

2017 SAY ON PAY RESULTS

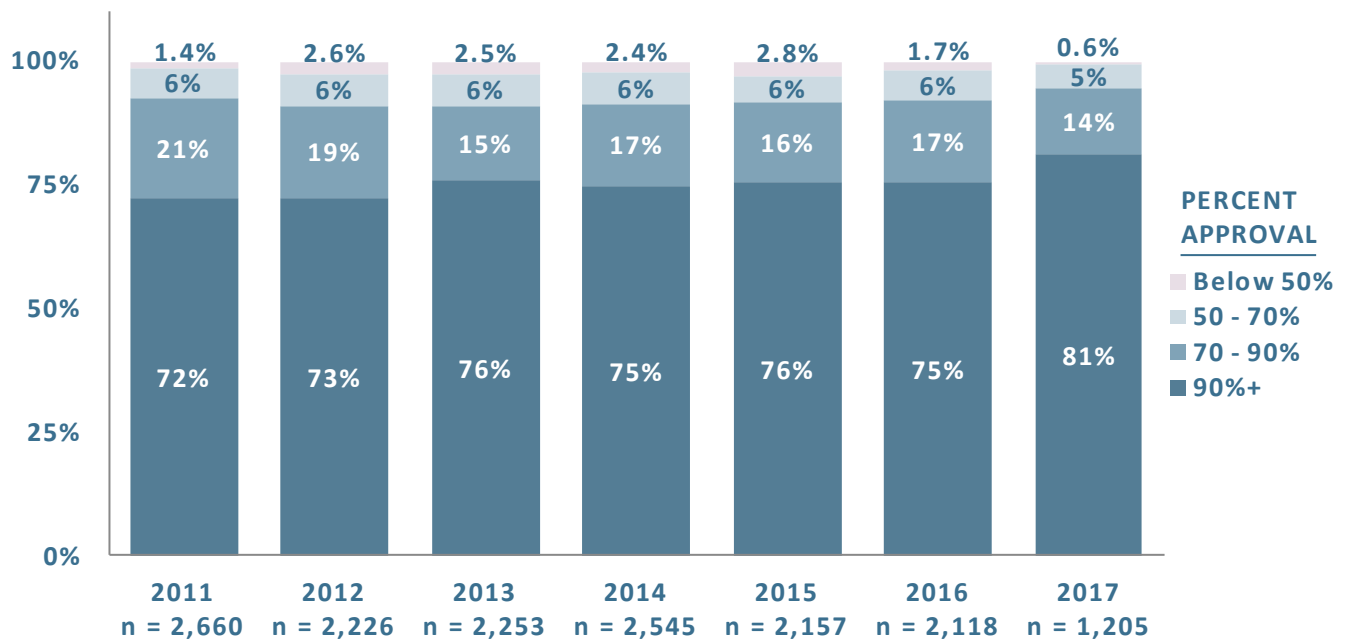
5/24/2017



1,205 COMPANIES

Breakdown of Say on Pay Vote Results

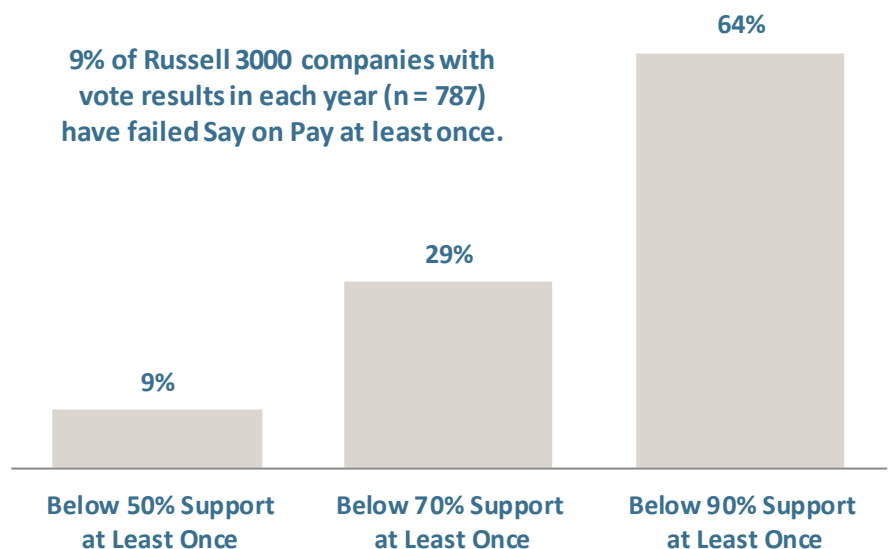
To date, seven Russell 3000 companies (0.6%) have failed Say on Pay in 2017. Two companies have failed since our last report – ConocoPhillips and Whitestone REIT.



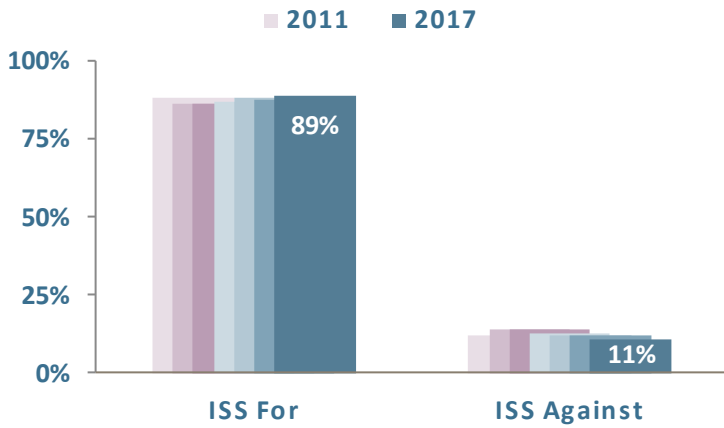
Since the Last Report

- The current failure rate (0.6%) is the lowest failure rate since Say on Pay voting began in 2011
- The percentage of companies receiving support above 90% in 2017 is higher than all previous years
- The average vote result thus far in 2017 is 92.6%, which is a 1.7% increase over 2016

9% of Russell 3000 companies with vote results in each year (n = 787) have failed Say on Pay at least once.

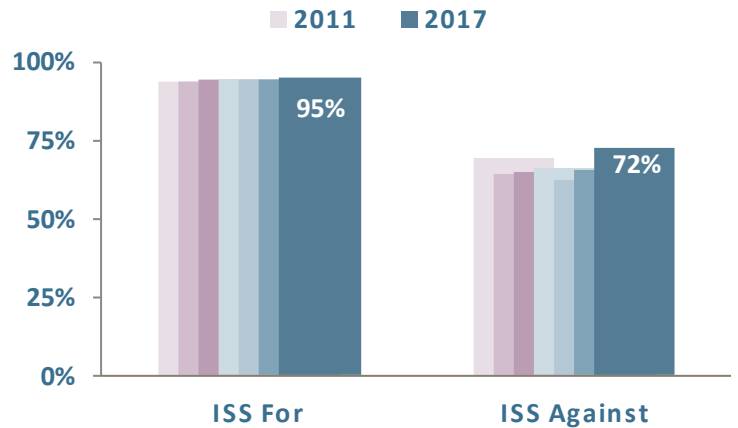


ISS Recommendation Breakdown



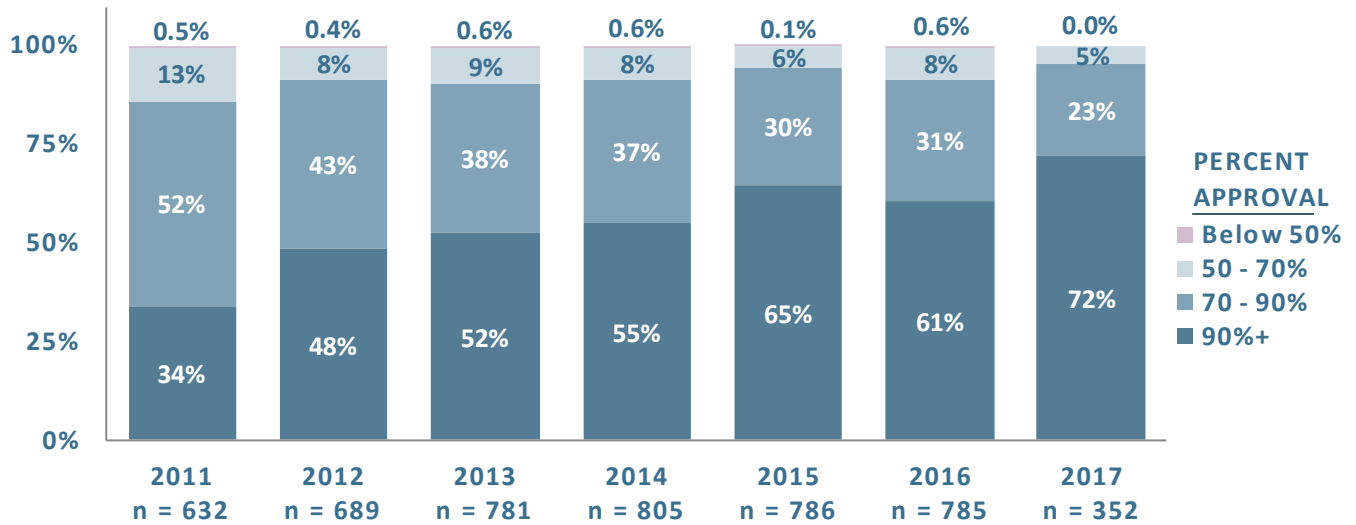
- ISS has recommended "Against" for 11% of the companies it has assessed thus far in 2017

ISS Impact on Vote Results



- Shareholder support is 23% lower at companies that have received an ISS "Against" recommendation

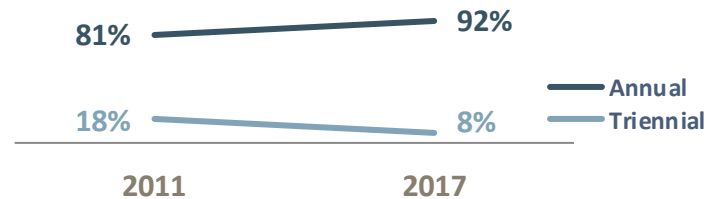
Breakdown of Equity Plan Proposal Votes



Governance Observations

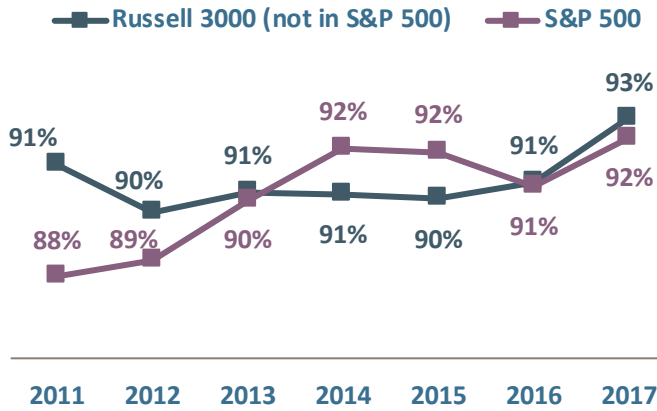
- 72% of companies have received over 90% support on equity plan proposals, the highest observed rate since 2011. No plans have failed thus far in 2017
- Shareholders are supporting an annual Say on Pay vote in 92% of frequency votes thus far in 2017, a 11% increase over 2011

Say on Pay Frequency Vote Results



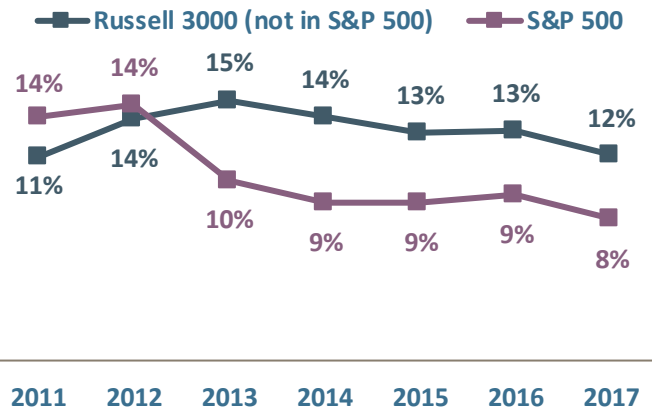
Note: 1% of companies in 2011 and 0% thus far in 2017 voted to hold a biennial Say on Pay vote.

Average Say on Pay Vote Results



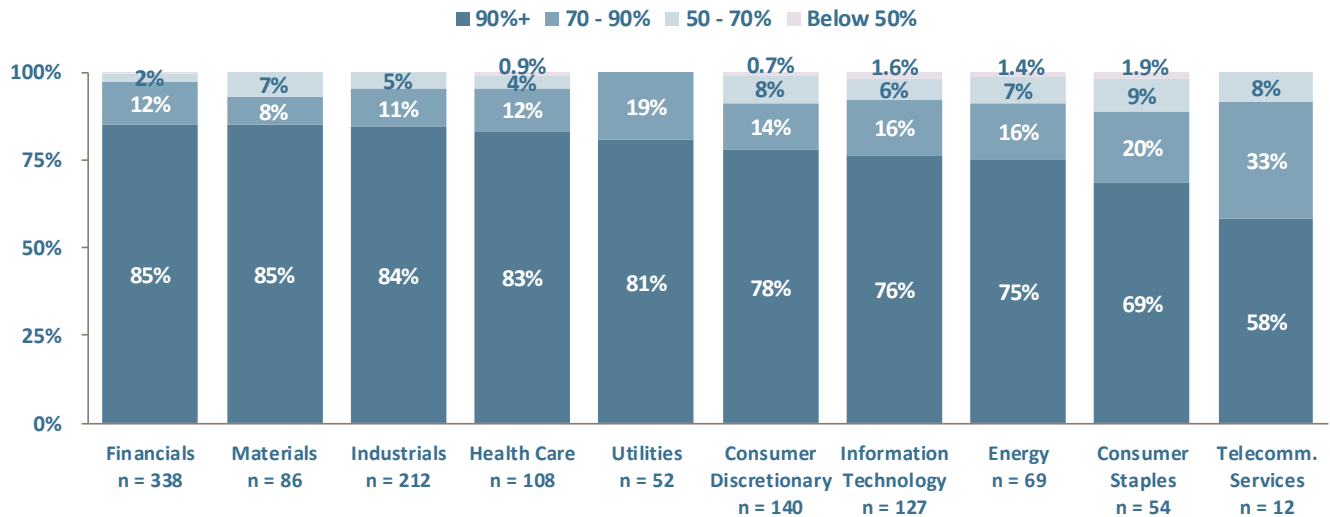
- The S&P 500 and Russell 3000 (not including S&P 500 companies) have had similar average vote results over the past two years

ISS "Against" Recommendations



- ISS has recommended "Against" Russell 3000 companies (not in the S&P 500) nearly 50% more often than companies in the S&P 500 since 2013

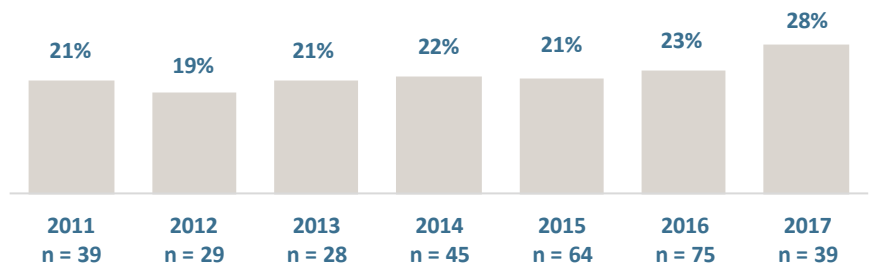
2017 S&P 500 Say on Pay Results by GICS Sector



Governance Observations

- Average support for environmental proposals in 2017 is the highest support rate over the past seven years (28%)
- 2 environmental proposals (5%) have received greater than 50% support 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=7

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		
Sprouts Farmers Markets, Inc.	43%	72%	-29%	1	X	X				X	
Whitestone REIT	43%	-	-	1		X		X	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	
ConocoPhillips	32%	83%	-51%	1	X	X					

¹ As of May 22, 2017.

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