

Appendix A

Proxy Advisory Firm Policy Updates

Both ISS and Glass Lewis have updated their voting guidelines for the 2026 annual meeting season. Companies should consider the potential impact of these updates when thinking about their corporate governance practices, shareholder engagement and proxy statement disclosures.

ISS¹

- **Non-employee director (NED) pay:** ISS policy now allows for adverse vote recommendations in the *first* year if unreasonable or problematic director pay is identified or if a pattern of these practices occurs across nonconsecutive years (the current policy's timeline requires two consecutive years of such practices).²
- **Enhancements to the equity plan scorecard:** ISS' added a new scoring factor under the "Plan Features" pillar that assesses whether plans that include NEDs disclose limits on cash awards (which is considered best practice). The update also introduces a new negative overriding factor for equity plans found to be lacking sufficient positive features under the Plan Features pillar, to address previous cases where plans reached an overall passing score under the ISS' Equity Plan Scorecard despite receiving a poor Plan Features pillar score.
- **Problematic capital structure - Unequal voting rights:** ISS is eliminating inconsistencies in the treatment of capital structures with unequal voting rights by considering them problematic regardless of whether superior voting shares are classified as "common" or "preferred." In extending its negative director voting policy to high-vote preferred stock, ISS added exceptions for convertible preferred shares that vote on an "as-converted basis" and situations where enhanced voting rights are limited in duration and applicability (e.g., high votes designed to overcome low voting turnout on "noncontroversial" agenda items).
- **Problematic capital structure – Dual Class Structures:** Under the new policy, in addition to voting against proposals to create a new class of common stock, with certain exceptions, ISS will vote against proposals to create a new class of preferred stock with voting rights superior to the common stock unless: (i) the preferred shares are convertible into common shares and vote on an "as converted" basis prior to conversion, or (ii) the enhanced voting rights of the preferred shares have limited duration and applicability and the shares are voted in a way that mirrors the votes of the common shares (i.e., where such shares are intended to overcome low voting turnout and ensure approval of a specific non-controversial agenda item such as a reverse stock split needed to avoid a delisting).
- **Say-on-pay responsiveness:** In light of recent SEC guidance on Schedule 13G versus Schedule 13D filing status for investors, which may discourage investors from engaging on executive pay for fear of losing their passive status, ISS adapted its say-on-pay responsiveness policy so that if a company discloses meaningful engagement efforts but is still unable to obtain specific investor feedback, ISS will assess the company's specific actions taken in response to the unfavorable say-on-pay vote and its rationale for such actions. The policy also clarifies that ISS will consider as an additional factor in assessing say-on-pay responsiveness whether low say-on-pay support occurs in connection with proxy contests, mergers, bankruptcy, significant board turnover or other unusual circumstances.

Glass Lewis³

- **Equity awards – vesting periods for long-term incentives:** Previously, Glass Lewis had noted that performance periods of at least three years were common to most well-structured long-term incentive (LTI) plans. Glass Lewis is expanding this to "vesting and/or performance periods" of at least three years, indicating that the firm does not always view the absence of performance-based equity awards as problematic. Glass Lewis notes that changes to LTI program structure that result in significant reductions or elimination of

¹ ISS' 2026 proxy voting guidelines are available [here](#).

² ISS further notes that the identification of a problematic director-pay practice does not guarantee an adverse recommendation and that director pay levels that marginally exceed the relevant threshold in the absence of other problematic practices or a multiyear pattern would continue to receive warnings without an adverse vote recommendation.

³ Glass Lewis's 2026 proxy voting guidelines are available

performance-based vesting conditions will be assessed on a case-by-case basis, and cautions that investors are likely to view such changes negatively if the shift to time-based awards is not coupled with meaningful changes to other aspects of the company's LTI program.

- **Amendments to Governing Documents:** Glass Lewis consolidated its approach to amendments to the certificate of incorporation and bylaws into a single section under which proposed amendments to governing documents will be evaluated on a case-by-case basis, with strong opposition to “bundled” proposals that combine multiple changes under one vote, as this prevents shareholders from reviewing each amendment on its own merit. In general, Glass Lewis will recommend supporting amendments that do not materially harm shareholder interests.
- **Supermajority Vote Requirements:** Glass Lewis has clarified that proposals to eliminate supermajority voting provisions will be assessed individually. While Glass Lewis generally supports removing supermajority thresholds, it recognizes that such provisions may protect minority shareholders when a company has a large or controlling shareholder. In these cases, Glass Lewis may oppose their elimination.
- **Shareholder Rights:** Glass Lewis has added additional examples of types of amendments to governing documents that reduce or remove key shareholder rights that, if made without shareholder approval, may lead to a recommendation against the chair of the governance committee, or the entire committee. These examples include amendments that: (i) limit shareholders’ ability to submit proposals; (ii) restrict shareholders from filing derivative lawsuits; and (iii) replace majority voting with plurality voting for director elections.
- **Mandatory Arbitration Provisions:** When reviewing companies’ governing documents after an IPO, spin-off, or direct listing, Glass Lewis will assess whether the company has adopted a mandatory arbitration provision, or other potentially negative governance provisions. If so, it may result in a recommendation against the chair of the governance committee or, in certain cases, the entire committee. Additionally, Glass Lewis will generally recommend that shareholders vote against any bylaw or charter amendment that seeks to adopt mandatory arbitration unless the company provides clear and sufficient rationale and disclosure.
- **General approach to shareholder proposals:** In light of changes to the shareholder proposal process, Glass Lewis has updated its language regarding its general approach to shareholder proposals, including removing its guidance on companies’ treatment of the SEC’s former no-action process. Importantly, while acknowledging that some shareholder proposals may be unduly burdensome or not in shareholders’ best interests, Glass Lewis reaffirms its support of the “basic premise that shareholders should be afforded the opportunity to vote on matters of material importance” and its view that “the basic right of shareholders to file proposals [is] critical to the proper functioning of our system of corporate governance and in the best economic interest of all shareholders.” Glass Lewis notes that its approach may be further revised prior to or during the 2026 proxy season if regulatory developments warrant additional updates.
- **Glass Lewis Ending Benchmark Proxy Voting Policy in 2027.** Starting in 2027, Glass Lewis will no longer publish a single set of “benchmark” voting recommendations. Instead, it will create voting frameworks that reflect individual client investment philosophies and stewardship priorities. Glass Lewis will also move away from providing research and recommendations based on its benchmark policy, in favor of offering multiple perspectives that would capture the varied viewpoints of its clients.

Appendix B

Summary of Certain Institutional Investor Proxy Voting Policy Updates

BlackRock

- **Focus on financial value:** Updated language to emphasize its focus on “financial” value and performance (for example, replacing “long-term shareholder value” with “long-term financial value”) and clarifying that there should be a clear link between executive pay and “operational and financial performance” (rather than “company performance”).
- **Overboarding re: service on non-US public company boards:** BlackRock updated its guidelines to state that it “may consider the application of our regional voting guidelines” when evaluating directors who serve on non-US public company boards. This replaces prior language indicating that it would consider total board commitments “across our global policies.” The revised formulation introduces some ambiguity regarding whether non-US limits could influence voting on US boards when directors of US companies sit on non-US boards. Note that BlackRock’s numerical limits remain the same.
- **Shareholder proposals:** Will be evaluated on a case-by-case basis, considering whether the proposal addresses “a material risk that may impact a company’s long-term financial performance.” BlackRock will not support proposals it views as “inconsistent with long-term financial value or that seek to micromanage companies.”
- **Human capital management:** The 2026 policy **expands and reframes human capital disclosure guidance**, suggesting companies provide voluntary workforce data on issues such as size, composition, compensation, engagement, turnover, training, and health and safety — not just the subsets historically discussed under sustainability reporting policy sections.

Vanguard

- **More generalized, principles-based approach:** Overall, Vanguard’s 2026 policies are more principles-based, without some of the prescriptive language and examples provided in the 2025 version.
 - For example, on the subject of separate CEO and board Chair roles, the 2026 policies state that, while the decision should be within the purview of a company’s board, the funds may vote in favor of shareholder proposals to separate the CEO and chair roles if there are significant concerns regarding the independence or effectiveness of the board at the company in question. That is consistent with the 2025 policy; however, the 2025 policy sets forth a detailed list of potential scenarios where effectiveness could be called into question, including: lack of a robust lead independent director role, lack of board accessibility, low overall board independence, governance structural flaws, consideration of shareholder concerns and oversight failings. The 2026 policy does not.
- **Diversity:** Removed references to director diversity in terms of personal characteristics such as race and gender and instead references diversity of “thought, background, and experiences.”
- **Overboarding:** Replaced “will” with “may” when describing potential votes against directors who either serve as a public company executive and sit on more than two public company boards or serve on more than four public company boards. Also removed examples of company-specific facts and circumstances that could influence its assessment of an overboarded director.
- **Environmental & Social proposals:** Updated discussion places greater emphasis on financial materiality and removes a prior reference to disclosure frameworks “endorsed or already referenced by VCM’s Investment Stewardship program.”

Appendix C
Director Overboarding Policies

	Maximum Number of Board Memberships Permitted (including the Company's Board)		
	Non-Employee Directors	CEOs	Executive Officers (other than CEO)
<i>Proxy Advisory Firms</i>			
ISS	5	3	5
Glass Lewis	5 (3 for executive chairs)	2	2
<i>Institutional Investors</i>			
Vanguard Group	4	2	2 (NEOs and executive chairs)
BlackRock, Inc.	4 (3 for director is chair of European public company board)	2	2 (NEOs only)
State Street	No specific rules. Believes the nominating committee is best placed to determine appropriate time commitments for the company's directors.		
Fidelity Investments	6	3	Not addressed
T. Rowe Price Associates	5	2	5

- **ISS:** Generally recommend against/withhold from directors who: (i) sit on more than **five** boards; or (ii) are CEOs of public companies who sit on the boards of more than **two other** companies (total of **three**, withhold only at their outside boards).⁴
- **Glass Lewis:** Generally recommend against: (i) a director who serves as an executive officer of any public company while serving on more than **two** public company boards; and (ii) any other director who serves on more than **five** boards.⁵
- **BlackRock:** Public company executives can sit on **one** outside board (total of **two**); other directors can sit on **three** outside boards (total of **four**).

⁴ ISS will also generally vote against the bundled election of directors if one or more nominees, if elected, would be overboarded.

⁵ Glass Lewis may consider relevant factors such as: (i) the size and location of the other companies where the director serves on the board; (ii) the director's board roles at the companies in question; (iii) whether the director serves on the board of any large privately held companies; (iv) the director's tenure on the boards in question; and (v) the director's attendance record at all companies. For directors who serve in executive roles other than CEO (e.g., executive chair), it will evaluate the specific duties and responsibilities of that role in determining whether an exception is warranted. Glass Lewis may also refrain from recommending against certain directors if the company provides sufficient rationale for their continued board service. The rationale should allow shareholders to evaluate the scope of the directors' other commitments, as well as their contributions to the board, including specialized knowledge of the company's industry, strategy or key markets, the diversity of skills, perspective and background they provide, and other relevant factors.

- **Vanguard:** A named executive officer (“NEO”) can sit on **two** boards (either **one** outside board or **two** outside boards if does not serve on its “home” board); other directors can sit on **four** boards.⁶

Will also look for portfolio companies to “adopt good governance practices regarding director commitments, including the adoption of an overboarding policy and disclosure of how the board oversees policy implementation.”

- **State Street:** “We believe a company’s nominating committee is best placed to determine appropriate time commitments for the company’s directors. We consider 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.”
- **Fidelity:** A CEO can sit on **two** outside unaffiliated boards (**three** total).
- **CalPERS:** An executive officer can sit on **one** outside board (**two** total); other directors can sit on **four** boards.
- **NYC Comptroller:** A CEO can sit on **two** outside boards (**three** total, vote against only at outside boards); other directors can sit on **four** boards.
- **NYSE:** If an audit committee member serves on more than **three** public company audit committees (including the Company’s), Company must disclose this on its website or in proxy statement.

⁶ In certain instances, Vanguard will consider voting for a director who would otherwise be considered overboarded because of company-specific facts and circumstances that indicate the director will have sufficient capacity to fulfill his/her responsibilities or if the director has publicly committed to stepping down from the other directorship(s) as necessary to fall within the listed thresholds.