

2016 SAY ON PAY RESULTS

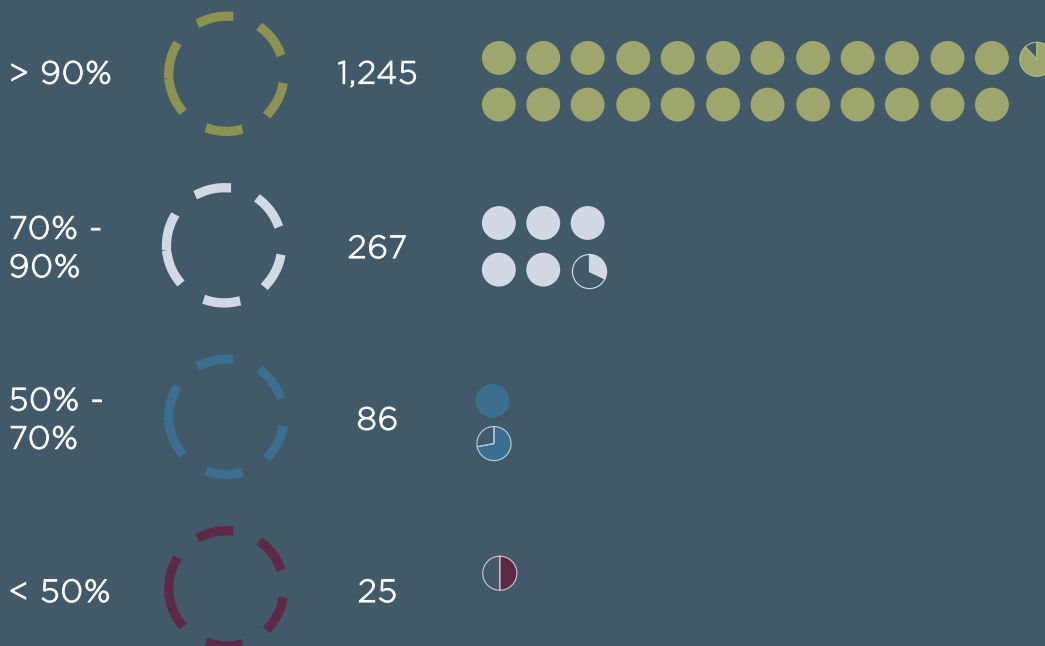
RUSSELL 3000
1,623 COMPANIES

IN THIS REPORT...

SAY ON GOLDEN PARACHUTES

JUNE 15, 2016

RESULTS AT A GLANCE:



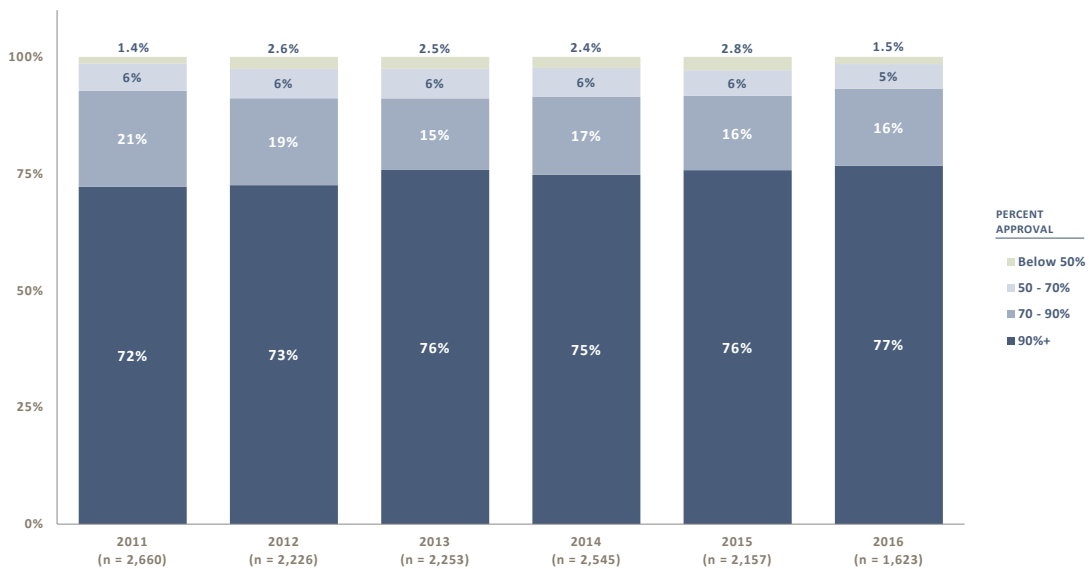
SUMMARY OF VOTE RESULTS (n=1,623)

— To date, 25 Russell 3000 companies (1.5%) have failed Say on Pay in 2016

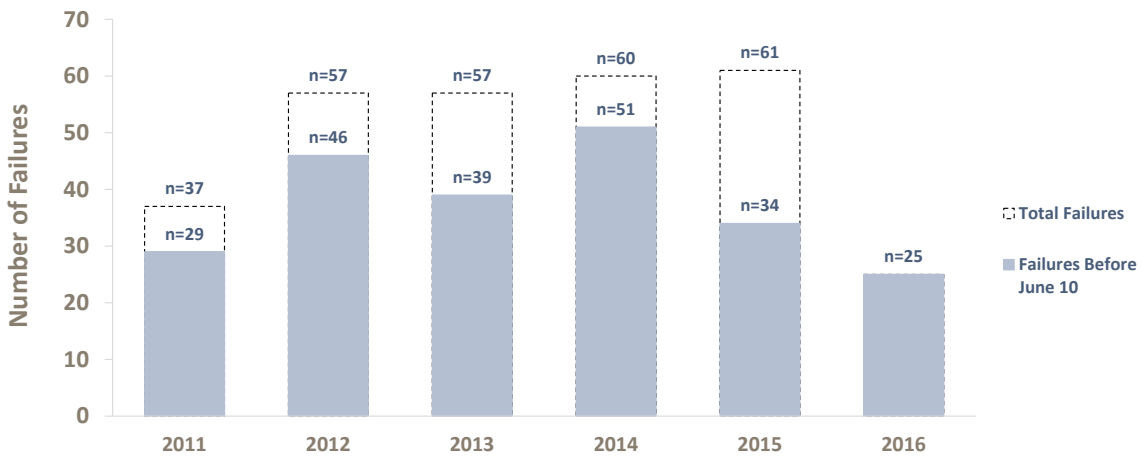
Three new companies have failed since our last report – Atlas Air Worldwide Holdings, C&J Energy Services, and Sucampo Pharmaceuticals.

— Average vote result to date in 2016 is 91%

SAY ON PAY VOTE RESULTS (2011-2016)



— At this point last year, 34 companies in the Russell 3000 had failed Say on Pay



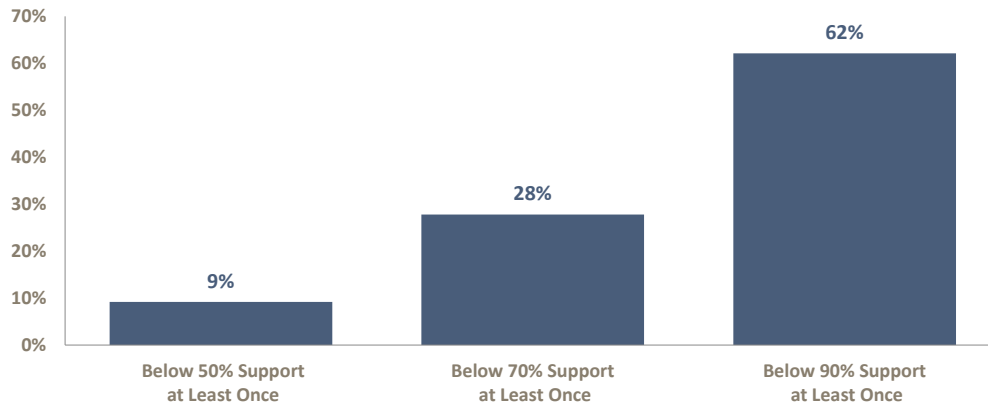
Source: Semler Brossy data and analysis; Fund Votes LLC.

Notes: As of June 10, 2016. The 2016 sample includes companies that had an Annual Meeting and Say on Pay vote in calendar year 2016. Year over year data presented in this document does not reflect a constant sample given turnover in the Russell 3000 used for each year as well as differences in how frequently companies hold votes.

For FY 2016, Russell 3000 sample effective as of June 30, 2015.

COMPANIES WITH VOTE RESULTS IN EACH YEAR BETWEEN 2011 AND 2016

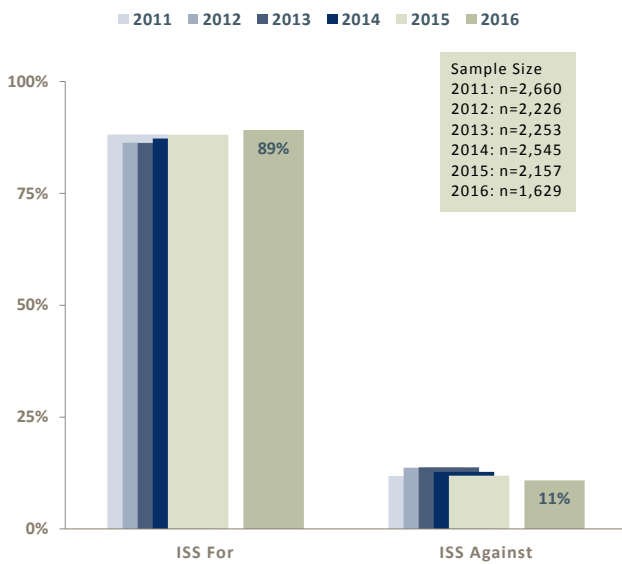
- Of Russell 3000 companies with vote results in each year between 2011 and 2016 (n=1,277), 9% have failed Say on Pay at least once and 28% have received vote support below 70% at least once



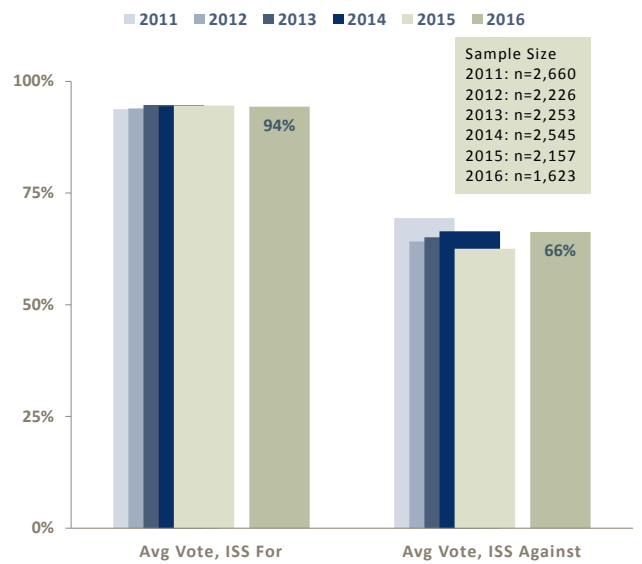
IMPACT OF ISS RECOMMENDATIONS

- ISS has recommended that shareholders vote ‘Against’ Say on Pay at 11% of companies it has assessed¹ in 2016
- Shareholder support was 28% lower at companies with an ISS ‘Against’²

ISS RECOMMENDATION BREAKDOWN¹



IMPACT ON VOTE RESULTS²



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

¹ Based on ISS’ assessment of 1,629 companies, of which 177 have received ‘Against’ from ISS; 1,623 companies (in total) have reported vote results.

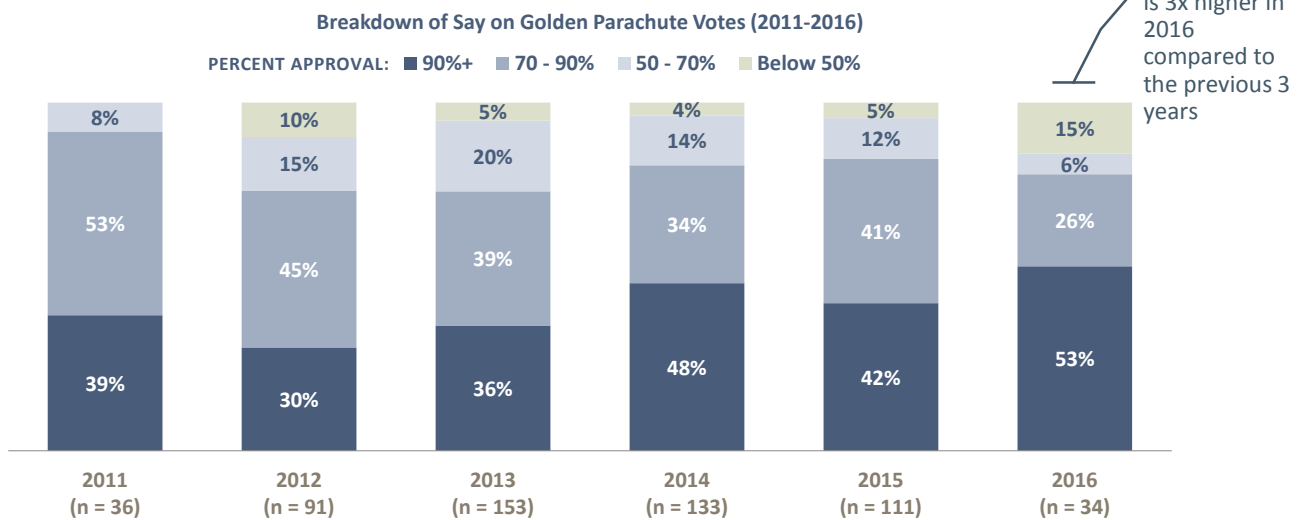
² Reflects only those companies whose vote results have been reported.

REPORT TOPIC: TRENDS IN SAY ON GOLDEN PARACHUTE VOTES

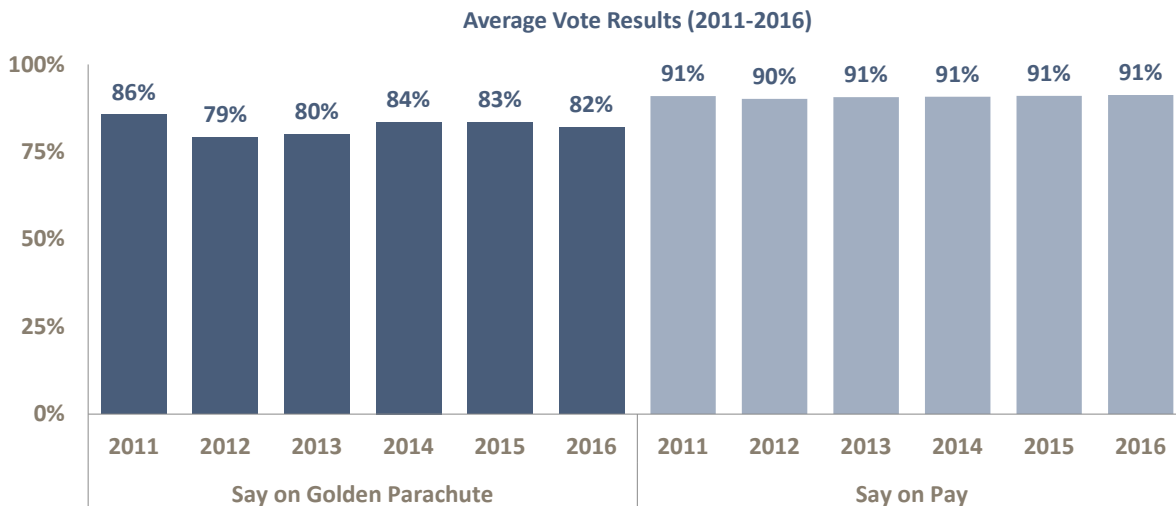
In conjunction with the adoption of Say on Pay in 2011, the SEC implemented a non-binding vote on executive severance arrangements (golden parachutes) at meetings in which shareholders are asked to approve a corporate merger or acquisition. Under SEC rules, this separate vote is not required if disclosure has been subjected to an earlier Say on Pay vote and agreements have not been revised. In the majority of cases, the target company is the only company conducting an additional proxy vote.

— Golden Parachute vote outcomes vary substantially from year to year. We have noticed a marked increase in failed Say on Golden Parachute votes thus far in 2016.

5 companies (Astoria Financial, Checkpoint Systems, Furmanite, Heartland Payment Systems, and Jarden) out of 34 total votes have failed their Say on Golden Parachute votes so far in 2016.



— The average Say on Golden Parachute vote has stabilized over the previous three years after an initial three years (2011-2013) of relative volatility. Say on Golden Parachute support has historically been 5% – 10% lower than Say on Pay support.



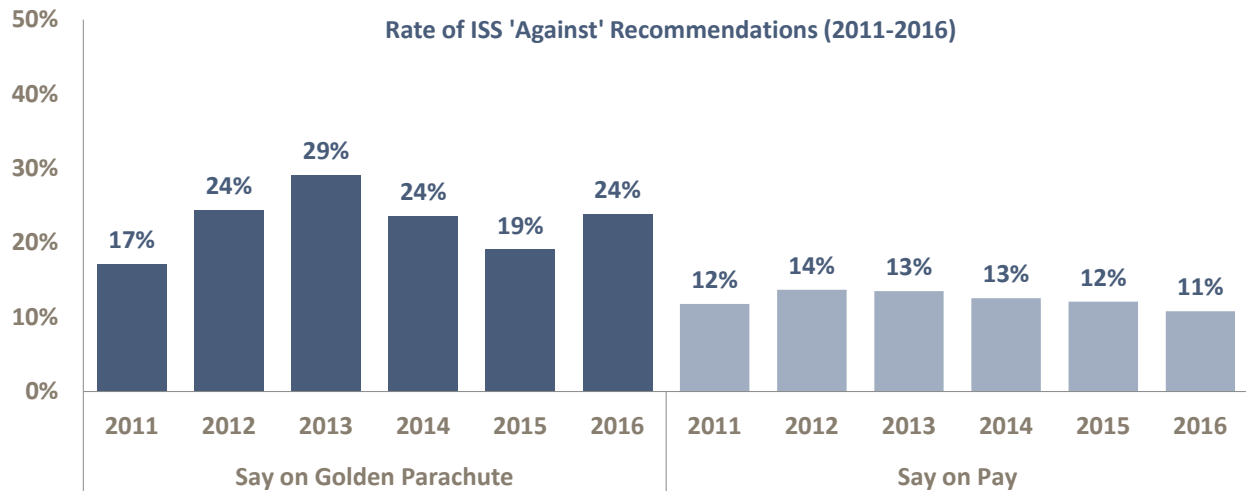
Source: Semler Brossy data and analysis; Fund Votes LLC; ISS Voting Analytics.

Notes: As of June 10, 2016. Represents all companies that held a golden parachute vote.

REPORT TOPIC: TRENDS IN SAY ON GOLDEN PARACHUTE VOTES

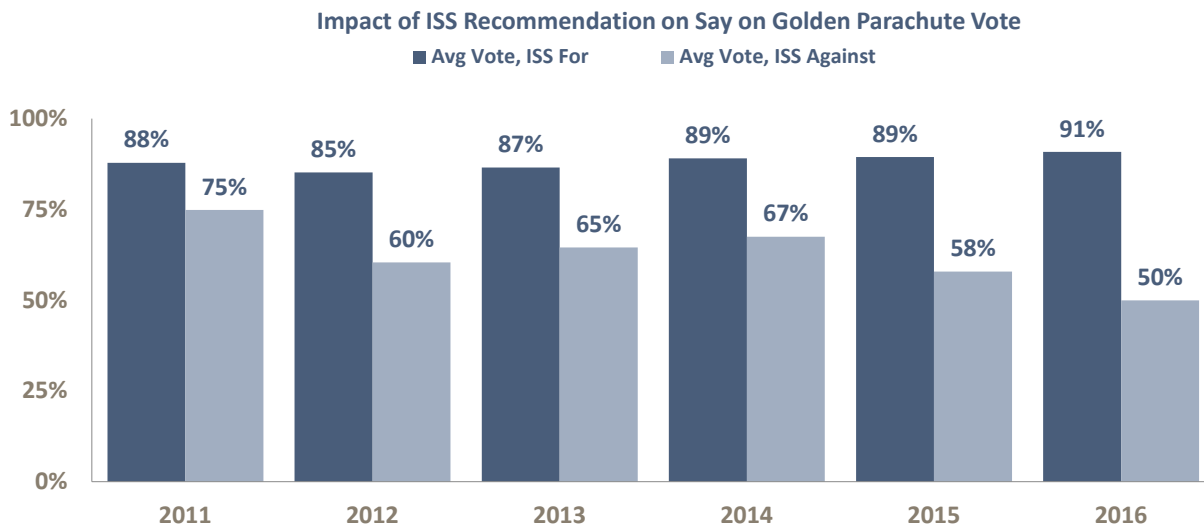
— ISS is more likely to recommend ‘Against’ Say on Golden Parachute proposals than Say on Pay proposals, and its ‘Against’ recommendation rate is more volatile.

The rate of ISS ‘Against’ recommendations for Say on Golden Parachute proposals has ranged from 17% to 29%, while the rate of ‘Against’ recommendations for Say on Pay proposals has remained steady around 13%.



— ISS ‘Against’ recommendations have had an increasingly negative impact on Say on Golden Parachute votes since 2011.

The spread between average results for Say on Golden Parachute votes with ISS ‘For’ and ‘Against’ recommendations has grown each year. In 2011 the difference was 13%; the difference has grown to 41% thus far in 2016.



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

Notes: As of June 10, 2016. Represents all companies that held a golden parachute vote.

REPORT TOPIC: TRENDS IN SAY ON GOLDEN PARACHUTE VOTES

We have included vote results below for the 34 companies that have held Say on Pay Golden Parachute (SOGP) votes thus far in 2016.

2016 Say on Pay Golden Parachute Vote Results

n=34

Company	S&P 500	Market Cap as of 12/31/15 (\$MM)	SOGP 2016 ▼	Say on Pay 2015
DENTSPLY SIRONA, Inc.	X	\$8,521	98%	98%
Blount International, Inc.		\$473	98%	96%
KLA-Tencor Corp.	X	\$10,815	98%	97%
Coca-Cola Enterprises, Inc.	X	\$11,175	98%	97%
Newport Corp.		\$612	97%	94%
Atmel Corp.		\$3,619	97%	95%
The ADT Corp.	X	\$5,440	96%	98%
CommunityOne Bancorp		\$364	96%	100%
Airgas, Inc.	X	\$9,987	96%	97%
Waste Connections, Inc.		\$2,565	95%	74%
PowerSecure International, Inc.		\$338	95%	93%
SanDisk Corp.	X	\$15,253	95%	81%
First Niagara Financial Group, Inc.		\$3,971	93%	89%
Starwood Hotels & Resorts Worldwide, Inc.	X	\$11,687	93%	98%
Piedmont Natural Gas Co., Inc.		\$4,618	93%	97%
Anchor Bancorp Wisconsin, Inc.		\$418	92%	100%
Sirona Dental Systems, Inc.		\$302	91%	98%
Western Digital Corp.	X	\$13,915	91%	95%
Rite Aid Corp.		\$8,204	89%	95%
IRC Retail Centers, Inc.		\$1,068	89%	99%
Mattson Technology, Inc.		\$266	89%	-
Questar Corp.		\$3,406	85%	96%
Keurig Green Mountain, Inc.	X	\$13,423	83%	99%
Diamond Foods, Inc.		\$1,216	78%	97%
Aralez Pharmaceuticals, Inc.		\$227	77%	53%
Apollo Education Group, Inc.		\$829	76%	-
RealD, Inc.		\$540	72%	-
Metro Bancorp, Inc. (Pennsylvania)		\$448	68%	96%
Rentrak Corp.		\$731	65%	71%
Heartland Payment Systems, Inc.		\$3,494	49%	92%
Furmanite Corp.		\$253	47%	48%
Checkpoint Systems, Inc.		\$264	41%	46%
Astoria Financial Corp.		\$1,597	38%	40%
Jarden Corp.		\$12,528	33%	54%

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

Notes: As of June 10, 2016. Represents all companies that held a golden parachute vote.

APPENDIX: COMPANIES UNDER 50% IN 2016

2016 Failed Say on Pay Vote Results¹

Russell 3000, n=25

Company	Meeting Date	GICS Industry	S&P 500	FYE 2015 Revenue (\$MM)	Say on Pay Vote Results			TSR (as of FYE 2015)			Number of Failures
					2016 ▼	2015	YOY	1-Yr	3-Yr	5-Yr	
Atlas Air Worldwide Holdings, Inc.	05/24/16	Air Freight & Logistics		\$1,823	50%	56%	-6%	-16%	-5%	-27%	2
General Growth Properties, Inc.	05/17/16	Real Estate Investment Trusts (REITs)	X	\$2,404	48%	89%	-41%	-2%	49%	103%	1
Motorcar Parts of America, Inc.	03/24/16	Auto Components		\$302	48%	77%	-29%	8%	189%	334%	1
FMC Corp.	04/26/16	Chemicals	X	\$3,277	46%	91%	-46%	-31%	-29%	2%	1
HCI Group, Inc.	05/19/16	Insurance		\$294	45%	-	-	-19%	84%	440%	1
Senior Housing Properties Trust	05/18/16	Real Estate Investment Trusts (REITs)		\$995	45%	96%	-51%	-28%	-21%	-4%	1
VeriFone Systems, Inc.	03/24/16	Electronic Equipment Instruments & Components		\$2,000	45%	83%	-38%	-18%	2%	-11%	2
Bill Barrett Corp.	05/17/16	Oil Gas & Consumable Fuels		\$208	45%	95%	-50%	-66%	-78%	-90%	1
Consolidated-Tomoka Land Co.	04/27/16	Real Estate Management & Development		\$43	44%	99%	-55%	-5%	73%	84%	1
Masimo Corp.	04/20/16	Health Care Equipment & Supplies		\$623	42%	44%	-1%	58%	98%	50%	5
Tutor Perini Corp.	05/25/16	Construction & Engineering		\$4,944	42%	38%	4%	-31%	26%	-21%	6
Sucampo Pharmaceuticals, Inc.	06/08/16	Pharmaceuticals		\$153	42%	100%	-58%	24%	262%	351%	1
Hatteras Financial Corp.	05/04/16	Real Estate Investment Trusts (REITs)		\$280	41%	85%	-44%	-21%	-26%	-22%	1
M.D.C. Holdings, Inc.	03/29/16	Household Durables		\$1,890	40%	87%	-47%	1%	-22%	6%	2
BorgWarner, Inc.	04/27/16	Auto Components	X	\$8,025	40%	88%	-48%	-21%	26%	22%	1
Tetra Tech, Inc.	03/03/16	Commercial Services & Supplies		\$1,719	40%	59%	-19%	0%	-3%	24%	1
Ultra Petroleum Corp.	05/19/16	Oil Gas & Consumable Fuels		\$839	39%	89%	-50%	-81%	-86%	-95%	1
Diodes, Inc.	05/10/16	Semiconductors & Semiconductor Equipment		\$849	39%	71%	-31%	-16%	35%	-16%	1
Cepheid	04/26/16	Biotechnology		\$531	39%	93%	-54%	-33%	11%	58%	1
Exelon Corp.	04/26/16	Electric Utilities	X	\$28,325	38%	83%	-44%	-24%	8%	-16%	1
Nuance Communications, Inc.	01/27/16	Software		\$1,931	33%	15%	18%	8%	-34%	4%	3
Banc of California, Inc.	05/13/16	Banks		\$493	30%	-	-	31%	38%	36%	1
Wolverine World Wide, Inc.	04/21/16	Textiles Apparel & Luxury Goods		\$2,692	30%	99%	-69%	-43%	-16%	10%	1
Community Health Systems, Inc.	05/17/16	Health Care Providers & Services		\$19,437	24%	75%	-50%	-52%	-11%	-29%	2
C&J Energy Services Ltd.	05/26/16	Energy Equipment & Services		\$1,749	10%	-	-	-64%	-77%	-	1

¹ As of June 10, 2016.

Source: Semler Brossy data and analysis; Fund Votes LLC; FactSet.

DATA AT A GLANCE: A GUIDE TO OUR REPORT COVERS



EACH ISSUE OF OUR 2016 REPORT CONTAINS an update to vote results and in-depth coverage of a special topic related to Say on Pay

EACH COLORED CIRCLE REPRESENTS the vote results for 50 Russell 3000 companies

REPORT SPECIAL TOPIC rotates each issue

2016 VOTING GROUP divides companies by the results of their 2016 Say on Pay vote

FILLED CIRCLES represent 50 companies with vote results within the range

PARTIAL CIRCLES represent fewer than 50 companies with vote results within the range

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