

2017 SAY ON PAY RESULTS

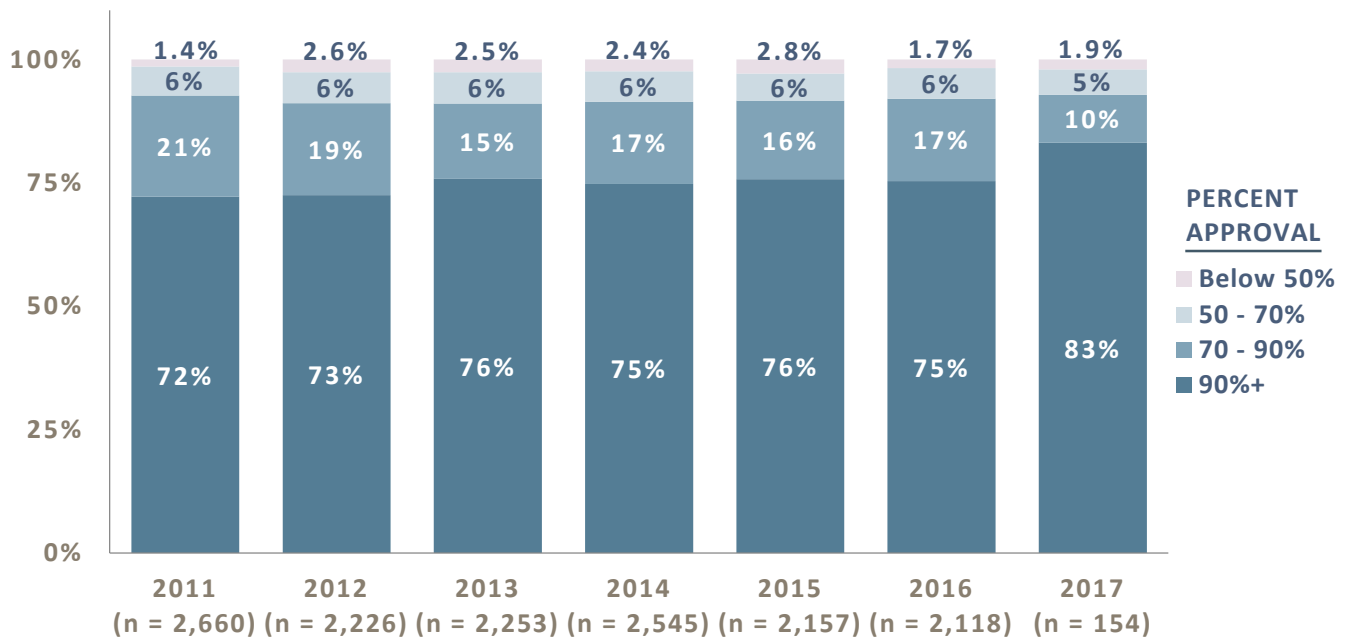
3/29/2017



RUSSELL 3000
154 COMPANIES

Breakdown of Say on Pay Vote Results

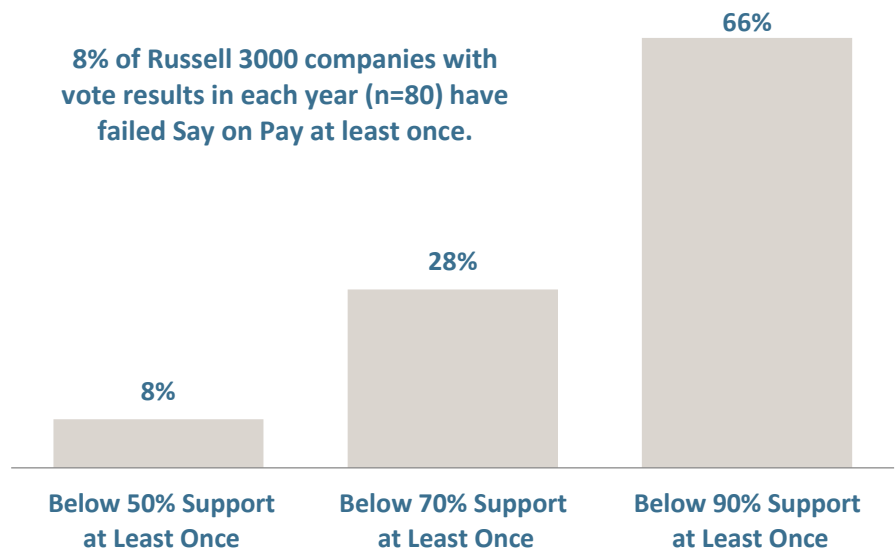
To date, three companies (1.9%) have failed Say on Pay in 2017: Nuance Communications, Microsemi, and Immunomedics.



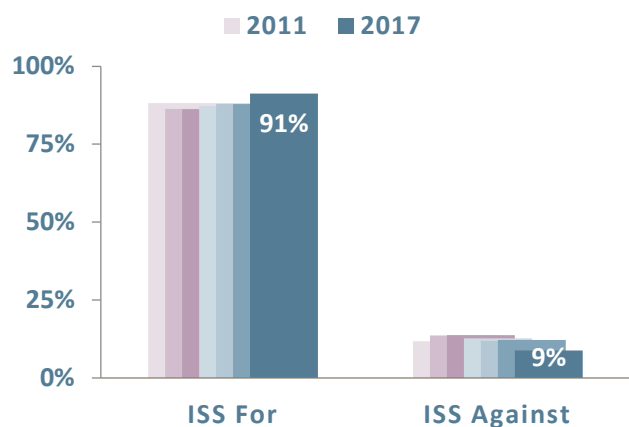
Since the Last Report

- Average vote result thus far in 2017 is 92.6%, which is a 1.7% increase over 2016
- The percentage of companies receiving support above 90% in 2017 is higher than all previous years, while the percentage of companies with below 70% support is aligned with prior years
- While early in the proxy season, the current failure rate (1.9%) is slightly higher than the 2016 failure rate (1.7%), but remains below rates observed between 2012 and 2015

8% of Russell 3000 companies with vote results in each year (n=80) have failed Say on Pay at least once.

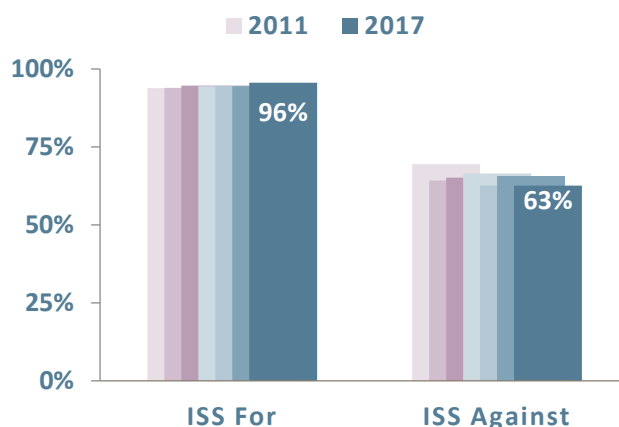


ISS Recommendation Breakdown



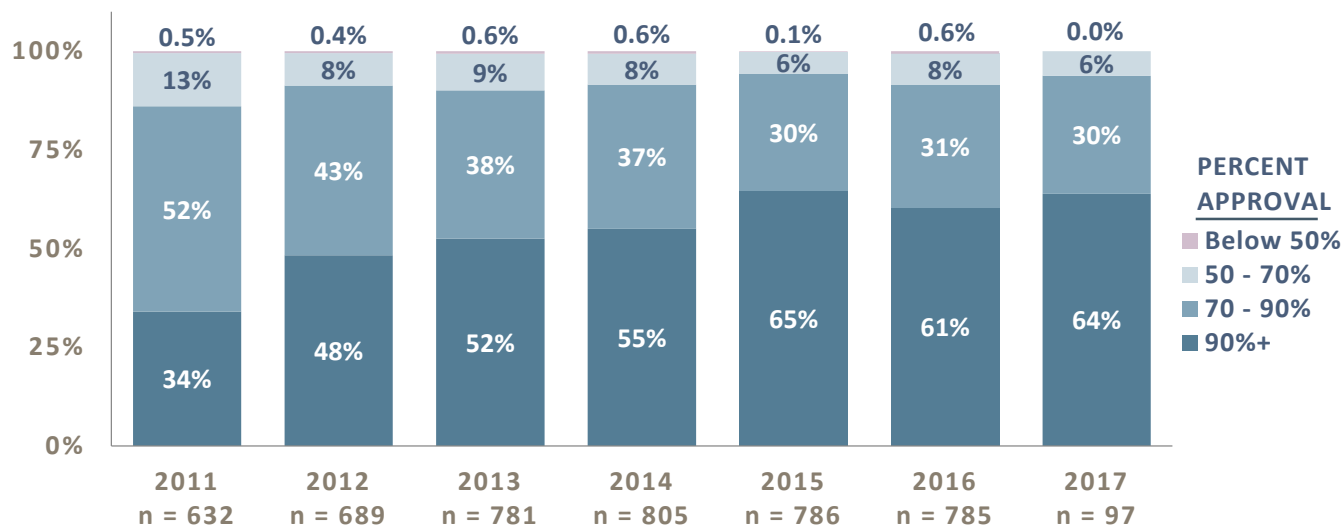
- ISS has recommended "Against" at 9% of the companies it has assessed thus far in 2017

ISS Impact on Vote Results



- Shareholder support is 33% lower at companies that have received an ISS "Against" recommendation

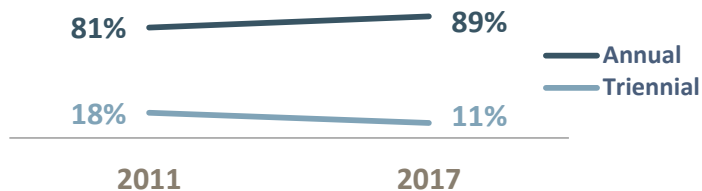
Breakdown of Equity Plan Proposal Votes



Governance Observations

- To date, average support for equity plan proposals is 89%. No plans have failed thus far in 2017
- Shareholders are supporting an annual Say on Pay vote in 89% of frequency votes thus far in 2017

Say on Pay Frequency Vote Results



Note: 1% of companies in 2011 and 0% thus far in 2017 voted to hold a biennial Say on Pay vote.

Likely Causes of Votes Under 50% in 2017

2017 Failed Say on Pay Vote Results¹

Russell 3000, n=3

Company	Say on Pay Vote Results			Number of Failures	Likely Causes of Votes Under 50%						
	2017 ▼	2016	YOY		Pay and Performance Relation	Problematic Pay Practices	Rigor of Performance Goals	Shareholder Outreach and Disclosure	Non-Performance Based Equity	Special Awards/ Mega-Grants	Benchmarking Practices
	Microsemi Corp.	45%	83%		-37%	1	X	X	X		
Immunomedics, Inc.	38%	-	-	1		X					
Nuance Communications, Inc.	33%	33%	1%	4	X	X	X		X	X	

¹ As of March 27, 2017.

Source: Semler Brossy data and analysis; Fund Votes LLC; ISS Voting Analytics.

FOR MORE INFORMATION, VISIT US AT SEMLERBROSSY.COM

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