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The Case For 'Client-Directed Voting'

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Each year, investors in public companies have a right to vote their shares on proposals offered by those companies' boards of directors or other shareholders. The voting rate, however, is only about 20 percent. This article explains how client-directed voting, which would allow shareholders to provide their brokers or bank custodians with advance standing instructions for the voting of certain types of proposals, could potentially result in a material increase in voter participation. The SEC is considering client-directed voting among other potential changes to the proxy voting system.

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