


MEETING DATE	Thu, 25 May 2017 14:00 pm	TYPE	AGM	ISSUE DATE	Fri, 12 May 2017
MEETING LOCATION	www.virtualshareholdermeeting.com/TDOC2017				
CURRENT INDICES	PIRC Global				
SECTOR	Offices and clinics of doctors of medicine				

PROPOSALS		ADVICE
1a	<p>Approve Authority to Increase Authorised Share Capital</p> <p>The Company is seeking shareholder approval to increase the number of authorised shares of the Company's common stock from 75.0m to 100.0m. On March 31, 2017, there were 54.4m shares of the Company's common stock outstanding. In addition, 9.3m shares of common stock were reserved for issuance in connection with the Company's various employee benefit and compensation plans. If the proposed amendment is approved, 25.0m additional shares of common stock would be authorized but unissued and unreserved, resulting in a total of 35.0m shares of common stock available for future issuance.</p> <p>The proposed increase of 33.3% of the common stock is considered acceptable, and will give the Board the additional flexibility to issue shares for future corporate needs. However, it is noted that even though increasing the number of authorised shares does have an immediate effect on shareholder rights. The US market does not have pre-emption rights for share issuance, and thus the increase allows the Board more opportunity in the future to issue more shares, which will have a dilutive effect on voting power for existing shareholders.</p> <p>Triodos supports this resolution.</p>	For
1b	<p>Board Proposal to Declassify the Board</p> <p>The Board is seeking shareholder approval to eliminate the classified structure of the Board. If approved, all directors elected at and after the annual meeting will be elected for one-year terms. It is considered best practice to declassify the Board as a classified board can be used as an anti-takeover device and could serve to entrench underperforming management. Shareholder concerns in relation to specific issues can more appropriately be raised in the context of individual directors' responsibilities if all directors face election each year.</p> <p>Triodos supports this resolution.</p>	For
1c	<p>Board Proposal to Eliminate Supermajority Voting - Removal of Directors</p> <p>The Board is seeking shareholder approval to replace the supermajority voting requirement for the removal of directors from office with a majority vote standard.</p> <p>The amendment is welcomed and will strengthen shareholder democracy.</p> <p>Triodos supports this resolution.</p>	For
1d	<p>Board Proposal to Eliminate Supermajority Voting - Amend Certificate of Incorporation</p> <p>The Board is seeking shareholder approval to amend the Company's Certificate of Incorporation to remove the supermajority voting requirements under the following provisions: governing amendments to the Bylaws; provisions related to the size of the Board and the nomination, election, appointment and removal of directors from the Board; provisions which prohibit stockholder action by written consent; provisions related to the ability to call special meetings of the stockholders; and provisions related to forum selection.</p> <p>The amendments are welcomed and will strengthen shareholder democracy.</p> <p>Triodos supports this resolution.</p>	For
1e	<p>Board Proposal to Eliminate Supermajority Voting - Amend Bylaws</p> <p>The Board is seeking shareholder approval to eliminate the supermajority voting requirement to amend, alter or repeal the Company's Bylaws.</p> <p>The amendment is welcomed and will strengthen shareholder democracy.</p> <p>Triodos supports this resolution.</p>	For

2.01	Elect Helen Darling Independent Non-Executive Director.	For
2.02	Elect William H. Frist Independent Non-Executive Director.	For
2.03	Elect Michael Goldstein Independent Non-Executive Director.	For
2.04	Elect Jason Gorevic Chief Executive Officer.	For
2.05	Elect Thomas Mawhinney Independent Non-Executive Director.	For
2.06	Elect Thomas G. McKinley Independent Non-Executive Director. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	Oppose
2.07	Elect Arneek Multani Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	For
2.08	Elect Kenneth H. Paulus Independent Non-Executive Director. He is newly appointed and his appointment did not improve the gender balance on the Board. Triodos opposes this resolution.	Oppose
2.09	Elect David Shedlarz Independent Non-Executive Director. He is newly appointed and his appointment did not improve the gender balance on the Board. Triodos opposes this resolution.	Oppose
2.10	Elect David B. Snow, Jr. Independent Non-Executive Chairman. He is chair of the Nomination Committee and less than 20% of the Board are women which Triodos does not support	Oppose

3 Amend the Incentive Award Plan

Oppose

The Board is seeking shareholder approval of the amended Incentive Award Plan. There are two main changes, the first related to increasing the number of shares available under the plan and changes to the automatic refresh rate. Currently, the Plan allows for an annual increase in the number of shares available for issuance under the Incentive Award Plan on January 1 of each year during the ten-year term of the Incentive Award Plan, with the first increase occurring on January 1, 2016 and the final increase occurring on January 1, 2025. The annual increase in the number of shares is currently equal to the least of: 1,876,722 shares; 5% of the Company's shares of common stock outstanding on the final day of the immediately preceding calendar year; and such smaller number of shares of common stock as is determined by the Board. The Restated Plan will increase the number of shares available for issuance under the Incentive Award Plan by 800,000, such that a total of 7,234,126 shares will be reserved for issuance under the Restated Plan, with 958,112 shares initially available for future awards. The Restated Plan will also amend the automatic refresh provision of the Incentive Award Plan such that, commencing on January 1, 2018, and on each January 1 thereafter ending on and including January 1, 2021, the aggregate number of shares available for issuance under the Restated Plan will be increased by a number of shares equal to the lesser of: 5% of the Company's shares of common stock outstanding on the final day of the immediately preceding calendar year; and such smaller number of shares of common stock as is determined by the Board. The second change relates to the repricing of option awards, which will be prohibited under the amended Plan.

There are concerns with the Plan as the it has various elements bundled together, and although parts of it can benefit the majority of employees, it can still be used as a vehicle for potentially excessive executive payments. As performance conditions may be attached to awards at the Compensation Committee's discretion, there are concerns that the Committee will have considerable flexibility in the payout of discretionary awards and as a result awards may not be subject to robust enough performance targets, and be insufficiently challenging. In addition, the automatic share refresh feature is not acceptable, and any increase in the number of shares under the Plan should be brought forward for shareholder approval. As a result, Triodos opposes this resolution.

4 Appoint the Auditors

For

E&Y proposed. Non-audit fees represented 0.29% of audit fees during the year under review. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.

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