



Spring 2010 Washington IR Perspective



Jeff Morgan
President & CEO
National Investor Relations Institute
E-mail: jmorgan@niri.org
www.twitter.com/jeffreymorgan

State of the Union

- ✓ Perceived Populist Sentiment vs. Midterm Elections
 - ✓ Public outcry for corporate change continues but has lessened
 - ✓ And with midterm elections looming
- ✓ 2010 continues to be active, BUT

State of the Union

Where will change come from?

1. Federal Legislation – Congress
2. SEC rule making
3. State Corporate laws
4. Exchange Listing Standards
5. Shareholder Proposals

2009 Corp. SEC Reg. Highlights

- ✓ Focused on stopping naked short selling
 - ✓ NYSE 452 – loss of broker discretionary vote for director elections (non-routine)
 - ✓ Proxy Disclosure Enhancements
 - ✓ Enhanced Compensation
 - ✓ Enhanced Director & Nominee Info
 - ✓ Disclosure on Board leadership structure & role in risk oversight
 - ✓ Comp. consultant disclosures
 - ✓ 8-K reporting within 4 days
-

2010 Corp. SEC Reg. Highlights

- ✓ Notice & Access fixes
 - ✓ Notice Format Flexibility
 - ✓ Notice is not a voting form Indication
 - ✓ Educational Material Inclusion
 - ✓ Notice does not have to mirror proxy card

 - ✓ Climate Disclosure Interpretation

 - ✓ Short Sale Circuit Breaker/Uptick

 - ✓ IFRS Work Plan
-

2010 SEC Reg. In Process

- Capital Markets Structure
 - Increased Dark Pool transparency
 - Pre-trade
 - Post-trade
 - Flash Trading
 - Colocation

 - Proxy Access (carry-over from 2009)

 - And more to come...
-

2010 SEC Reg. In Process

- Proxy Mechanics Concept Paper
 - OBO/NOBO discussion
 - Retail voting (client directed?)
 - Service provider competition
 - Pre- Post- Reconciliation
 - Proxy Advisory Services

 - After Federal Legislation: Implement Federal Mandate then Expand Disclosure
-

Congressional Focus: Corporate Governance Reform

1. Federally Mandated Say-on-Pay
 2. Federally Mandated Proxy Access
 3. Federally Mandated Majority Voting
 4. Independent Comp. Committees
 5. Federally mandated Takebacks
-

SEC Focus w/ or w/o Congress: Corp. Governance Disclosure

1. Proxy Access
 2. Majority Voting
 3. Corp. Political Contributions
 4. Annual Director Elections
 5. 5 year comp to stock price comparison (Senate bill)
 6. More Compensation (clawbacks, severance, etc)
-

NIRI's Advocacy Focus Areas

1. Proxy Mechanics
 2. Proxy Advisory Firms
 3. Shareholder Ownership
Transparency
 - Timeliness
 - Breadth
 4. Short selling (DONE)
 5. And those discussions impacting IR
-

NIRI's Advocacy Focus Areas

Proxy Advisory Firms – NIRI & Society

- Register as investment advisers ++
 - Disclose guidelines, methodologies, etc.
 - Institutional investors due diligence
 - Public record of all their voting advice
 - Institutional investors public vote disclosure
 - Opportunity for public companies to review
 - Public disclosure of company's response
 - Proxy advisory voting errors disclosure
-

2010 and the IR Professional

Change continues:

- ✓ Regulation
 - ✓ Markets
 - ✓ Disclosure and Transparency
 - ✓ Communication vehicles
 - ✓ Economic Realities
-



What's going on at NIRI National?

1. Information
2. Education
3. Advocacy
4. Community/Networking



1. Information

- ✓ Online Resources www.niri.org
- ✓ Weekly: IR Weekly e-newsletter
- ✓ Monthly: IR Update magazine
- ✓ Regularly: NIRI Research
- ✓ Regularly: NIRI Practice Advise



2. Education

- ✓ 12+ Instructor led courses yearly
- ✓ 20+ Online webinars annually
- ✓ 3 day Annual Conference
 - ✓ 1250-1500 attendees
- ✓ University Relationships
- ✓ NIRI Standards of Practice
- ✓ NIRI Bookstore



3. Advocacy

- ✓ Washington, DC
 - ✓ Regulators (SEC, FASB, etc)
 - ✓ Peer Organizations
 - ✓ Global IR Societies
 - ✓ Society of Corp Secretaries
 - ✓ Chamber of Commerce
- ✓ Raising IR Profile within the Company



4. Community/Networking

- ✓ 33 U.S. Chapters
- ✓ Social Media groups on
 - ✓ LinkedIn
 - ✓ Face Book
 - ✓ Twitter
- ✓ Topical & Issue Communities
 - ✓ E-groups on the way
 - ✓ Emerging Issues Committee



Open Discussion

Questions & Answers

