

2021 SAY ON PAY & PROXY RESULTS

RUSSELL 3000



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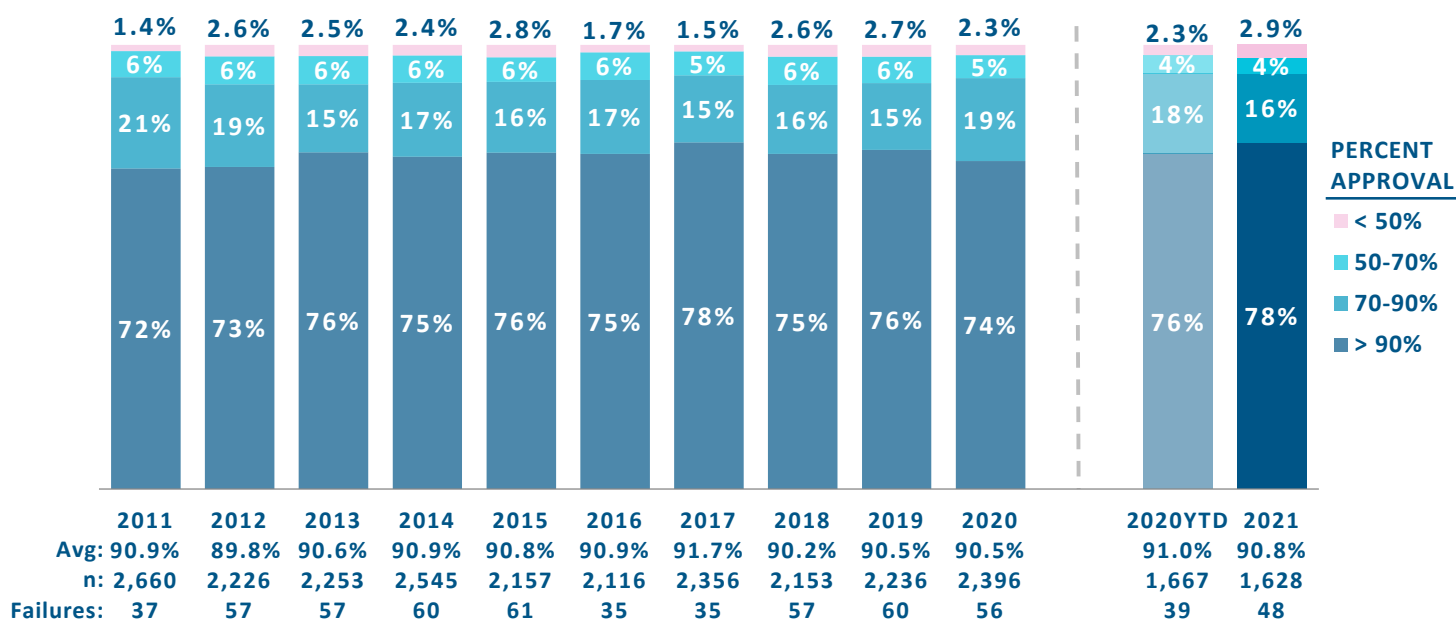
2021 SAY ON PAY RESULTS

6/10/2021

RUSSELL 3000
1,628 COMPANIES

BREAKDOWN OF SAY ON PAY VOTE RESULTS

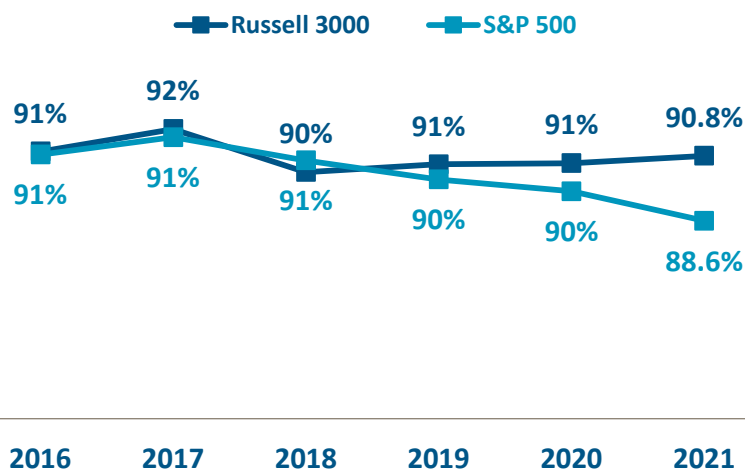
48 Russell 3000 companies (2.9%) failed Say on Pay thus far in 2021, 16 of which are in the S&P 500. 11 companies failed since our last report and are highlighted in **bold** on page 3 of this report. Our evaluation of the likely reasons for failure indicates that fourteen of the forty-eight failed Say on Pay votes are due in part to Covid-19 related actions.



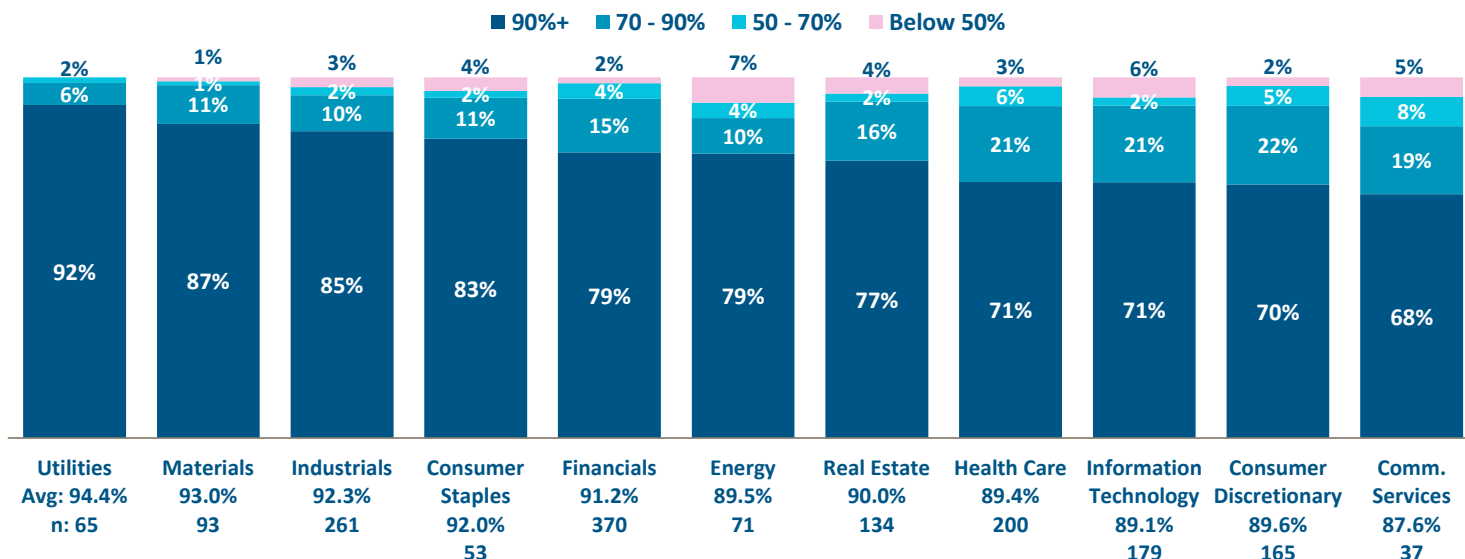
SAY ON PAY OBSERVATIONS

- The current failure rate (2.9%) remains above the failure rate at this time last year (2.3%) and is a 20 basis point decline from the 3.1% failure rate from our 5/27 report. Additionally, the percentage of Russell 3000 companies receiving greater than 90% support (78%) is greater than the percentage at this time last year (76%)
- The current average vote results of 90.8% for the Russell 3000 and 88.6% for the S&P 500 are below the average vote results at this time last year
- The average Russell 3000 vote result thus far is 220 basis points higher than the average S&P 500 vote result, which is 120 basis points higher than the spread at this time last year

COMPARISON OF RUSSELL 3000 AND S&P 500

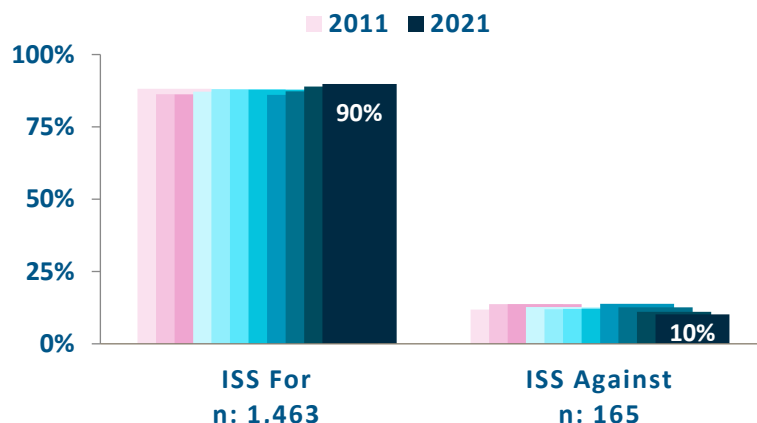


SAY ON PAY VOTE RESULTS BY GICS SECTOR



ISS RECOMMENDATION RATE

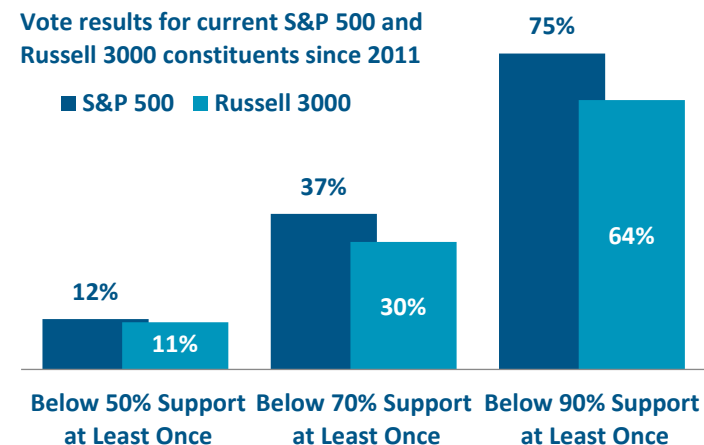
- 10.1% of companies thus far have received an “Against” recommendation from ISS, and the current average Say on Pay vote result for companies that received an ISS “Against” recommendation is 33 percentage points lower than for companies that received an ISS “For” recommendation
- The 33-percentage point gap is slightly above the historical average range of 24 to 32 percentage points but represents a decline from our last report’s gap of 35 percentage points
- The current ISS against rate of 10.1% which is lower than 2020 rate of 11%



ISS “AGAINST” RATE AND VOTE IMPACT OF MULTIPLE CONSECUTIVE “AGAINSTS”

| Count | Companies | “Against” Rate | Average Vote |
|------------------|-----------|----------------|--------------|
| FULL 2021 SAMPLE | 1,628 | 10% | 90.8% |
| 1 “Against” | 77 | 23% | 57.9% |
| 2 “Againsts” | 32 | 50% | 56.8% |
| 3 “Againsts” | 13 | 62% | 51.9% |
| 4+ “Againsts” | 3 | 33% | 44.6% |

LIKELIHOOD OF A LOW SAY ON PAY VOTE



LIKELY CAUSES OF SAY ON PAY VOTES UNDER 50% IN 2021

2021 Failed Say on Pay Vote Results¹

Russell 3000, n=48

| Company | Say on Pay Vote Results | | | Number of Failures | Likely Causes of Votes Under 50% | | | | | | |
|---|-------------------------|------------|-------------|--------------------|----------------------------------|---------------------------|----------------------------|-------------------------------------|------------------------------|----------------------------|-----------------------|
| | 2021▼ | 2020 | YOY | | Pay and Performance Relation | Problematic Pay Practices | Rigor of Performance Goals | Shareholder Outreach and Disclosure | Non-Performance Based Equity | Special Awards/Mega-Grants | COVID-Related Actions |
| Phillips 66 | 50% | 89% | -39% | 1 | X | X | X | X | | | |
| Prologis, Inc. | 50% | 84% | -34% | 1 | X | X | X | X | | | |
| PTC Inc. | 50% | 67% | -18% | 2 | X | X | X | | | X | X |
| The Children's Place, Inc. | 49% | 75% | -26% | 2 | X | X | | X | | | |
| AT&T Inc. | 49% | 88% | -39% | 1 | X | | | | | X | |
| International Business Machines Corporation | 49% | 86% | -38% | 1 | X | | | | | X | |
| Starbucks Corporation | 47% | 84% | -37% | 1 | | | | | | X | |
| Vonage Holdings Corp. | 47% | 90% | -43% | 1 | | | X | X | X | X | |
| Zynga Inc. | 47% | 97% | -50% | 1 | | X | | X | | X | |
| Walgreens Boots Alliance, Inc. | 47% | 83% | -36% | 1 | X | | X | X | | | X |
| Vector Group Ltd. | 46% | 31% | 15% | 3 | X | X | | | | | |
| Halliburton Company | 46% | 90% | -44% | 2 | X | X | X | | | | |
| Essent Group Ltd. | 46% | 98% | -52% | 1 | | | | X | X | | X |
| XPO Logistics, Inc. | 45% | 67% | -22% | 1 | X | X | | X | | | X |
| Tejon Ranch Co. | 45% | - | - | 1 | | X | X | X | X | | |
| Howmet Aerospace Inc. | 45% | - | - | 1 | | X | | X | X | X | |
| Arrowhead Pharmaceuticals, Inc. | 44% | 98% | -54% | 1 | X | X | | | | X | |
| Greenlight Capital Re, Ltd. | 43% | 66% | -23% | 1 | | X | | X | | | |
| TransDigm Group Incorporated | 43% | 66% | -23% | 1 | X | X | X | X | | | |
| The Brink's Company | 43% | 90% | -47% | 1 | X | | X | | X | X | X |
| General Electric Company | 42% | 74% | -31% | 1 | X | X | X | | | X | X |
| Xenia Hotels & Resorts, Inc. | 42% | 98% | -56% | 1 | X | | | X | X | X | X |
| Allakos Inc. | 41% | - | - | 1 | | X | | X | X | | |
| Sterling Bancorp | 38% | 96% | -57% | 2 | | X | | | | | X |
| Intel Corporation | 38% | 50% | -12% | 2 | X | X | X | | | | |
| PacWest Bancorp | 37% | 81% | -44% | 2 | | X | X | X | | X | |
| Sabre Corporation | 36% | - | - | 1 | X | X | | | | X | X |
| Enzo Biochem, Inc. | 36% | 56% | -20% | 1 | | X | | X | | | |
| Invacare Corporation | 35% | 92% | -56% | 1 | X | X | | | | | X |
| Tutor Perini Corporation | 35% | 34% | 0% | 11 | X | X | | X | | | |
| Ladder Capital Corp | 34% | - | - | 1 | | X | | | | | |
| Evoform Biosciences, Inc. | 34% | 73% | -40% | 1 | X | X | | | | X | |
| Acuity Brands, Inc. | 33% | 33% | 0% | 2 | X | X | X | | X | X | |
| Nabors Industries Ltd. | 32% | 35% | -3% | 10 | X | X | X | X | | | |
| Xerox Holdings Corporation | 31% | 66% | -36% | 2 | X | X | | X | | X | X |
| Paycom Software, Inc. | 30% | 45% | -15% | 2 | X | X | | | | X | |
| Marathon Petroleum Corporation | 30% | 90% | -60% | 1 | X | | X | X | X | X | |
| Cleveland-Cliffs Inc. | 26% | 32% | -6% | 3 | X | X | X | | | X | |
| Ceridian HCM Holding Inc. | 26% | 54% | -28% | 1 | X | X | | X | | X | |
| RPT Realty | 23% | 98% | -75% | 1 | X | | X | | | X | |
| LCI Industries | 23% | 67% | -43% | 1 | | X | | | | X | X |
| Whiting Petroleum Corporation | 23% | - | - | 2 | | X | | | | X | X |
| Skyworks Solutions, Inc. | 22% | 89% | -67% | 1 | X | X | X | X | | X | |
| Global Net Lease, Inc. | 21% | - | - | 1 | | | | X | | | |
| Blucora, Inc. | 20% | 94% | -73% | 1 | | X | | X | X | X | |
| Park Hotels & Resorts Inc. | 18% | 96% | -78% | 1 | X | | X | X | | X | |
| Norwegian Cruise Line Holdings Ltd. | 17% | 87% | -70% | 1 | X | X | | | | X | X |
| NCR Corporation | 16% | 85% | -69% | 2 | X | X | X | | | X | |
| Count (n=48) | | | | | 32 | 36 | 20 | 25 | 10 | 28 | 14 |

¹ As of June 8, 2021

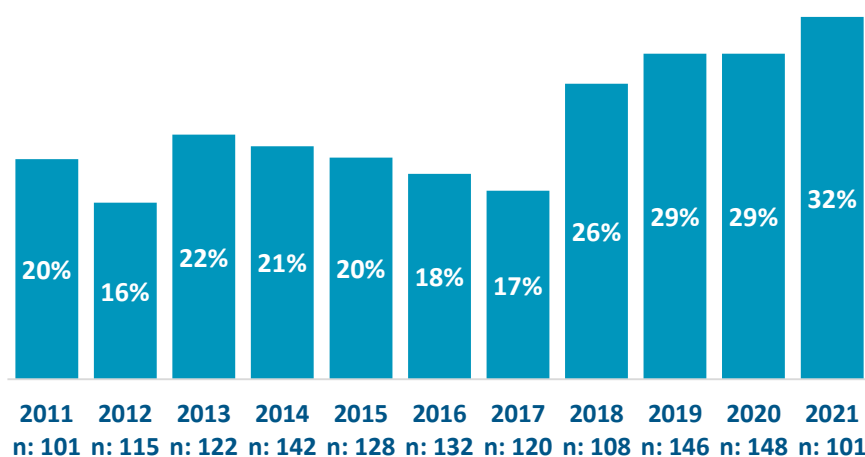
2021 E&S PROPOSAL RESULTS

6/10/2021

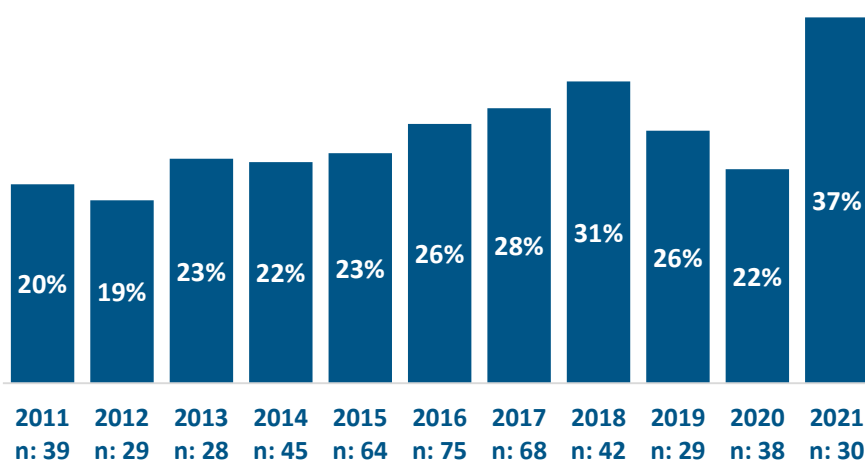
RUSSELL 3000
131 PROPOSALS

- Thus far in the proxy season, shareholders have voted on 101 social proposals and 30 environmental proposals, which is consistent with the number of proposals voted on at this time last year (105 social proposals and 24 environmental proposals)
- Median support for social proposals is 32% and median support for environmental proposals is 37%
- Nineteen social proposals (19%) and twelve environmental proposals (40%) have received greater than 50% support in 2020; both rates are significantly higher than any previous year (9% of social proposals and 16% of environmental proposals received greater than 50% support in 2020)
- We have observed significantly higher support (often above 70%) for proposals that request reporting on EEO-1 statistics, diversity and inclusion efforts, Board diversity, lobbying payments, climate impact reporting, and emission reduction target disclosure

SOCIAL PROPOSALS MEDIAN VOTE RESULT



ENVIRONMENTAL PROPOSALS MEDIAN VOTE RESULT



SPOTLIGHT: CHEVRON

Shareholders submitted a proposal requesting that Chevron substantially reduce the greenhouse gas (GHG) emissions of their energy products (Scope 3) in the medium- and long-term future, as defined by the Company.

The proposal received 61% vote support

- The proponents of the proposal stated that oil and gas companies are essential to reducing climate change, and that climate change presents financial risks that shareholders should be responsive to as part of their fiduciary duty
- The proponents also noted that the Chevron's main competitors have disclosed emission reduction goals and investor demands around this topic are gaining momentum
- The Board recommended "Against" the proposal; they acknowledged their support and the importance of the effort to achieve Paris Agreement Goals and noted that the company has set Scope 1 and Scope 2 metrics and emissions intensity metrics for 2023 and 2028, with plans to update every five years
- ISS recommended "For" the proposal and noted the information is important for investors to understand how the company will adapt to evolving regulatory, competitive, and financial risks given that its most recent climate report showed an uptick in Scope 3 emissions

2021 DIRECTOR ELECTION RESULTS

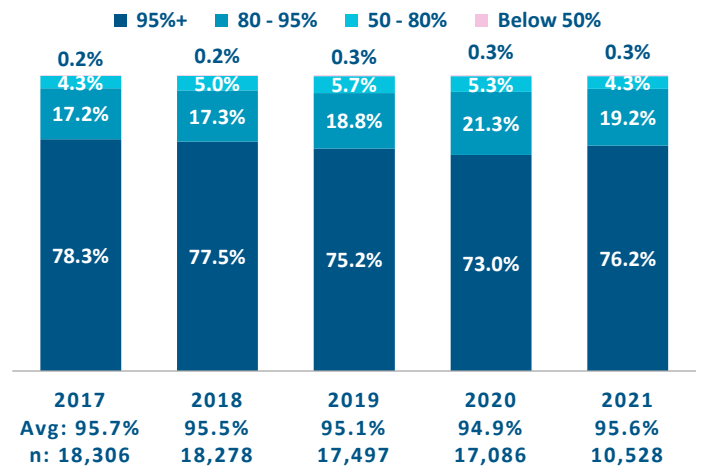
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RUSSELL 3000
10,528 DIRECTORS

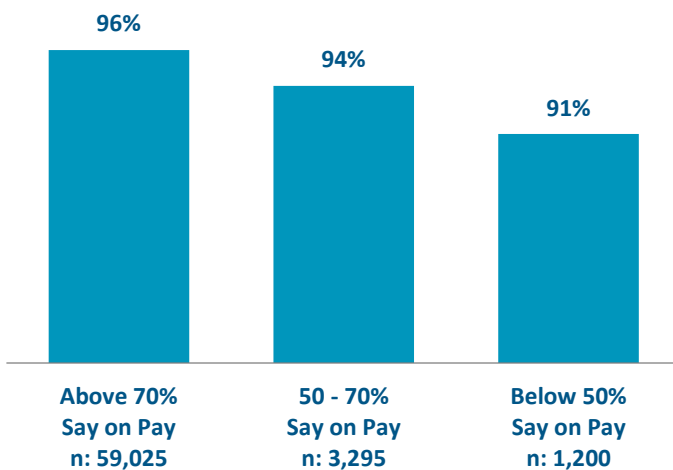
DIRECTOR ELECTION OBSERVATIONS

- Average vote support for Director nominees of 95.6% is 70 basis points higher than the year-end support observed in 2020; however, average vote support was the same at this time last year before declining to the year-end level (94.9%)
- Over the past five years, average Director election vote support at companies that received a Say on Pay vote below 50% in the prior year is five percentage points lower than at companies that received above 70% support
- Average vote support for female Director nominees is 140 basis points higher than average support for male nominees, which is slightly smaller than the difference observed in the last two years

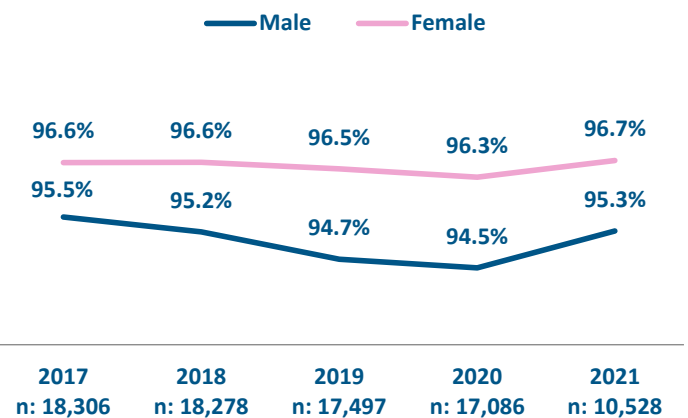
BREAKDOWN OF DIRECTOR ELECTION RESULTS



AVERAGE DIRECTOR ELECTION RESULTS IN YEAR FOLLOWING SAY ON PAY (2017-2021)



AVERAGE DIRECTOR ELECTION RESULTS BY GENDER



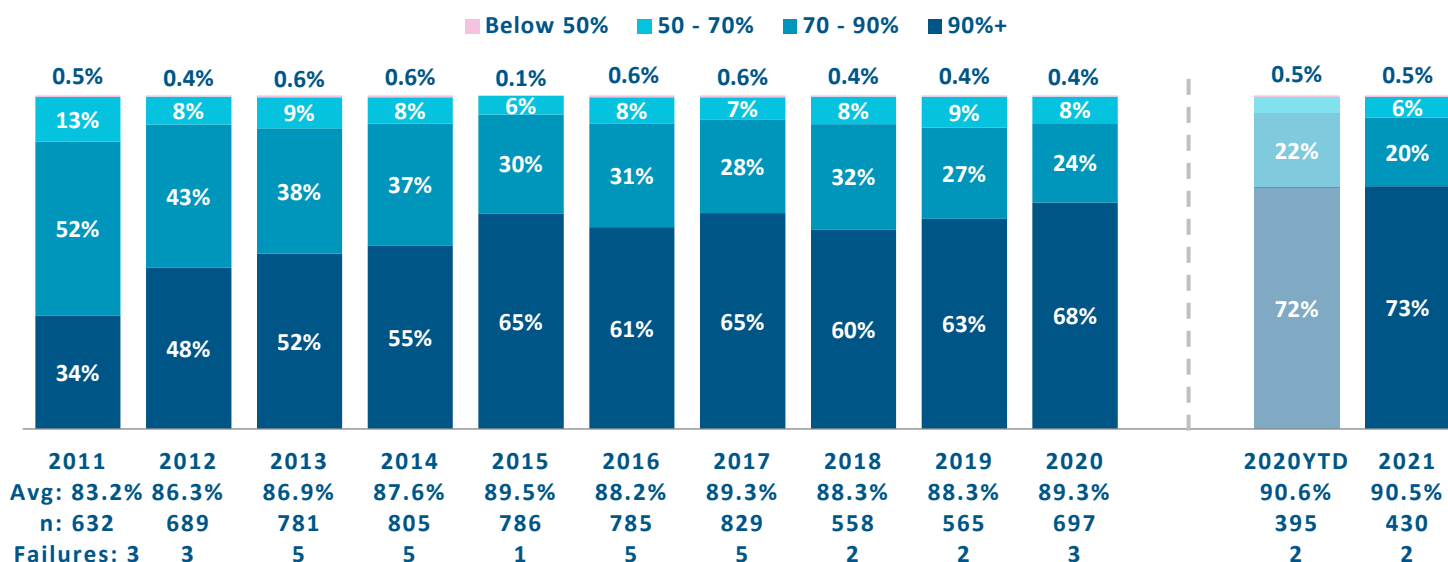
2021 EQUITY PROPOSAL RESULTS

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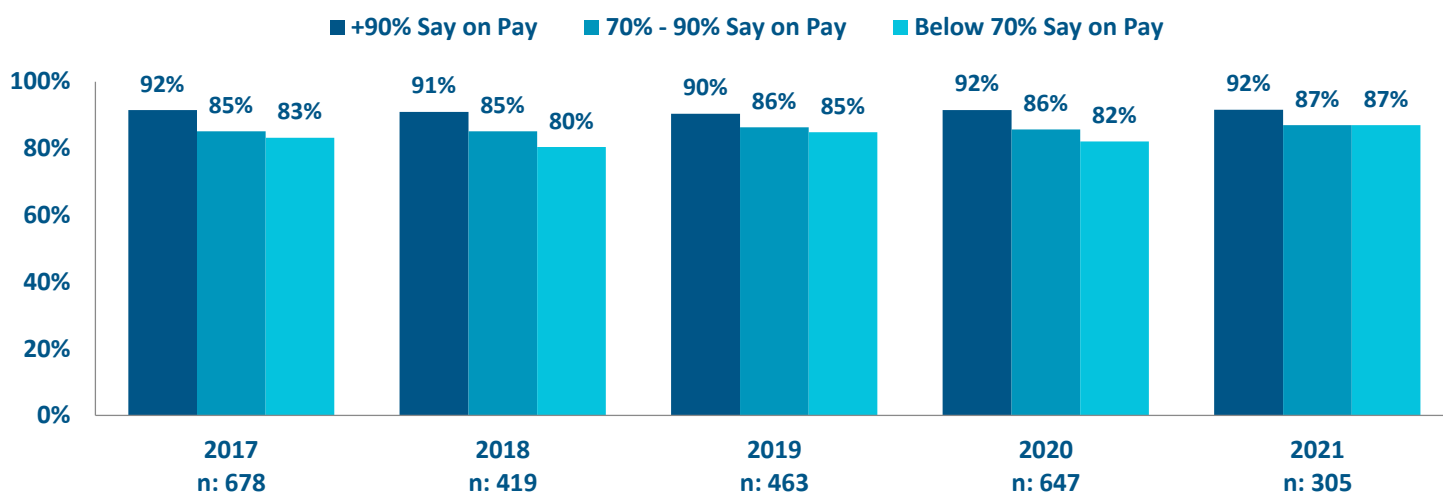
RUSSELL 3000
430 COMPANIES

- Average vote support for equity proposals thus far in the proxy season (90.5%) is 10 basis points lower than the average vote support observed at this time last year (90.6%), and is higher than the year-end levels observed over the past several years
- Two proposals (Simulations Plus and Cassava Sciences) have received vote support below 50% thus far in 2021, and none since our last report; three proposals received vote support below 50% in 2020

BREAKDOWN OF EQUITY PLAN PROPOSAL VOTES



SAY ON PAY IMPACT ON EQUITY PLAN PROPOSAL VOTES



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