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Majority Voting for Directors

Majority voting resolutions sponsored by the Carpenters Union were defeated at three companies last week. In each case the company had previously adopted a corporate-governance-guideline director resignation policy of the type adopted by Pfizer. The resolution was defeated despite the recommendation by ISS that shareholders vote for the resolution. The votes for the resolution were: Analog Devices 35%, Ciena 31% and Hewlett-Packard 44%. This is an encouraging start. We continue to believe that the corporate governance guideline is sufficient and should satisfy the desire of governance advocates for majority voting. It remains to be seen whether institutional investors will insist on bylaws that require majority voting for directors.

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