

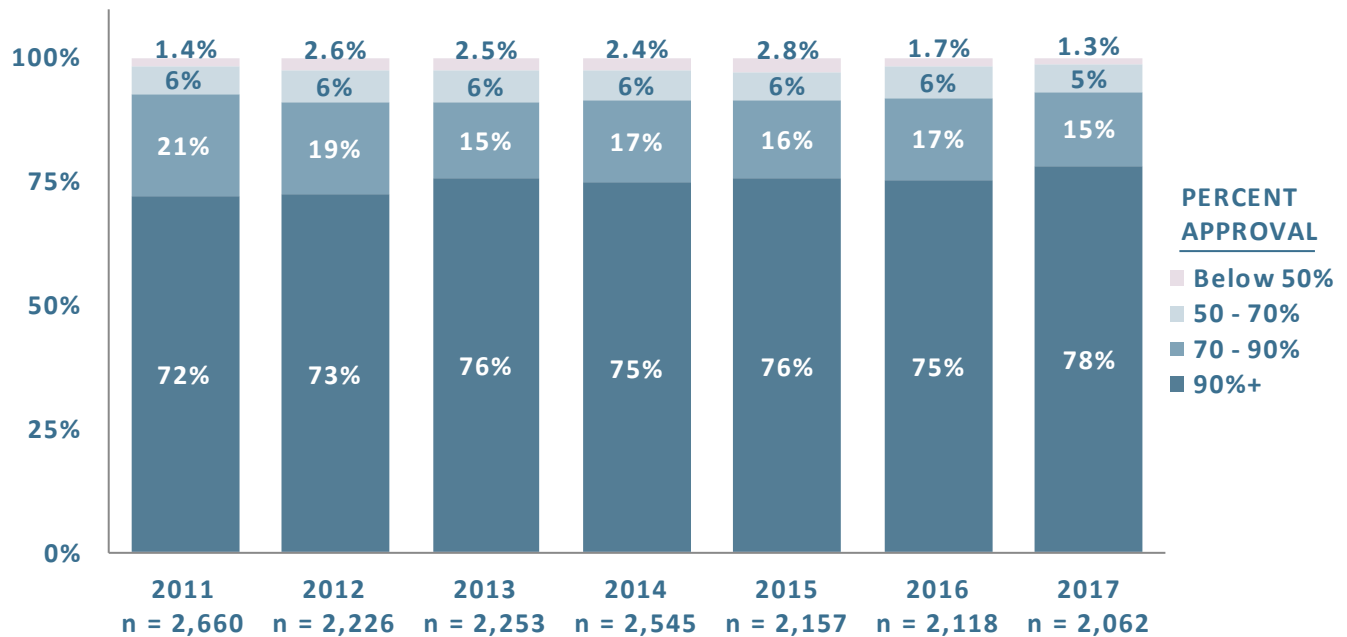
2017 SAY ON PAY RESULTS

7/5/2017

2,062 COMPANIES

Breakdown of Say on Pay Vote Results

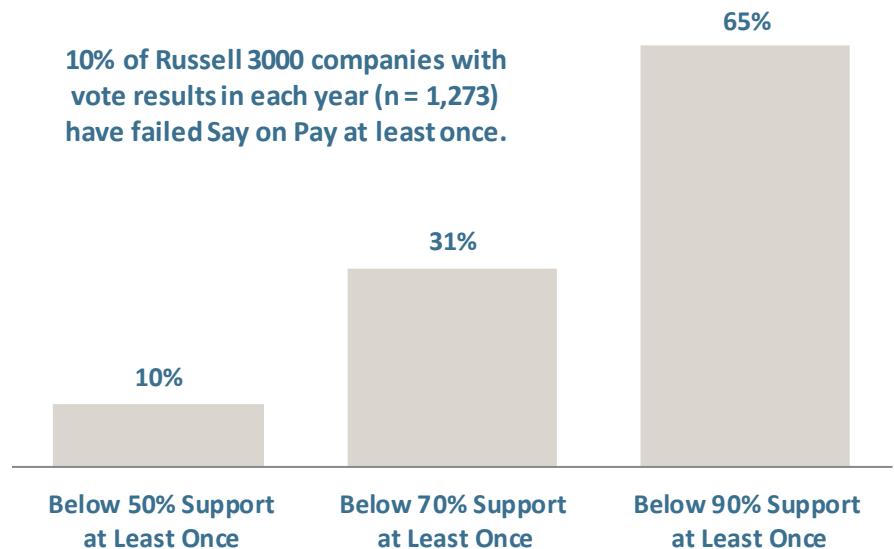
27 Russell 3000 companies (1.3%) have failed Say on Pay thus far in 2017. Six companies have failed since our last report – Argan, FleetCor Technologies, Hospitality Properties Trust, Mylan, PHH, and Universal Insurance Holdings.



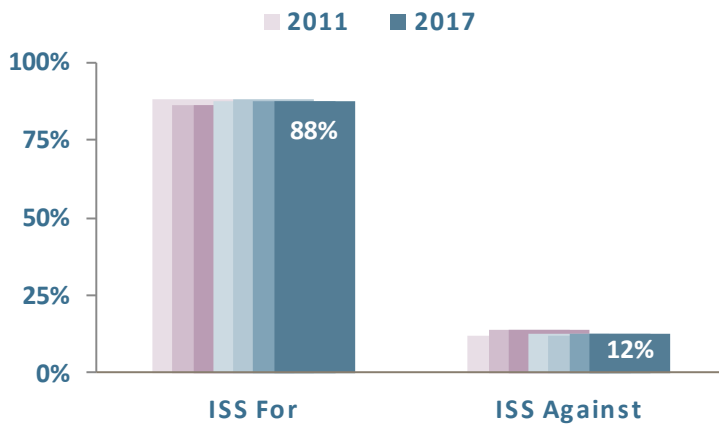
Since the Last Report

- The current failure rate (1.3%) is up 0.2% 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 slightly higher than any prior year
- The average vote result thus far in 2017 is 91.8%, which is a 0.9% increase over 2016

10% of Russell 3000 companies with vote results in each year (n = 1,273) have failed Say on Pay at least once.

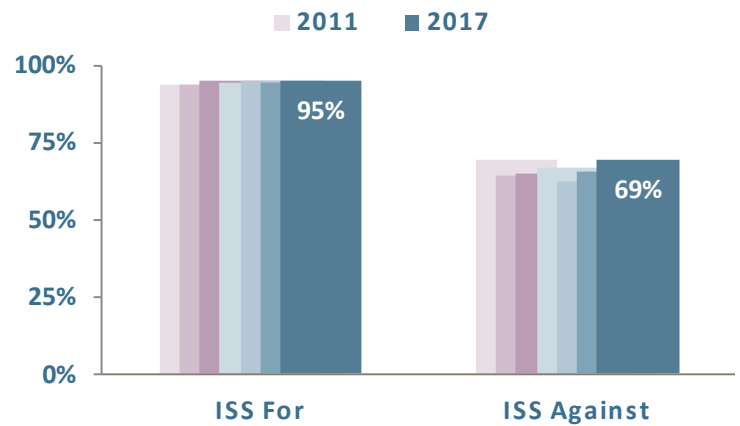


ISS Recommendation Breakdown



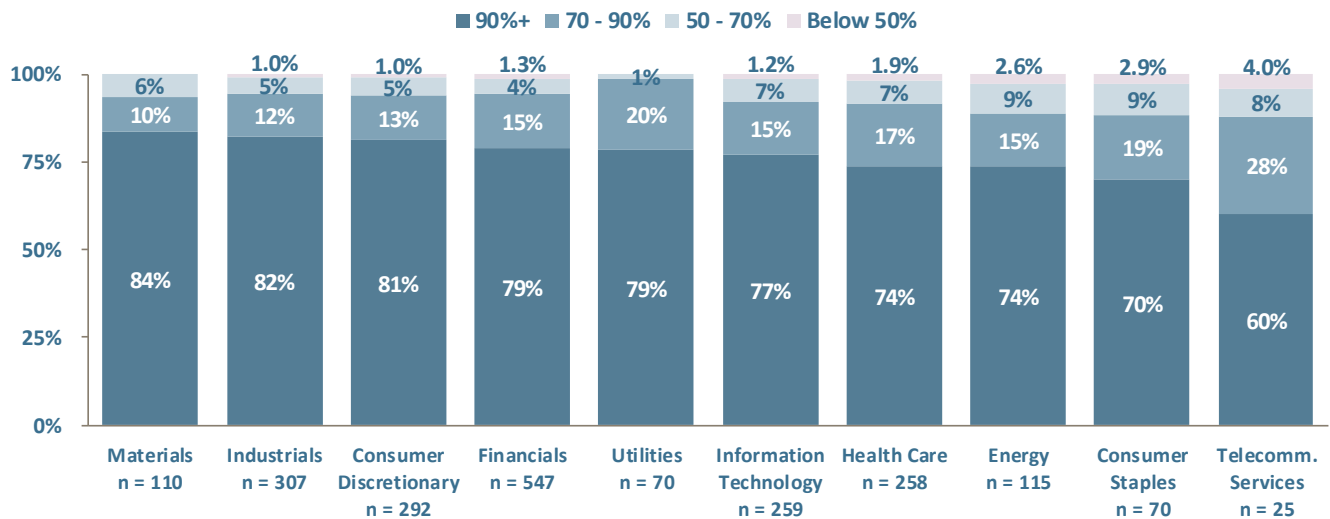
- ISS has recommended "Against" 12% of the companies it has assessed thus far in 2017

ISS Impact on Vote Results



- Shareholder support is 26% lower at companies that have received an ISS "Against" recommendation

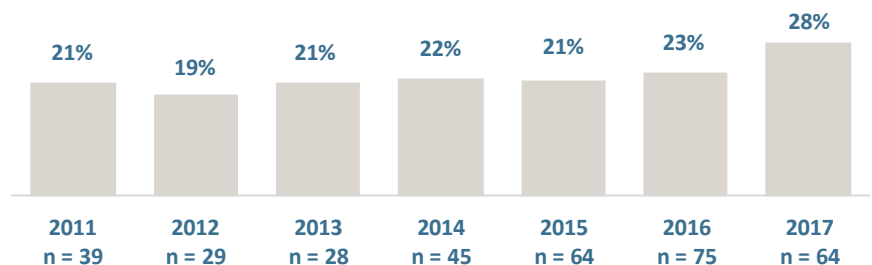
2017 Russell 3000 Say on Pay Results by GICS Sector



Governance Observations

- Average support for environmental proposals in 2017 is the highest it has been in the past seven years (28%)
- 4 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=27

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
	New York Community Bancorp, Inc.	50%	-		-	2	X				
Hospitality Properties Trust	48%	61%	-13%	1		X		X			
Sanchez Energy Corp.	47%	56%	-8%	1	X	X		X	X		
Universal Insurance Holdings, Inc.	47%	-	-	1		X					
Senior Housing Properties Trust	46%	47%	-1%	2		X		X			
Microsemi Corp.	45%	83%	-37%	1	X	X	X			X	
Argan, Inc.	45%	64%	-19%	2		X		X			
Nabors Industries Ltd.	44%	36%	8%	6			X	X			
Spectrum Pharmaceuticals, Inc.	44%	59%	-16%	4	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	X
SeaWorld Entertainment, Inc.	42%	82%	-39%	1	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					
FleetCor Technologies, Inc.	37%	-	-	2	X		X		X		
PHH Corp.	36%	71%	-34%	1	X					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					
IMAX Corp.	30%	-	-	1	X	X			X		
Rockwell Medical, Inc.	26%	-	-	1	X	X					
NII Holdings, Inc.	23%	-	-	1	X			X			
Mylan NV	17%	65%	-48%	2	X	X					

¹ As of July 3, 2017.

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