

November 19, 2018

Board of Directors
c/o Corporate Secretary
[Company Name]
[Street Address, Street Address 2]
[City, State, Zip]

Dear Board of Directors:

We are writing to you as investors regarding our interest in your company's pay ratio disclosure. The investor signatories to this letter cumulatively represent \$3.3 trillion in assets under management and advisement. Pay ratio disclosure gives investors material information for evaluating companies' median employee pay as compared to CEO pay levels. The investors signed onto this letter favor ratios that indicate companies are making investments in their employees and that CEO compensation is set within the parameters of the company's overall compensation philosophy.

We believe that a company's workforce is an asset to be invested in, not a cost to be minimized. Investments in employee compensation can motivate employees to be more productive and engaged in their work. Disclosure of the median employee's pay provides a reference point for understanding the company's workforce. We encourage you to help investors put this pay information into context of your company's overall approach to human capital management.

Pay ratio disclosure is also useful for say-on-pay proxy voting decisions regarding the reasonableness of CEO pay levels. A company's pay ratio and how it changes over time indicates the company's approach to internal consistency when setting CEO pay levels. The alignment of CEO pay practices with the company's overall employee compensation philosophy can also bolster employee perceptions of pay equity and fairness.

In our review of this year's pay ratio disclosures, we have identified what we believe to be best practices that we would like to share with you. As permitted by Item 402(u) of Regulation S-K and applicable SEC guidance to the pay ratio disclosure rule, companies may disclose supplemental information about their workforce to provide context and explain their company's pay ratio data. We believe this supplemental disclosure is helpful to investors.

Below are examples of supplemental disclosures we found useful in assessing pay ratios:


- Identification of the median employee's job function
- Breakdown of the workforce by job function and/or business unit
- Geographic location of the median employee
- Country-level breakdown of global employee headcount
- A breakdown of full time vs. part time employment status
- Use of temporary or seasonal employees
- Use (or non-use) of subcontracted workers
- Tenure and experience of the workforce

- Workforce education levels and skillsets
- The company's overall compensation philosophy
- Employee compensation mix (benefits and incentives)
- Alignment of CEO pay practices with pay practices for other employees

Companies have voluntarily disclosed information cited in the above list to varying degrees. We offer the list for your company's consideration ahead of next year's ratio disclosures. We recognize that some of this information may already be provided to investors in companies' Form 10-K annual reports or their sustainability reports. However, providing this information in the proxy statement as a supplement to the required pay ratio disclosure provides useful context.

Thank you for considering our views and we welcome further dialogue on the topic. Please direct your response to Maureen O'Brien, Vice President and Corporate Governance Director, Segal Marco Advisors, 550 W. Washington Blvd., Suite 900, Chicago, IL 60661, who you can contact by telephone at (312) 612-8446 or by e-mail at obrien@segalmarco.com. Ms. O'Brien will share your response with the other signatories of this letter.

Sincerely,



Scott Stringer
Comptroller
Office of New York City



Thomas P. DiNapoli
New York State Comptroller



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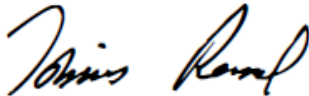
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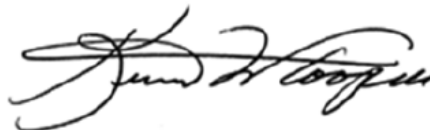
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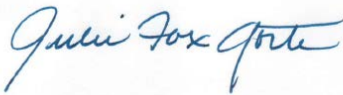
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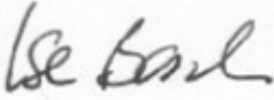
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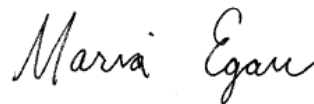
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