

## Appendix A:

### Additional Housekeeping Reminders

1. The following Form 20-F form check items are not new this year, but were added in the past few years and should therefore be confirmed for your upcoming filing:
  - (a) Confirm that Item 3.A states “[Item 3.A \[Reserved\]](#)” (instead of “Item 3.A Selected Financial Data” as may have been included in prior Form 20-Fs) due to the SEC’s elimination of the disclosure requirement for selected financial data in 2021.<sup>1</sup>
  - (b) Confirm “Item 10J: Annual Report to Security Holders.” Item 10J was added to Form 20-F in 2022. While the SEC has not released formal guidance on how to respond to Item 10J, including whether it needs to be included in Form 20-F, we believe that issuers should address it as follows:
    - If an issuer is not required under home country law to furnish, or does not otherwise furnish, to its security holders an annual report separate from the Form 20-F, then the issuer should write: “Not applicable.”
    - If an issuer is required under home country law to furnish, or otherwise furnishes, to its security holders an annual report separate from the Form 20-F, then it should write: “If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.”
  - (c) Confirm the inclusion of “Item 16I” of the Form 20-F with the caption “Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.” New Item 16I was added to the Form 20-F in 2022 pursuant to the Holding Foreign Companies Accountable Act (HFCAA) (as explained in our prior alert) in order to identify any issuers that retain auditors that the PCAOB is unable to inspect completely. Given the SEC’s recent statement that “the PCAOB has been able to fulfill its oversight responsibilities as it relates to audit firms in China and Hong Kong,” this year, companies should not have any disclosure (beyond “Not applicable” or “None”) under this item in their upcoming Form 20-Fs.
  - (d) As in the past, tag in inline XBRL the independent auditor’s: (i) name; (ii) location (i.e., city and state, province or country); and (iii) PCAOB ID number.<sup>2</sup> Companies should coordinate this tagging with the financial printer.
  - (e) For companies with mining operations,<sup>3</sup> consider whether expanded Regulation S-K 1300 requirements apply. If a company’s current mining operations, in the aggregate, are material to its business, Regulation S-K 1300 disclosures would be required in its Form 20-F.<sup>4</sup> In addition,

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<sup>1</sup> For more information, see “[Key Considerations for the 2022 Annual Reporting Season: Form 20-F and Other FPI-Specific Considerations: in 2022: Mandatory Compliance with SEC’s Amendments to Part I of Form 20-F, Item 3.A and Item 5 Items 301, 302 and 303](#)” in our prior memo.

<sup>2</sup> This requirement is a result of the SEC’s December 2021 amendments implementing the HFCAA for all auditors that provide their opinions related to financial statements, in accordance with Section 6.5.54 of the EDGAR Filing Manual. Practices vary as to the location of this tagging in annual reports, but a commonly used option is to tag the auditor’s name and PCAOB ID number in the Index to the Financial Statements and the auditor’s location at the end of the audit report.

<sup>3</sup> The SEC’s comment letter practices indicate that this inquiry should be conducted both by companies that sell mineral extractions and vertically integrated companies that do not sell their mineral extractions but whose mining operations supply raw materials.

<sup>4</sup> These disclosures include: (i) summary property disclosure on overall mining operations, mineral resources and mineral reserves; (ii) individual property disclosure for any property that is individually material to their business; and (iii) a description of the internal controls that the company uses in its exploration and mineral resource and reserve estimation efforts, including quality control / quality assurance programs, verification of analytical procedures and a discussion of comprehensive risk inherent in the estimation.

companies with property that is *individually* material to their business must obtain a technical report summary,<sup>5</sup> which must be signed by a “qualified person” (as defined in Regulation S-K 1300) and filed as Exhibit 96.1 to the Form 20-F.<sup>6</sup>

**2. Considerations for Outstanding Registration Statements:** Consider how the filing of the Form 20-F may impact any outstanding registration statements.

- (a) **All Effective Registration Statements:** Remember to update your auditor consent attached as an exhibit to the Form 20-F to include any newly filed registration statements and remove any registration statements that are no longer effective.
- (b) **Effective Shelf Form F-1s:**
  - (i) **Post-Effective Amendment and Timing of Form 20-F:** You must file a post-effective amendment to the Form F-1 in order to incorporate the audited annual financial statements and other information from the Form 20-F into the Form F-1. If you plan to allow uninterrupted sales (e.g., by selling stockholders) off of that Form F-1, you must file and have the SEC declare effective this post-effective amendment by the end of the third month after your fiscal year end (for calendar-year-end FPIs, March 31, 2026). For the sake of efficiency, you may want to consider filing your Form 20-F before this three-month deadline (for calendar-year-end FPIs, March 31, 2026) and then immediately preparing and filing a post-effective amendment on Form F-1, all with enough time to ensure the SEC declares the post-amendment effective by the three-month deadline.
  - (ii) **Potential Form F-3 Eligibility:** You should also consider if you have become Form F-3 eligible, so that you can convert the Form F-1 into a Form F-3 and avoid future post-effective amendments for as long as you remain F-3 eligible.
- (c) **Effective Shelf Form F-3s:**
  - (i) **Timing of Form 20-F:** You are not required to file a post-effective amendment with audited annual financial statements and can instead update the registration statement merely by filing the Form 20-F. However, if you plan to allow uninterrupted sales off of that Form F-3, you must file your audited annual financial statements by the last day of the third month after your fiscal year end (March 31, 2025, for calendar-year-end FPIs). You should consider filing the Form 20-F by the three-month deadline, ahead of the normal 120-day deadline for filing an annual report on Form 20-F, or, if your Form 20-F is not ready by such date, filing by such deadline a current report on Form 6-K with the audited financial statements (incorporated by reference into the Form F-3).
  - (ii) **Form F-3 Eligibility:** You should also ensure that you continue to meet the eligibility requirements for using the Form F-3 when filing your Form 20-F: (i) if you previously filed as a well-known seasoned issuer (WKSI), confirm that you are still a WKSI in order to use that registration statement (otherwise, it will need to be re-filed (if eligible) as a non-WKSI shelf); or (ii) if you previously filed a non-WKSI shelf registration statement, confirm that you still meet the requirements to use that registration statement. Otherwise, you will need to re-file as a Form F-1.

While it does not affect the Form 20-F, all FPIs with outstanding registration statements should also bear in mind the requirement to file a Form 6-K by the date that is nine months after the end of their fiscal year,

<sup>5</sup> The technical report summary must describe the information reviewed and conclusions reached by the qualified person about the company’s mineral resources and/or reserves on each material property (or, optionally, exploration results).

<sup>6</sup> The technical report summary must be filed as Exhibit 96.1 to the Form 20-F the first time the company discloses mineral reserves or mineral resources in its Form 20-F. In addition, it must be filed as an exhibit in subsequent Form 20-Fs under either of the following circumstances: (i) there is a material change in the mineral reserves or mineral resources, as disclosed in the Form 20-F, from the last technical report summary filed for the property; or (ii) the company has previously filed a technical report summary supporting the disclosure of exploration results and there is a material change in the exploration results from the last technical report summary filed for the property.

including six-month consolidated interim financial statements (which may be unaudited), containing explanatory notes.<sup>7</sup> This Form 6-K should be incorporated by reference into any effective Form F-3s and would trigger a prospectus supplement for any effective Form F-1.

3. **D&O questionnaires.** Ahead of your Form 20-F filing, review and update your D&O questionnaires, which provide backup and support for the disclosures to be included in your Form 20-F. In addition to the updates discussed in [Part I, Section 4](#), companies should:
- (i) In light of last year's [SEC enforcement action related to director independence](#), consider clarifying to directors that close business or personal relationships with management may need to be disclosed in their responses to D&O Questionnaires and provide examples of the types of relationships that could impair independence;<sup>8</sup>
  - (ii) Consider adding or refining questions on outside directorships or officerships to identify any potential antitrust concerns, given the Department of Justice's [focus on potential violations of Section 8 of the Clayton Act](#); and
  - (iii) Consider building out (or adding) Iran-related activities questions to cover potentially problematic transactions with Russian entities.<sup>9</sup>

See [Appendix B](#) for a summary of key investor and proxy advisory firm policies on board diversity.

It is also important to keep track of the number of boards on which each of your directors sits, bearing in mind key investor and proxy advisory firm policies on overboarding, which tend to be country/region-specific. See [Appendix C](#) for a discussion of overboarding policies.

<sup>7</sup> This is based on the following requirement from Item 8.A.5 of Form 20-F, as follows: "The interim financial statements should include a balance sheet, statement of comprehensive income (either in a single continuous financial statement or in two separate but consecutive financial statements; or a statement of net income if there was no other comprehensive income), cash flow statement, and a statement showing either (i) changes in equity other than those arising from capital transactions with owners and distributions to owners, or (ii) all changes in equity (including a subtotal of all non-owner items recognized directly in equity). Each of these statements may be in condensed form as long as it contains the major line items from the latest audited financial statements and includes the major components of assets, liabilities and equity (in the case of the balance sheet); income and expenses (in the case of the statement of comprehensive income) and the major subtotals of cash flows (in the case of the cash flow statement). The interim financial statements should include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year end balance sheet. If not included in the primary financial statements, a note should be provided analyzing the changes in each caption of shareholders' equity presented in the balance sheet. The interim financial statements should include selected note disclosures that will provide an explanation of events and changes that are significant to an understanding of the changes in financial position and performance of the enterprise since the last annual reporting date. If, at the date of the document, the company has published interim financial information that covers a more current period than those otherwise required by this standard, the more current interim financial information must be included in the document. Companies are encouraged, but not required, to have any interim financial statements in the document reviewed by an independent auditor. If such a review has been performed and is referred to in the document, a copy of the auditor's interim review report must be provided in the document."

<sup>8</sup> The general independence test generally requires the Board to affirmatively determine that there are no relationships between the director and the listed company's management that impact the director's independence. In the SEC's recent action, the relationship at issue involved a director with a close friendship with one of the company's executives, which included regular, luxury vacations together with their respective spouses, paid for by the director.

<sup>9</sup> Since February 2022, the US has imposed sweeping sanctions on Russia, bringing a number of high-net-worth individuals and companies with substantial investments in the US within scope of the Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRA). Companies should undertake diligence to determine whether any sanctioned individuals or entities may be involved in their activities to assess compliance and potential disclosure requirements, as the ITRA requires Form 20-F disclosure if the company (or any affiliate) knowingly engaged in certain sanctionable activities.

## Appendix B

### Board Diversity Policies

#### Gender and Racial/Ethnic Diversity Policies of Proxy Advisory Firms:

##### FPIs in US Tax Havens

ISS's policy for FPIs in US tax havens requires at least one female director.<sup>10</sup>

##### Israeli FPIs

- **ISS:** ISS will generally vote against the chair of the nominating committee (or the chair of the committee designated with the responsibility of a nominating committee), or other directors on a case-by-case basis, if both genders are not represented on the board of directors. Exceptions may apply in cases where the company has publicly disclosed a commitment to have both genders represented on the board within one year, or where other mitigating factors are present and deemed relevant.<sup>11</sup>
- **Glass Lewis:**
  - *Gender Diversity:* Glass Lewis defaults to US requirements, and as such, will generally recommend voting against the nominating committee chair of a board that is not at least 30% gender diverse, or for companies outside the Russell 3000, if it does not have at least one female director.<sup>12 13</sup>
  - *Racial/Ethnic Diversity:* Glass Lewis encourages ethnic/racial diversity, and specifically notes the relatively low, but slowly increasing, percentage of Israeli Arabs serving on boards, but will not make a voting recommendation on it except in a contested election. Glass Lewis states that it “believes that the composition of a board should be representative of a company’s workforce, the jurisdictions in which it principally conducts its business activities, and its other key stakeholders” and that Israeli FPIs “should consider including diversity of ethnicity and/or national origin as attributes in their composition profiles, whether defined targets for diversity of ethnicity and national origin should be set, and the manner and extent to which the ethnic and national backgrounds of directors and board nominees is publicly disclosed.”

##### FPIs in Other Countries

- ISS and Glass Lewis policies on board diversity are region and/or country specific. For the currently applicable policies, see [ISS's current voting policies](#) and [Glass Lewis's current voting policies](#).

#### Diversity Policies of Institutional Investors:

- **BlackRock:** BlackRock maintains region/country-specific market guidelines:
  - *EMEA:* In its EMEA voting guidelines, BlackRock notes that, “[i]n assessing board composition, we take into account a company’s board size, business model, strategy, market capitalization, and ownership structure, as well as the market in which the company operates.” BlackRock also notes its “general view” that, subject to market-specific standards, it is looking for “boards to be representative of the company’s key stakeholders, with an approach to diversity aligned with any market-level standards or practices. As applicable with local rules, we look for boards to work

<sup>10</sup> See [ISS's America's regional voting guidelines](#).

<sup>11</sup> See [ISS's policies for Israeli companies](#).

<sup>12</sup> Pursuant to a [2025 policy update](#), Glass Lewis will flag all director election proposals at US companies in which its recommendation is based, at least in part, on considerations of gender or underrepresented community diversity and offer our clients two recommendations – one that applies its Benchmark Policy approach as articulated in its Benchmark Policy Guidelines for the US Market, and one that does not consider gender or underrepresented community diversity as part of the recommendation.

<sup>13</sup> See [Glass Lewis's policies for Israeli companies](#).

- towards at least 30% of the under-represented gender, or align with higher mandatory gender quotas, where prescribed by the respective local legislation).” BlackRock asks companies, consistent with local law, “to provide sufficient information on each director/candidate, and in aggregate, so that shareholders can understand how professional characteristics, such as a director’s industry experience, specialist areas of expertise, and geographic location -as well as demographic characteristics such as gender, ethnicity, and age - have been accounted for within the proposed board composition.” BlackRock notes that the organization “appreciate[s] it when these disclosures cover how diversity has been accounted for in the appointment of members to key leadership roles, such as executives, board Chair, senior/Lead Independent Director and committee chairs.”<sup>14</sup>
- *Latin America*: To the extent that a company’s board is a sustained outlier compared to local requirements and/or market practice in terms of its variety of experiences, perspectives, and skillsets, BlackRock may vote on case-by-case basis against relevant director(s).<sup>15</sup> Aspects of a director’s background that may, depending on the company, contribute to the experiences, perspectives, and skillsets that inform effective board oversight include professional background, as well as demographic background, including gender, race/ethnicity, disability, LGBTQ+ identity, and national, indigenous, religious, or cultural identity.
  - *Israel*: BlackRock looks to boards to be representative of the company’s key stakeholders, with an approach to diversity that is aligned with market-level standards or practices. Under the Israeli Companies Law, if a company’s board is composed entirely of one gender, any newly appointed external director must be of the other gender<sup>16</sup>.
- **Vanguard**: For European and UK companies, Vanguard looks for boards to be “fit for purpose by reflecting sufficient breadth of skills, experience, perspective, and personal characteristics (such as age, gender, and/or race/ethnicity) resulting in cognitive diversity that enables effective, independent oversight on behalf of all shareholders. The funds believe that the appropriate mix of skills, experience, perspective, and personal characteristics is unique to each board and should reflect expertise related to the company’s strategy and material risks from a variety of vantage points.” To this end, Vanguard seeks “fulsome disclosure of a board’s process for building, assessing, and maintaining an effective board well-suited to supporting the company’s strategy, long-term performance, and shareholder returns. This disclosure should include the range of skills, background, and experience that each board member provides and their alignment with the company’s strategy (typically presented as a skills matrix); additionally, the funds look for such disclosure to provide an understanding of the directors’ personal characteristics to enable shareholders to understand the breadth of a board’s composition. The funds also look for disclosure regarding the board’s process for evaluating the composition and effectiveness of their board on a regular basis, the identification of gaps and opportunities to be addressed through board refreshment and evolution, and a robust nomination (and renomination) process to ensure the right mix of skills, experience, perspective, and personal characteristics into the future. Vanguard also looks for a board’s composition to “comply with requirements set by relevant market-specific governance frameworks (e.g., listing standards, governance codes, laws, regulations, etc.) and to be consistent with market norms in the markets in which the company is listed. To the extent that a board’s composition is inconsistent with such requirements or differs from prevailing market norms, the funds look for the board’s rationale for such differences (and any anticipated actions) to be explained in the company’s public disclosures.”<sup>17</sup>
- **State Street**: State Street’s published guidelines state it believes “effective board oversight of a company’s long-term business strategy necessitates a diversity of backgrounds, experiences, and perspectives, which may include a range of characteristics such as skills, gender, race, ethnicity, and age. By having a critical mass of diverse perspectives, boards could experience the benefits that may lead to innovative ideas and foster more robust conversations about a company’s strategy.” State Street recognizes that “many factors may influence board composition, including board size, geographic location, and local regulations, among others” and believes that “a robust nominating and governance process is essential to achieving a board

<sup>14</sup> See [BlackRock Investment Stewardship Proxy voting guidelines for European, Middle Eastern, and African securities](#).

<sup>15</sup> See [BlackRock’s Proxy voting guidelines for Benchmark Policies - Latin American securities](#).

<sup>16</sup> See [BlackRock’s Israel-specific voting guidelines](#).

<sup>17</sup> See [Vanguard’s Proxy voting policy for European and UK portfolio companies](#). Vanguard’s voting policies for other regions can be found at: [Investment Stewardship reports and policies](#).

composition that is designed to facilitate effective, independent oversight of a company's long-term strategy." Ultimately, "nominating committees are best placed to determine the most effective board composition and we encourage companies to ensure that there are sufficient levels of diverse experiences and perspectives represented in the boardroom."<sup>18</sup>

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<sup>18</sup> See State Street's [State Street's Global Proxy Voting and Engagement Policy](#).



## Appendix C

### Director Overboarding Policies

While most stakeholders support limits on the number of outside directorships a director can hold, the overboarding policies of proxy advisory firms and institutional investors are generally country or region-specific and therefore companies are advised to carefully consider the specific policies of the relevant firms when considering whether their directors may be considered “overboarded.” See the country-specific policies of [ISS](#) and [Glass Lewis](#). In addition, while issuers should always check for country-specific guidance, the general policies of major institutional investors are discussed below:

- **BlackRock:** “As the role and expectations of a director are increasingly demanding, directors must be able to commit an appropriate amount of time to board and committee matters. It is important that directors have the capacity to meet all of their responsibilities — including when there are unforeseen events — and therefore, we consider it best practice when they don’t take on an excessive number of roles that would impair their ability to fulfill their duties. To better understand a director’s ability to engage and the board to function effectively, we appreciate it when companies **disclose board and committee members’ attendance**, as well as the **time commitment** required from directors. Shareholders would benefit from additional transparency over how nomination committees assess their directors’ time commitments and with what frequency these reviews take place. However, in BIS’s experience, the assessment of whether a director is over-committed is not just based on their attendance record but also on their ability to provide appropriate time to meet all responsibilities when one of the companies on whose board they serve faces exceptional circumstances.”
  - **EMEA:** For companies in EMEA, BlackRock will ordinarily consider there to be a significant risk that a board candidate has insufficient capacity, and therefore consider voting against his/her (re)election, where the candidate would (if elected) be: (i) serving as a non-executive director (but not the board chair) on **more than four total** public company boards; (ii) serving as a non-executive board chair on one public company board and as a non-executive director (but not the board chair) on **more than two** other public company boards; (iii) serving as a non-executive board chair on **two** public company boards and as a non-executive director on **at least one** other public company board; or (iv) serving as a non-executive director (but not the board chair) on **more than one** public company board while also serving as an executive officer at one public company.<sup>19</sup> In case of an executive officer, BlackRock would vote against his/her (re)election only to boards where he/she serves as a non-executive director. In assessing whether to support a (re)election in these circumstances, through BlackRock’s engagement with the board it will consider any perceived progress in the candidate’s response to concerns about capacity, the circumstances in which the candidate will remain in all of his/her different roles and the time frame over which changes will be made.<sup>20</sup>
  - **Latin America:** For companies in Latin America, BlackRock’s policy is that: (i) a public company executive can sit on a total of **three public company boards**, and (ii) non-executive directors can sit on a total of **five public company boards**. In addition, where a director maintains a Chair role of a publicly listed company in European markets, BlackRock may consider that responsibility as equal to **two** board commitments, consistent with its [EMEA Proxy Voting Guidelines](#), and will take

<sup>19</sup> Under BlackRock’s EMEA guidelines, the executive officer consists of the executive chair, the chief executive officer (CEO), the deputy chief executive officer, the chief financial officer, the chief operating officer and other similar level executives who are members of the management leadership team or executive committee (e.g., Chief Information Officer, Chief Technology Officer, Chief Risk Officer, Chief People Officer, etc.) or members of the management board of listed companies with a two-tier system.

<sup>20</sup> See [BlackRock Responsible Investment Guidelines EMEA](#). There may also be country-specific nuances that companies should consider in BlackRock’s guidelines.

the total number of board commitments across its global policies into account for director elections.<sup>21</sup>

For companies in other regions, BlackRock's [Global Engagement and Voting Guidelines](#) note that BlackRock "will take local norms and practices into consideration when making ... voting determinations across markets" and that they "may vote against the election of directors who do not seem to have sufficient capacity to effectively fulfil their duties to the board and company."<sup>22</sup>

- **State Street:** State Street believes that a company's nominating committee is best placed to determine appropriate time commitments for the company's directors. State Street considers "if a company publicly discloses its director time commitment policy (e.g., within corporate governance guidelines, proxy statement, annual report, company website, etc.) and if this policy or associated disclosure outlines the factors that the nominating committee considers to assess director time commitments during the annual policy review process."<sup>23</sup>
- **Vanguard:** For European and UK companies, Vanguard believes that "[d]irectors' responsibilities are complex and time-consuming. Therefore, the funds seek to understand whether the number of directorship positions held by a director makes it challenging to dedicate the requisite time and attention to effectively fulfill their responsibilities at each company (sometimes referred to as being "overboarded"). While no two boards are identical and time commitments may vary, the funds believe the limitations on the number of board positions held by individual directors are appropriate, absent compelling evidence to the contrary." A fund will generally vote against: (i) any director who holds an executive role of any public company and serves on **two or more additional outside** public company boards; and (ii) any director who serves on **more than four** public company boards. "In certain instances, a fund will consider voting for a director who would otherwise be considered overboarded under the standards above, taking into account relevant market-specific governance frameworks or companyspecific facts and circumstances. This may include, but is not limited to, indications that the director will have sufficient capacity to fulfill their responsibilities on the board of that company and/or a review of the full board's composition and capacity. In addition, a fund may vote for a director if the director has publicly committed to stepping down from the directorship(s) necessary to fall within these thresholds."<sup>24</sup>

#### Israeli FPIs

- **ISS:** ISS will generally recommend a vote against a candidate when they hold an excessive number of board appointments, as defined by the following guidelines: "Any director or candidate who holds more than five mandates at listed companies will be classified as overboarded. For the purposes of calculating this limit, a non-executive directorship counts as one mandate, a non-executive chair position counts as two mandates, and a position as executive director (or a comparable role) is counted as three mandates. Also, any director or candidate who holds the position of executive director (or a comparable role) at one company and a non-executive chair at a different company will be classified as overboarded."
- **Glass Lewis:** Generally recommend against a director who: (i) serves as an executive officer of a public company while serving on **more than one additional** public company board, (ii) serves as an executive chair/vice chair of a public company while serving on **more than two additional** external public company boards; and (iii) any other director who serves on **more than five** public company boards. However, Glass Lewis also takes the following into consideration:

<sup>21</sup> See [BlackRock's Proxy voting guidelines for Benchmark Policies - Latin American securities](#).

<sup>22</sup> For BlackRock's specific voting policies for other regions, see its region- or country-specific guidelines, for example, [Proxy voting guidelines for Benchmark Policies - Southeast Asia, South Korea and Taiwan securities](#) and [Proxy voting guidelines for Japan securities](#).

<sup>23</sup> See [State Street Global Advisors Global Proxy Voting and Engagement Policy](#).

<sup>24</sup> See [Vanguard's Proxy voting policy for European and UK portfolio companies](#). Vanguard's voting policies for other regions (including certain countries that have standalone guidelines) can be found at: [Investment Stewardship reports and policies](#).



- When determining whether a director's service on an excessive number of boards may limit the ability of the director to devote sufficient time to board duties, may consider relevant factors, such as the size and location of the other companies where the director serves on the board, the director's board roles at the companies in question, whether the director serves on the board of any large privately held companies, the director's tenure on the boards in question and the director's attendance record at all companies and the director's attendance record at all companies.
- May not recommend that shareholders vote against overcommitted directors at the companies where they serve an executive function.
- Will generally refrain from recommending against a director who serves on an excessive number of boards within a consolidated group of companies or a director that represents a firm whose sole purpose is to manage a portfolio of investments which include the company.
- May refrain from recommending against the director if the company provides a sufficiently compelling explanation regarding his or her significant position on the board, specialized knowledge of the company's industry, strategic role (such as adding expertise in regional markets or other countries), etc.<sup>25</sup>

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<sup>25</sup> See [Glass Lewis's Israel Voting Guidelines](#).