

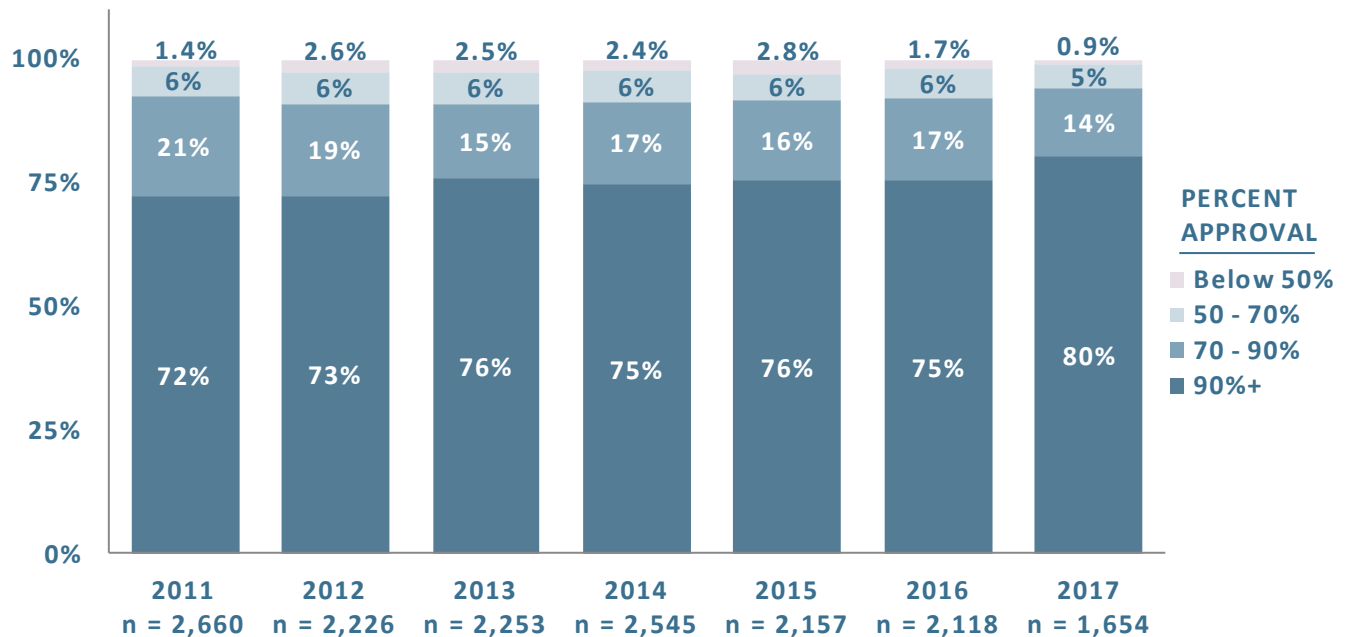
2017 SAY ON PAY RESULTS

6/7/2017

1,654 COMPANIES

Breakdown of Say on Pay Vote Results

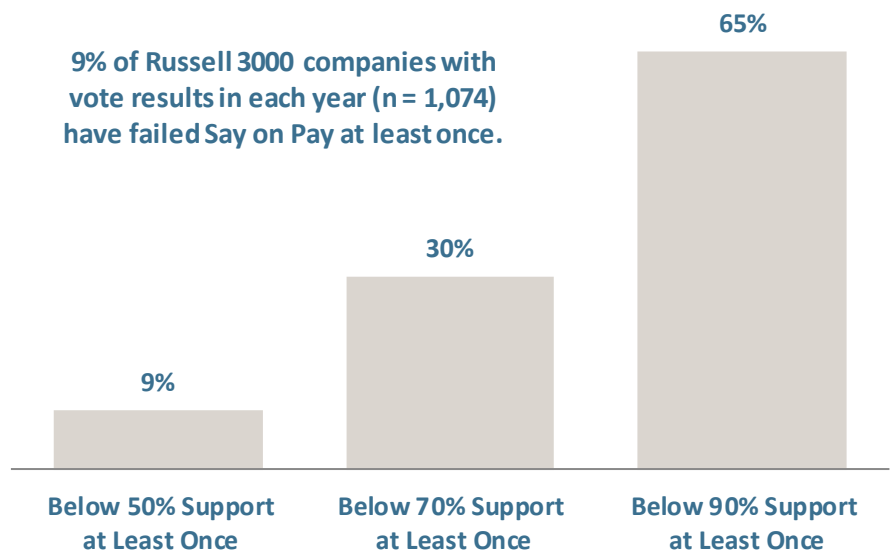
Fifteen Russell 3000 companies (0.9%) have failed Say on Pay thus far in 2017. Eight companies have failed since our last report – Atlas Air Worldwide, Endologix, Medifast, NII Holdings, Sanchez Energy, Senior Housing Properties Trust, SL Green Realty, and Tutor Perini.



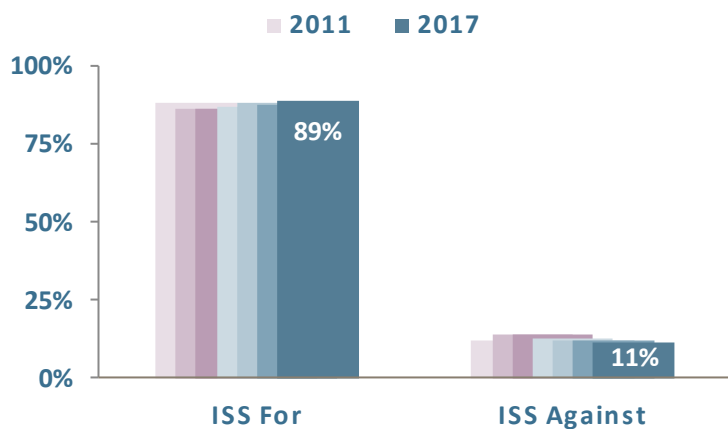
Since the Last Report

- The current failure rate (0.9%) is up 0.3% since our last report, but remains the lowest since Say on Pay voting began in 2011
- The percentage of companies receiving support above 90% in 2017 is higher than any prior year
- The average vote result thus far in 2017 is 92.4%, which is a 1.5% increase over 2016

9% of Russell 3000 companies with vote results in each year (n = 1,074) have failed Say on Pay at least once.

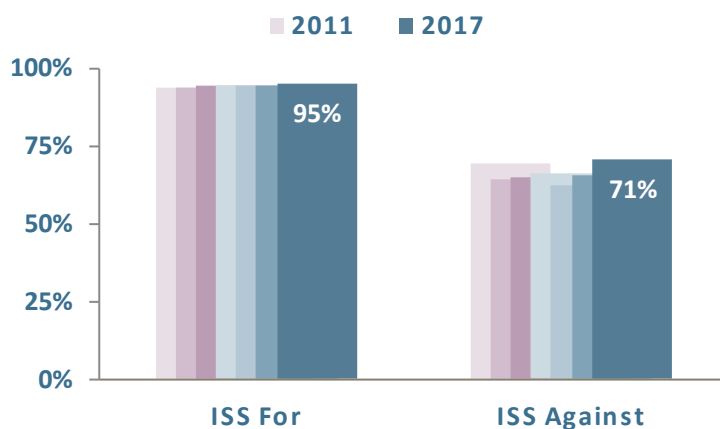


ISS Recommendation Breakdown



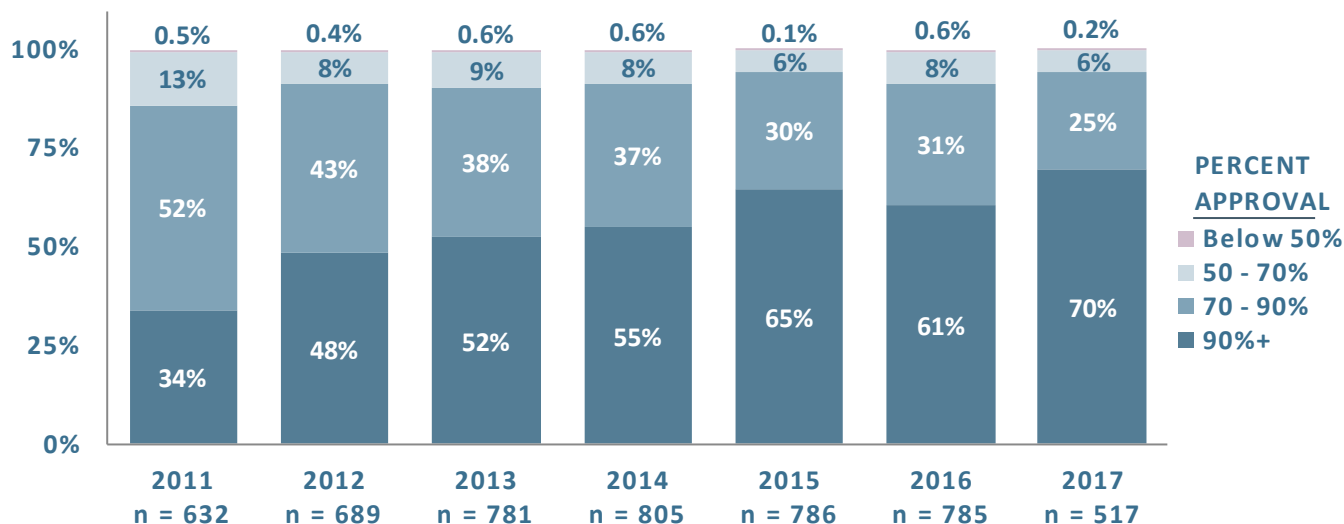
- ISS has recommended "Against" 11% of the companies it has assessed thus far in 2017

Governance Observations



- Shareholder support is 24% lower at companies that have received an ISS "Against" recommendation

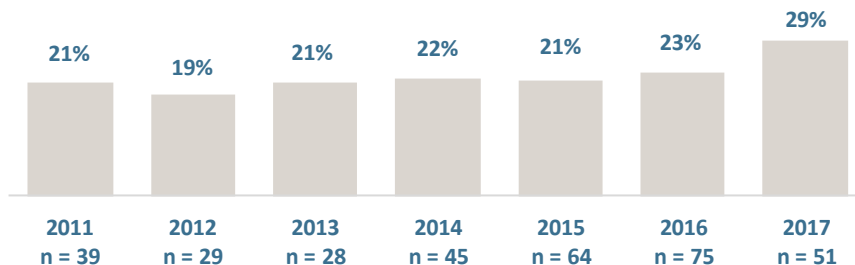
Breakdown of Equity Plan Proposal Votes



Governance Observations

- 70% of companies have received over 90% support on equity plan proposals, the highest observed rate since 2011. One plan has failed thus far in 2017
- 3 environmental proposals (6%) have received support above 50% in 2017. Only 3 environmental proposals (1%) passed in the previous six years

Environmental Proposal Average Vote Results



Likely Causes of Votes Under 50% in 2017

2017 Failed Say on Pay Vote Results¹

Russell 3000, n=15

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
	Sanchez Energy Corp.	47%	56%		-8%	1	X	X		X	X
Senior Housing Properties Trust	46%	47%	-1%	2		X		X			
Microsemi Corp.	45%	83%	-37%	1	X	X	X			X	
Sprouts Farmers Markets, Inc.	43%	72%	-29%	1	X	X				X	
Whitestone REIT	43%	-	-	1		X		X	X		
SL Green Realty Corp.	43%	55%	-12%	1	X	X		X		X	
Tutor Perini Corp.	42%	42%	0%	7	X		X			X	
Medifast, Inc.	42%	-	-	2		X	X			X	
Endologix, Inc.	40%	85%	-45%	1	X						
American Axle & Manufacturing Holdings, Inc.	39%	97%	-58%	1	X		X				
Immunomedics, Inc.	38%	-	-	1		X					
Nuance Communications, Inc.	33%	33%	1%	4	X	X	X		X	X	
Atlas Air Worldwide Holdings, Inc.	32%	50%	-17%	3		X		X			
ConocoPhillips	32%	83%	-51%	1	X	X					
NII Holdings, Inc.	23%	-	-	1	X			X			

¹ As of June 5, 2017.

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