

July 2012

2012 Say-on-Pay Votes: Fulfilled Expectations, Though Not Without Surprises*By Shirley Westcott*

This year's mandatory Say-on-Pay (SOP) brought new challenges for issuers. Not only did the pace of failed plans accelerate, but last year's votes proved to be a poor indicator of how companies' plans would fare this season. This report, which will be updated at the conclusion of the calendar year, will point out some high-level trends in the voting data for companies with low SOP votes so far this year.

Although receiving at least 50% support on SOP is the primary goal for issuers, in many cases the institutional investor community will apply heightened scrutiny to compensation plans that received "significant" opposition. Thus, the data set we reviewed in this report—shown in Appendix A—covers plans that received less than 70% support. Following our analysis of these data is a brief section on guidance for issuers, both how to recover from a failed SOP vote in 2012 and how to prepare for 2013.

Failed SOP Votes

Through June 25, 2012 annual meeting dates, 53 SOP proposals had been rejected by shareholders (2.4% of the total), up from 37 (1.4% of the total) for the same period last year.¹ Among these were 12 S&P 500 companies, double the number of S&P 500 firms that failed SOP in 2011.²

The magnitude of dissent has also increased. To date, 10 SOP proposals have received less than 30% support, with the lowest levels recorded at Digital River (19.2%) and Chiquita Brands International (19.8%). During all of 2011, only two companies received less than 30% support on SOP: American Defense Systems (11.1%) and Regis (28.9%).

Most companies whose SOP proposals were rejected last year addressed shareholders' concerns and made meaningful changes to their pay programs, thereby garnering high approval this year. To date, only four companies have had their plans voted down for two consecutive years: Kilroy Realty, Hercules Offshore, Nabors Industries, and Tutor Perini.

This season's surprise, however, has been the number of companies whose compensation plans sank from stellar to dismal support levels in only a year, Citigroup being the most highly publicized example. To date, 61 companies have seen their SOP approval levels plunge from over 90% in 2011 to below 70% in 2012, including 13 plans that failed. This reversal of fortune can be partly attributed to the influence of proxy advisory firms, particularly Institutional Shareholder Services (ISS).

¹ During all of 2011, 43 SOP proposals failed: 1.3% of the total.

² The 12 S&P 500 companies that failed SOP through June 25, 2012 are Abercrombie & Fitch, Best Buy, Big Lots, Chesapeake Energy, Citigroup, Cooper Industries, International Game Technology, Mylan, Nabors Industries, NRG Energy, Pitney Bowes and Simon Property. The six S&P 500 firms that failed SOP in 2011 are Freeport-McMoRan Copper & Gold, Hewlett-Packard, Jacobs Engineering, Masco, Nabors Industries, and Stanley Black & Decker.

Advisory Service Recommendations

Although the impact of the major proxy advisors' recommendations on executive pay has been documented in several studies (discussed below), this year it appears more pronounced. Through June 25, 91% of the companies that received less than 70% approval on SOP had also been issued a negative opinion by ISS, compared to 87% for the same period in 2011. Over half of these companies (64%) received an unfavorable recommendation from both ISS and Glass Lewis.

Similarly, as in 2011, virtually every failed SOP vote this year was opposed by ISS. The only exceptions were at First California Financial Group, InSite Vision, and Safety Insurance Group, whose plans were voted down despite being endorsed by ISS. However, two of these companies have significant ownership by hedge funds or private foundations, and the third (Safety Insurance Group) received a negative SOP recommendation from Glass Lewis. Although Glass Lewis has rejected fewer compensation plans this year than in 2011 (15.4% vs. 17.4%), its influence has contributed to the high SOP failure rate. Of the 53 plans that have failed to date, Glass Lewis vetoed 47.

This year, issuers are feeling the repercussions of ISS's new Pay-for-Performance (PFP) model, which went into effect for February annual meetings onwards. Under its revised methodology, ISS is evaluating CEO pay and total shareholder return (TSR) performance on both a relative and an absolute basis. The relative analysis ranks CEO pay and performance against peers over one and three years, while the absolute analysis examines the trend in CEO pay and performance over five years. Moreover, instead of employing standardized GICS peer groups, ISS has developed smaller (14-24 company) peer categories based on market capitalization, revenue, and industry.

Although ISS's new PFP methodology has produced about the same percentage of negative SOP recommendations as in 2011 (12%), the plans it is singling out for "no" votes has changed dramatically. Nearly two thirds of the companies that received a negative ISS recommendation this year had received a favorable ISS opinion on SOP last year, and a majority had also received strong investor support (over 80%) in 2011. This has been particularly unsettling for issuers whose compensation programs were unexpectedly voted down this year. Of the 53 plans that have failed so far in 2012, nearly half (22) had received over 80% shareholder support last year, and 13 had received over 90% support. One such company, Tower Group, observed in its 8-K filing that its executive compensation policies and programs had not substantially changed since the previous year. In fact, its CEO's compensation was 40% *lower* than the previous year due to reductions in his annual cash and equity bonus.

Arguing with the Advisors

Many companies caught off guard by a negative proxy advisor opinion countered with supplemental proxy filings to better explain their compensation programs to investors. In many cases, they pushed back at the proxy advisors' methodologies, most often disputing their choice of peer groups, or took issue with errors in their reports. Indeed, one company (Invesco) received a favorable recommendation from both ISS and Glass Lewis, yet still filed a supplemental proxy statement, noting that while the proxy advisors "reached the correct result," ISS should have employed a more appropriate peer group, while Glass Lewis should have disclosed its comparators.

Proxy Advisor Policies – Don’t Ignore Them

Notwithstanding criticisms of their methodologies, the reality is that mandatory SOP has compelled more investors to rely on proxy advisors’ research to contend with the sheer volume of proxy voting. A recent survey conducted by the IRRC Institute and Tapestry Networks of 19 North American asset managers found that most make use of proxy firm data to assist with their voting decisions on SOP.³

Proxy advisors’ policies on executive compensation have also shaped corporate behavior. In a March 2012 survey of 110 large and mid-cap companies conducted by The Conference Board, NASDAQ OMX Group and Stanford University, 70% of respondents said that their compensation programs were influenced by the guidelines of proxy advisory firms.⁴

While it is evident that investors do not follow proxy advisor recommendations in lockstep—far fewer compensation plans have been rejected by shareholders than by proxy advisors—issuers need to be cognizant of the extent to which their major holders follow proxy advisors’ policies and also what factors trigger the greatest dissent.⁵ A March 2012 study by academics at Columbia University, Duke University and the University of St. Gallen, concluded that proxy advisor recommendations were the key determinants of SOP voting outcomes in 2011.⁶ According to their findings:

- A negative ISS recommendation was associated with 24.7% more votes against SOP.
- A negative Glass Lewis recommendation was associated with 12.9% more votes against SOP.
- Negative recommendations by both proxy advisors led to 37.9% higher voting dissent.

However, the degree an “against” recommendation affected shareholder votes depended on the severity and nature of concerns raised by the proxy advisor. The study found that dissent was higher when ISS cited multiple areas of concern, such as PFP and change-in-control agreements, or when Glass Lewis assigned an “F” grade to a company’s PFP. This underscores what many investors have been saying for years: although they use proxy advisors’ research to screen companies for further examination, they will still make their own voting determinations.

Guidance for Issuers

When preparing and drafting your compensation plan, it pays to know your shareholder base. Who are your top holders? Do they follow ISS or Glass Lewis, or do they have their own internal voting guidelines for evaluating executive compensation?

With assistance from their advisors (proxy solicitor, legal counsel, etc.), issuers should analyze their shareholder base to determine the levels of influence ISS and Glass Lewis have on their investors. This analysis should also identify those holders that maintain their own internal voting guidelines. As with

³ The IRRC Institute/Tapestry Networks study is available at <http://www.irrcinstitute.org/projects.php?project=57>.

⁴ The Conference Board study is available at <https://www.conference-board.org/retrievefile.cfm?filename=TCB-DN-V4N5-12.pdf&type=subsite>.

⁵ In 2011, ISS opposed 11.9% of SOP proposals and Glass Lewis opposed 17.2%. Investors voted down 1.3% of SOP proposals.

⁶ The academic study is available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2019239.

the policies of ISS and Glass Lewis, issuers should familiarize themselves with the critical vote drivers their top institutional investors will use to make their SOP decision.

When drafting the Compensation Discussion & Analysis (CD&A) section of the proxy statement:

- Be clear when telling your story
- Include narrative: many of the vote decision makers at the major institutions are not industry experts, help them understand your compensation decisions.

Issuers can take a number of measures to avoid or deflect a negative proxy advisor recommendation on SOP. Indeed, 91 companies were able to prevail in this year's shareholder vote on SOP in the face of negative recommendations from both ISS and Glass Lewis—in some cases by a strong margin (over 70%). To date Alliance has identified 18 companies that received over 70% support despite negative recommendations from both ISS and Glass Lewis.

As an initial step, issuers should become familiar with proxy advisor policies on executive compensation and stay apprised of any revisions to them in advance of proxy season. While it is difficult to reverse-engineer black box models, ISS's and Glass Lewis's proxy reports and websites provide some transparency of their PFP methodologies and their checklists of problematic pay practices. Issuers should expect changes for 2013. Glass Lewis has already announced a partnership with Equilar, an executive compensation research firm, whereby Glass Lewis will integrate Equilar's market-based peer groups and realizable pay data into its PFP model for annual meetings beginning in July 2012. ISS, for its part, is likely to rethink certain aspects of its PFP model for 2013, particularly its choice of peer groups, in view of the severe blowback it faced from issuers this year.

For proxy season issuers, Alliance recommends a targeted outreach campaign during the late summer and early fall. During the solicitation period it pays to "hope for the best, prepare for the worst." Prepare a strategy outlining whether to engage communications with a proxy/compliance department contact(s) and/or the buy/sell side which will help determine responsibility (who will reach out to whom—whether a proxy solicitation firm will handle the initial outreach call or whether the company should be involved). In addition, prepare to have a team from the issuer available to speak with investors on their concerns.

It is impossible to over-emphasize the importance of ongoing engagement with top holders, even if the issuer's SOP vote was "safe" this year. ISS and Glass Lewis give additional scrutiny to companies who received less than 70%-75% approval on SOP in the prior year. However, as witnessed this season, changes to proxy advisors' compensation models can unexpectedly shift companies to the SOP penalty zone. While it is difficult to reverse an unfavorable proxy advisor recommendation—short of modifying a compensation plan—the best way to diminish proxy advisors' influence is for the issuer to make its case directly to its major shareholders, both in terms of dialogue and proxy disclosure to help win over their support.

Don't be reluctant to refute an advisory firm(s) in a supplemental filing. Some advantages of filing supplemental material are to (i) strengthen their case on compensation decisions and practices (ii)

address any flaws or inaccuracies towards the advisory firm report(s) and (iii) provide information that can be passed along to institutional vote decision makers that may not have the time to speak during proxy season on SOP.

Every vote counts. Make a concerted effort to reach out to investors that can make a difference as well as considering solicitation tactics to drive in support from the individual investors whether it be a phone campaign and/or follow up mailings.

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Appendix A:

Issuer	Meeting Date	ISS	Glass Lewis	Vote Result	% FOR*	Supplemental Filing
Abercrombie & Fitch Co.	14-Jun-12	Against	Against	Fail	24.5%	
Actuant Corporation	10-Jan-12	Against	Against	Fail	46.7%	Yes
Adobe Systems Incorporated	12-Apr-12	Against	Against	Pass	57.9%	Yes
AECOM Technology Corp.	8-Mar-12	Against	Against	Pass	58.4%	
Affymax, Inc.	13-Jun-12	Against	Against	Pass	64.7%	
Affymetrix, Inc.	11-May-12	Against	Against	Pass	53.5%	
AK Steel Holding Corporation	24-May-12	Against	For	Pass	69.5%	Yes
Akamai Technologies, Inc.	16-May-12	Against	For	Pass	52.3%	Yes
Allegheny Technologies Incorporated	11-May-12	Against	Against	Pass	59.5%	Yes
Altera Corp.	8-May-12	Against	For	Pass	66.3%	Yes
American Eagle Outfitters, Inc.	6-Jun-12	Against	Against	Fail	39.9%	Yes
Argo Group International Holdings, Ltd. (Bermuda)	8-May-12	Against	Against	Fail	45.5%	
Artio Global Investors Inc.	11-May-12	Against	Against	Pass	69.9%	
AsiaInfo-Linkage, Inc.	20-Apr-12	Against	Against	Pass	65.2%	
Associated Banc-Corp	24-Apr-12	Against	Against	Pass	64.3%	Yes
Atlas Air Worldwide Holdings, Inc.	1-Jun-12	Against	For	Pass	67.8%	Yes
Autodesk, Inc.	7-Jun-12	Against	Against	Pass	54.0%	Yes
Avid Technology, Inc.	15-May-12	Against	Against	Pass	50.8%	Yes
Bank of New York Mellon Corporation	10-Apr-12	Against	Against	Pass	58.6%	
Best Buy Co., Inc.	21-Jun-12	Against	For	Fail	38.3%	
Big Lots, Inc.	23-May-12	Against	For	Fail	31.2%	
Brink's Company	4-May-12	Against	For	Pass	55.3%	Yes
C. R. Bard, Inc.	18-Apr-12	Against	Against	Pass	60.2%	Yes
California Water Service Group	22-May-12	Against	For	Pass	62.1%	Yes
Career Education Corporation	17-May-12	Against	Against	Pass	52.0%	Yes
Cedar Realty Trust, Inc.	15-Jun-12	Against	Against	Fail	38.3%	
Central Federal Corporation	17-May-12	For	For	Pass	53.4%	
Cenveo, Inc.	2-May-12	Against	For	Fail	40.4%	
Charles River Laboratories International, Inc.	8-May-12	Against	Against	Fail	36.1%	Yes
Chelsea Therapeutics International, Ltd.	12-Jun-12	For	For	Pass	64.2%	
Chemed Corporation	21-May-12	Against	Against	Fail	47.9%	Yes
Chesapeake Energy Corp.	8-Jun-12	Against	Against	Fail	20.0%	Yes
Children's Place Retail Stores, Inc.	13-Jun-12	Against	For	Pass	56.6%	Yes
Chiquita Brands International, Inc.	22-May-12	Against	Against	Fail	19.8%	Yes
Citigroup Inc.	17-Apr-12	Against	Against	Fail	45.2%	
Cleveland BioLabs, Inc.	13-Jun-12	For	For	Pass	67.1%	
Cogent Communications Group, Inc.	19-Apr-12	Against	Against	Pass	68.5%	
Community Health Systems, Inc.	15-May-12	Against	Against	Fail	32.9%	Yes
Comstock Resources, Inc.	8-May-12	Against	Against	Fail	34.7%	
Comtech Telecommunications Corp.	13-Jan-12	For	Against	Pass	68.4%	
Concur Technologies, Inc.	14-Mar-12	Against	Against	Pass	61.7%	
CONSOL Energy Inc.	1-May-12	Against	For	Pass	54.2%	Yes
Consolidated Water Co. Ltd. (Cayman)	22-May-12	Against	For	Pass	65.7%	
Cooper Industries plc (Ireland)	23-Apr-12	Against	For	Fail	29.4%	
Cousins Properties Incorporated	8-May-12	Against	For	Pass	60.6%	
CryoLife, Inc.	16-May-12	Against	Against	Fail	38.8%	Yes
Cutera, Inc.	13-Jun-12	Against	For	Pass	55.4%	
Delcath Systems, Inc.	23-May-12	Against	For	Pass	52.5%	
Devon Energy Corp.	6-Jun-12	Against	Against	Pass	60.1%	Yes
Digital River, Inc.	31-May-12	Against	Against	Fail	19.2%	
Doral Financial Corp.	13-Jun-12	Against	Against	Pass	55.4%	
Dun & Bradstreet Corp.	9-May-12	Against	For	Pass	64.8%	

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ECB Bancorp, Inc.	7-Jun-12	For	For	Pass	68.8%	
EnergySolutions, Inc.	23-May-12	Against	Against	Pass	58.2%	Yes
EnPro Industries, Inc.	2-May-12	Against	For	Pass	63.1%	
Enzo Biochem, Inc.	26-Jan-12	Against	For	Pass	60.3%	
Epiq Systems, Inc.	5-Jun-12	Against	Against	Fail	30.1%	
First California Financial Group, Inc.	7-May-12	For	For	Fail	49.1%	
First PacTrust Bancorp, Inc.	21-May-12	Against	For	Pass	67.6%	
FirstEnergy Corp.	15-May-12	Against	Against	Pass	62.5%	Yes
FirstMerit Corporation	18-Apr-12	Against	Against	Fail	46.6%	Yes
Forest Oil Corporation	8-May-12	Against	Against	Pass	50.2%	
Foster Wheeler AG (Switzerland)	1-May-12	For	For	Pass	65.9%	
Freeport-McMoRan Copper & Gold Inc.	14-Jun-12	Against	For	Pass	67.1%	Yes
Gentiva Health Services, Inc.	10-May-12	Against	Against	Fail	36.5%	
GEO Group, Inc.	4-May-12	Against	Against	Pass	60.1%	Yes
Geron Corporation	17-May-12	For	Against	Pass	63.3%	Yes
G-III Apparel Group, Ltd.	5-Jun-12	Against	Against	Fail	35.2%	
GMX Resources Inc.	16-May-12	Against	For	Pass	65.7%	Yes
Greenbrier Companies, Inc.	6-Jan-12	Against	Against	Pass	53.0%	
Greenhill & Co., Inc.	18-Apr-12	Against	Against	Pass	59.5%	
Health Care REIT, Inc.	3-May-12	Against	For	Pass	63.9%	Yes
Healthways, Inc.	31-May-12	Against	Against	Fail	33.2%	Yes
Heidrick & Struggles International, Inc.	24-May-12	For	Against	Pass	69.2%	
Hercules Offshore, Inc.	15-May-12	Against	Against	Fail	48.0%	Yes
Hess Corporation	2-May-12	Against	Against	Pass	57.8%	Yes
Huntington Bancshares Incorporated	19-Apr-12	Against	Against	Pass	61.0%	Yes
Imation Corp.	2-May-12	Against	For	Pass	65.8%	Yes
Infinera Corp.	16-May-12	Against	Against	Fail	41.6%	
InSite Vision Incorporated	31-May-12	For	For	Fail	58.7%	
Integra LifeSciences Holdings Corporation	17-May-12	Against	Against	Pass	50.7%	Yes
InterMune, Inc.	4-Jun-12	Against	Against	Pass	50.9%	Yes
International Game Technology	5-Mar-12	Against	For	Fail	44.4%	Yes
Isis Pharmaceuticals, Inc.	7-Jun-12	Against	Against	Pass	63.0%	Yes
iStar Financial Inc.	31-May-12	Against	For	Pass	68.3%	
Itron, Inc.	4-May-12	Against	Against	Pass	51.9%	
ITT Educational Services, Inc.	8-May-12	Against	Against	Pass	65.3%	
J.C. Penney Co., Inc.	18-May-12	Against	Against	Pass	57.3%	Yes
Janus Capital Group Inc.	26-Apr-12	Against	Against	Pass	61.4%	Yes
Jarden Corp.	17-May-12	Against	For	Pass	51.0%	
Johnson & Johnson	26-Apr-12	Against	Against	Pass	56.8%	Yes
Johnson Controls, Inc.	25-Jan-12	Against	Against	Pass	58.2%	Yes
Juniper Networks, Inc.	22-May-12	Against	For	Pass	66.8%	Yes
KB Home	12-Apr-12	Against	Against	Fail	48.4%	
Kforce Inc.	19-Jun-12	Against	Against	Fail	39.8%	Yes
Kilroy Realty Corporation	17-May-12	Against	Against	Fail	29.9%	Yes
Knight Capital Group, Inc.	9-May-12	Against	Against	Fail	32.0%	
Kratos Defense & Security Solutions, Inc.	23-May-12	Against	Against	Pass	58.4%	Yes
Layne Christensen Company	7-Jun-12	Against	For	Pass	57.0%	
Lazard Ltd. (Bermuda)	24-Apr-12	Against	Against	Pass	52.2%	
Lender Processing Services, Inc.	24-May-12	Against	Against	Pass	58.7%	Yes
Leucadia National Corporation	15-May-12	Against	Against	Pass	64.1%	
Level 3 Communications, Inc.	24-May-12	Against	Against	Pass	57.9%	
Lincoln Educational Services Corporation	1-May-12	For	Against	Pass	64.0%	
Live Nation Entertainment, Inc.	8-Jun-12	Against	Against	Pass	58.8%	
Lockheed Martin Corporation	26-Apr-12	For	Against	Pass	68.1%	

Issuer	Meeting Date	ISS	Glass Lewis	Vote Result	% FOR*	Supplemental Filing
Manitowoc Company, Inc.	1-May-12	Against	Against	Fail	48.4%	Yes
Masimo Corporation	7-Jun-12	Against	Against	Fail	37.7%	
Medicis Pharmaceutical Corporation	15-May-12	Against	For	Pass	66.3%	
MGM Resorts International	12-Jun-12	Against	Against	Pass	64.2%	
Middleby Corporation	10-May-12	Against	For	Pass	53.3%	
Minerals Technologies Inc.	16-May-12	Against	Against	Pass	52.8%	
Morgans Hotel Group Co.	16-May-12	Against	For	Pass	66.0%	
Motorola Solutions, Inc.	30-Apr-12	Against	Against	Pass	58.8%	
Multimedia Games Holding Company, Inc.	1-Feb-12	Against	For	Pass	69.6%	
Mylan Inc.	4-May-12	Against	Against	Fail	47.9%	Yes
Nabors Industries Ltd.	5-Jun-12	Against	Against	Fail	25.2%	
National CineMedia, Inc.	1-May-12	Against	For	Pass	69.9%	Yes
Newpark Resources, Inc.	7-Jun-12	Against	For	Pass	64.1%	
Noble Corp. (Switzerland)	27-Apr-12	Against	For	Pass	53.0%	
NorthStar Realty Finance Corp.	24-May-12	Against	Against	Pass	62.1%	
NRG Energy, Inc.	25-Apr-12	Against	Against	Fail	44.9%	
Nutrisystem, Inc.	6-Jun-12	For	Against	Pass	66.2%	
NuVasive, Inc.	24-May-12	Against	Against	Fail	32.7%	Yes
NYSE Euronext	26-Apr-12	Against	Against	Pass	57.0%	Yes
OM Group, Inc.	8-May-12	Against	Against	Fail	23.6%	Yes
Orion Marine Group, Inc.	22-May-12	Against	For	Pass	53.0%	Yes
Overseas Shipholding Group, Inc.	14-Jun-12	Against	Against	Pass	64.4%	
Pain Therapeutics, Inc.	17-May-12	Against	Against	Pass	56.2%	
Palomar Medical Technologies, Inc.	16-May-12	Against	Against	Fail	47.0%	
Penn National Gaming, Inc.	6-Jun-12	Against	Against	Pass	53.4%	Yes
Phoenix Companies, Inc.	15-May-12	Against	Against	Fail	46.1%	
Pitney Bowes Inc.	14-May-12	Against	Against	Fail	35.2%	Yes
Plains Exploration & Production Company	18-May-12	Against	Against	Pass	59.3%	
QUALCOMM Inc.	6-Mar-12	Against	For	Pass	68.8%	Yes
Quest Diagnostics Incorporated	11-May-12	Against	Against	Pass	63.5%	Yes
Rambus Inc.	26-Apr-12	Against	Against	Pass	52.4%	
Rigel Pharmaceuticals, Inc.	22-May-12	Against	Against	Fail	44.6%	
Rimage Corporation	17-May-12	Against	For	Pass	65.1%	
Ryland Group, Inc.	25-Apr-12	Against	Against	Fail	40.9%	
Safety Insurance Group, Inc.	23-May-12	For	Against	Fail	42.9%	
Safeway Inc.	15-May-12	Against	Against	Pass	50.8%	Yes
Schnitzer Steel Industries, Inc.	25-Jan-12	Against	Against	Pass	58.9%	
Sequenom, Inc.	11-Jun-12	Against	Against	Fail	48.3%	
Shutterfly, Inc.	23-May-12	Against	For	Pass	63.5%	
Simon Property Group, Inc.	17-May-12	Against	Against	Fail	26.7%	Yes
Smith Micro Software, Inc.	21-Jun-12	Against	Against	Pass	59.6%	
Spectrum Pharmaceuticals, Inc.	22-Jun-12	Against	Against	Pass	53.7%	
SPX Corporation	3-May-12	Against	Against	Pass	52.1%	Yes
Staples Inc.	4-Jun-12	Against	For	Pass	60.9%	Yes
Sterling Bancorp	3-May-12	Against	Against	Fail	40.0%	Yes
Strategic Hotels & Resorts, Inc.	24-May-12	Against	For	Pass	68.1%	Yes
Synchronoss Technologies, Inc.	8-May-12	Against	For	Pass	69.4%	
Targacept, Inc.	31-May-12	Against	For	Pass	68.1%	Yes
Tower Group, Inc.	3-May-12	Against	Against	Fail	30.3%	
TransDigm Group Incorporated	23-Feb-12	Against	Against	Pass	54.3%	
True Religion Apparel, Inc.	25-Apr-12	Against	For	Pass	59.0%	
Tutor Perini Corporation	31-May-12	Against	Against	Fail	38.3%	Yes
Ultimate Software Group, Inc.	18-May-12	Against	Against	Pass	66.9%	
Ultra Petroleum Corp.	22-May-12	Against	Against	Pass	65.7%	

Issuer	Meeting Date	ISS	Glass Lewis	Vote Result	% FOR*	Supplemental Filing
United Online, Inc.	31-May-12	Against	Against	Fail	31.9%	Yes
United States Steel Corporation	24-Apr-12	Against	Against	Pass	65.3%	
United Technologies Corporation	11-Apr-12	Against	For	Pass	61.0%	Yes
USEC Inc.	26-Apr-12	Against	For	Pass	69.8%	
VCA Antech, Inc.	21-May-12	Against	For	Fail	40.9%	
Ventas, Inc.	17-May-12	Against	For	Pass	66.5%	Yes
Vertex Pharmaceuticals Incorporated	16-May-12	Against	Against	Pass	51.3%	
Viad Corp	15-May-12	Against	Against	Fail	21.1%	Yes
Vocus, Inc.	7-Jun-12	Against	Against	Pass	52.4%	
Walt Disney Co.	13-Mar-12	Against	Against	Pass	56.9%	Yes
Wave Systems Corp.	19-Jun-12	For	For	Pass	62.7%	
Weatherford International Ltd. (Switzerland)	23-May-12	Against	For	Pass	54.5%	
Willis Group Holdings Public Limited Co. (Ireland)	25-Apr-12	Against	Against	Pass	54.4%	

*Based on votes cast For/For+Against.

Sources: SEC filings, ISS Voting Analytics, and Glass Lewis data.