when seeking to omit shareholder proposals.

Shareholder Engagement in the Context of the Shareholder Proposals. Shareholder engagement becomes part of the shareholder proposal process in a number of ways. Sometimes shareholders will reach out to the company in advance of the deadline for shareholder proposals under Rule 14a-8, urging the company to take action on a particular matter. It may be possible to reach an agreement that satisfies the shareholder so that it does not submit a shareholder proposal. For example, a shareholder may agree not to submit a majority (as opposed to plurality) voting proposal for the proxy statement if the board of directors adopts a director resignation policy for directors who fail to win majority approval for their election. This approach gives the company the opportunity to tailor its action with details that it finds acceptable as opposed to voting on a specific form of action described in a shareholder proposal. Once a shareholder proposal for a proxy statement is received, the company can negotiate with the proponent at the same time that it prepares a no-action letter to see if it can convince the shareholder to withdraw the proposal, for example, by explaining related actions that the company has already taken or plans to take in the future. This process can continue after a no-action request has been submitted; if the proposal is ultimately withdrawn, the SEC can be notified before it issues its response. Negotiations with the shareholder can also continue after a proxy statement containing the proposal has been filed. The proposal only needs to be voted on at the meeting if the proponent or its representative is there to present it.

If a company must include in its proxy statement a shareholder proposal that it does not support, it should carefully draft a persuasive statement of opposition, which is another opportunity for shareholder engagement. The company must send this statement to

[4] *Trinity Wall Street v. Wal-Mart Stores*, CA No. 14-405-LPS, D. Del., Nov. 26, 2014, *available at* http://www.law.du.edu/index.php/corporate-governance/sec-and-governance/trinity-wall-street-v.-wal-mart-stores.

the proponent of the proposal 30 days before the company files its definitive proxy statement. Depending on the nature of the proposal, in addition to the statement of opposition, the company might consider enhancing other sections of the proxy statement. For example, if a compensation proposal is included in a proxy statement, the company may want to emphasize its rationale on related issues in its CD&A. Similarly, if a shareholder submits a proposal involving board tenure (or otherwise raises board tenure as an issue), a company might wish to expand its description of the attributes that each director contributes to the board and the company.

Popular Shareholder Proposal Topics. There are recurring themes in issues that shareholders raise. Being aware of the trends can prepare the company to respond should any of its shareholders seek to commence a dialogue on such matters or submit a proposal for inclusion in the company's proxy statement. Therefore, monitoring the topics that are frequently the subject of shareholder proposals is a useful shareholder engagement exercise to give companies a sense of the current subjects of interest, including the arguments both for and against the proposals and the success rate for the proposals. This will give companies time to consider how they might react if they receive a similar proposal.

Popular shareholder proposal topics during the 2014 proxy season included social and environmental proposals, such as proposals relating to political contributions, lobbying, climate change, and sustainability. While there were numerous social and environmental shareholder proposals, they generally did not garner majority support of the shareholders voting. For example, The Conference Board, in collaboration with FactSet, reports that of the 194 social/environmental policy shareholder proposals, including 86 political issue proposals and 58 environmental/sustainability issue proposals, that were voted on by the Russell 3000 companies holding annual meetings between January 1 and June 30, 2014, only one (a laudatory animal welfare proposal which was backed by the board) won a majority of the votes cast.[5]

Regardless of their voting success, social and environmental proposals can have an impact, even when they do not receive majority approval. Proponents of shareholder proposals use the company's proxy statement and annual meeting as a platform to publicize issues. Rule 14a-8 permits failed shareholder proposals to be resubmitted in subsequent years when certain minimum approval thresholds have been achieved, enabling the subject of the losing shareholder vote to be discussed in proxy statements and at the annual meetings in future years. In addition, companies sometimes modify their practices to reflect concerns raised by shareholder proposals that did not pass (such as providing additional political contribution disclosure).

Governance-related proposals also represented a significant category of shareholder proposals in the 2014 proxy season. Certain governance proposals, such as board declassification, elimination of supermajority shareholder votes, and majority voting for directors, were frequently successful in achieving majority approval in 2014. According to The Conference Board, at annual meetings of the Russell 3000 companies held between January 1 and June 30, 2014, votes in favor of proposals to declassify the board *averaged 80.6 percent* of the votes cast, votes in favor of proposals to eliminate supermajority vote requirements *averaged 66.2 percent* of the votes cast, and votes in favor of proposals to change from plurality to majority voting *averaged 56.5 percent* of the votes cast. Shareholder proposals requesting that the board of directors have an independent chair, separate from the chief executive officer, while generally not receiving majority support, often received relatively significant levels of support. The Conference Board report shows that at meetings of the Russell 3000 companies held between January 1 and June 30, 2014 votes in favor of such proposals averaged 31 percent.

There were also two different types of proxy access proposals during the 2014 proxy season. The relatively more successful proposal requested proxy access for shareholders owning three percent or more of the voting shares for at least three continuous years (a standard that was similar to the one contained in the SEC rule that the U.S. Court of Appeals for the District of Columbia struck down in 2011). This form of proxy access proposal was voted on at 13 Russell 3000 companies holding annual meetings between January 1, 2014 and June 30, 2014, with five such proposals winning majority support and four others receiving support of more than 40 percent of the votes cast, according to The Conference Board. The New York City Comptroller is expected to submit a three-percent / three-year proxy access shareholder proposal to 75 companies this proxy season.[6]

[5] All references in this article to The Conference Board's statistics on shareholder proposals are from The Conference Board, in collaboration with FactSet, *Proxy Voting Fact Sheet*, July 2014, *available at* https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=2804.

[6] Morgenson, Gretchen, "Effort Begins for More Say on Directors," *New York Times*, Nov. 5, 2014, *available at*

On December 1, 2014, the SEC staff permitted Whole Foods Market, Inc. to exclude a three-percent / three-year proxy access proposal from its proxy statement because Whole Foods was submitting its own nine-percent / five-year proxy access bylaw amendment for shareholder approval at its upcoming annual meeting.[7] It remains to be seen how many other companies receiving proxy access shareholder proposals will instead submit for a shareholder vote a company-sponsored proxy access proposal that is more difficult to trigger. Shareholders' (and proxy advisory firms') reactions to more stringent company-sponsored proxy access proposals may impact company adoption of this strategy. It is also an open question whether shareholders who fail to have a three-percent / three-year proxy access proposal included in a company's proxy statement will submit the proposal in a subsequent year when there is no conflicting company proxy access proposal being voted on at the shareholders' meeting.

In addition, shareholders submitted compensation proposals in 2014, many of which related to equity compensation issues, such as acceleration of vesting upon a change of control, or stock ownership thresholds and equity retention periods. These compensation-based shareholder proposals were in addition to the management say-on-pay proposal, giving shareholders multiple opportunities to express views on executive compensation at the same meeting.

Technology and the Proxy Season

Technological developments continue to impact the mechanics of proxy season, offering various additional ways for companies to engage shareholders that work best for their shareholder base. E-proxy has gained a stronghold by allowing companies to reduce costs through the electronic delivery of proxy materials and has become a relatively commonplace practice. It is often used in hybrid form, with some investors receiving electronic delivery of proxy materials while others receive traditional, full-set delivery of printed proxy materials. Electronic platforms (e.g., Internet and telephone, including mobile applications) are typically used for voting shares, both by individuals and institutions. Although the number is still small, some companies conduct virtual annual meetings. This can be in the form of an in-person meeting supplemented by an audio and/or video option or a fully virtual meeting. According to Broadridge data, 88 companies allowed shareholders to participate in shareholder meetings electronically during the past fiscal year.[8] Of the virtual meetings conducted between January 1, 2014 and June 30, 2014, the large majority provided an audio link only, without video streaming.[9] In addition, some companies use social media tools during the annual meeting to highlight key points.

Conclusion

Say-on-pay has become a significant driver of shareholder engagement, but it is not the only one. The shareholder proposal process also generates a need for shareholder outreach. The conduct of the annual meeting is a matter of shareholder engagement, and evolving technology may facilitate this. But the annual meeting does not mark the endpoint of shareholder engagement. Successful shareholder engagement is an ongoing process and the "off season" presents the opportunity for focused outreach outside the proxy season rush.

Although shareholder engagement should occur year-round, proxy season heightens the focus on shareholder engagement. By its very nature, proxy season culminates in the annual meeting of shareholders, which offers shareholders their most regular, formal voice in corporate concerns. Proxy season provides companies with a key tool to approach shareholder engagement: the proxy statement itself. While the proxy statement is an SEC disclosure document that is coupled with a state law notice of meeting requirement, it is much more than that. The proxy statement gives a public company the opportunity to tell its story. Through the proxy statement, a company can present its position, often in a format of its choosing, on governance, executive compensation, and agenda items to be submitted to a shareholder vote. Companies should keep shareholder engagement in mind when making drafting and design decisions for their proxy statements. ■

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http://www.nytimes.com/2014/11/06/business/effort-begins-for-more-say-on-directors.html?_r=0.

[7] *Whole Foods Market, Inc.* (December 1, 2014), *available at* http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2014/jamesmcritchie120114.pdf.

[8] Broadridge Financial Solutions, Inc., *2014 Proxy Season Key Statistics & Performance Rating*, *available at* http://media.broadridge.com/documents/Broadridge-Proxy-Stats-2014-Report.pdf.

[9] Broadridge Financial Solutions, Inc. and PwC Center for Board Governance, *Proxy Pulse Third Edition 2014*, *available at* http://www.pwc.com/en_US/us/corporate-governance/publications/assets/proxypulse-3rd-edition-october-2014-pwc.pdf.