

*D. F. King & Co., Inc.*

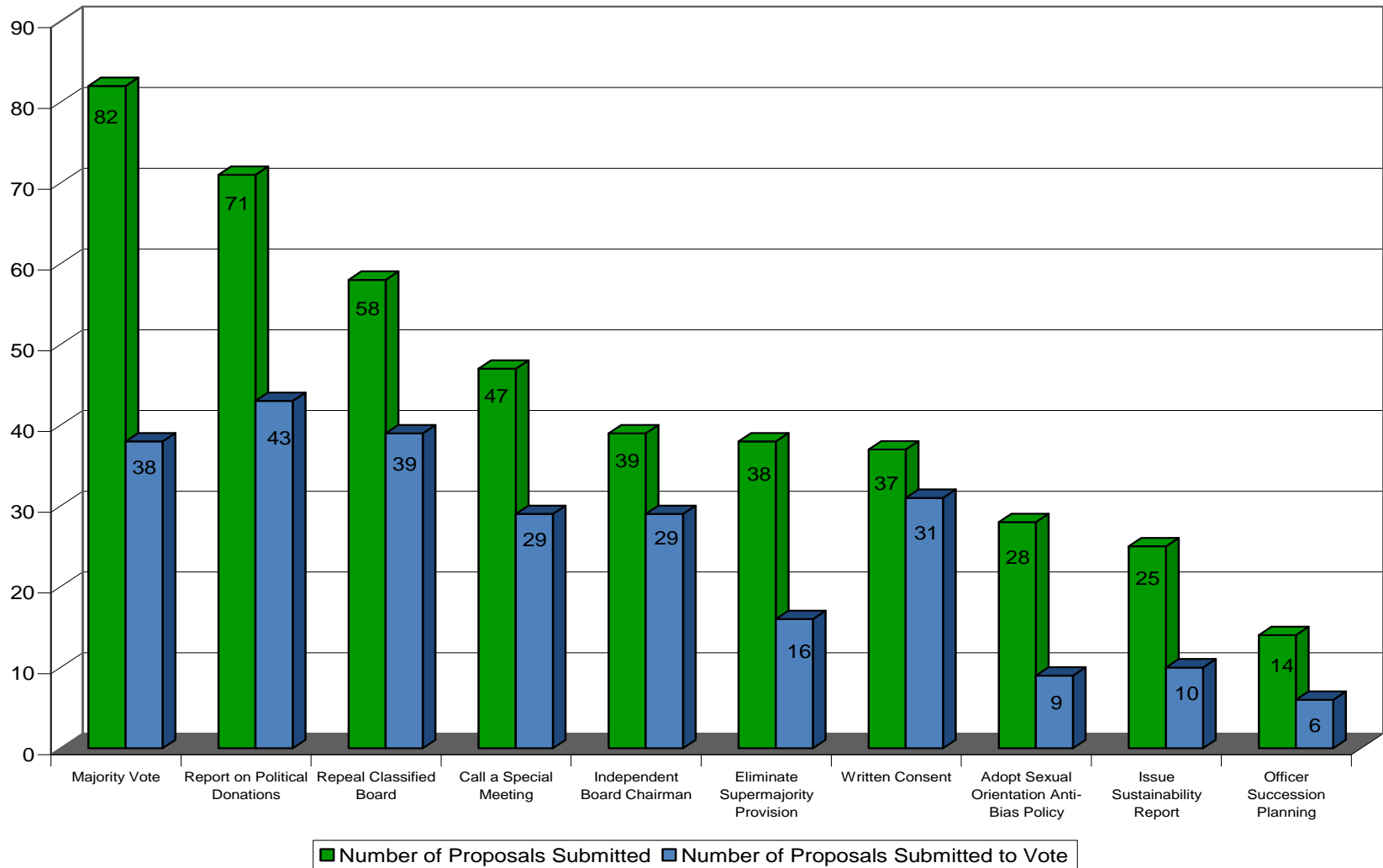


## 2011 Proxy Season Shareholder Proposal Review

# 2012 Season Highlights

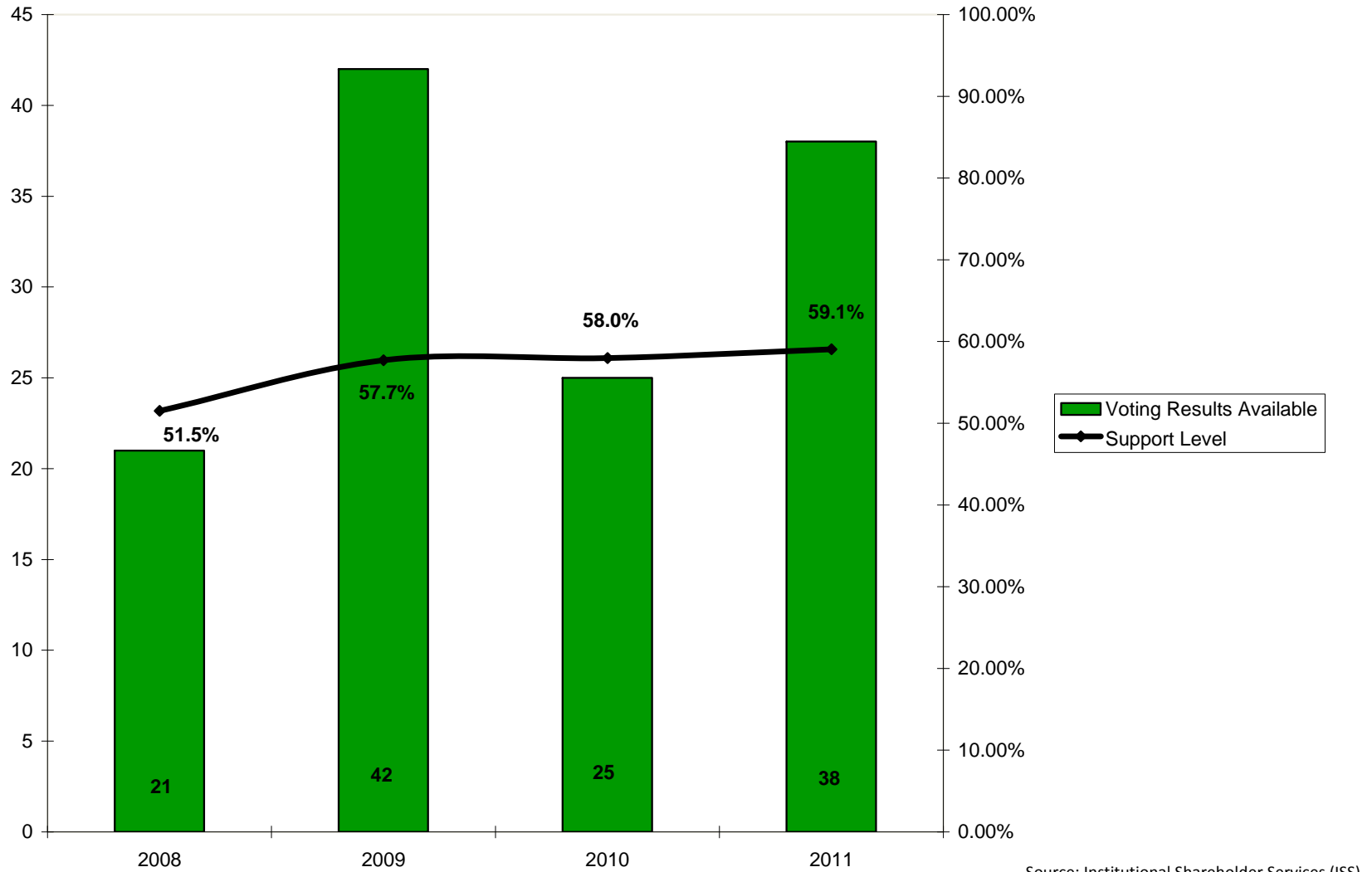
- **New Focus for 2012**
  - Proxy Access
  - Auditor Rotation
- Continued shareholder focus on dismantling ***anti-takeover defense*** mechanisms
  - Written Consent
  - Ability to Call Special Meeting
  - Board Declassification
  - Eliminate Supermajority Voting Provision
- ***Political contributions*** in the limelight

# 2011 - Top 10 Proposals Submitted



Source: Institutional Shareholder Services (ISS)

# Shareholder Proposal: Majority Voting

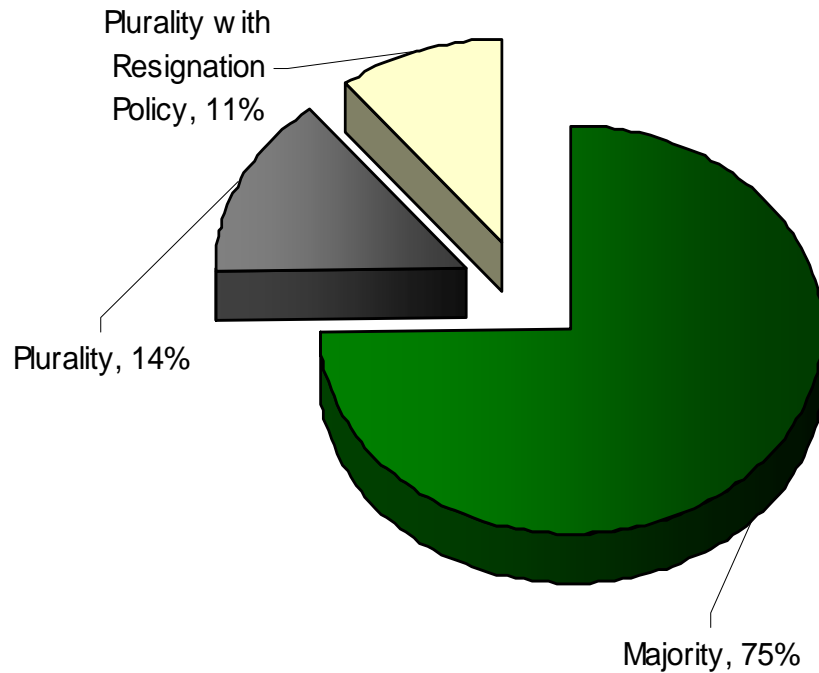


Source: Institutional Shareholder Services (ISS)

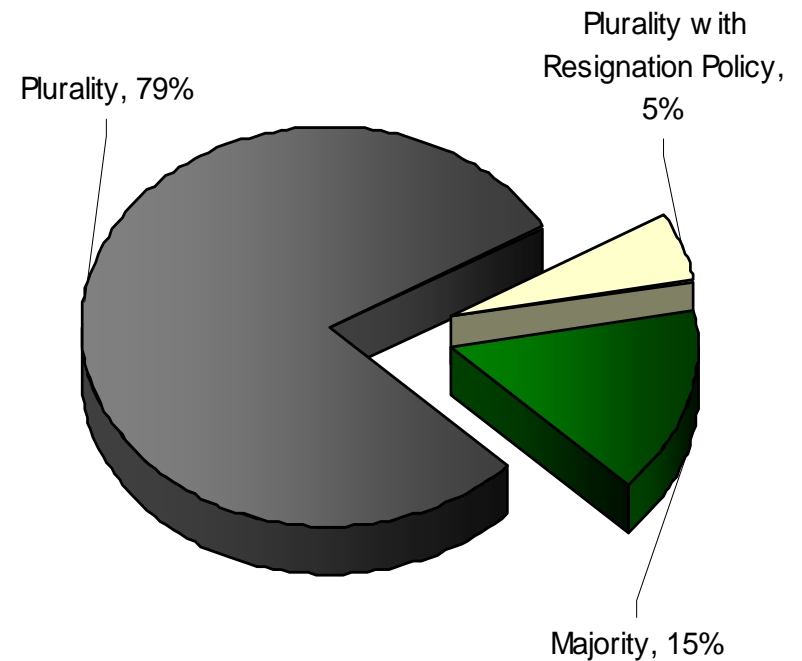
# Director Election Standard: S&P 500 vs. Russell 2000

- Approximately 75% of S&P 500 companies have implemented a majority voting standard for director elections
- The plurality voting standard is much more prevalent in the Russell 2000 than in the S&P 500

**S&P 500**

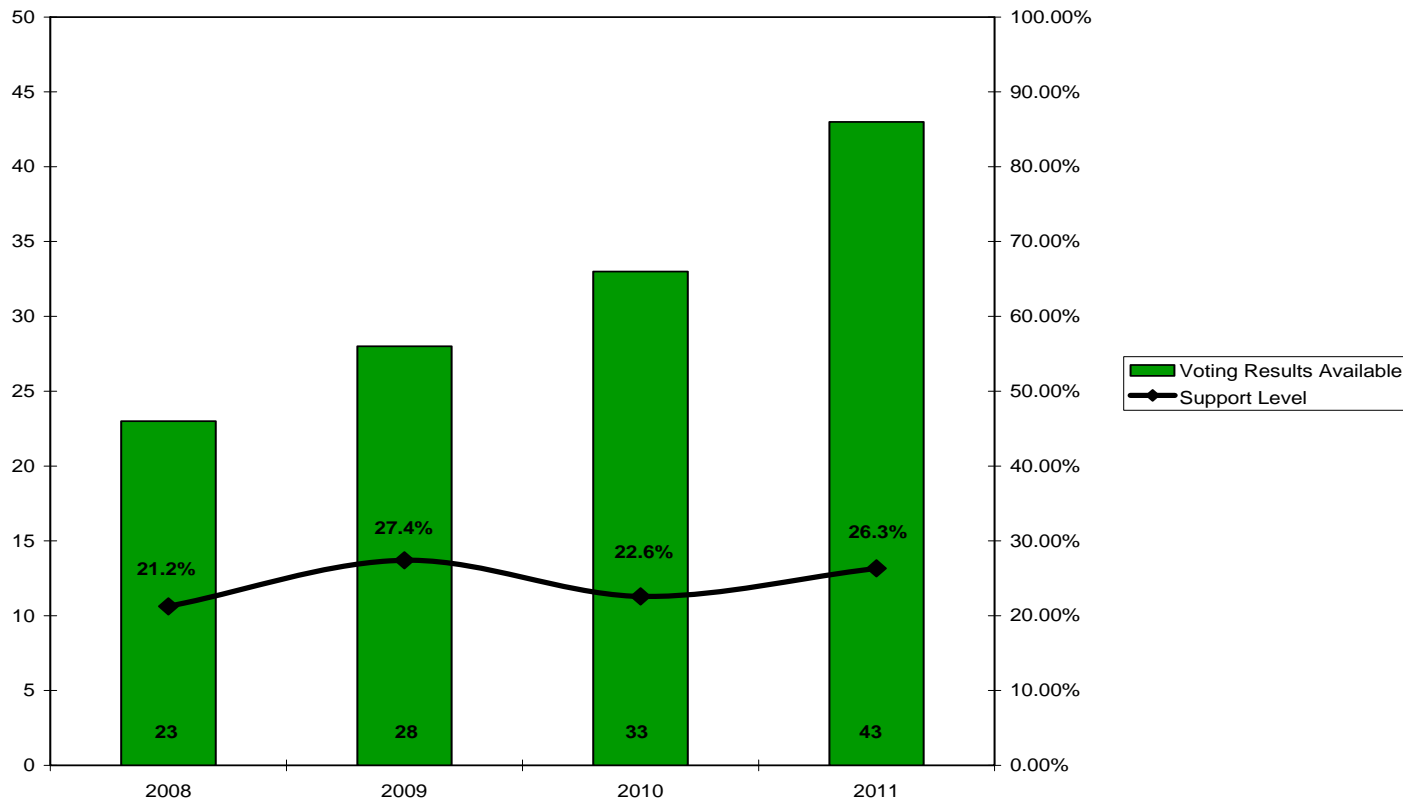


**Russell 2000**



# Shareholder Proposal: Political Contributions

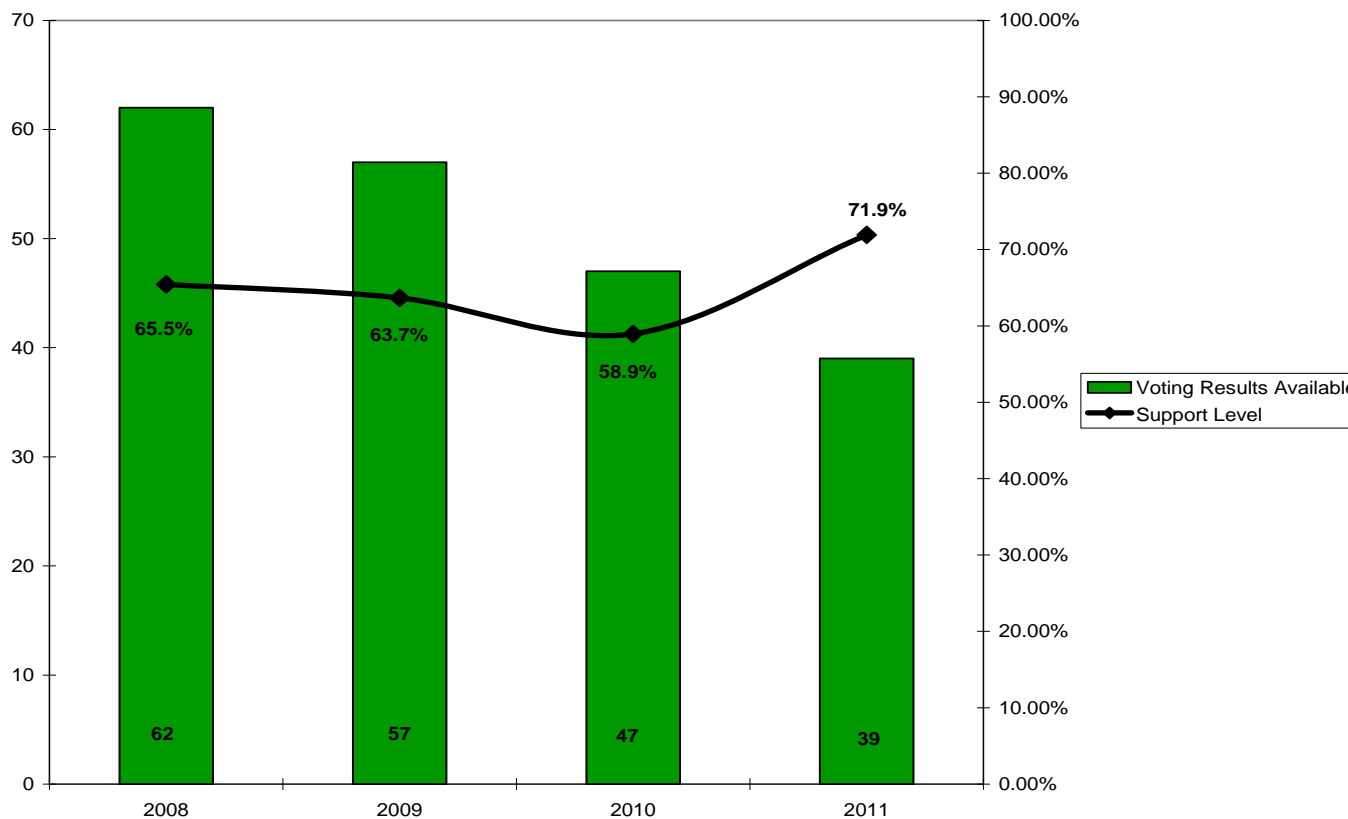
- Corporate political contributions have attracted shareholder attention following the Citizens United v. Federal Election Committee case
- The fact that 2012 is an election year is likely to draw further interest to this issue in the coming proxy season



Source: Institutional Shareholder Services (ISS)

# Shareholder Proposal: Repeal Classified Board

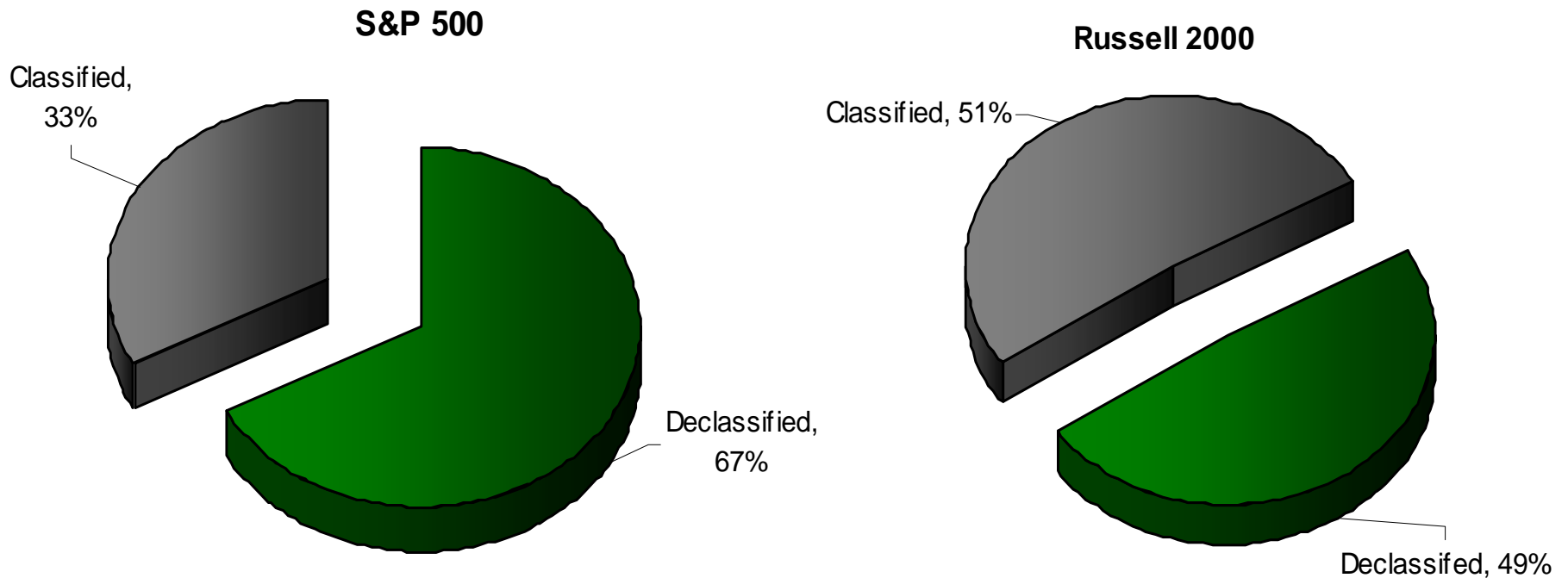
- Board declassification proposals received overwhelming shareholder support at 33 of 38 meetings
- Such proposals enjoyed significantly greater support than in prior years



Source: Institutional Shareholder Services (ISS)

## Classified Board: S&P 500 vs. Russell 2000

- Approximately 67% of S&P 500 companies have implemented declassified boards
- Classified boards are much more prevalent in the Russell 2000 than in the S&P 500

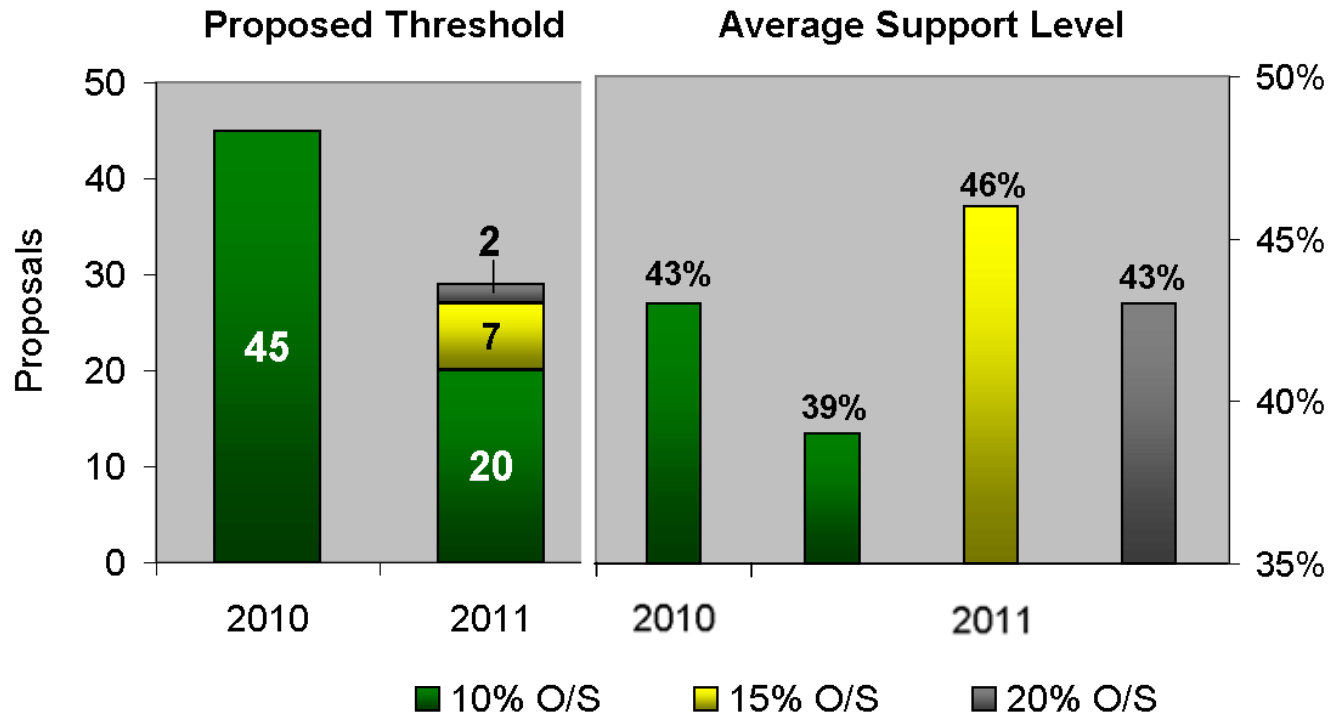


Source: Corporate Library

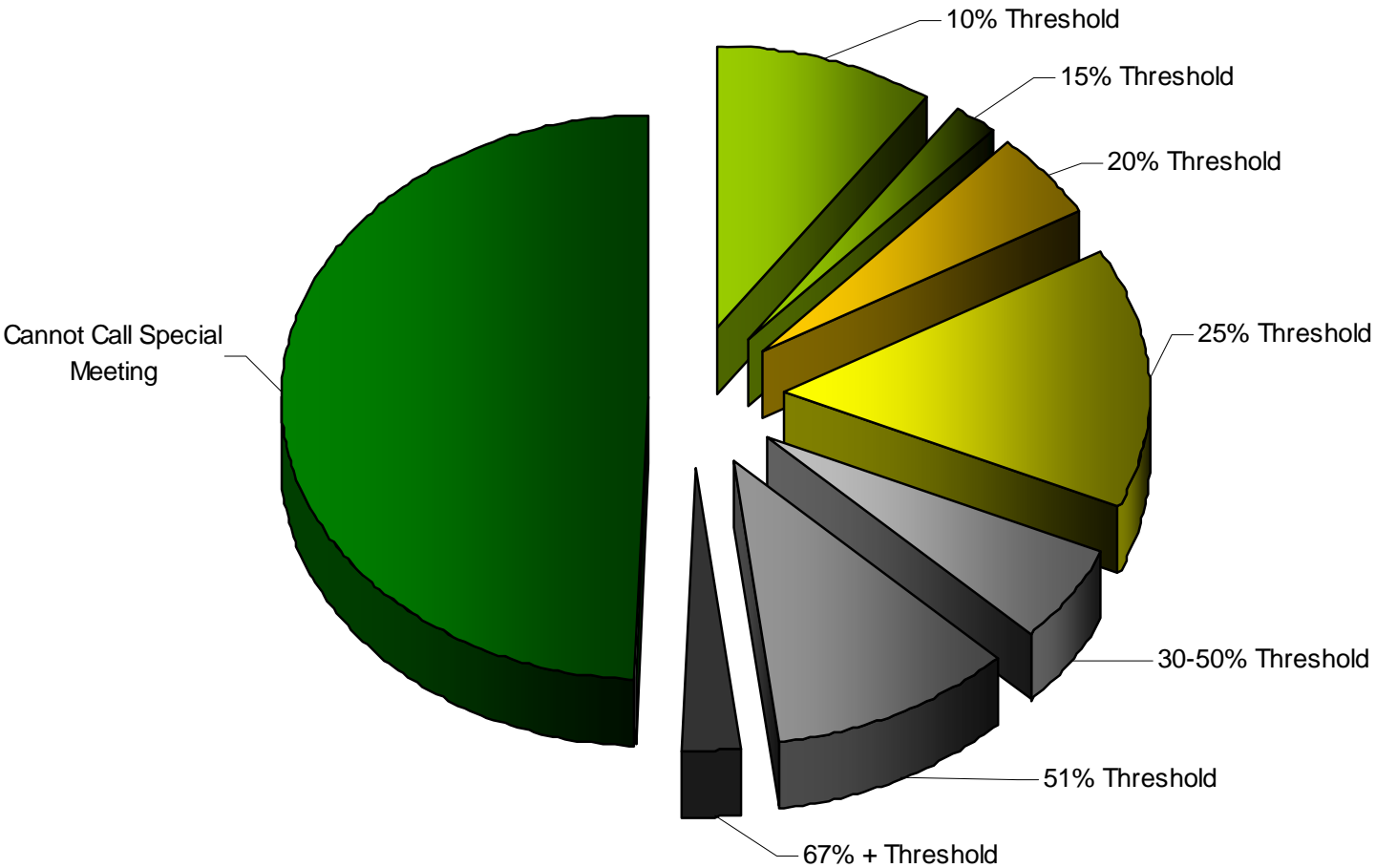


# Shareholder Proposal: Call Special Meeting

- All proposals in 2010 were at the 10% threshold
- In 2011, the 15% threshold attracted an average support level of 46%, as opposed to 39% garnered by the 10% threshold

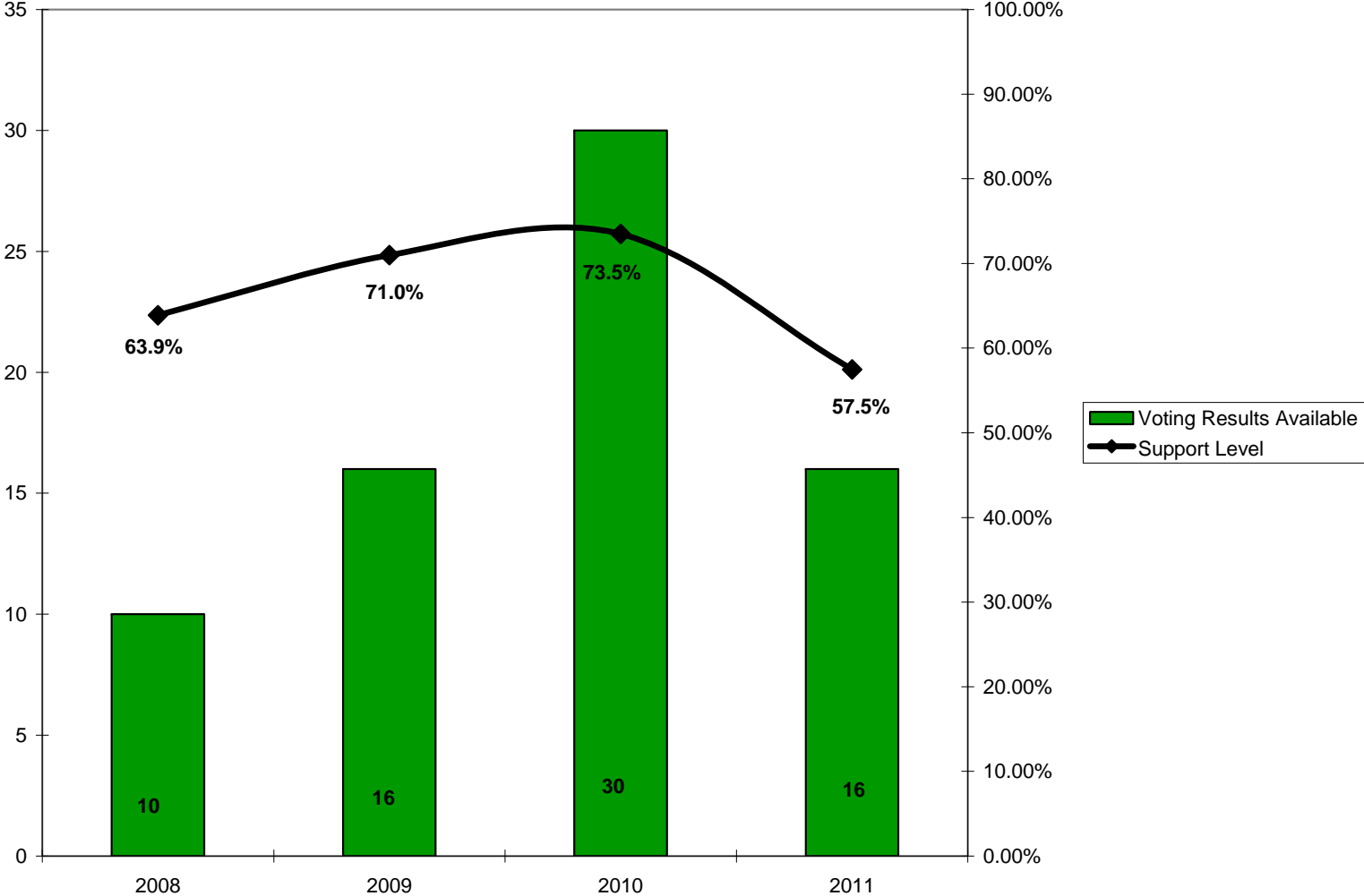


# Threshold Breakdown to Call Special Meeting (S&P 500)



Source: The Corporate Library

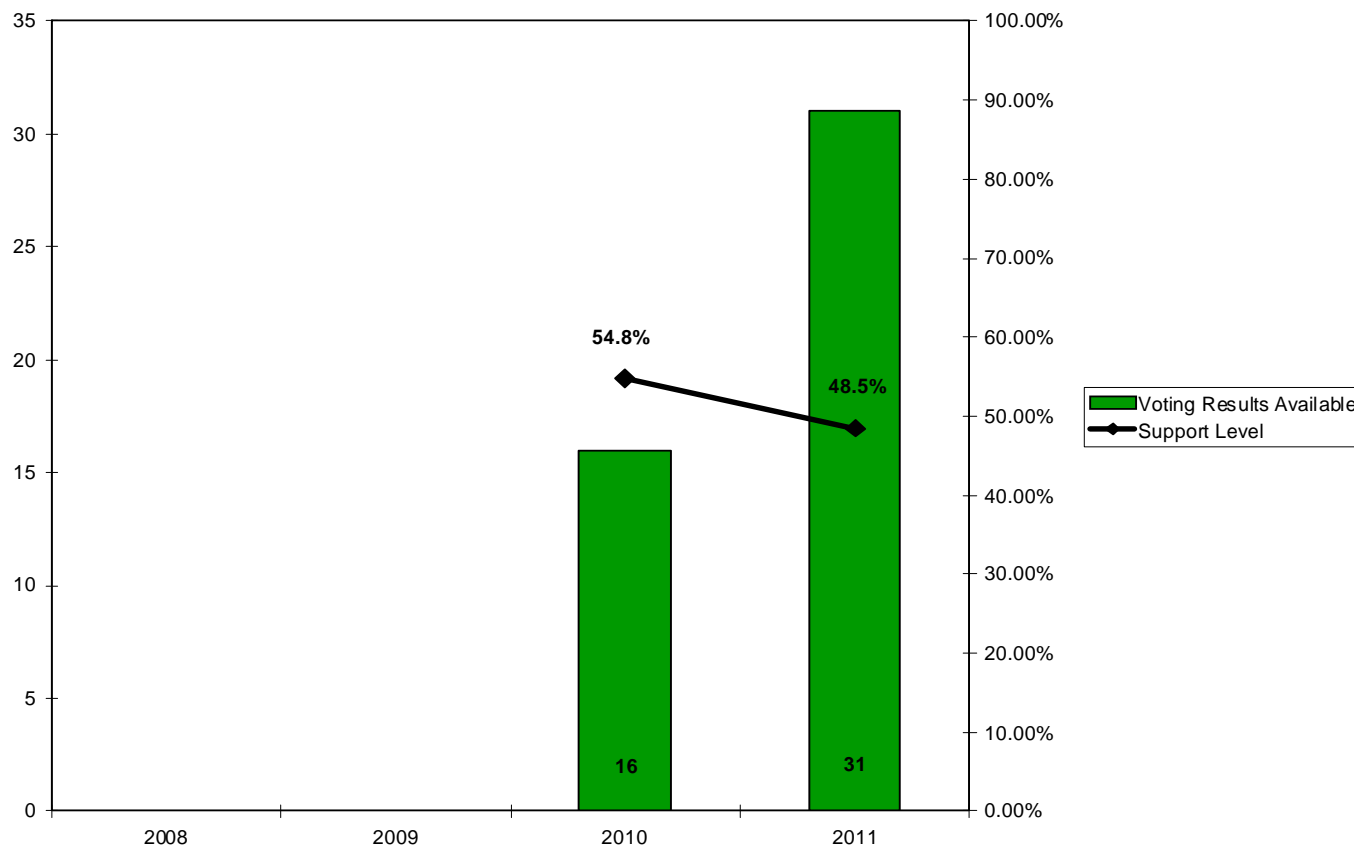
# Shareholder Proposal: Eliminate Supermajority Provision



Source: Institutional Shareholder Services (ISS)

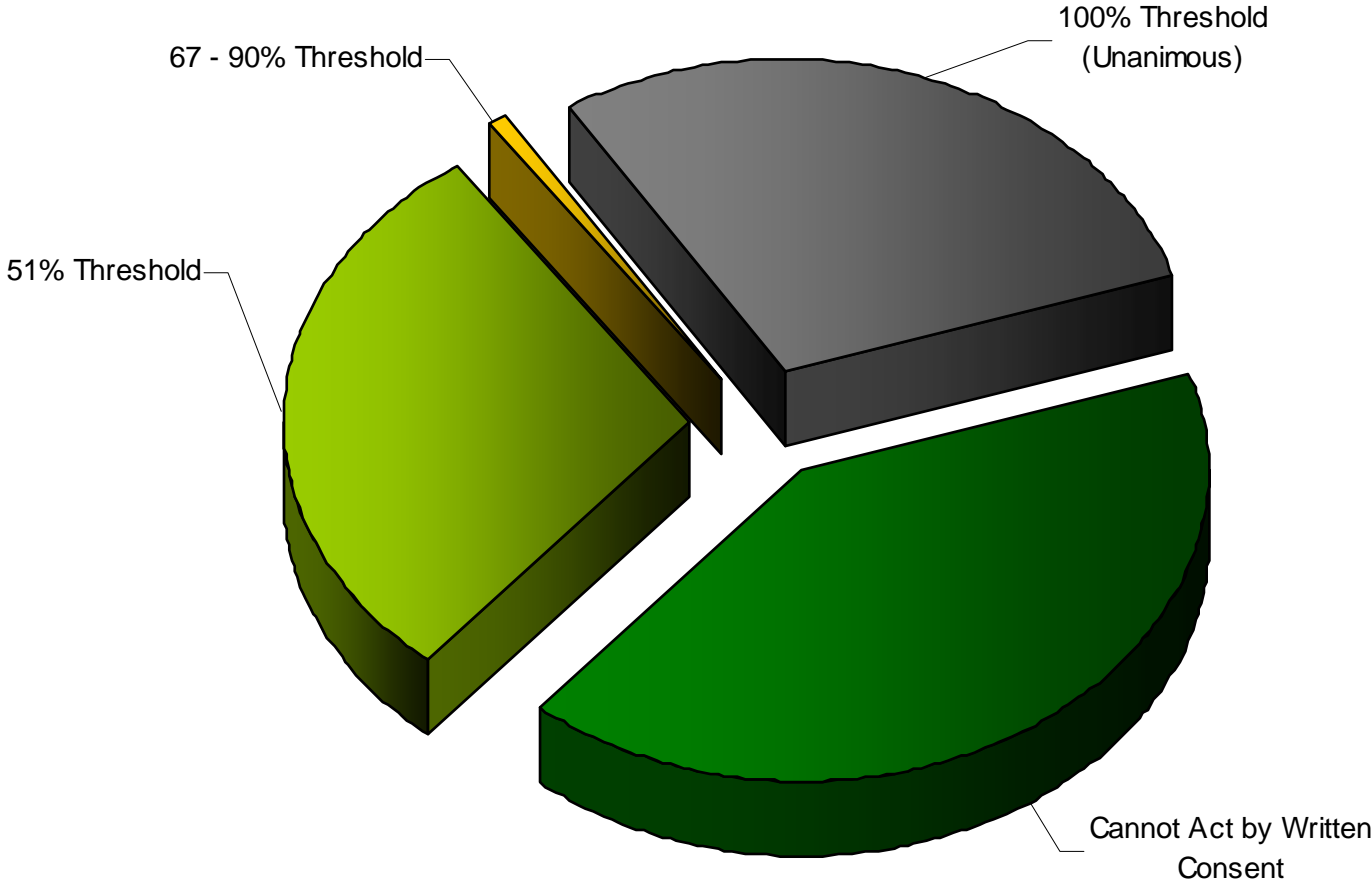
# Shareholder Proposal: Act by Written Consent

- Support levels were slightly down for written consent proposals due to shareholders taking a more case-by-case approach in evaluating the proposal
- The number of such proposals has almost doubled since 2010



Source: Institutional Shareholder Services (ISS)

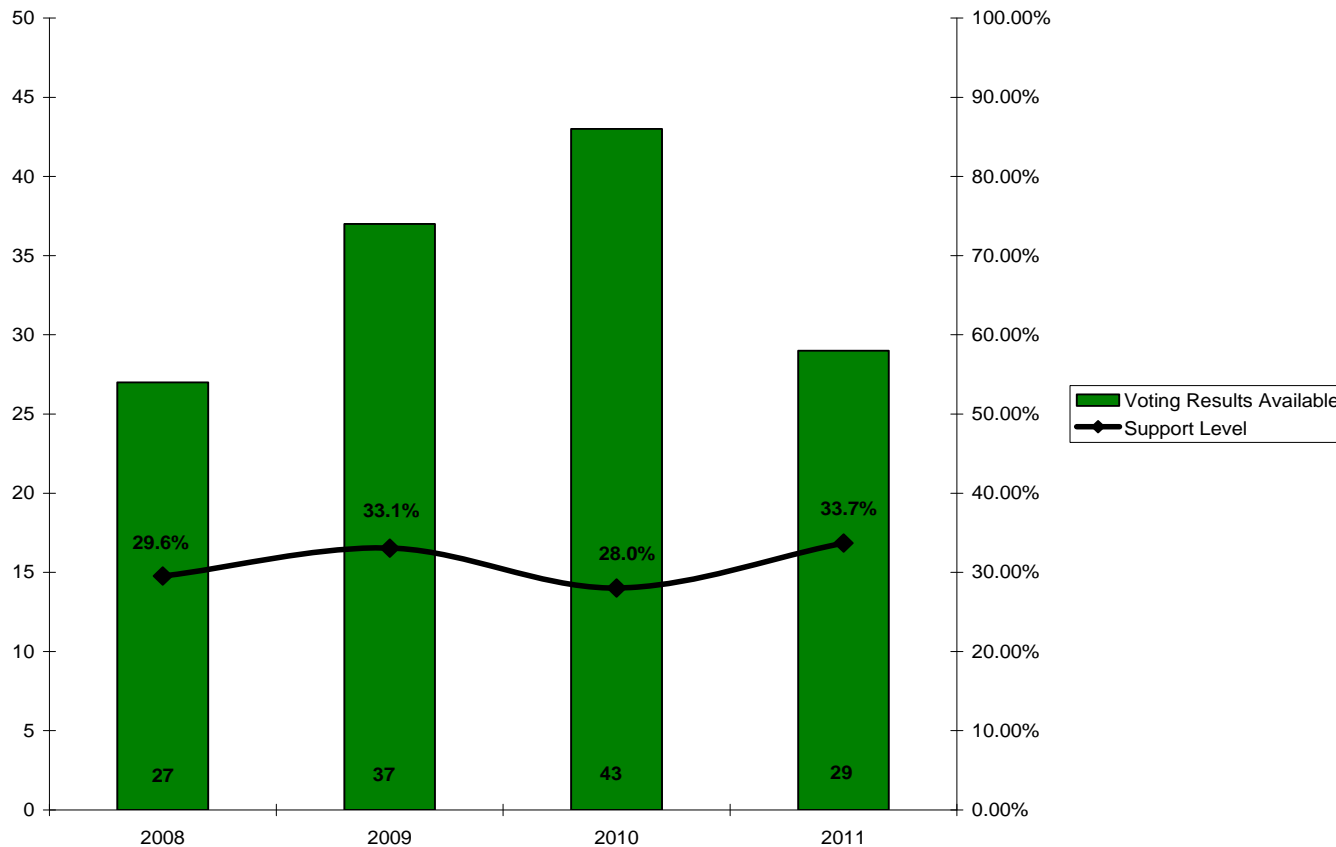
# Threshold to Act by Written Consent (S&P 500)



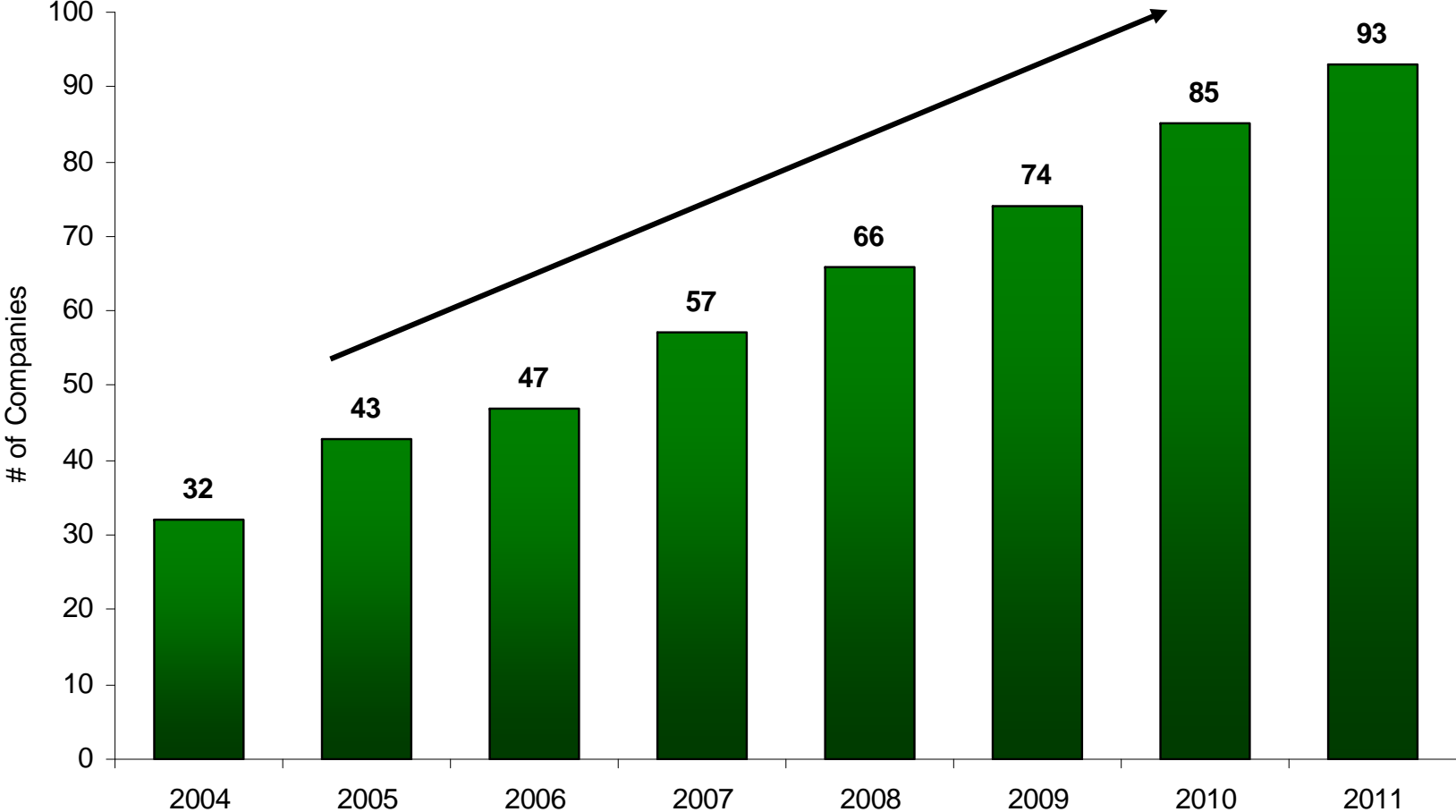
Source: The Corporate Library

# Shareholder Proposal: Independent Board Chairman

- “Require Independent Board Chair” proposals continue to be submitted by shareholders
  - Relatively low average support level, though three such proposals won majority support in 2011

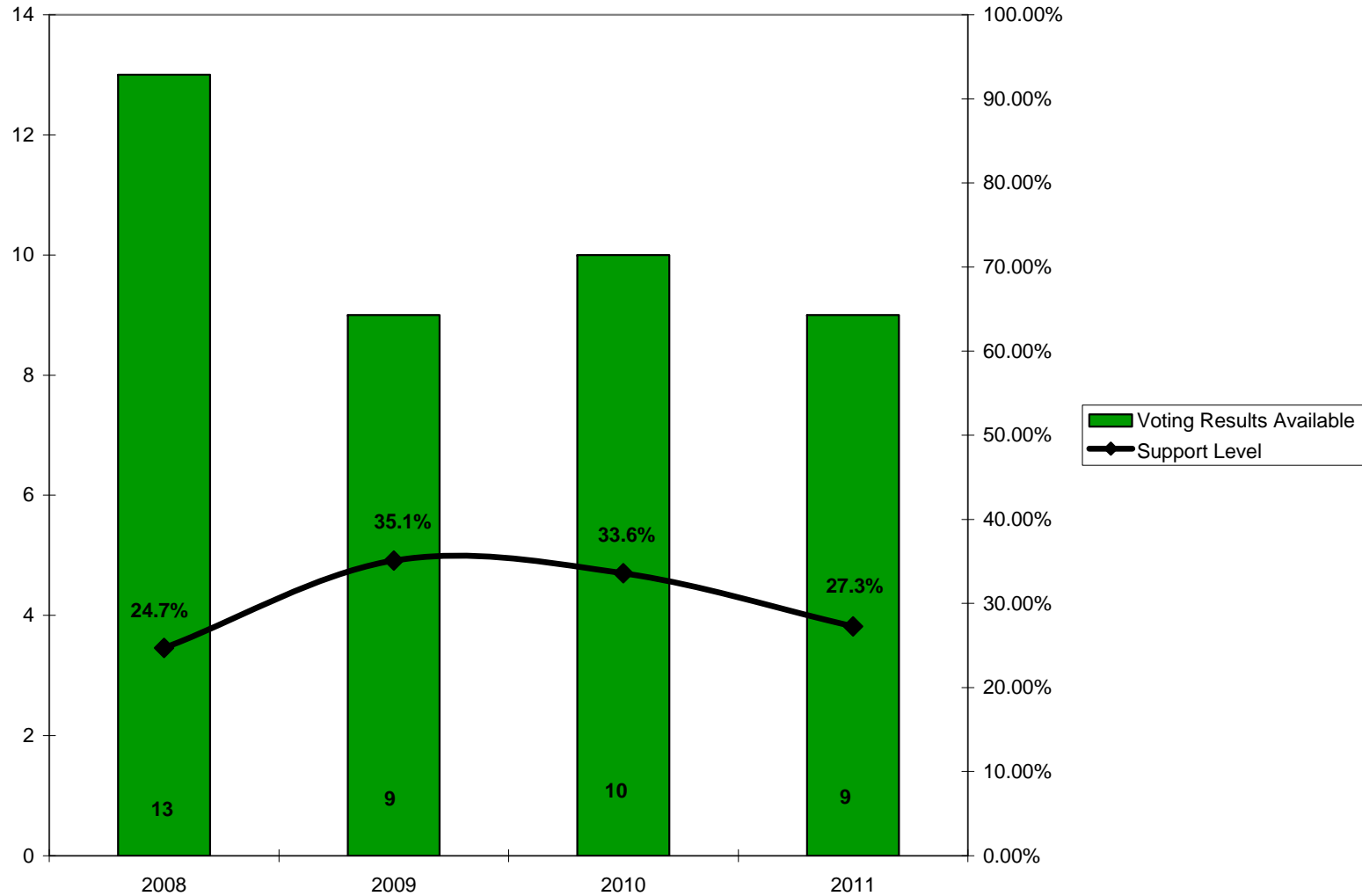


# Independent Chairman of the Board (S&P 500)



Source: The Corporate Library

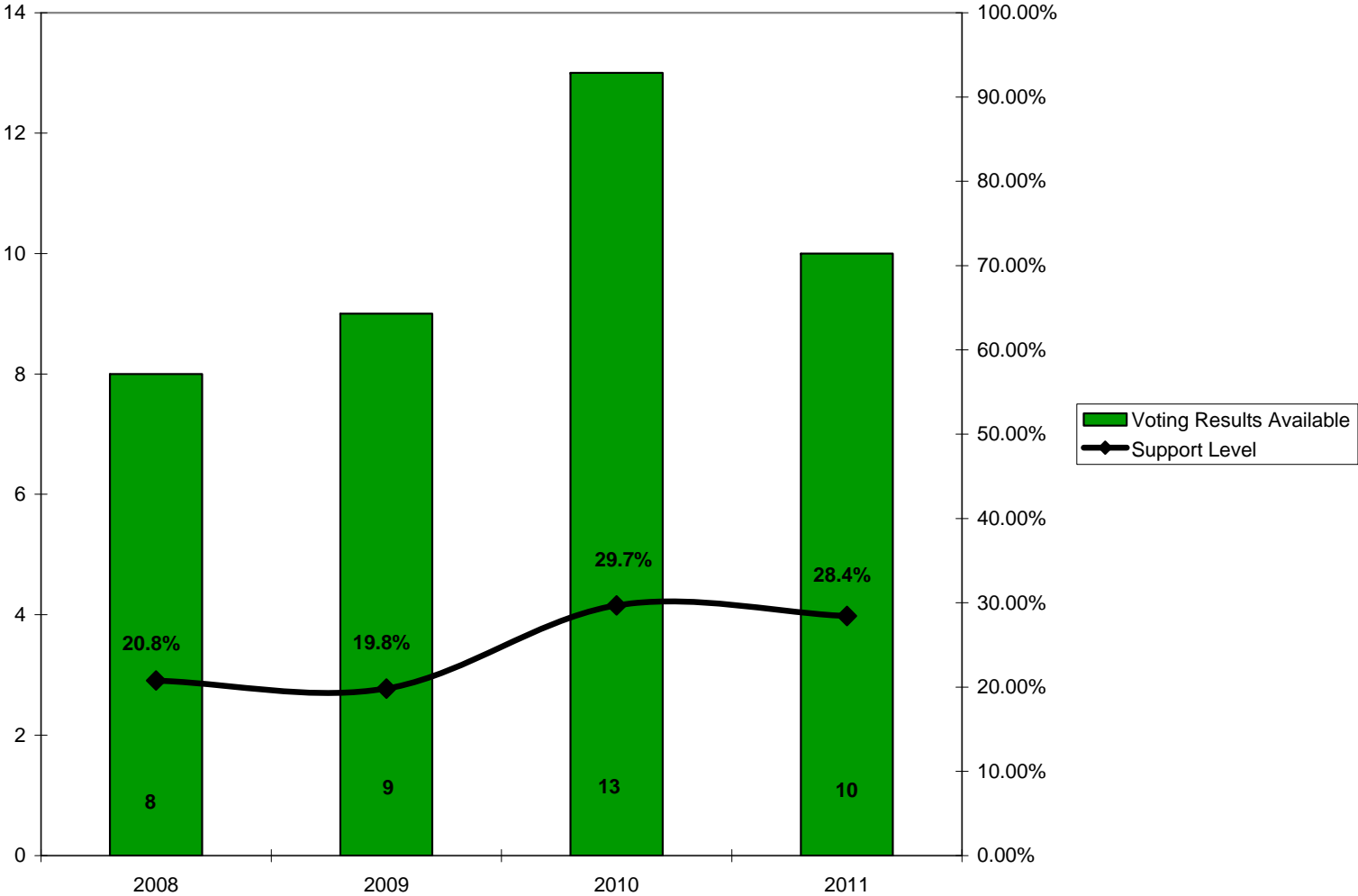
# Shareholder Proposal: Adopt Sexual Orientation Anti-Bias Policy



Source: Institutional Shareholder Services (ISS)

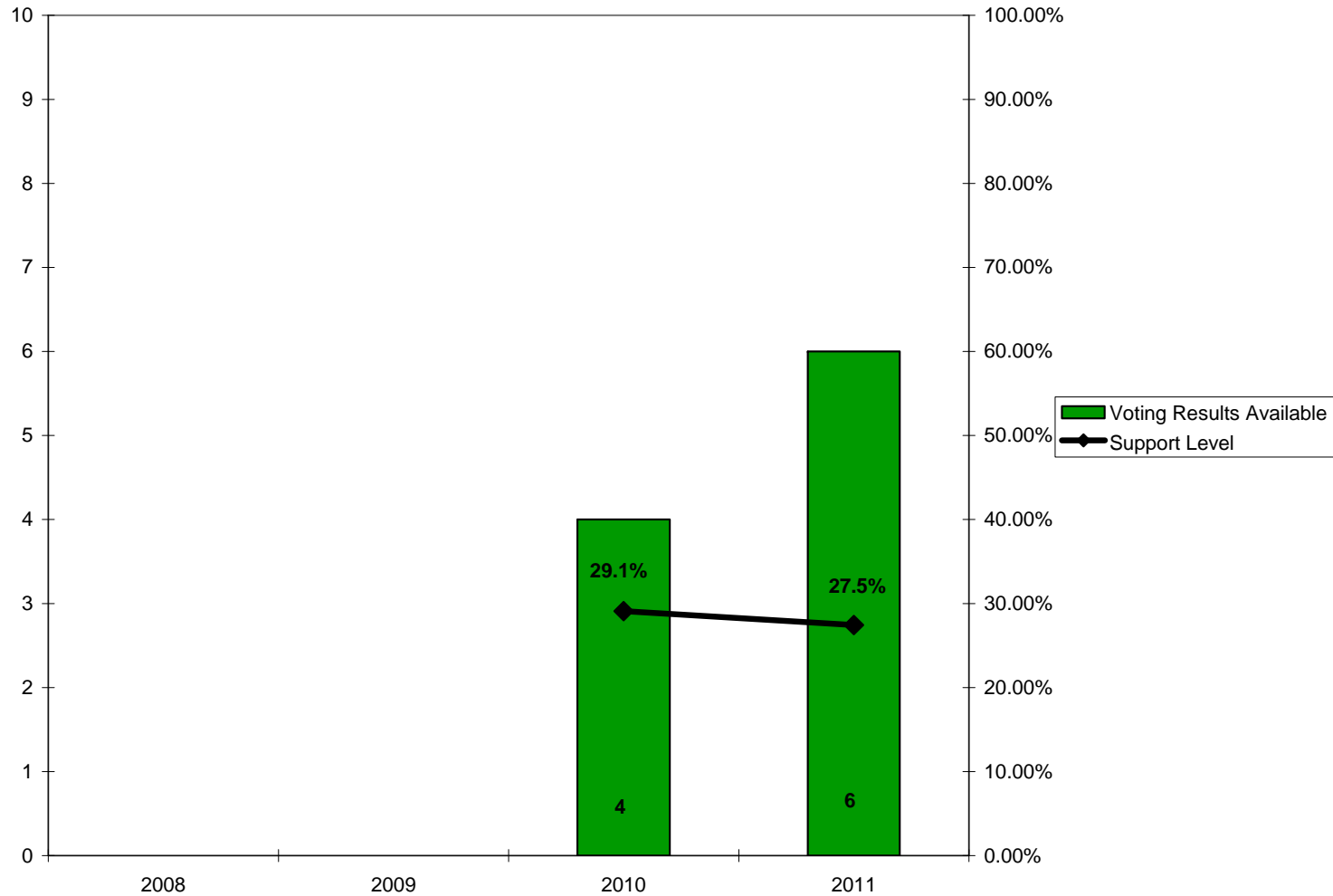


# Shareholder Proposal: Issue Sustainability Report



Source: Institutional Shareholder Services (ISS)

# Shareholder Proposal: Officer Succession Planning



Source: Institutional Shareholder Services (ISS)