

2017 SAY ON PAY RESULTS

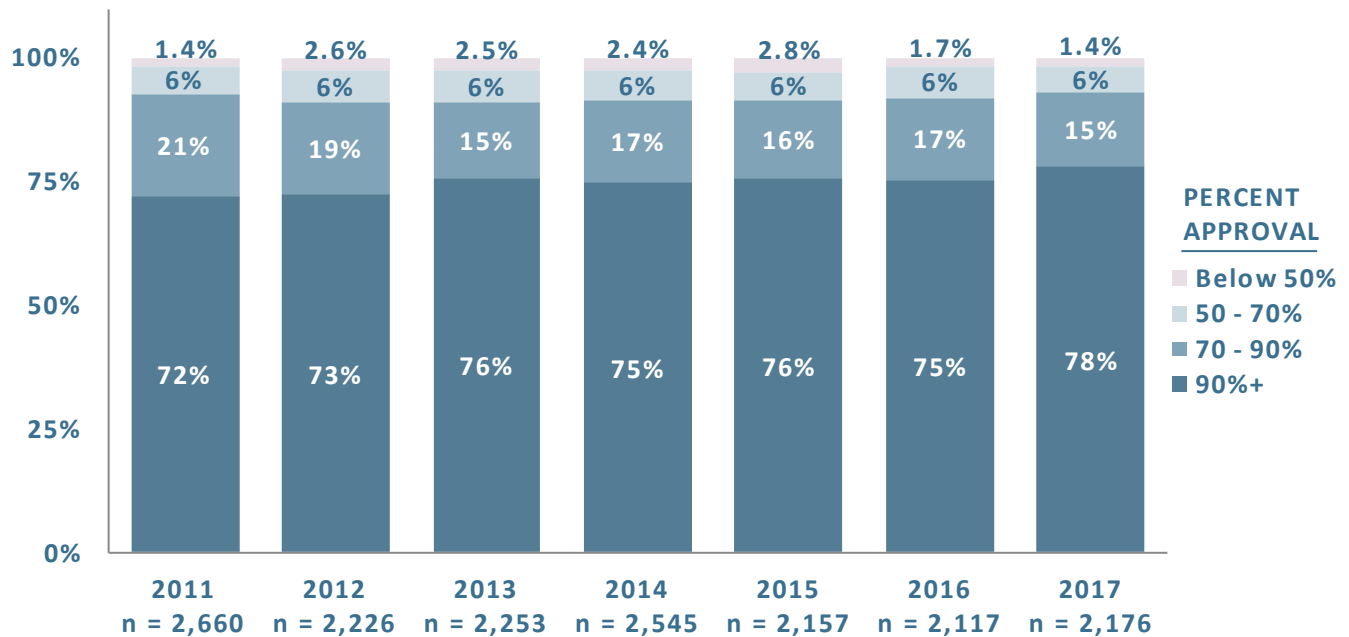
8/30/2017



2,176 COMPANIES

Breakdown of Say on Pay Vote Results

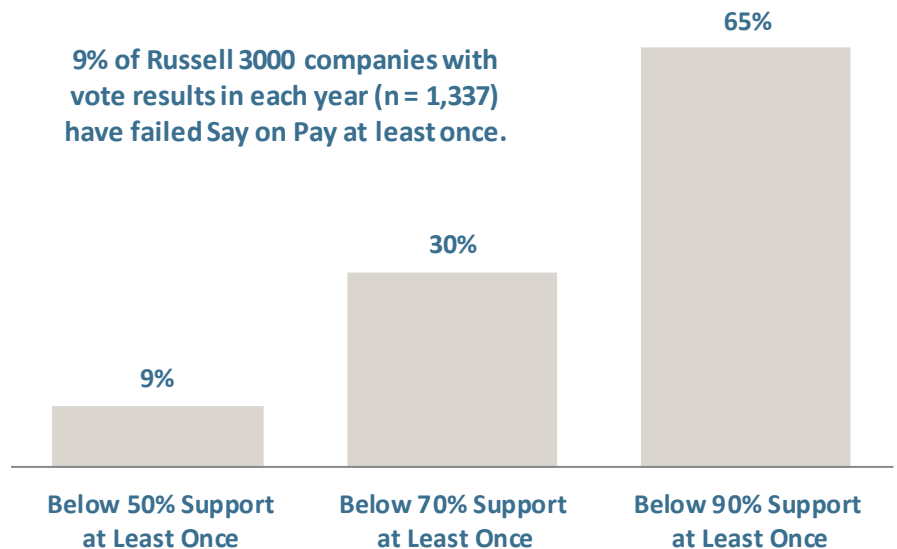
To date, 30 Russell 3000 companies (1.4%) have failed Say on Pay in 2017. No additional companies have failed since our last report.



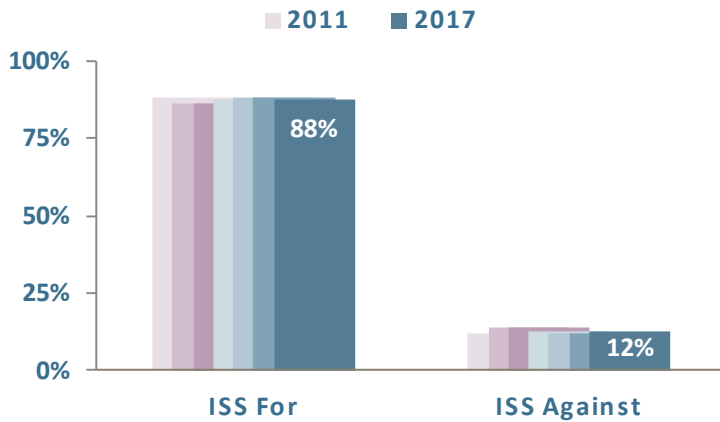
Since the Last Report

- The current failure rate (1.4%) is equal to the lowest observed rate, which occurred in 2011. The failure rate has not changed since our last report
- 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 91.7%, which is the highest since voting began

9% of Russell 3000 companies with vote results in each year (n = 1,337) have failed Say on Pay at least once.

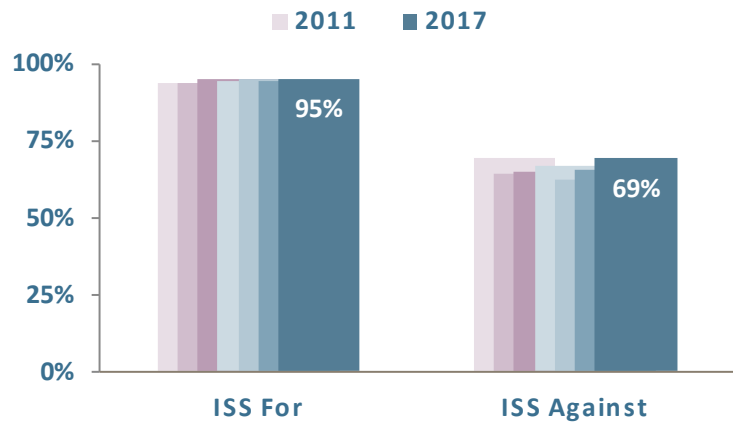


ISS Recommendation Breakdown



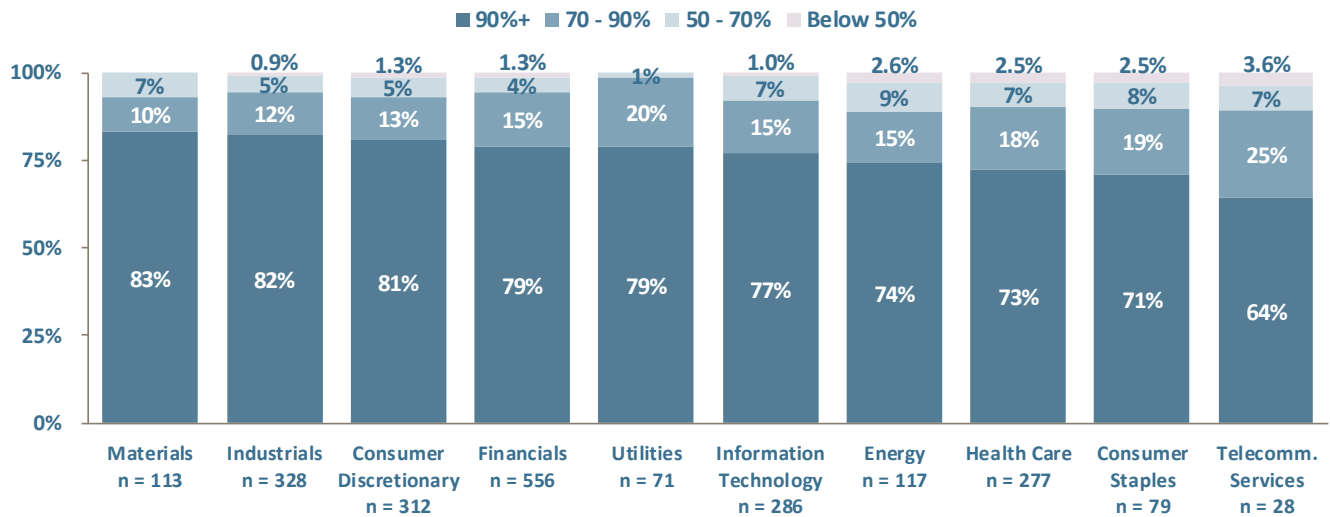
- ISS has recommended "Against" 12% of the companies it has assessed thus far in 2017

ISS Impact on Vote Results



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

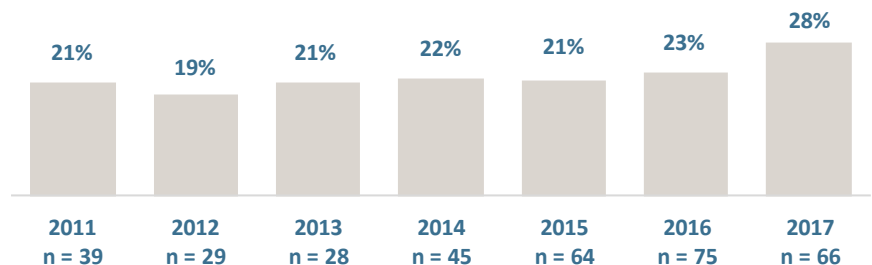
2017 Russell 3000 Say on Pay Results by GICS Sector



Governance Observations

- Environmental proposals have had the highest average vote support (28%) in 2017 than any prior year
- Four environmental proposals (6%) have received greater than 50% support in 2017. Only three environmental proposals (1%) passed in the previous six years combined

Environmental Proposal Average Vote Results



Likely Causes of Votes Under 50% in 2017

2017 Failed Say on Pay Vote Results¹

Russell 3000, n=30

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						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			
Bed Bath & Beyond, Inc.	44%	23%	21%	3	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			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					
CytRx Corp.	31%	59%	-28%	1	X	X	X				
IMAX Corp.	30%	-	-	1	X	X			X		
McKesson Corp.	26%	80%	-54%	2	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 August 28, 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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