

BENCHMARK ELECTRONICS INC
Form DEFA14A
April 14, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under § 240.14a-12

BENCHMARK ELECTRONICS, INC.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
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Benchmark Electronics, Inc. (the “Company”) used the following materials in meetings with investors beginning on April 14, 2016.

Strategy and Leadership Delivering Sustainable Value to All Shareholders April 2016

Forward-Looking StatementsThis document contains forward-looking statements within the scope of the Securities Act of 1933 and the Securities Exchange Act of 1934. The words “expect,” “estimate,” “anticipate,” “predict” and similar expressions, and the negatives thereof, often identify forward-looking statements, which are not limited to historical facts. Our forward-looking statements include, among other things: guidance for 2016, statements, express or implied, concerning future operating results or margins, the ability to generate sales, income or cash flow, the benefits of the Secure acquisition and our ability to continue share repurchases, and Benchmark’s business and growth strategies and expected growth and performance. Although Benchmark believes these statements are based upon reasonable assumptions, they involve risks and uncertainties relating to our operations, markets and business environment generally. If one or more of these risks or uncertainties materialize, or underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All forward-looking statements included in this document are based upon information available to Benchmark as of the date of this document, and the Company assumes no obligation to update them. Readers are advised to consult further disclosures on related subjects, particularly in Item 1A, “Risk Factors” of the Company’s annual report on Form 10-K for the year ended December 31, 2015, in its other filings with the Securities and Exchange Commission and in its press releases.

Non-GAAP Financial InformationThis document includes certain financial measures, such as operating margin, that have been presented to exclude certain items required to be included by generally accepted accounting principles (“GAAP”) and therefore are not in accordance with GAAP (“Non-GAAP”). A detailed reconciliation between GAAP results and Non-GAAP results is included in the Appendix of this document.

Additional Information and Where to Find ItBenchmark filed a definitive proxy statement on March 29, 2016, with the U.S. Securities and Exchange Commission (the “SEC”) with respect to the 2016 Annual Meeting and has mailed the definitive proxy statement and accompanying white proxy card to its shareholders. Benchmark shareholders are strongly encouraged to read the definitive proxy statement, the accompanying white proxy card and other documents filed with the SEC carefully in their entirety when they become available because they contain (or will contain) important information. Benchmark, its directors, executive officers and other employees may be deemed to be participants in the solicitation of proxies from Benchmark shareholders in connection with the matters to be considered at Benchmark’s 2016 Annual Meeting. Information about Benchmark’s directors and executive officers is available in Benchmark’s definitive proxy statement for its 2016 Annual Meeting. Shareholders may obtain a free copy of the definitive proxy statement and any other documents filed by Benchmark with the SEC free of charge at the SEC’s website at www.sec.gov. Copies also are available free of charge at Benchmark’s website at www.bench.com under “Investor Relations – Annual Reports” or by contacting Benchmark Investor Relations at (979) 849-6550. Certain information contained in this document was sourced from third-party publications or other third-party sources. Permission to use such information was not sought or granted in connection with the preparation of this document.

Agenda Engaged Capital's Claims are Without Merit Best-in-Class Corporate Governance The Benchmark
Story Executive Summary

Executive Summary Strategic plan has delivered strong financial performance, premium valuation and positioned company ahead of future trendsSecure adds capabilities to core portfolio, consistent with strategy, and strong positive financial impactBest-in-class corporate governanceDemonstrated commitment to refresh Board of DirectorsEngaged Capital's claims lack merit, and its slate is less qualified

The Benchmark Story

Continuously Evolving Our Platform ahead of Future Trends – Powering the Next Industrial Revolution
Commoditization of legacy markets necessitates continuous evolution in EMSIoE, Cloud, and Analytics
will drive future of industry Significant opportunity for EMS leaders given core expertise Benchmark forward thinking
well ahead of industry evolution Networking /

Computing

mix 2015

markets Higher-value

markets

Traditional

IoE

Portfolio Management >10% Annual Growth in Higher-Value Markets Focus on Expansion in Key End Markets Industrials (including aerospace and defense) Medical Technologies Test & Instrumentation (including semi-capital equipment) Margin Expansion >5% Long-Term Non-GAAP Operating Margin Advancing Engineering-led Solutions Driving LEAN and Operational Excellence Initiatives Optimizing Cost Structure and Working Capital Balanced Capital Deployment ~50% Free Cash Flow Return to Shareholders Targeted Strategic Organic Investments Close-to-Core (Higher-Value) and Highly Adjacent M&A Share Repurchases Advancing Our Long-term Strategy To Drive Shareholder Returns into the Future, Consistent with Industry Evolution

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Shift to Higher-value Mix has Driven Superior Performance Benchmark Peer median Higher-value markets Top 10 customer concentration change¹ TSR² Revenue CAGR %¹ Gross margin change¹ Non-GAAP operating margin change^{1,3} FCF margin change^{1,3} Cash conversion cycle¹ NTM P/E multiple² 2011 – 2015 Focus on higher-value markets = stronger financial performance 64% +5.1% +2.0% +3.1% +2.4% 55% 48% (0.9%) (0.2%) (0.8%) +0.2% (6.0%) 40% (1.6%) -1 day +8 days Source: Company filings, FactSet as of 04/11/16 Note: Peers are Celestica, Flextronics, Jabil, Plexus, and Sanmina¹ From FY11 through FY15, Jabil only reports top 5 customer concentration² As of 04/11/16; TSR since 12/31/11³ Please refer to the appendix for a reconciliation of non-GAAP operating margin and free cash flow margin to their most directly comparable GAAP financial measures 12.0x 9.9x

Balanced Capital Deployment Track Record Cumulative capital allocation FY11– FY15 Disciplined, shareholder-friendly and balanced approach to capital allocation Continue investing to drive growth and extend business model with Voice-of-Customer inputs aligned for organic growth Capex Continue to evaluate and pursue strategic, higher-value, complementary businesses that are accretive to margins and drive growth M&A Consistently returned capital to shareholders through share repurchases for last 34 consecutive quarters Cumulative \$257mm+ (73% of FCF1) spent through 5 years ended Dec 2015 on share repurchases Share repurchases 1 Free cash flow (FCF) defined as net cash provided by operations (GAAP) less capex (see Appendix for reconciliation)

Organic Growth: 2015 New business wins Significant new business wins in higher-value markets Expanding revenue streams towards longer lifecycle products and increasing engineering-led solutions Significant remaining opportunity for existing and new customers M&A Growth: Market and Engineering Focused Operating margin1 (%) Industrial & Defense Markets Manufacturing Solutions West Coast and Mexico locations Industrial & Defense Markets Engineering Solutions Complex and Ruggedized Mfg. Building Our Higher-value Market Platforms Organically and Through M&A 1 Refers to non-GAAP operating margin (see Appendix for reconciliation)

Secure Acquisition = Significant Growth Potential Secure expands our engineering solutions for industrial and defense customers The Markets The Applications The Value The Products Expands Benchmark's Higher-Value Market Leadership Secure Focus: Industrials, including Aerospace and Defense Complements Benchmark's ruggedized manufacturing focus Secure Focus: Complex, rugged encrypted connectivity and surveillance solutions Adds engineering catalog of sub-systems and modules Secure Focus: Proven IP building blocks for reduced time-to-market Increases Operating Margins and Boosts Revenue Secure Focus: Double-digit margins and >10% annual growth

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Strong Track Record and Proven Execution Return on Invested Capital +350 bps Sources: Company filings, FactSet as of 04/11/16
$$\text{ROIC} = \frac{[(\text{Non-GAAP income from operations}_1 \text{ plus stock compensation}) * (1 - \text{Tax Rate})]}{[\text{Average Invested Capital, less Average Cash for last 5 quarters}]}$$

Revenue (\$bn) Non-GAAP Operating Margin₁ +200bps CAGR: 3.1% ¹ Please refer to the appendix for a reconciliation of non-GAAP operating margin and non-GAAP income from operations to their most directly comparable GAAP financial measures² Represents TSR since Gayla Delly became CEO TSR since 01/01/12 Peer median: 48%

Best-in-Class Corporate Governance

Diverse Board with robust independent oversight
Shareholder-friendly corporate governance
Executive compensation aligned with shareholder interests
Culture of transparency and accountability
Continued commitment to governance best practices
Benchmark Has Best-in-Class Corporate Governance

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Company Quickscore Board Structure Score Compensation score Shareholder Rights Score Audit
score 1 2 3 1 2 1 4 1 1 1 4 6 1 7 2 1 3 3 1 2 1 2 1 4 2 4 2 4 6 1 Source:
ISS 10 - Most governance risk 1 - Least governance risk ISS Governance Analysis Indicates Benchmark Has the
Best Governance Profile Among Its Peers With a Quickscore of 1, Benchmark falls within the top decile of
companies covered by ISS

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Name / Title Background David ScheibleChairman of the BoardIndependentAge 59 Former Chairman and CEO of Graphic Packaging (NYSE: GPK), a leading global paper and packaging companyOther Board experience: Graphic Packaging, Flint Group, Cancer Treatment Centers of America Michael DawsonDirectorIndependentAge 62 Extensive executive experience, former CFO of GlobalSantaFe Corporation (NYSE: GSF), a large cap offshore oil and gas drilling contractorOther Board experience: Northern Offshore Gayla DellyPresident and Chief Executive OfficerAge 56 CEO since December 2011, over 15 years of executive experience at Benchmark (NYSE: BHE)Other Board experience: Flowserve (NYSE: FLS), Power-One (NASDAQ: PWER) Douglas DuncanDirectorIndependentAge 65 Former President and CEO of FedEx Freight Corporation, a subsidiary of FedEx (NYSE: FDX), from 2001 to 2010Other Board experience: J.B. Hunt Transport Services (NASDAQ: JBHT), Brambles (ASX: BXB) Kenneth LamneckDirectorIndependentAge 61 President and CEO of Insight Enterprises (NASDAQ: NSIT) since 2010, a leading global provider of information technology solutionsOther Board experience: Insight Enterprises Bernee StromDirectorIndependentAge 68 President and CEO of The Strom Group since 1990, extensive experience as an investor and serial entrepreneur, founder and/or CEO of Gemstar (NASDAQ: GMST) and Priceline (NASDAQ: PCLN)Other Board experience: Hughes Electronics / DirecTV (NASDAQ: DTV), Polaroid (NYSE: PRD), InfoSpace (NASDAQ: INSP), Imagex (NASDAQ: IMGX) Paul TufanoDirectorIndependentAge 62 Former CFO and COO of Alcatel-Lucent (NYSE: ALU), a large cap telecommunications equipment company, has served on multiple public BoardsOther Board experience: EnerSys (NYSE: ENS), Teradyne (NYSE: TER), Maxtor (NYSE: MXO) Clay WilliamsDirectorIndependentAge 53 Chairman, President, and CEO of National Oilwell Varco (NYSE: NOV) since 2014, a global oil and gas equipment and services providerOther Board experience: National Oilwell Varco

Number of Directors with key attributes Benchmark's Current Directors Bring a Strong and Diverse Mix of Skills and Experience to the Board Note: Ticker symbols represent former designations if the company is no longer publicly listed

Base salaries and target short-term incentive award opportunities reviewed and approved annually Robust stock ownership requirements All Directors and executives are in compliance with stock ownership guidelines Practice of making all Board-level compensation decisions on a single day to reinforce performance feedback to executives Executive compensation clawback policy for restatement of earnings due to SEC reporting requirements Over 90% voted FOR say on pay from 2011 – 2015 VAST majority of 2015 named executive officer (NEO) pay "at risk" Selected compensation features Ceo target COMPENSATION Other neo average COMPENSATION Performance-Based Base Salary¹ Executive compensation framework designed to create a "pay for performance" culture that rewards Benchmark's leadership for delivering results and creating sustainable, long-term shareholder value ¹ Base salary includes savings plan contributions, elective matching contributions and term life insurance premium payments made by Benchmark on behalf of its executive officers Performance Focused Compensation Policies Aligned with Shareholder Interests

Engaged Capital's Claims are Without Merit

Reality ROIC can be misleading because several of our peers have significant accumulated deficits, which reduce their Invested Capital and artificially inflate ROIC. Since ROIC is difficult to compare across our peers, it is not used to establish public market valuations — there is poor correlation between ROIC and valuation multiples for EMS peers. Benchmark's valuation multiple is either at a premium or in line with peers on a P/E and a EV/EBITDA basis; P/TB, a book value metric, is similarly thrown off by accumulated deficits. Benchmark uses ROIC to measure long-term performance and to set compensation, but not as a short-term metric. Cash is an important part of shareholders' capital and it is wrong to exclude it for the ROIC calculation. Engaged Capital's Claims are Without Merit. Valuation and ROIC Source: Engaged Capital's definitive proxy filed 03/29/16, FactSet, Wall Street research, company filings. Note: Claims are from Engaged Capital's definitive proxy filed 03/29/16 1 Engaged Capital's Claim Investors are penalizing worst-in-class ROIC with worst-in-class valuation multiples

ROIC is a Challenging Metric to Compare EMS Companies Source: Company filings, FactSet as of 04/11/161 Net operating profit after tax (NOPAT) is calculated as non-GAAP operating income after tax post stock-based compensation and post amortization for comparability purposes among peers² Calculated as NOPAT divided by invested capital (including cash)³ Calculated as NOPAT divided by invested capital (excluding cash)⁴ Calculated as NOPAT divided by Adjusted invested capital 1

Source: Engaged Capital's definitive proxy filed 03/29/16, FactSet, Wall Street research, company filings
Note: Claims are from Engaged Capital's definitive proxy filed 03/29/16 Reality Cash conversion cycle (CCC) and working capital metrics driven by end-market mix Benchmark continuously optimizes working capital Hired external consultant recommended by Engaged Capital – validated existing Benchmark initiatives \$300mm cited by Engaged is a flawed analysis Looking at A/R days is only part of the picture – Benchmark outperforms when inventory days are included Benchmark's current A/P strategy is weighted towards obtaining trade discounts, which drives approximately 107% more value to shareholders, relative to delaying payments and “normalizing” A/P days (per Engaged) Engaged Capital's spreadsheet-level work ignores operational realities – duration of supplier and customer contracts means that working capital improvements are a continual work-in-progress versus a one-time change Benchmark has been effective at optimizing working capital for higher-value customers, which traditionally have longer CCCs Announced working capital improvements for current year largely from moving these customers onto Benchmark's best practices Engaged Capital's Claim Working capital management is woefully inefficient compared to peers Poor receivables and payables management Benchmark can free up \$300mm of cash by achieving Plexus' levels of A/P and A/R efficiency Improving working capital would substantially increase cash position as well as ROIC from 9.8% to 14.2% Given the strong correlation between ROIC and valuation, we would expect the Company's valuation multiples to improve as well Engaged Capital's Claims are Without Merit Working Capital 2

Source: Company filings
Note: Metrics as of Q4'15CY for Benchmark and Q4'15CY for Plexus; A/R days calculated as Q4'15CY accounts receivable divided by Q4'15CY annualized sales times 360 days; Inventory days calculated as Q4'15CY inventory divided by Q4'15CY annualized COGS times 360 days; A/P days calculated as Q4'15CY accounts payable balance divided by Q4'15CY annualized COGS times 360 days
1 Note that Benchmark's Q4'15CY figures are pro forma for the Secure transaction
Engaged Capital's Thesis for Working Capital is Flawed
Engaged's claim 2 1 End-market mix and shipping terms drive discrepancies between Accounts Receivable and Inventory across peers
To exclude Inventory when reviewing Accounts Receivable in the EMS sector means only showing part of the story
Combining Accounts Receivable and Inventory Days is more reflective of an apples-to-apples comparison
Looking at it holistically, it is clear that Benchmark outperforms, and "spreadsheet-level" savings cited by Engaged misses a critical part of the picture
Reality 1 < Savings?

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Source: Benchmark management; Market data as of 04/11/16
Note: BHE PF adjustment of ~7 days from foregoing trade discounts
1 Based on common shares outstanding of 49.8mm as of 02/25/16 per Benchmark's 2015 10-K
2 P/E-base equity value determined by multiplying PF NOPAT impact of forgoing discounts (\$6.7mm) by Benchmark's CY16E multiple (12.4x)
62 Benchmark has historically taken advantage of supplier discounting on its A/P
Makes its A/P days look less efficient than peers
By taking trade discounts, Benchmark drives ~107% more value for its shareholders versus alternative approach of normalizing A/P days
Observations Taking discounts leads to greater shareholder value (\$mm) < \$0.80 per share1 \$1.66 per share1 +107% 2 Benchmark Takes Advantage of Discounts, which Drives Greater Shareholder Value 2

Reality EMS industry must invest continually to strategically position for the futureMarket has rewarded Benchmark with a premium valuation relative to peersSecure acquisition is consistent with Benchmark's strategic objective of targeting higher-value markets to optimize for future trendsSecure provides greater impact to revenue growth, margins, EPS and long-term ROIC than alternate uses of capital considered, including a one-time debt-funded share repurchase that Engaged Capital advocatedBenchmark has prioritized a shareholder-friendly capital allocation strategy while investing for the Industrial Revolution of tomorrowSince 91% of Benchmark's cash is offshore, funding a large one-time share repurchase with cash would be value destructive Source: Engaged Capital's definitive proxy filed 03/29/16, FactSet, Wall Street research, company filingsNote: Claims are from Engaged Capital's definitive proxy filed 03/29/16 Engaged Capital's Claim Undisciplined capital allocationEven if analysts are overstating the multiple paid, we struggle to see how the Secure acquisition can generate returns for shareholders that are greater than repurchasing Benchmark's highly undervalued sharesTo create shareholder value, acquisitions must be: Consummated at a price that allows the company to earn a return well in excess of its cost of capital; and Exceed the risk-adjusted return offered by alternative uses of capital, including dividends and share repurchases Engaged Capital's Claims are Without MeritCapital Allocation 3

Investors reward companies for shifting product mix towards higher-value / low volume end markets EMS companies with more exposure to industrials, medical, automotive, aerospace and defense end markets typically have higher valuations Portfolio repositioning towards diversified business helps companies to hedge against broader industry headwinds Longer program lifecycles help offset volatility in traditional tech-facing end markets 50% higher-value implies P/E of 10.9x CY16E P/E multiple Source: Company filings, Wall Street research; FactSet; Market data as of 04/11/16 Note: Higher-value / low volume end markets primarily represent healthcare, defense, automotive and industrial end markets % higher-value vs. '16E P/E multiple Observations Investors Award Premium Multiples Based on Increasing Exposure to Higher-Value Markets 3 % higher-value

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Share repurchases over time CY 2007 CY 2008 CY 2009 CY 2010 CY 2011 CY 2012 CY
2013 CY 2014 CY 2015 Consecutive
quarters Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1
share
repurchases 34
Company filings Unwavering Track Record of Consistent Share Repurchases 3

Reality From 2011 – 2015, shareholders have consistently demonstrated strong support of Benchmark's executive compensation policy with say-on-pay vote results in excess of 90% ROIC is a poor short-term compensation metric: it risks discouraging smart long-term investments, and it is difficult to meaningfully impact ROIC in the short term Recent enhancements by the Board target working capital specifically: CCC replaced inventory turns in the short-term compensation structure as a more holistic measurement of working capital efficiency CCC targets added to the short-term incentive compensation structure for 2016 Benchmark has been publicly traded and widely owned for over 25 years and Board ownership reflects the maturity of the Company and industry – ownership in line with peers Post-2009 employment contracts, including Gayla Delly's, do not contain the change-in-control or tax gross-ups attacked by Engaged Capital; there are two legacy agreements with these features The Board remains open to shareholder suggestions and guidance from its external consultants on management compensation Incorporated recent investor feedback and instituted executive compensation clawback policy for restatement of earnings Source: Engaged Capital's definitive proxy statement filed 03/29/16, Engaged Capital's letter to shareholders filed 03/30/16, FactSet, Wall Street research, company filings Note: Claims are from Engaged Capital's definitive proxy statement filed 03/29/16 Engaged Capital's Claim Claims about the company's executive compensation practices Absence of ROIC in short-term compensation targets Cash should not be included in the calculation of ROIC Removal of inventory turns from short-term compensation structure Inappropriate change-in-control and tax gross-ups in employment arrangements Board lacks sufficient stock ownership Engaged Capital's Claims Are Without Merit Compensation and Stock Ownership 4

Benchmark Has Sought to Work in Good Faith with Engaged Capital over the Past Year As part of Benchmark's commitment to constructive dialogue with its shareholders, the Company has encouraged open and candid communication with Engaged Capital since its initial outreachBenchmark met with Engaged Capital in June 2015 to discuss its investment thesis, sought to provide management insight, and indicated it welcomed continued input from Engaged CapitalIn the past year, Engaged Capital presented to Benchmark a number of poorly developed theses that were later abandoned by Engaged Capital, including an ill-conceived Dutch auction share repurchase funded by debt and the notion that Benchmark would increase research coverage by raising more debtIn October 2015, when the Secure transaction was announced, Engaged Capital threatened to call a special meeting to replace the entire BoardIn February 2016, the Board's Nominating/Governance Committee informed Engaged Capital it was willing to carefully consider Engaged Capital nominees in identifying candidates for Board serviceMembers of the Benchmark Board, management team and its financial advisors have had at least 9 in-person meetings or phone calls with Engaged Capital over the past year (in addition to numerous written exchanges) Despite the Board's best efforts to work constructively, Engaged Capital has publicly stated that any settlement or other compromise must include the appointment of Brendan Springstubb, an employee of Engaged Capital with no industry expertise or public company board experience

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Engaged Capital's Proposed Board Candidates Do Not Meet Benchmark's Rigorous Criteria Global
 TechnologyManufacturer Global Industrial Manufacturer CFO Outside Board Experience Investor Relations
 M&A Strategy Public Markets Debt Capital Structure C- Score¹ Paul Tufano Former CFO and COO,
 Alcatel-Lucent Yes Michael DawsonFormer CFO, GlobalSantaFe Yes Bernee
 StromPresident & CEO, The Strom Group Yes Clay WilliamsChairman, President, and CEO, National
 Oilwell Varco Yes Robert GiffordFormer President of Supply Cha
 Solutions, Ingram Micro No Jeffrey McCrearyIndependent Management
 Consultant Limited Brendan SpringstubbSenior Analyst, Engaged Capital No Lisa
 Kelley2VP - Finance, Avnet No Benchmark Engaged Capital Candidate comparison to required
 industry, functional responsibility and business experience Source: G. Fleck / Board Services; Information relating to
 Engaged Capital's candidates sourced from its definitive proxy filed 03/29/16 and its other public filings relating to
 these candidatesNote: Benchmark reviewed several other candidates at the direction of the Nominating/Governance
 committee in addition to the ones shown above prior to selecting Paul Tufano¹ C-Score (Yes / No / Maybe) answers
 the question: Is the candidate comparable in experience to the CEO, CFO and or Board Members? ² Has since
 withdrawn as nominee = Non-negotiable according to Engaged Capital CONFLICTED

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Engaged Capital's Record of Creating Shareholder Value is Weak Source: FactSet as of 04/11/16, SEC filings
Includes all campaigns in which Engaged Capital secured the appointment of a dissident member of a slate or mutually agreeable director by way of a settlement agreement to the board as of 04/11/16 Share price performance since Engaged Capital secured board change In 5 of 6 instances, after Engaged Capital secured a change in public board composition, the companies suffered sharp declines in share priceAverage (15%) share price decline from time of director appointment Target company New director appointment date1 Share price at appointment1 Closing priceas of 04/11/16 Returns Returns against S&P 500 Abercrombie & Fitch & Co 19-Jun-14 \$42.60 \$28.10 (34.0%) (38.2%) HeartWare International 14-Mar-16 31.06 30.92 (0.5%) (1.6%) Jamba Inc 13-Jan-15 16.12 12.43 (22.9%) (23.8%) Medifast Inc 22-Jun-15 32.69 29.81 (8.8%) (5.0%) Rovi Corp 19-May-15 16.49 17.48 6.0% 10.0% TriMas Corp 25-Feb-15 24.51 17.21 (29.8%) (26.4%) Average (15.0%) (14.2%)

In Closing Vote the White Proxy Card to support the Benchmark leadership team's continued strategy to deliver shareholder value Strategic plan has delivered strong financial performance, premium valuation and positioned company ahead of future trendsSecure adds capabilities to core portfolio, consistent with strategy, and strong positive financial impactBest-in-class corporate governanceOngoing commitment to refresh Board of DirectorsEngaged Capital's claims lack merit, and its slate is less qualified

Appendix
