Shareholders have get to vote on • STANDARD PROPOSALS PUT FORWARD by COMPANY MGMT

e.g. elections of B.O.D
executive compensation
dividends
choice of external auditor

Voting process must include time for:
- collection & vetting of proposals
- identification of shareholders & confirmation of voting eligibility
- distribution of voting materials
- collection of votes from shareholders who will not be physically present & votes by proxy

MATERIALS for shareholder meeting, a.k.a

↳ incl. • Proposals
- Agenda for meeting, voting requirements, deadlines
- Background info (company performance, B.O.D candidate background, B.O.D recommendations for proposals)

↓

typically distributed to shareholders via

- keeps shares in own name on behalf of investors
- keeps ownership records of securities depository
- performs safekeeping, settlement, reporting services

Voting eligibility ⇒

In order to analyze received voting materials + exercise voting rights

PORTFOLIO MANAGERS & INSTITUTIONAL INVESTORS often engage

- gather information
- benchmark corporate governance standards across companies
- issue voting recommendations → MUST consider whether proposals
- keep voting records

→ MGMT PROPOSALS typically involve

→ SHAREHOLDER PROPOSALS • often involve action which would

• often concern environmental & social policies)

• often

despite this: good forum to

(if a shareholder proposal is popular but fails

MARKET REGULATORS often introduce measures to

in voting process

e.g. Shareholder Right Directive (SRD)
(European Union)