MEMO

To: Institutional Shareholder Services, Inc.

From: Kingsdale Advisors

Re: Feedback to 2025 Proposed Benchmark Policy Changes

Date: December 2, 2024

Please see below questions and concerns related to the 2025 Proposed Benchmark Policy Changes, released by Institutional Shareholder Services, Inc. ("ISS") on November 18, 2024, concerning policy updates for shareholder meetings taking place after February 1, 2025

Policy Update 1: Article or bylaws amendment for virtual-only meetings

Clarify on what would constitute a compelling rationale would be beneficial. Other than public safety, could cost-benefit analysis including minimum historical in-person attendance be considered?

Also, why are the rest of issuers currently holding virtual-only meetings treated differently by ISS?

Policy Update 2: Definition of Independent (Former/Interim CEO)

Based on ISS' rationale, this policy update is to clarify that a former CEO will be deemed as non-independent, unless circumstances exist which make a five-year cooling off period sufficient. There is no change in policy application.

We find that it is more logical to say that a former CEO will be deemed as "independent", unless circumstances exist which make a five-year cooling off period "insufficient". First, the term "cooling off period" indicates a change of independence status for a former CEO from non-independent to independent. Second, we note ISS is not proposing any changes to the list of factors or circumstances that go into the analysis and the existence of most of these circumstances (such as serving as Executive Chair or being a company founder, having related party transactions, or consulting agreements) will make the cooling off period "insufficient" or rather "sufficient").

If ISS moves with this proposed policy update, for a former CEO who has been considered independent by ISS in prior year(s), all else being equal, will she or he continue to be considered independent by ISS in the future?

Policy Update 4: Pay for Performance Evaluation

Is there clarity on what exceptional circumstances would lead to the use of the former CEO's compensation? If a former CEO's compensation is to be used, will there be any forms of compensation that will be automatically excluded from the compensation figure used in the pay-for-performance quantitative tests, such as contractual retirement/termination fees or consulting arrangements that compensate a former CEO when they are no longer acting as the CEO? Will the former CEO's base salary be annualized as it is where a new CEO has not been in the role for the entire year?

For companies where it is determined that using a non-CEO NEO is more appropriate due to regularly significantly higher compensation than the CEO, will this be applied historically, or only moving forward?

Will the decision to use a non-CEO NEO also apply when that company is in the peer group in another company's pay-for-performance tests? If it is determined that a company has historically compensated a non-CEO NEO at a regularly significantly higher rate than that of the CEO for the past 5 years, will the non-CEO NEO's compensation be used for the last 5 years, or will it only be used starting this year, with the previous methodology applying to the past?

Will this policy apply to CEOs who have voluntarily taken minimal or zero compensation, or is this only for companies that choose to pay a non-CEO significantly more than the CEO?

Policy Update 8: Executive Compensation – Performance vs. time-based equity awards

Is there any clarity on what, specifically, the design or disclosure concerns regarding performance-vesting equity awards will drive negative voting recommendations?

If ISS does change its view that a predominance of time-vesting equity awards is no longer concerning in and of itself, does that change the analysis of performance-vesting equity awards? Meaning, would performance-vesting equity awards that cause ISS to have design or disclosure concerns be viewed as comparatively worse than having a predominance of time-vesting awards?