Internet Appendix to "Governance Changes through Shareholder Initiatives: The Case of Proxy Access"

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This appendix provides additional institutional background and results. The contents are as follows:

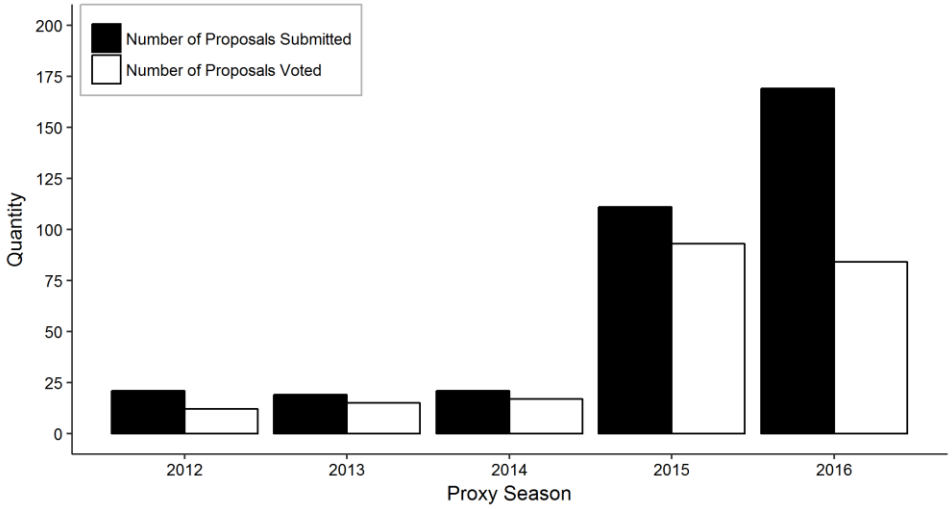
Tables and Figures:

IA.1 The Observed Proposals for Proxy Access

The following figures characterize the sample of proxy access proposals in this paper. The first figure presents the frequency of proxy access proposals submitted and voted on. The number of shareholder proposals for proxy access we were able to identify from public sources increased more than seven-fold throughout our sample period, starting from 24 in 2012 and ending at 171 in 2016. The number of the proposals made it onto ballots and received majority support from shareholders increased steadily over the years.

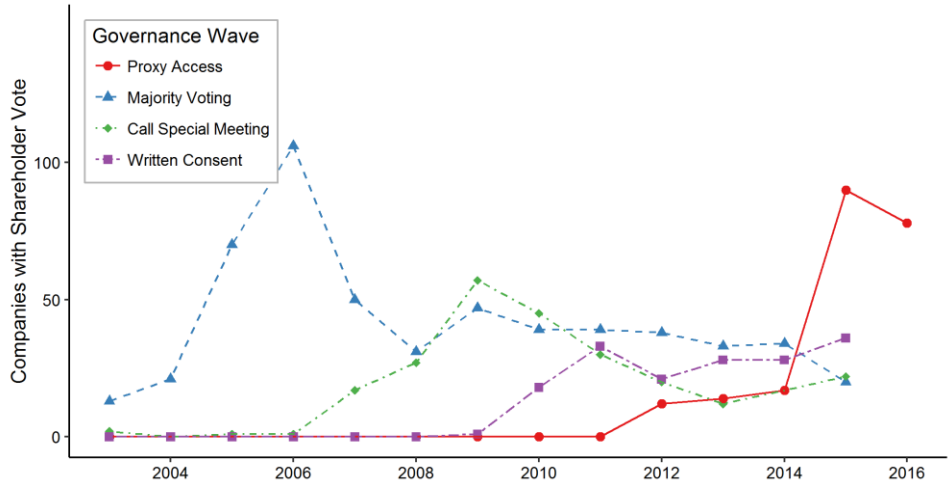
The next figure compares the proxy access shareholder proposals that made it to a vote to other waves of shareholder governance proposals. Finally, Figure IA.1 presents the shareholder support for proposals that apply an ownership threshold of 3 percent held for three years as well as the shareholder support for proposals with other ownership thresholds.

Figure IA.1: The frequency of proxy access proposals submitted and voted on



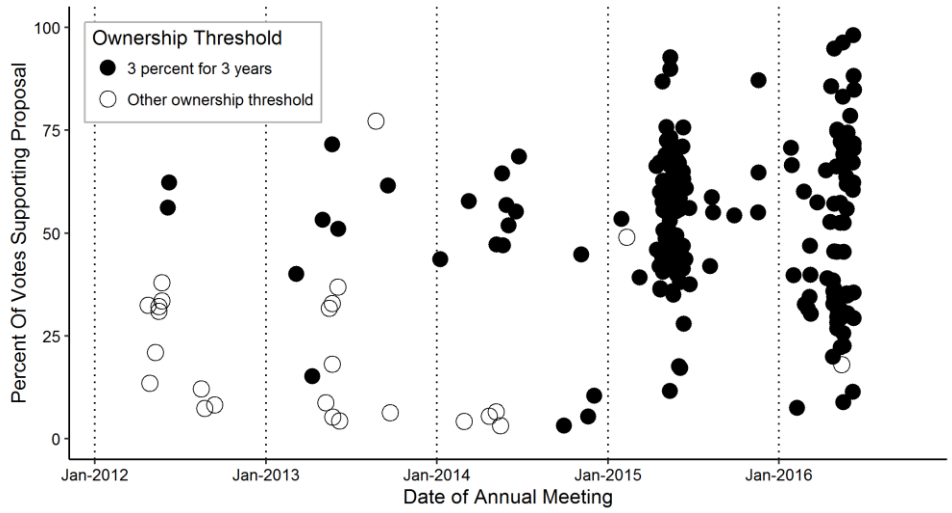
To further contextualize the size and shape of the wave of shareholder proposals for proxy access, Figure IA.2 contrasts proxy access shareholder proposals with other recent types of shareholder proposals, based on the number of proposals that came to a vote. Proposals for proxy access are on par with the drive for a majority voting standard in director elections and larger than the recent waves of proposals regarding the ability of shareholders to call special meetings and to act by written consent. Similar to the recent wave of majority voting proposals, we see a slow ramp-up followed by a jump in proposals. This pattern is consistent with proponents initially testing the waters to build a coalition of shareholder support before expanding their initiatives. Proponents whose proposals fail the no-action process in the initial years revise their proposals in future years to follow the language of proposals that survive this process, demonstrating that learning process in drafting proposals may also contribute to the gradual development of momentum. Interestingly, the total number of shareholder proposals has not changed much year to year, implying the size of these initiatives may be affected by proponent capacity - proponents may turn to a new governance mechanism only after the push for another mechanism begins to die down.

Figure IA.2: Proxy access proposals that made it to a vote relative to other types of shareholder proposals



Proposals requesting a required ownership threshold of 3 percent for three years enjoyed greater support, consistent with some voters using the simple heuristic of supporting any proposals with this emergent standard, as shown in Figure IA.3. The greater voting support for standard proposals is stable across years making it more likely that voters used the invalidated 2010 proxy access rule's ownership thresholds (3 percent for three years) as a focal point rather than gradually learning that these terms were preferable.

Figure IA.3: Variation in proposed ownership thresholds over time, relative to voting support



IA.2 Institutional Details behind the Proxy Access Proposal Process

In the following three sub-sections we present certain institutional details behind the developments and processes studied in this paper.

IA.2.1 Proxy access regulation

Federal regulations do not require public companies in the U.S. to provide a mechanism whereby shareholders can nominate directors on the company's proxy materials.[1] Further, since at least 1998,

[1] The absence of a requirement does not prevent an incumbent board from adopting (or management from proposing, for shareholder approval) a bylaw amendment that allows proxy access at an individual firm.

the SEC staff interpreted one of the criteria applying to shareholder proposals to allow the exclusion of any proxy access proposal.[2] Following a successful legal challenge to this interpretation, which allowed a handful of proxy access proposals to make it to a vote, the SEC amended the rule to more clearly indicate that such proposals were excludable.[3] Thus, shareholders generally did not have access to a formal channel through which to request proxy access from at least the late 1990s until 2012, and proxy access was generally unavailable at firms during this period.

The SEC considered proxy access requirements at least six times in the past 60 years, beginning as early as 1942.[4] A 2003 proposal[5] was met with over 13,000 comments and was not pursued further by the SEC. A 2007 proposal[6] that would have permitted shareholder proposals for proxy access, upon the meeting of some additional requirements beyond those for other proposals, was also not adopted.

During these earlier attempts, some questioned the SEC's authority to promulgate proxy access rules. Then, Section 971 of the Dodd-Frank Act explicitly authorized, but did not require, the SEC to adopt rules requiring proxy access. In 2009, the SEC proposed, and in August 2010 adopted, a rule requiring a specified minimum level of proxy access at all public companies as well as amendments to an existing rule which would allow the private ordering of expanded terms of proxy access at individual companies.[7]

In particular, new Rule 14a-11 mandated that proxy access would be available to shareholders or groups of shareholders holding at least three percent of the voting power of a company's securities, and who have held their shares for at least three years. The rule specified that nominees advanced through proxy access could represent up to 25 percent of the board. Separately, existing Rule 14a-8(i)(8) was amended to eliminate the excludability of shareholder proposals for proxy access.[8] This

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However, our understanding is that this was a very rare occurrence prior to 2015 in the absence of shareholder proposals requesting proxy access. We are aware of one such case, in which Comverse Technology in 2007 unilaterally adopted a proxy access bylaw in the wake of an options backdating scandal which had resulted in charges against three senior executives and the delisting of the company, and led the former CEO to flee the country.

[2] A shareholder proposal can be excluded from a company's proxy materials, and thus not receive a vote, if the shareholder proponent does not meet certain eligibility and procedural requirements or the proposal is excludable under certain criteria set forth by the SEC. Exchange Act Rule 14a-8 dictates the eligibility and procedural requirements for a shareholder proposal. Also, a proposal is excludable if it falls under one of the rule's substantive bases for exclusion (Rule 14a-8(i)(1) through 14a-8(i)(13)).

[3] The Second Circuit court held in 2006 that a proxy access proposal by AFSCME could not be excluded by AIG despite the SEC's then-customary position, based on an older interpretation of the language of the rule by the SEC. See *AFSCME v. AIG*, 462 F.3d 121 (2d Cir. 2006). Following this decision, in the 2007 proxy season, proxy access proposals were voted on at Hewlett-Packard, the UnitedHealth Group and Cryo-Cell International. The SEC amendment to Rule 14a-8(i)(8) that clarified the excludability of proxy access proposals became effective on January 10, 2008.

[4] For a discussion of four occasions on which SEC considered proxy access through 2003, see SEC Staff Report, Review of the Proxy Process Regarding the Nomination and Election of Directors, Division of Corporation Finance, U.S. Securities and Exchange Commission (July 15, 2003).

[5] The 2003 proposal would have made proxy access available to eligible shareholders at a firm upon the occurrence of certain events. To be eligible, shareholders would have to have held at least 5 percent of the firm for two years. The triggering events, after which proxy access would be available for the following two years, were (1) withhold votes of over 35 percent from at least one director or (2) a shareholder proposal for proxy access submitted by a 1 percent holder receives support of more than 50 percent of votes cast. See *Security Holder Director Nominations*, Exchange Act Release No. 48626 (October 14, 2003).

[6] See *Shareholder Proposals*, Exchange Act Release No. 56160 (July 27, 2007).

[7] For the release corresponding to adoption of the rules, see *Facilitating Shareholder Director Nominations*, Securities Act Release No. 9136, Exchange Act Release No. 62764 (Nov. 15, 2010).

[8] As amended, a proxy access proposal would no longer be excludable under Rule 14a-8(i)(8) unless the proposal would disqualify a nominee standing for election; would remove a director before his/her term expired; questions the competence, business judgment, or character of one or more nominees or directors; seeks to include a specific individual in the company's proxy materials for election to the board of directors; or otherwise could affect the outcome of the upcoming election of directors.

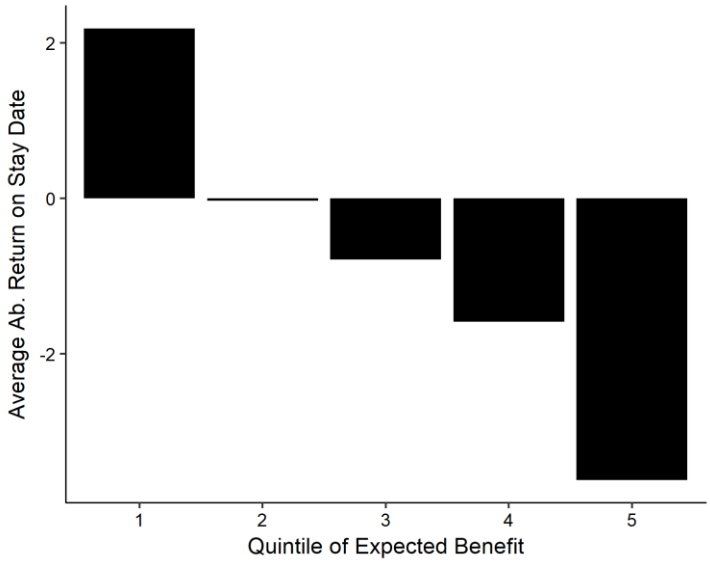
change was intended to complement the universal proxy access rule by allowing shareholders to seek expanded access at individual companies, beyond what was mandated by the rule.

Rule 14a-11, the universal proxy access rule, was the subject of a lawsuit by the Business Roundtable and the U.S. Chamber of Commerce filed on August 29, 2010. As we discuss in more detail below, the SEC stayed the effectiveness of universal proxy access as well as the amendments with respect to shareholder proposals on October 4, 2010. In July 2011, the DC Circuit Court of Appeals held in favor of the plaintiffs and vacated the universal proxy access rule.[9] The future of the amendments that would permit shareholder proposals related to proxy access was initially unclear, as these were not initially intended to apply independently of universal proxy access, but they went into effect in September 2011.[10] Thus, while universal proxy access never came into effect, the removal of the blanket ability to exclude proxy access proposals cleared the way for shareholders to propose proxy access at individual companies beginning in the 2012 proxy season. We study 338 proxy access proposals submitted since then.

IA.2.2 The stay of the 2010 proxy access rules

In our tests, we use the market reaction to the SEC's announcement that it would voluntarily stay the 2010 universal proxy access rule and private ordering amendments as our primary benchmark for the expected value of proxy access at different firms. The firms that lost the most value upon the stay were expected to benefit most from a proxy access requirement.

Figure IA.4: Distribution of abnormal returns at the stay date



We argue that the announcement was unexpected and that the reaction to the stay reflected a full reversal from an expectation of universal proxy access to one of a nearly complete shut-down of the ability to implement proxy access in the foreseeable future.

Prior to the stay, the chances of invalidation seemed limited. While the parties bringing the lawsuit had previously questioned the SEC's legal authority to promulgate proxy access rules, the Dodd-Frank Act had since explicitly clarified the authority of the SEC to issue such rules. As documented by

[9] These events are also documented extensively in Becker et al. (2013) and Jochem (2012).
[10] See amended Exchange Act Rule 14a-8(i)(8). The rule was effective as of September 2011, as specified in *Facilitating Shareholder Director Nominations*, Securities Act Release No. 9259, Exchange Act Release No. 5343 (Sept. 15, 2011).

Becker et al. (2013), news accounts clearly indicated that the stay was a surprise.[11] Becker et al. (2013) also provides intra-day trading evidence demonstrating that the market reacted just after the announcement, providing further evidence that the stay was unexpected.

Although a motion to stay the universal proxy access rule was filed with the SEC and publicly announced on the date that the lawsuit was filed, there is evidence that the announcement of the stay was the first event to generate a significant change in expectations. For example, the market does not seem to have associated the motion to stay with a significant likelihood that the universal proxy access rule would be stayed. In particular, one news source reported that it was rare for the SEC to grant such a motion.[12] Finally, upon the announcement that the stay would be granted, law firm alerts[13] and Google search volume[14] demonstrated a spike of interest in proxy access. We did not find similar spikes around the motion to stay.

Another date of interest might be the date on which the rule was invalidated in court. However, it is not clear to what extent this was a surprise. Market expectations appear to have already changed at least somewhat at the time of the stay (which, Becker et al. (2013) argues, may have provided "an indication of the SEC's own perception of its ability to defend the rule in court"), and the oral arguments and the public release of briefs may have further affected expectations as to which way the court was likely to rule. Further, and importantly for our purposes, the stay of the effectiveness of the rules was applied to all parts of the adopted rules and thus represented at least a delay for both universal proxy access and the use of shareholder proposals about proxy access. In contrast, the vacating of the universal proxy access rule represented at least one more proxy season in which universal proxy access would not be mandated, but it was also accompanied by news that private ordering might be available in the following proxy season.[15] As such, when considering the returns on the date on which the rule was vacated, the unconditional value of proxy access and the likelihood of receiving a shareholder proposal for proxy access may confound each other and complicate interpretation of the event returns.

IA.2.3 Process for shareholder proposals for proxy access

To be eligible to submit a proposal for inclusion in a company's proxy voting materials, a shareholder must have continuously held at least $2,000 in market value, or one percent, of the company's voting securities for at least one year as of the date of submission, and intend to continue to hold the

[11] For example, as noted by Becker et al. (2013), Wachtell, Lipton, Rosen & Katz published a memorandum on October 4, 2010, referring to the stay as an "unexpected development."

[12] Reporting on the stay, Jessica Holzer stated that "It is rare for the SEC to agree to a delay when its rules have been challenged in court." See "SEC To Delay Proxy Access Rule While Court Considers It" published in the Dow Jones Corporate Governance Newsletter on October 6, 2010. We note that several other recent motions to stay SEC rules, including rules related to mutual fund governance, conflict minerals, resource extraction, and securities issuance under Regulation A, were denied. Also, news accounts did not highlight the stay of the private ordering amendments (which were not a subject of the motion to stay) as more of a surprise relative to the stay of the universal proxy access rule.

[13] On October 5, 2010, a day after the SEC stayed the rule, Broc Romanek of TheCorporateCounsel.net discussed the stay and wrote: "Interestingly, dozens of law firms already have sent out emails regarding this development but these firms had remained silent when the lawsuit was filed last week." See "Proxy Access: SEC Stays Ahead of Court Review Dead for 2011," by Broc Romanek, posted on October 5, 2010. As per this assertion, we were not able to find, for example, a Wachtell, Lipton, Rosen & Katz memorandum regarding proxy access on September 29, 2010, though they did publish a memorandum on October 4th as mentioned above.

[14] A Google Trends analysis demonstrates that there were 45 percent more searches for "proxy access" in the week of the stay announcement than the week of the lawsuit and motion to stay the rule, when such searches were slightly below average for the second half of 2010.

[15] On July 22, 2011, the day that the rule was vacated, the SEC released a brief statement expressing its disappointment but stating further that, "We note that our rule allowing shareholders to submit proposals for proxy access at their companies, which we adopted at the same time, is unaffected by the court's decision." Six weeks later, on September 6th, an SEC press release stated affirmatively that the stay on private ordering would expire later that month, absent further Commission action.

securities through the date of the shareholder meeting. The alternative one percent threshold would only bind if the voting securities of the company had a market value of less than $200,000.

Proposals submitted by shareholders may be excluded from proxy materials in certain cases. One reason for such exclusion would be a withdrawal by the proponent based on private negotiations. For example, a 2012 proxy access proposal at Pioneer Natural Resources Co. and a 2014 proxy access proposal at Walt Disney Corp. were both withdrawn in exchange for unrelated governance changes. Often, though, proposals are excluded because they do not meet the requirements, or the proposal falls under one of the listed exclusion criteria, of Rule 14a-8. Companies must alert the SEC of their intentions to exclude proposals for such reasons, and, if asked for its view, the SEC staff provides no-action letters in cases in which there appears to be a basis for the company's claim of excludability. Early proxy access proposals were often excluded because of their wording or content. For example, some of these early proposals were excludable because they defined eligibility for proxy access by referring to the eligibility requirements of the rules for shareholder proposals rather than explicitly defining these requirements, which was deemed to make these proposals vague and indefinite.[16]

If a proposal meets all of the basic requirements and is not voluntarily withdrawn, it will generally proceed to a vote, though management nearly always recommends against the proposal and provides a rebuttal to the proposal in the proxy materials. However, even if a shareholder proposal for proxy access reaches a vote and is approved by shareholders, the ability of shareholders to make nominations on the company's proxy materials may still not be guaranteed. Moreover, even if this ability is achieved, it may come with a significant delay. Specifically, the passage of a binding resolution to amend a company's bylaws in one year would generally mean that qualifying shareholders could begin to have the directors they nominate included in the company proxy materials in the next year's proxy season. However, binding proxy access proposals have thus far been rare relative to non-binding or "precatory" proposals. Potential reasons for this include the fact that binding proposals directly amend a company's bylaws and may thus require more careful and tailored drafting (which could be further complicated by the 500 word limit for shareholder proposals), and that binding proposals may be subject to stricter requirements.[17]

A precatory proposal, on the other hand, is advisory and does not require board action. Thus, such a proposal could pass for multiple years in a row before resulting in implementation, or not be implemented at all. For example, proxy access proposals received a majority vote at Nabors Industries Ltd. in 2012 and 2013. In 2014, Nabors adopted a policy to permit limited proxy access under terms substantially more restrictive than what had been proposed, followed by another majority vote in favor of the same, less restrictive shareholder proposal in the 2014 proxy season.[18] Ertimur et al. (2010) found that only 40 percent of precatory proposals that received a majority vote between 1997 and 2004 resulted in actual implementation by boards, and that the likelihood of implementation generally increases with the number of consecutive years that the same proposal received a majority vote.

If the implementation of precatory proposals is pursued, shareholders may be required to approve a resulting bylaw amendment, delaying actual proxy access for at least one more year. For example, shareholder resolutions for proxy access at CenturyLink, Inc., and Verizon Communications, Inc., were submitted in 2012, passed in 2013, and were followed by management proposals in 2014 to amend the bylaws accordingly. These also passed, meaning that qualifying shareholders of these companies can seek to include their director nominees in the company proxy materials as of the 2015

[16] See, e.g., SEC No-Action Letter to Dell, Inc., March 30, 2012, available at http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2012/jamesmcritchie033012-14a8.pdf.

[17] For example, some companies may require a supermajority vote by shareholders in order for such a binding proposal to pass.

[18] Nabors did not classify the 2012, 2013, or 2014 votes, in which more shares voted for the proposals than against them, as passing because it included broker non-votes and abstentions as "against" votes in the final voting tally.

proxy season. The following table provides an example of the potential timing of key events related to the process of proposing and implementing proxy access.

Table IA.1 Chronology of a typical proxy access proposal.

Date	**Event**	**Board Discretionary Actions**	**Shareholder Actions**
Nov. 2014	Deadline to submit shareholder proposal		Proponent submits precatory proxy access proposal
Dec. 2014	Fiscal year-end		
Jan. 2015	Deadline to request no-action relief	Management seeks to exclude proposal, requests no-action relief from SEC staff	
Feb. 2015	SEC staff response: no-action relief not granted		
Feb. 2015	Annual financial disclosures on Form 10-K		
Mar. 2015	Definitive proxy statement distributed	Management includes proposal in proxy statement, provides rebuttal and recommends vote “against”	Shareholders can begin returning (or change) votes
May 2015	Annual meeting		End of vote submission
May 2015	Voting results disclosed on Form 8-K: shareholder resolution on proxy access passes (but not binding)		
Dec. 2015	Fiscal year-end		
Feb. 2016	Annual financial disclosures on Form 10-K		
Mar. 2016	Definitive proxy statement distributed	Management proposes bylaw amendment for proxy access	Shareholders can begin returning (or change) votes
May 2016	Annual meeting		End of vote submission
May 2016	Voting results disclosed on form 8-K: bylaw amendment on proxy access is ratified		

IA.3 Variable Timing Details

The control variables in each of our tests are based on time frames specific to the event to which each test relates. In particular, the proponent's targeting decision occurs before the fiscal year leading up to a shareholder meeting is complete, while the voting decision happens after the end of the fiscal year. For example, for a December fiscal year-end firm with a May 2013 annual meeting, the definitive proxy statement would usually be filed in March 2013. Proponents would generally need to submit any shareholder proposals for the 2013 meeting of such a firm by November 2012 in order to meet the procedural requirements.[19] Thus, when considering the proponent's decision to target the firm for proxy access, we use the trailing 12-month return as of seven months prior to the annual shareholder meeting. In contrast, when considering voting decisions, we use the trailing return ending three months prior to the annual shareholder meeting. We require this three-month buffer in order to collect a measure of stock performance leading up to the voting decision that is less likely to be skewed by any potential stock price impact of the news that a proxy access proposal is included in the proxy statement. For example, for a typical December fiscal year firm with a May 2013 annual meeting, we use the cumulative return for the period from November 2011 to October 2012 to analyze the proponent's targeting decision and from March 2012 to February 2013 to analyze the shareholders' voting decisions.

Because of these timing considerations, we also measure the relevant firm accounting characteristics prior to each decision. When considering targeting decisions, we use the accounting variables as of the fiscal year-end prior to the fiscal year discussed in the annual meeting. For example, for a December fiscal year-end firm with a May 2013 annual meeting, the 2012 fiscal year financial statements would not have been available when a shareholder would have targeted a firm. We therefore use accounting information from the previous fiscal year, in this case fiscal year 2011, when considering the determinants of the proponent's targeting decision. When analyzing shareholders' voting decisions we use the current year's accounting information, in this case for fiscal year 2012, because it would have been publicly available to the shareholders when they made their voting decisions. For the same reasons, when considering governance characteristics such as board independence, we use the prior year's governance characteristics for analysis of the proponent's targeting decision and the current year's governance characteristics with respect to shareholders' voting decisions.

IA.4 Managerial Resistance Case Study: No-Action Requests

Variation in managerial resistance is generally difficult to measure, as many of the actions taken by management—such as shareholder outreach and private negotiations—are either not directly observable, or could be driven by confounding factors. For example, while we can observe management attempts to exclude proposals by requesting no-action relief from the SEC staff, success in such requests generally hinges on a failure of the proponent to comply with certain procedural requirements or on drafting choices in the proposals. Therefore, observing a no-action request generally reflects the proponent's experience and choices as well as managerial resistance. However, an innovative use of the no-action process in the 2015 proxy season allows us to isolate variation in managerial resistance without being subject to such bias.

On October 23, 2014, Whole Foods Market Inc. requested no-action relief to exclude a proxy access proposal on the grounds that management intended to present its own proxy access proposal. While the proxy rules allow a shareholder proposal to be excluded if it directly conflicts with one of the company's own proposals, in this case the planned “conflicting” proposal was sufficiently restrictive as to make proxy access functionally unusable. Management's proposal would have allowed any single shareholder that had owned nine percent or more of the company's stock for five years to nominate a director. Effectively, such a provision would not really provide any meaningful new

[19] Rule 14a-8(e)(2) requires that proposals for a regularly scheduled annual meeting be received at the company's principal executive offices by a date not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting.

rights, but including such a proposal would allow management to argue that they need not allow the shareholder proposal to come to a vote.

The Whole Foods request was initially granted on December 1, 2014, and in a short window—ending when the no-action relief in question was reconsidered and revoked by the SEC staff—25 additional companies mimicked this creative application of the rules. While this defense tactic ultimately failed, we can use these requests as a clean, observable measure of management taking opportunistic actions to oppose shareholder proposals. Importantly, these no-action relief requests are independent of the drafting expertise or choices of the proponent, and thus provide rare insight into the discretionary decision of managers to prevent a proposal from coming to a vote.

When we consider the cross-sectional variation in the use of the Whole Foods style defense, we find that those that were expected to benefit more from proxy access are significantly more likely than others to use this controversial tactic.[20] For example, for those with above median returns to receiving a proxy access proposal (based on the NYC Comptroller's announcement), 34.3% used this approach – three times as many as those with below median returns to receiving a proposal. Other measures of the expected benefits of proxy access (stay date returns, Senator Dodd announcement returns, or our Alternative Events Index) imply that firms with greater expected benefits of proxy access are 1.4 to 2.7 times more likely to use this defense tactic.

[20] The sample is restricted to proposals submitted during the 2015 proxy season. In particular, the proposals included would have been submitted to firms before the Whole Foods decision was revoked, and management's deadline to seek no-action relief on these proposals would not yet have passed when the Whole Foods no-action request was initially granted.

IA.5 Observed Shareholder Outreach

Below we provide representative text of materials disseminated to shareholders that indicate shareholder outreach, from DEFA 14A filings (additional definitive proxy materials).

IA.5.1. TYPICAL LETTER TO CERTAIN SHAREHOLDERS

Beginning on [date], [Company] sent the following communication to certain stockholders.

Dear _____:

First, thank you for investing in [Company]. We appreciate the confidence you have shown in our company and our management team.

I am reaching out to you in order to encourage you to vote AGAINST the shareholder proposal on proxy access that is on our ballot this year.

As your investment team would tell you, the stock performance of [Company] over the years has been steady and very profitable for our stockholders. We are a disciplined and highly experienced management team and a company with great employees and a well-performing business, and this is reflected in the results of our operations and our stock performance.
Proxy access would circumvent the board's judgment about who is best to serve as members of the board and represent the interests of all shareholders.

I hope you will consider voting against the shareholder proposal on proxy access (Item 4). If you would like to discuss this matter or have any additional questions, please do not hesitate to contact me.

Thank you for your consideration.

Best regards,

[ ]

IA.5.2. SAMPLE EXCERPT FROM SLIDE DECK

Shareholder Proposals

Shareholder proposal for proxy access is unnecessary and potentially harmful to the company at this time

- Our director nomination process is carefully designed to ensure a board with balanced skill sets, perspective, and experience
- We already have a mechanism in place for shareholders to propose director candidates to the nominating committee
- Proxy access may lead to frequent, costly contests and unnecessary distraction for board
- Proposal could advance candidates who do not act in the best interests of long-term holders

Our Board encourages a vote AGAINST the proposal.

IA.5.3. TYPICAL REMINDER LETTER[21]

Dear Stockholder:

According to our latest records, we have not received your proxy for the Annual Meeting of Shareholders to be held on [date]. Your vote is important! Please take time to vote your shares no matter how many shares you own.

Your board of directors recommends that you vote "FOR" the election of directors nominated and Proposals 2 through 4 and "AGAINST" Proposal 5.

Please Vote Your [Company] Shares Today!

There are three ways to vote your shares - each only taking a few moments:

- By Telephone - Shareholders in the United States can submit their vote by calling the toll-free number indicated on the enclosed vote instruction form; please have your control number available when calling;
- By Internet - Shareholders can submit their vote via Internet at www.proxyvote.com; please have the control number located on the enclosed vote instruction form available; or
- By Mail - Shareholders can vote by mail by signing, dating and returning the enclosed vote instruction form in the postage-paid envelope provided.

If you need assistance in voting your shares or have questions regarding the annual meeting, please contact our proxy solicitor at [ ]. We encourage all shareholders to have their voices heard.

We thank you for your continued support.

Sincerely,

[ ]

[21] We consider such reminder letters as evidence of outreach associated with the shareholder proposal only when such letters were not sent by the company in other recent years.