SIDLEY

SIDLEY UPDATE

ISS Significantly Expands Governance QualityScore; ISS and Glass Lewis 2021 Policy Updates Now in Effect

February 16, 2021

On February 8, Institutional Shareholder Services (ISS) announced several new factors and other methodology updates to its ISS ESG Governance QualityScore corporate governance scoring tool. Most of the new questions relate to a company's oversight and management of information security risk. This Sidley Update summarizes the Governance QualityScore updates applicable to U.S. companies. It also covers the updated proxy voting policies of ISS and Glass Lewis & Co. that recently took effect and provides guidance about preparing for the 2021 proxy season in light of these developments.[1]

Appendix A provides a detailed summary of the ISS and Glass Lewis proxy voting policy updates that apply to U.S. companies and discusses their practical implications. **Appendix B** includes a comprehensive list of the various circumstances in which ISS and Glass Lewis may recommend voting against one or more directors in an uncontested election.

Highlights

- ISS added 17 new Governance QualityScore factors relating to information security risk, board diversity, independence of the sustainability committee, familial relationships between directors, disclosure about diversity and inclusion performance metrics and special grants awarded to executives. ISS also made four existing factors relating to director overboarding and shareholder voting rights newly applicable to U.S. companies.
- ISS and Glass Lewis proxy voting policy updates are now in effect for the 2021 proxy season. The most significant policy updates relate to board diversity and related disclosures, director tenure, board oversight of environmental and social risk, virtual shareholder meetings, ESG-related shareholder proposals and compensation-related matters.

ISS Adds Several New Governance QualityScore Factors Applicable to U.S. Companies

ISS ESG Governance QualityScore assigns each company in the S&P 500 and Russell 3000 (as well as companies in several foreign indices) a numeric, decile-based score indicating its corporate governance risk relative to other companies in the applicable index or region. Scores range from 1 to 10, with a score of 1 indicating the lowest level of governance risk (and best governance quality). ISS analyzes a company's corporate governance risk based on specified factors across four topical categories: *Board Structure*, *Compensation*, *Shareholder Rights & Takeover Defenses* and *Audit & Risk Oversight*.

ISS published a Governance QualityScore methodology guide on January 29, available here, that reflects the new factors and other methodology updates ISS made for 2021. ISS will now evaluate U.S. companies based on 148 factors total, including 17 new questions relating to information security risk, board diversity, independence of the sustainability committee, familial relationships between directors, disclosure about diversity and inclusion performance metrics and special grants awarded to executives. There are also four existing factors that will be newly applicable to U.S. companies in 2021 that relate to director overboarding and shareholder voting rights.

Given the heightened focus on cybersecurity events in the media and among investors, ISS added 11 new questions to the *Audit & Risk Oversight* category relating to information security risk oversight and management:

Information Security Risk Oversight

- **What percentage of the committee responsible for information security risk is independent?** (New Q403)

  ISS believes oversight of a company's information security risk management should be assigned to a board committee. ISS will evaluate the independence (according to its policy guidelines) of the standalone information security committee or, if one does not exist, the committee tasked with information security risk oversight (if any).

- **How often does senior leadership brief the board on information security matters?** (New Q404)

  ISS will evaluate whether the board is briefed on information security matters explicitly from company executives and, if so, will consider the frequency of the briefings. ISS will award maximum credit when company executives brief the board multiple times a year.

- **How many directors with information security experience are on the board?** (New Q405)

  ISS will classify directors as having information security expertise if the company has explicitly disclosed directors have these skills or experience or if a director's current or past employment suggests skills in this area.

Information Security Risk Management

- **Does the company disclose an approach on identifying and mitigating information security risks?** (New Q402)

  ISS will evaluate the standard or method by which companies identify and mitigate information security risks, with adoption or certification of the ISO 27005 standard being preferred but not required. ISS will also consider the level of detail provided on information security risk identification and mitigation and award only partial credit for boilerplate or non-company-specific disclosures.

- **What are the net expenses incurred from information security breaches over the last three years relative to total revenue?** (New Q406)

  ISS believes companies should disclose all costs associated with information security breaches they face. ISS will evaluate the magnitude of breaches by calculating total costs as a percentage of total revenue.

- **Has the company experienced an information security breach in the last three years?** (New Q407)

  ISS will assess the level of disclosure a company provides about any information security breaches, which should include details about related costs. It will not penalize a company for not having experienced a breach.

- **What are the net expenses incurred from information security breach penalties and settlements over the last three years relative to total revenue?** (New Q408)

  ISS will evaluate the magnitude of penalties and settlements of information security breaches as a percentage of total revenue.

- **Has the company entered into an information security risk insurance policy?** (New Q409)

  ISS will evaluate whether the company has disclosed (directly or indirectly) that it has information security risk insurance coverage that would defray the costs of a breach.

- **Is the company externally audited or certified by top information security standards?** (New Q410)

  ISS believes that a company's enterprise risk management program should include independent, third-party attestation or certification of its information security strategy. Specifically, ISS will evaluate whether companies have been audited to FedRamp or SOC 2 or whether companies have ISO 27001 certification. ISS will award maximum credit if the audits or certifications explicitly cover the entire company rather than particular business segments or regions.

- **Does the company have an information security training program?** (New Q411)

  ISS believes companies should have an information security training program under which employees receive information security awareness training at least annually. ISS will evaluate whether a company discloses that it has an information security training program for its employees and if so, how frequently employees receive training each year. ISS will award maximum credit if the training program includes additional measures (e.g., enhanced training for specialized personnel, the board or executives).

- **How long ago did the most recent information security breach occur (in months)?** (New Q412)

  ISS will evaluate the length of time since a company's most recent information security breach.

ISS added to the *Board Structure* category three new questions and two questions newly applicable to U.S. companies:

Diversity and Inclusion

- **Does the board exhibit ethnic or racial diversity?** (New Q390)

  According to ISS, a board will exhibit diversity if it includes one or more of the following ethnicities and races: Black/African American, Hispanic/Latin American, Asian, Indian/South Asian, Middle Eastern/North African, Native American/Alaskan Native, or Native Hawaiian/Other Pacific Islander.

Board Practices

- **What percentage of the sustainability committee is independent?** (New Q396)

  ISS believes oversight of a company's environmental, social and sustainability strategies should be assigned to a board committee. ISS will evaluate the independence (according to its policy guidelines) of the standalone sustainability committee or, if one does not exist, the committee tasked with sustainability oversight (if any).

Board Composition

- **What percentage of the board has familial relationships with other directors?** (New Q401)

  ISS will consider any type of family relationship including and beyond its definition of immediate family. ISS added this factor for informational purposes only and, for now, it will not impact a company's Governance QualityScore.

Board Commitments

- **How many executive directors serve on an excessive number of outside boards?** (Q36)

  ISS will consider directors who are also named executive officers whose compensation is disclosed in the company's proxy statement. ISS will gauge excessiveness based on its existing director overboarding policy (e.g., more than three total public company board seats for CEOs and more than five public company board seats for other directors).

- **Does the Board Chair serve on a significant number of outside boards?** (Q39)

ISS will evaluate this factor based on its existing director overboarding policy.

ISS added three new questions to the *Compensation* category:

Communications and Disclosure

- **What is the level of disclosure on diversity and inclusion performance measures for the short-term and long-term incentive plan for executives?** (New Q398)

  ISS will consider the extent of disclosure of pre-determined diversity and inclusion-related performance metrics for short-term, typically annual, cash incentives and long-term incentive plans granted in the most recent fiscal year.

Compensation Controversies

- **Has the company made special grants to executives excluding the CEO in the most recent fiscal year?** (New Q399)

- **What percentage of the CEO's total compensation was due to special grants in the most recent fiscal year?** (New Q400)

  For these two new factors, ISS will consider special grants that are awarded outside the scope of the company's compensation plan, which may not necessarily be tied to performance, such as new-hire grants, new employment agreements (or retention grants) and all other one-time grants.

Finally, two existing questions will be newly applicable to U.S. companies under the *Shareholder Rights & Takeover Defenses* category:

One Share, One Vote

- **What is the percentage of multiple voting rights or voting certificates relative to total voting rights?** (Q57)

  Higher values mean that more voting power is concentrated in stock classes with multiple voting rights. For this factor, ISS will also consider time-phased or loyalty voting rights that assign additional voting power to shareholders who hold a company's stock for a definitive length of time**.**

- **What percentage of issued share capital is composed of non-voting shares?** (Q63)

  Although ISS deems the use of preferential non-voting shares (where a higher or guaranteed dividend makes up for the lack of voting rights) as acceptable up to a point, ISS believes that "when non-voting shares are used in excess, the influence of shareholders on company decisions can be hampered, especially if the free float percentage of the voting rights is limited."

Key ISS and Glass Lewis Proxy Voting Policy Updates for 2021

The following summarizes the most noteworthy updates ISS and Glass Lewis made to their proxy voting policies applicable to U.S. company shareholder meetings in 2021. ISS' policy updates took effect for meetings on or after February 1, 2021 and Glass Lewis' policy updates took effect for meetings on or after January 1, 2021. See **Appendix A** for a more comprehensive discussion of the policy updates.

The key changes to ISS' proxy voting policies for 2021 relate to the following topics.

- **Racial/Ethnic Board Diversity:** Under a new policy, in 2021, companies with no apparent racially or ethnically diverse directors will receive a notation in their proxy research reports to foster engagement on the topic. Beginning in 2022, ISS will generally recommend voting against nominating committee chairs (and potentially other directors on a case-by-case basis) at Russell 3000 or S&P 1500 companies where the board has no apparent racially or ethnically diverse members, with certain exceptions.

- **Shareholder Litigation Rights:**
  - **Federal Forum Selection Provisions** – Under a new policy, ISS will generally recommend voting for federal forum selection provisions in the charter or bylaws that specify "the district courts of the United States" as the exclusive forum for federal securities law matters in the absence of serious concerns about corporate governance or board responsiveness to shareholders. ISS will recommend voting against directors for one year if a board unilaterally adopts a federal forum selection provision that restricts the forum to a particular federal district court.
  - **Exclusive Forum Provisions for State Law Matters** – Under the revised policy, ISS will generally recommend voting for management proposals at Delaware corporations to adopt charter or bylaw provisions that designate the Delaware Court of Chancery or other courts located in Delaware as the exclusive forum for corporate law matters in the absence of serious concerns about corporate governance or board responsiveness to shareholders. For companies incorporated outside of Delaware, ISS will evaluate on a case-by-case basis exclusive forum provisions that limit state law claims to the state of incorporation. ISS will recommend voting against directors for one year if a board unilaterally adopts an exclusive forum provision that limits state law claims to courts in a state other than the state of incorporation or to a particular local court within the state of incorporation.
  - **Fee-Shifting Provisions** – Under the policy update, ISS will recommend voting against directors on an ongoing (rather than one-time) basis if the board unilaterally adopts a fee-shifting bylaw.

- **Material Environmental & Social Risk Oversight Failures:** ISS added an explicit reference to demonstrably poor risk oversight of environmental and social (E&S) issues as an example of a risk oversight failure that may result in vote recommendations against directors under its board accountability policy.

- **Limits on Director Tenure:** To promote efforts to increase board diversity, ISS updated its policy to take a case-by-case approach when evaluating management and shareholder proposals seeking to impose director term limits (rather than generally recommending against them). Under a new policy, ISS will vote case-by-case on shareholder proposals asking for the company to adopt director term/tenure limits, taking into account (1) the scope of the shareholder proposal and (2) evidence of problematic issues at the company combined with, or exacerbated by, a lack of board refreshment. ISS also clarified that it will recommend voting for proposals to remove mandatory age limits for directors.

- **ISS' Classification of Directors:** ISS updated its Classification of Directors used to evaluate director independence to codify its current practice of classifying a director as non-independent if the director's compensation is comparable to that of named executive officers. ISS also limited the "Executive Director" classification to only officers – not other employees, such as employee representatives serving on the board.

- **Board Gender Diversity:** Beginning in 2021, only one exception will apply to ISS' board gender diversity policy. ISS will generally recommend voting against nominating committee chairs (and potentially other directors on a case-by-case basis) at Russell 3000 or S&P 1500 companies with no women on the board unless there was a woman on the board at the preceding annual meeting and the board commits to restore gender diversity by the next annual meeting.

- **Virtual Shareholder Meetings:** Under a new policy, ISS will generally support management proposals allowing for the convening of virtual shareholder meetings as long as the intention – in the absence of health or safety concerns – is not to hold virtual-only meetings to the preclusion of in-person meetings. In addition, ISS will take a case-by-case approach when evaluating shareholder proposals relating to virtual-only meetings, taking into account (1) the scope and rationale of the proposal and (2) concerns identified with the company's prior meeting practices.

- **Advance Notice Requirements for Shareholder Proposals/Nominations:** To align with current market practice, ISS revised its policy to recommend voting for advance notice provisions that provide for a 90-to-120 day window in advance of the meeting for submitting proposals/nominations as opposed to the deadline of not earlier than 60 days prior to the meeting set forth in the current policy.

- **"Deadhand" Poison Pill Provisions:** ISS revised its policy to clarify that it will generally recommend voting against all nominees if the board adopts a poison pill, whether short-term or long-term, that includes a deadhand or slowhand feature that restricts the board's ability to redeem or terminate the pill.

- **Gender Pay Gap Shareholder Proposals:** ISS added to the list of factors it considers when evaluating gender and race/ethnicity pay gap shareholder proposals on a case-by-case basis local laws regarding the categorization of employees by race and/or ethnicity and definitions of racial and ethnic minorities.

- **Mandatory Arbitration Shareholder Proposals:** Under a new policy, ISS will evaluate on a case-by-case basis shareholder proposals requesting a report on a company's use of mandatory arbitration on employment-related claims.

- **Sexual Harassment Shareholder Proposals:** Under a new policy, ISS will evaluate on a case-by-case basis shareholder proposals requesting a report on (1) company actions taken to strengthen policies and oversight to prevent workplace sexual harassment or (2) risks posed by a company's failure to prevent sexual harassment.

- **Compensation-Related Matters** addressed in an FAQ document issued by ISS in October 2020 and discussed in detail in Appendix A.

ISS Guidance on Proxy Voting Policies Implicated by the COVID-19 Pandemic

In April 2020, ISS issued guidance explaining how it planned to apply certain voting policies during the 2020 proxy season in light of the challenges and uncertainty caused by the COVID-19 pandemic. In general, ISS agreed to take a more flexible approach when applying its policies on annual shareholder meetings, poison pills, director attendance and leadership changes, executive compensation and capital structure. For a summary of the guidance, see our Sidley Update available here. **In its executive summary of the 2021 policy updates, ISS noted that it plans to carry its COVID-related policy guidance into 2021 and update or supplement it as needed.**

The key updates to Glass Lewis' proxy voting policies for 2021 relate to the following topics.

- **Board Diversity:**

  - **Board Gender Diversity and Related State Laws** – Under a new policy, in 2021, Glass Lewis will note as a concern in its proxy research reports when a company's board includes fewer than two female directors. Beginning in 2022, Glass Lewis will generally recommend voting against nominating committee chairs (and potentially other nominating committee members) at companies where a board with more than six members has fewer than two female directors. Glass Lewis revised its policy to indicate that when evaluating board diversity it will make recommendations in accordance with board composition requirements set forth in any applicable state laws on diversity that take effect. Specifically, under a new policy, for meetings held after December 31, 2021, Glass Lewis will base its vote recommendations at California-headquartered companies on compliance with the applicable board gender diversity thresholds then in effect.

  - **Racial/Ethnic Board Diversity and Related State Laws** – When evaluating board diversity, Glass Lewis will make recommendations in accordance with board composition requirements set forth in any applicable state laws on diversity that take effect. Accordingly, under a new policy, based on a California law enacted in 2020, beginning in 2022, Glass Lewis will generally recommend voting against the nominating committee chair at a California-headquartered company that does not have at least one director from an underrepresented community (as defined in the law).

  - **Disclosure of Director Diversity and Skills** – Beginning in 2021, Glass Lewis' proxy research reports for companies in the S&P 500 index will include an assessment of the company's proxy statement disclosure regarding board diversity, skills and the director nomination process.

- **E&S Risk Oversight:** Beginning in 2022, Glass Lewis will generally recommend voting against governance committee chairs at S&P 500 companies that fail to provide explicit disclosure concerning the board's role in overseeing E&S issues.

- **Limits on Director Tenure:** Beginning in 2021, Glass Lewis will note as a potential concern in its proxy research reports instances where the average tenure of non-executive directors is 10 years or more and no independent directors have joined the board in the past five years. While Glass Lewis will not recommend voting against the nominating committee chair *solely* on this basis in 2021, insufficient board refreshment may be a contributing factor in Glass Lewis' recommendations at companies where it has identified other governance or board performance concerns.

- **Virtual Shareholder Meetings:** In January 2021, Glass Lewis announced its expectations that companies holding virtual-only shareholder meetings provide clear disclosure in the proxy statement and/or on the company's website about (1) when, where and how shareholders can ask questions at the meeting, (2) how the board will address appropriate questions received before or during the meeting, (3) the procedure and requirements to participate in the meeting and/or access the meeting platform and (4) technical support available to shareholders before and during the meeting. In egregious cases where disclosure on these points is inadequate, Glass Lewis will generally recommend voting against (x) governance committee members, (y) the board chair and/or (z) other agenda items concerning board composition and performance. Glass Lewis also expects companies that hold hybrid shareholder meetings to address the disclosure items listed above in their proxy statements or corporate websites.

- **Disclosure of Annual Meeting Voting Results:** Beginning in 2021, Glass Lewis will generally recommend voting against governance committee chairs at companies that fail to disclose a detailed record of proxy voting results from the last annual meeting.

- **Governance Following an IPO or Spin-off:** Glass Lewis clarified its approach to (1) director recommendations on the basis of post-IPO corporate governance concerns and (2) companies that adopt a multi-class share structure with disproportionate voting rights, or other anti-takeover mechanisms, preceding an IPO.

- **E&S Management Proposals:** Glass Lewis codified its approach to management proposals that address E&S issues and will evaluate them on a case-by-case basis taking into account specified factors.

- **Diversity Reporting Shareholder Proposals:** Glass Lewis updated its guidelines to provide that it will generally support shareholder proposals asking companies to provide EEO-1 reporting and removed its consideration of a company's industry or the nature of its operations when evaluating diversity reporting shareholder proposals.

- **Climate Reporting Shareholder Proposals:** Under a revised policy, Glass Lewis will generally recommend in favor of shareholder proposals asking companies to provide enhanced disclosure on climate-related issues, taking into account the company's unique circumstances and other specified factors. Glass Lewis has also codified its approach to shareholder proposals on climate-related lobbying. Although generally supportive of these types of proposals, Glass Lewis will generally recommend against proposals that would require the company to suspend or limit its participation in the trade associations of which it is a member.

- **Board Responsiveness to Shareholder Proposals Receiving Significant Support:** Glass Lewis clarified that it generally believes clear board action is warranted if a shareholder proposal receives the support of a majority of votes cast (excluding abstentions and broker non-votes).

- **Special Purpose Acquisition Companies (SPACs):** In a new policy, Glass Lewis outlines its approach to common issues associated with SPACs, including that it (1) generally supports proposals seeking to extend business combination deadlines and (2) generally considers as independent directors at a post-combination entity who previously served as executives of the SPAC absent any evidence of an employment relationship or ongoing material financial interest in the combined entity.

- **Short-Term Incentive Plans:** Glass Lewis added to the list of factors it considers when evaluating a company's short-term incentive plan (1) explanations for any significant changes to the plan structure and (2) instances in which performance goals have been decreased from the prior year. Glass Lewis also expanded its description of the application of upward discretion to include instances of retroactively prorated performance periods.

- **Long-Term Incentive Plans:** Glass Lewis added to the list of factors it considers when evaluating a company's long-term incentive plan structure. Specifically, Glass Lewis will consider inappropriate performance-based award allocation as a factor that, in the presence of other significant issues with the program's design or operation, may contribute to a vote recommendation against the proposal. In addition, Glass Lewis will view any decision to significantly roll back or eliminate performance-based award allocation as a regression of best practices that, outside of exceptional circumstances, may lead to a vote recommendation against the proposal.

- **Excise Tax Gross-Ups and Votes on Golden Parachute Payments:** Glass Lewis clarified that when evaluating the addition of new excise tax gross-ups to specific change-in-control transactions, it may not only recommend voting against the golden parachute proposal in which the gross-up entitlements first appear, but may also recommend voting against compensation committee members and the say-on-pay proposals of all involved corporate parties.

- **Options Exchange and Repricing Program Proposals:** Glass Lewis clarified its approach to evaluating option exchanges and repricing proposals and emphasized that when deciding whether an exception to its general opposition to such proposals is warranted, it will consider the importance of (1) the exclusion of officers and directors from the program and (2) the program being value-neutral or value-creative.

Potential Action Items for Companies in Advance of the 2021 Proxy Season

Companies may wish to supplement their proxy statement disclosures in light of the new Governance QualityScore factors and methodology changes and the ISS and Glass Lewis policy updates for 2021 as described in more detail in **Appendix A**. Companies may also wish to familiarize themselves with the various circumstances in which ISS and Glass Lewis may recommend a negative vote in uncontested director elections as set forth in **Appendix B**.

In addition to the steps discussed above, we recommend that companies do the following:

- Review ISS' FAQs regarding ISS Proxy Research and Glass Lewis' Engagement Policy for the latest details on each proxy advisory firm's approach to engagement with companies and the related timing and logistical considerations.

- Verify data used by the proxy advisory firms in developing their reports.

  - Glass Lewis allows companies to review an Issuer Data Report (IDR) comprising the key data points it uses in developing its report on the company's annual meeting. IDRs do not contain Glass Lewis' analysis or vote recommendations. IDRs are distributed by email to participating companies approximately three to four weeks prior to the annual meeting, and companies generally have 48 hours to review the IDR and suggest corrections, with supporting public documentation; the review time may be over a weekend. Glass Lewis will issue IDRs only for companies that have registered to participate in the program and released all proxy materials no less than 30 days before the annual meeting date. If a company was a participant in the 2020 IDR program, the registration will automatically renew for 2021. For more information, see the Glass Lewis Issuer Data Report website.

ISS No Longer Provides S&P 500 Companies With Draft Proxy Research Reports in 2021

In November 2020, ISS notified companies that effective January 2, 2021 it would no longer give S&P 500 companies the opportunity to review a draft version of their proxy research reports before they are published. Historically S&P 500 companies that had registered with ISS to receive draft reports had a limited right to review the factual accuracy of data included in their proxy research reports. ISS discontinued the draft review process, in part, because of SEC rules adopted in July 2020 that will require ISS and Glass Lewis to make proxy research reports available to companies at or before the time they are disseminated to their clients, among other requirements. For a summary of those new rules, which will not take effect until the 2022 proxy season, see our Sidley Update available here.

- Carefully review proxy research reports relating to the company – with input from outside counsel and compensation consultants, as appropriate – and notify the relevant proxy advisory firm of any errors as soon as possible.
  - Companies may report a data discrepancy in a Glass Lewis report through the Report an Error or Omission page on Glass Lewis' website. Because Glass Lewis bases its analysis entirely on publicly available information, a company must precisely identify where within the company's public disclosure Glass Lewis can find and verify the correct information with which to revise its report.
  - Companies may now utilize Glass Lewis' Report Feedback Statement (RFS) service to submit statements noting their differences of opinion with Glass Lewis' analysis of their proposals (as opposed to factual errors). Companies will have up to 7 days after the Glass Lewis research report has been published (and no later than 14 days before the annual meeting) to submit their feedback to Glass Lewis. Glass Lewis will include the unedited company feedback (without any competing statement) in the research reports it redistributes to clients through its research and voting platforms.

- Review the voting policies of key institutional investors and the extent to which they rely on ISS and Glass Lewis when making voting decisions. Develop outreach tactics to engage with key institutional investors on governance-related matters, especially if the company had a majority-supported shareholder proposal at its last annual meeting that has not been implemented, and/or relatively low support for say-on-pay (less than 70% of votes cast for ISS and below 80% for Glass Lewis).

- Review the composition of the board and the company's corporate governance and compensation practices for potential vulnerabilities under the ISS and Glass Lewis policy updates (e.g., in relation to board gender and racial/ethnic diversity or director tenure) and decide what action, if any, to take in light of this assessment.

- Review corporate governance and compensation disclosure included in last year's proxy statement, and make improvements where appropriate in light of the ISS ESG Governance QualityScore updates (e.g., relating to oversight of information security risk) and the ISS and Glass Lewis policy updates (e.g., relating to virtual-only meetings and board diversity and skills).

- Consider signing up for Glass Lewis' newly launched Governance Hub for Public Companies where companies can access Glass Lewis research reports, policy guidelines and other resources (including Issuer Data Reports and Report Feedback Statements discussed above) and schedule engagement meetings with Glass Lewis representatives.

---

[1] ISS, *2021 U.S. Proxy Voting Guidelines* (published Nov. 19, 2020), available here; ISS, *Americas Proxy Voting Guidelines Updates for 2021* (Nov. 12, 2020), available here; ISS; *Executive Summary of 2021 Global Proxy Voting Guidelines Updates and Process for ISS Benchmark Policy Development* (Nov. 12, 2020), available here; Glass Lewis, *2021 Proxy Paper Guidelines: United States* (Nov. 24, 2020), available here; and Glass Lewis, *2021 Proxy Paper Guidelines: Environmental, Social & Governance ("ESG") Initiatives* (Nov. 24, 2020), available here.

[2] ISS, *2020 Global Benchmark Policy Survey – Summary of Results* (Sep. 25, 2020), available here.

CONTACTS

Holly J. Gregory, Partner +1 212 839 5853, holly.gregory@sidley.com

John P. Kelsh, Partner +1 312 853 7097, jkelsh@sidley.com

Kai H.E. Liekefett, Partner +1 212 839 8744, kliekefett@sidley.com

Corey Perry, Partner +1 312 853 7797, cperry@sidley.com

Rebecca Grapsas, Counsel +1 212 839 8541, rebecca.grapsas@sidley.com

Andrea L. Reed, Counsel +1 312 853 7881, andrea.reed@sidley.com

Claire H. Holland, Special Counsel +1 312 853 7099, cholland@sidley.com

---

Sidley Austin LLP provides this information as a service to clients and other friends for educational purposes only. It should not be construed or relied on as legal advice or to create a lawyer-client relationship. Readers should not act upon this information without seeking advice from professional advisers.

Attorney Advertising—Sidley Austin LLP, One South Dearborn, Chicago, IL 60603. +1 312 853 7000. Sidley and Sidley Austin refer to Sidley Austin LLP and affiliated partnerships, as explained at www.sidley.com/disclaimer .

© Sidley Austin LLP