Cooley

2026 Proxy Season Highlights

FINAL SHAREHOLDER PROPOSAL RESULTS AND MANAGEMENT PROPOSALS

2026 shareholder proposals at Russell 3000 companies

Despite uncertainty in 2026, voting results followed established patterns.

Governance proposals earned the strongest support, while environmental and social (E&S) proposals and anti-ESG proponent proposals received less support.

GOVERNANCE PROPOSALS	ENVIRONMENTAL PROPOSALS	SOCIAL PROPOSALS	ANTI-ESG PROPONENT PROPOSALS
34% average support	16% average support	15% average support	5% average support

ISS recommendations and shareholder support

ISS-backed proposals received materially higher support.

	GOVERN.	ENVIRON.	SOCIAL	ANTI-ESG
With ISS support	41%	33%	34%	24%
Without ISS support	17%	14%	10%	3%

ISS support makes a difference

Across categories, proposals with ISS support averaged two to eight times more shareholder support.

Sector and recently public company trends

TECH COMPANIES

- Governance proposals: 37% support
- Tech companies received 28% of anti-ESG proponent proposals.

37% Govern. **13%** Environ. **13%** Social **2%** Anti-ESG

LIFE SCIENCES COMPANIES

- Governance proposals: 32% support
- No environmental proposal went to a vote.

32% Govern. **14%** Social **1%** Anti-ESG

RECENTLY PUBLIC COMPANIES (IPO SINCE 2016)

- Limited proposal activity, focused on larger companies
- 34 publicized proposals (<6% of total)

$14.8B median market cap of recipients

16 of 26 companies >$10B market cap

4 majority-supported proposals

DExit: 2024 - 2026 reincorporation proposals to Nevada and Texas

Controller-conflicted transactions remain a key driver of reincorporations out of Delaware (DExit).

Sixty-nine percent of Delaware-to-Nevada/Texas reincorporations involve insider voting power greater than 22%.

26 proposals

- 11 to Texas
- 15 to Nevada

Shift from NV (92% of pre-2026 proposals) to TX in 2026 (77% of 2026 proposals)

ISS support rate: 4%

Average non-insider voting support: 43%

Management proposals: Strong shareholder support continues

DIRECTOR ELECTIONS

95% average support

Directors continue to be elected with strong shareholder support.

SAY ON PAY

92% average support

Say-on-pay proposals saw increased support levels in 2026.

SELECT NONROUTINE MANAGEMENT PROPOSALS

Shareholder support remained high for proposals to unwind long-standing governance provisions. Officer exculpation proposals continued to pass at a high rate.

Rule 14a-8 rescission proposal coming soon

The White House is currently reviewing a US Securities and Exchange Commission (SEC) proposal to rescind the federal shareholder proposal rules, with the official SEC proposal likely in September. The SEC has already announced a decision to end no-action responses. These developments could drive more change in 2027, including more aggressive challenges to exclusions and other efforts by proponents to preserve the ability to have their proposals included.