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New Proxy Access Scorecard Demonstrates Lack of Support from Major Mutual Funds for Important Shareholder Right

NEW YORK, NEW YORK – The Nathan Cummings Foundation released today the Proxy Access Scorecard, an analysis of how mutual funds voted on the key issue of “proxy access” at the annual meetings of 84 corporations in 2015. Proxy access allows shareholders to use a company’s proxy statement to nominate candidates for election to its board of directors and is seen as an important vehicle for enhancing board accountability.

View the Proxy Access Scorecard here: <http://ncf.org/large-mutual-funds-fail-support-proxy-access>

The Scorecard, compiled with data drawn from Fund Votes and analysis done by the 50/50 Climate Project, exposes a deep division in the mutual fund industry’s approach to proxy access. Leading mutual funds like BlackRock, T. Rowe Price and PIMCO supported proxy access over 90% of the time. However, Vanguard's support for non-binding proxy access proposals was very low and Fidelity and JPMorgan Chase appear to have failed to support any proxy access proposals. As the scorecard demonstrates, if these funds had voted for proxy access, the proposal would have likely passed at 17 additional companies, including Exxon Mobil.

“There is a growing consensus among institutional investors that proxy access is a key driver of enhanced shareholder value,” said Laura Campos, Director of Shareholder Activities at the Nathan Cummings Foundation. “Shareholder proposals on proxy access enjoyed widespread support in 2015. More than 100 companies have already adopted this critical reform, but greater support from mutual funds – which owned around 24% of the stock market going into 2015 – could have an enormous impact on the adoption of proxy access.”

The Nathan Cummings Foundation uses its standing as an owner of publicly traded companies to file shareholder proposals on issues with implications for both long-term shareholder value and its funding priorities. Because board accountability has important ramifications for a host of environmental, social and governance issues, the Foundation actively supports proxy access. Over the last few years, NCF has submitted proxy access proposals to a number of companies, including Darden Restaurants, SLM Corporation and Oracle Corporation.

“In spite of the momentum to give shareholders a greater say in who represents them on the board of directors, large mutual fund families like Vanguard and Fidelity have failed to support shareholder proposals calling for this fundamental shareholder right,” said Campos.

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