

Press Release

Egan-Jones Proposed 2017 Guideline Changes

December 15, 2016

Haverford, PA -- Egan Jones Proxy Services announced today a series of proposed changes to its guidelines for Proxy Season 2017.

"Of greatest interest is the second proposed change to the Standard Guidelines, specifically the new limit on Board Chairs which would allow Chairman to be on a maximum of one outside Board," said Kevin McManus, Vice President and Director of Proxy Services at Egan-Jones.

"Also of note is the new auditor rating and expected increased AGAINST recommendations for auditor ratification votes," McManus added.

Topic	Proposed Changes			
	Standard	Taft-Hartley	SRI	Catholic
Additions				
AUDITORS	AGAINST auditors which obtain a questionable score on the Egan-Jones auditor rating model.			
ELECTION OF DIRECTORS	Classify a director in ex officio capacity as Inside director. Classify a director whose tenure in the Board exceeds 10 years as Affiliated.			
OVERBOARDED CHAIRMAN	WITHHOLD votes from the Chairman of the Board if he holds more than one other public directorship.			

<p>Shareholder Proposal to Opt Out of Maryland's Unsolicited Takeover Act</p> <p>MUTA allows the board of directors to make changes by board resolution only, without shareholder approval, to a company's capital structure and charter/bylaws. These include, but are not limited to:</p> <ul style="list-style-type: none"> › the ability to re-classify a board; › the exclusive right to set the number of directors; › limiting shareholders' ability to call special meetings to a threshold of at least a majority of shares. 	<p>FOR shareholder proposals requesting that the Board opt out of MUTA (Maryland's Unsolicited Takeover Act)</p>
<p>SHAREHOLDER PROPOSAL ON ACCELERATED VESTING</p>	<p>FOR shareholder proposals to implement double triggered with pro-rata vesting of awards.</p>
<p>SHAREHOLDER PROPOSAL TO INCREASE DIVIDENDS</p>	<p>CASE-BY-CASE basis for shareholder proposal, but generally AGAINST in the absence of a compelling reason FOR.</p>
<p>SHAREHOLDER PROPOSAL TO REMOVE A DIRECTOR</p>	<p>CASE-BY-CASE basis for shareholder proposal to remove a director, 'AGAINST' if lack of compelling reason to withhold or a director does not fulfill Egan-Jones criteria examining independence, meetings attendance, other board memberships. 'FOR' otherwise.</p>
<p>Changes</p>	
<p>OVERBOARDED DIRECTORS</p>	<p>WITHHOLD votes from directors who sit on more than five other public boards. (change from six other public boards)</p>
<p>GOLDEN PARACHUTES</p>	<p>AGAINST "golden parachutes" which are abusive,</p> <ul style="list-style-type: none"> - such as those that exceed 3x of the cash severance OR if the cash severance multiple is greater than 2.99x , OR - contains tax gross-ups, - provide for accelerated vesting of equity awards (however, pro-rata vesting of awards based on past service is acceptable) - are triggered prior to completion of the transaction - if the payouts are not contingent on the executive's termination.

SHAREHOLDER PROPOSAL ON CLAWBACK PROVISION AMENDMENTS	AGAINST	change from AGAINST to FOR	change from AGAINST to FOR	change from AGAINST to FOR
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Comments or questions to the proposed Guideline changes should be directed to Ms. Magda Pacheco, Manager, Client Relations at Egan-Jones Proxy Services (mpacheco@egan-jones.com) before January 20, 2017.

Egan-Jones Proxy Services will announce its final 2017 Guidelines by the end of January, 2017.

Contact:

Kevin McManus
Egan-Jones Proxy Services
61 Station Road
Haverford, PA 19041
+1-703-982-1083
kmcmanus@egan-jones.com

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