

POLITICAL CONTRIBUTION DISCLOSURE SURVEY RESULTS

CFA Institute
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ABOUT THE SURVEY

Background & Purpose

The U.S. Securities and Exchange Commission is under pressure from Congress and others to require listed companies to disclose the use of corporate resources for political activities. Such information is publicly available through online sources and from companies who voluntarily disclose their political contributions, but investors often have to go through different sources to obtain the information, which is often is presented inconsistently.

The purpose of this survey is to get CFA Institute members' opinions on this issue.

Methodology

On 21 July 2014, a random sample of 29,889 CFA Institute members in the United States were invited via email to participate in an online survey. The survey closed on 4 August 2014. 1,511 valid responses were received, for a response rate of 5% and a margin of error of $\pm 2.5\%$.

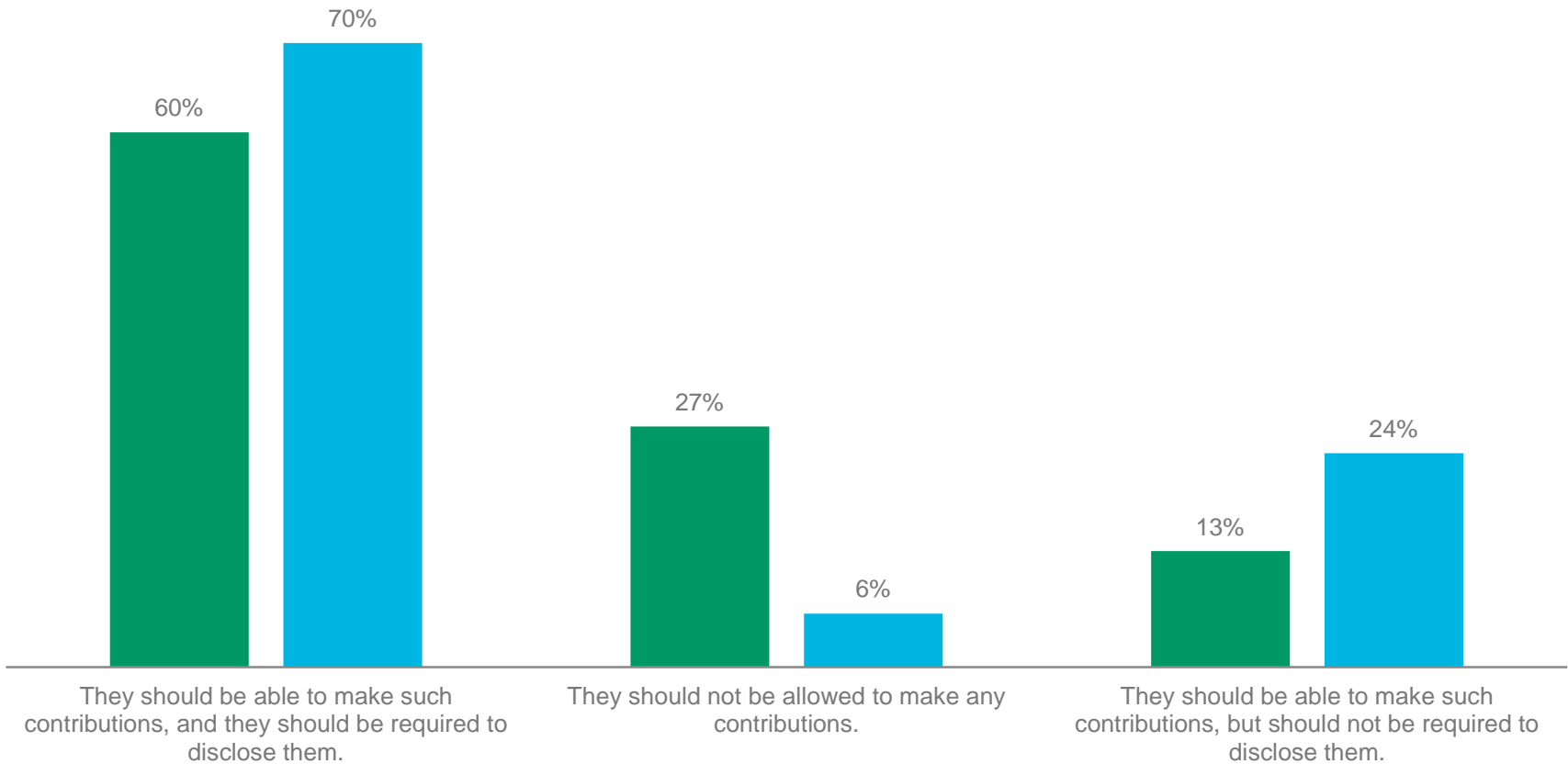
SUMMARY

- 60% of respondents said that companies should be able to make political contributions, but should have to disclose them. 27% said companies should not be able to make political contributions.
- The majority of respondents (86%) agree that disclosures should include company policies on political giving.
- Detailed information in the 10 K filing (slide 7) on the nature/type of each contribution and associated policies for making such political contributions is desired (slide 8).
- Interestingly, 62% of respondents either agree or strongly agree that shareholders should have a say in who gets contributions.

SURVEY RESULTS

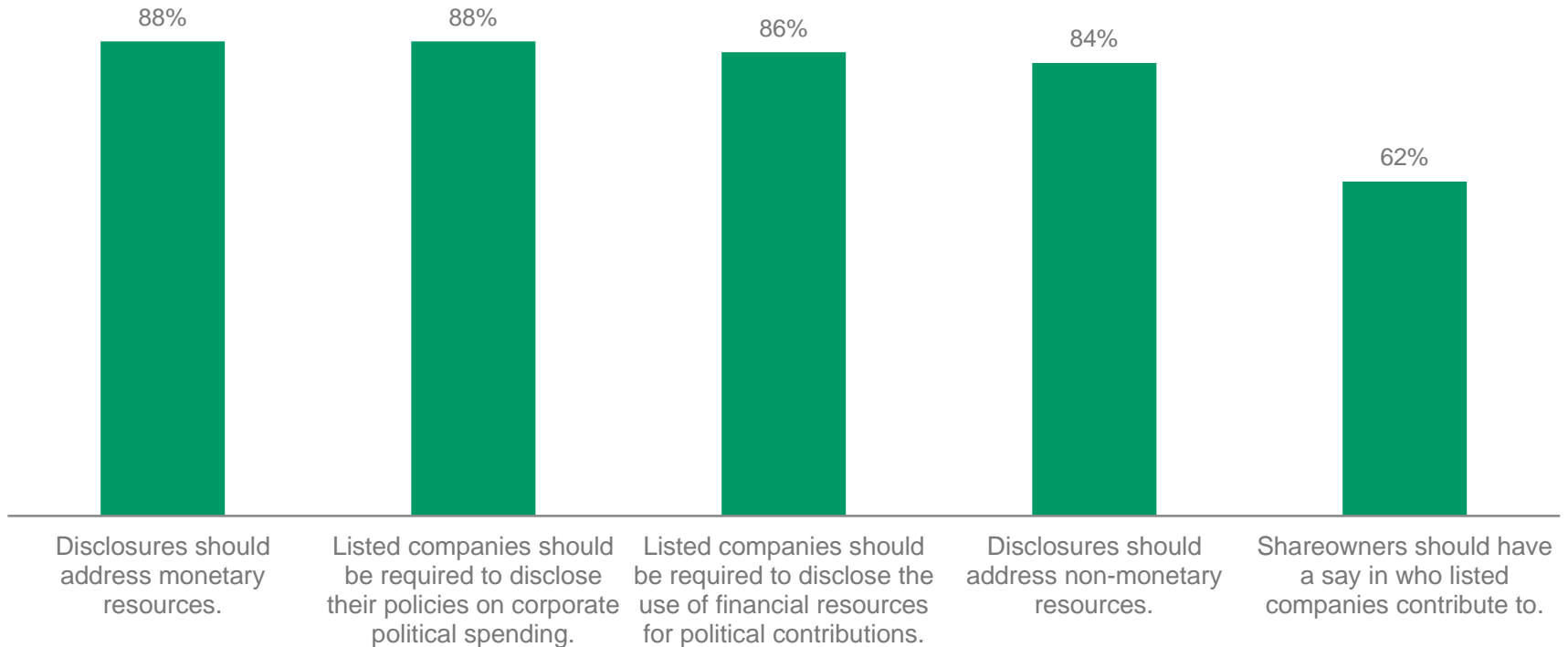
IN YOUR OPINION, HOW, IF AT ALL, SHOULD LISTED COMPANIES MAKE AND DISCLOSE CONTRIBUTIONS?

■ Political contributions ■ Charitable contributions



PLEASE INDICATE THE DEGREE TO WHICH YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS RELATED TO LISTED COMPANIES DISCLOSING THE USE OF CORPORATE RESOURCES FOR POLITICAL ACTIVITIES:

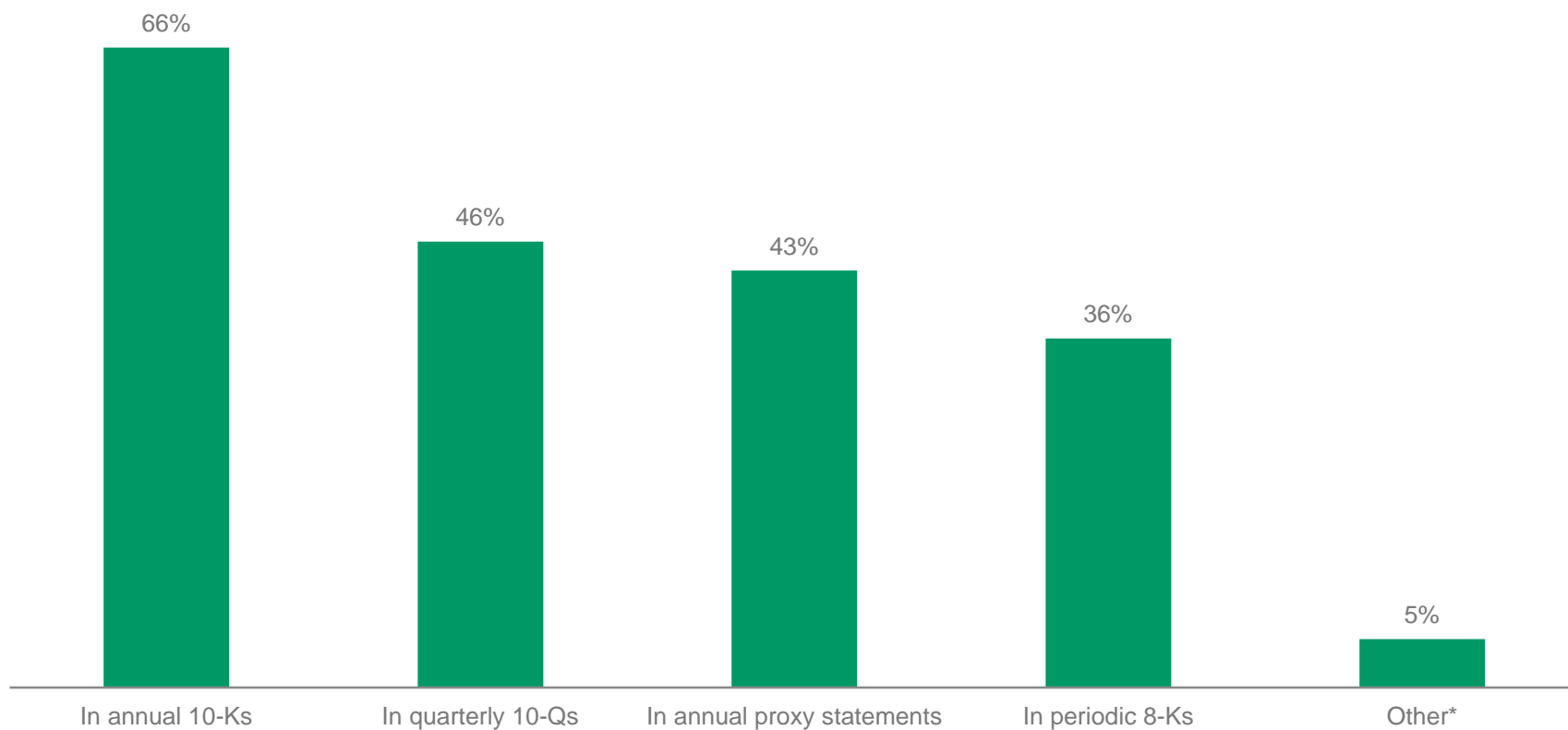
DISPLAYING % OF MEMBERS WHO AGREE OR STRONGLY AGREE



SCALE: STRONGLY DISAGREE, DISAGREE, AGREE, STRONGLY AGREE, NOT SURE (EXCLUDED FROM CALCULATION)

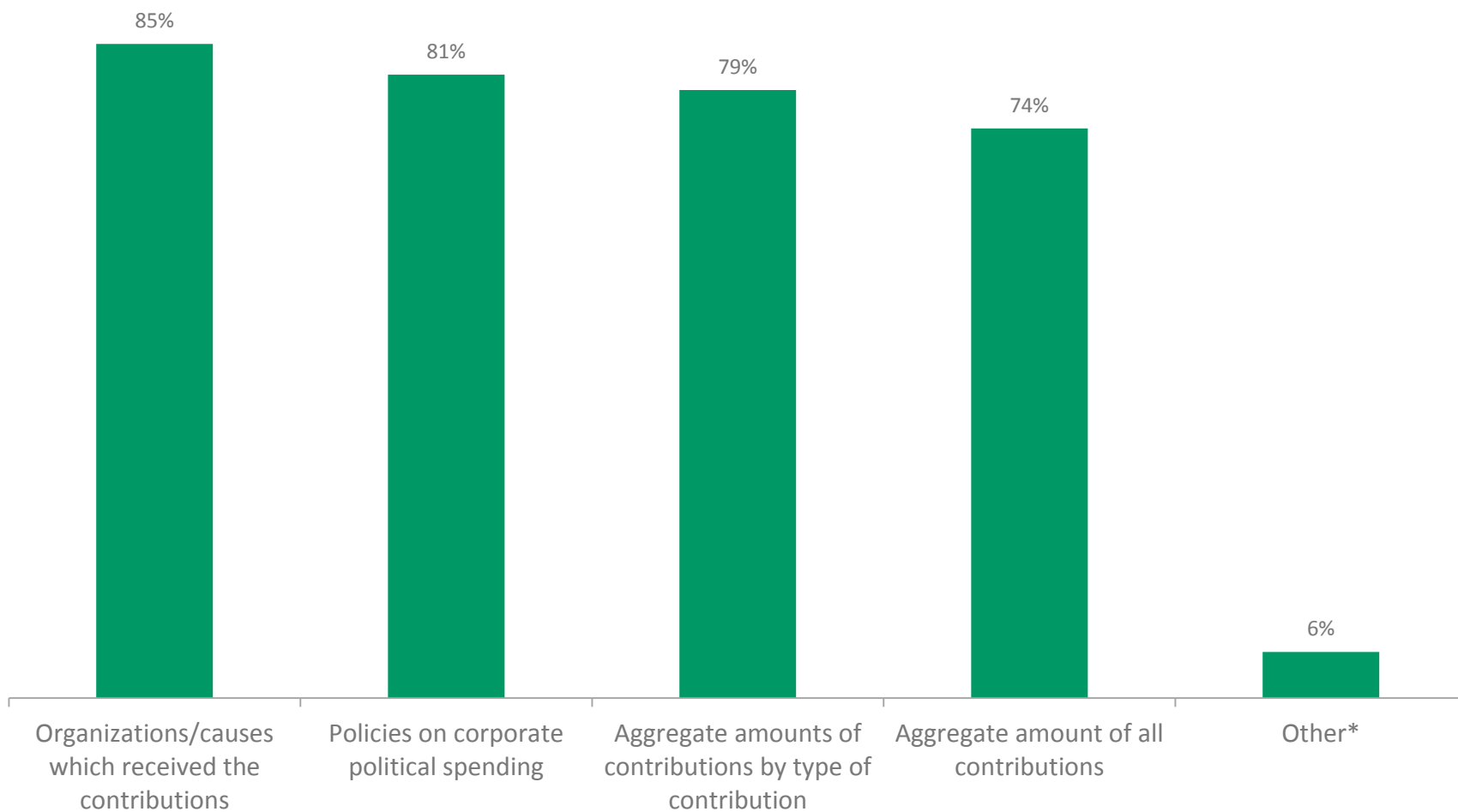
IN YOUR OPINION, WHERE SHOULD LISTED COMPANIES MAKE DISCLOSURES ON POLITICAL CONTRIBUTIONS?

PROPORTIONS BASED ON MEMBERS WHO THINK LISTED COMPANIES SHOULD MAKE DISCLOSURES.



PROPORTIONS BASED ON MEMBERS WHO THINK LISTED COMPANIES SHOULD MAKE DISCLOSURES.

WHICH OF THE FOLLOWING SHOULD BE INCLUDED IN SUCH DISCLOSURES?



ADDITIONAL COMMENTS

“A listed company is owned by the shareholders and therefore the shareholders should be informed. A consistent format and manner of making the disclosures is necessary so that shareholders can make comparisons.”

“As long as we have a corporate income tax in this country, corporations as legal entities must be given input to the political process. However, management's decisions about how and where to spend are critical data points for shareholders to consider in evaluating management's performance.”

“I don't think shareholders, and particularly the third-party owners who are most likely to use this data, are sufficiently informed to make third-party decisions about the utility of the giving (political or charitable) to the corporation's business performance, nor will they base investment decisions on this information, but instead will likely use it to politicize the company's business and operations.”

RESPONDENT PROFILE

JOB FUNCTION AND YEARS IN INDUSTRY



Over 20 years, 43%

16 to 20 years, 15%

11 to 15 years, 16%

6 to 10 years, 22%

5 years or less, 5%