Equilar Peer Submission Process Now Open

November 28, 2017

Glass Lewis uses Equilar Market Peers to analyze companies' executive pay and relative company performance when formulating say-on-pay vote recommendations for its institutional investor clients. When developing Market Peers, Equilar takes into account each company's self-selected and disclosed peer group. Equilar is currently giving companies that plan to file proxy statements between January 15, 2018, and July 14, 2018, the opportunity to report changes to their peer groups. **The deadline to participate is December 31, 2017**.

What are Equilar Market Peers?

Equilar uses analytics and algorithms to generate an interconnected peer group for each subject company consisting of "who you know" and "who knows you." The process starts with looking at each company's most recently disclosed peer group. Equilar then establishes a network consisting of four distinct categories: direct peers ("I list you as my peer"), second degree peers ("I list you as my peer and you list him"), incoming peers ("You list me as your peer") and second degree incoming peers ("He lists you as his peer and you list me"). It defines and quantifies the interrelationships within peer networks, identifying companies with the strongest connection to a specific company. Equilar then evaluates the strength of these relationships and creates a list of the strongest connections.

How does Glass Lewis use the Equilar Market Peers?

Glass Lewis will use the Equilar Market Peers constructed in December 2017 to analyze companies' 2017 executive pay decisions and relative company performance for certain 2018 annual meetings. Although Glass Lewis bases its peer groups on Equilar Market Peers, the actual peer groups used by Glass Lewis could differ based on exclusion of companies as a result of fiscal year end changes or M&A activity, due to the fact that Glass Lewis only includes companies in the Russell 3000 index or the TSX Composite list, and because Glass Lewis limits the peer group size to no more than 15 companies.

What is the Equilar peer submission process?

Equilar Market Peers are calculated two times a year, in January and July. Equilar is currently constructing peer groups for companies that plan to file proxy statements between January 15, 2018 and July 14, 2018.

Enter your peer group information. There is no charge for the peer submission process. After the updated peer group companies are submitted, Equilar will send a confirmation email to the submitter with a copy to the issuer's corporate secretary to verify receipt of the update.

Should we participate in the Equilar peer submission process?

Yes. We generally encourage companies to participate in the Equilar peer submission process because doing so may result in greater overlap between the company's self-selected peer group and the Equilar Market Peers that are used by Glass Lewis. Compensation committees take great care in selecting appropriate peer groups, and we think it is appropriate for Glass Lewis to analyze pay decisions and company performance compared to that carefully-chosen peer group. Participating in the peer submission process increases the likelihood that Glass Lewis will do so.

Companies that have already disclosed the peer groups used for making 2017 executive compensation

decisions or companies that made no changes to their most recent proxy-disclosed peer groups do not need to participate. However, we encourage these companies to participate even if only to make sure that Equilar accurately captures their self-selected peer groups.

Which peer group do we submit?

The relevant peer group is the one used when making executive pay decisions for the most recent fiscal year ending prior to the filing of proxy statements between January 15, 2018 and July 14, 2018.

What about emerging growth companies?

An emerging growth company that is subject to scaled proxy disclosure rules may participate in the peer submission process but should be prepared to voluntarily disclose the same peer group in its next proxy filing.

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