

2017 SAY ON PAY RESULTS

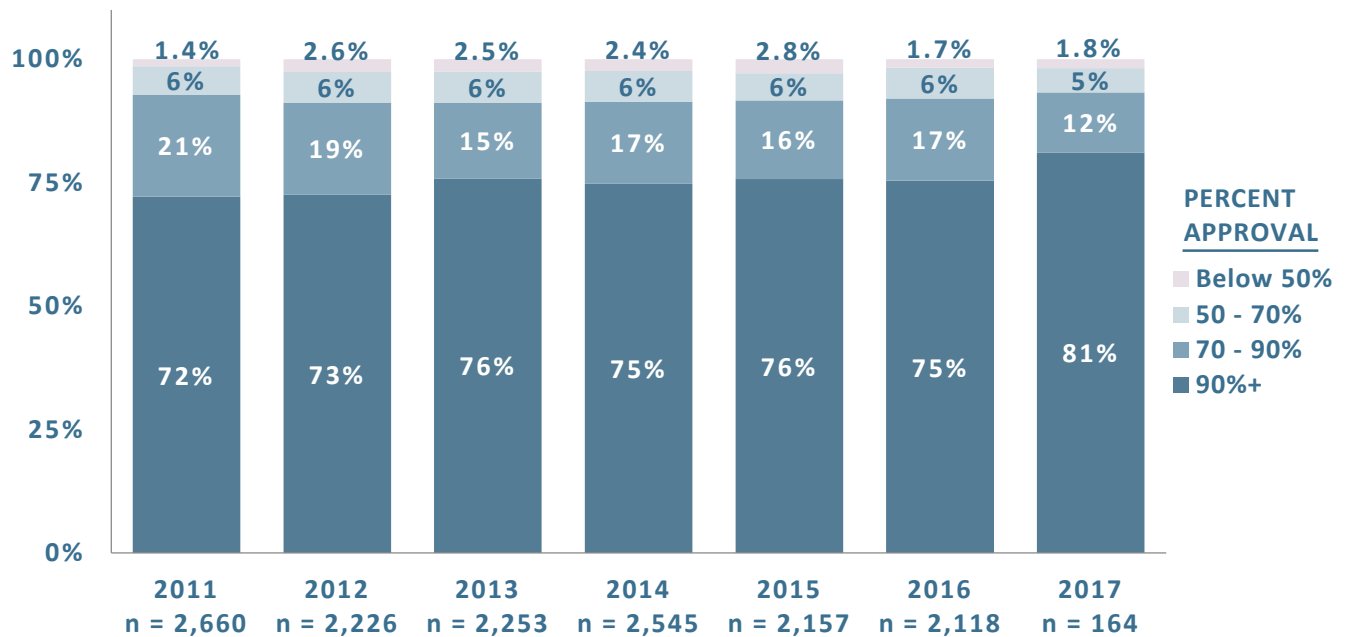
4/12/2017



RUSSELL 3000
164 COMPANIES

Breakdown of Say on Pay Vote Results

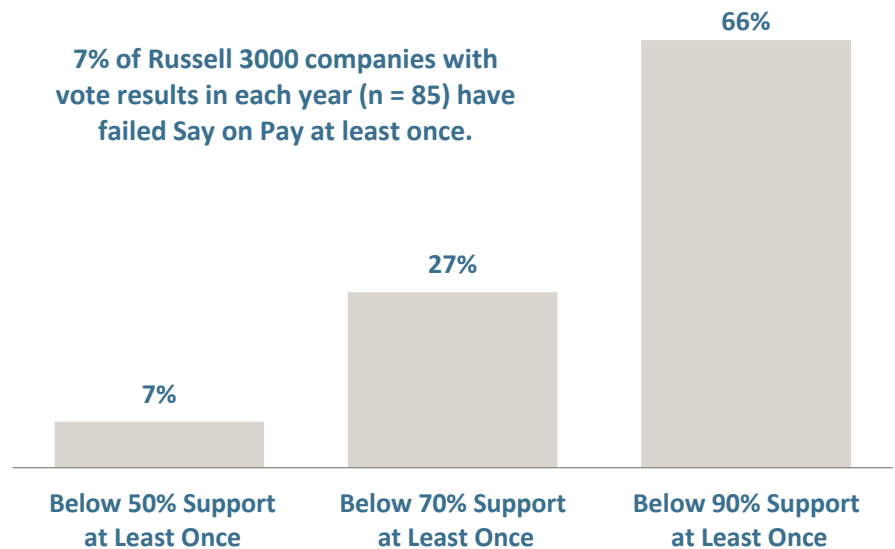
Three companies have failed Say on Pay thus far in 2017, though no new companies have failed since the last report.



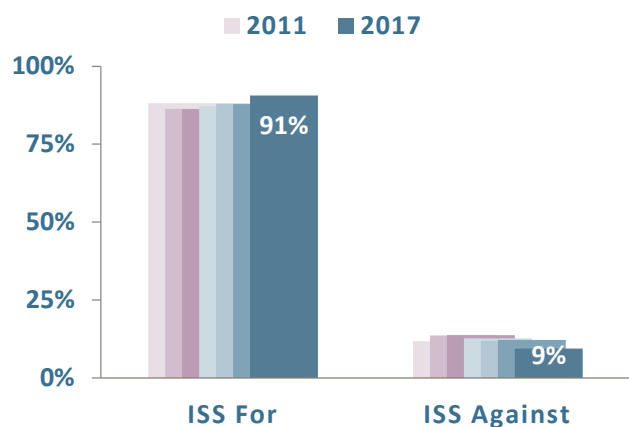
Since the Last Report

- Average vote result thus far in 2017 is 92.5%, which is a 1.6% increase over 2016
- The percentage of companies receiving support above 90% in 2017 is higher than all previous years, while the percentage of companies with below 70% support is aligned with prior years
- While early in the proxy season, the current failure rate (1.8%) is similar to the 2016 failure rate (1.7%) and remains below rates observed between 2012 and 2015

7% of Russell 3000 companies with vote results in each year (n = 85) have failed Say on Pay at least once.

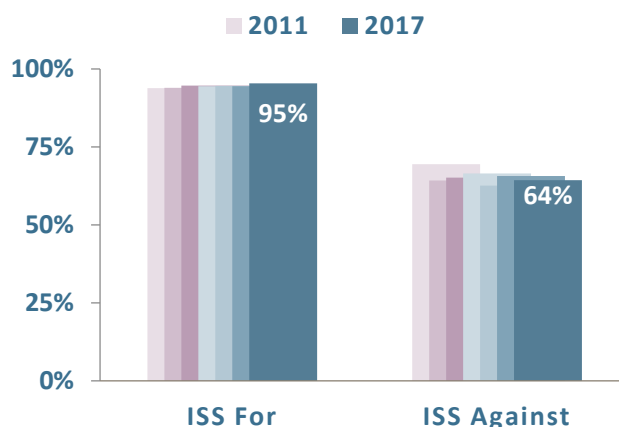


ISS Recommendation Breakdown



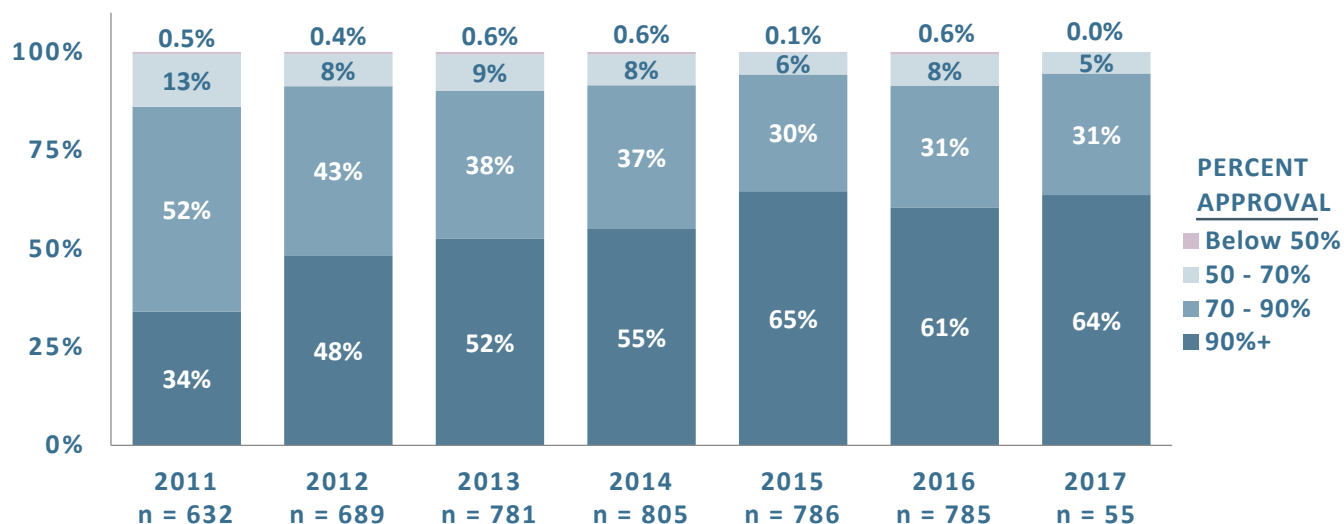
- ISS has recommended "Against" at 9% of the companies it has assessed thus far in 2017

ISS Impact on Vote Results



- Shareholder support is 31% lower at companies that have received an ISS "Against" recommendation

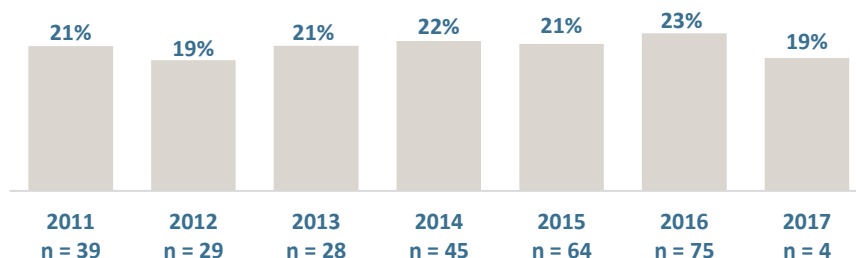
Breakdown of Equity Plan Proposal Votes



Governance Observations

- Since 2011, average vote support for environmental proposals is 21.4%
- The number of environmental proposals has steadily increased since 2013
- 3 environmental proposals (1.1%) have passed since 2011

Environmental Proposal Average Vote Results



Note: in the last report, the number of equity proposals in 2017 was incorrectly stated. The lower number observations in this report reflects the correct amount.

Likely Causes of Votes Under 50% in 2017

2017 Failed Say on Pay Vote Results¹

Russell 3000, n=3

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		
Immunomedics, Inc.	38%	-	-	1		X					
Nuance Communications, Inc.	33%	33%	1%	4	X	X	X		X	X	

¹ As of April 10, 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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