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**WHAT'S THE FREQUENCY? EARLY RESULTS SUGGEST THREE  
YEARS FOR SAY ON PAY**

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*Majority of Early Proxy Filers Recommend Shareholder Say on Pay  
Vote Every Three Years*

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NEW YORK, NY, January 6, 2011 – A majority of companies (53%) recommend holding a Say on Pay vote every three years, according to a study of 62 companies with recently filed proxy statements completed by executive compensation consultancy Steven Hall & Partners.

The Dodd-Frank Act passed in 2010 requires companies with annual meetings scheduled on or after January 21, 2011 to hold both an advisory vote on executive compensation (“Say on Pay”) and an advisory vote on the frequency of this vote (“Say on Frequency”). Shareholders must be given an opportunity to express their preference for a Say on Pay every one, two or three years, but companies may make a more specific recommendation and include rationale in their supporting statement.

“Companies recommending a Say on Pay vote every three years typically made one of two arguments. First, executive compensation programs and policies are typically designed to reward the long-term growth and performance of a company and it is difficult to assess the linkage between such performance and compensation on an annual basis,” said Joseph Sorrentino, Managing Director of Steven Hall & Partners.



“Second, companies believe a three-year period will provide them with adequate time to engage stockholders and respond to Say on Pay vote results,” Mr. Sorrentino added.

Twenty-three percent of companies recommended an annual vote, while just 14% recommended a biennial vote. Interestingly, 10% of the companies made no recommendation to shareholders regarding frequency of the advisory vote. “Companies that decided not to make a recommendation stated their desire to consider the views of the company's shareholders before making a determination on the frequency of Say on Pay,” said Steven Hall Jr., also of Steven Hall & Partners.

Company size or industry does not appear to influence the findings. The three-year interval was the most common recommendation regardless of revenue, market capitalization or industry grouping.

### **About the Study**

The study analyzed recently filed proxy statements for 62 companies with Say on Frequency advisory votes on the ballot. For additional details regarding the study, please contact Steven Hall, Jr. at 212-488-5400 or [sehall@shallpartners.com](mailto:sehall@shallpartners.com).

### **About Steven Hall & Partners**

Steven Hall & Partners is an independent executive compensation consulting firm serving as outside counsel to Boards, Compensation Committees and management. The firm focuses solely on executive compensation, Director remuneration and related corporate governance matters. For more information, please visit [www.shallpartners.com](http://www.shallpartners.com).

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