

Shareholder Rights Project

The Shareholder Rights Project (SRP) was established by the [Harvard Law School Program on Institutional Investors](#) to contribute to education, discourse, and research related to efforts by institutional investors to improve corporate governance arrangements at publicly traded firms. During the previous three academic years (2011-2012 through 2013-2014), the SRP operated a clinic that assisted institutional investors (several public pension funds and a foundation) in moving S&P 500 and Fortune 500 companies towards annual elections. This work contributed to board declassification at about 100 S&P 500 and Fortune 500 companies. With work on the declassification project completed last summer, the clinic has not been operating during the current academic year. This website provides information about the work done by the SRP clinic during its three years of operation; a detailed final report on this work will be issued in 2015. Any communications with respect to the SRP clinic should be attributed solely to the SRP and not to Harvard Law School or Harvard University.

121 Companies Agreed to Move towards Annual Elections

This page provides information about 121 successful engagements during the SRP clinic's three years of operation. These engagements resulted in companies agreeing to move toward annual elections following the submission of board declassification proposals for meetings during the 2012, 2013 and 2014 proxy seasons. As explained in further detail below, the work of the SRP clinic and investors that worked with the SRP clinic produced:

- 50 S&P 500 companies that agreed to move toward annual elections (by bringing management declassification proposals to a shareholder vote or, where declassification was established in bylaws that the board may amend, by declassifying) following the submission of proposals for annual meetings during the 2012 proxy season and/or the passage of declassification proposals during the 2012 proxy season by investors that worked with the SRP clinic;
- 52 S&P 500 and Fortune 500 companies that entered into such agreements to move toward annual elections following the submission of proposals for annual meetings during the 2013 proxy season; and
- 24 S&P 500 and Fortune 500 companies that entered into such agreements to move toward annual elections following the submission of proposals for annual meetings during the 2014 proxy season.

In general, the practice of the SRP clinic and investors that worked with the SRP clinic was to engage actively with companies receiving declassification proposals. These investors and the SRP clinic were pleased by the responsiveness to shareholder concerns displayed by so many corporate boards.

Aggregate Impact

The outcomes produced by proposals submitted for the 2012, 2013 and 2014 proxy seasons can be expected to have a major impact on the governance of large publicly traded companies.

For the 2012, 2013 and 2014 proxy seasons, 196 shareholder proposals were submitted to 129 different S&P 500 and Fortune 500 companies (in a number of cases, where proposals for the 2012 proxy season or the 2013 proxy season did not result in companies agreeing to move towards annual elections, proposals were also submitted to companies for their subsequent annual meetings in the 2013 or 2014 proxy seasons). Of the 129 companies receiving proposals for the 2012, 2013 and/or 2014 proxy season, 121 companies – over **85%** of the companies receiving proposals for the 2012, 2013 and/or 2014 proxy seasons – agreed to move towards annual elections. These 121 companies represent about **two-thirds** of the S&P 500 companies that had classified boards as of the beginning of 2012, and had a market capitalization exceeding one trillion dollars as of June 30, 2014.

Successful Engagements Following Proposals for the 2012 Proxy Season

Following the submission of shareholder proposals for voting at the annual meetings during the 2012 proxy season of 89 S&P 500 companies with classified boards, 50 companies – more than half of the companies receiving proposals – agreed to move toward annual elections.

Table 1 below lists these companies and the proponents that submitted the shareholder proposals. 37 agreed-upon management proposals (listed in Panel A of Table 1) went to a vote during the 2012 proxy season; these proposals passed at 31 companies, resulting in 31 board declassifications (listed in the [Declassifications](#) page), and received majority support but failed to pass due to the presence of 80% supermajority requirements at six companies. A number of agreements reached (listed in Panel B of Table 1) with respect to annual meetings during the 2012 proxy season called for companies to bring management proposals at pending annual meetings. Additionally, 2 companies (listed in Panel C of Table 1) decided to bring management proposals to declassify shortly after the passage of declassification proposals by investors that worked with the SRP clinic during the 2012 proxy season.

Successful Engagements Following Proposals for the 2013 Proxy Season

For the 2013 proxy season, 76 shareholder declassification proposals were submitted to S&P 500 and Fortune 500 companies by investors that worked with the SRP clinic. These proposals resulted in 52 companies – more than 60% of the companies receiving proposals – agreeing to move towards annual elections.

Table 2 below lists those of the 52 companies that publicly announced the moves towards annual elections. Of these 52 companies, 47 companies entered into agreements to bring management declassification proposals for shareholder approval. Panel A of Table 2 lists those of the 47 companies that already publicly announced the agreed-upon management proposals. In addition, 5 companies declassified by amending their bylaws (where companies' classified board structures are set out in their bylaws, they may declassify without a shareholder vote). These companies are listed in Panel B of Table 2.

Successful Engagements Following Proposals for the 2014 Proxy Season

For the 2014 proxy season, investors that worked with the SRP clinic submitted 31 shareholder declassification proposals to S&P 500 and Fortune 500 companies with classified boards. These proposals resulted in 24 companies agreeing to move towards annual elections.

Table 3 below lists those of the 24 companies that publicly announced the agreed-upon management proposals.

Table 1: Successful Engagements Following Proposals for the 2012 Proxy Season

Company	Proponent
<u>Panel A: Agreed-Upon Management Proposals to Declassify that Went to a Vote during the 2012 Proxy Season</u>	
Akamai Technologies, Inc. (AKAM)	ISBI
Alcoa Inc. (AA)	NCDST
Amphenol Corporation (APH)	NCF
BlackRock, Inc. (BLK)	ISBI
C.H. Robinson Worldwide, Inc. (CHRW)	NCF
C.R. Bard, Inc. (BCR)	OPERS
Cabot Oil & Gas Corporation (COG)	NCDST
Cameron International Corporation (CAM)	NCDST
CenturyLink, Inc. (CTL)	ISBI
CIGNA Corporation (CI)	OPERS
Citrix Systems, Inc. (CTXS)	NCF
Coventry Health Care, Inc. (CVH)	ISBI
DeVRY, Inc. (DV)	PRIM
Eli Lilly and Company (LLY)	NCF
FMC Technologies, Inc. (FTI)	NCDST
Fidelity National Information Services, Inc. (FIS)	ISBI
Flowserve Corporation (FLS)	NCDST
GameStop Corp. (GME)	NCF
Helmerich & Payne (HP)	NCDST
Hudson City Bancorp, Inc. (HCBK)	NCF
Intuitive Surgical, Inc. (ISRG)	NCDST
Janus Capital Group Inc. (JNS)	NCDST
JDS Uniphase Corporation (JDSU)	PRIM
Juniper Networks, Inc. (JNPR)	ISBI
KLA-Tencor Corporation (KLAC)	PRIM
McDonald's Corporation (MCD)	LACERA
NRG Energy, Inc. (NRG)	NCDST
Newell Rubbermaid Inc. (NWL)	ISBI
O'Reilly Automotive, Inc. (ORLY)	NCF
Owens-Illinois, Inc. (OI)	ISBI
Patterson Companies, Inc. (PDCO)	PRIM
Pioneer Natural Resources Company (PXD)	LACERA
PPG Industries, Inc. (PPG)	NCDST

Principal Financial Group, Inc. (PFG)	ISBI
St. Jude Medical, Inc. (STJ)	ISBI
TECO Energy, Inc. (TE)	NCF
Teradata Corporation (TDC)	NCDST
The Progressive Corporation (PGR)	ISBI
The Western Union Company (WU)	NCF
Roper Industries, Inc. (ROP)	LACERA
Rowan Companies, Inc. (RDC)	NCDST
Stanley Black & Decker, Inc. (SWK)	NCDST
Unum Group (UNM)	LACERA
Wyndham Worldwide Corporation (WYN)	NCF

Panel B: Additional Management Proposals that went to a Vote

Allegheny Technologies Incorporated (ATI)	OPERS
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Panel C: Management Proposals Following Successful Precatory Proposals during the 2012 Proxy Season

MEMC Electronic Materials, Inc. (WFR)	NCDST
Quest Diagnostics Incorporated (DGX)	ISBI

Table 2: Successful Engagements Following Proposals for the 2013 Proxy Season

Company	Proponent
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Panel A: Agreed-Upon Management Proposals to Declassify that Went to a Vote during the 2013 Proxy Season

Apache Corporation (APA)	ISBI
Autoliv, Inc. (ALV)	LACERA
Baxter International Inc. (BAX)	NCF
Best Buy Co, Inc. (BBY)	NCF
CareFusion Corporation (CFN)	NCF
CarMax, Inc. (KMX)	NCF
Centene Corporation (CNC)	ISBI
Cerner Corporation (CERN)	ISBI
CF Industries Holdings, Inc. (CF)	LACERA
Chipotle Mexican Grill, Inc. (CMG)	ISBI
Cognizant Technology Solutions Corporation (CTSH)	LACERA
Crown Castle International Corp. (CCI)	SERS
DENTSPLY International Inc. (XRAY)	LACERA

Edwards Lifesciences Corporation (EW)	ISBI
EQT Corporation (EQT)	OPERS
F5 Networks, Inc. (FFIV)	ISBI
FLIR Systems, Inc. (FLIR)	NCF
FMC Corporation (FMC)	NCF
Hess Corporation (HES)	NCDST
Johnson Controls, Inc. (JCI)	PRIM
Lexmark International (LXK)	NCDST
Limited Brands, Inc. (LTD)	ISBI
Lorillard, Inc. (LO)	ISBI
Manpower Inc. (MAN)	SBA
Marathon Petroleum Corporation (MPC)	NCF
Masco Corporation (MAS)	ISBI
Monsanto Company (MON)	PRIM
Moody's Corporation (MCO)	NCF
NII Holdings, Inc. (NIHD)	SBA
Owens Corning (OC)	ISBI
People's United Financial, Inc. (PBCT)	NCDST
PPG Industries, Inc. (PPG)	NCDST
QEP Resources, Inc. (QEP)	ISBI
Red Hat, Inc. (RHT)	LACERA
Reinsurance Group of America, Inc. (RGA)	SERS
Ryder System, Inc. (R)	NCDST
salesforce.com, inc. (CRM)	NCF
Snap-On Inc. (SNA)	NCDST
SPX Corporation (SPW)	SBA
St. Jude Medical Inc. (STJ)	ISBI
The J. M. Smucker Company (SJM)	LACERA
The Mosaic Company (MOS)	OPERS
United Natural Foods, Inc. (UNFI)	ISBI
Vulcan Materials Company (VMC)	ISBI
Xylem Inc. (XYL)	NCF

Panel B: Companies Declassified through Bylaw Amendments

Bemis Company (BMS)	NCDST
CIGNA Corporation (CI)	OPERS
Lincoln National Corporation (LNC)	SERS
Urban Outfitters, Inc. (URBN)	ISBI

V.F. Corporation (VFC)

NCF

Table 3: Successful Engagements Following Proposals for the 2014 Proxy Season

Company	Proponent
Aecom Technology Corporation (ACM)	ISBI
Agilent Technologies, Inc. (A)	ISBI
Air Products and Chemicals, Inc. (APD)	NCF
Ashland Inc. (ASH)	ISBI
BorgWarner Inc. (BWA)	NCF
Costco Wholesale Corporation (COST)	NCF
Foot Locker, Inc. (FL)	NCDST
Hertz Global Holdings, Inc. (HTZ)	ISBI
Huntington Ingalls Industries, Inc. (HII)	ISBI
Huntsman Corporation (HUN)	SBA
Jacobs Engineering Group Inc. (JEC)	NCF
Jarden Corporation (JAH)	NCDST
Kansas City Southern (KSU)	ISBI
Kellogg Company (K)	NCDST
NCR Corporation (NCR)	SBA
Phillips 66 (PSX)	NCF
Rockwell Collins, Inc. (COL)	NCF
SCANA Corporation (SCG)	NCF
SPX Corporation (SPW)	SBA
St. Jude Medical, Inc. (STJ)	ISBI
Teradata Corporation (TDC)	NCDST
Varian Medical Systems, Inc. (VAR)	NCF
United States Steel Corporation (X)	NCDST
WESCO International, Inc. (WCC)	SBA