Setting the Bar for Equity-Based Compensation

A summary of the ISS methodology for Evaluating Equity Compensation Plans in 2017

Published: December 21, 2016

Executive Summary

This primer provides the basics surrounding ISS Research's Equity Plan Scorecard methodology that will affect meetings occurring on or after February 1, 2017.

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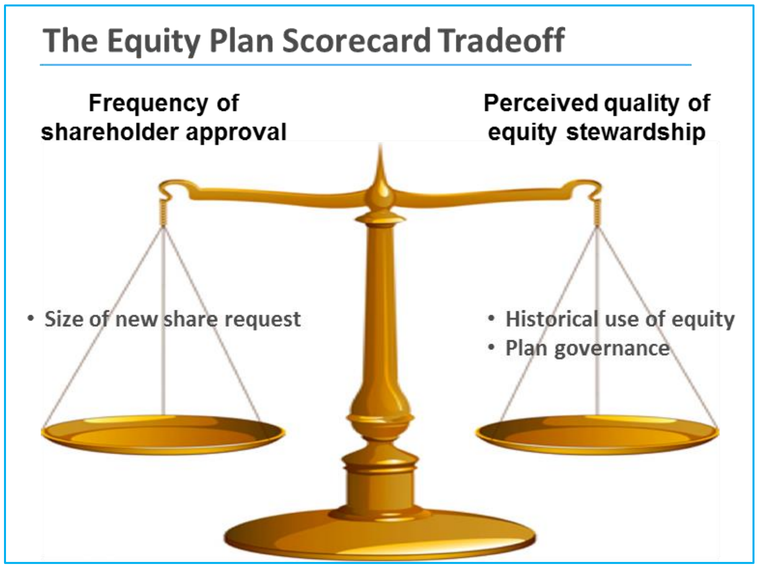
ISS REFINES EQUITY PLAN SCORECARD METHODOLOGY FOR 2017

Institutional Shareholder Services ("ISS") has long maintained that stock-based incentive plans are among the ***most significant issues*** upon which shareholders are entitled to vote. In recognition of this fact, ISS Research has refined its approach for evaluating equity plans for meetings occurring after January 31, 2017, for companies covered by its United States benchmark policy.

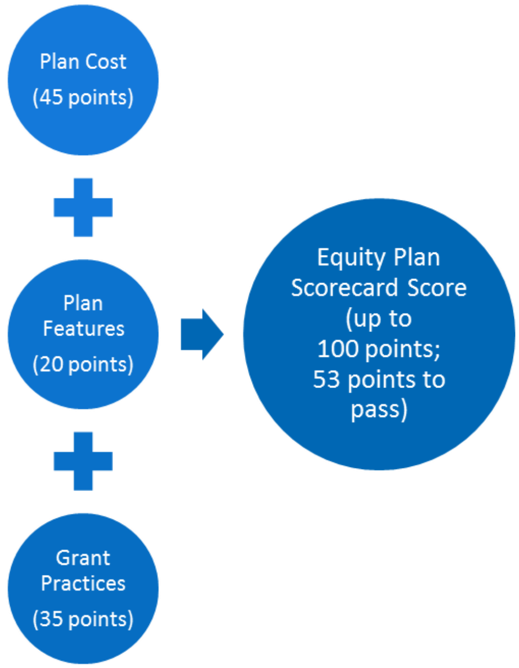
Although not explicitly stated by ISS, the ISS Equity Plan Scorecard ("EPSC") can be framed as a methodology designed to allow companies that are good stewards of equity-based compensation to go longer periods of time without having to ask shareholders for equity compensation plan approval (meaning that, all else being equal, ISS will generally support larger share requests). Companies that are not as effective stewards of equity compensation should not necessarily be denied access to equity-based compensation; however, the methodology encourages them to engage (through the proxy and ballot) more frequently on equity-based compensation. In other words, all else being equal, ISS will generally support smaller share requests for those companies.



To determine if there is an appropriate balance in a company's equity plan proposal, the EPSC generally evaluates three distinct pillars:

1. Plan Cost
2. Plan Features
3. Grant Practices

The weightings on these pillars depend on index (S&P 500, remaining Russell 3000 companies, and all other public companies), as well as other special considerations, such as if a company recently spun off, emerged from bankruptcy, or had its initial public offering (IPO). The weightings for the most commonly used models (S&P 500 and remaining Russell 3000 companies) are shown below. A complete list of the models utilized under the ESPC framework can be found here.



For all companies, regardless of index or status, a score of at least 53 (out of 100 possible points) is generally required to earn support from ISS Research. However, there are "deal breakers" that may result in an adverse vote recommendation regardless of a company's score. The next three sections provide more detail on each of the three pillars within EPSC. The document assumes that the company being evaluated is in the S&P 500 or Russell 3000. For companies outside the Russell 3000 or recent IPO/Bankruptcy companies, the pillars/weightings may vary slightly.

KEY EPSC METHODOLOGY CHANGES FOR MEETINGS ON OR AFTER FEBRUARY 1, 2017

For proxy season 2017, ISS' EPSC has received a number of modest changes to the Plan Features pillar. A high level summary of the changes and the applicable pillars can be found below. Note that, for most companies, there are no significant changes to the Grant Practices pillar or Plan Cost pillar for 2017.

Overall Changes:

1. ISS has formally introduced an additional qualitative review in cases where a prior plan is being amended or restated. In this qualitative review, ISS will assess if the proposed changes, on an aggregate basis, are detrimental to shareholders. If ISS determines the proposed changes are detrimental enough to shareholders, ISS may recommend AGAINST a plan that would have otherwised passed the Equity Plan Scorecard.
2. Companies that have been public for 33 to 36 months as of the applicable quarterly data download (QDD) date and that provide three years of burn rate data may be moved from the Special Cases models into the model tied to the company's index.

Plan Features Pillar Changes:

1. A minimum vesting period of at least one year now applies to *all* awards, rather than just to one award category (either all appreciation awards or all full-value awards). Additionally, if the plan may allow for excessive exceptions (e.g. has the discretion to circumvent the requirement in individual award agreements or other mechanisms), it will not qualify for any credit on this factor. ISS Research will still accept a 5% carve-out of shares authorized for grant under the plan from the minimum vesting requirement.
2. A new factor under the Plan Features pillar relates to whether the equity plan may allow for the payment of dividends on unvested equity awards. Full credit will be earned if the equity plan expressly prohibits, for all award types, the payment of dividends before the vesting of the underlying award (however, accrual of dividends payable upon vesting is acceptable). No points will be earned if this prohibition is absent or incomplete (i.e. not applicable to all award types).

Grant Practices Pillar Changes:

1. There was an increased emphasis on the granting of performance-based awards through slight reweighting of the CEO vesting and CEO equity pay mix factors.
2. There was also a slight modification to the valuation methodology of full value awards. ISS will now value the number of time-based full-value awards reported in the Grants of Plan-Based Awards tables by using the closing stock price on the date of grant. This change will affect a small number of companies that adopt non-standard disclosure in the Grants of Plan-Based Awards table.

PLAN COST PILLAR

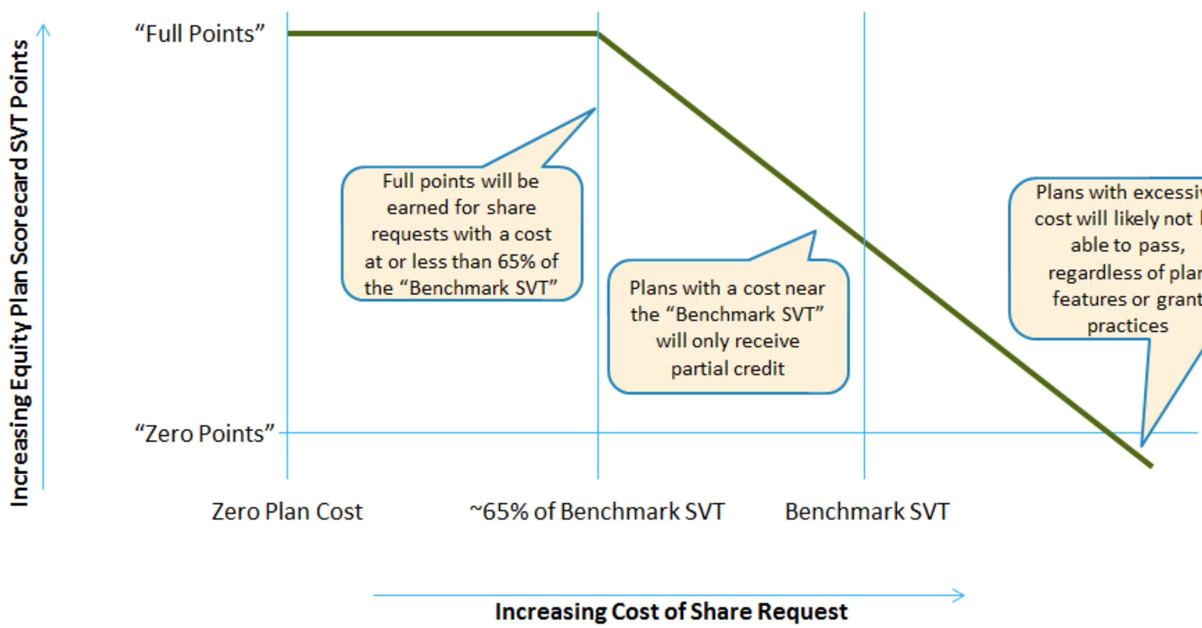
Plan cost is the most heavily weighted pillar; for most companies, this pillar is worth 45 points of the 100 possible points. As under the prior methodology, ISS Research expresses plan cost through the lens of Shareholder Value Transfer (SVT). SVT uses a binomial model that assesses the amount of shareholders' wealth flowing from the company to its employees and directors as it grants equity awards. An estimated dollar value for each full-value award is calculated using a 200-day trailing average stock price, and an estimated dollar value for each appreciation award is determined by factoring award features into an option pricing model—all to determine the potential plan cost. For evaluation of the equity plan proposal, ISS Research does not have a preference for which award types the plan permits; however, ISS Research recognizes that some award types are costlier to shareholders. This approach provides the board flexibility to structure the company's incentive programs to maximize the return on the equity plan investment, while shareholders are ensured that plan costs are linked to performance.

ISS Research expresses SVT in dollar terms and as a percentage of market value (*i.e.*, 200-day average share price times common shares outstanding). Proposals to approve or amend equity plans are evaluated in conjunction with all previously-adopted plans to provide a comprehensive view of the company's compensation program. Therefore, shares reserved under a new or amended plan are valued together with shares available for grant under all continuing plans and shares granted but unexercised or unvested. An example of the SVT calculation can be found in an Appendix to this document.

In order to determine the points earned under the plan cost pillar, ISS Research will use two SVT cost "benchmarks." Under the methodology in place until 2015, ISS Research evaluated only the cost of the newly-requested shares (A), available shares under current active plans (B), and outstanding awards under all plans (C). ISS Research continues to employ this benchmark, but it also utilizes a benchmark that is only applicable to new (A) and available (B) shares. This dual-benchmark approach may mitigate a high number of outstanding (C) shares. As a result, ISS Research no longer accepts option overhang carve-outs, which allowed issuers with sustained stock price performance to carve out in-the-money stock options. ISS Research compares the cost of the plan(s) against these benchmarks to determine a final score for the Plan Cost pillar. The following illustrates plan cost scoring:

Point Diagram – SVT Cost

A/B/C and A/B SVT costs evaluated separately using similar scale



ISS Research establishes the benchmark SVTs for each company using a four-step process. These benchmarks are specific to each industry-index, based on market capitalization, and pegged to the average amount of equity used by companies performing in the top quartile of their peer groupings. To determine allowable caps, ISS Research will:

1. **Establish industry classification** using the Global Industry Classification Standard grouping[1].
2. **Identify top quartile performers** within each peer grouping based on three-year total shareholder returns.
3. **Establish normative SVT levels** for each industry using ISS historical data of the amount of SVT authorized for issue at each top-quartile ranked company
   - For the A/B/C cap, new, available, and outstanding shares are taken into consideration; and
   - For the A/B cap, only new and available shares are taken into consideration.
4. **Formulate industry-specific benchmark equations** by identifying those variables having the strongest correlation to SVT. Regression analysis tests are run on 44 different variables including company size,

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[1] The Global Industry Classification Standard is maintained by Standard and Poor's and MSCI. In setting allowable cap equations for each industry group, ISS uses 2-digit GICS Industry Groups for S&P 500 companies and 4-digit GICS Industry Groups for non-S&P 500 companies plus a custom industry group which comprises all companies that have been publicly traded for less than three years. For more information on the GICS methodology please visit http://www.gics.standardandpoors.com.

market-based performance metrics, and accounting-based performance metrics. The benchmark SVT level for companies performing in the top quartile of each industry is then adjusted upward or downward by plugging company-specific performance and size data into the industry-specific benchmark equation.

PLAN FEATURES PILLAR

ISS Research will consider a number of different plan provisions in its analysis. A full list of features that impact the Plan Features score can be found below:

Factor	Definition	Scoring Basis
CIC Vesting	Vesting / payout provisions for outstanding time- and performance-based awards upon a change-in-control	Full Points: Time-based award: No acceleration, no acceleration absent a qualifying termination, or accelerated if not assumed/converted, AND Performance-based awards: Forfeited/terminated, no acceleration, or vesting that is adjusted for actual performance and/or the fractional performance period ("pro rata")
		No points: Automatic acceleration of time-based awards OR above-target vesting of performance-based awards
		Half points: Any other combination, including board discretion
Liberal Share Recycling – FVAs	Certain shares not issued (or tendered to the company) related to full value share vesting may be re-granted	Yes – no points
		No – full points
Liberal Share Recycling – Options/SARs	Certain shares not issued (or tendered to the company) related to option or SAR exercises or tax withholding obligations may be re-granted; or, only shares ultimately issued pursuant to grants of SARs count against the plan's share reserve, rather than the SARs originally granted	Yes – no points
		No – full points

Factor	Definition	Scoring Basis
Minimum Vesting Requirement	Does the plan stipulate a minimum vesting period of at least one year for *all* award types without the possibility of individual award agreements or other mechanisms stipulating shorter or no vesting periods?	No or vesting period < 1 year – no points
		Vesting period =/> 1 year – full points No points if the plan allows for individual award agreements or other mechanisms to reduce or eliminate the minimum vesting requirement.
Full Discretion to Accelerate (non-CIC)	May the plan administrator accelerate vesting of an award (unrelated to a CIC, death, or disability)?	Yes – no points
		No – full points
Dividends on Unvested Equity Awards	Does the plan permit the actual payout of dividends (or dividend equivalents) on unvested equity awards?	Yes or silent – no points
		No – full points

GRANT PRACTICES PILLAR

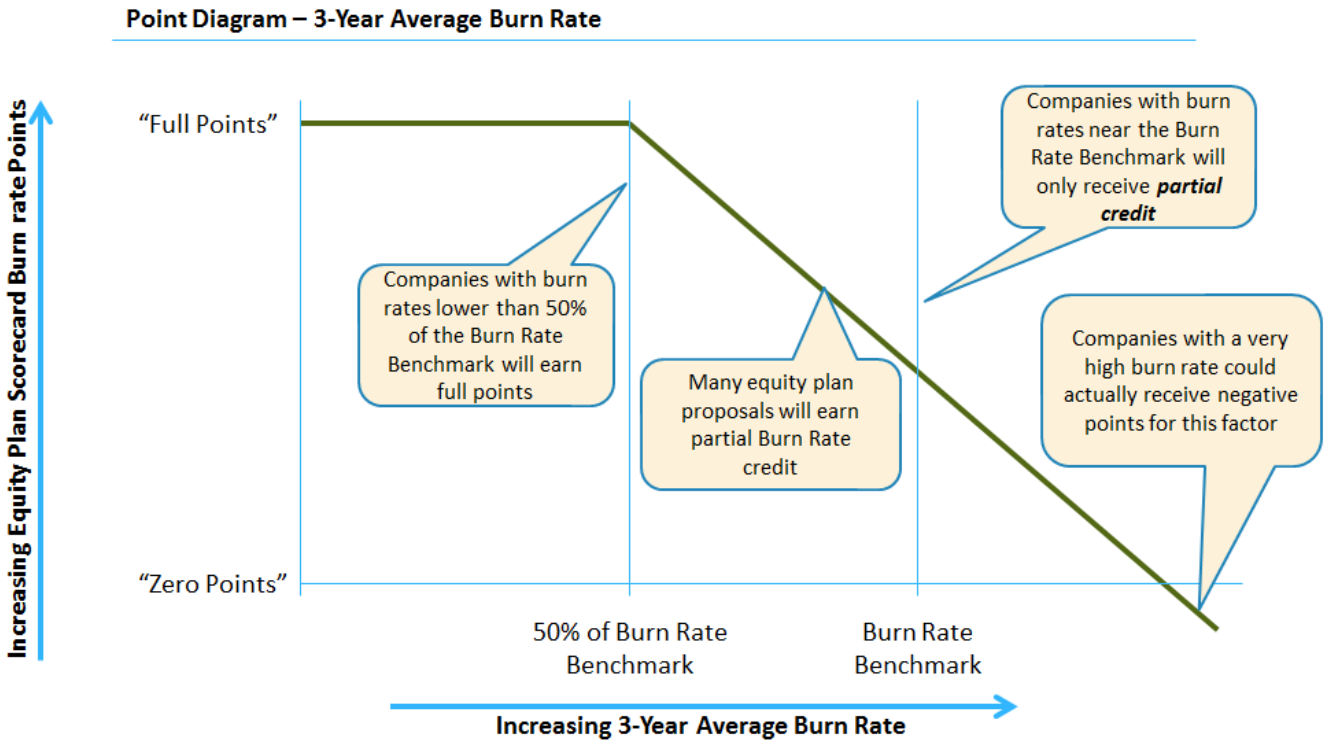
Grant practices can be thought of as two separate items:

1. Three-Year Average Burn Rate and Plan Duration
2. Features on Equity Granted to the CEO

Three-Year Average Adjusted Burn Rate and Plan Duration

ISS Research calculates the company's three-year average adjusted burn rate[2] and compares it to an industry-index benchmark. Indexes reflect three categories: S&P 500, Russell 3000 (excluding S&P 500), and Non-Russell 3000. For non-S&P 500 companies, ISS Research derives the benchmark by calculating the 4-digit GICS industry mean burn rate plus one standard deviation (subject to a 2 percent floor). For S&P 500 companies, ISS Research applies the same process except at the 2-digit GICS level. Burn rate benchmarks for 2016 can be found here. The burn rating scoring logic is illustrated below:

[2] Burn rate reflects the gross number of equity awards granted in a given year divided by the weighted average common shares outstanding for the same fiscal year. Shares cancelled or forfeited are not excluded from the calculation. "Adjusted" refers to valuing full-value awards (such as restricted stock and performance share units) higher than appreciation awards (such as options or SARS). The relationship between the two award valuations is based on a Full Value Award Multiplier, explained further in this document.



Because burn rate is, as of 2015, only one factor in the larger Scorecard framework and generally does not result in an adverse vote recommendation except for the most extreme cases, ISS Research no longer accepts burn rate commitments. Under the prior equity plan methodology, issuers were able to prevent an against recommendation due to a failed burn rate test by making a prospective three-year average burn rate commitment. Of note, ISS will continue to hold directors accountable for fulfilling current burn rate commitments made to shareholders.

Also of note, when ISS Research calculates the three-year average adjusted burn rate they apply a full-value award multiplier (e.g., full-value awards like restricted stock will be counted at a higher rate than appreciation awards). The multiplier reflects the company's three-year annualized volatility, which translates into a Full-Value Award Multiplier as follows:

Annual Stock Price Volatility	Full Value Award Multiplier
54.6% and higher	1 full-value award will count as 1.5 option shares
36.1% or higher and less than 54.6%	1 full-value award will count as 2.0 option shares
24.9% or higher and less than 36.1%	1 full-value award will count as 2.5 option shares
16.5% or higher and less than 24.9%	1 full-value award will count as 3.0 option shares
7.9% or higher and less than 16.5%	1 full-value award will count as 3.5 option shares
Less than 7.9%	1 full-value award will count as 4.0 option shares

Plan duration looks at the estimated time that the proposed share reserve (new shares plus existing reserve) will last, based on the number of newly requested shares ("A"), available shares for grant under all active plans ("B"), and the company's three-year average adjusted burn rate activity.

Duration Length	Scoring Basis
Duration ≤ 5 years	Full points
Duration >5 ≤ 6 years	Half points
Duration > 6 years	No points

Features on Equity Granted to the CEO

The remaining points under the Grant Practices pillar are determined by the publicly-disclosed terms on the most recent equity grants made to the CEO. ISS Research may look back up to three years if the required information is not available in the most recent year. The chart below describes the factors that are considered.

Factor	Definition	Scoring Basis
CEO's Grant Vesting Period	What is the minimum period required for full vesting of the most recent equity awards (stock options, restricted shares, performance shares) received by the CEO within the prior three years? EPSC scores each award type separately.	Vesting Period > 4 years – full points;
		Vesting Period ≥ 3 years but ≤ 4 years (or no time-based award in prior 3 years) – ½ of full points;
		Vesting Period < 3 years (or no performance-based award in the prior 3 years) – no points
CEO's Proportion of Performance-Conditioned Awards	What is the proportion of the CEO's most recent fiscal year equity awards that is conditioned upon achievement of a disclosed goal? In the event no equity awards were granted, ISS will look back up to two additional years. ISS calculates the value of time-based and performance-based full-value awards by multiplying the disclosed "target" number of shares by the closing stock price on the date of grant.	50% or more – full points;
		> 33%, but < 50% – ½ of full points;
		< 33% – no points
Clawback Policy	Does the company have a formal policy in place that applies to all Named Executive Officers that authorizes the recoupment of cash and equity incentive awards as a result of certain events, such as a material financial restatement?	Yes – full points
		No – no points
Holding Period	Does the company require shares received from grants to be held for a specified period following their vesting/exercise?	At least 36 months or to end of employment – full points;
		< 36 months (or until ownership guidelines met) – ½ of full points;
		No holding period/silent – no points

DEAL-BREAKERS

Similar to the prior methodology, there are certain provisions or actions that may result in an adverse vote recommendation on the equity plan proposal regardless of the overall EPSC score. A ***non-comprehensive*** list is below:

- Plan provides for **excise tax gross-ups**
- Plan provides for **reload options**
- A **liberal change-of-control definition** (including, for example, shareholder approval of a merger or other transaction rather than its consummation) that could result in vesting of awards by any trigger other than a full double trigger
- The plan would permit **repricing or cash buyout of underwater options or SARs** without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies – or by not prohibiting it when the company has a history of repricing – for non-listed companies)
- A **pay for performance disconnect** or problematic pay practice has been identified at the company and the equity plan has been **identified as a vehicle for said disconnect**

FINAL VOTE RECOMMENDATION

ISS Research will add up the individual pillar scores to arrive at a final EPSC score. If this score is at least 53 points AND there are no deal-breakers present, ISS Research will generally recommend FOR the proposal. However, in its qualitative review of proposed equity plan amendments, even if there is no request for additional shares, ISS will seek to determine whether any proposed amendments materially impact any existing "shareholder-friendly" plan provisions or if any new proposed amendments are detrimental to shareholders. If ISS makes such a determination, then it may not support the equity plan proposal, even if the plan otherwise achieves an acceptable score under the Equity Plan Scorecard.

OTHER CONSIDERATIONS

Role of Quarterly Data Download Date

Since many of the elements of the Equity Plan Scorecard model require significant amounts of data to be calculated (e.g., SVT caps and binomial option model values), ISS Research has adopted a Quarterly Data Download (QDD) date system. This means that ISS Research "locks in" the stock price data (including historical 200-day average and 750-day annualized volatility) as well as index membership well in advance of the company's meeting.

The QDD date used by ISS Research is dependent on the meeting date of the company under review. As such, meetings dates may have a significant impact on ISS Research's modeling. The following table details applicable QDD dates by meeting date:

Shareholder Meeting Date	Data Download Date
March 1 to May 31	December 1
June 1 to August 31	March 1
September 1 to November 30	June 1

December 1 to February 29	September 1

CEO Pay for Performance Alignment

ISS Research performs a CEO pay-for-performance assessment for companies in the Russell 3000 Extended index (comprised of companies in the Russell 3000 index and companies in the Russell Microcap index, which is roughly the companies ranking 3001-4000 by market cap) when evaluating a company's advisory vote on compensation ("say on pay") proposal, or when evaluating director election proposals for companies that do not have a say on pay proposal on the current proxy. In addition to "against" say on pay recommendations or director withhold recommendations, this pay-for-performance assessment **can result in an "against" recommendation on an equity plan proposal up for adoption or amendment**. Generally, ISS Research will recommend "against" equity plan proposals only where a significant portion of the CEO's pay is attributable to equity awards and the CEO has historically received a significant portion of grants under the plan considered.

The pay-for-performance analysis comprises an initial quantitative assessment followed by a qualitative review to determine either the likely cause of the disconnect between pay and performance or the factors that mitigate the initial assessment. The rigor of the qualitative review is set by the results of the quantitative assessment.

The quantitative methodology utilizes three measures:

1. **Relative Degree of Alignment:** This relative measure compares the percentile ranks of a CEO's pay and TSR performance, relative to an industry-and-size, ISS-determined comparator group, over a three-year period.
2. **Multiple of Median:** This relative measure expresses the prior year's CEO pay as a multiple of the median pay for counterparts within the same ISS determined comparator group for the same period.
3. **Pay-TSR Alignment:** This absolute measure compares the CEO's annual pay against the value of an investment in the company over the prior five-year period.

The quantitative assessment detects potential misalignment with pay and performance. When pay and performance appear disconnected, ISS Research assesses how various pay elements may encourage, or undermine, long-term value creation and alignment with shareholder interests. All cases where the quantitative analysis indicates significant misalignment receive an in-depth qualitative assessment to determine either the likely cause or mitigating factors. This step in the analytical process may include consideration of some or all of the following:

- Strength of performance-based compensation;
- The company's peer group benchmarking practices;
- Results of financial/operational metrics; and
- Any special circumstances, including a new CEO hired in the past year or unusual equity grant practices that could distort a quantitative analysis.

For more details on the ISS Pay for Performance Assessment please refer to ISS Research's white paper, updated December 2016.

APPENDIX A – OUTLINE OF THE FIVE EPSC MODELS

Pillar	Model	Maximum Pillar Score	Comments
Plan Cost	S&P 500, Russell 3000, Non-Russell 3000	45	All models include the same Plan Cost factors
	Special Cases – Russell 3000 / S&P500	50	
	Special Cases – Non-Russell 3000	60	
Plan Features	S&P 500, Russell 3000	20	All models include the same Plan Features factors
	Non-Russell 3000	30	
	Special Cases – Russell 3000 / S&P500	35	
	Special Cases – Non-Russell 3000	40	
Grant Practices	S&P 500, Russell 3000	35	The S&P 500 and Russell 3000 models include all Grant Practices factors.
	Non-Russell 3000	25	The Non-Russell 3000 model includes only Burn Rate and Duration factors.
	Special Cases – Russell 3000 / S&P500	15	The Special Cases – Russell 3000 / S&P500 model includes factors other than Burn Rate and Duration.
	Special Cases – Non-Russell 3000	0	The Special Cases – Non-Russell 3000 modes does not include any Grant Practices factors.

APPENDIX B – EXAMPLE OF SVT CALCULATION

Company Information

Shares From Plan	200 Day Avg. Price ($)	Fully Diluted Shares	Common Shares Outstanding
21,703,039	47.62	200,374,198	178,671,159

QDD Date Used for Run	Market Value ($)	Applicable QDD Date	Estimated Meeting Date
01 Dec 2016	8,508,320,592	01 Dec 2016	17 May 2017

Fiscal Year End	Index	Industry	GICS Code
31 Dec 2016	S&P 500	Insurance	4030

Shareholder Value Transfer (SVT)

	Share Allocation	Average Award Value ($)	SVT ($)	SVT as % of Market Value
New Shares	6,200,000	47.62	295,244,000	3.4
Available Shares	1,216,511	47.62	57,930,254	0.6
Outstanding Shares	14,286,528	12.28	175,471,989	2.0
Total Shares	**21,703,039**	-	**528,646,243**	**6.2**

APPENDIX C – ISS BINOMIAL MODEL FOR MEASURING SVT

ISS Research uses a proprietary binomial model for valuing stock options and stock appreciation rights. Stock options and stock appreciation rights, known as "appreciation awards," that become valuable only if the stock price exceeds the exercise price on the date of grant. The profit spread, or the difference between the exercise price and the market price, represents a transfer of shareholders' equity to the executive. A cost associated with the time value of money also factors into the valuation to account for the potential future appreciation of the stock over the remaining term of the award. Full-value awards such as restricted stock and performance shares are more costly award types that are valued at the 200-day average share price for the company.

An estimated dollar value for each appreciation award is determined by using a 120-step binomial model (each step represents 30 days and matches the 30-day T-bill used as the risk-free interest rate; 120 30-day periods represent the typical 10-year term of an option).

The model has 12 inputs. Seven of these inputs account for the core valuation and ranked by sensitivity include the following:

1) dividend yield
2) stock volatility
3) stock price
4) option exercise price
5) risk-free interest rate
6) option term
7) expected stock return

The remaining five variables result in minor adjustments to the core valuation:

8) vesting provisions
9) employee's non-option wealth
10) employees risk aversion
11) employee's tax rate
12) earnings dilution

APPENDIX D – BURN RATE BENCHMARKS FOR MEETINGS ON/AFTER FEBRUARY 1, 2017

GICS	S&P 500		Russell 3000 (ex-S&P 500)		Non-Russell 3000	
	50% of Benchmark (Full credit)	Benchmark	50% of Benchmark (Full credit)	Benchmark	50% of Benchmark (Full credit)	Benchmark
1010 - Energy	1.00%*	2.00%*	1.49%	2.97%	3.24%	6.48%
1510 - Materials	1.00%*	2.00%*	1.40%	2.80%	2.84%	5.67%
2010 - Capital Goods	1.00%*	2.00%*	1.48%	2.95%	2.84%	5.68%
2020 - Commercial & Professional Services	1.00%*	2.00%*	2.07%	4.13%	3.65%	7.29%
2030 - Transportation	1.00%*	2.00%*	1.51%	3.01%	2.14%	4.28%
2510 - Automobiles & Components	1.12%	2.24%	1.72%	3.43%	2.12%	4.23%
2520 - Consumer Durables & Apparel	1.12%	2.24%	1.88%	3.75%	2.55%	5.10%
2530 - Consumer Services	1.12%	2.24%	1.94%	3.88%	1.94%	3.87%
2540 - Media	1.12%	2.24%	2.03%	4.05%	3.50%	6.99%
2550 - Retailing	1.12%	2.24%	2.10%	4.19%	3.01%	6.02%
3010 - Food & Staples Retailing	1.00%*	2.00%*	1.67%	3.33%	3.32%	6.64%
3020 - Food Beverage & Tobacco	1.00%*	2.00%*	1.12%	2.24%	2.52%	5.03%
3030 - Household & Personal Products	1.00%*	2.00%*	2.29%	4.57%	3.23%	6.45%
3510 - Health Care Equipment & Services	1.28%	2.56%	2.65%	5.29%	3.85%	7.70%
3520 - Pharmaceuticals, Biotechnology & Life Sciences	1.28%	2.56%	3.26%	6.52%	4.21%	8.41%
4010 - Banks	1.69%	3.38%	1.49%	2.98%	1.98%	3.95%
4020 - Diversified Financials	1.69%	3.38%	4.08%	8.16%	3.39%	6.77%
4030 - Insurance	1.69%	3.38%	1.83%	3.65%	2.58%	5.15%
4510 - Software & Services	4.44%	2.22%	4.34%	8.68%	5.11%	10.22%
4520 - Technology Hardware & Equipment	4.44%	2.22%	3.03%	6.05%	3.93%	7.86%
4530 - Semiconductors & Semiconductor Equipment	4.44%	2.22%	3.83%	7.66%	3.00%	6.00%
5010 - Telecommunication Services	1.00%*	2.00%*	2.50%	5.00%	4.27%	8.53%
5510 - Utilities	1.00%*	2.00%*	1.00%*	2.00%*	1.42%	2.83%
6010 – Real Estate	1.00%*	2.00%*	1.30%	2.59%	1.54%	3.07%

GICS	S&P 500		
	Mean	Standard Deviation	Benchmark
10 – Energy	1.08%	0.50%	2.00%*
15 – Materials	1.06%	0.50%	2.00%*
20 – Industrials	1.27%	0.65%	2.00%*
25 – Consumer Discretionary	1.41%	0.83%	2.24%
30 – Consumer Stapes	1.22%	0.59%	2.00%*
35 – Health Care	1.81%	0.75%	2.56%
40 – Financials	1.89%	1.49%	3.38%
45 – Information Technology	2.92%	1.52%	4.44%
50 – Telecommunication Services	1.18%	0.79%	2.00%*
55 – Utilities	0.68%	0.33%	2.00%*
60 – Real Estate	0.88%	0.82%	2.00%*

GICS	Russell 3000 (ex-S&P 500)		
	Mean	Standard Deviation	Benchmark
1010 - Energy	1.74%	1.23%	2.97%
1510 - Materials	1.54%	1.26%	2.80%
2010 - Capital Goods	1.76%	1.19%	2.95%
2020 - Commercial & Professional Services	2.56%	1.57%	4.13%
2030 - Transportation	1.72%	1.28%	3.01%
2510 - Automobiles & Components	2.22%	1.21%	3.43%
2520 - Consumer Durables & Apparel	2.30%	1.44%	3.75%
2530 - Consumer Services	2.34%	1.54%	3.88%
2540 - Media	2.19%	1.86%	4.05%
2550 - Retailing	2.36%	1.83%	4.19%
3010 - Food & Staples Retailing	1.95%	1.38%	3.33%
3020 - Food Beverage & Tobacco	1.40%	0.85%	2.24%
3030 - Household & Personal Products	2.72%	1.85%	4.57%
3510 - Health Care Equipment & Services	3.37%	1.92%	5.29%
3520 - Pharmaceuticals, Biotechnology & Life Sciences	4.16%	2.36%	6.52%
4010 - Banks	1.63%	1.35%	2.98%
4020 - Diversified Financials	3.81%	4.34%	8.16%
4030 - Insurance	1.97%	1.68%	3.65%
4510 - Software & Services	5.68%	3.01%	8.68%
4520 - Technology Hardware & Equipment	3.59%	2.45%	6.05%
4530 - Semiconductors & Semiconductor Equipment	4.87%	2.79%	7.66%
5010 - Telecommunication Services	2.98%	2.02%	5.00%
5510 - Utilities	0.93%	0.85%	2.00%*
6010 - Real Estate	1.41%	1.18%	2.59%

GICS	Non-Russell 3000		
	Mean	Standard Deviation	Benchmark
1010 - Energy	2.90%	3.58%	6.48%
1510 - Materials	2.96%	2.71%	5.67%
2010 - Capital Goods	2.98%	2.69%	5.68%
2020 - Commercial & Professional Services	3.69%	3.61%	7.29%
2030 - Transportation	1.67%	2.61%	4.28%
2510 - Automobiles & Components	2.18%	2.06%	4.23%
2520 - Consumer Durables & Apparel	2.84%	2.26%	5.10%
2530 - Consumer Services	2.26%	1.60%	3.87%
2540 - Media	3.47%	3.51%	6.99%
2550 - Retailing	3.68%	2.35%	6.02%
3010 - Food & Staples Retailing	3.74%	2.90%	6.64%
3020 - Food Beverage & Tobacco	2.86%	2.17%	5.03%
3030 - Household & Personal Products	3.45%	2.99%	6.45%
3510 - Health Care Equipment & Services	4.47%	3.23%	7.70%
3520 - Pharmaceuticals, Biotechnology & Life Sciences	5.04%	3.36%	8.41%
4010 - Banks	1.98%	1.98%	3.95%
4020 - Diversified Financials	3.12%	3.66%	6.77%
4030 - Insurance	2.34%	2.81%	5.15%
4510 - Software & Services	5.85%	4.62%	10.47%
4520 - Technology Hardware & Equipment	4.38%	3.49%	7.86%
4530 - Semiconductors & Semiconductor Equipment	3.72%	2.27%	6.00%
5010 - Telecommunication Services	4.74%	3.79%	8.53%
5510 - Utilities	1.57%	1.25%	2.82%
6010 - Real Estate	1.75%	1.32%	3.07%

**Lowest possible burn rate under ISS Research Policy*

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