



Press Release:

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**Activist Shareholders Seek Disclosure of Corporate Political Spending and Lobbying
but Gain Little Traction at Annual Meetings**

New York, NY: In his latest analysis of shareholder proposals from the Proxy Monitor database, director of the Manhattan Institute's Center for Legal Policy James Copland looks at this year's most up-to-date data and identifies the most commonly introduced proposals; proposals to limit or force disclosure of corporate political spending and lobbying have made up 21 percent of all proposals in 2012. All but 50 of the Fortune 200 companies have now held their annual meetings.

Following the 2010 Supreme Court decision in *Citizens United*, which held that corporate political speech was protected by the First Amendment, companies have faced significantly more shareholder proposals concerning political spending or lobbying. The decision of certain shareholder activists to focus on this topic has likely been spurred by the *Citizens United* decision itself, as well as by the 2012 presidential campaign. Copland finds, however, that activists' increased energy has not translated into greater support among voting shareholders.

Key Proxy Ballot Issues for 2012

- **Political Spending and Lobbying:** Proposals related to the disclosure of corporate political spending and lobbying efforts are the most frequently introduced shareholder proposals in 2012. Companies in the Fortune 200 faced a 30 percent likelihood of seeing a proposal related to political or legislative participation this year, up 50 percent from 2011. Shareholder support for such proposals, however, has fallen slightly from 2011 levels.
- **Executive Compensation:** Fortune 200 company shareholders in 2012 have continued to back most executive pay packages. In fact, the average shareholder advisory vote for executive compensation has risen slightly year over year, from 87.5 percent in 2011 to 87.9 percent in 2012.
- **Chairman Independence:** Sought chiefly by labor unions and leaders of public pension funds, proposals to separate companies' chairman and CEO positions are the third most frequently introduced shareholder proposal in 2012. Such proposals constitute 12 percent of all shareholder proposals submitted to Fortune 200 companies this year. Like political spending and lobbying, however, such proposals aren't passing, garnering an average favorable vote of 34 percent in 2012.

PROXYMONITOR.ORG: Launched in January 2011 by the Manhattan Institute's Center for Legal Policy, the Proxy Monitor project is designed to shed light on shareholder activity. The ProxyMonitor.org web database includes shareholder proposal information for the Fortune 200 companies from January 2006 through the current 2012 proxy season. Proposals are searchable by company, year, proposal type,

sub-proposal type, industry, and proponent. Searches are exportable to Microsoft Excel and can be graphed to reveal trends in shareholder activity.

James R. Copland is the director of the Manhattan Institute's Center for Legal Policy, which develops and communicates thoughtful ideas on how to improve the civil and criminal justice system. Copland serves as managing editor of the Institute's PointofLaw.com, a web magazine that brings together information and opinion on the U.S. litigation system; and project manager for the Institute's *Trial Lawyers, Inc.* series of publications examining the size, scope, and inner workings of America's lawsuit industry.

The report is available at <http://www.proxymonitor.org/Forms/2012Finding3.aspx>.

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