

## Title: Board Elections: Effects of Universal Ballot

### Abstract:

The Securities and Exchange Commission recently adopted new rules to mandate universal proxy cards for contested director elections, enabling shareholders to vote by proxy for their preferred mix of candidates. What is the effect of the new regulation? To answer this question, we build a model of information based strategic voting in director elections. We consider two mechanisms: non-universal balloting to capture the rules prior to the changes, and universal-balloting to capture the new rules. After establishing the existence of a unique symmetric equilibrium under both mechanisms, we show that information is aggregated and the equilibrium is efficient under universal balloting but not under non-universal balloting. Our analysis therefore provides a rationale for the rule change.