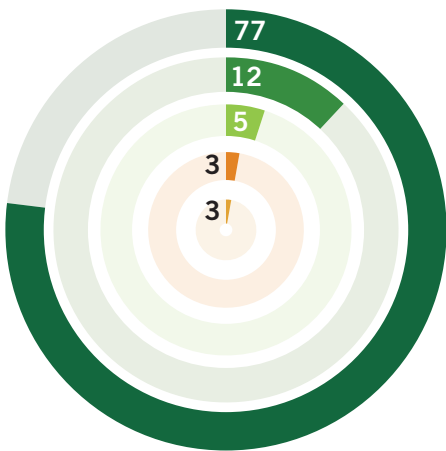


Majority Voting Standards

Voting Standards in Uncontested Director Elections

The number of Top 100 Companies that use a majority voting standard, as compared to the plurality standard, in uncontested director elections has increased dramatically, from:

11 companies in 2006 to **94** in 2015



Of the **94** with Majority Voting:

- Directors elected by majority of votes cast AND any holdover incumbent director who receives more votes against than votes for his or her election must tender his or her resignation
- Directors elected by majority of votes cast (no resignation requirement for incumbent directors)
- Directors elected by majority of votes cast AND any holdover incumbent director who receives more votes against than votes for his or her election ceases to be a director after 90 days (or, if earlier, the date the board selects a replacement director)

Of the **6** with Plurality Voting:

- Directors elected by plurality of votes cast AND any director who receives more votes withheld than votes for his or her election must tender his or her resignation
- Directors elected by plurality of votes cast (no resignation requirement for incumbent directors)

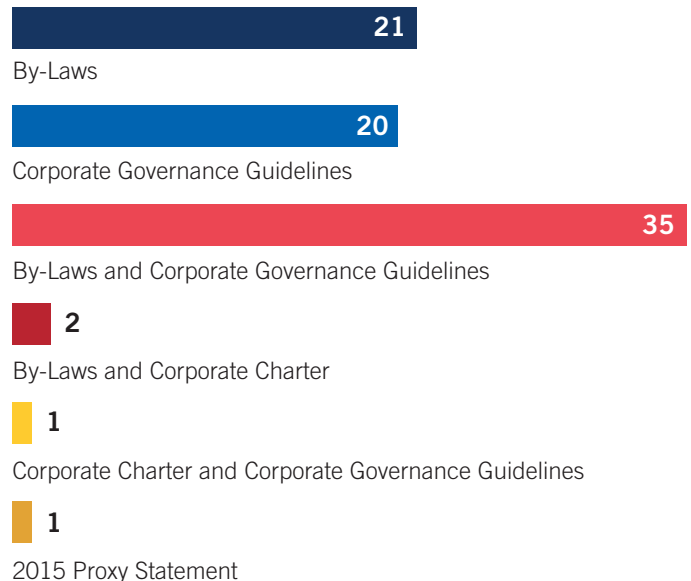
Director Resignation Policies



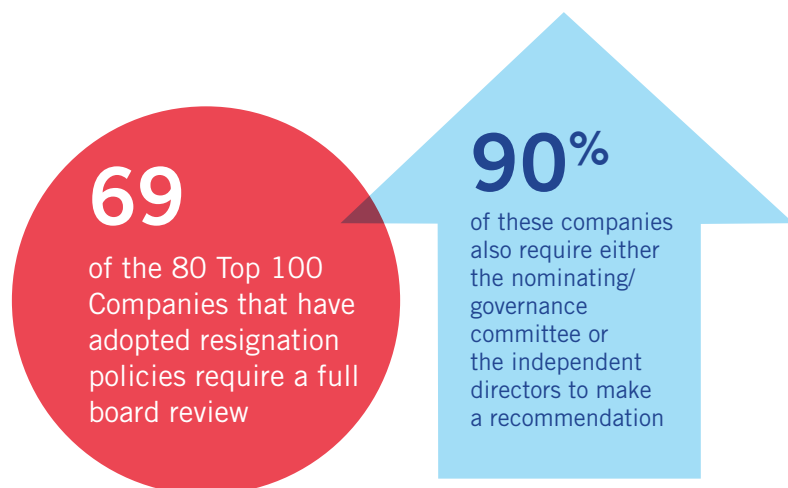
have policies requiring an incumbent director to tender a resignation if the director receives more “against” or “withhold” votes than votes for his or her election. This group of companies is comprised of 77

companies that have a majority voting standard and three that have a plurality voting standard. In addition, five other Top 100 Companies have majority voting policies that provide that any holdover incumbent director who receives more votes against than votes for his or her election ceases to be a director after 90 days (or, if earlier, the date that the board selects a replacement director).

Which corporate documents contain director resignation policies?



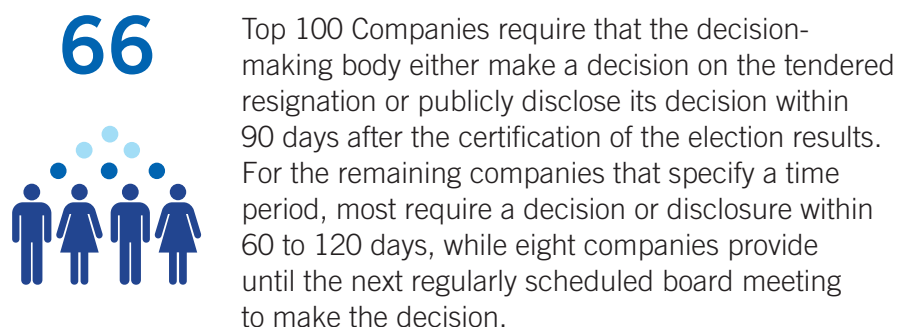
Who decides whether to accept or reject a tendered resignation?



Is there a presumption that a tendered resignation should be accepted?



How long does the relevant decision-making body have to determine whether to accept or reject a tendered resignation?



Policy Variations for Holdover Directors

Incumbent directors who do not receive the majority of votes required for re-election are referred to as “holdover” directors while they remain in office.

Delaware law provides that a holdover director will remain in office until a successor is elected, or until he or she resigns or is removed.

The corporate law of a number of other states follows The Model Business Corporations Act (“MBCA”) published by the American Bar Association, which provides that a holdover incumbent director ceases to be a director after 90 days, or earlier if the board selects a replacement director. The MBCA provides an alternative to the approach taken by Delaware law by permitting companies to adopt a by-law provision that empowers the board to replace a holdover director and otherwise provides a limit on the amount of time a holdover director may remain in office.

Consequently, Delaware corporations implementing a majority voting policy will typically include a resignation requirement to ensure that a director who fails to be re-elected can actually be removed from office.