

# 2017 SAY ON PAY RESULTS

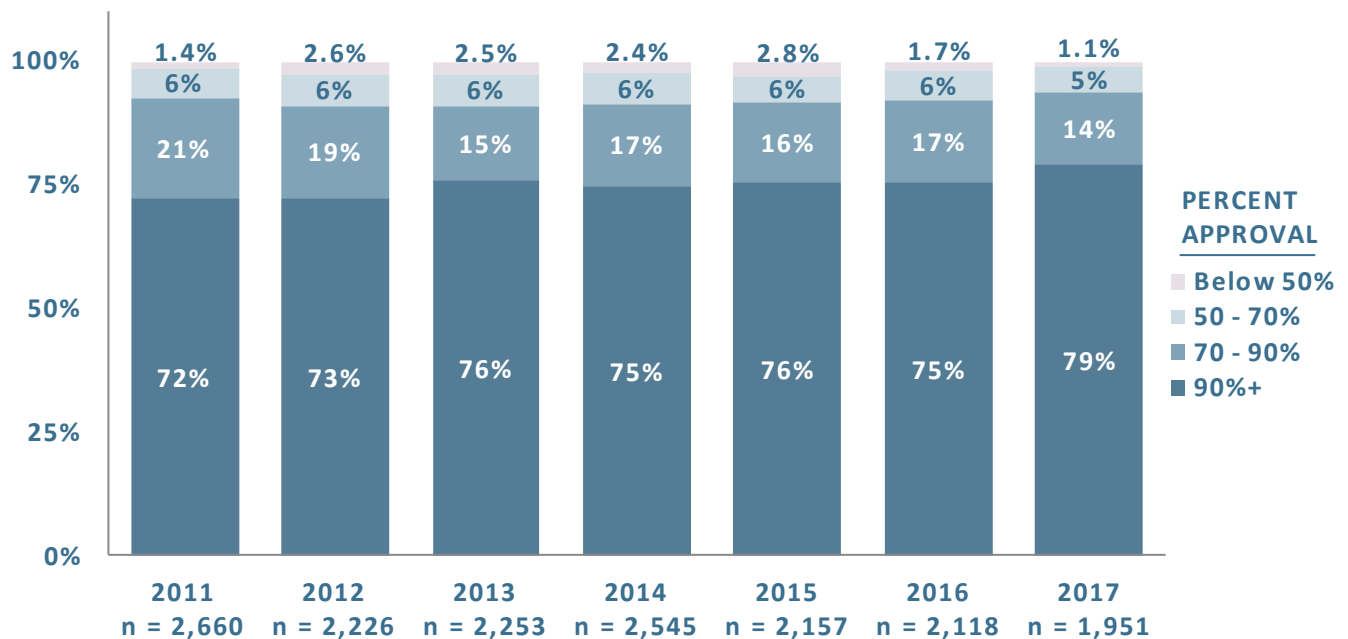
6/21/2017



1,951 COMPANIES

## Breakdown of Say on Pay Vote Results

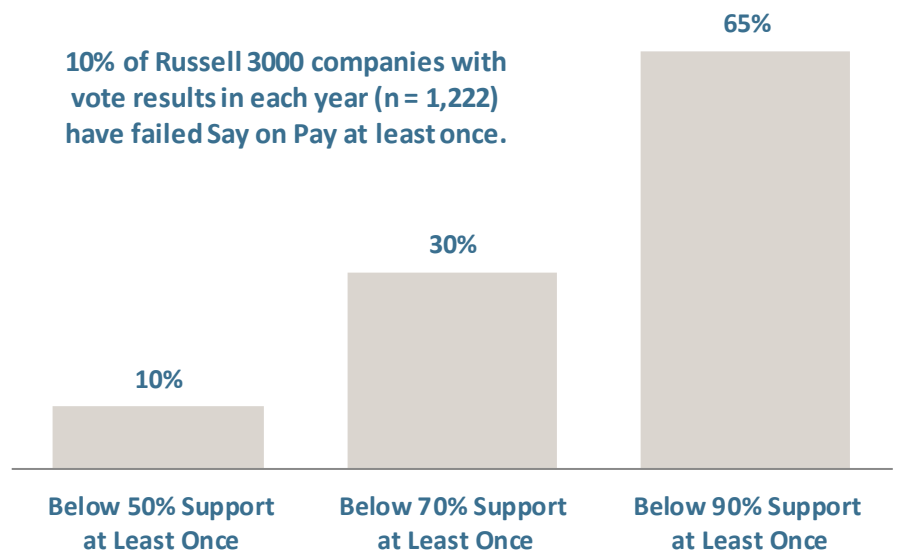
21 Russell 3000 companies (1.1%) have failed Say on Pay thus far in 2017. Six companies have failed since our last report – IMAX, Nabors Industries, New York Community Bancorp, Rockwell Medical, SeaWorld Entertainment, and Spectrum Pharmaceuticals.



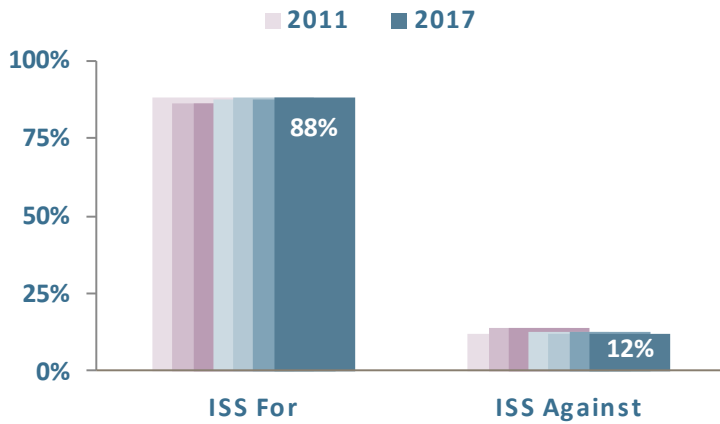
## Since the Last Report

- The current failure rate (1.1%) is up 0.2% since our last report, but remains the lowest since Say on Pay voting began in 2011
- The percentage of companies receiving support above 90% in 2017 is higher than any prior year
- The average vote result thus far in 2017 is 92.1%, which is a 1.2% increase over 2016

10% of Russell 3000 companies with vote results in each year (n = 1,222) have failed Say on Pay at least once.

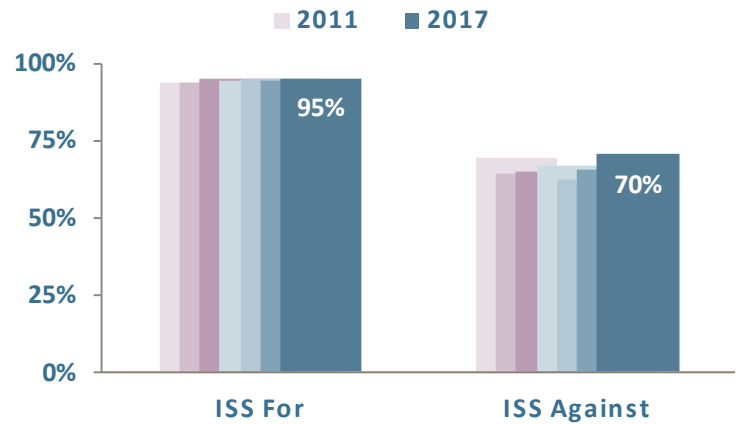


### ISS Recommendation Breakdown



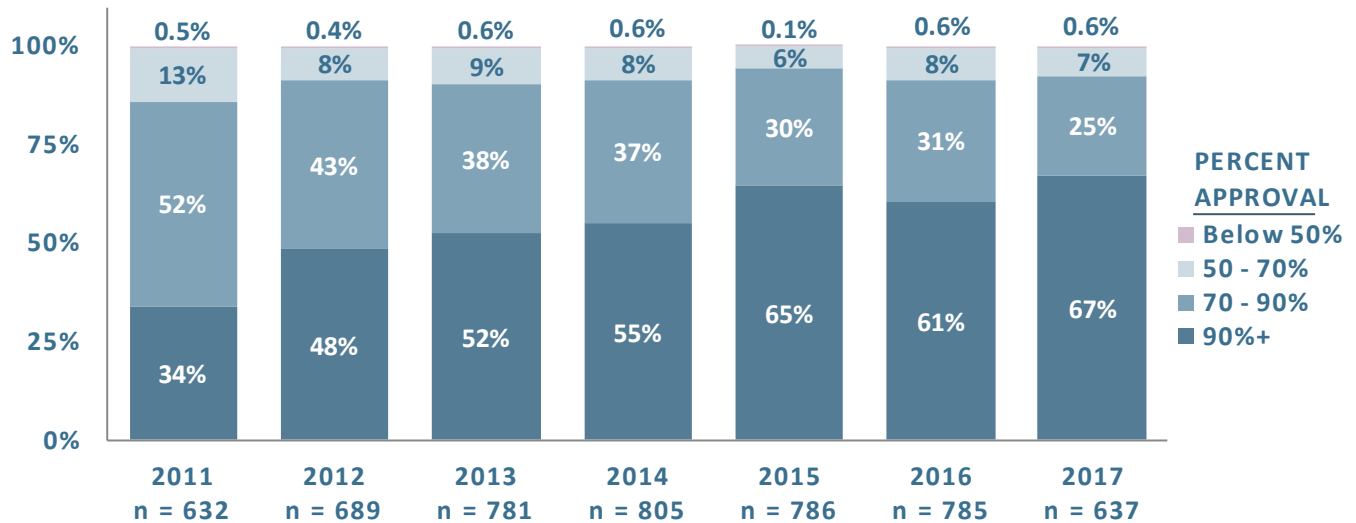
- ISS has recommended "Against" 12% of the companies it has assessed thus far in 2017

### ISS Impact on Vote Results



- Shareholder support is 25% lower at companies that have received an ISS "Against" recommendation

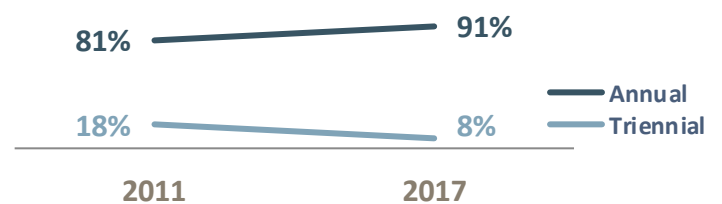
### Breakdown of Equity Plan Proposal Votes



### Governance Observations

- Three equity plan proposals have failed since our last report. Four have failed in total thus far in 2017
- Shareholders are supporting annual Say on Pay voting in 91% of frequency votes thus far in 2017, a 10 percentage point increase over 2011

### Say on Pay Frequency Vote Results



Note: 0.6% of companies in 2011 and 0.3% thus far in 2017 voted to hold a biennial Say on Pay vote.

## Likely Causes of Votes Under 50% in 2017

### 2017 Failed Say on Pay Vote Results<sup>1</sup>

Russell 3000, n=21

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				
Sanchez Energy Corp.	47%	56%	-8%	1	X	X		X	X		
Senior Housing Properties Trust	46%	47%	-1%	2		X		X			
Microsemi Corp.	45%	83%	-37%	1	X	X	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						
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	
Atlas Air Worldwide Holdings, Inc.	32%	50%	-17%	3		X		X			
ConocoPhillips	32%	83%	-51%	1	X	X					
IMAX Corp.	30%	-	-	1	X	X			X		
Rockwell Medical, Inc.	26%	-	-	1	X	X					
NII Holdings, Inc.	23%	-	-	1	X			X			

<sup>1</sup> As of June 20, 2017.

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