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2017
PROXY SEASON

Results of the 2017 Proxy Season in Silicon Valley

A Comparison of Silicon Valley 150 Companies
and the Large Public Companies of the
Standard & Poor's 100

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Results of the 2017 Proxy Season in Silicon Valley

A Comparison of Silicon Valley 150 Companies and the Large Public Companies of the Standard & Poor's 100

Overview

Shareholder activism has been a significant phenomenon amongst the largest U.S. public companies, with activists of a variety of stripes waging campaigns on a wide range of issues. As such activism has continued to grow, it has spread to Silicon Valley companies. In addition, state corporate law, the requirements of the rules and regulations of the U.S. Securities and Exchange Commission or stock exchanges, corporate governance practices and tax laws also lead companies to place a variety of proposals before stockholders for approval.

As a companion supplement to Fenwick's "*Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*"¹ survey, this report summarizes significant developments relating to stockholder voting at annual meetings in the 2017 proxy season among the technology and life sciences companies included in the Silicon Valley 150 Index (SV 150). Newly this year, our report includes stockholder voting developments at the large public companies included in the Standard & Poor's 100 Index (S&P 100), as trends typical in the S&P 100 have often migrated to Silicon Valley. We highlight statistics underscoring developments in director elections, "say-on-pay," and a variety of other compensation, governance and policy matters.

Annual Meeting Proposals and Voting

In the 2017 proxy season², 138 of the SV 150 companies and all 100 of the S&P 100 companies held annual meetings.³ Generally, such annual meetings will, at a minimum, include voting with respect to election of directors and ratification of the selection of the auditors of the company's financial statements. Fairly frequently, it will also include an advisory vote with respect to named executive officer compensation ("say-on-pay").

1 The 2017 edition of *Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*, covering the data through the 2017 proxy season, will be published in the fourth quarter. Currently, the 2016 edition is available at <http://fenwick.com/CorporateGovernance>.

2 See "Methodology—Proxy Season / Proxy Statements" below for a discussion of the definition of the proxy season for purposes of this report.

3 See footnote 59 and associated text for a discussion of the companies that did not hold annual meetings.

Overview *(continued)*

While not as common as those matters, annual meetings will increasingly also include voting on one or more of a variety of proposals that may have been put forth by the company's board of directors or by a stockholder that has met the requirements of the company's bylaws and applicable federal securities regulations. In addition to being broken down by proponent, the proposals can generally be categorized by major subject area: compensation, governance, policy issues and other general business. Within each of these major subject areas, there are topics that occur with some frequency either historically or as a new trend.⁴ In addition to providing results for the matters commonly voted on at annual meetings (director elections, auditor approval and "say-on-pay"), this report provides breakdowns and results of voting in these other major subject categories and topics within them.

About the Data — SV 150 Group Makeup

In 2017, there were approximately 245 public technology and life sciences companies in "Silicon Valley,"⁵ of which the SV 150 captures those that are the largest by one measure — revenue.⁶ The 2017 constituent companies of the SV 150 range from Apple and Alphabet, with revenue of approximately \$218B and \$90B, respectively, to Aemetis and DSP Group, with revenue of approximately \$143M and \$138M, respectively, in each case for the four quarters ended on or about December 31, 2016. Apple went public in 1980, Alphabet (as Google) in 2004, Aemetis in 2007, and DSP Group in 1994, with the top 15 companies averaging 13 more years as a public company than the bottom 15 companies in the SV 150. Apple and Alphabet's peers clearly include companies in the S&P 100, of which they are also constituent members (eight companies were constituents of both indices for the survey in the 2017 proxy season), where market capitalization averages approximately \$130B.⁷ Aemetis and DSP Group's peers are smaller technology and life sciences companies that have market capitalizations well under \$1B, many of which went public relatively recently. In terms of number of employees, the SV 150 averages approximately 9,500 employees, ranging from Hewlett Packard Enterprise, with 195,000 employees spread around the world in dozens of countries, to companies such as

⁴ See the "Methodology—Taxonomy of Proposals" section for a discussion of the topics included in each subject area category.

⁵ The number fluctuates constantly as some companies complete initial public offerings and others are acquired. As of September 5, 2017, Hoover's included 349 public companies in Silicon Valley (defined by *The Mercury News* [fka the *San Jose Mercury News*] as Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties). Of the 349 public companies in Silicon Valley, we consider approximately 245 of them technology or life sciences companies based on their "Line of Business" descriptions from Hoover's as well as their initial sources of funding. The number of Silicon Valley public technology and life sciences companies is down from a high of 417 reached in 2000 during the dot-com era. See "Vanishing Public Companies Lead to The Incredible Shrinking Silicon Valley" (*SiliconBeat*, February 17, 2010) and "The IPO market in 2017? Underwhelming so far, underscores a new survey" (TechCrunch, July 26, 2017).

⁶ There are approximately 100 public companies that are outside of the technology or life sciences industries but are located in the Silicon Valley region (defined by *The Mercury News* as Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties) (see footnote 5). See also the "Methodology—Group Makeup" section below for a more detailed discussion of the makeup of the SV 150 and the geography of Silicon Valley for its purposes, including footnote 51.

⁷ The average market capitalization of the SV 150 at the time of announcement of the current index list (see footnote 51) was approximately \$23.4B, ranging from Aemetis at approximately \$25M to Apple at approximately \$753.7B, with a median of \$2.5B. The median revenue of the SV 150 for the four quarters ended on or about December 31, 2016 was approximately \$721M. It is also worth noting that for the 2017 proxy season year, 30 of the SV 150 companies were also constituents of the most recent S&P 500.

Overview *(continued)*

Aemetis, with 144 employees in the United States and India, as of the end of their respective fiscal years 2016.

About the Data – S&P 100 Group Makeup

The companies included in the S&P 100 are a cross-section of the very largest public companies in the United States. Just as the SV 150 companies are not necessarily representative of Silicon Valley generally, so the S&P 100 companies are not necessarily representative of companies in the United States generally.⁸ Far larger than a typical public company in the U.S. and far larger than U.S. corporations generally, the S&P 100 companies average approximately 130,000 employees and include Wal-Mart with 2.3 million employees in more than two dozen countries at its most recent fiscal year end.

It is also important to understand the differences between the technology and life sciences companies included in the SV 150 and the large public companies included in the S&P 100. Compared to the S&P 100 (or the broader S&P 500), SV 150 companies are on average much smaller and younger, have lower revenue and are concentrated in the technology and life sciences industries. About 15% of SV 150 companies have 10,000 employees or more, compared to 94% of S&P 100 companies (with 100% of the S&P 100 having 3,000 or more employees, compared to 39% of the SV 150). SV 150 companies also tend to have significantly greater ownership by the board and management than S&P 100 companies (whether measured by equity ownership or voting power).

The 2017 constituent companies of the S&P 100 range from the aforementioned Wal-Mart, with revenue of approximately \$485B, market capitalization of approximately \$213B and approximately 2.3 million employees, to Simon Property Group with revenue of approximately \$5.4B, market capitalization of approximately \$55.3B and 5,000 employees. The average market capitalization of the S&P 100 was approximately \$130B, ranging from The Allstate Corporation at approximately \$27.4B to Apple at approximately \$753.7B, with a median of \$89.2B. The median revenue of the S&P 100 for the four quarters ended on or about December 31, 2016 was approximately \$32.4B. The industries included in the S&P 100 range from financial services to apparel, food products, air transport and more.

SV 150 Subgroups – Contact Us for More Information

While not specifically studied in this report, it is worth noting that the broad range of companies in the SV 150 (whether measured in terms of size, age or revenue) is associated with a corresponding range of

⁸ Standard & Poor's has stated that "[t]he S&P 100 consists of 100 companies selected from the S&P 500. To be included, the companies should be among the larger and most established companies in the S&P 500, and must have listed options. Sector balance is considered in the selection of companies for the S&P 100." (Standard & Poor's states that "[t]he S&P 500 focuses on the large-cap sector of the market; however, since it includes a significant portion of the total value of the market, it also represents the market; [c]ompanies in the S&P 500 are considered leading companies in leading industries" and that constituents of the S&P 100 are selected for sector balance and represent over 57% of the market capitalization of the S&P 500 and almost 45% of the market capitalization of the U.S. equity markets.)

Overview *(continued)*

governance practices. Comparison of governance practice statistics and trends for the top 15,⁹ top 50,¹⁰ middle 50¹¹ and bottom 50¹² companies of the SV 150 (in terms of revenue) bears this out.¹³ A few examples of such comparisons are included in this report. Additional comparison information of the top 15, top 50, middle 50 and bottom 50 companies of the SV 150 (as well as other data not presented in this report¹⁴) may be obtained by consulting your Fenwick & West securities partner.

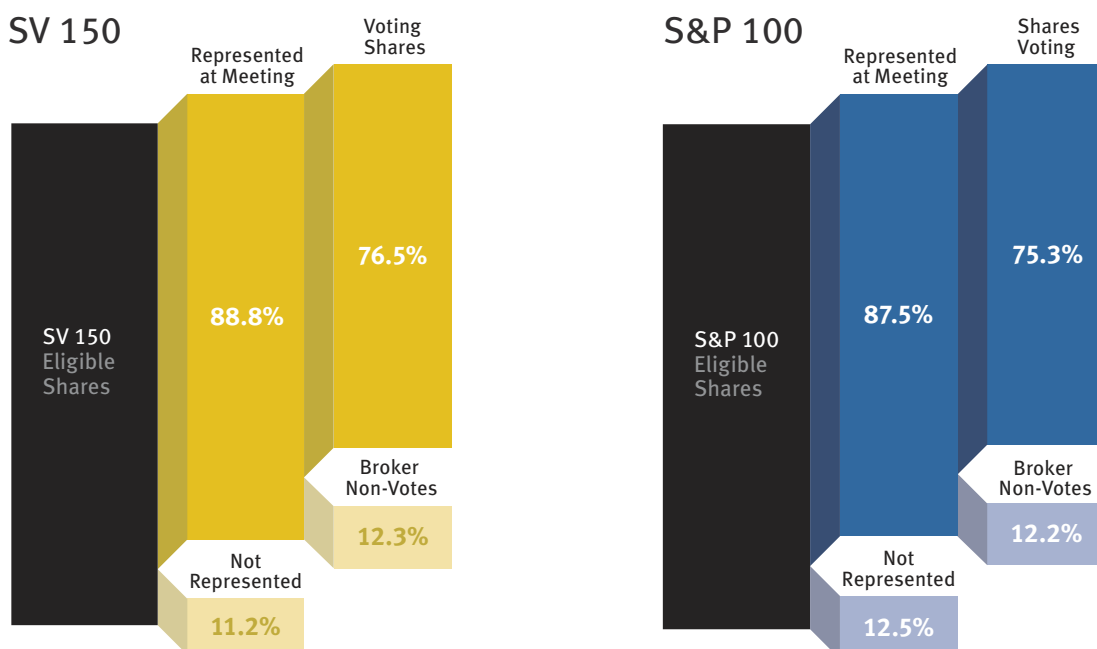
- 9 The top 15 of the SV 150 includes companies, eight of which are included in the S&P 100, with revenue of approximately \$8.4B or more and market capitalizations averaging \$178.8B, ranging from Synnex at approximately \$4.5B to Apple at approximately \$753.7B at the time of announcement of the current index list (see footnote 51).
- 10 The top 50 of the SV 150 includes companies with revenue of approximately \$1.6B or more and market capitalizations averaging \$66B, ranging from SunPower at approximately \$846M to Apple at approximately \$753.7B at the time of announcement of the current index list (footnote 51).
- 11 The middle 50 of the SV 150 includes companies with revenue of at least approximately \$380M but less than approximately \$1.6B and market capitalizations averaging \$3.3B, ranging from Quantum at approximately \$236M to ServiceNow at approximately \$14.7B at the time of announcement of the current index list (footnote 51).
- 12 The bottom 50 includes companies with revenue of at least approximately \$138M but less than \$375M and market capitalizations averaging \$1.2B, ranging from Aemetis at approximately \$25M to Exelixis at approximately \$6.3B at the time of announcement of the current index list (footnote 51).
- 13 Contrasting the top 15 or top 20 SV 150 companies (in the latter case, companies with revenue of approximately \$6.4B or more and market capitalizations averaging \$142.6B at the time of announcement of the current index list) against the remaining SV 150 companies is similarly enlightening (footnote 51). In 2017, the SV 150 included 24 life sciences companies (broadly defined) and 126 technology companies. There are also some differences between technology and life sciences companies as groups within the SV 150.
- 14 Such as comparisons of the top 15 or top 20 SV 150 companies against the remaining SV 150 companies, comparisons of technology and life sciences companies as separate groups within the SV 150, or other details related to the topics covered in this report.

Annual Meeting Participation

One of the basic questions of shareholder democracy is whether stockholders participate at annual meetings at levels such that the results can be seen as, in some meaningful sense, representative of the interests of stockholders as a whole. In the 2017 proxy season, an average of approximately 89% of shares of SV 150 companies were represented in person or by proxy at company annual meetings. However, in addition to the approximately 11% that were not represented, an additional approximately 12% of eligible shares were represented via proxy by brokers who did not receive instructions as to voting for the bulk of matters for which broker discretionary voting is not permitted (so-called “broker non-votes”).¹⁵ This compares to approximately 13% not represented and approximately 12% broker non-votes in the S&P 100 in the same period. However, the ranges of representation and voting were somewhat broader in the SV 150 than the S&P 100 (e.g., 50.3% – 98.9% voting in the SV 150, compared to 70% – 94% voting in the S&P 100).

The following graphs show the average percentage of shares eligible to vote at annual meetings that were represented and that voted at the annual meetings of the companies in the SV 150 and S&P 100 in the 2017 proxy season.

VOTING SHARES — BRANCHING AVERAGE PERCENTAGE — 2017 PROXY SEASON



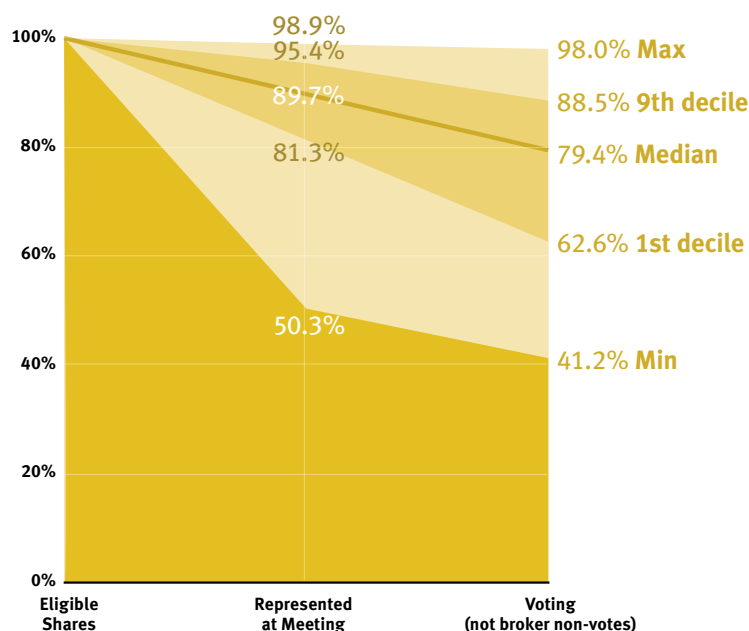
¹⁵ New York Stock Exchange Rule 452 governing brokers (which consequently applies to shares listed on other stock exchanges) significantly limits discretionary voting by brokers when they have not received voting instructions from the beneficial owners of the shares. As a practical matter, discretionary voting is generally limited to voting with respect to ratification of the company’s auditors. Generally, broker non-votes are counted for purposes of determining the presence of a quorum to validly conduct business, but are otherwise disregarded for purposes of determining the outcome of matters voted upon at the meeting. There are exceptions, such as matters requiring approval of a majority or super-majority of shares outstanding (such as amendments to the company’s certificate of incorporation or approval of a merger). In such instances, broker non-votes and shares not represented are effectively the same as votes against the matter. These shares constituted approximately 14% of shares represented at annual meetings in each group.

Annual Meeting Participation *(continued)*

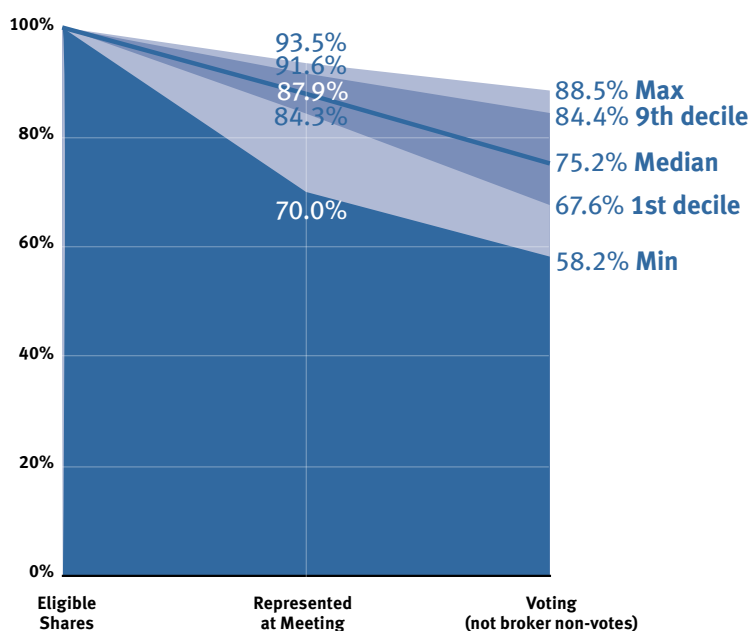
The following graphs show the distribution by percentage of shares eligible, of the shares that were represented and the shares that voted at the annual meetings of the companies in the SV 150 and S&P 100 in the 2017 proxy season (showing the median percentage, maximum and minimum percentages for the group, and the cutoffs for the deciles with the lowest and greatest percentage of shares represented or voting).

DISTRIBUTION OF REPRESENTED AND VOTED SHARES — 2017 PROXY SEASON

SV 150



S&P 100

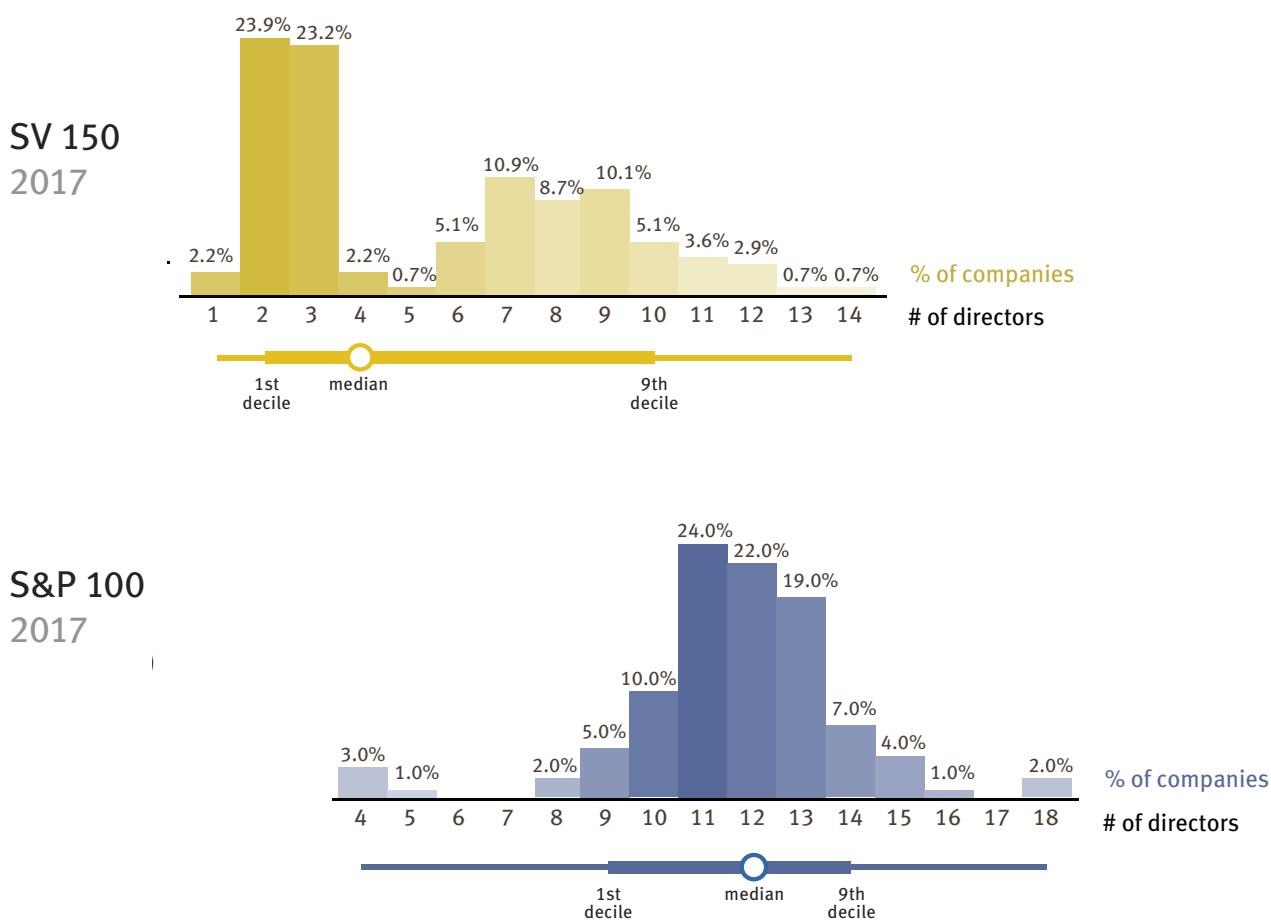


Director Elections

The average size of the board slate actually up for election among the SV 150 was 5.4 directors (median = 4), compared to 11.6 directors among the S&P 100 (median = 12). The most common number of directors being elected (mode) was 2 directors, with the number ranging from 1 to 14 directors being elected in the SV 150 (compared to a mode of 11 and range of 4 to 18 directors among the S&P 100). This is largely driven by classified boards, which were present in 50% of SV 150 companies in 2017¹⁶ (compared to only 4% among the S&P 100).

The following graphs show the distribution by number of director nominees for election at the annual meeting among the SV 150 companies and S&P 100 companies during the 2017 proxy season (including the median and the cutoffs for the decile with the most and fewest nominees).

DIRECTOR ELECTIONS — DISTRIBUTION BY NUMBER OF DIRECTOR NOMINEES



¹⁶ For a more detailed discussion of classified boards, including trends and comparisons to the large public companies in the S&P 100, as well as a breakdown of data for the top 15, top 50, middle 50 and bottom 50 of the SV 150, see the most recent edition of *Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*, available at <http://fenwick.com/CorporateGovernance>.

Director Elections *(continued)***Contested Elections**

In the vast majority of cases, the elections of directors were uncontested.¹⁷ Unlike 2016, when there were no contested elections in the SV 150 (and none in the S&P 100), one of the SV 150 companies (and one in the S&P 100 companies) had a contested election at its annual meeting in the 2017 proxy season. Cypress Semiconductor's board slate competed with a slate of two candidates, both of which were ultimately elected (Cypress entered into an 11th hour settlement and two directors resigned when the outcome of the voting was clear). General Motors handily defeated a competing slate of three candidates.

Uncontested Elections

There were 137 uncontested elections of directors in the SV 150 (and 99 in the S&P 100). Since they were uncontested, election of the board-nominated candidates was generally not in doubt, subject only to any applicable majority voting policy.¹⁸ In the 2017 proxy season, neither the SV 150 nor the S&P 100 had a director who did not receive more votes "for" than "against" or "withheld."

In the SV 150, the median of the average percentage of votes for (as opposed to votes against or withheld)¹⁹ each company's nominees was 97.4%, ranging from 61.6% on average up to 99.9% voted for the board-sponsored nominees (compared to a median of 97.2% and range of 71.2% to 99.7% in the S&P 100).

Uncontested Director Elections	SV 150			Top 15			Top 50			Middle 50			Bottom 50			S&P 100
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017
Number of Companies Holding Director Elections	137	140	142	15	15	15	47	49	50	45	44	44	45	47	48	99
Average of Average %age of Shares For (of Votes Cast or Withheld)	95.0	95.3	95.2	93.6	92.6	96.0	96.4	94.7	95.4	96.0	95.4	97.0	92.7	95.7	93.4	96.3
Average of Average %age of Shares For (of Shares Represented)	81.6	81.8	82.4	81.2	80.9	84.8	84.3	83.5	84.3	82.7	81.9	84.7	77.8	79.9	78.3	83.0
Average of Average %age of Shares For (of Shares Eligible)	71.8	72.9	72.9	71.8	71.4	73.3	72.8	74.1	74.5	74.4	73.4	76.2	68.2	71.3	68.1	70.8

17 See "Methodology—Contested / Uncontested Elections of Directors" for a discussion of which elections were treated as contested or uncontested and related matters.

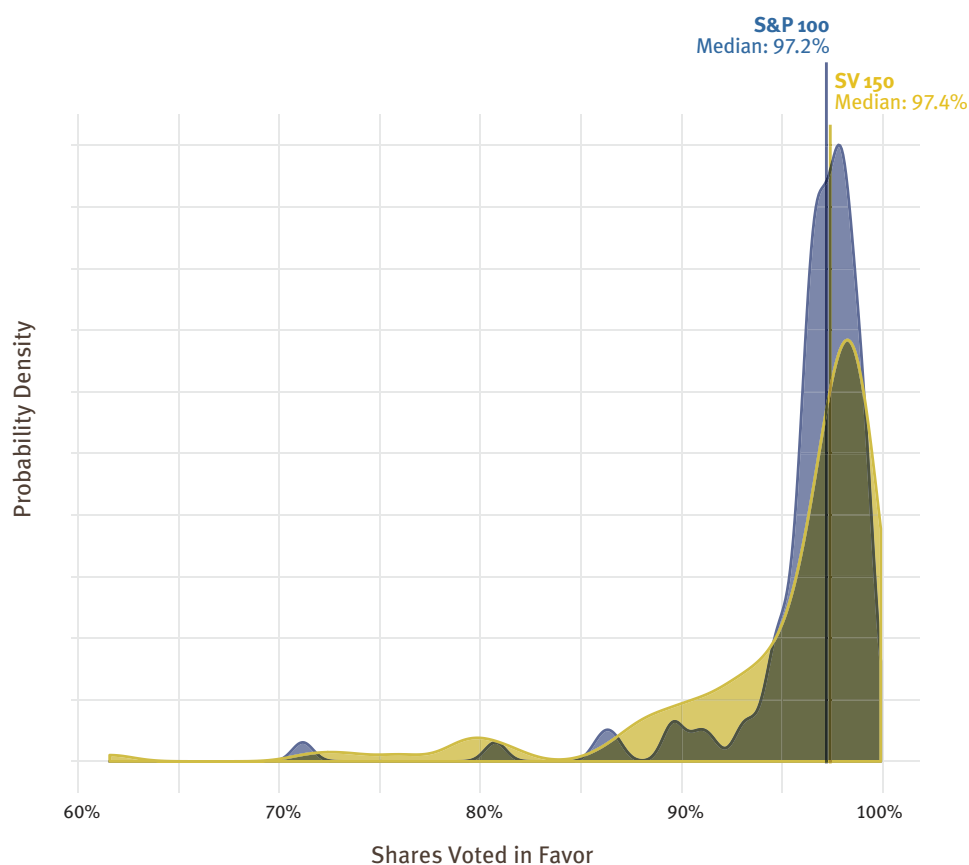
18 Generally, where some form of majority voting policy or requirement exists, each board nominee is required to receive more votes "for" their election than votes "withheld" (or "against" in instances where that choice is also offered). For a more detailed discussion of majority voting, including trends and comparisons to the large public companies in the S&P 100, as well as a breakdown of data for the top 15, top 50, middle 50 and bottom 50 of the SV 150, see the most recent edition of *Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*, available at <http://fenwick.com/CorporateGovernance>.

19 I.e., excluding broker non-votes (and shares that were not present or represented at the meeting).

Director Elections *(continued)*

Approximately 12.4% of the SV 150 that had uncontested elections (or 17 companies) had an average of 10% or more of the vote against or withheld from their board-nominated candidates (compared to 6.1%, or six companies, in the S&P 100). That percentage falls to 5.1% (or seven companies) that had 20% or more of the vote against or withheld from their nominees (compared to 1%, or one company, in the S&P 100).

The following graph shows the distribution by average percentage approval for board-nominated director candidates among the SV 150 companies and S&P 100 companies during the 2017 proxy season (showing the median for each group).²⁰

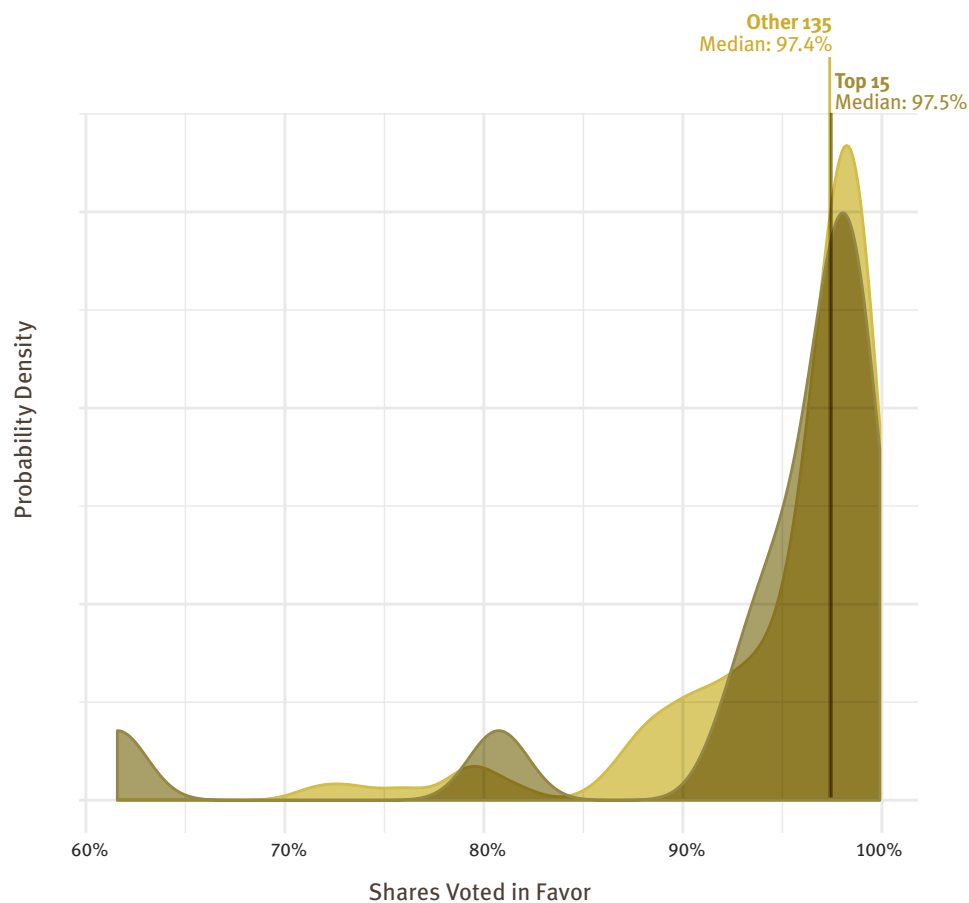
BOARD SLATE APPROVAL DISTRIBUTION — SV 150 vs. S&P 100

²⁰ See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Director Elections *(continued)*

The following graph shows the distribution by average percentage approval for board-nominated director candidates of the SV 150 companies broken down by the top 15 and remaining 135 companies during the 2017 proxy season (showing the median for each subgroup).²¹

SV 150 BOARD SLATE APPROVAL DISTRIBUTION BREAKDOWN — TOP 15

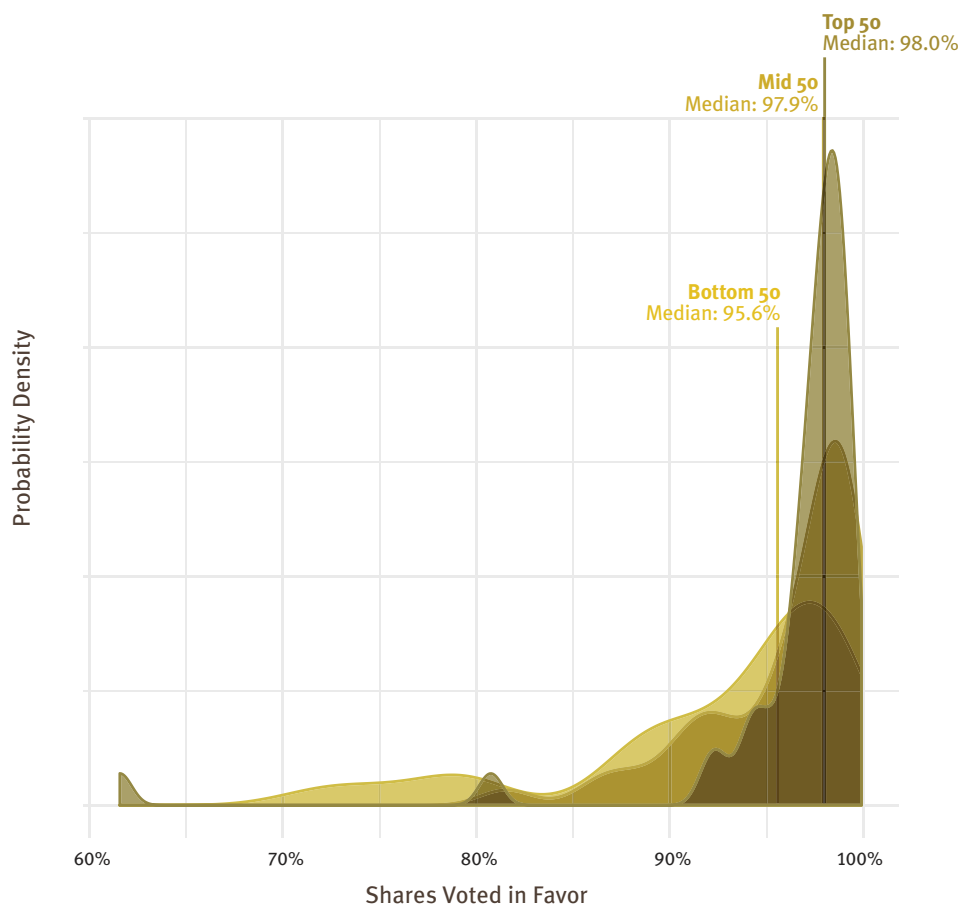


²¹ See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Director Elections *(continued)*

The following graph shows the distribution by average percentage approval for board-nominated director candidates of the SV 150 companies broken down by the top 50, middle 50 and bottom 50 companies during the 2017 proxy season (showing the median for each subgroup).²²

SV 150 BOARD SLATE APPROVAL DISTRIBUTION BREAKDOWN BY 50s

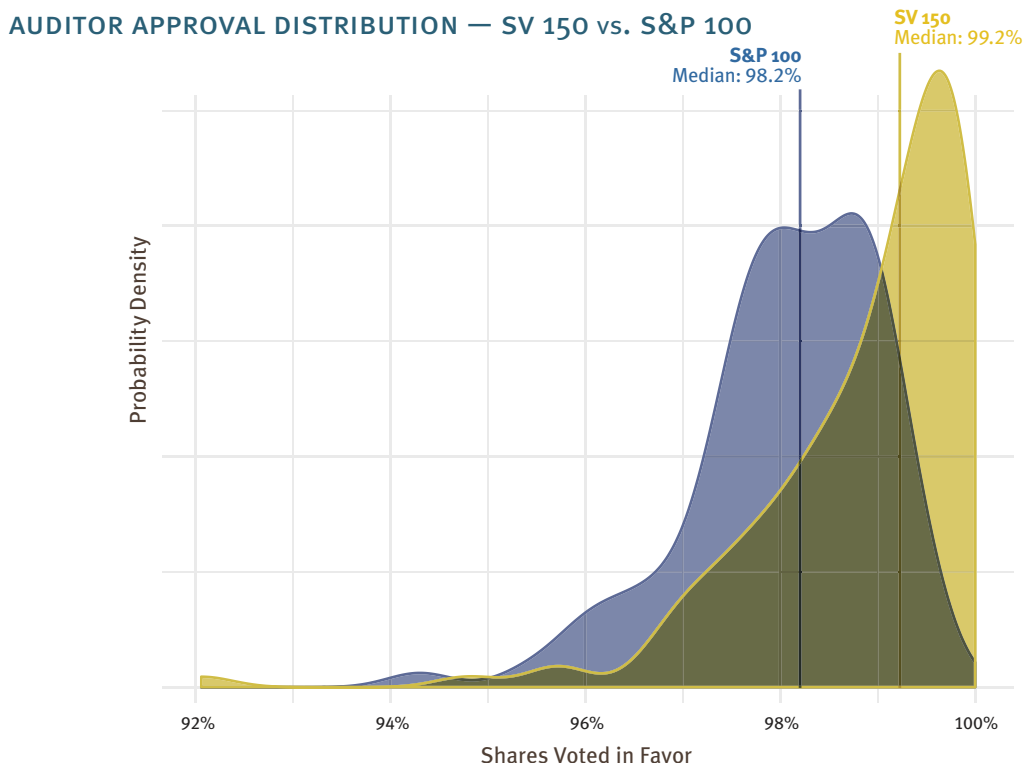


²² See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Auditor Ratification

Companies are not required to seek stockholder approval of the independent public accounting firm that audits their financial statements. However, companies generally seek approval of their auditors in a non-binding vote at each annual meeting.²³ A total of 137 companies (out of 138) in the SV 150 and 99 companies (out of 100) of the S&P 100 that held annual meetings in the 2017 proxy season included auditor ratification among the matters being voted upon by stockholders.²⁴ Generally these votes are uncontroversial. Unsurprisingly, the selection of auditors was ratified at 100% of companies. In the SV 150, the median percentage approval was 99.2% with a range of 94.3% to 100% (compared to a median of 98.2% and range of 94.3% to 99.6% in the S&P 100).²⁵ Among SV 150 companies, only 1.5% had 5% or more that voted against or abstained with respect to auditor ratification (no companies had 10% or more against/abstained).

The following graph shows the distribution by average percentage approval of ratification of auditors among the SV 150 companies and S&P 100 companies during the 2017 proxy season (showing the median for each group).²⁶



- 23 Generally, this is done as a matter of stockholder relations, sometimes seen as a carryover from English practice where stockholder approval of the appointment of auditors is mandated. It may also have benefits in stockholder litigation. The reasons for seeking auditor ratification are beyond the scope of this report (suffice it to say that there is very limited literature on the subject). It has also been observed that, with the changes in permissible broker discretionary voting, the inclusion of auditor ratification may aid achievement of a voting quorum at annual meetings in marginal cases.
- 24 One of the SV 150 companies (Ubiquiti Networks) withdrew its proposal for auditor approval, having dismissed its auditor prior to the meeting, and one of the S&P 100 (Berkshire Hathaway) did not propose that its stockholders approve its auditor.
- 25 The average approval in the SV 150 was 98.9% of shares voting or abstaining (compared to 98.1% in the S&P 100).
- 26 In light of the very narrow range of approval rate when measured as a percentage of shares voting or abstaining, as well as the different purposes of stockholder ratification, this graph includes all shares eligible as of the record date in the denominator (unlike the other similar graphics in this report). See “Methodology—Results (including Tables and Graphics)” below for a discussion of the representation of distribution as a probability density.

Say-on-Pay

Beginning in 2011, public companies have generally been required to hold a periodic non-binding vote on whether stockholders approve the compensation paid to the company's named executive officers, as disclosed in the proxy statement, including the Compensation Discussion and Analysis, compensation tables and narrative discussion (generally referred to as a "say-on-pay" vote).²⁷ In the 2017 proxy season, 115 companies in the SV 150 held say-on-pay votes at their annual meetings (as did 98 companies in the S&P 100).²⁸ Of those, two companies in the SV 150 lost the say-on-pay vote (two in the S&P 100).²⁹

In the SV 150, the average support was 90.7% of votes cast (ignoring abstentions and broker non-votes), with a median of 96% and range of 25.2% to 100% (compared to an average of 89.6% in the S&P 100, with a median of 94.8% and a range of 32.2% to 99.7%). If abstentions are included (effectively treated as non-support), average support in the SV 150 drops to 90.3%, with a median of 95.5% and range of 25.1% to 100% (compared to an average of 89% in the S&P 100, with a median of 93.8% and a range of 31.9% to 99.4%).

Opposition to named executive officer compensation reached 15% or more of votes cast (ignoring abstentions and broker non-votes) at 21% of SV 150 companies (compared to 19% of S&P 100 companies). Within those SV 150 companies with relatively lower levels of support, opposition reached 30% or more at seven companies (of which six had opposition of 40% or more, including three companies where opposition exceeded 50%).³⁰

Say-on-Pay Proposals	SV 150			Top 15			Top 50			Middle 50			Bottom 50			S&P 100
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017
Number of Companies Holding Say-on-Pay Votes	115	113	116	14	14	13	46	43	44	40	39	41	29	31	31	98
Number of Say-on-Pay Proposals that Passed	113	107	111	13	13	12	44	41	43	40	35	39	29	31	29	96
Average %age of Shares For (of Votes Cast)	90.7	89.1	89.2	89.6	88.5	82.6	90.7	90.3	87.8	91.6	83.9	91.6	89.4	93.9	87.8	89.6
Average %age of Shares For (of Votes Cast or Abstained)	90.3	88.1	88.6	89.3	87.6	82.0	90.4	88.8	87.4	91.1	83.3	90.9	88.9	93.2	87.0	89.0
Average %age of Shares For (of Shares Represented)	78.2	76.2	77.4	76.8	75.7	71.2	79.3	78.1	77.3	79.0	71.6	80.2	75.4	79.5	74.0	76.6
Average %age of Shares For (of Shares Eligible)	69.2	68.6	69.2	68.0	66.4	61.8	68.1	69.9	68.5	71.8	64.0	72.7	67.5	72.4	65.6	67.0

²⁷ See Section 14A(a)(1) of the Securities Exchange Act of 1934, as amended, and Rule 14a-21(a). The primary exception is "emerging growth companies," which are exempted from the requirement.

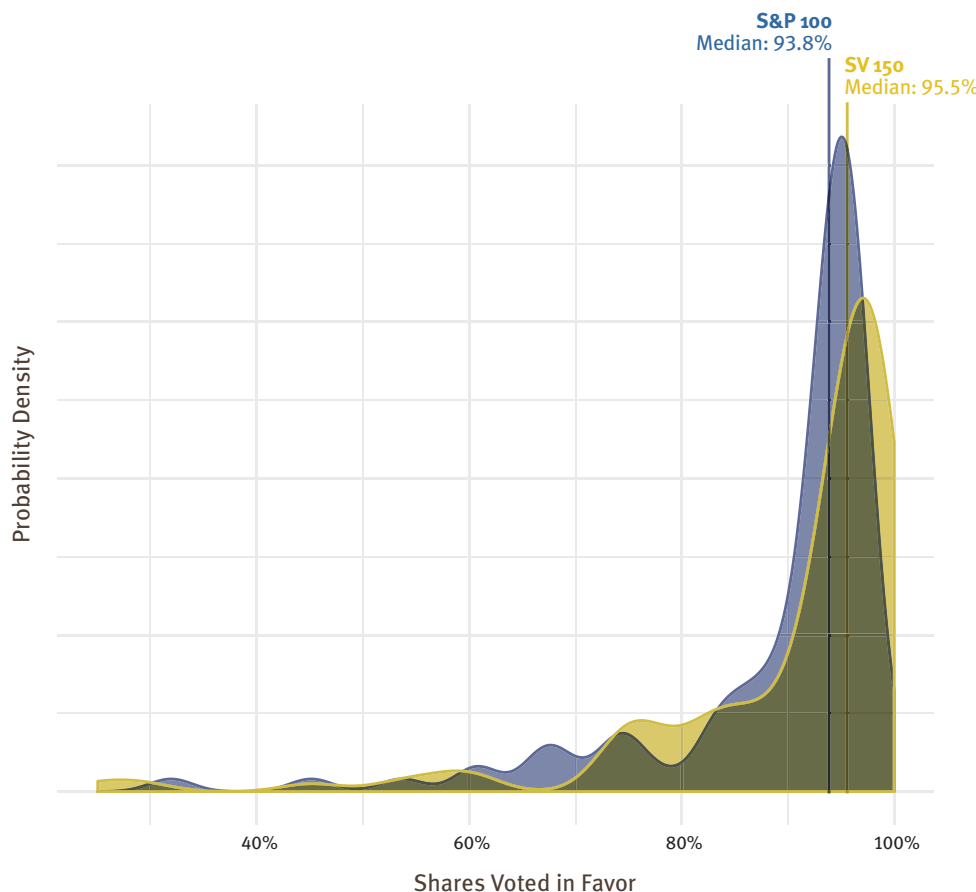
²⁸ Public companies are not required to hold say-on-pay votes every year (though many do). Rather, under Section 14A(a)(1) of the Securities Exchange Act of 1934, as amended, and Rule 14a-21(a), the say-on-pay vote must be held at least once every three years. See "Say-on-Pay Frequency" below for a discussion of the periodic vote requirements and stockholder input regarding the timing.

²⁹ Those companies (in order of SV 150 rank) are Oracle and Palo Alto Networks. That equates to a 98.3% passage rate for the SV 150.

³⁰ Within the S&P 100, 20 companies had opposition above 15% or more.

Say-on-Pay *(continued)*

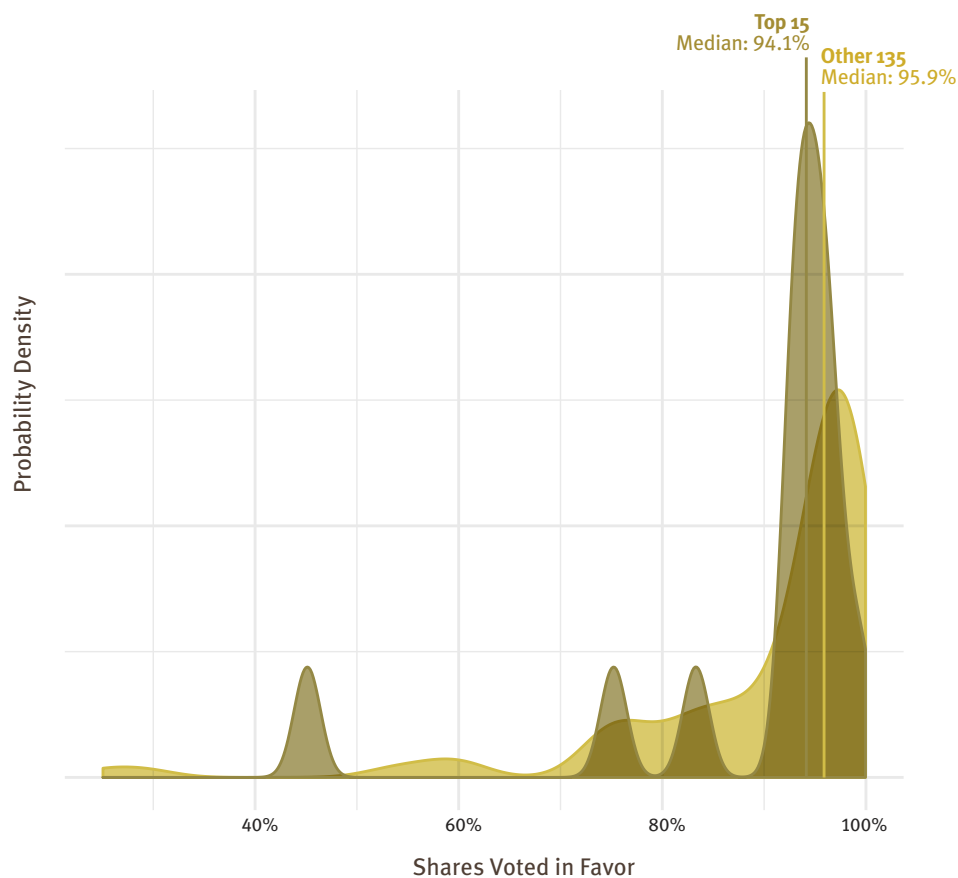
The following graph shows the distribution by percentage approval of executive officer compensation among the SV 150 companies and S&P 100 companies during the 2017 proxy season (showing the median for each group).³¹

SAY-ON-PAY APPROVAL DISTRIBUTION — SV 150 vs. S&P 100

³¹ See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Say-on-Pay *(continued)*

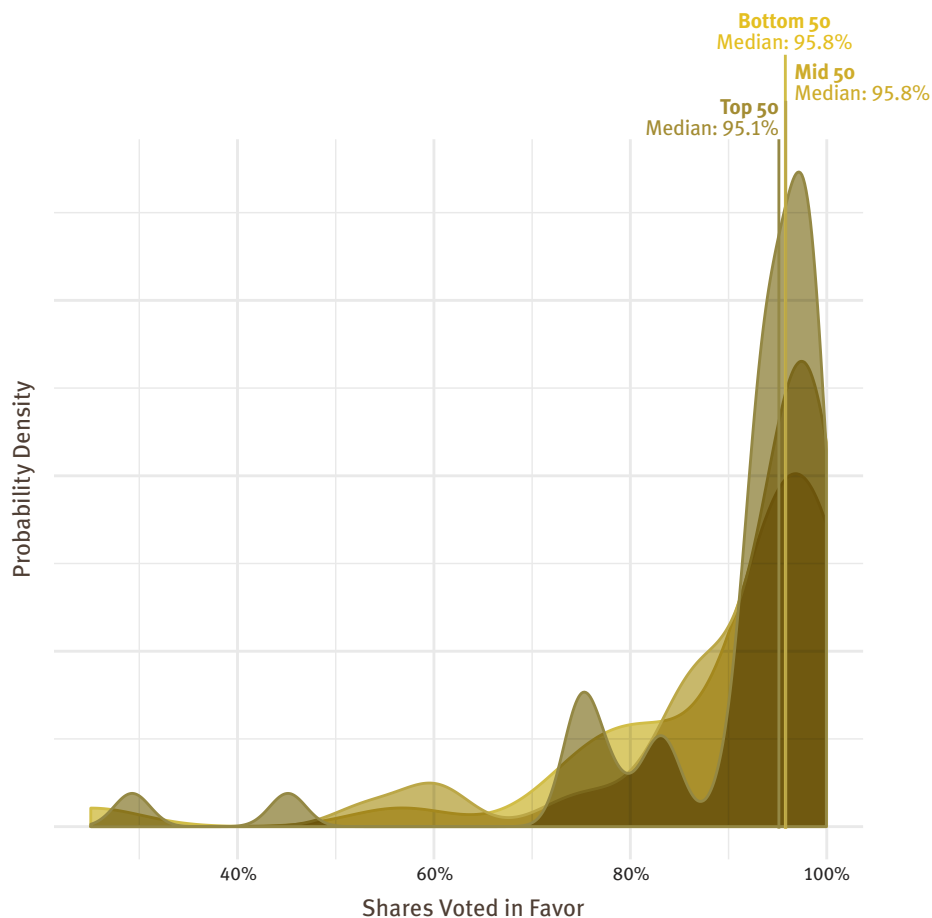
The following graph shows the distribution by percentage approval for board-nominated director candidates among the SV 150 companies broken down by the top 15 and remaining 135 companies during the 2017 proxy season (showing the median for each subgroup).³²

SV 150 SAY-ON-PAY APPROVAL DISTRIBUTION BREAKDOWN — TOP 15

³² See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Say-on-Pay *(continued)*

The following graph shows the distribution by average percentage approval for board-nominated director candidates of the SV 150 companies broken down by the top 50, middle 50 and bottom 50 companies during the 2017 proxy season (showing the median for each subgroup).³³

SV 150 SAY-ON-PAY APPROVAL DISTRIBUTION BREAKDOWN BY 50s

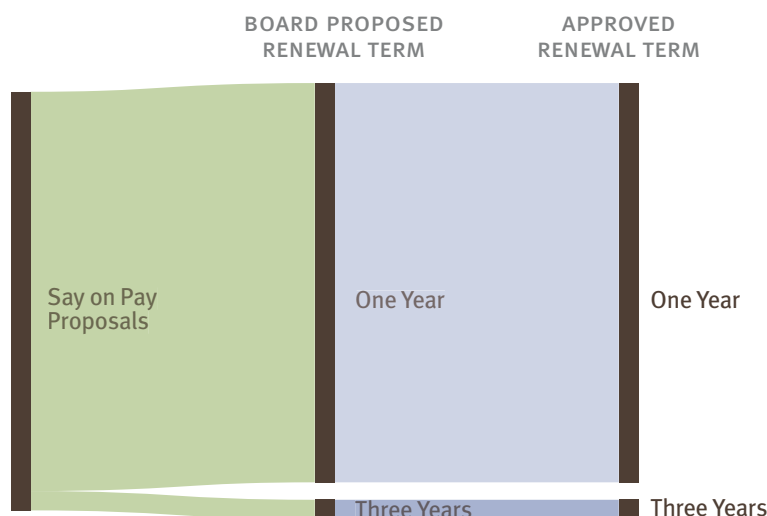
³³ See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Say-on-Pay Frequency

While the decision regarding how frequently to hold votes by stockholders regarding approval of executive officer compensation (i.e., whether say-on-pay votes will be held annually, biennially or triennially) is up to a company's board of directors, public companies are required to hold a non-binding vote of stockholders at least once every six years regarding the frequency of say-on-pay votes for the board's consideration when making that decision.³⁴ Among the SV 150 companies, 65 companies held say-on-pay frequency votes (sometimes referred to as a "say-on-frequency" vote) during the 2017 proxy season.³⁵ Of those, the board recommended annual frequency at 62 companies and triennial frequency at three companies. Where annual frequency was recommended, it was approved by stockholders. Where triennial frequency was recommended, it was also approved by stockholders.

The following graph shows the distribution by frequency proposed by company boards and the frequency approved by stockholders among the SV 150 companies during the 2017 proxy season (showing the breakdown of the result by frequency recommended).

SV 150 SAY-ON-PAY FREQUENCY VOTING



³⁴ See Section 14A(a)(2) of the Securities Exchange Act of 1934, as amended, and Rule 14a-21(b).

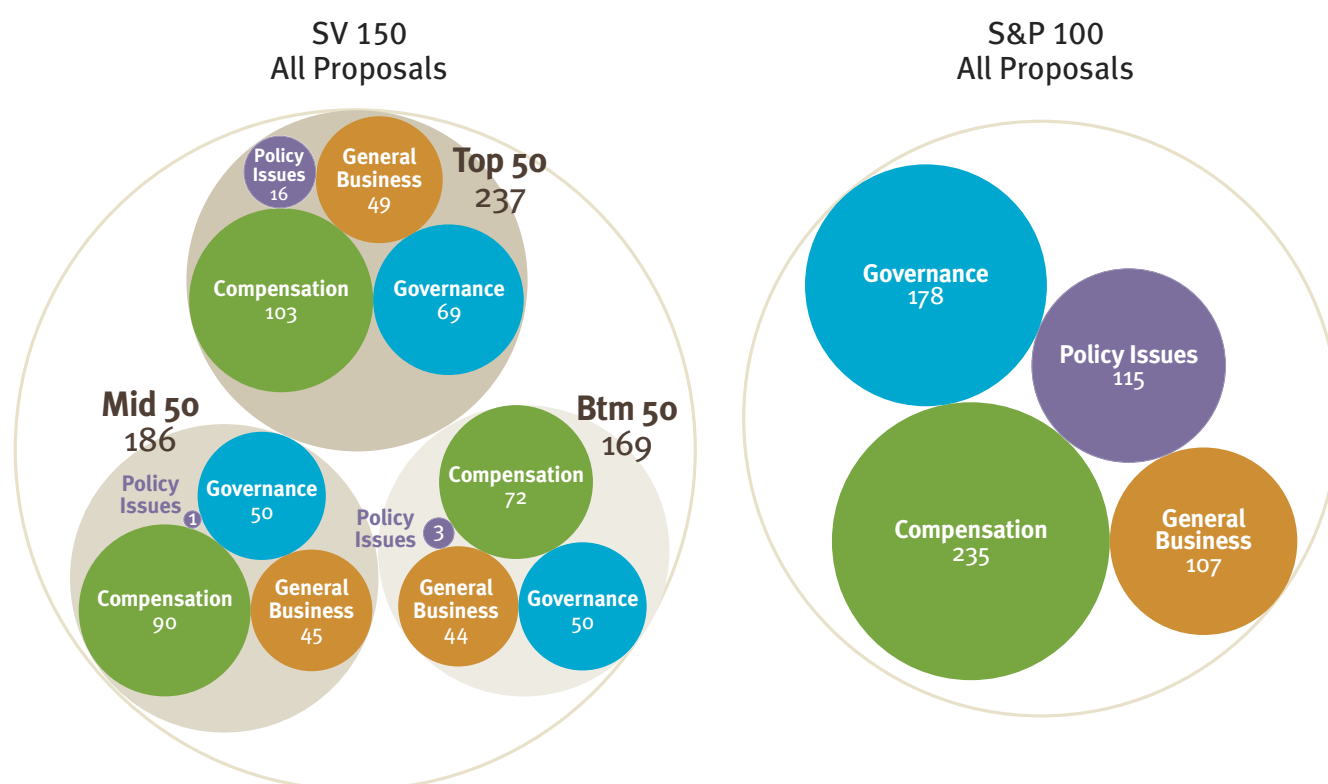
³⁵ A total of 83 of the S&P 100 companies held say-on-frequency votes in the 2017 proxy season, with both boards recommending annual frequency that stockholders approved by large majorities (though certainly not unanimously).

Other Proposals Voted On

Stockholders voted on 592 matters at the 138 annual meetings held by SV 150 companies (compared to 635 matters at 100 annual meetings of S&P 100 companies).³⁶ Excluding the director elections, say-on-pay (and say-on-frequency) and auditor approval covered above, SV 150 company stockholders were asked to vote on 136 proposals (compared to 255 such proposals voted on by stockholders of S&P 100 companies).³⁷

The following graph illustrates the number of proposals during the 2017 proxy season in the SV 150 broken down by subject area category and by top 50, middle 50 and bottom 50 companies, as well as the S&P 100 broken down by subject area category.

PROPOSAL BREAKDOWN BY PROPONENT AND SUBJECT AREA CATEGORY — SV 150 vs. S&P 100



³⁶ Director elections at each company were treated as a single matter, irrespective of the number of directors being elected. The stockholder proposals do not include competing board slates.

³⁷ There would have been 138 such proposals in the SV 150 but two company's stockholders did not vote on one stockholder proposal that had been included by a stockholder in the proxy statement for the annual meeting, because the proponent had withdrawn the proposal prior to the company's annual meeting. There would have been 262 such proposals in the S&P 100, but seven companies' stockholders did not vote on one stockholder proposal each that had been included by a stockholder in the proxy statement for the annual meeting, because the proponent failed to present the proposal at, or withdrew the proposal prior to, the company's annual meeting. Director elections, say-on-pay, say-on-frequency and auditor approval represented a large portion of the total number of proposals (and number of proposals in each subject area category).

Other Proposals Voted On *(continued)*

Generally, stockholders at larger companies were asked to vote on more matters than at smaller companies. These proposals, which were either advanced by the companies' boards of directors or by stockholders, generally can be grouped into categories of compensation, governance, policy issues or other general business. The increased number of proposals considered by stockholders at larger companies was a function of the fact that only four stockholder-sponsored proposals were voted on by stockholders outside of the top 50 companies in the SV 150 companies, as well as the fact that larger companies are significantly more likely to hold say-on-pay votes annually.

Silicon Valley 150 and S&P 100 Total Number of Proposals Voted Upon	SV 150			Top 50			Middle 50			Bottom 50			Top 15			Other 135			S&P 100
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017
Number of Companies Holding Annual Meetings	138	140	144	48	49	50	45	44	46	45	47	48	15	15	15	123	125	129	100
ALL PROPOSALS:	592	534	549	250	233	228	178	150	160	164	152	161	97	96	82	495	439	467	620
Compensation	265	202	212	115	90	87	82	57	64	68	55	61	34	30	25	231	172	187	235
Change-in-Control Payouts/Vesting (Golden Parachutes)	0	1	0	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	2
Clawbacks	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	5
Director Compensation	2	4	0	1	3	0	1	1	0	0	0	0	1	3	0	1	1	0	4
Option/Equity Plan Change/Approval	69	55	78	33	27	36	16	13	19	20	15	23	5	7	9	64	48	69	24
Pay Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Performance Metrics/Pay for Performance/162(m)	11	14	6	4	12	5	3	0	1	4	2	0	1	2	3	10	12	3	11
Say-on-Pay	115	113	116	46	43	44	40	39	41	29	31	31	14	14	13	101	99	103	98
Say-on-Pay Frequency	65	13	11	28	3	1	22	4	3	15	6	7	10	2	0	55	11	11	83
Stock Retention	1	1	0	1	1	0	0	0	0	0	0	0	1	1	0	0	0	0	2
Option/Equity Repricing or Exchange Program Approval	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Other Compensation	1	1	0	1	0	0	0	0	0	0	1	0	1	0	0	0	1	0	4

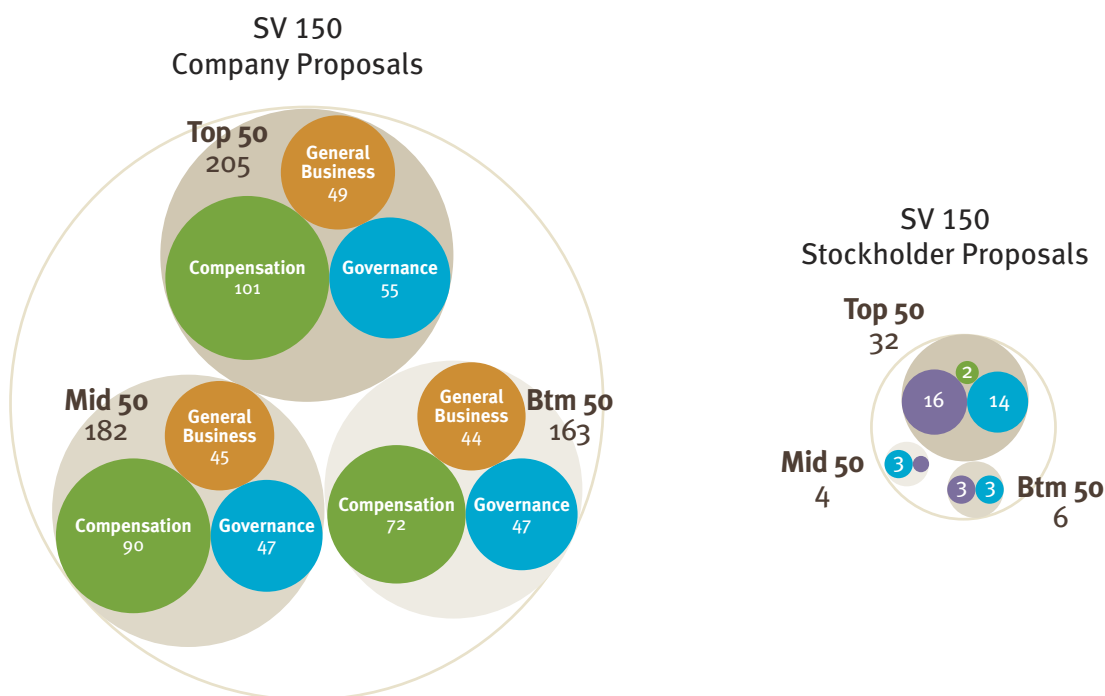
Other Proposals Voted On *(continued)*

Silicon Valley 150 and S&P 100 Total Number of Proposals Voted Upon	SV 150			Top 50			Middle 50			Bottom 50			Top 15			Other 135			S&P 100
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017
Governance	169	173	174	67	77	74	51	48	48	51	48	52	31	36	30	138	137	144	177
Board Declassification	5	2	3	2	2	2	1	0	0	2	0	1	1	1	1	4	1	2	1
Board Diversity	1	2	0	1	2	0	0	0	0	0	0	0	1	1	0	0	1	0	1
Board Slate Approval	138	140	142	48	49	50	45	44	44	45	47	48	15	15	15	123	125	127	100
Certificate/Bylaws Change	3	4	5	1	4	1	1	0	2	1	0	2	0	3	0	3	1	5	4
Cumulative Voting - Addition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Cumulative Voting - Repeal	0	2	1	0	2	1	0	0	0	0	0	0	0	1	0	0	1	1	0
Elimination of Dual-Class Voting	2	2	0	2	2	0	0	0	0	0	0	0	2	2	0	0	0	0	4
Elimination of Supermajority	2	2	1	2	2	0	0	0	1	0	0	0	1	0	0	1	2	1	7
Independent Chair	2	1	3	2	1	3	0	0	0	0	0	0	2	1	2	0	0	1	21
Majority Voting Standard	1	3	5	1	2	5	0	1	0	0	0	0	1	2	3	0	1	2	1
Proxy Access	5	9	6	3	6	6	0	2	0	2	1	0	3	5	4	2	4	2	10
Recapitalization	0	0	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	0	0
Stockholder Ability to Act by Written Consent	3	2	5	3	2	4	0	0	0	0	0	1	3	2	3	0	0	2	5
Stockholder Rights Plan/Poison Pill	2	1	1	0	0	0	1	1	1	1	0	0	0	0	0	2	1	1	0
Stockholder Ability to Call Special Meetings	3	0	0	1	0	0	2	0	0	0	0	0	1	0	0	2	0	0	17
Other Governance Issues	2	3	0	1	3	0	1	0	0	0	0	0	1	3	0	1	0	0	5
Policy Issues	20	15	17	20	15	17	0	0	0	0	0	0	18	14	12	2	1	5	115
Animal Testing/Welfare	0	0	2	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2	0
Anti-Discrimination/Diversity	3	3	2	3	3	2	0	0	0	0	0	0	2	3	1	1	0	1	13
Environmental/Sustainability	3	3	5	3	3	5	0	0	0	0	0	0	3	3	5	0	0	0	29
Health & Food Safety	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Human Rights	0	1	2	0	1	2	0	0	0	0	0	0	0	1	1	0	0	1	7
Political/Lobbying Activities	6	4	2	6	4	2	0	0	0	0	0	0	6	4	2	0	0	0	39
Charitable Contributions	2	0	0	2	0	0	0	0	0	0	0	0	2	0	0	0	0	0	4
Israel/Palestine/Holy Land	3	0	1	3	0	1	0	0	0	0	0	0	3	0	1	0	0	0	12
Other Policy Issues	3	4	3	3	4	3	0	0	0	0	0	0	2	3	2	1	1	1	7
General Business	138	145	144	48	51	50	45	45	46	45	49	48	15	16	15	123	129	129	107
Auditor Approval	137	140	144	48	49	50	44	44	46	45	47	48	15	15	15	122	125	129	99
Reincorporation	1	1	0	0	1	0	1	0	0	0	0	0	0	0	0	1	1	0	0
Other General Business	0	4	0	0	1	0	0	1	0	0	2	0	0	1	0	0	3	0	8

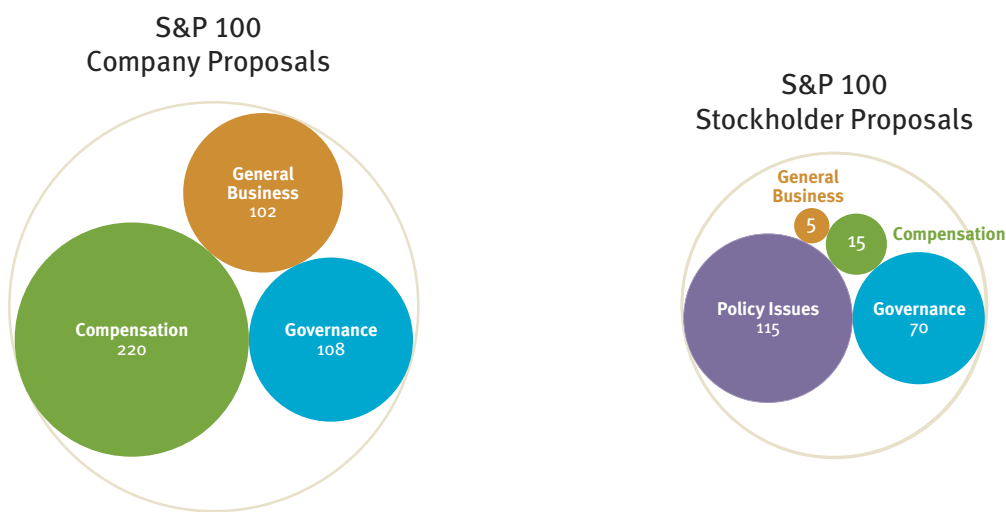
Other Proposals Voted On *(continued)*

The following graphs illustrate the number of proposals put forth by companies and those put forth by stockholders during the 2017 proxy season in the SV 150 broken down by subject area category and by top 50, middle 50 and bottom 50 companies, as well as the S&P 100 broken down by proponent and subject area category.³⁸

SV 150 PROPOSALS BREAKDOWN BY PROPONENT AND CATEGORY — 2017 PROXY SEASON



S&P 100 PROPOSALS BREAKDOWN BY PROPONENT AND CATEGORY — 2017 PROXY SEASON

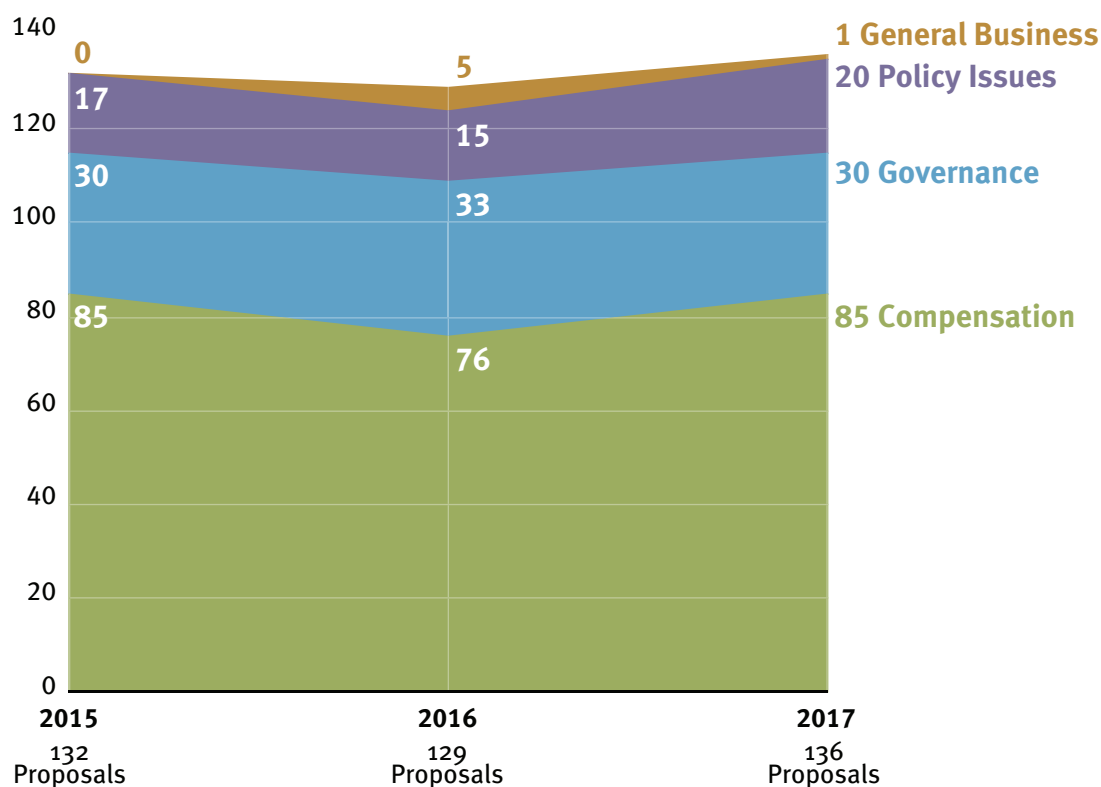


³⁸ See footnotes 36 and 37 for a discussion of the proposals represented in these graphs.

Other Proposals Voted On *(continued)*

Company-sponsored proposals are spread across compensation (primarily say-on-pay and equity plan proposals), governance (primarily director elections) and other general business (primarily auditor approval), while stockholder-sponsored proposals are more frequently focused on policy issues or governance matters. Company-sponsored proposals are also significantly more likely to be passed than those sponsored by stockholders. These trends are the same for SV 150 and S&P 100 companies.

The following graph shows all proposals, excluding the director elections, say-on-pay, say-on-frequency and auditor approval, broken down by subject area category voted on by stockholders at SV 150 companies between 2015 and 2017, irrespective of proponent.³⁹

SV 150 PROPOSAL BREAKDOWN BY CATEGORY OVER TIME – 2015-2017

³⁹ See footnote 37 for a discussion of the proposals represented in this graph.

Company Proposals

Excluding the director elections, say-on-pay (and say-on-frequency) and auditor approval voting covered above, stockholders at SV 150 companies voted on 95 company-sponsored proposals in the 2017 proxy season, primarily in compensation-related subjects, as well as some governance matters (compared to 50 such proposals at S&P 100 companies).

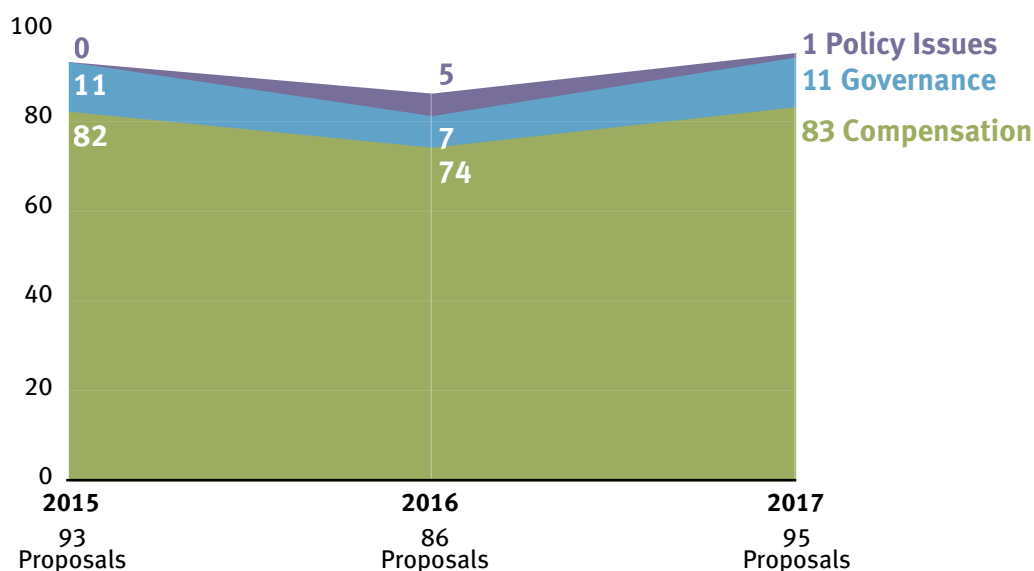
Silicon Valley 150 Company-Sponsored Proposals	Total			Passed			Average %age of Shares For (of Votes Cast)			Average %age of Shares For (of Votes Cast or Abstained)			Average %age of Shares For (of Shares Represented)			Average %age of Shares For (of Shares Eligible)		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
ALL COMPANY PROPOSALS:	95	86	95	95	85	92	90.4	88.6	89.8	90.0	87.1	89.2	78.1	75.5	77.4	69.7	67.1	67.4
Compensation	83	74	84	83	74	84	90.4	88.7	90.5	90.0	87.0	90.0	78.0	75.3	77.4	69.6	67.2	68.1
Director Compensation	2	4	0	2	4	0	96.9	92.3	0	96.8	87.4	0	80.3	87.0	0	70.6	77.0	0
Option/Equity Plan Change/ Approval	69	55	78	69	55	78	89.3	87.5	90.1	88.8	86.4	89.6	76.8	74.6	76.7	68.6	66.6	67.3
Performance Metrics/Pay for Performance/162(m)	11	14	4	11	14	4	96.0	92.6	93.4	95.8	89.6	93.2	85.0	76.2	84.9	76.2	67.8	77.1
Option/Equity Repricing or Exchange Program Approval	1	0	0	1	0	0	92.1	0	0	92.0	0	0	79.4	0	0	63.1	0	0
Other Compensation-Related Matters	0	1	2	0	1	2	0	82.6	99.0	0	82.6	98.8	0	58.3	88.2	0	51.5	79.8
Governance	11	7	11	11	6	8	89.9	88.5	84.5	89.7	88.3	83.7	77.1	78.6	77.8	68.9	69.7	62.0
Board Declassification	2	1	2	2	0	1	99.6	99.8	99.9	99.6	99.7	99.8	74.2	88.0	91.6	63.9	76.6	77.4
Certificate/Bylaws Change	3	3	5	3	3	4	86.3	86.2	78.1	86.1	86.1	77.5	76.3	81.8	74.2	67.2	72.9	58.2
Cumulative Voting – Repeal	0	2	1	0	2	1	0	84.1	57.8	0	83.9	57.8	0	73.2	53.6	0	65.9	49.7
Elimination of Supermajority	1	0	1	1	0	1	99.7	0	99.9	99.7	0	99.9	91.1	0	94.3	83.3	0	85.9
Proxy Access	1	0	0	1	0	0	99.6	0	0	99.5	0	0	90.3	0	0	79.1	0	0
Stockholder Action by Written Consent	0	0	1	0	0	0	0	0	94.4	0	0	94.3	0	0	94.3	0	0	48.5
Stockholder Ability to call Special Mtgs	1	0	0	1	0	0	87.1	0	0	87.1	0	0	81.9	0	0	77.4	0	0
Stockholder Rights Plan/ Poison Pill	2	1	1	2	1	1	93.6	92.7	86.5	93.2	92.6	81.9	76.7	70.3	60.0	68.3	60.7	52.8
Other Governance Issues	1	0	0	1	0	0	56.7	0	0	56.6	0	0	53.7	0	0	52.0	0	0
General Business	1	5	0	1	5	0	97.8	87.8	0	97.7	86.1	0	97.7	74.0	0	86.5	62.4	0
Reincorporation	1	1	0	1	1	0	97.8	64.9	0	97.7	64.8	0	97.7	59.8	0	86.5	55.2	0
Other General Business	0	4	0	0	4	0	0	93.5	0	0	91.5	0	0	77.5	0	0	64.2	0

Company Proposals (continued)

S&P 100 Company-Sponsored Proposals	Total	Passed	Average % age of Shares For (of Votes Cast)	Average %age of Shares For (of Votes Cast or Abstained)	Average %age of Shares For (of Shares Represented)	Average %age of Shares For (of Shares Eligible)
ALL COMPANY PROPOSALS:	50	47	95.3	94.6	82.8	71.7
Compensation:	39	39	94.6	94.1	81.6	71.4
Director Compensation	4	4	93.3	92.9	81.6	72.9
Option/Equity Plan Change/Approval	24	24	94.3	93.9	82.4	72.3
Performance Metrics/Pay Performance/162(m)	11	11	95.6	94.9	80.0	69.1
Governance:	8	5	98.2	97.1	84.6	71.2
Certificate/Bylaws Change	3	3	97.4	95.4	95.4	75.9
Board Declassification	1	0	99.4	98.9	79.3	70.1
Elimination of Supermajority	2	0	97.3	96.5	70.2	60.4
Proxy Access	1	1	99.6	99.5	90.3	79.1
Stockholder Ability to call Special Mtgs	1	1	99.5	99.4	80.7	71.5
General Business:	3	3	96.8	94.7	92.8	76.5
Other General Business	3	3	96.8	94.7	92.8	76.5

The following graph shows company-sponsored proposals, excluding the director elections, say-on-pay, say-on-frequency and auditor approval, broken down by subject area category voted on by stockholders at SV 150 companies between 2015 and 2017.

SV 150 COMPANY-SPONSORED PROPOSAL BREAKDOWN BY CATEGORY OVER TIME — 2015–2017

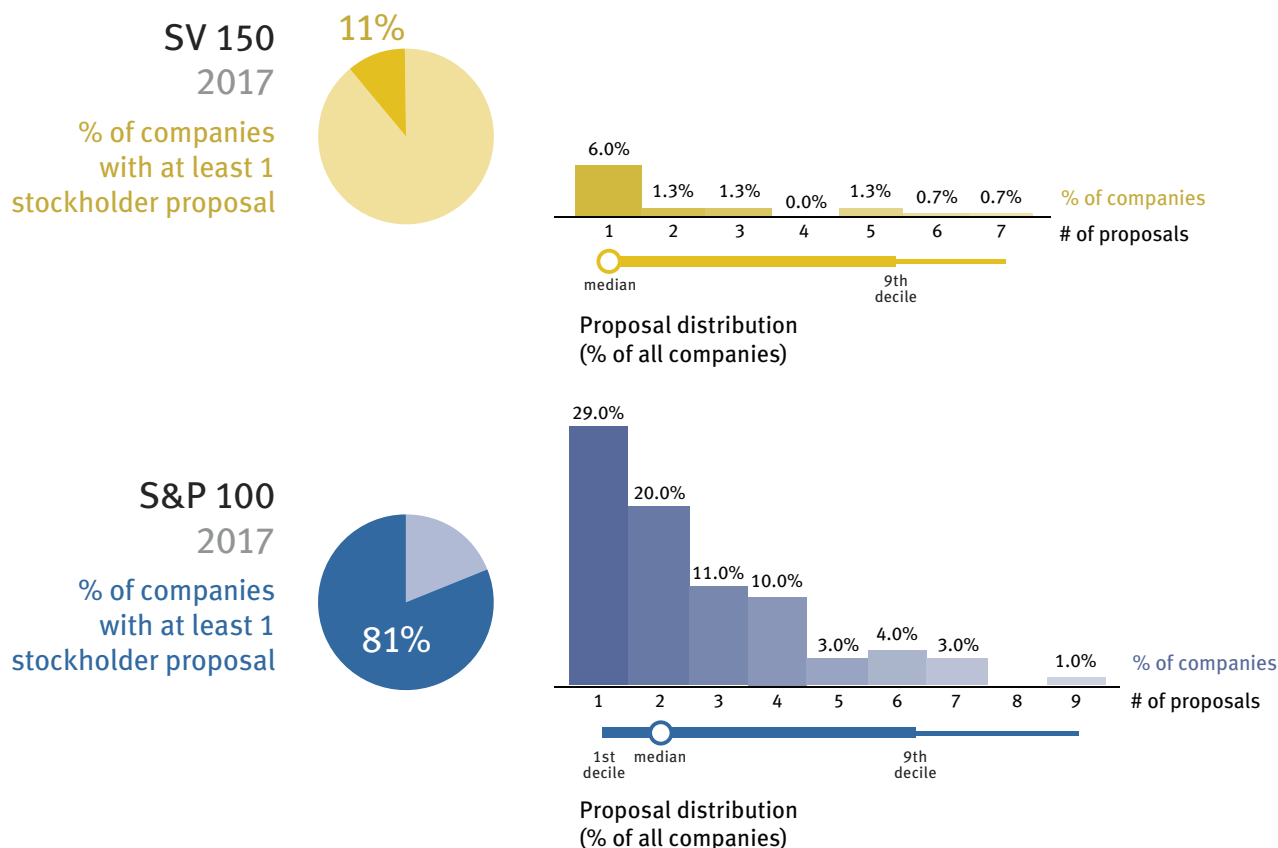


Stockholder Proposals

Excluding competing director slates,⁴⁰ SV 150 company stockholders were asked to vote on 42 stockholder-sponsored proposals at annual meetings during the 2017 proxy season (compared to 205 such proposals voted on by stockholders of S&P 100 companies).⁴¹ Within the SV 150, more than three-quarters of stockholder-sponsored proposals were voted on at the top 15 companies. Four were voted on outside of the top 50 companies.⁴²

The following graphs show the percentage of all companies with at least one stockholder-sponsored proposal, and the distribution by number of stockholder-sponsored proposals, voted upon by stockholders of companies in the SV 150 and the S&P 100 during the 2017 proxy season (including the median and cutoffs for the decile with the most and fewest such proposals).

STOCKHOLDER PROPOSALS — DISTRIBUTION BY NUMBER OF PROPOSALS



⁴⁰ See “Director Elections—Contested Elections” above for a discussion of competing director slates.

⁴¹ There would have been 44 such proposals in the SV 150, but two companies’ stockholders did not vote on one stockholder proposal that had been included by a stockholder in the proxy statement for the annual meeting, because the proponent, failed to present the proposal at, or withdrew the proposal prior to, the company’s annual meeting. There would have been 212 such proposals in the S&P 100, but seven companies’ stockholders did not vote on one stockholder proposal each that had been included by a stockholder in the proxy statement for the annual meeting, because the proponent failed to present the proposal at, or withdrew the proposal prior to, the company’s annual meeting.

⁴² The withdrawn stockholder-sponsored proposal that is discussed in the preceding footnote was in the Top 15 companies.

Stockholder Proposals *(continued)*

The stockholder-sponsored proposals voted on in the SV 150 generally focused on governance matters or policy issues (this was also true in the S&P 100). They were also generally unsuccessful (only five succeeded). The average support for stockholder-sponsored proposals was approximately 24% at the SV 150 companies (compared to approximately 21.4% at S&P 100 companies). The most common topic for stockholder-sponsored proposals in the SV 150 were proxy access (four proposals, none of which succeeded) and political/lobbying activities (six proposals, none of which were successful). The most common such topic in the S&P 100 was regarding political/lobbying activities (39 proposals, none of which succeeded).

Silicon Valley 150 Stockholder-Sponsored Proposals	Total			Passed			Average %age of Shares For (of Votes Cast)			Average %age of Shares For (of Votes Cast or Abstained)			Average %age of Shares For (of Shares Represented)			Average %age of Shares For (of Shares Eligible)		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
ALL PROPOSALS:	42	43	41	5	9	5	24.1	30.1	27.7	23.8	29.1	27.0	20.2	24.4	23.8	18.0	21.6	20.9
Compensation	2	2	3	0	0	0	13.2	22.5	32.0	13.1	22.3	31.9	9.0	20.8	28.3	7.8	19.1	25.5
Change-in-Control Payouts/Vesting (Golden Parachutes)	0	1	0	0	0	0	0	28.1	0	0	27.9	0	0	25.9	0	0	23.9	0
Clawbacks	0	0	1	0	0	0	0	0	45.1	0	0	44.7	0	0	39.1	0	0	36.1
Performance Metrics/Pay for Performance/162(m)	0	0	2	0	0	0	0	0	25.5	0	0	25.5	0	0	22.8	0	0	20.3
Stock Retention	1	1	0	0	0	0	24.2	16.8	0	24.1	16.8	0	16.5	15.6	0	14.2	14.4	0
Other Compensation	1	0	0	0	0	0	2.2	0	0	2.2	0	0	1.5	0	0	1.3	0	0
Governance	20	26	21	5	9	5	37.6	41.8	41.2	37.4	40.7	41	31.7	33.6	36.1	28.1	29.6	31.7
Board Declassification	3	1	1	1	1	1	44.7	83.8	79.8	44.5	83.4	79.6	34.5	65.9	69.2	30.7	58.8	63.3
Board Diversity	1	2	0	0	0	0	4.9	12.0	0	4.7	11.0	0	3.2	9.6	0	2.8	8.4	0
Certificate/Bylaws Change	0	1	0	0	0	0	0	16.0	0	0	14.8	0	0	14.8	0	0	12.6	0
Elimination of Dual-Class Voting	2	2	0	0	0	0	24.5	19.1	0	24.5	19.0	0	23.0	17.9	0	20.5	16.5	0
Elimination of Supermajority	1	2	0	1	1	0	63.3	57.1	0	63.0	56.9	0	51.8	47.8	0	46.5	41.9	0
Independent Chair	2	1	3	0	0	0	28.3	13.4	39.7	28.3	13.4	39.6	23.8	12.7	34.7	19.9	11.8	30.4
Majority Voting Standard	1	3	5	1	3	1	64.6	82.8	34.7	64.2	76.3	34.6	52.8	55.8	30.7	47.4	48.8	27.8
Proxy Access	4	9	6	0	4	3	33.2	42.8	45.8	32.9	42.4	45.4	27.0	35.7	39.7	23.9	31.5	34.7
Recapitalization	0	0	2	0	0	0	0	0	22.4	0	0	22.4	0	0	21.2	0	0	18.7
Stockholder Ability to Act by Written Consent	3	2	4	0	0	0	44.1	44.9	43.4	44.0	44.6	43.0	38.9	36.7	37.5	33.6	31.5	31.3
Stockholder Ability to Call Special Meetings	2	0	0	2	0	0	51.6	0	0	51.5	0	0	47.8	0	0	44.4	0	0
Other Governance Issues	1	3	0	0	0	0	10.1	24.5	0	10.0	24.4	0	7.9	22.1	0	6.9	20.2	0
Policy Issues	20	15	17	0	0	0	11.8	10.9	10.3	11.4	9.8	8.9	10.0	9.0	7.8	8.9	8.0	6.7
Animal Testing/Welfare	0	0	2	0	0	0	0	0	0.8	0	0	0.7	0	0	0.5	0	0	0.5
Anti-Discrimination/Diversity	3	3	2	0	0	0	15.1	23.4	16.2	14.9	20.6	14.5	13.8	19.5	13.8	12.5	17.2	12.7
Environmental/Sustainability	3	3	5	0	0	0	23.1	6.9	8.4	22.6	6.2	6.7	19.2	5.3	6.0	17.1	4.6	5.1
Human Rights	0	1	2	0	0	0	0	1.8	3.1	0	1.6	2.8	0	1.0	2.4	0	0.9	1.9
Political/Lobbying Activities	6	4	2	0	0	0	17.3	15.1	28.7	16.5	13.7	26.1	14.6	12.8	22.2	13.0	11.6	18.5
Charitable Contributions	2	0	0	0	0	0	1.4	0	0	1.3	0	0	1.0	0	0	0.8	0	0
Israel/Palestine/Holy Land	3	2	1	0	0	0	2.4	3.3	3.2	2.3	2.9	2.6	1.9	2.4	2.0	1.7	2.1	1.7
Other Policy Issues	3	2	3	0	0	0	2.3	2.3	10.7	2.3	2.1	9.0	1.6	2.0	7.8	1.4	1.8	6.6

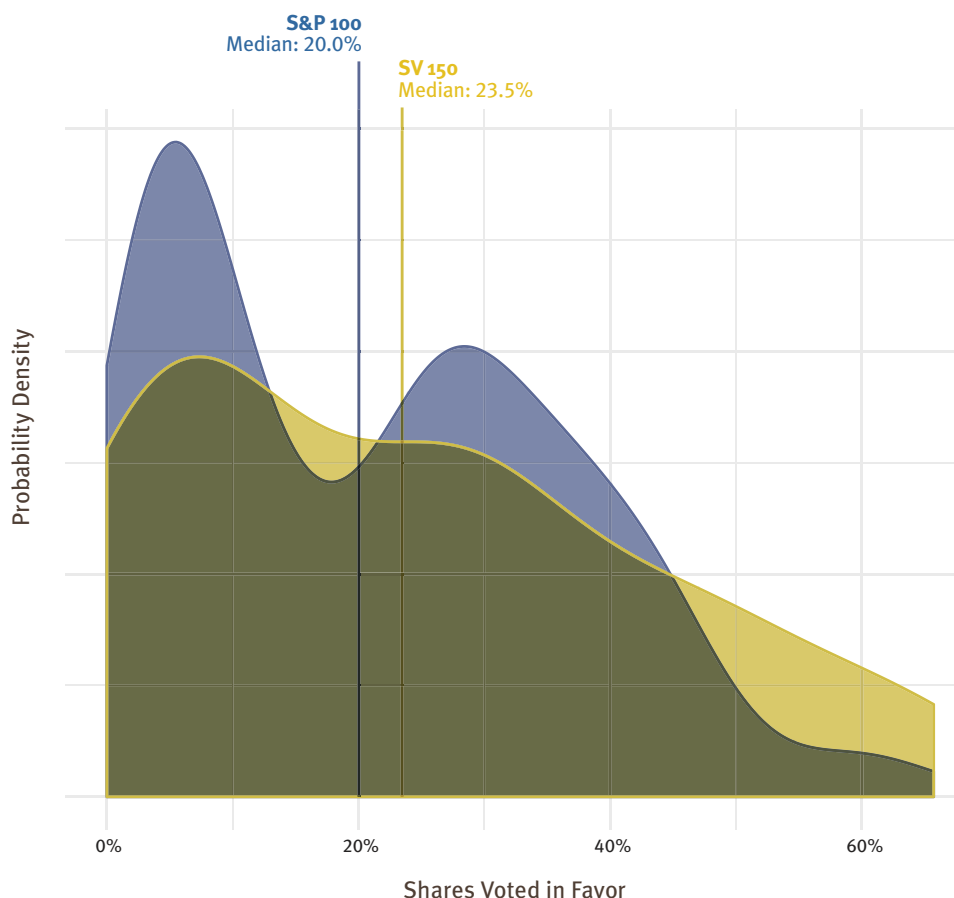
Stockholder Proposals *(continued)*

S&P 100 Stockholder-Sponsored Proposals	Total	Passed	Average %age of Shares For (of Votes Cast)	Average %age of Shares For (of Votes Cast or Abstained)	Average %age of Shares For (of Shares Represented)	Average %age of Shares For (of Shares Eligible)
STOCKHOLDER PROPOSALS:	205	6	21.4	20.8	17.3	15.1
Compensation:	15	0	16.0	15.7	12.9	11.2
CIC Payouts/Vesting/Golden Parachutes	2	0	22.2	22.1	19.7	17.7
Clawbacks	5	0	15.1	14.8	11.9	10.5
Pay Ratios	2	0	5.9	5.6	4.9	4.3
Stock Retention	2	0	27.5	27.2	20.2	17.4
Other Compensation-related matters	4	0	13.1	13.0	11.1	9.3
General Business:	5	0	4.1	4.0	3.5	3.0
Other General Business	5	0	4.1	4.0	3.5	3.0
Governance:	70	3	30.0	29.6	24.7	21.5
Board Diversity	1	0	4.9	4.7	3.2	2.8
Certificate/Bylaws Change	1	0	1.6	1.5	1.2	1.0
Cumulative Voting - Add	2	0	9.7	9.6	7.8	6.5
Elimination of Dual-Class Voting	4	0	28.2	27.9	24.9	21.4
Elimination of Supermajority	5	0	7.3	7.2	6.2	5.5
Independent Chair	21	0	32.7	32.2	27.1	23.5
Majority Voting Standard-Director Elections	1	0	45.8	45.3	34.4	29.5
Proxy Access	9	2	35.5	35.0	27.5	23.7
Stockholder Ability to act by Written Consent	5	0	42.2	42.0	35.7	31.0
Stockholder Ability to call Special Mtgs	16	1	39.5	39.1	32.9	28.8
Other Governance Issues	5	0	5.8	5.7	4.9	4.3
Policy Issues:	115	3	17.7	16.9	14.0	12.2
Animal Testing/Welfare	0	0	0.0	0.0	0.0	0.0
Anti-Discrimination/Diversity	13	0	11.8	11.2	9.7	8.6
Environmental/Sustainability	29	3	26.0	25.0	20.4	17.8
Health & Food Safety	4	0	16.2	15.4	12.1	10.4
Human Rights	7	0	9.0	8.6	7.2	6.4
Political/Lobbying Activities	39	0	23.2	22.0	18.5	16.0
Charitable Contributions	4	0	2.8	2.7	2.0	1.7
Israel/Palestine/Holy Land	12	0	3.3	3.0	2.6	2.2
Other Policy Issues	7	0	6.0	5.9	5.2	4.6

Stockholder Proposals *(continued)*

The following graph shows the distribution by percentage approval of stockholder-sponsored proposals (across all subject areas) voted on by stockholders at SV 150 companies and S&P 100 companies during the 2017 proxy season (showing the median for each group).⁴³

STOCKHOLDER PROPOSAL APPROVAL DISTRIBUTION — SV 150 vs. S&P 100

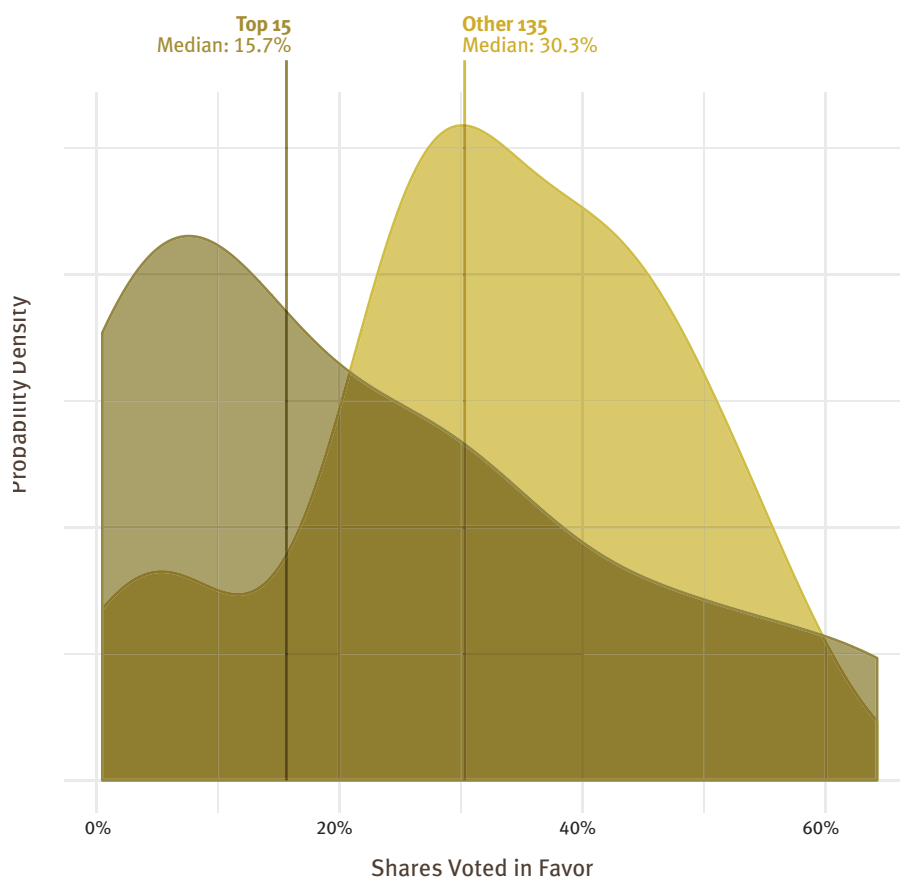


⁴³ See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Stockholder Proposals *(continued)*

The following graph shows the distribution by percentage approval of stockholder-sponsored proposals (across all subject areas) voted on by stockholders at SV 150 companies broken down by the top 15 and remaining 135 companies during the 2017 proxy season (showing the median for each subgroup).⁴⁴

SV 150 STOCKHOLDER PROPOSAL DISTRIBUTION BREAKDOWN — TOP 15 AND OTHER 135

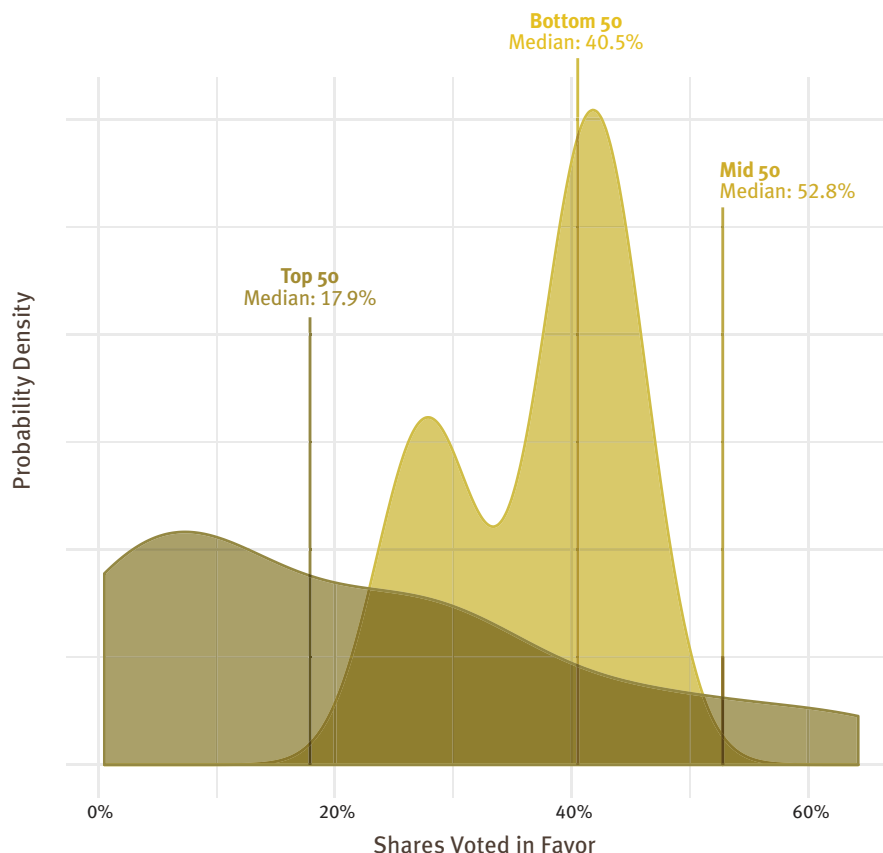


⁴⁴ There were three stockholder proposals voted on by stockholders among the middle 50 companies and one among bottom 50 companies of the SV 150. See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

Stockholder Proposals *(continued)*

The following graph shows the distribution by percentage approval of stockholder-sponsored proposals (across all subject areas) voted on by stockholders at SV 150 companies for the top 50, middle 50 and bottom 50 companies during the 2017 proxy season (showing the median for the subgroup).⁴⁵

SV 150 STOCKHOLDER PROPOSAL DISTRIBUTION BREAKDOWN BY 50s

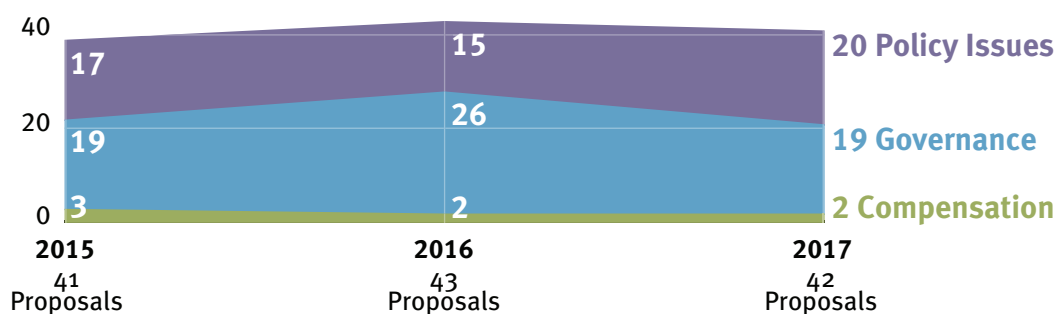


⁴⁵ There was one stockholder proposal voted on by stockholders among the middle 50 companies and three among bottom 50 companies of the SV 150. See “Methodology—Results (including Tables and Graphics)” below for a discussion of the basis used in this graph and the representation of distribution as a probability density.

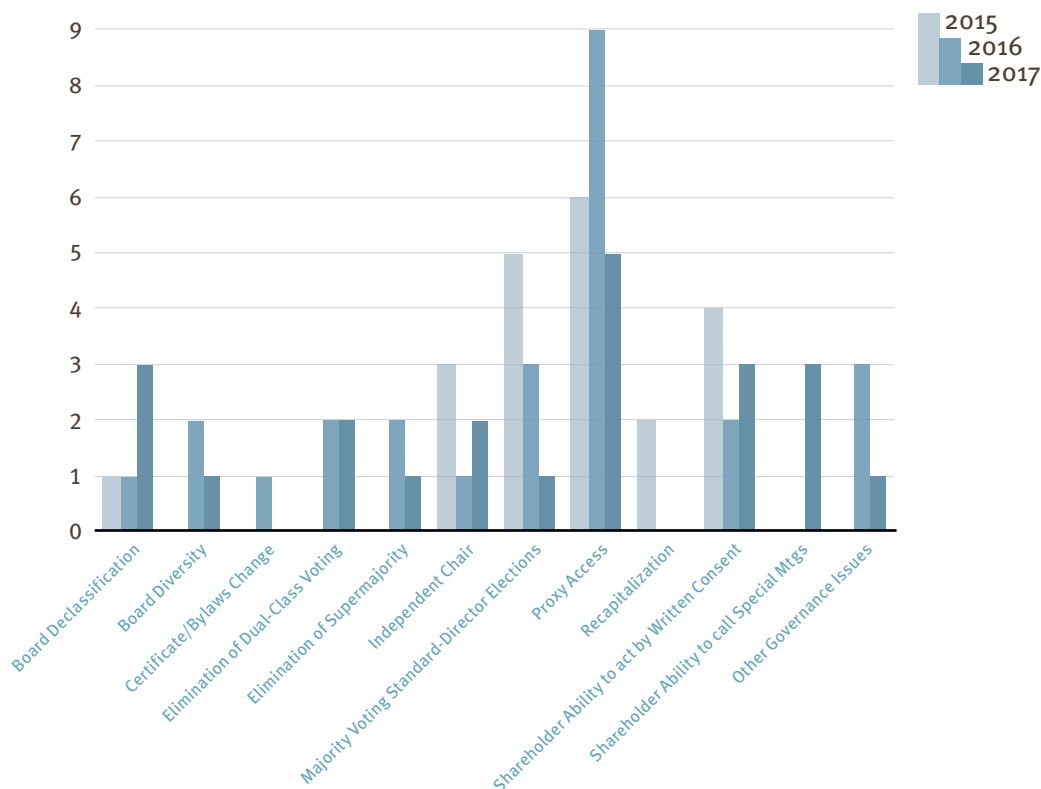
Stockholder Proposals *(continued)*

The following graphs show stockholder-sponsored proposals voted on by stockholders at SV 150 companies broken down by subject area category and broken down by topic within the Governance area between 2015 and 2017.⁴⁶

SV 150 STOCKHOLDER PROPOSAL BREAKDOWN BY CATEGORY OVER TIME — 2015–2017



SV 150 GOVERNANCE-RELATED STOCKHOLDER PROPOSAL BREAKDOWN BY SUBJECT OVER TIME — 2015–2017

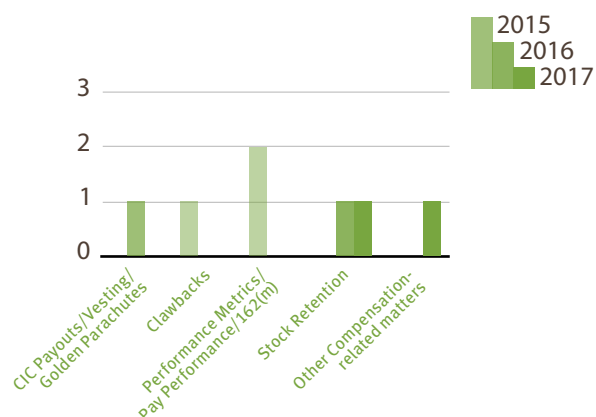


⁴⁶ The graph excludes competing director slates and stockholder proposals that had been included by a stockholder in the proxy statement for the annual meeting, but the proponent failed to present the proposal at, or withdrew the proposal prior to, the applicable meeting.

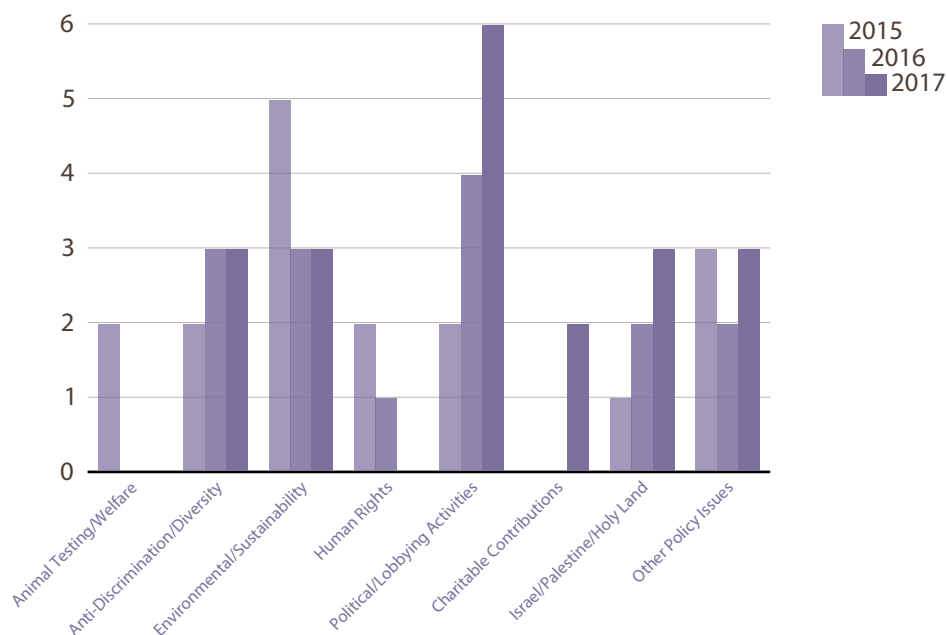
Stockholder Proposals *(continued)*

The following graphs show all compensation-related and policy-related stockholder-sponsored proposals voted on by stockholders at SV 150 companies broken down by topic between 2015 and 2017.⁴⁷

SV 150 COMPENSATION-RELATED STOCKHOLDER PROPOSAL BREAKDOWN BY SUBJECT OVER TIME — 2015–2017



SV 150 POLICY-RELATED STOCKHOLDER PROPOSAL BREAKDOWN BY SUBJECT OVER TIME — 2015–2017

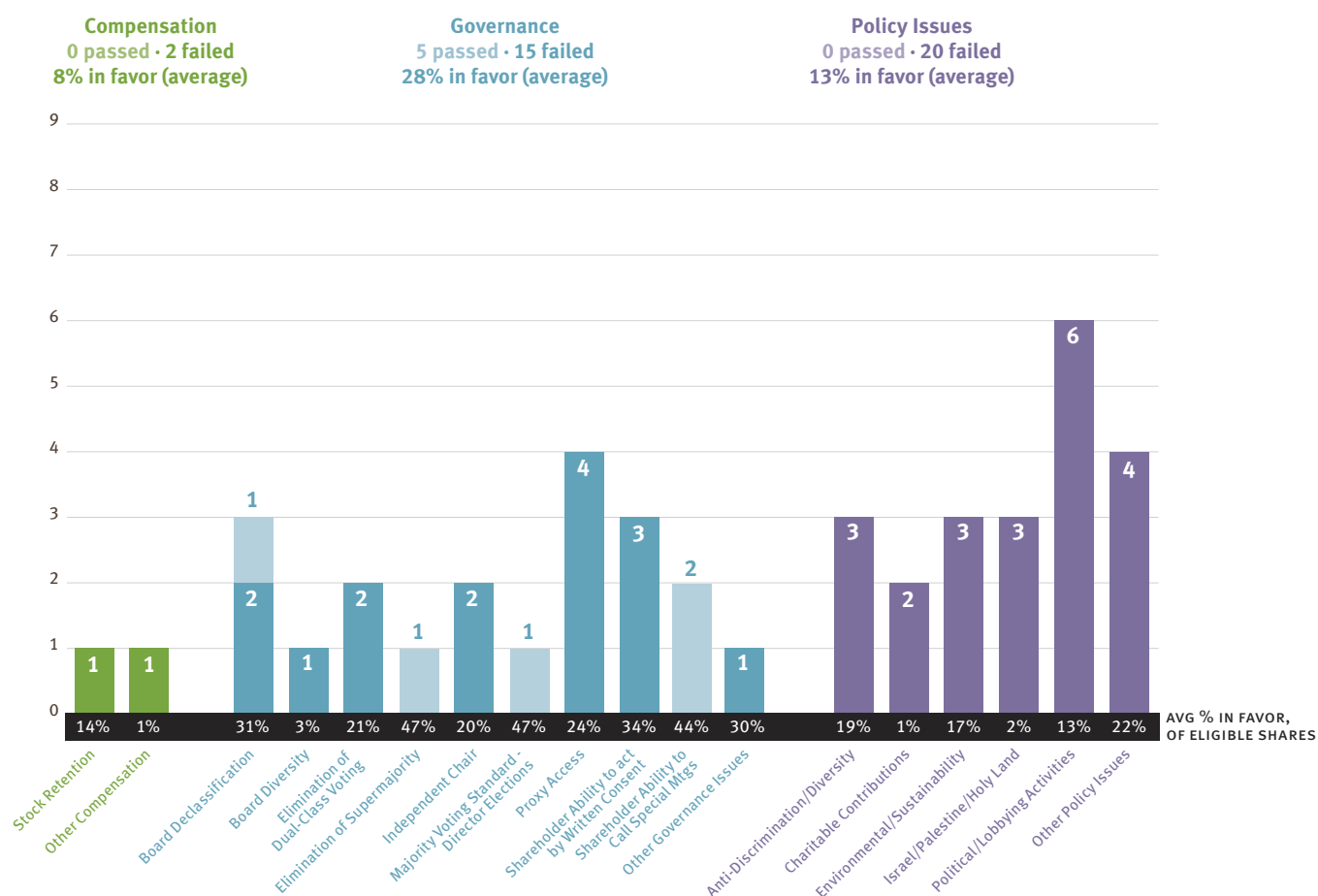


⁴⁷ These graphs exclude stockholder proposals that had been included by a stockholder in the proxy statement for the annual meeting, but the proponent failed to present the proposal at, or withdrew the proposal prior to, the applicable meeting.

Stockholder Proposals (continued)

The following graph shows the distribution by subject area category and topic of the stockholder-sponsored proposals voted on by stockholders at SV 150 companies during the 2017 proxy season, showing the number that passed or failed and the average percentage of shares in favor of such proposals (out of shares eligible to vote on the record date for the annual meeting).⁴⁸

SV 150 STOCKHOLDER PROPOSALS BY CATEGORY — 2017 PROXY SEASON

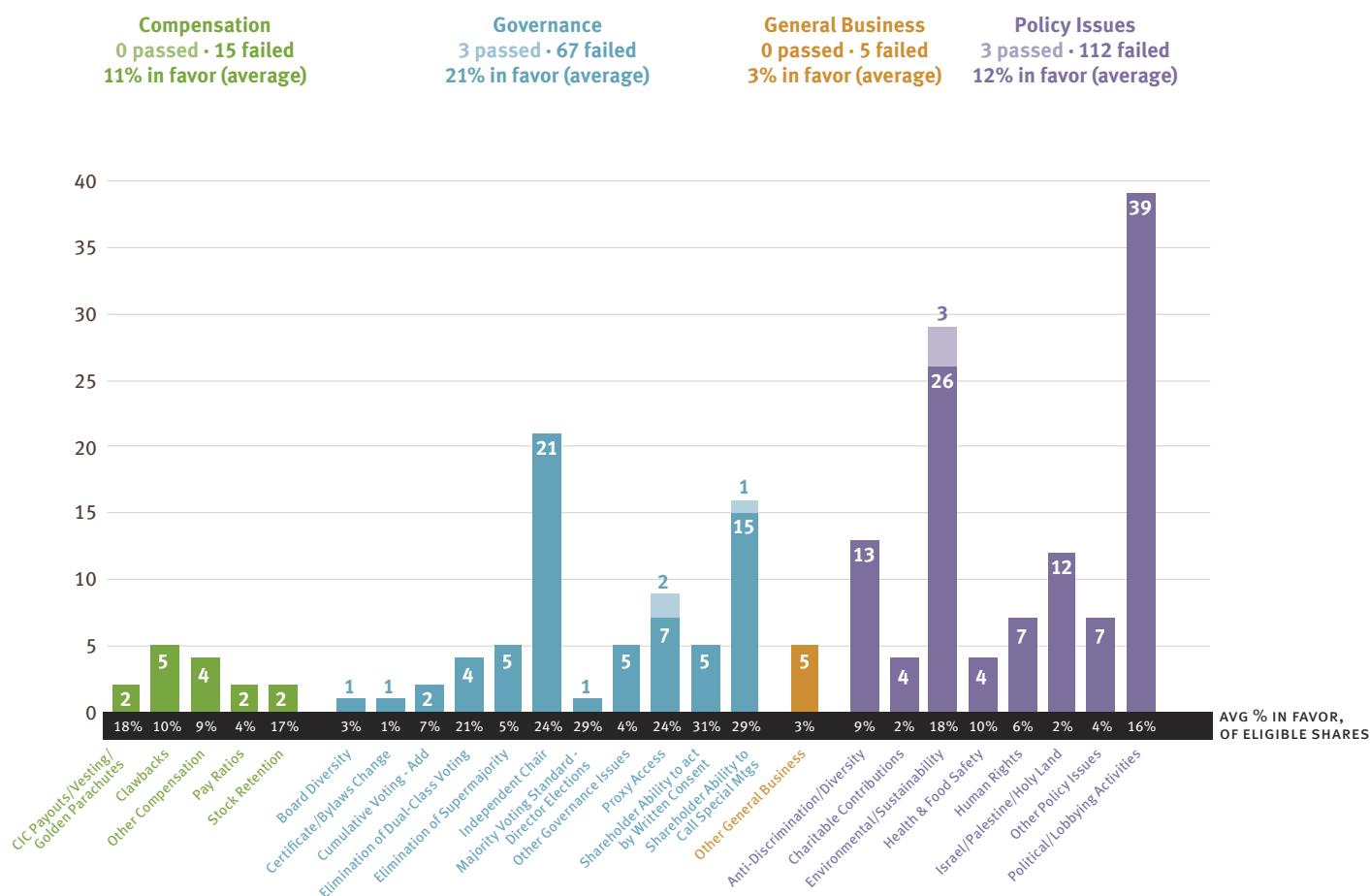


⁴⁸ The graph excludes competing director slates and stockholder proposals that had been included by a stockholder in the proxy statement for the annual meeting, but the proponent failed to present the proposal at, or withdrew the proposal prior to, the applicable meeting.

Stockholder Proposals (continued)

The following graph shows the distribution by subject area category and topic of the stockholder-sponsored proposals voted on by stockholders at S&P 100 companies during the 2017 proxy season, showing the number that passed or failed and the average percentage of shares in favor of such proposals (out of shares eligible to vote on the record date for the annual meeting).⁴⁹

S&P 100 STOCKHOLDER PROPOSALS BY CATEGORY — 2017 PROXY SEASON



⁴⁹ The graph excludes competing director slates and stockholder proposals that had been included by a stockholder in the proxy statement for the annual meeting, but the proponent failed to present the proposal at, or withdrew the proposal prior to, the applicable meeting.

Methodology

Group Makeup

We reviewed the proxy statements, and current reports on Form 8-K disclosing the results,⁵⁰ for the annual meetings of the technology and life sciences companies included in the Silicon Valley 150 Index (SV 150)⁵¹ the large public companies in the Standard & Poor's 100 Index (S&P 100).⁵² The makeup of the indices has changed over time as determined by their publishers,⁵³ with the SV 150 makeup being updated generally once annually and the S&P 100 changing more frequently.⁵⁴ For analytical purposes, companies are included in the survey if they appeared in the relevant index as determined as of the most recent calendar year end.⁵⁵ In addition, companies are not included in the data set (on a subject-by-subject basis) if information is not available because no SEC filing with the relevant data was made (generally as a result of acquisition). For example, in the 2017 proxy season, 12 such companies were not included in the SV 150 data set for all subjects as no annual meeting was held. All of the S&P 100 companies held annual meetings in the 2017 proxy season.

Proxy Season / Proxy Statements

To be included in the data set for a particular “proxy season,” the definitive proxy statement for a company’s annual meeting generally must have been filed by the company with the U.S. Securities and Exchange Commission (SEC) by June 30 of that year, irrespective of when the annual meeting was actually held.⁵⁶ In some instances, a company may not have consistently filed its annual meeting proxy statement on the same

50 Since 2010, Item 5.07 of Form 8-K has required disclosure (within four business days) of the results of any matter submitted to a vote of stockholders. Prior to then, such results were often reported months later in quarterly reports on Form 10-Q or annual reports on Form 10-K.

51 In the past, *The Mercury News* (fka the *San Jose Mercury News*) had stated that “[t]he Silicon Valley 150 ranks [public] companies headquartered in Santa Clara, Santa Cruz, southern San Mateo and southern Alameda counties [in California] on the basis of worldwide revenue for the most recent available four quarters ended on or near [the most recent December 31].” However, in recognition of the continued geographic spread of technology and life sciences companies beyond the traditional Silicon Valley area, beginning in the 2012 proxy season, *The Mercury News* expanded the definition for purposes of the index to “include [the entirety of] the five core Bay Area counties: Santa Clara, San Mateo, San Francisco, Alameda and Contra Costa.” (According to local lore, the term “Silicon Valley” was coined in 1971 to describe the concentration of semiconductor companies in what was then the northern portion of Santa Clara County. The term has since expanded to include all technology and life sciences companies and their geographic spread in the region.) For a discussion of the change in geographical area and its history, see “O’Brien: Welcome to the new and expanded Silicon Valley” in *The Mercury News* (April 22, 2012). The most recent determination of the makeup of the SV 150, based on the revenues of public companies in Silicon Valley for the most recent available four quarters ended on or near December 31, 2016, was announced by *The Mercury News* in May 2017. That group was used for purposes of the 2017 proxy season in this report.

52 See footnote 8 for the makeup of the S&P 100.

53 The constituents of the Standard & Poor's 100 (S&P 100) Index are now determined by S&P/Dow Jones Indices LLC (a subsidiary of The McGraw-Hill Companies, Inc. that was originally launched by Standard & Poor's) and the constituents of the Silicon Valley 150 Index (SV 150) are determined by *The Mercury News* (part of the Bay Area News Group, a part of Digital First Media).

54 However, while changes are more frequent, Standard & Poor's has noted that “in past years, turnover among stocks in the S&P 100 has been even lower than the turnover in the S&P 500.” Given the relative rapidity of acquisitions and the volatility of the technology business, annual constituent turnover in the SV 150 is somewhat greater than the S&P 100 in terms of the number of companies changing.

55 I.e., the Fenwick & West survey for the 2017 proxy season included companies constituent in the SV 150 and S&P 100 as published on April 24, 2016, based on “the most recent available four quarters ended on or near December 31, 2016.”

56 I.e., the proxy statements included in the 2017 proxy season survey were generally filed with the SEC from July 1, 2016 through June 30, 2017 (the annual meetings were usually held about two months following the filing of the proxy statement).

Methodology *(continued)*

side of the cutoff date each year.⁵⁷ In such cases, we have normalized the data by including only one proxy statement per year for a company (and including a proxy statement in a “proxy season” year even though it was filed beyond the normal cutoff).⁵⁸ In some instances, a company may not have filed an annual meeting proxy statement during a year at all (or held any annual meeting).⁵⁹ In such instances, data was not included in this survey for such companies.

Taxonomy of Proposals

When categorizing the matters voted on by stockholders, each proposal was categorized by topic, with the topics themselves categorized by subject area in accordance with the taxonomy set forth below. These topics and subject areas are based on those seen at companies nationally as reflected in a variety of studies of company- and stockholder-sponsored proposals, particularly those involving the S&P 100, S&P 500 or Fortune 100 or Fortune 500 (though not exclusively).

Compensation:

- Change-in-Control Payouts/Vesting/ Golden Parachutes
- Clawbacks
- Death Benefits
- Director Compensation
- Equity Awards
- Option/Equity Plan Change/Approval
- Pay Benchmarking
- Pay Ratios
- Performance Metrics/Pay for Performance
- Say-on-pay
- Say-on-pay Frequency
- SERP-Related
- Stock Retention
- Option/ Equity Repricing or Exchange Program Approval
- Other Compensation- Related Matters

Governance:

- Board Declassification
- Board Diversity
- Board Slate Approval
- Certificate/Bylaws Change
- Cumulative Voting (Add or Repeal)
- Elimination of Dual-Class Voting
- Elimination of Supermajority
- Independent Chair
- Majority Voting Standard
- Proxy Access
- Recapitalization
- Stockholder Ability to Act by Written Consent
- Stockholder Ability to Call Special Meetings
- Stockholder Rights Plan/ Poison Pill
- Other Governance Issues

Policy Issues:

- Animal Testing/Welfare
- Anti-Discrimination/ Diversity
- Charitable Contributions
- Environmental/ Sustainability
- Health & Food Safety
- Human Rights
- Israel/Palestine/Holy Land
- Political/Lobbying Activities
- Privacy and Data Security
- Other Policy Issues

General Business:

- Auditor Approval
- Reincorporation
- Stock Repurchase
- Other General Business

⁵⁷ This report is a companion supplement to a Fenwick survey titled *Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*, which analyzes governance trends over time in the SV 150, as well the large public companies included in the S&P 100 index (see footnote 1). For consistency, the cutoff application used in that survey was utilized for purposes of including annual meeting results in this report.

⁵⁸ E.g., several companies generally filed proxy statements in June each year, but in a particular year filed in July (or later). The data for such a proxy statement was “moved” into the data set for the “proxy season” year before the cutoff.

⁵⁹ This can occur for a variety of reasons, including (among others) instances where: (a) a company failed to timely file its periodic reports due to a pending or potential accounting restatement, or (b) a company was acquired or had agreed to be acquired (and determined to defer an annual meeting during the pendency of the acquisition).

Methodology *(continued)***Contested / Uncontested Elections of Directors**

For purposes of this study, an election was deemed to be uncontested when the only candidates for election were nominees of the company (generally, returning board members or new director candidates recruited by the board), and the only choice a stockholder had was to either vote “for” or “withhold” the vote from each candidate,⁶⁰ rather than choosing the candidates that they most wanted to elect from a larger list than the number of board seats to be elected, including nominees from one or more other stockholders (which would be deemed a contested election). Instances where a proxy advisory firm may have recommended that stockholders “withhold” the vote from one or more board nominees, or where one or more stockholders may have engaged in some form of “withhold the vote” campaign or similar effort, were not counted as a contested election.

Results (including Tables and Graphics)

There are a variety of bases upon which the success of various proposals could be measured:

- percentage of votes cast (i.e., including only those shares specified as “for” or “against,” but excluding abstentions, broker non-votes and shares not represented at the meeting);
- percentage of votes cast or abstained (i.e., excluding broker non-votes and shares not represented at the meeting);
- percentage of shares represented at the meeting (i.e., adding in broker non-votes, but excluding shares not represented at the meeting); or
- percentage of shares eligible to vote (i.e., including all shares outstanding as of the record date).

In each case, the percentages presented in this report adjust for dual-class voting (where applicable).⁶¹ With the exception of director elections, the tables present results on these bases. In the case of director elections, the first basis is excluded, as votes “withheld” and abstentions are effectively votes “against” in such elections.

The reporting in the tables and graphics of a proposal as having “passed” or “failed” was based on the reporting of such outcome in the applicable Form 8-K. In some instances, a matter will have been reported as “failed” even though the number of shares voted “for” such matter exceeded the number of shares voted “against” (or even the shares voted “against” plus abstentions and/or broker non-votes). This is generally due to a requirement in the applicable company’s charter or bylaws requiring that such matter be approved

⁶⁰ In some instances, voting “against” a board-nominated candidate is also made available by the company to stockholders as a choice on the proxy card (which serves effectively as a ballot in proxy voting). This is more common among larger companies. For purposes of calculating voting percentages and majority voting in this study, “against” votes were aggregated with “withheld” votes (as opposed to “for” votes). Similarly, some companies offer a choice of “abstain” (as opposed to “withhold”). In such instances, those were also treated the same as “withheld” for purposes of calculating voting percentages and majority voting in this report.

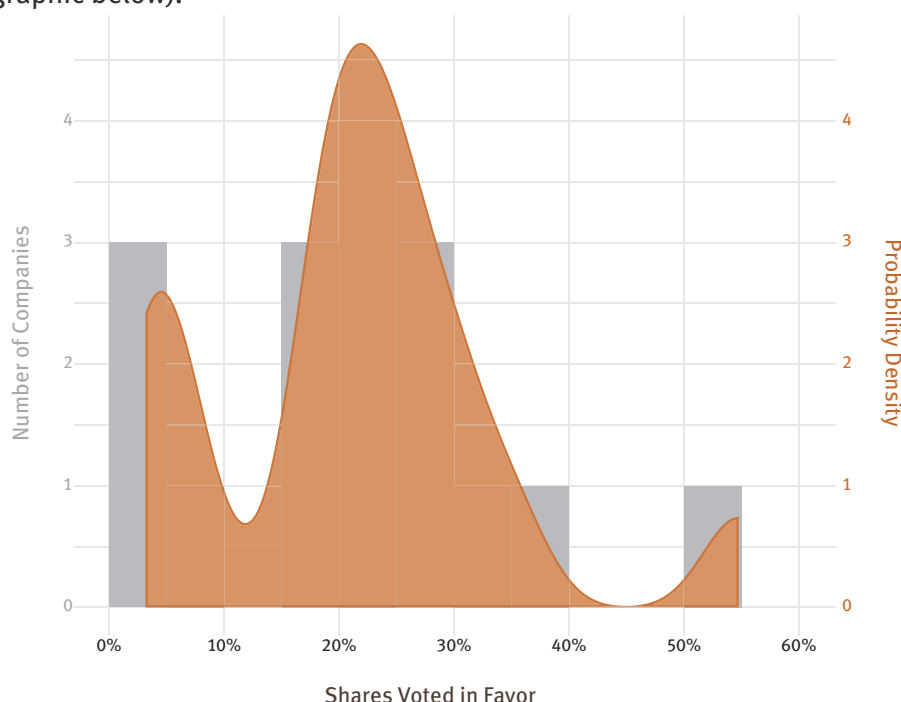
⁶¹ Where shares have more than one vote per share, they are treated effectively as additional shares for purposes of the statistics presented in this report. For a more detailed discussion of dual-class voting, including trends and comparisons to the large public companies in the S&P 100, as well as a breakdown of data for the top 15, top 50, middle 50 and bottom 50 of the SV 150, see the most recent edition of *Corporate Governance Practices and Trends: A Comparison of Large Public Companies and Silicon Valley Companies*, available at <http://fenwick.com/CorporateGovernance>.

Methodology *(continued)*

by something more than a majority of shares voted at the meeting (e.g., a majority of shares outstanding or some super-majority of shares).

The numerical results as reflected in the company Forms 8-K were generally accepted as-is. There were instances in which it appeared likely that the reported information contained some errors (e.g., the total number of director votes was different from the total votes reported in other matters), but the source/nature of the error could not be identified. In those instances, they were simply treated as-if correct. In rare instances, the source/nature of the error was fairly obvious (e.g., reporting of broker non-votes for one matter that was different for all other matters for which discretionary broker voting was not permitted). In those instances, editorial judgment was applied, and a good-faith correction was made to the information used in the statistics presented in this report.

Each of the graphics showing distribution curves (such as the graph on page 8) represents the probability density of the distribution being represented. In other words, the relative values on the y-axis reflect the relative probability of data points appearing on the x-axis (i.e., greater values on the y-axis mean a likelihood of a larger number of instances of the value at that point on the x-axis). The probability density curve should be thought of as a smoothing of a traditional distribution histogram of the same information (as shown in the illustrative graphic below).



Unless otherwise noted, the values on the x-axis are based on the amount of support expressed as a percentage of votes in favor or the proposal out of all votes “for,” “against” or “withheld”/“abstained” (ignoring broker non-votes and shares that were not represented at the meeting for calculation of the support-level percentage).

About the Firm

Fenwick & West provides comprehensive legal services to technology and life sciences clients of national and international prominence. Fenwick is committed to providing innovative, cost-effective and practical legal services that focus on global technology industries and issues. We have built internationally recognized practices in a wide spectrum of corporate, intellectual property, tax and litigation areas. We have also received praise for our innovative use of technology, our pro bono work and diversity efforts. We differentiate ourselves by having a deep understanding of our clients' technologies, industry environments and business needs. For more information, visit www.fenwick.com.

About the Author



David A. Bell's practice includes advising start-up companies, venture capital financings, mergers and acquisitions, initial public offerings and intellectual property licensing, as well as counseling public companies in corporate, securities, governance and compliance matters. He represents a wide range of technology companies, from privately held start-ups to publicly traded corporations.

The views expressed are those of the author and do not necessarily represent the views of any other partner of Fenwick & West LLP or the firm as a whole, nor do they necessarily represent the views of the firm's many clients that are mentioned in this report or are constituents of either the SV 150 or the S&P 100 indices.

For additional information about this report, please contact David A. Bell at Fenwick & West at 650.335.7130 or dbell@fenwick.com.

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