



2015

SAN DIEGO PUBLIC COMPANY
Board Practices Report

REPORT SPONSORS:

Cooley

Corporate
DIRECTORS FORUM

 **EQUILAR**


BOARD GOVERNANCE RESEARCH

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Sidebar: How much influence does ISS have?

ISS' (and other proxy advisory firms') influence varies by company and can change over time. Companies should work with their advisors (proxy solicitors, outside legal advisors and/or compensation consultants) to conduct an analysis of their particular stockholder bases to understand the extent of influence of ISS and other proxy advisory firms. Even if ISS does not heavily influence a particular company's stockholder base, ISS policies generally reflect institutional investors' views and therefore often launch board discussions on corporate governance matters; therefore, understanding ISS policies may be valuable for companies and board members.

Methodology

This report presents the findings of an analysis of the boards of directors of the 51 publicly-traded companies headquartered in San Diego, California, that are in the Russell 3000 Index. We refer to these companies as the "San Diego companies." The data is based on publicly filed information (definitive proxy statements, annual reports or initial public offering registration statements filed during 2015) for each of the San Diego companies, and was provided by Equilar, Inc. A complete list of the San Diego companies is included in Appendix A.

This report contains commentary and observations in the form of sidebars provided by Cooley LLP. Where relevant, insight is provided into the policies of Institutional Shareholder Services (ISS), one of the firms that advises institutional investors.

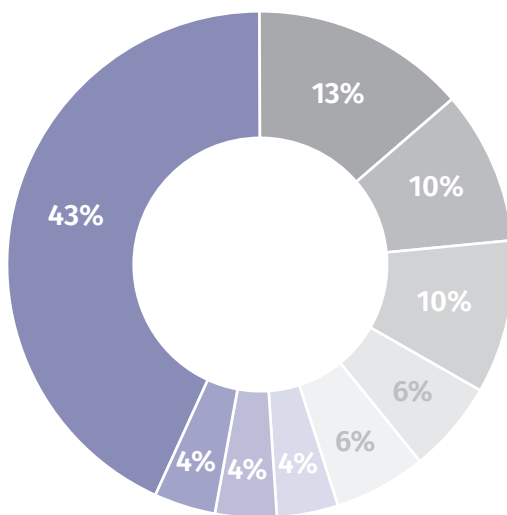
Companies

Industry

Not surprisingly, the most prevalent industry (by GICS classification)¹ represented among the San Diego companies was Pharmaceuticals, Biotechnology & Life Sciences. Health Care Equipment & Service, Information Technology and Real Estate were the three other most commonly represented industries.

INDUSTRY GROUPS

n = 51



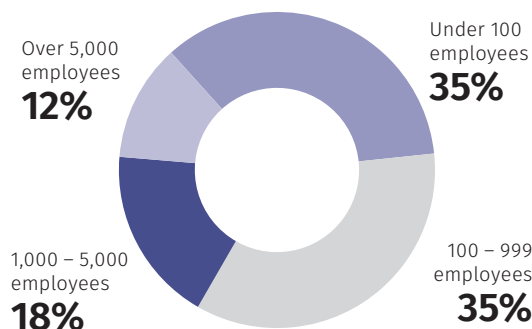
- 43%** Pharmaceuticals, Biotechnology & Life Sciences
- 13%** Health Care Equipment & Services
- 10%** Information Technology
- 10%** Real Estate
- 6%** Banks & Diversified Financials
- 6%** Consumer Discretionary
- 4%** Consumer Staples
- 4%** Industrials
- 4%** Other

Employees

The San Diego companies vary considerably in the number of employees, ranging from under 20 employees to over 30,000 employees. The average number of employees at the San Diego companies was 2,340 and the median number of employees at the San Diego companies was 247.

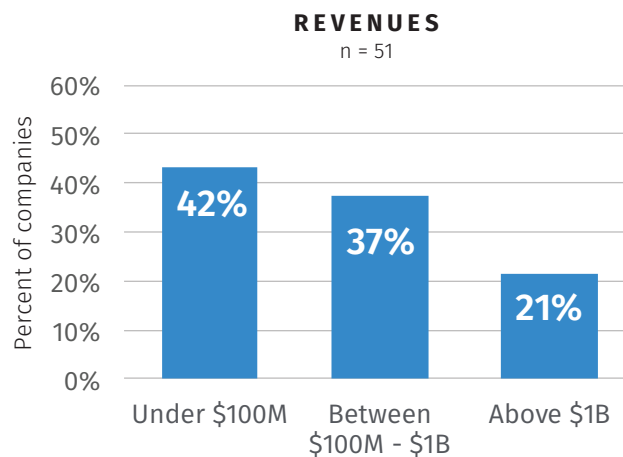
NUMBER OF EMPLOYEES

n = 51



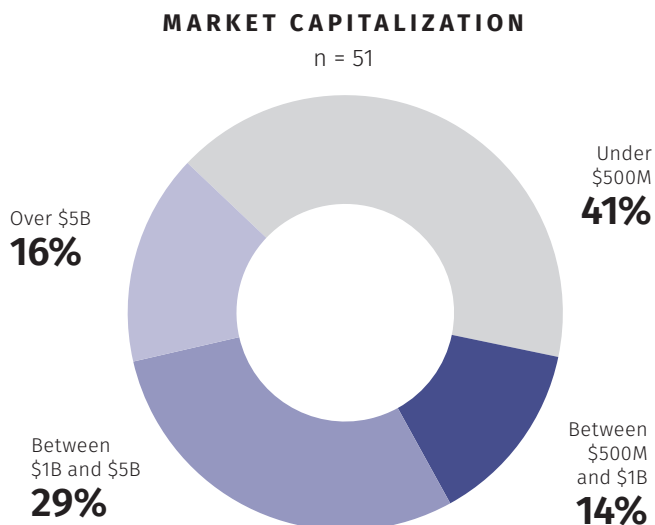
Revenue

The annual revenues reported (relating to the prior fiscal year) by the San Diego companies ranged from zero dollars to more than \$25 billion. However, the vast majority of the San Diego companies had less than \$1 billion in revenues, and eight San Diego companies (all in the Pharmaceuticals, Biotechnology & Life Sciences industry) reported no revenues.



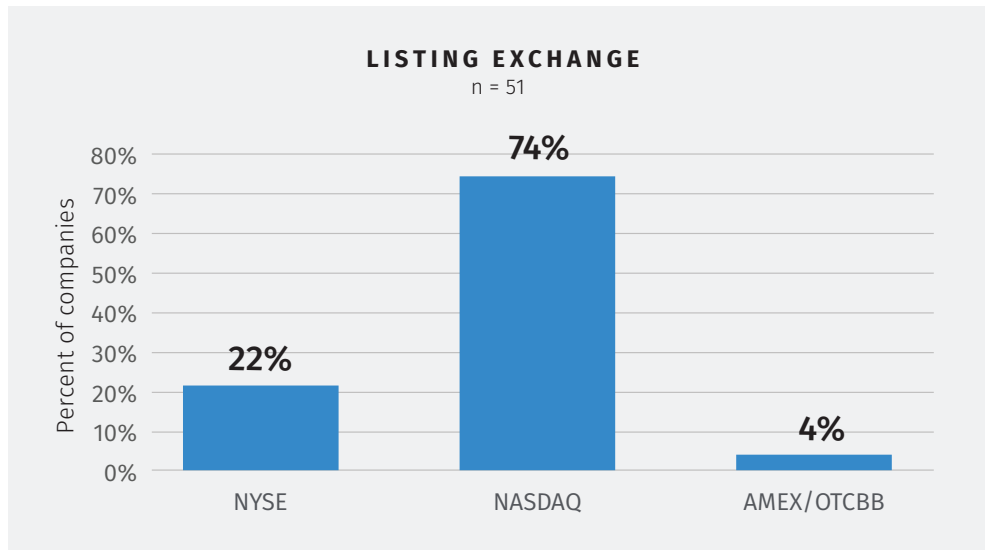
Market Capitalization

The market capitalizations of the San Diego companies ranged from around \$50 million to close to \$100 billion. The average market capitalization of the San Diego companies was \$4.6 billion and the median market capitalization of the San Diego companies was just over \$700 million.



Listing Exchange

Most of the San Diego companies are listed on the NASDAQ rather than the NYSE. One San Diego company was listed on the NYSE MKT (formerly known as the American Stock Exchange), and one traded on the Over-the-Counter Bulletin Board.

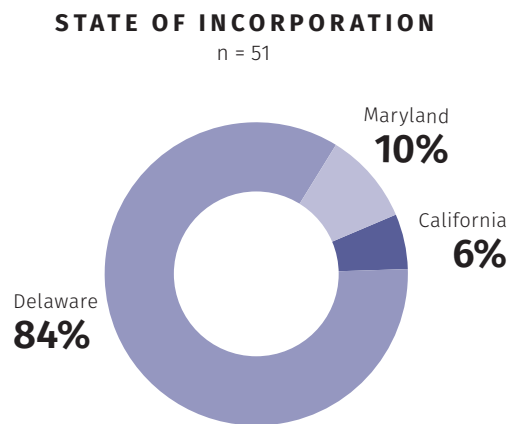


Sidebar: NASDAQ or NYSE?

Given the large amount of pharmaceutical, biotechnology and life science companies in San Diego, it is not surprising that NASDAQ is the predominant listing exchange for San Diego public companies. The NYSE is the oldest and has been traditionally perceived as the most prestigious U.S. stock exchange and the exchange of choice for older and larger companies in traditional industries. Not surprisingly, companies such as Cubic Corp and Semptra Energy are traded on the NYSE. The NASDAQ, a completely electronic exchange, is generally recognized as the most technologically sophisticated stock exchange in the world. Information technology, biotechnology and smaller growth-oriented companies tend to be traded on NASDAQ. There are many considerations that go into choosing between listing on NASDAQ or NYSE.

State of Incorporation

A majority of U.S. companies are incorporated in Delaware, and this trend is present among the San Diego companies as well. More than three quarters (84%) of the San Diego companies are incorporated in Delaware. Only three of the San Diego companies are incorporated in California. The remaining San Diego companies are incorporated in Maryland.



Sidebar: Delaware is no surprise, but why Maryland?

Companies who choose to incorporate in Maryland are primarily real estate investment trusts (tax-preferred firms that focus on real estate), due in part to Maryland's specialized corporate laws for these types of businesses.

Sidebar: What board size is appropriate?

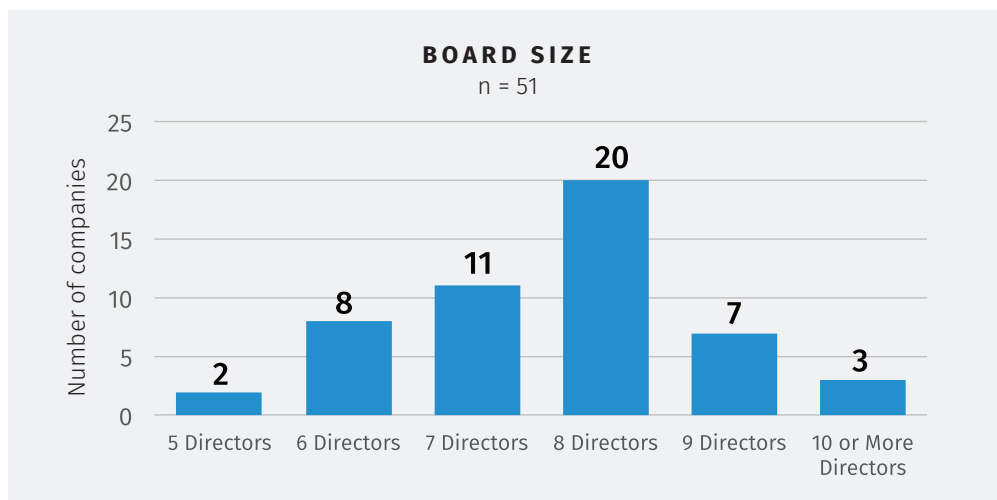
There is no one-size-fits-all “right” size for boards of directors. Companies should ensure that there are enough qualified individuals serving as directors; however, boards should not be so large that they become inefficient. Generally, larger companies tend to have larger boards than smaller companies and this is true for each of the San Diego companies with boards consisting of ten or more directors. ISS believes that boards should have at least six, and not more than 15, members, and that a board with between nine and 12 members is the “ideal” size.

Sidebar on board classification:

Most companies that go public do so with a classified board structure and shift to annual elections if and when pressured to do so by stockholders. Over the past decade, investors have been putting pressure on companies to hold director elections annually and as a result, the majority of large public companies have declassified their boards. Having a classified board will draw increased scrutiny from ISS and most institutional investors. For 2016, ISS changed its policy to recommend voting against board members who amended the company bylaws or charter to classify the board without stockholder approval or who adopted a classified board structure prior to going public. ISS will recommend against these board members indefinitely until the provision is approved by public company stockholders or the board is declassified. IPO companies may consider putting the classified structure to a stockholder vote shortly after the IPO, when the company's stockholder base is often similar to its pre-IPO stockholders who previously approved the provision.

Board Size

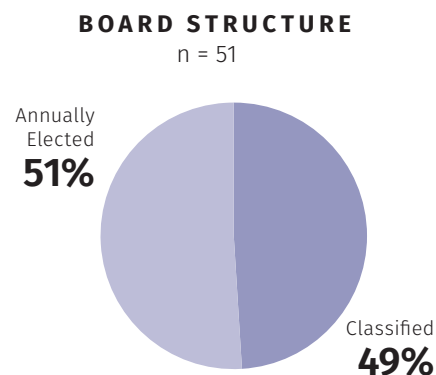
The median board size among the San Diego companies is eight directors. Eight is also the most common number of directors serving on a San Diego company board; more than one-third (39%) of the San Diego companies had eight board members. The two smallest San Diego company boards have five directors, while the largest San Diego company board has 15 directors.



Director Elections

Board Structure

Nearly half (49%) of the San Diego companies have a classified board structure in place, under which directors are divided into classes and stand for re-election on a staggered schedule; in other words, in a given year, only a fraction of directors—usually one-third—are standing for election. The other 51% of San Diego companies elect all directors annually for one-year terms. A classified board structure can serve as a takeover defense because a hostile bidder cannot change control of the board in a single election, but rather must wait through two elections, adding delay and uncertainty to the takeover process. In addition, a classified board can assure continuity and stability of the board.

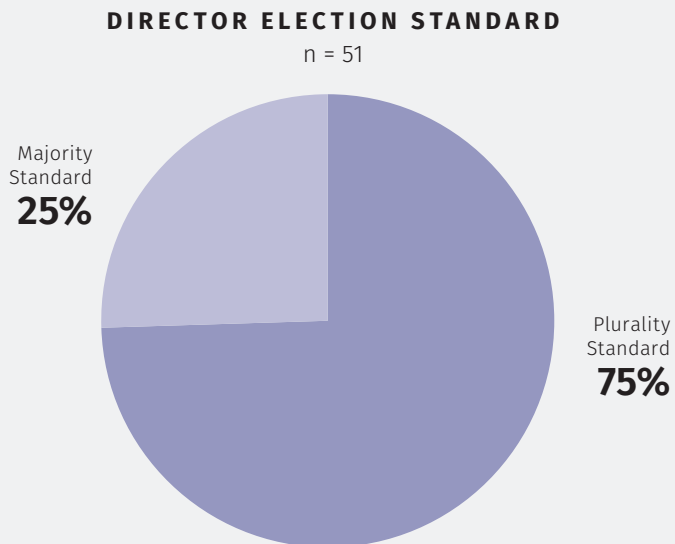


Voting Standard

Electing the members of the board of directors is a fundamental right of stockholders and the primary avenue by which stockholders can express feedback on director performance. The vote standard for director elections is an issue that has received increased attention in recent years.

In general, the historical standard for uncontested director elections was the plurality standard, under which the directors who receive the most “for” votes are elected (and so in an uncontested election, a nominee will be elected even if he or she receives only one “for” vote). However, over the last decade, many large U.S. companies have responded to stockholder pressure to change to a majority vote standard for uncontested director elections.

Most (75%) of the San Diego companies use a plurality standard for uncontested director elections. The majority of the San Diego companies with a majority vote standard (and some of the companies with a plurality vote standard) have a director resignation policy. A director resignation policy requires a director, who does not receive the support of a majority of the votes cast in an election, to tender his or her resignation to the board. The board then decides whether or not to accept the director’s resignation.



Sidebar: Why is majority voting such a hot topic?

From the standpoint of ISS and many institutional investors, in an uncontested election, a majority vote standard combined with a director resignation policy (to address a situation where the election results in a “holdover director” who does not receive majority support) is the “best practice” to ensure that director elections are meaningful and that boards are sufficiently accountable to stockholders. CalSTRS (the California State Teachers Retirement System, a major institutional investor) recently announced a 97% success rate in their five-year engagement campaign for majority voting, resulting in hundreds of U.S. companies adopting a majority voting standard or a director resignation policy. Due to this type of stockholder activism, the vast majority of S&P 500 companies have already adopted a majority vote standard, and the percentage of companies in the Russell 3000 who have adopted a majority vote standard has been steadily increasing over the past ten years.

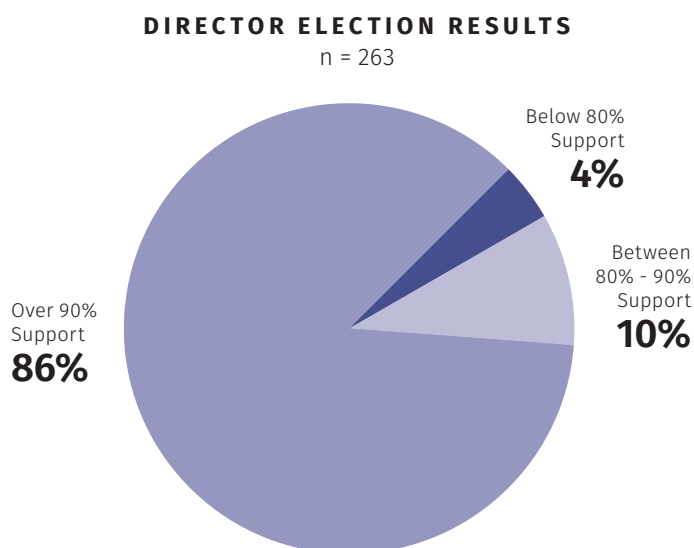
These trends are hard to ignore, and the many San Diego companies who have plurality vote standards without a director resignation policy should prepare for the possibility of future activism in this area, which may come in the form of a stockholder proposal (which generally receives high levels of support) or a letter from a stockholder such as CalSTRS or CalPERS (the California Public Employees' Retirement System).

Sidebar on vote results:

This high support is consistent with uncontested director elections generally for U.S. public companies in recent years. According to ISS, average support for the Russell 3000 Index companies during the 2015 proxy season was approximately 96%. In addition to the formal election process, the specific level of support received is often meaningful to the director and the company. A lower level of support is often an expression of stockholder dissatisfaction with the director, the committee on which the director serves or the board generally. Such dissatisfaction is commonly due to the directors' meeting attendance or independence concerns, the board or committee on which the director serves failing to address stockholder concerns over a sustained period of time, unilateral approval of stockholder-unfriendly bylaw provisions, adoption of poison pills or other takeover protection measures or executive compensation-related concerns. Companies whose directors receive lower levels of support should engage with stockholders to understand the reasons for lower levels of support and boards should then consider how to address the concerns.

Results of Elections

All directors who stood for election during 2015 at the San Diego companies received majority support. In fact, the average support for these director candidates was 95% and, as shown in the chart below, 86% of the director candidates received support from more than 90% of the votes cast. There were no contested director elections in 2015 at the San Diego companies.



Board Leadership

Board leadership has been a source of debate among governance experts for decades. Some argue that the board should be led by an independent board chair, while others argue that the CEO can effectively serve as the board chair. There is consensus from institutional investors, however, that if the roles of CEO and board chair are held by the same person, there should be a designated lead independent director. The vast majority (78%) of San Diego companies have separated the roles of CEO and board chair.

ROLES OF CEO AND CHAIR OF THE BOARD

n = 51

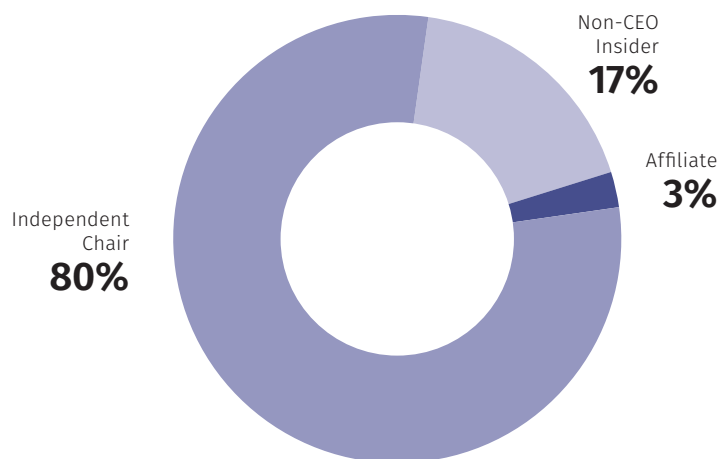


Among those 11 San Diego companies that are led by an individual who is both CEO and board chair, most (64%) have named a lead independent director.

Among those 40 San Diego companies that have separated the positions of CEO and board chair, most (80%) have an outside independent board chair. Those boards that have separated the CEO and board chair positions and do not have an outside independent chair are led by a non-CEO insider such as a company founder, former executive or director, "executive chair" who is a current employee of the company, or an individual with some other significant relationship with the company. More than half of these companies have designated a lead independent director.

BOARD CHAIR WHEN ROLES OF CEO AND BOARD CHAIR ARE SEPARATED

n = 40



Sidebar: Keep them separated?

An independent board chair can reduce potential conflicts of interest, oversee risk management, manage the CEO and board dynamic and facilitate communication with stockholders. However, at some companies, separating the positions could lead to less efficient decision making. Additionally, it can be difficult to recruit a CEO without offering the chairman title and taking away a CEO's chairmanship could trigger severance provisions in the CEO's employment agreement.

A majority of the S&P 1500 companies have separated the roles as of 2015 (as compared to roughly one-third of such companies in 2004), according to ISS. While ISS will generally favor separating the positions, it will evaluate each company on a case-by-case basis, considering a number of factors, including current board leadership structure, governance structure and practices, company performance, director independence, tenure and other relevant factors. For example, ISS may support a combined role at smaller companies who determine it necessary to combine the positions, or companies who have a governance structure in place to counterbalance a combined CEO chair structure.

Despite the views of ISS and other proxy advisory firms, the efforts of governance activists to separate the CEO and chair roles at U.S. companies has not been extremely successful. Stockholder proposals for independent chairs at U.S. companies during the 2015 proxy season received average support of 29% in 2015, down from 31% during the 2014 proxy season, according to ISS. This trend could be due to a number of factors, including appointment of lead independent directors, good corporate governance practices, strong company performance or future commitments regarding governance and the chairman roles.

Sidebar on lead independent directors:

When there is a CEO chair, ISS strongly favors a lead independent director with clearly defined duties. A recent and controversial ISS study suggests that CEOs are paid more at companies who lack an independent chair or a lead independent director. Numerous other studies have found no statistical relationship between the independence of the chairman and company performance.

Sidebar on independence:

NASDAQ and NYSE have adopted independence requirements for directors of public companies and, subject to some limited exceptions, all public companies are required to have a majority “independent” board (see the “Board Committee” section below for a discussion of independence requirements for board committees).

In addition to stock exchange listing requirements, there are other standards for director independence under SEC rules, ISS and other proxy advisory firm policies, institutional investor policies, tax-related standards and company-specific corporate governance standards. The board has an affirmative duty to evaluate the independence of directors and the company must disclose in its annual proxy statement those directors the board has determined to be independent. It is important for a board to understand the different independence standards under which its directors will be evaluated. The policies of proxy advisory firms such as ISS are often more stringent than the NASDAQ or NYSE standards. For example, ISS will never consider a former CEO of the company as fully independent and will consider other officers not independent for five years after ceasing to serve as an officer of the company.

Director Independence

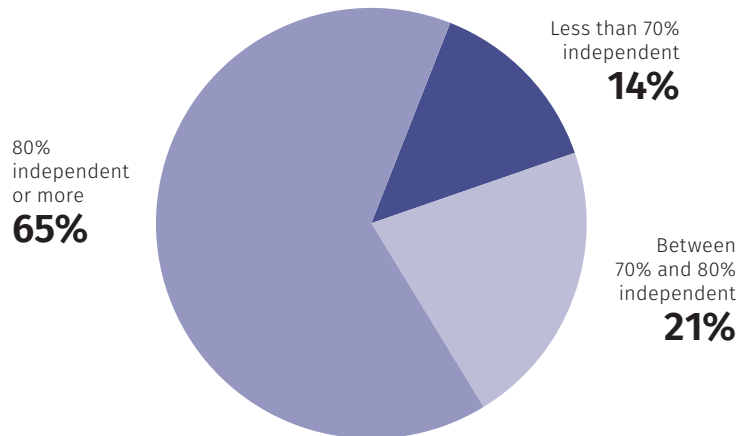
Governance experts advocate for a high level of independence among the directors serving on the board. This practice has changed dramatically in the last few decades; thirty years ago it was common to have several executives of a company serving on the board. These days, the CEO is usually the only employee of the company who holds a seat on the board of directors.

Most of the San Diego companies follow this practice and have only one insider serving on their boards. In fact, nearly three in four (69%) of the San Diego companies have only one inside director serving on the board, who is typically the CEO. Most of the remaining San Diego companies have two inside directors serving on the board and in these cases, the second inside director is typically another C-level executive or an insider serving as chair of the board.

All of the San Diego company boards are comprised of a majority of independent directors. On average, the San Diego company boards are 81% independent, ranging from 57% independent to 100% independent.

BOARD INDEPENDENCE

n = 51



Board Meetings

Boards typically meet in person at least once per quarter; however, most boards hold meetings more often. When a company is facing significant challenges or opportunities, the boards meets more frequently.

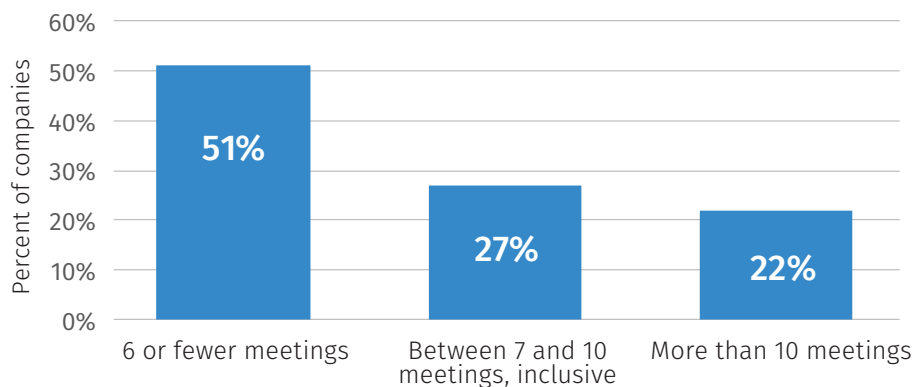
For the San Diego companies, the median number of board meetings was six. The majority (51%) of San Diego companies held six or fewer board meetings. However, nearly one-quarter (22%) of the San Diego companies held more than 10 board meetings, with one San Diego company reporting 19 board meetings and another San Diego company reporting 17 board meetings during the year.

Sidebar on board meetings:

There is no specific number of board meetings required under SEC or listing rule. The minimum number of board meetings required to be held each year is typically described in a company's corporate governance guidelines. Companies listed on the NYSE are required to adopt and disclose such guidelines; NASDAQ-listed companies are not, but often do as best practice. Boards should meet as often as needed based on the company's particular facts and circumstances, which will vary from company to company and year to year depending on size, complexity, culture and specific challenges. Not surprisingly, the San Diego companies who reported more than 10 meetings per year were primarily companies facing special circumstances during the year, such as business combinations, public offerings, or changes in leadership.

NUMBER OF BOARD MEETINGS

n = 49



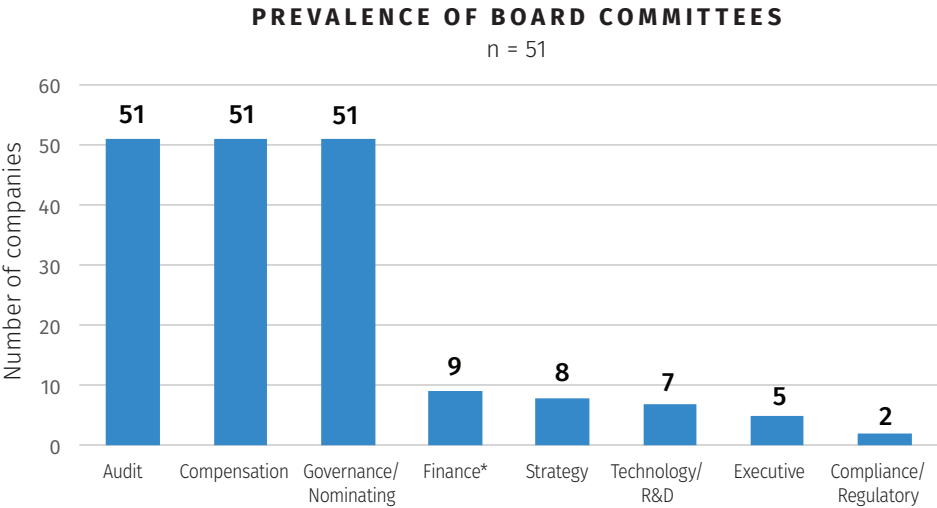
Sidebar on board committees:

Additional committees are often established for special, limited purposes such as potential mergers or securities offerings or to address matters in between regularly-scheduled board meetings. The type and number of committees that a board establishes will depend on the particular needs of the company, the size of the board and the directors’ capacity and expertise.

Board Committees

Types of Committees

The three main board committees are the audit committee, compensation committee, and the governance and/or nominating committee. All of the San Diego companies have each of these standard committees. The prevalence of board committees at San Diego companies is presented in the chart below.



* The Finance Committee category includes committees with the following titles:
Finance, Loan, and Internal Asset Review

Committee Meetings

Board committees typically meet at least as often as the full board. Additional meetings of the committees may be scheduled according to a committee calendar or on an as-needed basis.

The table below presents data regarding the number of committee meetings disclosed by the key board committees at the San Diego companies. The data reflects that audit committees and compensation committees tended to hold more meetings than the governance/nominating committees.

	Audit Committee	Compensation Committee	Governance/ Nominating Committee
Mode	4	4	4
Median	5	5	3
Maximum	13	14	7

Audit Committee Financial Expert

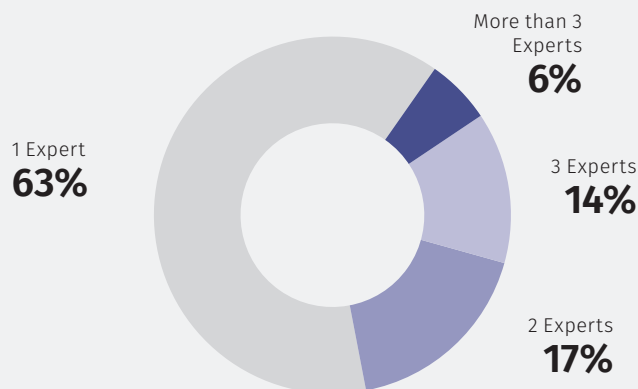
Since the implementation of the Sarbanes-Oxley Act of 2002, audit committees have been required to have at least one member who has financial sophistication or accounting or related financial management expertise under NASDAQ and NYSE listing standards, respectively. A director may satisfy the listing standard in a variety of ways, including if he or she is an "audit committee financial expert" as defined by SEC rule. SEC rules also require that each public company annually disclose in its Annual Report on Form 10-K whether or not at least one of the members of the audit committee meets the SEC "audit committee financial expert" standard and if so, identify the individual and whether he or she is an independent director. All the San Diego companies disclose at least one "audit committee financial expert."

Sidebar on financial experts:

Although a company is not required by the SEC or listing rules to have an audit committee member who meets the "audit committee financial expert" standard, many companies have and disclose more than one "audit committee financial expert." It appears that ISS is looking closer at the number of experts disclosed, as it is now one factor that ISS will consider when evaluating the governance standards of the audit committee. San Diego companies follow general market trends based on an ISS study that reported that for the Russell 3000 (minus the S&P500 companies), the primary practice is to disclose one or no "audit committee financial expert" (57% of companies in 2015), with approximately 23% of such companies disclosing three or more such experts. However, for the S&P500 companies, approximately 46% of companies disclosed having three or more "audit committee financial experts," according to ISS.

NUMBER OF AUDIT COMMITTEE FINANCIAL EXPERTS DISCLOSED ON AUDIT COMMITTEE

n = 51



Director Demographics

There were approximately 400 directors² serving on the boards of the San Diego companies. We analyzed the demographics and roles of these directors and present the findings in the section below.

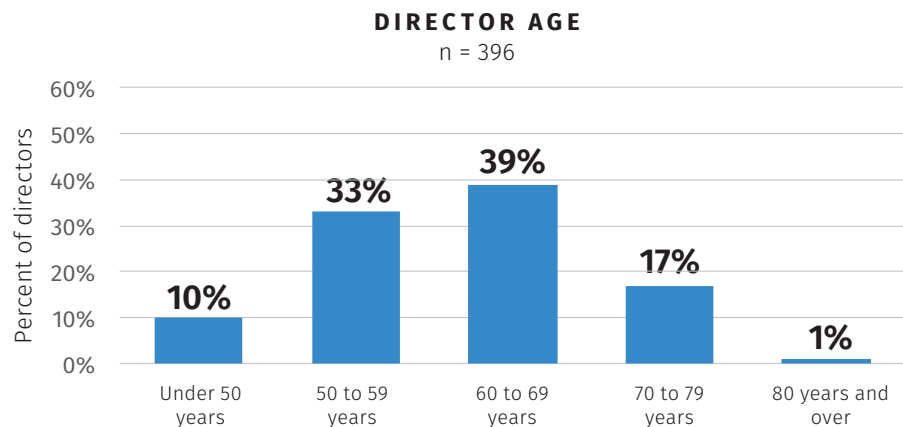
Director Age

The median age of the San Diego company directors is 61 years. These directors range in age from 40 years to 90 years. Nearly three-quarters (72%) of the San Diego company directors are in their fifties or sixties.

Sidebar on director tenure:

ISS and other proxy advisory firms view tenure as one factor that may impact the independence and accountability of the board. ISS will scrutinize boards where average tenure exceeds 15 years and generally views an individual director with over nine years of tenure as potentially compromised from an independence perspective. CalPERS recently announced that they intend to scrutinize directors with tenure over 12 years.

Some companies have adopted or are considering adopting refreshment policies requiring a mandatory director retirement age or otherwise limiting director tenure. These policies, while aimed at ensuring a fresh, independent board, can also cause loss of valuable, experienced directors. Companies should think carefully about adopting these policies and consider that making exceptions to such policies may be viewed negatively by stockholders. What appears more important to investors and proxy advisory firms is for the board to employ a robust nominating process and engage in annual, rigorous evaluations of directors individually and the board as a whole.



Among the San Diego company directors, at the time of filing, the youngest director was 40 years old and the oldest director was 90 years old. We also examined director age by considering the average age of the directors on each of the San Diego company boards. The average ages of the directors on each of the San Diego company boards was 61 years. The youngest average age was 53 years and the oldest average age was 70 years.

Director Tenure

In recent years, stockholders have been increasingly focused on director tenure. While concerns related to directors serving on the board for long periods of time are not new, an increased focus has been put on the issue as many advocates for increased board diversity have begun calling for the replacement of long-tenured directors with new diverse candidates. Additionally, concerns related to perceived lack of independence for directors who have served on boards for many years have been piqued by pressure from certain institutional investors who have put in place policies under which they consider a director to no longer be independent after specified years of board service.

The average director tenure among the San Diego companies is just over six years. Just over one-quarter (26%) of the directors at the San Diego companies have

joined the board within the last three years. However, a similar amount (28%) of directors have served in their board seats for more than 10 years. In fact, 5% of the directors serving on San Diego company boards have served for more than 20 years.

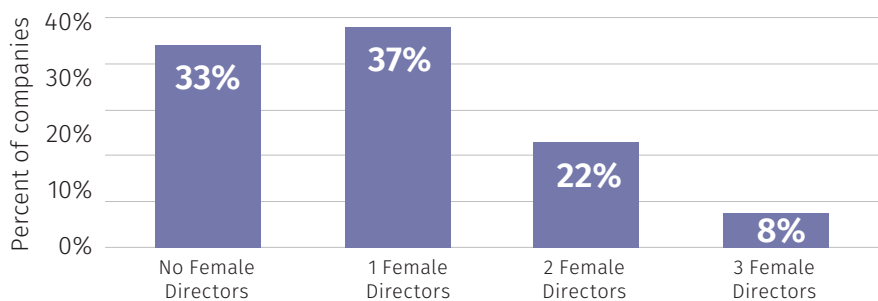
Director Gender

Thirteen percent of the San Diego company directors were women. The female directors serving on San Diego company boards are younger, at the median, than the male directors. The median age among the female directors is 59 years and the median age of the male directors is 61 years.

When we examine gender diversity at the board level, we find that one-third (33%) of the San Diego companies had no women serving on the board as of their 2015 filing.³ At the other end of the spectrum, four San Diego companies (8%) had three female directors serving on the board as of their 2015 filing.

NUMBER OF FEMALE DIRECTORS ON BOARD

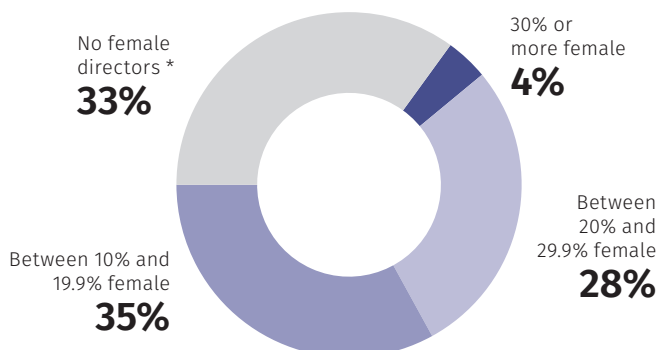
n = 51



San Diego company boards with more than one female director tended to be larger-sized boards. As a percentage of the board, women accounted for over 20% of the board at less than a third of the San Diego companies and for over 30% of the board at only two San Diego companies.

PERCENT OF BOARD THAT IS FEMALE

n = 51



*There are no San Diego company boards that are between 0% and 10% female.

Sidebar on female directors:

While women's presence on boards is undoubtedly on the rise, the percentage of women on San Diego company boards remains low and consistent with national statistics. A recent study by the U.S. Government Accountability Office found that women comprised about 16% of the S&P 1500 board seats and that based on current trends it could take ten years for women to comprise 30% of the board. Several studies have found a positive correlation between gender diversity on the board and company performance, and institutional investors and proxy advisory firms are considering diversity, and specifically gender diversity, more so than they have in the past. The SEC has also indicated that it is considering rules aimed at diversity concerns. Currently, ISS will not recommend against a board for lack of gender diversity, however, beginning in 2016, the number of women on the board is one of the weighted factors they consider in evaluating a company's corporate governance risk profile. Certain stockholders have also brought stockholder proposals calling for increased diversity in the boardroom and California has passed a resolution to encourage public companies to have certain minimum numbers of women on the board (depending on board size). We expect to see an increased focus on diversity (and not just limited to gender diversity) in the future.

Sidebar on overboarding:

ISS and other proxy advisory firms will recommend that stockholders vote against the election of a director who they consider to be “overboarded” because they serve on too many outside boards. Under current standards ISS will recommend against a director (who is not a public company CEO) who serves on more than six public company boards and, beginning in 2017, five public company boards. If a director is the CEO of a public company, ISS will recommend against that director's election (other than at the company for which he or she serves as CEO) if the director serves on the boards of more than three public companies. Proxy advisory firms argue that the average time commitment for board service has significantly increased and serving on too many boards reduces a directors' ability to devote appropriate time to board commitments.

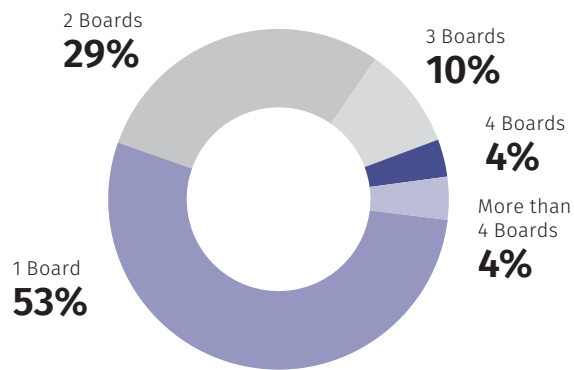
Director Service on Multiple Boards

Given the time and energy required to be an effective director, some companies have policies limiting the number of public company boards on which their directors and their senior executives serve. Likewise, many stockholders will not support the candidacy of directors who they perceive are serving on too many public company boards. Naturally, most corporate governance experts and institutional stockholders believe that a director who is also an active CEO or executive officer of a publicly traded company should have less outside board commitments than a director who does not serve in a management role.

The chart below shows that most (53%) directors serving on the San Diego company boards in 2015 were only serving on one public company board. However, there were 16 directors (4%) serving on more than four public company boards in 2015.

NUMBER OF PUBLIC COMPANY BOARDS ON WHICH SAN DIEGO DIRECTORS SERVE

n = 393



ENDNOTES

- ¹ Global Industry Classification Standard (GICS) was developed by MSCI, Inc. and Standard & Poors to categorize all major public companies and is widely used by the global financial community. The industry groups presented are a combination of GICS Sector and Industry classifications.
- ² For purposes of this analysis, a director who serves on multiple San Diego company boards is counted multiple times (one time for each board on which the director serves). There are 17 directors who serve on the boards of more than one of the San Diego companies, 14 directors who serve on two boards of the San Diego companies, two directors who serve on three boards of the San Diego companies and one director who serves on four boards of the San Diego companies.
- ³ However, it should be noted that two of these companies added women to their boards later in 2015 (after the filing of their 2015 proxy statements).

Appendix A

The companies included in the report, listed below, are the publicly-traded companies headquartered in San Diego, California, in the Russell 3000 Index who filed a definitive proxy statement, annual report or IPO registration statement during 2015. Certain data-points were not available or did not apply to certain of the companies that were not publicly traded for the entire year.

ACADIA PHARMACEUTICALS INC.	MIRATI THERAPEUTICS, INC.
AMERICAN ASSETS TRUST, INC.	NEUROCRINE BIOSCIENCES, INC.
AMN HEALTHCARE SERVICES, INC.	NOVATEL WIRELESS, INC.
ARENA PHARMACEUTICALS, INC.	NUVASIVE, INC.
aTYR PHARMA, INC. ¹	OREXIGEN THERAPEUTICS, INC.
BIOMED REALTY TRUST, INC. ²	ORGANOVO HOLDINGS, INC.
BOFI HOLDING, INC.	PICO HOLDINGS, INC.
BRIDGEPOINT EDUCATION, INC.	PRICESMART, INC.
CALLAWAY GOLF COMPANY	QUALCOMM INCORPORATED
CIDARA THERAPEUTICS, INC. ³	QUIDEL CORPORATION
COHU, INC.	REALTY INCOME CORPORATION
CUBIC CORPORATION	RECEPTOS, INC. ⁶
CYTORI THERAPEUTICS, INC.	REGULUS THERAPEUTICS INC.
DEXCOM, INC.	RESMED INC.
ENCORE CAPITAL GROUP, INC.	RETAIL OPPORTUNITY INVESTMENTS CORP.
EXCEL TRUST, INC. ⁴	SEMPRA ENERGY
GENMARK DIAGNOSTICS, INC.	SENOMYX, INC.
HALOZYME THERAPEUTICS, INC.	SEQUENOM, INC.
IGNYTA, INC.	SORRENTO THERAPEUTICS, INC.
ILLUMINA, INC.	TANDEM DIABETES CARE, INC.
IONIS PHARMACEUTICALS, INC. ⁵	TROVAGENE, INC.
JACK IN THE BOX INC.	VIASAT, INC.
KRATOS DEFENSE & SECURITY SOLUTIONS, INC.	VICAL INCORPORATED
LA JOLLA PHARMACEUTICAL COMPANY	WD-40 COMPANY
LIGAND PHARMACEUTICALS INCORPORATED	ZOGENIX, INC.
MAXLINEAR, INC.	

¹ Initial public offering completed during 2015

² Acquired by BRE Edison Holdings L.P., an affiliate of Blackstone Real Estate Partners VIII L.P., in January 2016

³ Initial public offering completed during 2015

⁴ Acquired by BRE Retail Centers Holdings LP, an affiliate of The Blackstone Group L.P., in July 2015

⁵ Changed name from Isis Pharmaceuticals, Inc. in December 2015

⁶ Acquired by Celgene Corporation in August 2015

ABOUT THE AUTHOR

Annalisa Barrett is the founder and CEO of Board Governance Research LLC, which provides independent research on corporate governance practices, board composition and director demographics. Ms. Barrett is a Clinical Professor of Finance at the University of San Diego's School of Business. She teaches graduate courses in Corporate Governance and undergraduate courses in Financial Statement Analysis and Personal Finance. In addition, she is a Senior Advisor for ValueEdge Advisors, which was founded by corporate governance leaders Richard Bennett, Robert AG Monks and Nell Minow to advise institutional investors regarding effective corporate governance engagement to preserve portfolio value and diminish risk.

Previously, Ms. Barrett was Vice President and Senior Research Associate at The Corporate Library, where she led the firm's research on the effectiveness of the board of directors. Before joining The Corporate Library, Ms. Barrett was a Research Consultant at Towers Perrin (now Willis Towers Watson). Prior to that, she spent several years in the Family Wealth Planning practice of Arthur Andersen.

In 2008, Ms. Barrett was named a Millstein Rising Star in Corporate Governance. She holds an MBA, with distinction, from the Ross School of Business at the University of Michigan. She, her husband, and their two children live in San Diego, California.

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Board Governance Research LLC provides independent research on corporate governance practices, board composition, and director demographics. Board Governance Research specializes in conducting prevalence analyses of specific governance practices in place at company groups of various sizes (e.g., industry, geography) and comprehensive governance analyses of individual companies. Founder and CEO, Annalisa Barrett, has nearly 20 years of experience researching and advising on corporate governance issues from a variety of angles including corporate consulting, institutional investor advising and educating boards of directors. She is the author of numerous reports and articles on corporate governance and her research has been featured on the front page of the Wall Street Journal.