The Universal Proxy Rule, Proxy Contests, and Shareholder Voting

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Abstract

The SEC's Universal Proxy Rule (UPR) requires management and dissident nominees to appear on a single proxy card for contested elections held on or after September 1, 2022, allowing proxy voters to mix nominees across slates. This paper tests whether UPR affects (i) proxy contest incidence, (ii) voting behavior and outcomes inside contests, and (iii) mutual-fund voting in regular meetings. Because UPR applies broadly, I estimate differential post-implementation changes using cross-sectional heterogeneity in firms' ex-ante exposure to shareholder activism. Using firm-year and meeting-level data from 2017 to 2024, I document a clear mechanical first stage: mutual funds become substantially more likely to split votes between management and dissident nominees after UPR. However, broader outcomes do not shift in a dissident-favorable direction. Proxy contest incidence declines among high-exposure firms, dissident success does not increase where exposure is highest, nominee support tilts toward management, and mutual funds register less dissent in regular (non-contested) meetings.

Keywords: Universal Proxy Rule (UPR), Proxy Contests, Contested Director Elections, Shareholder Activism, Corporate Governance

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1 Introduction

The Securities and Exchange Commission's (SEC) Universal Proxy Rule (UPR) changes the mechanics of U.S. contested director elections. Adopted on November 17, 2021, UPR applies to shareholder meetings held on or after September 1, 2022 (SEC, 2021a). The rule requires management and dissident nominees to appear together on a single proxy card, allowing proxy voters to choose a mix of nominees across slates (SEC, 2021a; Hirst, 2018). Before UPR, proxy voting was largely constrained by separate cards and associated legal frictions, creating an effectively all-or-nothing choice even though shareholders voting in person could combine nominees across slates (SEC, 2021a; Hirst, 2018). Classic agency theories imply that governance rules allocate monitoring and control rights, shaping feasible actions and outcomes (Jensen and Meckling, 1976; Fama and Jensen, 1983). Consistent with that logic, changes in voting procedures can affect both election outcomes and the broader strategic environment of contested elections (Brav et al., 2023; Bethel and Gillan, 2002).

Proxy contests are central to shareholder activism because they are the main mechanism for directly challenging board composition. Although relatively infrequent, they are high-stakes and can shape bargaining between activists and incumbents through the credible threat of board change (Gantchev, 2013; Fos and Tsoutsoura, 2014; Brav et al., 2008). They therefore matter both as an escalation device and as a voting-based monitoring mechanism (Bebchuk et al., 2020; Brav et al., 2023).

The economic effects of UPR are theoretically ambiguous. Relaxing a key voting constraint could reduce frictions for dissidents and increase escalation to a proxy contest. But expanded choice can also let shareholders register partial dissatisfaction without broadly supporting a dissident slate, potentially weakening dissident leverage and reducing the need for costly escalation (Del Guercio et al., 2008). More broadly, governance outcomes reflect equilibrium responses to rule changes rather than purely mechanical effects (Hermalin and Weisbach, 1998, 2003). This ambiguity is consistent with bargaining and sequential escalation views of activism (Bebchuk et al., 2020; Gantchev, 2013). I therefore ask a simple

question: Did shareholder voice appear to strengthen in practice after UPR, and if so, for whom and where?

I study UPR as a governance reform that operates through both a mechanical voting channel and equilibrium responses in activism and contest outcomes. Mechanically, the pre-UPR split-card regime and the "bona fide nominee" constraint limited proxy authority to nominees named in the solicitor's materials, preventing proxy voters from freely mixing candidates across slates (SEC, 2021a; Hirst, 2018). UPR directly changes this mechanism by mandating a universal proxy card in non-exempt contested director elections (SEC, 2021a). Motivated by Jensen and Meckling (1976) and Fama and Jensen (1983), I examine whether contest incidence, support patterns in contests, and institutional voting behavior shift after implementation in the settings where the rule is most relevant.

A central feature of the design is an ex ante exposure measure that captures baseline susceptibility to shareholder activism. I use an Activism Exposure index to study heterogeneity in UPR's effects across the activism pipeline. In the firm-year panel, Activism Exposure tests whether contest incidence and intensity change differentially for firms that were more exposed to activism prior to UPR. In meeting-level analyses, the same measure evaluates how institutional voting behavior and support outcomes evolve in contested director elections and in regular meetings. This approach links where activism is most likely to arise with where the universal proxy mechanism is most likely to be economically meaningful. Activism targeting and escalation reflect systematic differences across firms (Brav et al., 2008; Klein and Zur, 2009; Gantchev, 2013). In addition, passive institutions can be active owners (Appel et al., 2016), activists face strategic escalation and settlement choices (Bebchuk et al., 2020), and governance environments differ systematically across firms in value-relevant ways (Gompers et al., 2003; Giroud and Mueller, 2011; Masulis et al., 2007).

Based on this framework, I develop three sets of hypotheses. First, UPR may increase proxy contest frequency by reducing frictions in contested elections, especially where activism exposure is high (H_{1a}). Alternatively, UPR may reduce contest frequency by changing bar-

gaining and voting incentives, leading activists to settle more often or to pursue influence through less escalatory tactics (H_{1b}) (Bebchuk et al., 2020; Gantchev, 2013). Second, in contested elections, UPR could strengthen shareholder voice by enabling mix-and-match voting that lowers management support and raises dissident seat gains, with stronger effects when activism exposure is high (H_{2a}). Alternatively, shareholders may use the expanded ballot to register limited dissatisfaction while retaining core support for incumbents (H_{2b}), weakening dissident leverage and reducing dissident success (Hirst, 2018; Menke, 2021; Del Guercio et al., 2008). Third, if UPR reshapes institutional voting more broadly, mutual funds may become more likely to oppose management in routine meetings, particularly among firms with higher activism exposure (H_{3a}), consistent with mutual funds' role as voters (Iliev and Lowry, 2015; Matvos and Ostrovsky, 2010; McCahery et al., 2016). Alternatively, if UPR is associated with more management-favorable voting equilibria, dissent may decline even outside contests, especially for firms more exposed to activism ex ante (H_{3b}) (Iliev et al., 2021; Appel et al., 2016; Dimson et al., 2025). This pattern is also consistent with stewardship agency problems and resource constraints at large investment managers (Bebchuk et al., 2017; Gilson and Gordon, 2013).

I combine three complementary datasets from 2017 through 2024. A firm-year panel (Compustat and CRSP, merged with Bloomberg activism campaigns) measures proxy contest incidence, intensity, and outcomes. Meeting-level data from Institutional Shareholder Services (ISS) capture institutional voting behavior in contested elections and in the broader universe of shareholder meetings, using ISS Company Vote Results and ISS mutual fund voting records (Iliev and Lowry, 2015; Brav et al., 2023).

I begin with market reactions around four key SEC universal proxy milestones. Average cumulative abnormal returns are economically meaningful around these events, and the cross section suggests more negative reactions for firms with higher ex ante Activism Exposure around key rule-advancing milestones. Because the evidence is based on a small number of policy events, it is best interpreted as descriptive, but it provides a benchmark for how

investors expected UPR to affect more exposed firms before examining realized changes in activism and voting behavior (Larcker et al., 2011).

The results do not support a simple friction-reduction view of proxy contest activity. Across specifications, the interaction between post-UPR and Activism Exposure is negative for the likelihood of any proxy contest in a firm-year, consistent with reduced escalation among firms more exposed to activism prior to UPR. At the same time, the evidence does not suggest a broad decline in activism; campaign-level patterns instead indicate a shift in composition consistent with substitution along the escalation margin (Gantchev, 2013; Bebchuk et al., 2020).

Inside contested director elections, UPR is followed by a sharp increase in mix-and-match voting, consistent with the rule's mechanical implication. Mutual funds become substantially more likely to mix nominees across slates, which is a direct implication of replacing the split-card regime that effectively precluded such voting by proxy (SEC, 2021a; Hirst, 2018). However, the increase in mixing is not accompanied by higher dissident success. Dissident win rates do not increase differentially where ex ante Activism Exposure is higher, and nominee-support patterns are consistent with selective voting that preserves management support in more exposed settings.

Finally, the paper documents spillovers beyond contested elections. In the broader universe of shareholder meetings, mutual fund voting shifts toward management-favorable outcomes after UPR, with higher overall support for management and lower dissent. These shifts are stronger among firms with higher ex ante Activism Exposure and remain present when focusing on regular meetings outside contested settings (Iliev and Lowry, 2015; Matvos and Ostrovsky, 2010; Iliev et al., 2021).

Overall, a reform designed to expand shareholder choice can meaningfully change how investors vote even if it does not directly increase dissident success. Changes in voting mechanisms can reshape the strategic environment of activism, affecting which contests occur, how they unfold, and how institutions allocate support. This interpretation aligns with

Jensen and Meckling (1976) and Fama and Jensen (1983), with the equilibrium perspective in Hermalin and Weisbach (2003), and with activism models emphasizing strategic escalation and settlement (Gantchev, 2013; Bebchuk et al., 2020).

The paper contributes to the literature in three ways. First, it provides evidence on UPR's equilibrium effects across the activism process by connecting market expectations, contest incidence, voting behavior in contested elections, and spillovers to routine votes (SEC, 2021a; Hirst, 2018; Bebchuk et al., 2020; Baker et al., 2023). Second, it separates mechanical effects (the rise of mix-and-match voting) from broader governance consequences (shifts in support and dissent). Third, it has a policy implication: a rule intended to make proxy voting resemble in-person voting can still be associated with management-friendly equilibrium adjustments, especially among firms more exposed to activism prior to UPR.

2 Institutional Background

This section summarizes the institutional mechanics of the SEC's Universal Proxy Rule (UPR). I describe (i) how proxy voting functioned in contested director elections before UPR, (ii) the legal and procedural frictions that prevented proxy voters from mixing nominees across slates, and (iii) the mechanical changes in the final rule that matter for the empirical design.

2.1 Pre-UPR proxy voting in contested director elections

A contested director election occurs when a dissident shareholder nominates directors and solicits proxies in competition with management. Shareholders may vote in person or by proxy, but under the pre-UPR regime proxy voting did not replicate the flexibility of in-person voting in contests. The key constraint was the structure of competing proxy cards (SEC, 2021a; Hirst, 2018).

Before UPR, contests typically used a split-card structure: management distributed a

card listing management nominees, and the dissident distributed a separate card listing dissident nominees (SEC, 2021a). As a practical matter, this forced proxy voters to select within a single card, even if they preferred a mixed set drawn from both slates (SEC, 2021a; Hirst, 2018). In partial-slate contests, dissidents could sometimes rely on the short slate rule to grant limited authority to vote for some management nominees to fill remaining seats, but this was a constrained top-up rather than free slate mixing (SEC, 2021a).

2.2 Frictions that limited slate mixing prior to UPR

The split-card equilibrium reflected frictions in the federal proxy rules and in solicitation mechanics.

First, the proxy rules historically limited a solicitor's ability to confer authority to vote for nominees who had not consented to be named in that solicitor's proxy materials (the "bona fide nominee" requirement). Under Rule 14a-4(d)(1), a proxy generally may confer authority to vote for a director nominee only if the nominee has consented to be named in the solicitor's proxy statement and to serve if elected. Because nominees on one slate typically did not consent to appear in the opposing side's materials, this rule created a technical impediment to listing all nominees on a single card (SEC, 2021a).

Second, the short slate rule did not solve the problem. It applied only in partial-slate contests and only allowed limited voting for some management nominees via the dissident's card, rather than allowing shareholders to choose freely among all nominees across slates (SEC, 2021a).

Third, contests also involved timing and information frictions because management and dissidents filed and distributed materials on different schedules. Since many proxy votes are cast before the meeting, shareholders could receive and act on one side's materials before the full nominee set and disclosures were available. These sequencing frictions motivate UPR's notice and filing requirements, which are intended to ensure timely availability of nominees and disclosures for voting on a universal ballot (SEC, 2021a).

2.3 What the Universal Proxy Rule requires

UPR is implemented primarily through Rule 14a-19 and related amendments. The core mechanical change is universal presentation: in a covered contested director election, each side's proxy card must include all duly nominated director candidates, including both management and dissident nominees (SEC, 2021a). The SEC does not require a jointly issued card. Management and dissidents still solicit separately, but both cards must present the same candidate set and satisfy specified presentation and disclosure requirements (SEC, 2021a).

To make universal cards feasible, the SEC amended the "bona fide nominee" framework. Under the amended rule, a nominee can appear on a universal proxy card once the nominee has consented to be named in *any* proxy statement for the meeting, not only the solicitor's own materials (SEC, 2021a).

The final rule also imposes coordination and minimum solicitation conditions. The dissident must provide management with the names of its nominees no later than 60 calendar days before the anniversary of the prior year's annual meeting date (with alternative timing rules if there was no prior annual meeting or if the meeting date moves by more than 30 calendar days). The notice must include a statement of intent to solicit holders representing at least 67% of the voting power entitled to vote in the director election. The dissident must also file its definitive proxy statement by the later of 25 calendar days before the meeting date or five calendar days after management files its definitive proxy statement (SEC, 2021a). The SEC frames these requirements as implementation features to support timely information and meaningful solicitation under universal proxy (SEC, 2021a).

With universal proxy mandated for operating companies in covered contests, the SEC eliminated the short slate rule for those registrants as unnecessary under the new regime, while retaining it for registrants not covered by UPR, including funds (SEC, 2021a).

2.4 Regulatory timeline

The SEC first proposed mandatory universal proxy requirements on October 26, 2016 (SEC, 2016). The initial comment period closed on January 9, 2017 (SEC, 2021b). On July 11, 2018, Reuters (2018) reported that the SEC had shelved the proposal and removed it from the near-term rulemaking agenda. The SEC later reopened the comment period in 2021 to solicit additional input on implementation mechanics, including notice, solicitation, and filing requirements (SEC, 2021b). The SEC adopted the final rules on November 17, 2021 (SEC, 2021a). Universal proxy cards are required for covered contested director elections at shareholder meetings held on or after September 1, 2022, creating a clear break between the split-card regime and the universal proxy regime (SEC, 2021a).

2.5 Scope of coverage and exemptions

UPR applies to non-exempt solicitations in connection with contested elections of directors subject to the federal proxy rules (SEC, 2021a). These rules govern how nominees are presented and solicited, but they do not determine who is a valid candidate. Universal proxy mechanics apply once nominees are duly nominated under applicable state law and the firm's governing documents; nomination disputes remain a state-law and bylaw matter (SEC, 2021a). This distinction matters empirically because UPR binds mechanically only after the nominee set is determined through the underlying nomination framework.

Coverage is not uniform across issuer types. The final rules do not apply to registered investment companies or business development companies (funds) at this time, and the SEC continues to consider whether and how universal proxy should apply in the fund setting (SEC, 2021a). Foreign private issuers are generally exempt from U.S. proxy rules, and other issuers or solicitations can fall outside the proxy solicitation regime depending on reporting status and proxy exemptions (SEC, 2021a). These boundaries define when UPR can bind in the data, motivating a focus on UPR-covered operating-company settings when evaluating the rule's mechanical implications.

2.6 Why expected effects were ambiguous ex ante

UPR has a clear mechanical implication in covered contests: proxy voters can support a chosen combination of management and dissident nominees rather than being steered toward slate-level voting by separate cards (SEC, 2021a; Hirst, 2018). However, the rulemaking record and academic analysis imply ambiguous equilibrium effects on activism and contest outcomes ex ante because incentives shift on multiple margins (SEC, 2021a; Hirst, 2018; Menke, 2021).

First, UPR can affect escalation to a contest. Expanded ballot flexibility may increase the attractiveness of partial slates and targeted challenges, but UPR also imposes compliance conditions (including the 67% solicitation threshold and notice and filing deadlines) that can raise fixed costs for some dissidents (SEC, 2021a). Second, UPR can change bargaining and settlement incentives by expanding the set of feasible vote outcomes. Mix-and-match voting can increase dissident leverage if shareholders use the expanded ballot to support dissident nominees at the margin, or reduce dissident leverage if shareholders use it to register limited dissatisfaction while retaining core support for management nominees (Hirst, 2018; Menke, 2021). Third, these incentive effects should matter most where a proxy contest is a credible governance threat within the broader activism landscape, motivating the paper's focus on cross-sectional heterogeneity in ex ante activism exposure (Gantchev, 2013; Fos and Tsoutsoura, 2014).

3 Data and Variable Construction

The empirical analysis spans 2017–2024 and combines a firm-year panel (proxy-contest incidence and market-reaction tests) with meeting-level panels (contested-election outcomes and mutual-fund voting).

3.1 Data sources and universe

I combine four primary sources. (i) Compustat merged to CRSP provides accounting variables, identifiers, and daily returns. (ii) Bloomberg activism-campaign data identify activist engagements and proxy contests and provide campaign attributes, consistent with campaign-based samples in Brav et al. (2008), Klein and Zur (2009), and Gantchev (2013). (iii) ISS provides governance characteristics (e.g., board size, independence, gender diversity) where covered. (iv) Two ISS voting datasets provide meeting-level outcomes: ISS Mutual Fund Vote Records (mutual-fund voting across ballot items within meetings) and ISS Company Vote Results (nominee-level outcomes in contested director elections), as in Iliev and Lowry (2015) and Matvos and Ostrovsky (2010).

Across datasets, I focus on U.S. operating companies subject to the Universal Proxy Rule (UPR): common stocks, excluding issuer types outside the operating-company regime (registered investment companies and business development companies). Mechanical duplicates from merges are resolved using consistent rules described below.

3.2 Panel construction and sample screens

3.2.1 Firm-year panel

The firm-year panel is used for annual outcomes (proxy-contest incidence/counts) and the baseline firm controls. The unit is firm i in fiscal year t. After sample screens, the panel contains 29,156 firm-year observations from 2017–2024 (5,310 unique firms), summarized in Table 1. Governance coverage is smaller, so non-missing counts vary by characteristic (Table 1).

When Bloomberg campaign/contest data generate multiple records within a firm-year, I collapse to a single firm-year observation after constructing within-year outcomes. This avoids mechanical overcounting in incidence and intensity measures (Cohn et al., 2022). For count outcomes, I take the within-year maximum to preserve extensive-margin activity while

avoiding duplicate records that refer to the same underlying engagement.

3.2.2 Meeting-level panels

Meeting-level panels study outcomes realized at shareholder meetings, with unit meeting m for firm i on date d. The analyses use two ISS sources.

ISS Mutual Fund Vote Records yield a broad meeting universe (69,333 meetings; Table 2) and support measures of mutual-fund voting across ballot items. Outcomes requiring contested-election structure (e.g., ticket splitting) are available only for contested meetings in which mutual funds vote on both management and dissident nominees (Table 2).

ISS Company Vote Results provide nominee-level vote outcomes that I aggregate to the meeting level for contested director elections. I classify a meeting as contested when the ballot includes at least one dissident-sponsored director nominee, producing the samples used in Tables 8 and 9.

Because coverage and units differ, I define and analyze contested-election samples separately by source: Mutual Fund Vote Records for within-meeting mutual-fund voting behavior, and Company Vote Results for nominee support and dissident outcomes.

3.2.3 Merges and identifiers

I link datasets using standard identifiers and a consistent hierarchy. Compustat gvkey is linked to CRSP securities via the CCM link table; CRSP returns and market capitalization are merged at the security level and aggregated to firm-year as needed. ISS meetings are linked to the gvkey universe using issuer identifiers (CUSIP and related fields) standardized to 8-digit CUSIPs and mapped via CCM. Meetings that cannot be reliably linked to the operating-company universe are excluded. When multiple candidate links exist, I retain the link consistent with the meeting date and contemporaneous CRSP coverage, applying the same rule uniformly.

For Bloomberg, I map targets using ticker and CUSIP (when available), collapse cam-

paign information to the firm-year level, and then merge to the panel to avoid duplication from multiple records tied to the same engagement-year.

3.3 Key variables

I organize the main constructs into proxy-contest and campaign measures, market-reaction measures, mutual-fund voting measures, and contested-election outcomes.

3.3.1 Post-UPR indicator

UPR applies to covered contested director elections at meetings held on or after September 1, 2022. In meeting-level analyses, *Post-UPR meeting* equals one for meetings on/after 09/01/2022 and zero otherwise (e.g., Tables 8–10). In firm-year analyses, *Post-UPR* equals one for fiscal years ≥ 2023 (the first full proxy season under mandatory universal proxy) and zero for fiscal years ≤ 2022 (Table 5).

3.3.2 Proxy-contest and campaign measures

Using Bloomberg, I map proxy-contest activity into the firm-year panel. The main outcomes are (i) an indicator for any proxy contest in the firm-year and (ii) the number of proxy contests in the firm-year. For campaign-level descriptives and cross-checks, I also use the matched campaign-level sample in Table 3.

3.3.3 Market reactions to UPR milestones

I compute cumulative abnormal returns (CARs) from CRSP daily returns. For each firm-event, CAR sums abnormal daily returns over standard event windows; abnormal returns come from an excess-return model with Fama–French three factors estimated over $[-250, -30]$ trading days, subject to a minimum-return-observations requirement. Day 0 is the first CRSP trading day on/after the calendar event date.

Event-study tests focus on four UPR milestones: (i) 07/11/2018 (Reuters (2018) reports the proposal is "shelved"), (ii) 04/16/2021 (SEC reopens the comment period (SEC, 2021b)), (iii) 11/17/2021 (SEC adopts the final rule (SEC, 2021a)), and (iv) 09/01/2022 (compliance date for meetings held on/after this date). I report CARs over short windows (e.g., $[-1, +1]$, $[0, +2]$, $[-5, +5]$) in percentage points. The framing follows the logic that governance regulation can move prices (Larcker et al., 2011).

3.3.4 Mutual-fund voting outcomes

From ISS Mutual Fund Vote Records, I construct three meeting-level outcomes across all ballot items: (i) the all-management support rate (share of votes aligned with management recommendations), (ii) an indicator for any dissent, and (iii) the dissent rate (fraction of ballot items receiving dissent) (Table 2). For contested director-election meetings where both management and dissident nominees appear on the director ballot, I also measure ticket splitting: the ticket split rate (fraction of mutual funds that split across slates) and ticket split intensity (share-value-weighted analog) (Table 2).

3.3.5 Contested-election outcomes

From ISS Company Vote Results, I compute nominee-support measures separately for management and dissident nominees: average support, minimum support, and the share of nominees with support below 90% (Table 8). I also construct meeting-level dissident-success outcomes, including the dissident seat win rate and an indicator for any dissident win (Table 9).

3.3.6 Control variables

Baseline specifications include lagged firm characteristics standard in activism and voting studies (Brav et al., 2008; Klein and Zur, 2009; Gantchev, 2013). Unless otherwise stated, controls are measured in $t - 1$ and include log market capitalization, Tobin's Q, return on

equity, the prior one-year stock return, and return volatility (annualized standard deviation of daily returns over the prior 90 trading days). When used, governance controls (lagged) include board size, board independence, board gender diversity, CEO-chair duality, and a dual-class indicator.

Percent variables are reported in percentage points, and continuous firm characteristics are winsorized where indicated. The main regressions use standardized Activism Exposure (mean zero, unit variance), so interaction coefficients reflect a one-standard-deviation difference in baseline activism susceptibility.

3.4 Activism Exposure

I proxy for baseline susceptibility to shareholder activism using an *ex-ante Activism Exposure* index estimated entirely in the pre-UPR period. The design is motivated by systematic targeting patterns (Brav et al., 2008; Klein and Zur, 2009) and by evidence that governance provisions capture meaningful cross-sectional differences in monitoring and shareholder rights (Appel et al., 2016; Gompers et al., 2003). Following the spirit of Kim et al. (2024), I estimate a predictive model of activism targeting using firm fundamentals, governance, liquidity, and industry characteristics, and use model-implied propensities as exposure. The model is trained and fixed using only pre-UPR information, so exposure is not mechanically influenced by post-UPR realizations.

3.4.1 Estimation sample and outcome

I start from the firm-year panel in Section 3.2 and restrict to U.S. operating companies eligible for UPR (common stocks; excluding registered investment companies and business development companies). Following Kim et al. (2024), I use Russell 3000 common stocks as the training universe. The dependent variable equals one if firm i is targeted by *any* Bloomberg activism campaign in year t.

Predictors include (i) fundamentals and market-based characteristics (e.g., size, valu-

ation, profitability/performance, leverage/cash, growth, returns, volatility, liquidity), (ii) governance (e.g., board structure and selected provisions such as dual-class shares), and (iii) GICS sector indicators. To limit sample loss, I impute missing numeric inputs using sector medians (within GICS, in the pre-period training sample) and then global medians; numeric predictors are standardized using pre-period z-scores.

3.4.2 Model

I estimate a regularized logistic regression:

$$\widehat{p}_{it} \;=\; \Pr(y_{it} = 1 \mid X_{it}),$$

where X_{it} includes the full predictor set and sector indicators. Regularization stabilizes estimates with a large and correlated predictor set. The model is trained on 2017–2019 and evaluated out of sample on 2020–2021. Predictive performance is strong (AUC = 0.747 in 2020–2021), indicating meaningful separation between targeted and non-targeted firm-years.

3.4.3 Firm-level ex-ante exposure

I form a time-invariant firm-level index by averaging predicted probabilities over the pre-UPR window:

$$\text{Activism Exposure}_i \;=\; \frac{1}{T} \sum_{t=2017}^{2021} \widehat{p}_{it}.$$

This exposure is merged to the firm-year and meeting-level datasets and serves as the main heterogeneity measure. In levels, the distribution is stable (median 0.395; IQR 0.266 to 0.553). Because the level is not intended as a calibrated probability, the main regressions use standardized Activism Exposure (mean zero, unit variance).

3.5 Summary statistics and data availability

Table 1 reports firm-year summary statistics, including key characteristics and proxy-contest measures. Table 2 summarizes the meeting universe from Mutual Fund Vote Records and distributions for the mutual-fund voting and ticket-splitting outcomes. Table 3 reports campaign-level descriptives. Contested-election nominee support and dissident success are summarized in Tables 8 and 9, and spillover outcomes are summarized in Table 10.

Coverage differs across Compustat, CRSP, ISS, and Bloomberg, so sample sizes vary by variable and specification; I report effective N in the summary tables and interpret regressions using the realized sample for each outcome/control set. The Appendix provides expanded descriptives and subsample splits (e.g., Table A1 and Table A2) to document composition and comparability across specifications.

4 Empirical Design

This section describes the empirical designs used to study how the SEC's Universal Proxy Rule (UPR) affects (i) proxy-contest incidence, (ii) voting mechanics and outcomes inside contested director elections, and (iii) mutual-fund voting outside contests. Because UPR applies broadly to U.S. public companies, it does not generate a clean treated-versus-untreated partition. I therefore identify differential post-implementation changes using cross-sectional heterogeneity in firms' *ex ante* activism exposure: the universal proxy mechanism should matter most where activism-related director challenges were most likely before the rule, holding constant common time effects. This approach is standard when policy variation is economy-wide and identifying power comes from exposure differences (Roberts and Whited, 2013; Larcker et al., 2011; Cohn et al., 2016). More broadly, because institutional investors are central to governance but face delegation and incentive frictions, changes in voting mechanics can matter even without a sharply defined treated group (Bebchuk et al., 2017; Gilson and Gordon, 2013).

Unless otherwise noted, I estimate linear models with appropriate fixed effects and cluster standard errors at the firm level (gvkey). Fixed effects absorb time-invariant unobservables but require care in interpretation (Gormley and Matsa, 2014). Share and indicator outcomes are reported in percentage-point units, and inference follows standard recommendations for finance panels (Petersen, 2009).

4.1 Research design and identification

Let $Exposure_i$ denote a firm's standardized *ex ante* activism exposure measure. The core variation comes from interacting exposure with a post-UPR indicator. Because timing differs across settings, I use two post indicators: (i) a firm-year post indicator $Post_t^{FY}$ equal to one for fiscal years 2023 and later, and (ii) a meeting-level post indicator $Post_m^{Mtg}$ equal to one for shareholder meetings held on or after September 1, 2022.

The baseline difference-in-differences (DiD) specification is:

$$Y_{it} = \beta \left(Post_t \times Exposure_i \right) + \theta Exposure_i + \Gamma' X_{it} + \mu_i + \lambda_t + \varepsilon_{it}, \tag{1}$$

where Y_{it} is the outcome (firm-year or meeting-level), X_{it} is a vector of lagged firm and governance controls, μ_i are firm fixed effects (when included), and λ_t are year fixed effects. The coefficient β captures the differential post-UPR change for higher-exposure firms.

Identification relies on parallel trends in the exposure dimension: absent UPR, higher- and lower-exposure firms would have experienced similar changes after conditioning on controls and fixed effects. I interpret β as an exposure-heterogeneous shift under this assumption, not as evidence that fixed effects remove all endogeneity concerns (Roberts and Whited, 2013). I evaluate this assumption with dynamic specifications and pre-trend tests (Gormley and Matsa, 2014).

4.2 Dynamic specifications and pre-trend tests

To assess timing and pre-trends, I estimate event-study style specifications that replace the post indicator with year indicators interacted with exposure:

$$Y_{it} = \sum_{\tau \neq \tau_0} \beta_\tau \left(\mathbb{1}\{Year_t = \tau\} \times Exposure_i \right) + \Gamma' X_{it} + \mu_i + \lambda_t + \varepsilon_{it}, \tag{2}$$

where τ_0 is the omitted base year and λ_t are year fixed effects. Coefficients β_τ trace the evolution of the exposure gradient relative to the base year. In the baseline plots, I normalize relative to 2021 and report joint tests of pre-period interactions (Figures 1 and 2). These specifications directly diagnose differential pre-trends and clarify the identifying variation in fixed-effects panel models (Gormley and Matsa, 2014).

4.3 Market reaction to UPR milestones (event-study CARs)

Separately from the hypothesis tests, I study how equity markets price UPR-related regulatory information using event-study CARs around key rulemaking milestones. Let $CAR_{i,e}(\ell, u)$ denote firm i's CAR over window $[\ell, u]$ (trading days) around event e. I interpret these tests as evidence on investor expectations about UPR's incidence, not as causal estimates of realized post-UPR outcomes (Roberts and Whited, 2013). Because governance threats can be priced even without a formal contest, CARs can capture belief updates about contestability (Collin-Dufresne and Fos, 2015), consistent with market-reaction evidence around governance regulation (Larcker et al., 2011).

I estimate cross-sectional regressions:

$$CAR_{i,e}(\ell, u) = \alpha_e + \beta Exposure_i + \Gamma' Z_{i,e} + \delta_s + \varepsilon_{i,e}, \tag{3}$$

where α_e are event fixed effects (in stacked specifications), δ_s are GICS sector fixed effects, and $Z_{i,e}$ includes baseline firm characteristics used in the CAR tables when included. The

coefficient β captures whether market reactions to UPR milestones are stronger for higher-exposure firms.

Because residuals can be correlated within firms and within events, I report firm-clustered inference, two-way clustering by firm and event, and event-level wild cluster bootstrap procedures, as described in the table notes (Petersen, 2009).

4.4 H_1: Proxy contests and activism activity in the firm-year panel

H_1 evaluates whether UPR changes proxy-contest incidence. Under H_{1a}, UPR reduces voting frictions and increases contest frequency, especially where exposure is high. Under H_{1b}, UPR shifts bargaining and voting incentives in ways that reduce escalation to contests (for example, substitution toward less escalatory engagement). This framing follows sequential escalation views (Gantchev, 2013) and bargaining-based interpretations (Bebchuk et al., 2020).

I estimate equation (1) in the firm-year panel using $Post_t^{FY}$. The primary outcomes are (i) an indicator for any proxy contest in year t and (ii) the number of proxy contests. Specifications progressively add lagged controls and fixed effects; in saturated models, firm and year fixed effects absorb time-invariant firm characteristics and common shocks, and identification comes from within-firm changes differentially scaled by exposure (Gormley and Matsa, 2014).

To separate contest changes from broader shifts in activism, I also examine firm-year outcomes for (i) activist campaign incidence and intensity and (ii) participation by marginal versus core activists. As a complementary diagnostic, I test whether settlement outcomes shift post-UPR, while treating these results as secondary (Bebchuk et al., 2020; Corum, 2023). For count outcomes, I also estimate conditional fixed-effects Poisson specifications (Cohn et al., 2022).

4.5 H_2: Voting mechanics and outcomes inside contested director elections

H_2 evaluates how UPR affects voting behavior and outcomes *within* contested director elections. Under H_{2a}, mix-and-match voting enables proxy voters to implement preferred nominee combinations, lowering management support and increasing dissident seat gains, with stronger effects where exposure is higher. Under H_{2b}, mix-and-match rises mechanically, but shareholders use the expanded ballot to express limited dissatisfaction while retaining core support for incumbents, so management support does not fall and dissident success does not rise. This second channel is consistent with dissent without full turnover (Del Guercio et al., 2008).

I implement these tests using two meeting-level datasets. Using ISS Mutual Fund Vote Records, I measure voting mechanics inside contests (an indicator for any mixed-slate voting and a share-weighted ticket-splitting measure). Using ISS Company Vote Results, I measure election outcomes in the full electorate by constructing nominee support and aggregating to the meeting level. For both management and dissident nominees, I examine average support, minimum support, and the share receiving less than 90% support, and I study dissident success (seat win rate and an indicator for any dissident win).

For both datasets, I estimate meeting-level versions of equation (1) using $Post_m^{Mtg}$. The baseline specification is:

$$Y_{im} = \beta \left(Post_m^{Mtg} \times Exposure_i \right) + \theta Exposure_i + \Gamma' X_{im} + \mu_i + \lambda_{year(m)} + \varepsilon_{im}, \qquad (4)$$

where m indexes meetings, $\lambda_{year(m)}$ are meeting-year fixed effects, and X_{im} includes lagged firm characteristics and lagged governance variables measured prior to the meeting. In the mutual-fund panel, I include firm fixed effects μ_i throughout and add meeting-year fixed effects in specifications that estimate exposure-heterogeneous post effects. In the Company Vote Results specifications, I include meeting-year fixed effects and cluster standard errors

at the firm level.

This design separates a mechanical first stage from equilibrium outcomes. Mutual-fund regressions test whether UPR increases mix-and-match voting, consistent with the rule's institutional objective. Company Vote Results regressions then test whether mechanics changes are accompanied by shifts in nominee support and dissident success. I interpret heterogeneity across contests in the context of activism as a broader process, with proxy contests as an escalation outcome (Gantchev, 2013; Fos and Tsoutsoura, 2014).

4.6 H_3: Spillovers to voting outside contested elections

H_3 examines whether UPR reshapes institutional voting beyond proxy contests. Under H_{3a}, mutual funds oppose management more in routine meetings, especially for higher-exposure firms. Under H_{3b}, dissent declines even outside contests, particularly among more exposed firms. Spillovers are ambiguous a priori because institutional voting reflects both governance objectives and investor incentives and constraints (Bethel and Gillan, 2002; Bebchuk et al., 2017), and diversified ownership can tilt incentives toward management-friendly voting (Schmalz, 2018).

Using the mutual-fund meeting-level panel excluding contested and campaign-related meetings, I study (i) the share of votes that fully support management across all ballot items, (ii) an indicator for any dissent, and (iii) the dissent rate. I estimate meeting-level versions of equation (1) with firm and meeting-year fixed effects. The coefficient β captures differential post-UPR changes for higher-exposure firms, consistent with spillovers in shareholder voice or a management-favorable voting equilibrium. This design builds on evidence that mutual funds are economically meaningful voters and exhibit systematic cross-sectional voting patterns (Iliev and Lowry, 2015; Matvos and Ostrovsky, 2010; McCahery et al., 2016).

4.7 Estimation and inference

Unless otherwise noted, I cluster standard errors at the firm level (gvkey). Firm-year specifications include year fixed effects and, where feasible, firm fixed effects; meeting-level specifications include firm fixed effects when the panel supports within-firm estimation and meeting-year fixed effects. For the milestone CAR analysis, I additionally report two-way clustering by firm and event and event-level wild cluster bootstrap inference. These choices follow Petersen (2009). Control variables are lagged and winsorized as described in Section 3.3.6, and share outcomes are reported in percentage-point units.

5 Results

This section reports tests of H_1 (market expectations and realized contest activity), H_2 (voting mechanics and outcomes inside contested elections), and H_3 (spillovers to voting in regular meetings).

5.1 H_1: Market expectations and proxy contest activity

5.1.1 Market reaction to UPR milestones

Table 4 tests whether firms with higher *ex ante* Activism Exposure exhibit differential stock-price reactions around major UPR milestones. If UPR reduces expected activism-related outcomes at exposed firms, rule-advancing milestones should be relatively more negative for those firms, while milestones that reduce implementation likelihood should be less negative (or more positive). I interpret these reactions as evidence on investor expectations, consistent with event-study evidence around governance regulation in Larcker et al. (2011).

Two patterns emerge. First, average CARs are not uniformly positive: Appendix Table A3 shows negative mean CARs at the 04/16/2021 reopening ($\text{CAR}_{[-1,+1]} = -1.47$) and the 11/17/2021 adoption ($\text{CAR}_{[-1,+1]} = -2.14$), but a positive mean CAR at the 09/01/2022

implementation date ($CAR_{[-1,+1]} = 0.57$). Second, exposure effects concentrate in rule-advancing milestones. In the long-window specification, Panel C of Table 4 shows that a one-standard-deviation increase in Activism Exposure is associated with a -1.071 percentage-point lower $CAR_{[-5,+5]}$ around reopening (Column 2) and a -0.646 percentage-point lower $CAR_{[-5,+5]}$ around adoption (Column 3). By contrast, exposure does not load strongly around implementation (-0.476 in Column 4, statistically insignificant), and the shelving coefficient is not consistently negative (0.139 in Column 1).

These patterns are consistent with investors pricing a relative reduction in expected activism-related outcomes at high-exposure firms following rule-advancing developments. Inference is constrained by the small number of event dates: Appendix Table A6 shows sensitivity to inference choices when clustering accounts for limited event clusters. I therefore treat the event-study evidence as suggestive and complementary to realized-activity tests.

5.1.2 UPR and the frequency of proxy contests

Table 5 tests whether proxy contest activity changes differentially for firms that are *ex ante* more exposed to activism by interacting a post-UPR indicator with the standardized activism exposure index (coefficients in percentage points).

Two results stand out. Without firm fixed effects, Activism Exposure positively predicts proxy contest incidence and counts (Columns 1 and 4), consistent with baseline susceptibility to activism and escalation (Brav et al., 2008; Klein and Zur, 2009; Gantchev, 2013; Chen et al., 2020). The post-UPR $\times$ exposure interaction is negative and statistically significant for both the probability of any proxy contest and the number of contests (Table 5). In the preferred specification (Column 3), a one-standard-deviation increase in exposure implies a 0.45 percentage-point lower post-UPR probability of any proxy contest, relative to a pre-UPR mean of 1.06% (a 42.5% decline to 0.61%).

5.1.3 Dynamics and robustness

Figure 1 plots dynamic DiD estimates that interact year indicators with exposure (firm fixed effects and lagged controls; 2021 omitted). Pre-period coefficients are not jointly distinguishable from zero, and the relative effect becomes more negative in post-implementation years, aligning with UPR applying to contested meetings held on or after the implementation date.

Appendix analyses support a reallocation interpretation rather than a uniform decline in activism. Appendix Table A7 shows little average change in proxy contest activity post-UPR once firm fixed effects are included, while activist campaign incidence and counts rise on average. Appendix Table A8 similarly shows that activist campaigns do not decline systematically among higher-exposure firms. Appendix Table A9 confirms the contest-count heterogeneity in a conditional fixed-effects Poisson framework; Cohn et al. (2022) discusses related count-data modeling choices in finance.

I also examine margins that may help explain why contests fall most at high-exposure firms. Appendix Table A10 shows a modest post-UPR contraction in board size in non-contest (threat) years: a one-standard-deviation increase in exposure is associated with a 0.17 director smaller board (pre-UPR mean 9.65), with no corresponding differential change in board independence or female representation. Because board structure is a central governance margin (Adams et al., 2010), this pattern is consistent with modest adjustment, though too small to mechanically account for the contest decline.

Motivated by bargaining and settlement mechanisms (Bebchuk et al., 2020) and sequential escalation (Gantchev, 2013), Appendix Table A11 tests whether lower contest incidence is offset by more settlements. Given the prevalence of settlement outcomes in activist engagements (Corum, 2023), this provides a direct check on contest-to-settlement substitution. The results show no such offset: neither settlement incidence nor the settlement rate rises with exposure in the post period. Appendix Table A12 instead points to participation shifts. Marginal-activist campaigns increase on average post-UPR (Panel A) but not disproportionately at high-exposure firms (Panel B), while core-activist participation declines among

high-exposure firms after implementation (Panel B). Taken together, these results support a post-UPR reallocation away from proxy contests at the most exposed firms, not because contests are systematically replaced by settlements, but because escalation and participation patterns shift where contests historically were most likely (Gantchev, 2013; Fos and Tsoutsoura, 2014).

5.2 H_2: Voting mechanics and outcomes inside contested director elections

UPR changes contested-election ballot technology by enabling mix-and-match voting across slates. H_2 asks (i) whether mixing rises mechanically (a first-stage validation) and (ii) whether downstream outcomes shift toward dissidents (shareholder-voice strengthening) or toward management (a management-tilting equilibrium).

5.2.1 H_2 first stage: Mix-and-match and ticket splitting

Table 6 shows a sharp post-UPR increase in mix-and-match voting in contested director elections. In this sample, the pre-UPR mean for observing any mixed-slate voting is mechanically near zero (Pre-UPR Mean = 0)[1], while the post-UPR mean exceeds 50% (Post-UPR Mean = 53.19–55.29). The post-UPR indicator implies a 62.06 to 67.94 percentage-point increase in the likelihood of any mixed-slate voting (columns 1–2). Ticket splitting also rises: the share-weighted split-ticket rate is near zero pre-UPR (Pre-UPR Mean = 0) but is roughly 11.63–12.45 post-UPR, with estimated post-UPR effects of 9.37 to 16.92 percentage points (columns 4–5). These patterns match UPR's mechanical objective of allowing proxy voters to mix nominees across slates (SEC, 2021a; Hirst, 2018; Menke, 2021).

Table 6 also tests heterogeneity by exposure. The post-UPR × exposure interaction is positive and statistically significant for the extensive margin when year fixed effects are

[1]These outcomes are designed to capture UPR-enabled mixing on a universal ballot, so the pre-UPR mean is mechanically near zero in this estimation sample.

included (column 3), while the corresponding interaction for split-ticket intensity is small and statistically insignificant (column 6). Overall, Table 6 establishes a clear first stage: implementation induces substantial mix-and-match voting in practice, motivating tests of downstream support and outcomes.

5.2.2 H_{2a} vs. H_{2b}: Single-slate voting behavior

Table 7 tests whether UPR changes mutual funds' propensity to vote exclusively for management versus exclusively for dissidents. If UPR strengthens shareholder voice in a dissident-favorable direction, exclusive management support should fall and/or exclusive dissident support should rise, especially in higher-exposure contests.

The estimates instead indicate a management-tilting shift. The post-UPR × exposure interaction is positive and statistically significant for exclusive management-slate voting: a one-standard-deviation increase in exposure implies a 10.95 to 14.77 percentage-point larger post-period share of funds voting only for management (columns 1–2). The corresponding interaction for exclusive dissident-slate voting is small and statistically insignificant (columns 3–4). Post-UPR, the mean share voting exclusively for management is substantial (46.27–48.33), while exclusive dissident voting remains near zero (0.47–0.51). This pattern is consistent with shareholders expressing dissatisfaction through director-election voting without supporting wholesale slate replacement (Del Guercio et al., 2008).

I next test whether this reallocation is visible in realized nominee-level support.

5.2.3 Nominee-level voting support

Table 8 uses ISS Company Vote Results to test whether nominee-level support shifts for management versus dissident nominees. Panel A shows stronger post-UPR support for management nominees in higher-exposure contests: the post-UPR × exposure interaction is positive and statistically significant for average management support (12.94 to 14.34 percentage points; columns 1–2) and minimum support (10.29 percentage points; column 3),

and negative for the share of management nominees below 90% support (columns 5–6). Relative to pre-period means (about 92% average support and about 20% below 90%), these effects are economically large.

Panel B shows no parallel strengthening for dissident nominees. The post-UPR × exposure interaction is negative across dissident support measures and statistically significant for the share of dissident nominees below 90% support (columns 5–6). Thus, higher-exposure contests exhibit post-period consolidation behind management nominees, with no broad improvement in dissident nominee support.

5.2.4 Realized dissident success and dynamics

Table 9 tests whether these shifts translate into dissident success. The post-UPR × exposure interaction is negative for both the dissident seat win rate (columns 1–2) and the probability of any dissident win (columns 3–4), but statistically indistinguishable from zero. Point estimates are economically meaningful (about -10 percentage points for the seat win rate and -17 to -22 percentage points for any win), but standard errors are large in this small contested-election sample. Overall, the data do not support a post-UPR increase in dissident success where exposure is highest.

Figure 2 complements Tables 8 and 9 by plotting dynamic exposure-by-year estimates for management support in contested elections; the profile aligns with higher management support in post-implementation years. Taken together, the contested-election evidence is more consistent with H_{2b} than with H_{2a}: implementation induces substantial mix-and-match voting mechanically (Table 6), but nominee support shifts toward management and dissident success does not rise in higher-exposure contests (Tables 7–9, plus Figure 2).

5.3 H_3: Spillovers to voting outside contested elections

5.3.1 Mutual fund voting in regular meetings

Table 10 tests whether voting in regular (non-contested) meetings shifts post-UPR, using the post-UPR meeting indicator interacted with *ex ante* Activism Exposure. Outcomes capture (i) overall management support across ballot items, (ii) an indicator for any dissent, and (iii) the fraction of items receiving dissent.

The estimates indicate greater management alignment at higher-exposure firms post-UPR. A one-standard-deviation increase in exposure implies a 0.97 to 1.76 percentage-point higher share of votes cast with management recommendations (columns 1–2) and a 1.14 to 1.94 percentage-point lower probability of any dissent (columns 3–4). Dissent-rate effects are weaker in the baseline specification but become negative and statistically significant once controls are included (column 6). Relative to pre-period means, the magnitudes are modest but nontrivial (e.g., 1.76 relative to 65.59 in column 2; 1.94 relative to 33.50 in column 4).

These patterns are consistent with selective and resource-constrained governance engagement (Iliev et al., 2021; McCahery et al., 2016), persistent cross-fund differences in voting stances (Bolton et al., 2020), strategic interactions and correlated voting (Matvos and Ostrovsky, 2010), and broader institutional and regulatory influences on how opposition is expressed (Bethel and Gillan, 2002), including coordinated engagement among large institutions (Dimson et al., 2025, 2015).

5.4 Synthesis across hypotheses

Across tests, the evidence is coherent. Market reactions around key milestones are consistent with an anticipated reduction in activism-related outcomes at high-exposure firms (Table 4 and Appendix Table A3), while inference is constrained by the small number of event dates (Appendix Table A6). In realized activity, proxy contests decline differentially for high-exposure firms post-UPR (Table 5 and Figure 1), robust to alternative modeling choices

(Appendix Tables A7 through A9). Inside contested elections, UPR generates a strong mechanical first stage via mix-and-match voting (Table 6), but support patterns tilt toward management and dissident success does not rise (Tables 7–9, plus Figure 2). Spillovers in regular meetings also move toward greater management alignment and reduced dissent at high-exposure firms (Table 10). Collectively, the results are most consistent with an environment in which ballot technology changes, but equilibrium voting behavior and contest activity shift in ways that do not strengthen dissident outcomes on net. In particular, the decline in contests without an offsetting increase in settlements is consistent with reallocation operating through escalation and participation decisions rather than systematic contest-to-settlement substitution (Gantchev, 2013; Bebchuk et al., 2020).

6 Discussion

This section interprets what the evidence implies about the Universal Proxy Rule (UPR) as a governance reform. The central distinction is between UPR's *mechanical* implications inside contested director elections and its *equilibrium* effects once activists, boards, and institutional investors respond strategically. Classic agency theories emphasize that governance institutions operate by allocating monitoring and control rights and thereby shaping feasible disciplinary actions (Jensen and Meckling, 1976; Fama and Jensen, 1983). UPR expands the feasible set of proxy votes in contests, but its effects on escalation, bargaining, and investor support are theoretically ambiguous (Hirst, 2018; Menke, 2021; Baker et al., 2023). I interpret the results through the same activism-pipeline lens used above.

6.1 UPR across the activism pipeline: mechanical change and equilibrium responses

Across hypotheses, the evidence shows a clear first-stage mechanical change but no dissident-favorable shift in broader outcomes. In contested elections, institutional vote records display

a sharp rise in mix-and-match voting after implementation, consistent with the pre-UPR ballot constraint and the SEC's stated objective (Hirst, 2018; SEC, 2021a). However, outcomes along the activism pipeline align more with H_{1b}, H_{2b}, and H_{3b} than with a friction-reduction or broad voice-strengthening channel.

At the front end, market expectations and realized contest activity both move toward *less* escalation among firms that are more exposed to activism *ex ante*. This pattern is difficult to square with a view in which universal proxy simply reduces contest frictions and mechanically increases contest incidence. Instead, it fits an equilibrium de-escalation channel in which escalation to a vote becomes less attractive precisely where activism risk is highest. This reading is consistent with the strategic ambiguity emphasized by Hirst (2018) and Menke (2021), and with models in which activism is sequential with endogenous escalation (Gantchev, 2013). The evidence does not imply that activism disappears; rather, conditional on activism exposure, the marginal campaign is less likely to escalate to a proxy contest after UPR, consistent with substitution along the escalation margin in broader activism settings (Brav et al., 2008, 2015; Baker et al., 2023; Boyson and Mooradian, 2011).

Inside contested director elections, UPR appears best read as expanded choice paired with management-leaning realized outcomes. UPR enables shareholders to combine nominees across slates, yet the distribution of support and outcomes does not shift toward dissidents on net. Where UPR should be most economically meaningful, support and outcomes tilt toward incumbents rather than dissidents. A natural interpretation is *selective dissatisfaction*: investors use a more granular ballot to target specific directors without endorsing slate-level replacement. This logic aligns with evidence that shareholders can discipline boards via director-election voting without necessarily supporting broad control changes (Del Guercio et al., 2008; Cuñat et al., 2012). Under the split-card regime, expressing partial dissatisfaction could require a coarse action; under a universal card, an investor can support one or two dissident nominees while maintaining broad support for the rest of management's slate. As Hirst (2018) notes, this can mechanically raise observed mixing while dampening slate-level

opposition, and Menke (2021) similarly emphasizes that equilibrium effects need not favor dissidents.

UPR can also shift the costs and composition of escalation. The rule is not only a ballot-format change; it introduces notice, filing, and solicitation requirements that can raise fixed costs for some dissidents (SEC, 2021a). If these requirements bind mainly for marginal campaigns, they can change which contests are attempted and which reach a vote, consistent with fewer contests among the most exposed firms even as mixing rises in the contests that occur. More generally, proxy contests are consequential but costly escalation instruments, and selection into which contests are pursued can shift the observed pool of outcomes (Fos and Tsoutsoura, 2014; Fos, 2017; Gow et al., 2014).

Finally, the spillover evidence suggests that UPR coincides with broader changes in institutional voting behavior outside contested settings. In routine meetings, institutional voting becomes modestly more management-aligned and less likely to register dissent at firms with higher baseline activism exposure. Spillovers are inherently harder to interpret than within-contest outcomes, but their stronger concentration among higher-exposure firms suggests they are not purely common time effects. One interpretation is re-optimization of how investors express dissatisfaction when contest voting becomes more granular, consistent with voice-versus-exit logic (Edmans, 2009). This reading is consistent with evidence that mutual-fund voting reflects both preferences and constraints (Iliev and Lowry, 2015; McCahery et al., 2016), exhibits strategic interaction and correlated behavior (Matvos and Ostrovsky, 2010), and that routine dissent can reflect pressure on particular dimensions such as compensation (Ertimur et al., 2011). Coordinated engagement patterns among large institutions provide additional context for interpreting shifts in dissent outside contests (Dimson et al., 2015, 2025).

6.2 Relation to prior literature

The results connect to two related literatures: universal proxy as a change in voting mechanics, and proxy contests and shareholder activism as governance mechanisms operating through both realized seat gains and the threat of escalation. A common theme is that voting reforms can have clear mechanical implications while generating ambiguous equilibrium effects once activists, boards, and institutional investors adjust strategically (Hirst, 2018; Menke, 2021; Brav et al., 2023; Baker et al., 2023). The evidence here fits that view and clarifies where along the activism pipeline the main effects appear.

At the escalation margin, fewer proxy contests among firms with higher baseline activism exposure speaks to contests as an escalation technology within broader activism. Canonical evidence emphasizes targeting and escalation, and the interaction with other channels (including takeovers) (Brav et al., 2008; Greenwood and Schor, 2009; Corum and Levit, 2019). A sequential escalation perspective highlights that observed contests reflect selection and bargaining into escalation (Gantchev, 2013). Within proxy contests, Fos and Tsoutsoura (2014) and Fos (2017) emphasize that contests can discipline but are nontrivial escalation choices. The patterns documented here are consistent with an equilibrium shift in escalation and bargaining rather than a purely mechanical increase in contest incidence following reform.

Within contested elections, the findings speak directly to universal proxy. Hirst (2018) emphasizes that universal proxy removes distortions created by split cards but also that expanded choice can change how shareholders express dissatisfaction; Menke (2021) similarly stresses context and strategic responses. The evidence aligns with both points. UPR clearly enables more mix-and-match voting, indicating that the pre-UPR constraint was economically meaningful. Yet mixing does not translate into more dissident-favorable outcomes on net; instead, patterns are consistent with targeted discipline of specific directors alongside continued broad support for incumbents (Del Guercio et al., 2008; Cuñat et al., 2012).

The spillover evidence also links UPR to the institutional voting and intermediation

literatures. Proxy advisors can shape voting outcomes, and changes in the contest environment can affect how institutions process governance information (Malenko and Shen, 2016; Malenko and Malenko, 2019). At the same time, large institutions engage through voting and other channels, and their preferences and constraints shape how activism plays out (Appel et al., 2016; McCahery et al., 2016; Bebchuk et al., 2020, 2017; Gilson and Gordon, 2013). In this broader perspective, more management-aligned voting in routine meetings is consistent with shifts in how institutions allocate dissent, especially where activism is most salient ex ante.

Overall, the contribution is to connect these margins within a single framework. The evidence supports the mechanical implication emphasized by Hirst (2018) and discussed by Menke (2021), while documenting equilibrium responses along the escalation and institutional voting margins emphasized in activism and proxy-contest research (Gantchev, 2013; Fos and Tsoutsoura, 2014; Brav et al., 2023). This combination helps explain why universal proxy can increase mix-and-match voting without increasing dissident success on net, and why observable effects may arise through changes in escalation and institutional voting behavior rather than higher dissident win rates.

6.3 Implications for policy and practice

The main implication is that ballot reforms should be evaluated jointly on mechanical and equilibrium margins. UPR achieves its mechanical objective by expanding the feasible set of proxy votes in covered contests and inducing meaningful mix-and-match voting (SEC, 2021a). The evidence does not support the stronger claim that universal proxy necessarily increases dissident success or contest incidence; if anything, post-UPR patterns are more consistent with de-escalation and management-leaning equilibrium adjustments where activism exposure is highest.

Practically, a reform that increases voter choice can still reduce escalation to contests if it changes either (i) the expected marginal payoff to contesting or (ii) the fixed costs

and selection into which contests are pursued. Director-specific discipline may become more feasible under a universal card even if broad slate turnover remains uncommon (Cuñat et al., 2012; Del Guercio et al., 2008). Finally, reforms targeted at contested elections may propagate through institutional voting behavior more broadly, given that mutual-fund voting reflects both preferences and constraints and can respond to changes in information and intermediation (Iliev and Lowry, 2015; Malenko and Shen, 2016; McCahery et al., 2016).

6.4 Limitations and directions for future research

Several limitations qualify interpretation and motivate extensions. First, the post-implementation window is short, and longer panels will be useful for assessing persistence as market participants learn and adapt. Second, market-reaction evidence around UPR milestones is constrained by the small number of major policy events and should be interpreted cautiously. Third, the paper does not directly observe key strategic margins such as behind-the-scenes bargaining, campaign expenditures, solicitation intensity, or the role of proxy advisors, which can be central in contested settings (Malenko and Shen, 2016; Malenko and Malenko, 2019).

Future work could combine richer campaign-level data with nominee-level outcomes to test mechanisms more directly, including whether activist composition shifts, contests become more targeted, or incumbents adjust governance features that affect contestability. More broadly, governance institutions are endogenously shaped by incentives and bargaining (Hermalin and Weisbach, 1998, 2003), so reduced-form policy evaluation is inherently about equilibrium adjustment. The evidence here similarly suggests that evaluating voting-mechanism reforms requires tracing effects across multiple margins: UPR changes voting technology, but its governance consequences depend on how investors, activists, and incumbents respond strategically.

7 Conclusion

The SEC's Universal Proxy Rule (UPR) reforms contested director elections by requiring management and dissident nominees to appear on a single proxy card, expanding the feasible set of proxy votes (SEC, 2021a). More broadly, the institutional and regulatory environment can shape how shareholders vote and how contests unfold (Bethel and Gillan, 2002). This paper asks whether expanded ballot choice strengthens shareholder voice in practice and, if so, where along the activism pipeline the effects arise. Because UPR applies broadly to U.S. public firms and does not generate a clean treated-versus-untreated partition, I identify its effects using cross-sectional heterogeneity in firms' *ex ante* exposure to shareholder activism. I combine firm-year evidence on contest incidence with meeting-level evidence on institutional voting inside contested elections and in routine meetings.

Across the three hypotheses, the findings support a consistent interpretation. First, at the front end of the pipeline (H_1), the evidence does not support a simple friction-reduction view in which UPR increases proxy contest activity where activism is most likely. Market reactions around key UPR milestones are consistent with investors anticipating less activism-related escalation at firms with higher baseline Activism Exposure, although event-study inference is naturally constrained by the small number of policy events (see also Larcker et al. (2011)). In realized activity, proxy contest incidence declines differentially among high-exposure firms after implementation. In economic terms, the preferred specification implies that a one-standard deviation increase in Activism Exposure corresponds to roughly a 0.45 percentage-point lower probability of a proxy contest in the post period, relative to a pre-period mean of 1.06%. Campaign-level patterns are consistent with compositional change, including fewer campaigns escalating to contests and a larger role for marginal activists, consistent with activism as an endogenous, multi-stage escalation process (Gantchev, 2013; Brav et al., 2008; Klein and Zur, 2009).

Second, inside contested director elections (H_2), UPR delivers its intended mechanical first stage. Consistent with Hirst (2018), mutual-fund voting records show substantial

growth in mix-and-match voting after implementation, moving proxy voting closer to the in-person ballot margin contemplated by the SEC (SEC, 2021a). However, the governance consequences inside contests do not shift in a dissident-favorable direction on net. Nominee support and contested-election outcomes tilt toward management in the settings where UPR should matter most, and dissident success does not rise differentially for higher-exposure firms. The contested-election evidence is therefore more consistent with selective dissatisfaction and a management-leaning equilibrium than with broad strengthening of dissident leverage, as emphasized by Hirst (2018) and Menke (2021). This interpretation aligns with evidence that shareholders can discipline boards through director-election voting without necessarily supporting broad turnover (Del Guercio et al., 2008; Cuñat et al., 2012), and with evidence that incumbents can retain structural advantages in close voting outcomes (Listokin, 2008).

Third, spillovers beyond contested elections (H_3) also point in a management-aligned direction. In the broader universe of regular shareholder meetings, mutual funds become modestly more supportive of management recommendations and less likely to register any dissent at firms with higher baseline Activism Exposure. While these spillovers are harder to interpret than within-contest outcomes, the fact that the shifts are strongest where exposure is highest suggests they are not purely aggregate time effects. More broadly, the reallocation of institutional voting across settings is consistent with evidence that mutual-fund voting reflects both preferences and constraints (Iliev and Lowry, 2015; McCahery et al., 2016), can exhibit correlated behavior across institutions (Matvos and Ostrovsky, 2010), and may be shaped by agency frictions within institutional intermediation (Bebchuk et al., 2017).

Overall, the evidence implies that ballot-mechanism reforms can have sharp mechanical effects while producing equilibrium responses that are not aligned with the reform's most ambitious governance claims. UPR appears to achieve its narrow objective of expanding choice inside contested elections, yet outcomes along the activism pipeline are more consistent with de-escalation and management-leaning voting adjustments where activism is most

salient *ex ante*. For policy and practice, the results suggest that evaluating voting-technology reforms requires tracing effects across margins, not only in-contest mechanics. For activists, contest value may shift toward targeted seat gains rather than broad slate turnover, consistent with evidence of heterogeneous objectives, threats, and outcomes (Brav et al., 2008, 2015; Chen et al., 2020). For boards, universal proxy can increase the feasibility of director-specific discipline while leaving overall incumbent support stable or higher (Del Guercio et al., 2008). For institutional investors, more granular voting in high-stakes settings may change how dissatisfaction is expressed more broadly, including in routine votes, through the strategic and information channels highlighted in the proxy-voting and intermediation literatures (Malenko and Shen, 2016; Malenko and Malenko, 2019), and through the stewardship and intermediation perspective discussed by Gilson and Gordon (2013) and evidenced in active-ownership settings (Dimson et al., 2015).

Several limitations qualify the interpretation and motivate future work. The post-UPR window remains short, and longer panels will be useful for assessing whether these patterns persist as market participants learn and adapt. The market-reaction evidence is constrained by the small number of major policy events. The analysis also does not directly observe key strategic margins such as bargaining and settlements, campaign expenditures and solicitation intensity, proxy advisor influence, or changes in defensive tactics, all of which can shape escalation and contest outcomes (Bebchuk et al., 2020; Malenko and Shen, 2016). Future research combining richer campaign-level data with nominee-level outcomes can help distinguish deterrence from substitution and identify mechanisms through which voting reforms propagate, including private ordering responses emphasized by Menke (2021). More broadly, this paper's evidence suggests that UPR changes voting technology, but its governance consequences depend on how activists, boards, and institutional investors respond strategically.

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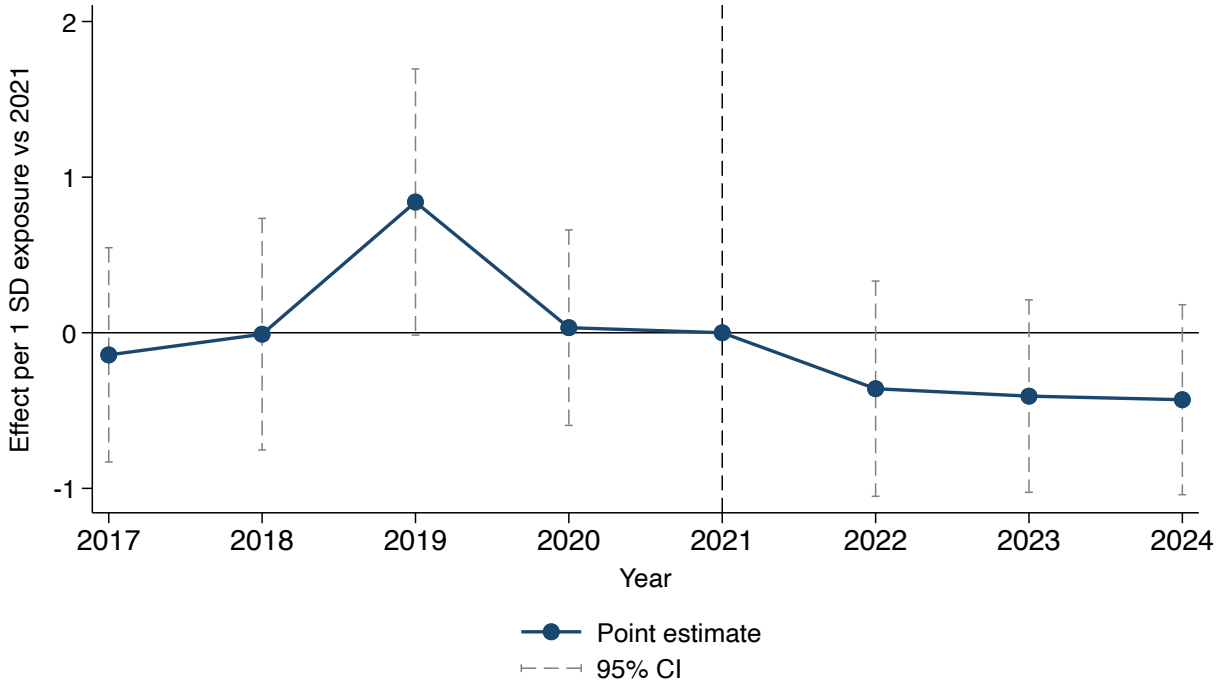
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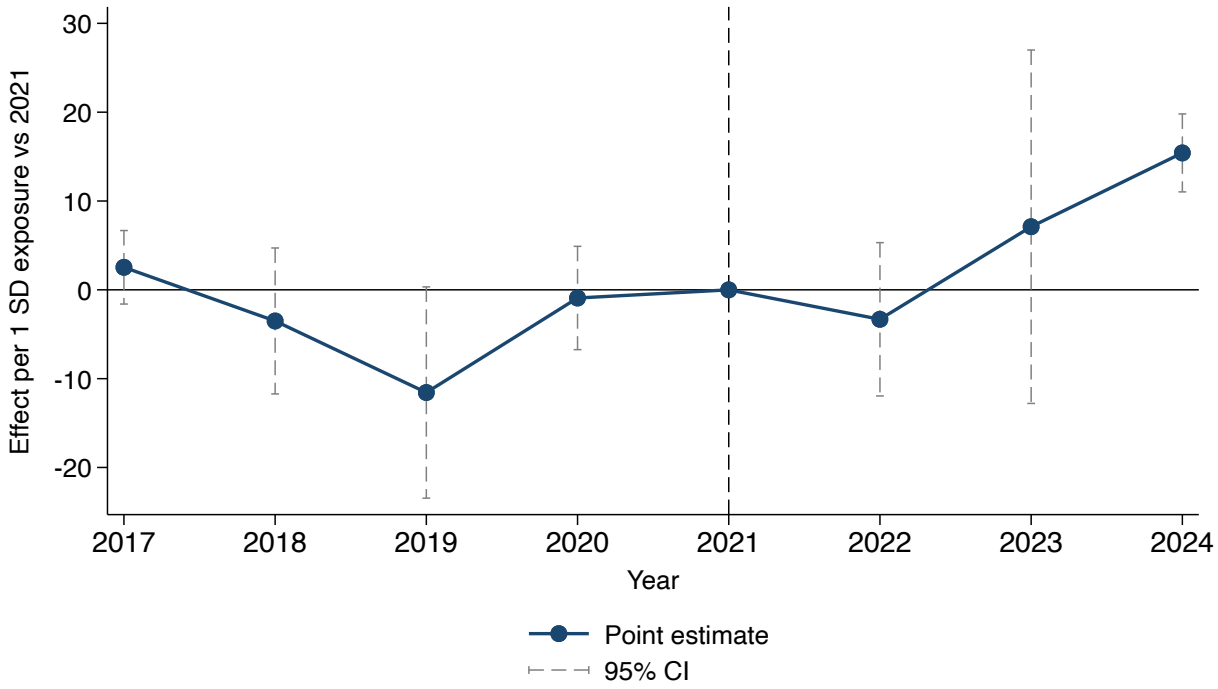
Figures

Figure 1: **Dynamic DID: Exposure × Year (Any proxy contest)**
This figure plots coefficients on year indicators interacted with ex-ante activism exposure (z-score) from firm fixed effects regressions with lagged controls. The omitted reference year is 2021; 95% confidence intervals are based on standard errors clustered at the firm level.



Notes: Base year = 2021; Firm FE; lagged firm controls; SEs clustered by firm. Pre-period joint test p = 0.147.

Figure 2: **Dynamic DID: Exposure × Year (Avg management support)**
This figure plots coefficients on year indicators interacted with ex-ante activism exposure (z-score) from firm fixed effects regressions with lagged controls. The omitted reference year is 2021; 95% confidence intervals are based on standard errors clustered at the firm level.



Notes: Base year = 2021; Firm FE; lagged firm controls; SEs clustered by firm.

Tables

Table 1: **Firm-year Sample and Summary Statistics**
The sample includes 29,156 firm-year observations (5,310 unique firms) from 2017–2024; 27.2% of observations fall in the post-UPR period. The table reports N, mean, standard deviation, and selected percentiles for the main firm characteristics used in the analyses.

	N	Mean	SD	P1	P25	P50	P75	P99
Financial								
Log market cap	29,136	20.43	2.33	15.35	18.80	20.45	22.04	25.80
Log assets	29,081	6.80	2.35	1.67	5.18	6.92	8.41	12.21
Book leverage ratio	28,993	0.27	0.34	0.00	0.05	0.20	0.40	1.28
Cash / assets	29,081	0.25	0.28	0.00	0.04	0.13	0.38	0.97
Log sales growth	25,179	0.08	0.56	-1.68	-0.03	0.07	0.19	1.93
Tobin's Q (wins.)	29,054	1.59	1.97	-0.62	0.50	1.02	1.92	11.56
ROE (wins.)	26,957	-0.14	1.04	-5.39	-0.25	0.06	0.16	4.08
1-year return (%)	27,722	9.5	103.1	-93.2	-28.8	-0.1	29.3	285.3
Volatility (90d, ann.) (%)	28,734	56.8	63.9	11.8	29.6	44.2	68.3	235.7
Governance								
Board size	10,273	9.65	2.16	5.00	8.00	9.00	11.00	15.00
Female directors (%)	10,273	26.2	11.7	0.0	18.2	25.0	33.3	55.6
Independent directors (%)	10,273	81.9	10.1	50.0	77.8	85.7	90.0	92.9

Notes: N reports the number of non-missing observations for each variable, so sample size varies across rows; governance variables are available for a smaller subsample due to data coverage. P1, P25, P50, P75, and P99 denote the 1st, 25th, 50th, 75th, and 99th percentiles. Log market cap is the natural logarithm of market capitalization measured in $ billions. Book leverage ratio is defined as $(dltt + dlc)/at$, and cash/assets is che/at. Returns and volatility are reported in percent; volatility (90d, ann.) is the annualized standard deviation of daily returns over the prior 90 trading days. Variables labeled (wins.) are winsorized at the 1st and 99th percentiles. Female directors and independent directors are reported in percent.

Table 2: **Meeting-level Samples and Summary Statistics**
This table reports descriptive statistics for the meeting-level panel used in the voting analyses. Panel A summarizes contested meetings (254 meetings). Panel B summarizes all meetings (69,333 meetings). For each variable, the table reports the number of non-missing observations (N), mean, standard deviation, and selected percentiles.

Panel A. Contested meetings

	N	Mean	SD	P1	P25	P50	P75	P99
Meeting outcomes								
Dissident seat win rate (%)	254	32.12	42.52	0.00	0.00	0.00	83.33	100.00
Dissident seats sought	254	5.01	3.82	1.00	2.00	4.00	7.00	18.00
Dissident seats won	254	1.66	2.62	0.00	0.00	0.00	3.00	11.00
Management nominees	229	6.35	4.97	1.00	3.00	4.00	9.00	24.00
Dissident nominees	254	5.01	3.82	1.00	2.00	4.00	7.00	18.00
Financial and governance								
Log market cap	157	19.99	2.30	15.87	18.55	19.72	21.20	26.13
1-year return (%)	157	3.86	45.47	-91.07	-21.00	6.17	28.48	141.62
Volatility (90d, ann.) (%)	157	41.16	29.16	5.24	20.86	35.65	56.82	162.06
Board size	56	13.12	3.92	7.00	10.00	12.00	16.00	23.00
Female directors (%)	56	31.70	14.56	0.00	21.54	33.33	42.26	66.67
Independent directors (%)	56	87.25	11.10	33.33	86.19	90.91	92.58	95.65

Panel B. All meetings

	N	Mean	SD	P1	P25	P50	P75	P99
Meeting outcomes								
Ticket split rate (% funds)	6,260	26.15	32.09	0.00	0.00	11.22	44.67	100.00
Ticket split intensity (% sh-val)	6,260	22.64	32.04	0.00	0.00	7.49	30.95	100.00
All-management support rate	69,333	48.44	40.36	0.00	0.00	50.00	91.76	100.00
Any dissent (all items) (%)	69,333	48.29	40.56	0.00	3.36	50.00	100.00	100.00
Dissent rate (all items) (%)	67,843	18.28	21.55	0.00	1.25	9.80	28.75	88.89
Number of funds voting	69,333	91.65	168.92	1.00	1.00	4.00	127.00	767.00
Financial and governance								
Log market cap	32,208	21.09	2.18	16.11	19.56	21.07	22.56	26.10
1-year return (%)	32,064	13.00	89.58	-83.76	-18.47	4.57	29.68	245.51
Volatility (90d, ann.) (%)	32,183	43.53	50.07	6.77	24.22	34.72	52.99	162.26
Board size	14,669	9.74	2.19	5.00	8.00	10.00	11.00	16.00
Female directors (%)	14,669	26.02	11.40	0.00	18.18	25.00	33.33	55.56
Independent directors (%)	14,669	81.80	10.09	50.00	76.92	85.71	90.00	92.86

Notes: N reports the number of non-missing observations for each variable, so sample size varies across rows due to data availability when merging firm characteristics and governance measures. P1, P25, P50, P75, and P99 denote the 1st, 25th, 50th, 75th, and 99th percentiles. Ticket split rate (% funds) is the fraction of mutual funds that split their votes across management and dissident nominees within a meeting. Ticket split intensity (% sh-val) is the share-value-weighted analog. Volatility (90d, ann.) is the annualized standard deviation of daily stock returns over the prior 90 trading days. Percent variables are reported on a 0–100 scale.

Table 3: **Campaign-level Sample and Summary Statistics**
This table reports summary statistics for the matched campaign-level sample. Each observation is a unique activism campaign (collapsed by *campaign_id*). Columns split observations into Pre (fiscal year $\leq$ 2022) and Post (fiscal year $\geq$ 2023). Percent-of-firm-year rows use the matched firm-year panel as the denominator (All: 29,156; Pre: 21,742; Post: 7,414 firm-years, 2017–2024). The last column reports Post minus Pre differences. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	All	Pre	Post	Diff. (Post–Pre)
Campaign incidence				
Number of activist campaigns	1,613	1,183	430	
Number of target firms	1,034	809	320	
Number of targeted firm-years	1,348	995	353	
Targeted firm-years (% of firm-years in panel)	4.62	4.58	4.76	0.18
Contest intensity				
Number of proxy contests	342	264	78	
Proxy contests (% of campaigns)	21.2	22.3	18.1	-4.2*
Number of proxy-contest firm-years	323	248	75	
Proxy-contest firm-years (% of firm-years in panel)	1.11	1.14	1.01	-0.13
Campaign characteristics				
Stake at start (%)	9.01	9.13	8.67	-0.5
Settlement (% of campaigns)	29.4	29.8	28.6	-1.2
Core activist (% of campaigns)	34.9	36.9	29.3	-7.6***
Marginal activist (% of campaigns)	65.1	63.1	70.7	7.6***

Notes: Targeted firm-years count distinct firm-year observations targeted by at least one campaign. Stake at start is the activist's ownership stake at campaign initiation. Settlement indicates campaigns resolved via settlement. Core activist indicates campaigns initiated by experienced activists; marginal activist is the complement. Percentages are reported on a 0–100 scale. Post–Pre differences are based on differences in means (Welch t-tests) for campaign-level outcomes and tests of proportions for firm-year shares. The sample is restricted to common stocks and excludes UPR-exempt firms.

Table 4: **Market Reaction to Universal Proxy Milestones and Activism Exposure** This table reports cross-sectional regressions of event-window cumulative abnormal returns (CARs), multiplied by 100 and expressed in percentage points, on the ex-ante activism exposure index around four universal proxy milestones. Panels A, B, and C use CAR windows $[-1,+1]$, $[0,+2]$, and $[-5,+5]$, respectively. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Panel A. CAR[-1,+1] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.231**	-0.360***	-0.581*	0.002
	(0.107)	(0.100)	(0.307)	(0.191)
Observations	2,403	2,522	2,503	2,443
R-squared	0.018	0.058	0.063	0.100
GICS sector FE	Yes	Yes	Yes	Yes

Panel B. CAR[0,+2] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.213*	-0.013	-0.177	0.018
	(0.123)	(0.133)	(0.272)	(0.148)
Observations	2,403	2,520	2,503	2,442
R-squared	0.026	0.040	0.086	0.039
GICS sector FE	Yes	Yes	Yes	Yes

Panel C. CAR[-5,+5] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.139	-1.071***	-0.646**	-0.476
	(0.196)	(0.200)	(0.279)	(0.299)
Observations	2,405	2,524	2,505	2,443
R-squared	0.016	0.066	0.048	0.020
GICS sector FE	Yes	Yes	Yes	Yes

Notes: The dependent variable is CAR×100 (percentage points). For each firm (permno) and event, CAR is the sum of abnormal daily returns within the stated window. Abnormal returns are computed from CRSP daily returns using firm-specific parameters estimated over trading days $[-250,-30]$; day 0 is the first CRSP trading day on or after the stated calendar date. The script uses an excess-return model with Fama–French factors (mktrf, smb, hml, rf) when available and otherwise a market model using CRSP value-weighted market returns (vwretd). Estimation requires at least 120 observations. The regressor is the ex-ante activism exposure index, standardized to mean zero and unit variance. All specifications include GICS sector fixed effects. Standard errors are clustered by GICS industry group (gind).
Event descriptions: 07/11/2018: Reuters reports SEC Chair has "shelved" the universal proxy proposal; 04/16/2021: SEC reopens the 2016 proposal comment period; 11/17/2021: SEC adopts the final rule; 09/01/2022: rules apply to contested meetings held on or after this date.

Table 5: **Universal Proxy Rule and the Frequency of Proxy Contests**
This table reports difference-in-differences regressions that relate proxy-contest activity to a post-UPR indicator interacted with the ex-ante activism exposure index (z-score). Columns (1)–(3) use an indicator for whether the firm experiences any proxy contest in a given firm-year. Columns (4)–(6) use the number of proxy contests in the firm-year. Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Any proxy contests			# of contests		
	(1)	(2)	(3)	(4)	(5)	(6)
Activism Exposure (z)	0.85***	0.60	0.70	0.96***	0.69	0.77
	(0.11)	(0.43)	(0.53)	(0.13)	(0.53)	(0.62)
Post-UPR × Activism Exposure (z)	-0.60***	-0.53***	-0.45**	-0.71***	-0.63***	-0.57***
	(0.17)	(0.18)	(0.18)	(0.19)	(0.19)	(0.20)
Observations	19,463	19,356	18,004	19,463	19,356	18,004
Within R-squared	0.006	0.001	0.002	0.006	0.001	0.002
Pre-UPR Mean	1.04	1.04	1.06	1.11	1.11	1.14
Controls	No	No	Yes	No	No	Yes
Firm FE	No	Yes	Yes	No	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Post-UPR equals one for fiscal years $\geq$ 2023 (and zero for fiscal years $\leq$ 2022). The activism exposure index is standardized to mean zero and unit variance. Specifications include year fixed effects and, where indicated, firm fixed effects. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). Standard errors are clustered at the firm (gvkey) level and reported in parentheses.

Table 6: **Mutual Fund Mix-and-Match Voting in Contested Director Elections**
This table relates the introduction of the Universal Proxy Rule (UPR) to mutual fund mix-and-match voting in contested director elections, using ISS Mutual Fund Vote Records. Columns (1)–(3) use an indicator for whether at least one mutual fund chooses a mixed slate in the meeting. Columns (4)–(6) use the share-weighted split-ticket rate in the meeting. The key regressors are a post-UPR meeting indicator and, in columns (3) and (6), its interaction with the ex-ante activism exposure index (z-score). Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Any MF mixing slate			MF split-ticket rate		
	(1)	(2)	(3)	(4)	(5)	(6)
Post-UPR meeting	67.94***	62.06***		16.92***	9.37***	
	(7.33)	(7.10)		(4.20)	(2.55)	
Post-UPR meeting × Activism Exposure (z)			15.59***			0.00
			(3.71)			(1.81)
Observations	264	216	209	264	216	209
Within R-squared	0.446	0.602	0.310	0.255	0.498	0.401
Pre-UPR Mean	0.00	0.00	0.00	0.00	0.00	0.00
Post-UPR Mean	53.19	55.29	54.76	12.45	12.25	11.63
Controls	No	Yes	Yes	No	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	No	No	Yes	No	No	Yes

Notes: The sample includes contested director elections only constructed from ISS Mutual Fund Vote Records. A meeting is classified as contested if the mutual fund voting data include at least one director item with an ISS management recommendation of *For* and at least one director item with a recommendation of *Against* or *Withhold*. Post-UPR meeting equals one for meetings held on or after 09/01/2022. Activism Exposure (z) is standardized to mean zero and unit variance. *Any MF mixing slate* equals one if at least one mutual fund supports both management- and dissident-recommended director nominees in the meeting. *MF split-ticket rate* is the share-weighted fraction of director-vote shares cast by funds that split their ticket in the meeting. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility) and meeting-level and governance characteristics (number of voting funds and lagged board and governance structure). All specifications include firm fixed effects, and columns (3) and (6) additionally include year fixed effects. Standard errors are clustered at the firm level (gvkey) and reported in parentheses.

Table 7: **Mutual Fund Support for Single-Slate Voting in Contested Director Elections**

This table examines whether the introduction of the Universal Proxy Rule (UPR) changes mutual funds' propensity to back only the management slate or only the dissident slate in contested director elections, using ISS Mutual Fund Vote Records. Columns (1)–(2) use the meeting-level share of funds voting exclusively for management-recommended director nominees, and columns (3)–(4) use the meeting-level share of funds voting exclusively for dissident-recommended director nominees. Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Management slate		Dissident slate	
	(1)	(2)	(3)	(4)
Post-UPR meeting × Activism Exposure (z)	14.77***	10.95***	-0.64	0.01
	(4.85)	(3.98)	(0.66)	(0.11)
Observations	250	209	250	209
Within R-squared	0.070	0.336	0.010	0.285
Pre-UPR Mean	0.00	0.00	0.00	0.00
Post-UPR Mean	46.27	48.33	0.47	0.51
Controls	No	Yes	No	Yes
Firm FE	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes

Notes: The sample includes contested director elections only constructed from ISS Mutual Fund Vote Records. A meeting is classified as contested if the mutual fund voting data include at least one director item with an ISS management recommendation of *For* and at least one director item with a recommendation of *Against* or *Withhold*. Post-UPR meeting equals one for meetings held on or after 09/01/2022. Activism Exposure (z) is standardized to mean zero and unit variance. The dependent variables are meeting-level fund shares: the share of mutual funds that support only the management slate and the share of mutual funds that support only the dissident slate, respectively. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility) and meeting-level and governance characteristics (number of voting funds and lagged board and governance structure). All specifications include firm and year fixed effects. Standard errors are clustered at the firm level (gvkey) and reported in parentheses.

Table 8: **Shareholder Voting Support for Management and Dissident Nominees in Contested Director Elections**

This table examines whether the introduction of the Universal Proxy Rule (UPR) changes shareholder voting support for management and dissident nominees in contested director elections using vote outcomes from ISS Company Vote Results. Panel A reports support for management nominees and Panel B reports support for dissident nominees. Columns (1)–(2) use the average nominee support within a meeting, columns (3)–(4) use the minimum nominee support, and columns (5)–(6) use the share of nominees receiving less than 90% support. Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Panel A. Support for Management Nominees

	Avg. support		Min. support		Share < 90%	
	(1)	(2)	(3)	(4)	(5)	(6)
Activism Exposure (z)	-1.32	-1.98	0.36	0.05	-1.35	-0.11
	(1.73)	(1.75)	(2.48)	(2.43)	(5.75)	(5.13)
Post-UPR meeting × Activism Exposure (z)	12.94**	14.34**	10.29*	8.96	-18.13**	-24.11***
	(6.33)	(6.35)	(5.80)	(6.16)	(8.66)	(8.90)
Observations	69	68	69	68	70	68
Within R-squared	0.167	0.220	0.066	0.108	0.087	0.172
Pre-UPR Mean	92.06	91.96	83.29	83.11	20.00	20.73
Controls	No	Yes	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Panel B. Support for Dissident Nominees

	Avg. support		Min. support		Share < 90%	
	(1)	(2)	(3)	(4)	(5)	(6)
Activism Exposure (z)	-3.20	-4.29*	-6.56**	-8.32**	6.14*	6.27**
	(2.45)	(2.34)	(3.25)	(4.04)	(3.37)	(3.01)
Post-UPR meeting × Activism Exposure (z)	-2.64	-4.83	-2.26	-6.22	-19.42**	-19.13*
	(6.17)	(6.89)	(6.26)	(6.28)	(8.03)	(9.76)
Observations	61	60	61	60	73	71
Within R-squared	0.040	0.131	0.063	0.201	0.089	0.106
Pre-UPR Mean	87.07	87.46	75.00	75.56	16.56	15.98
Controls	No	Yes	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The sample includes contested director elections only and uses vote outcomes from ISS Company Vote Results. Post-UPR meeting equals one for meetings held on or after 09/01/2022. Activism Exposure (z) is standardized to mean zero and unit variance. The dependent variables are meeting-level nominee support measures computed separately for management and dissident nominees: average support, minimum support, and the share of nominees with support below 90%. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). All specifications include year fixed effects. Standard errors are clustered at the firm level (gvkey) and reported in parentheses.

Table 9: **Dissident Success in Contested Director Elections**
This table reports difference-in-differences regressions of dissident success in contested director elections using ISS Company Vote Results. Columns (1)–(2) use the dissident seat win rate at the meeting level, and columns (3)–(4) use an indicator for whether dissidents win at least one seat in the meeting. The key regressor is the interaction between a Post-UPR meeting indicator and Activism Exposure (z), with Activism Exposure standardized to mean zero and unit variance. Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 5%, 1%, and 0.1% levels.

	Seat Win Rate		Any Win Rate	
	(1)	(2)	(3)	(4)
Activism Exposure (z)	-4.10	-0.76	2.01	2.78
	(6.17)	(4.47)	(7.43)	(5.85)
Post-UPR meeting × Activism Exposure (z)	-9.86	-10.08	-22.05	-17.01
	(14.65)	(13.13)	(14.23)	(12.90)
Observations	73	71	73	71
Within R-squared	0.041	0.188	0.043	0.243
Pre-UPR Mean	27.84	28.23	46.67	46.55
Controls	No	Yes	No	Yes
Year FE	Yes	Yes	Yes	Yes

Notes: The sample includes contested director elections from ISS Company Vote Results. A meeting is classified as contested if it includes at least one dissident-sponsored director nominee. Post-UPR meeting equals one for meetings held on or after 09/01/2022. The dependent variables are meeting-level outcomes: dissident seat win rate (seats won divided by seats sought) and an indicator for any dissident win. Controls (when included) are lagged financial characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). All specifications include year fixed effects. Standard errors are clustered at the firm level (gvkey) and reported in parentheses.

Table 10: **UPR Spillovers to Mutual Fund Voting in Regular Meetings**
This table examines whether the introduction of the Universal Proxy Rule (UPR) is associated with changes in mutual fund voting behavior outside contested elections, using meeting-level outcomes from ISS Mutual Fund Vote Records. Columns (1)–(2) use the share of votes cast in favor of management across all ballot items, columns (3)–(4) use an indicator for whether any ballot item receives dissent, and columns (5)–(6) use the fraction of ballot items receiving dissent. The key regressor is the interaction between a Post-UPR meeting indicator and Activism Exposure (z), with Activism Exposure standardized to mean zero and unit variance. Coefficients are multiplied by 100 and reported in percentage-point units. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	All-mgmt support		Any dissent		Dissent rate	
	(1)	(2)	(3)	(4)	(5)	(6)
Activism Exposure (z)	19.53		-20.03		2.09	
	(23.68)		(24.79)		(3.64)	
Post-UPR meeting × Activism Exposure (z)	0.97*	1.76**	-1.14**	-1.94***	-0.06	-0.44*
	(0.54)	(0.73)	(0.54)	(0.72)	(0.23)	(0.26)
Observations	20,393	11,468	20,393	11,468	20,326	11,431
Within R-squared	0.001	0.024	0.001	0.021	0.000	0.017
Pre-UPR Mean	61.47	65.59	37.70	33.50	10.59	6.83
Controls	No	Yes	No	Yes	No	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The sample is meeting-level and includes all meetings, excluding contested director elections from ISS Mutual Fund Vote Records. Post-UPR meeting equals one for meetings held on or after 09/01/2022. Outcomes are measured at the meeting level: (i) all-management support (share of votes cast *For* management recommendations), (ii) any dissent (indicator for at least one dissenting vote), and (iii) dissent rate (fraction of items with dissent). Controls (when included) are lagged firm financial characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility) and meeting-level and governance characteristics (number of voting funds and lagged board and governance structure). All specifications include firm and year fixed effects. Standard errors are clustered at the firm level (gvkey) and reported in parentheses.

Appendix

Table A1: **Year-by-Year Counts of Activist Campaigns and Proxy Contests (Firm-Year Panel)**

This table reports annual counts of firms, activist campaigns, and proxy contests in the firm-year panel over 2017–2024.

Year	Firms	Activist campaigns	Proxy contests
2017	3,443	173	40
2018	3,463	217	48
2019	3,451	229	51
2020	3,557	179	35
2021	3,912	150	44
2022	3,916	225	45
2023	3,774	211	47
2024	3,640	218	31
Total	29,156	1,602	341

Notes: Counts are computed after excluding UPR-exempt firms and restricting the sample to common stocks. Duplicate firm-year observations are resolved by taking the maximum number of campaigns and proxy contests within each firm-year, and then collapsing to year totals.

Table A2: **High vs. Low Activism Exposure Differences (Pre-UPR Baseline)**
This table compares pre-UPR firm characteristics between firms in the top and bottom terciles of the ex-ante activism exposure distribution. Each firm enters once using pre-period averages. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	High tercile		Low tercile			
	N	Mean	N	Mean	Diff. (H-L)	t-stat
Activism						
Number of campaigns	970	0.11	971	0.01	0.10***	13.23
Number of proxy contests	970	0.03	971	0.00	0.02***	7.68
Financial						
Log market cap ($B)	970	20.67	971	21.50	-0.83***	-10.38
Tobin's Q	970	1.291	971	2.486	-1.195***	-13.32
ROE (%)	960	-13.92	962	-0.27	-13.65***	-5.13
3-year return (%)	901	0.78	853	113.11	-112.33***	-17.56
Leverage (Debt/AT, %)	970	32.75	970	18.46	14.29***	13.41
Volatility (90d ann., %)	970	51.78	971	41.91	9.87***	8.53
Governance						
Board size	461	9.69	463	9.22	0.47***	3.51
Independent directors (%)	461	83.51	463	78.65	4.87***	8.05
Female directors (%)	461	24.68	463	21.60	3.08***	4.51

Notes: The sample includes firms observed in 2017–2021 and is collapsed to one observation per firm. Columns report group means of firm-level pre-period averages. High and Low groups are defined as the top and bottom terciles of activism exposure. Diff. (H–L) reports High minus Low. Reported t-statistics are based on Welch two-sample tests with unequal variances.

Table A3: **Cumulative Abnormal Returns Around Universal Proxy Milestones** This table reports summary statistics for cumulative abnormal returns (CARs) around four Universal Proxy Rule milestones. For each event, CARs are shown for the [0,+2], [-1,+1], and [-5,+5] trading-day windows. The table reports the number of observations, mean CAR, t-statistic for testing whether the mean equals zero, standard deviation, the share of CARs above zero, and distributional percentiles (P25, P50, P75). Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	N	Mean	t	SD	%>0	P25	P50	P75
Shelving (07/11/2018)								
CAR (0,+2)	3,325	-0.01	-0.10	5.43	52.4	-1.62	0.14	1.56
CAR (-1,+1)	3,325	-0.02	-0.25	5.46	50.7	-1.68	0.05	1.55
CAR (-5,+5)	3,323	-0.07	-0.41	9.84	48.8	-3.21	-0.12	2.74
Reopening (04/16/2021)								
CAR (0,+2)	3,378	-0.56***	-5.74	5.63	51.7	-2.46	0.13	2.11
CAR (-1,+1)	3,378	-1.47***	-14.54	5.89	44.6	-3.40	-0.37	1.28
CAR (-5,+5)	3,374	-2.61***	-13.69	11.05	44.4	-6.30	-0.78	2.85
Adoption (11/17/2021)								
CAR (0,+2)	3,405	-1.86***	-19.23	5.64	37.9	-4.19	-1.02	1.08
CAR (-1,+1)	3,407	-2.14***	-20.37	6.14	35.5	-4.69	-1.26	0.91
CAR (-5,+5)	3,399	-2.55***	-12.92	11.51	39.1	-7.15	-1.56	2.30
Implementation (09/01/2022)								
CAR (0,+2)	3,791	0.29***	2.84	6.38	52.3	-1.96	0.16	2.34
CAR (-1,+1)	3,792	0.57***	6.05	5.77	52.5	-1.78	0.15	2.31
CAR (-5,+5)	3,788	1.03***	5.61	11.28	53.4	-3.72	0.46	4.78

Notes: CARs are reported in percent and computed from daily CRSP returns. Abnormal returns are based on a Fama–French three-factor model estimated over trading days $[-250, -30]$ relative to the event date. CARs are set to missing unless the full event window is observed (3 trading days for [0,+2] and [-1,+1], and 11 trading days for [-5,+5]). The sample is collapsed to one observation per firm (gvkey). t-statistics test whether mean CAR equals zero.

Event descriptions: 07/11/2018: Reuters reports SEC Chair has "shelved" the universal proxy proposal; 04/16/2021: SEC reopens the 2016 proposal comment period; 11/17/2021: SEC adopts the final rule; 09/01/2022: rules apply to contested meetings held on or after this date.

Table A4: **Market Reaction to Universal Proxy Milestones with Controls**
This table reports cross-sectional regressions of event-window cumulative abnormal returns (CARs), multiplied by 100 and expressed in percentage points, on the ex-ante activism exposure index around four Universal Proxy milestones. Panels A, B, and C use CAR windows $[-1,+1]$, $[0,+2]$, and $[-5,+5]$, respectively. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Panel A. CAR[-1,+1] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.330***	-0.098	-0.576*	0.071
	(0.116)	(0.135)	(0.339)	(0.189)
Observations	2,117	2,311	2,244	2,274
R-squared	0.024	0.090	0.100	0.107
Controls	Yes	Yes	Yes	Yes
GICS sector FE	Yes	Yes	Yes	Yes

Panel B. CAR[0,+2] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.267*	0.161	-0.339	-0.073
	(0.136)	(0.145)	(0.290)	(0.214)
Observations	2,117	2,309	2,244	2,273
R-squared	0.038	0.056	0.130	0.046
Controls	Yes	Yes	Yes	Yes
GICS sector FE	Yes	Yes	Yes	Yes

Panel C. CAR[-5,+5] (percentage points)

	(1) Shelving (07/11/2018)	(2) Reopening (04/16/2021)	(3) Adoption (11/17/2021)	(4) Implementation (09/01/2022)
Activism Exposure (z)	0.251	-0.223	-1.041***	0.040
	(0.208)	(0.185)	(0.336)	(0.353)
Observations	2,119	2,313	2,246	2,274
R-squared	0.040	0.129	0.080	0.045
Controls	Yes	Yes	Yes	Yes
GICS sector FE	Yes	Yes	Yes	Yes

Notes: The dependent variable is CAR×100 (percentage points). CARs are computed from CRSP daily returns using abnormal returns estimated over trading days $[-250,-30]$; day 0 is the first CRSP trading day on or after the stated calendar date. Activism Exposure (z) is standardized to mean zero and unit variance. Controls include lagged firm characteristics (size, Tobin's Q, ROE, prior return, and volatility). All specifications include GICS sector fixed effects. Robust standard errors are reported in parentheses.
Event descriptions: 07/11/2018: Reuters reports SEC Chair has "shelved" the universal proxy proposal; 04/16/2021: SEC reopens the 2016 proposal comment period; 11/17/2021: SEC adopts the final rule; 09/01/2022: rules apply to contested meetings held on or after this date.

Table A5: **Stacked Event-Study Regressions of CAR on Activism Exposure**
This table reports stacked regressions of event-window cumulative abnormal returns (CARs), multiplied by 100 and expressed in percentage points, around four Universal Proxy milestones on the ex-ante activism exposure index. Column (1) estimates a pooled exposure slope across events. Column (2) allows the exposure slope to vary by event through exposure-by-event interactions. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	(1) CAR (%)	(2) CAR (%)
Activism Exposure (z)	-0.180***	0.213**
	(0.067)	(0.090)
Event indicators (baseline: Proposal Shelved)		
04/16/2021: Reopening	-0.423***	-0.403***
	(0.113)	(0.112)
11/17/2021: Adoption	-1.242***	-1.226***
	(0.122)	(0.121)
09/01/2022: Implementation	0.393***	0.418***
	(0.121)	(0.121)
Exposure × Event interactions		
04/16/2021 × Exposure		-0.593***
		(0.123)
11/17/2021 × Exposure		-0.678***
		(0.148)
09/01/2022 × Exposure		-0.282**
		(0.137)
Observations	9,871	9,871
R-squared	0.027	0.030
Event FE	Yes	Yes
GICS sector FE	Yes	Yes

Notes: The dependent variable is CAR×100 (percentage points). For each firm (permno) and event, CAR is the sum of abnormal daily returns in the stated window; day 0 is the first CRSP trading day on or after the event date. Abnormal returns are estimated over trading days $[-250, -30]$ using an excess-return model with Fama–French factors when available and otherwise a market model using CRSP value-weighted market returns; estimation requires at least 120 observations. Activism Exposure (z) is standardized to mean zero and unit variance. Column (2) omits the Shelving event interaction, so exposure effects are interpreted relative to the Shelving baseline. All specifications include event fixed effects and GICS sector fixed effects. Robust standard errors clustered at the firm level are reported in parentheses.
Event descriptions: 07/11/2018: Reuters reports SEC Chair has "shelved" the universal proxy proposal; 04/16/2021: SEC reopens the 2016 proposal comment period; 11/17/2021: SEC adopts the final rule; 09/01/2022: rules apply to contested meetings held on or after this date.

Table A6: **Pooled CAR Regressions and Inference with Few Event Clusters**
This table compares pooled regressions of cumulative abnormal returns (CARs) on the ex-ante activism exposure index under alternative inference procedures. The pooled specification stacks firm-level CARs across four SEC universal proxy milestones and includes event fixed effects and GICS sector fixed effects. Column (1) reports conventional firm-clustered standard errors. Column (2) reports two-way clustered standard errors by firm and event to account for common shocks at the event level. Column (3) reports wild cluster bootstrap inference with clustering at the event level using Webb weights (9,999 replications), which is designed for settings with a small number of clusters. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	(1) Firm-clustered SEs CAR (%)	(2) Two-way clustered SEs CAR (%)	(3) Wild cluster bootstrap CAR (%)
Activism Exposure			
Coefficient	-0.180	-0.180	-0.180
Standard error	(0.067)	(0.184)	(0.184)
t-statistic	-2.66	-0.98	-0.98
p-value	0.008	0.401	0.373
95% CI	[-0.312, -0.047]	[-0.765, 0.406]	[-1.189, 0.359]
Observations	9,871	9,871	9,871
# firm clusters (gvkey)	2,854	2,854	2,854
# event clusters	–	4	4
Event FE	Yes	Yes	Yes
GICS sector FE	Yes	Yes	Yes

Notes: The dependent variable is CAR×100 (percentage points), computed over the $[-1, +1]$ trading-day window around each of the four SEC universal proxy milestones; day 0 is the first CRSP trading day on or after the stated calendar date. For each firm and event, CAR is the sum of abnormal daily returns within the event window. Abnormal returns are estimated using firm-specific parameters from a pre-event estimation window and factor returns when available. Activism Exposure is measured ex ante and standardized to mean zero and unit variance. All specifications include event fixed effects and GICS sector fixed effects. Column (1) reports standard errors clustered at the firm level. Column (2) reports two-way clustered standard errors by firm and event. Column (3) reports wild cluster bootstrap inference clustered by event (Webb weights; 9,999 replications); the coefficient and standard error coincide with Column (2), while the p-value and confidence interval are computed from the bootstrap distribution. The table highlights that statistical significance can change materially once inference accounts for the small number of event clusters.

Table A7: **Incidence of Proxy Contests and Activist Campaigns Pre- and Post-UPR**

This table reports firm fixed-effects regressions that relate proxy-contest activity and activist campaign activity to a post-UPR indicator. Columns (1)–(4) use proxy-contest outcomes (an indicator for any proxy contest and the number of proxy contests in the firm-year). Columns (5)–(8) use activist campaign outcomes (an indicator for any activist campaign and the number of activist campaigns in the firm-year). Coefficients are multiplied by 100. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Proxy contests				Activist campaigns			
	Any proxy contests		# of contests		Any campaigns		# of campaigns	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Post-UPR	0.16	0.02	0.15	-0.01	1.29***	0.78**	1.75***	1.05**
	(0.15)	(0.17)	(0.16)	(0.18)	(0.31)	(0.36)	(0.41)	(0.49)
Observations	28,673	24,293	28,673	24,293	28,673	24,293	28,673	24,293
Within R-squared	0.000	0.001	0.000	0.001	0.001	0.003	0.001	0.003
Pre-UPR Mean	1.13	1.22	1.20	1.31	4.48	4.91	5.34	5.86
Controls	No	Yes	No	Yes	No	Yes	No	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the firm-year. Post-UPR equals one for fiscal years $\geq$ 2023 (and zero for fiscal years $\leq$ 2022). All specifications include firm fixed effects. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). Standard errors are clustered at the firm (gvkey) level and reported in parentheses.

Table A8: **Universal Proxy Rule and the Frequency of Activist Campaigns**
This table reports difference-in-differences regressions that relate activist campaign activity to a post-UPR indicator interacted with the ex-ante activism exposure index (z-score). Columns (1)–(3) use an indicator for whether the firm experiences any activist campaign in a given firm-year. Columns (4)–(6) use the number of activist campaigns in the firm-year. Coefficients are multiplied by 100. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Any activist campaigns			# of campaigns		
	(1)	(2)	(3)	(4)	(5)	(6)
Activism Exposure (z)	3.27***	12.49	12.05	4.08***	13.00	12.65
	(0.23)	(12.46)	(12.17)	(0.31)	(12.60)	(12.39)
Post-UPR × Activism Exposure (z)	-1.12***	-0.78*	-0.64	-1.72***	-1.26**	-1.00*
	(0.43)	(0.44)	(0.45)	(0.57)	(0.58)	(0.60)
Observations	19,463	19,356	18,004	19,463	19,356	18,004
Within R-squared	0.021	0.000	0.004	0.019	0.000	0.004
Pre-UPR Mean	4.49	4.44	4.57	5.35	5.30	5.44
Controls	No	No	Yes	No	No	Yes
Firm FE	No	Yes	Yes	No	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the firm-year. Post-UPR equals one for fiscal years $\geq$ 2023 (and zero for fiscal years $\leq$ 2022). Activism Exposure (z) is standardized to mean zero and unit variance. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). All specifications include year fixed effects, and columns (2)–(3) and (5)–(6) additionally include firm fixed effects. Standard errors are clustered at the firm (gvkey) level and reported in parentheses.

Table A9: **Fixed-Effects Poisson Estimates of Proxy Contest Counts**
This table reports conditional fixed-effects Poisson regressions of the annual number of proxy contests at the firm level on a post-UPR indicator and its interaction with the ex-ante activism exposure index (z-score). Column (1) reports a baseline specification without controls, and column (2) adds lagged firm financial controls. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	# of proxy contests	
	(1)	(2)
Post-UPR	0.544	0.427
	(0.364)	(0.405)
Post-UPR × Activism Exposure (z)	-0.648***	-0.456**
	(0.181)	(0.202)
Observations	1,298	1,194
Controls	No	Yes
Firm FE	Yes	Yes
Year FE	Yes	Yes

Notes: The unit of observation is the firm-year and the dependent variable is the number of proxy contests in the firm-year. Post-UPR equals one for fiscal years $\geq$ 2023 (and zero for fiscal years $\leq$ 2022). Activism Exposure (z) is standardized to mean zero and unit variance. The model is a conditional fixed-effects Poisson regression that includes firm fixed effects and year fixed effects. Controls (when included) are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). Standard errors are clustered at the firm (gvkey) level and reported in parentheses.

Table A10: **Board Structure in Non-Contest Years (Threat Sample)**
This table reports difference-in-differences regressions of board structure on ex-ante activism exposure and its interaction with a post-UPR indicator for firm-years with no proxy contest activity. The dependent variables are board size (column (1)), the fraction of independent directors (column (2)), and the fraction of female directors (column (3)). Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	(1) Board size	(2) Indep. fraction	(3) Female fraction
Activism Exposure (z)	-0.54	-0.12	0.13*
	(0.56)	(0.12)	(0.07)
Post-UPR × Activism Exposure (z)	-0.17***	-0.00	-0.00
	(0.04)	(0.00)	(0.00)
Observations	9,197	9,197	9,197
Within R-squared	0.018	0.001	0.004
Pre-UPR Mean	9.65	0.82	0.24
Controls	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes

Notes: The sample consists of firm-years with no proxy contests. Post-UPR equals one for fiscal years $\geq$ 2023 (and zero for fiscal years $\leq$ 2022). Activism Exposure (z) is standardized to mean zero and unit variance. All specifications include firm and year fixed effects and a full set of lagged controls (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). Standard errors are clustered at the firm (gvkey) level and reported in parentheses.

Table A11: **Settlements in Activist Campaigns**
This table relates the Universal Proxy Rule (UPR) to settlement outcomes in activist campaigns. Columns (1)–(2) use an indicator for whether a firm settles at least one activist campaign in a given firm-year, and columns (3)–(4) use the settlement rate (the share of campaigns settled within the firm-year). The key regressor is the interaction between the post-UPR indicator and ex-ante activism exposure. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

	Any settlements		Settlement rate	
	(1)	(2)	(3)	(4)
Post-UPR	0.26		0.21	
	(0.21)		(0.20)	
Activism Exposure (z)		0.92		0.85
		(0.74)		(0.60)
Post-UPR × Activism Exposure (z)		-0.24		-0.14
		(0.25)		(0.24)
Observations	24,293	18,004	24,293	18,004
Within R-squared	0.002	0.003	0.002	0.002
Pre-UPR Mean	1.61	1.58	1.47	1.44
Controls	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes
Year FE	No	Yes	No	Yes

Notes: The unit of observation is the firm-year. Post-UPR equals one for fiscal years ≥ 2023 (and zero for fiscal years ≤ 2022). Activism Exposure (z) is standardized to mean zero and unit variance. Controls are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). All specifications include firm fixed effects; columns (2) and (4) additionally include year fixed effects. Standard errors are clustered at the firm (gvkey) level and reported in parentheses. Coefficients are multiplied by 100 and can be interpreted as percentage-point changes.

Table A12: **Campaigns by Marginal Activists Around the Universal Proxy Rule**
This table examines whether the introduction of the SEC's Universal Proxy Rule (UPR) is associated with changes in marginal versus core activist participation. Panel A compares pre- versus post-UPR outcomes for marginal and core activism, using indicators for any participation, counts, and "only" participation. Panel B examines heterogeneity by ex-ante activism exposure through an interaction between the post-UPR indicator and the standardized exposure index. Symbols *, **, and *** denote significance at the 10%, 5%, and 1% levels.

Panel A. Pre vs Post

	Campaigns by marginal activists			Campaigns by core activists		
	(1) Any marg.	(2) # marg.	(3) Only marg.	(4) Any core	(5) # core	(6) Only core
Post-UPR	0.98***	1.23***	0.96***	-0.19	-0.18	-0.21
	(0.30)	(0.39)	(0.29)	(0.22)	(0.24)	(0.20)
Observations	24,293	24,293	24,293	24,293	24,293	24,293
Within R-squared	0.003	0.003	0.003	0.001	0.001	0.001
Pre-UPR Mean	3.18	3.69	2.90	2.00	2.18	1.73
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes

Panel B. Heterogeneity by ex-ante activism exposure

	Campaigns by marginal activists			Campaigns by core activists		
	(1) Any marg.	(2) # marg.	(3) Only marg.	(4) Any core	(5) # core	(6) Only core
Activism Exposure (z)	0.66	0.61	0.30	11.75	12.04	11.40
	(0.87)	(1.12)	(0.66)	(12.20)	(12.22)	(12.13)
Post-UPR × Activism Exposure (z)	-0.25	-0.20	0.01	-0.65**	-0.81***	-0.40
	(0.38)	(0.49)	(0.37)	(0.26)	(0.29)	(0.25)
Observations	18,004	18,004	18,004	18,004	18,004	18,004
Within R-squared	0.004	0.004	0.004	0.002	0.002	0.001
Pre-UPR Mean	2.75	3.17	2.49	2.08	2.27	1.82
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Notes: The unit of observation is the firm-year. Panel A reports regressions of marginal- and core-activism outcomes on a Post-UPR indicator; Panel B adds ex-ante Activism Exposure (z) and its interaction with Post-UPR. Activism Exposure (z) is standardized to mean zero and unit variance. Controls are lagged firm characteristics (log market capitalization, Tobin's Q, ROE, one-year stock return, and return volatility). All specifications include firm fixed effects, and Panel B additionally includes year fixed effects. Coefficients are multiplied by 100 and interpreted as percentage-point changes for indicator outcomes. Standard errors are clustered at the firm (gvkey) level and reported in parentheses.