GLASS LEWIS

Policy Survey 2024

Results & Key Findings

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About Glass Lewis

Glass Lewis is the world's choice for corporate governance solutions. We enable institutional investors and publicly listed companies to make informed decisions based on research and data. We cover 30,000+ meetings each year, across approximately 100 global markets. Our team has been providing in-depth analysis of companies' corporate governance policies, practices and performance since 2003.

Our customers include the majority of the world's largest pension plans, mutual funds, and asset managers, collectively managing over $40 trillion in assets. We also help companies understand corporate governance best practices and how investors view them. We have teams located across the United States, Europe, and Asia-Pacific giving us global reach with a local perspective on the important governance issues.

Investors around the world rely on Glass Lewis to inform their proxy voting policies and to support them in executing on their proxy voting responsibilities.

Join the Conversation

Glass Lewis is committed to ongoing engagement with all market participants.

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Introduction

This document provides an overview of Glass Lewis' 2024 Policy Survey, conducted to inform our annual "benchmark" policy guideline updates.

In developing and updating our market-specific benchmark policies, we consider a diverse range of perspectives and inputs, with ongoing analysis of regulatory developments, academic research and evolving market practices as a starting point. We incorporate insights gained from discussions with institutional investors, trade groups and other market participants, as well as meetings of the Glass Lewis Research Advisory Council. Further, our corporate issuer engagement program helps to shape our guidelines by adding essential market- and industry-specific context.

For the past two years, we have augmented our policy review process by gathering feedback via the policy survey, providing investors, corporate issuers and other stakeholders with the opportunity to weigh in on various corporate governance matters. The goal of this survey was to formalize our existing processes for incorporating client and market perspectives. It is not exhaustive, but focuses on policy areas where we have recently observed new practices or where our previous discussions and engagements with investors, corporate issuers and other stakeholders have not yielded a clear consensus.

We are pleased that the Glass Lewis Policy Survey generated strong interest from a range of market participants, and we are deeply grateful to all respondents who took the time to share their views. Thank you. We encourage any interested parties to contact us if they have questions or feedback.

Glass Lewis Benchmark Policy Updates

Glass Lewis' benchmark policy guidelines form the basis of our analysis and voting recommendations for companies traded in each applicable geographic region. They are available to clients on our Viewpoint and Governance Hub platforms, and publicly on our website.

The benchmark policy guidelines generally reflect the current, predominant views of institutional investor clients on corporate governance best practices and incorporate the evaluation of material environmental and social issues through the lens of long-term shareholder value. In conducting our analysis, we also review each company and proposal on a case-by-case basis, considering the company's performance, industry, stock exchange, place of incorporation and other factors.

Glass Lewis evaluates the benchmark policy guidelines on an ongoing basis. We update them annually, and when material changes to regulation or market practice occur during the year. For markets that conduct their "proxy season" in the first half of the calendar year, annual policy updates are published in November and December, taking effect at the start of the next calendar year. For markets that hold their proxy season later in the calendar year (Australia, India, New Zealand and South Africa), annual policy updates are published one-to-two months ahead of the season.

Beyond the Benchmark

It is important to note that the Glass Lewis benchmark policy is just one voting option Glass Lewis clients can choose, either to adopt as their own or to use as a starting point for the creation of their own custom policy.

Glass Lewis serves a global client base with a broad range of views on corporate governance issues. In fact, our clients' varied perspectives of governance best practices are illustrated throughout the survey results that follow. For this reason, Glass Lewis offers its clients a menu of other "thematic" policy options, which are distinct from the benchmark policy, and which reflect different perspectives on investment and share ownership strategies.

For more information on our thematic voting policy options or to inquire about implementing your own custom policy, please contact us.

Methodology & Demographics

Types of Respondents

Investors	Asset Managers	76
	Pension fund	26
	Other	11
	Sub-Total	*113*
Non-Investors	Corporate Issuer	313
	Stakeholder	61
	Sub-Total	*374*
	Total	***487***

Investor Assets Under Management

AUM (US$)	Number of Respondents
Over $1 trillion	8
$500 billion to $1 trillion	11
$100 to $500 billion	34
$10 billion to $100 billion	32
$5 billion to $10 billion	4
Under $5 billion	24

Principal Location of Organization

Region	Investors	Non-Investors
United States	44%	45%
Europe	26%	25%
Canada	12%	7%
United Kingdom	11%	12%
Oceania	4%	3%
Asia	2%	4%
Central/South America	-	1%
Middle East/Africa	-	1%
Other	1%	3%

Results & Findings

The results presented in this report are calculated as a percentage of valid responses for that question, or, for choices allowing multiple selections, as a percentage of valid responses for that selection. This calculation excludes respondents who did not answer the question. Investor and non-investor responses are calculated separately. Percentages have been rounded.

General Approaches

Assessment of Multijurisdictional Companies

Local regulations and best practices typically have a strong impact on company governance practices, and investor expectations. But companies traded in multiple jurisdictions, or that trade in a jurisdiction that is different from their country of incorporation, may not be subject to the same requirements.

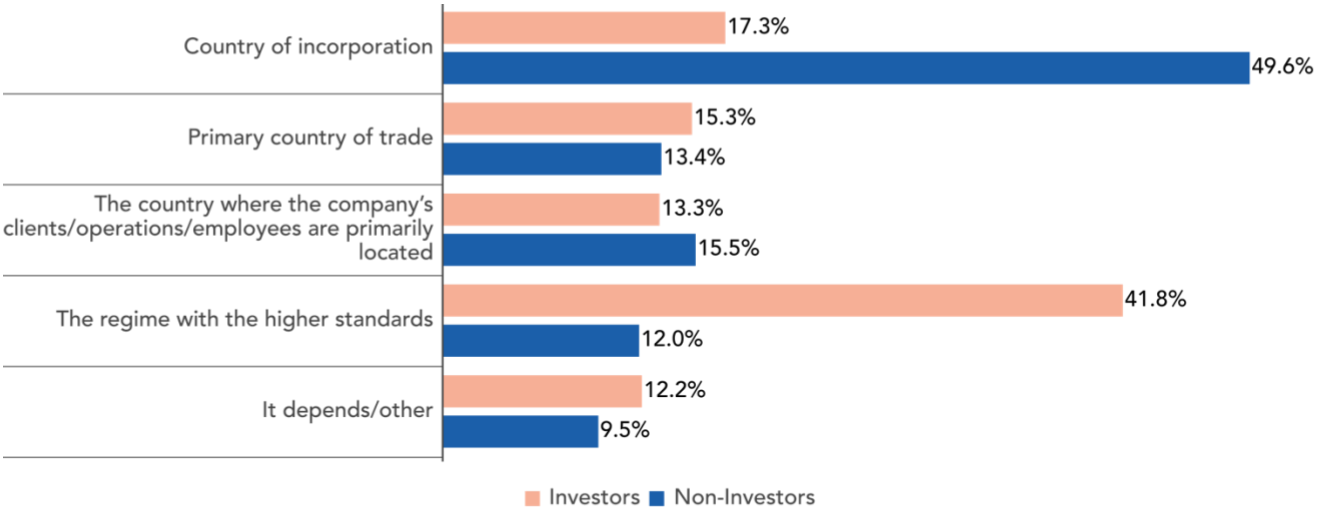
When we asked what governance regime multijurisdictional companies should be held to, there was a clear divide between investors and non-investors. Both groups expressed a clear top preference, with over 40% of investors opting for the regime with the highest standards, and nearly half of non-investors opting for the country of incorporation. These comments were representative of many investor respondents' views:

> *"Multijurisdictional companies should ideally be held to the governance regime with the higher standards, as this promotes a "race to the top" in terms of corporate governance, transparency, and accountability*." (Canadian investor)
>
> *"We want to avoid companies cherry-picking the regulatory framework they have to comply with, for instance benefiting from the exposure to a US listing but choosing to follow the lower standards of their country of incorporation."* (European investor)

A non-investor from the U.S. stated that:

> *"Multijurisdictional companies should adhere to their home country's governance standards but provide enhanced disclosures to meet the requirements of any foreign markets in which they operate. They should benchmark their practices against international best standards, comply with the minimum standards of stricter host countries, and aim to harmonize their governance to balance transparency and accountability across all jurisdictions."*

In your view, to what governance regime should multijurisdictional companies be held?



	Investors	Non-Investors
Total Responses	99	283
Total Comments	37	60

Auditor Rotation

A majority of investors were firm about the need for regular rotation of the external auditor firm, with the remaining responses fairly evenly split. Among non-investors, there was not a clear preference, and these respondents were more likely to view a regular tender process and/or rotation of the lead audit partner as sufficient to mitigate any concerns. For example, a Canadian non-investor stated that:

> *“Rotation of the lead audit partner/team is sufficient. Companies will have significant difficulties rotating audit firms due to complex independence rules and the fact that we use the audit firms that are not our independent auditor for consulting and support work.”*

A European non-investor concurred:

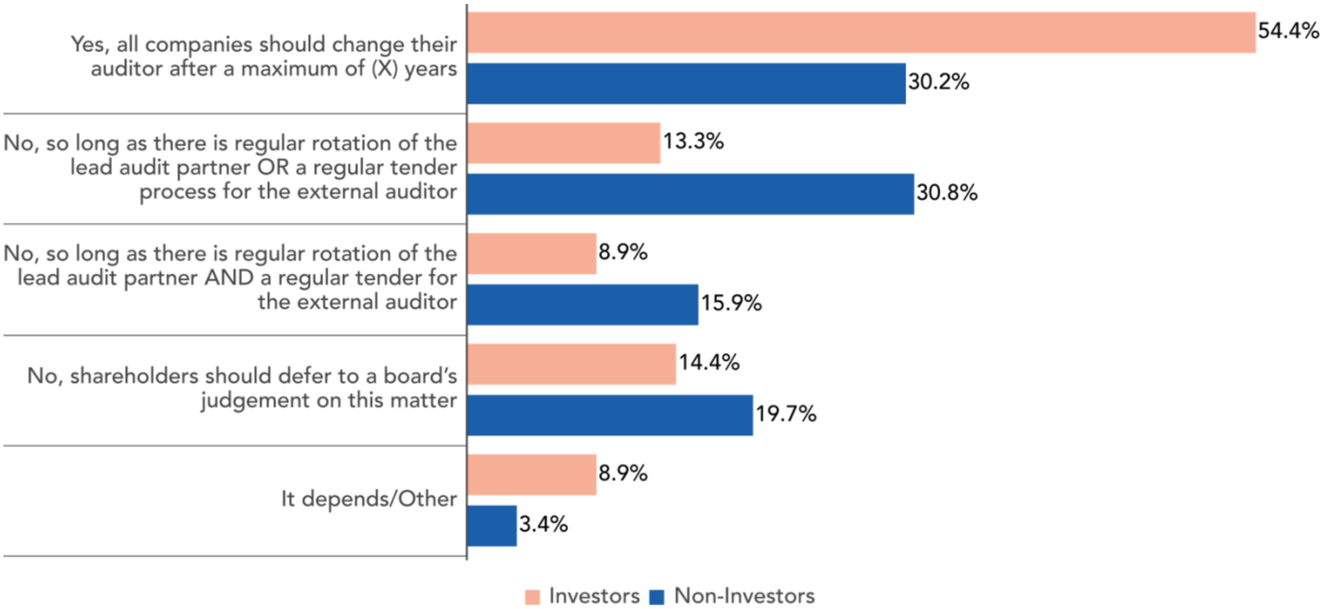
> *“It is not a question of firm rotation. The key point here is the audit partner and the team. Is is proved that a rotation of the audit partner and team is enough to protect the auditor independence. If the firm procedures for independence are robust, then this is not an issue.”*

Notably, among respondents who specified a maximum tenure, non-investors (8.1 years) were stricter than investors (12.9 years). While some respondents advocated for a maximum tenure as low as three years, many highlighted the potential for over-rotation to cause disruption, with 10 and 20 years the most common responses. One U.S. investor shared that:

> *“At 30 years, we take a closer look at independence. At some point, inertia is not a sufficient reason to continue the relationship.”*

There was also a significant geographical split amongst both groups, with North American respondents far less likely to call for mandatory auditor rotation (38.5% among North American investors, vs 76.3% for investors from other markets; and 6.1% vs 54.1% among non-investors).

For markets in which rotation of the company's financial auditor is not mandatory, should there be a maximum period for which a firm should serve as a company's auditor?



	Investors	Non-Investors
Total Responses	91	295
Total Comments	37	60

Insufficient Disclosure

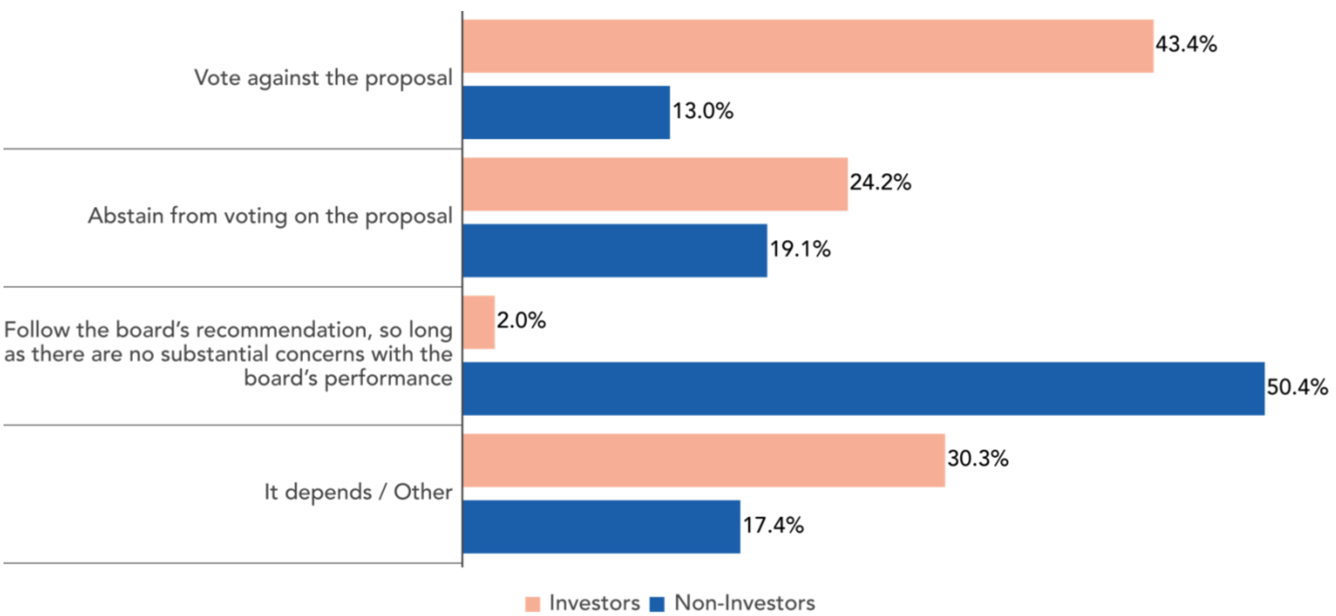
In cases where a company has not disclosed sufficient information to make an informed proxy voting decision, investors were far less comfortable deferring to the board (2.0%, vs 50.4% among non-investors). Instead, the most popular response was to vote against the proposal, with "abstain" and "it depends" also receiving significant support. Among non-investors, North American respondents were far more likely to follow the board's recommendation (62.3%, vs 37.0% for other non-investors).

Many investors said that they would typically reach out to the company before making a decision, a practice that many companies also suggested.

Other considerations included:

> *"In theory we would vote against the proposal in this situation. However, this will also depend on the market practices as we try to avoid voting against all proposals in a market."* (European investor)
>
> *"We would generally abstain on a proposal where we perceive it as being likely non-contentious (e.g. an uncontested board election at a reasonably well-run company) but would vote against if we perceived the proposal as being higher risk (e.g. undisclosed article amendments)."* (UK investor)
>
> *"How critical is the issue? Is information available other than via the board? Repeat behavior? How arrogant is the board acting?"* (U.S. investor)

In some instances, companies do not disclose sufficient information on a voting item for shareholders to make an informed proxy voting decision. What is your general approach in these situations?



	Investors	Non-Investors
Total Responses	99	115
Total Comments	63	81

Board Oversight & Performance

Related Party Transaction Disclosure

When a company engages in transactions with entities controlled or affiliated with inside directors, the board's rationale for why the transaction is necessary to the company's ordinary day-to-day operations is an important component in assessing whether it serves the best interests of all stakeholders.

While there was a general consensus that companies should provide disclosure regarding related party transactions, investors were more likely to view this as a standing requirement for any transactions (65.5%, vs 31.5% among non-investors) whereas a majority of non-investors only feel it is necessary for material transactions (60.2%, vs 29.9% among investors). Non-investor responses were fairly consistent across regions; however, there was a geographical split amongst investors, with North American respondents more comfortable limiting this requirement to material transactions (52.4% vs 34.2% for other markets), and investors from other markets seeing it necessary for all transactions (63.2% vs 40.2% for North American investors).

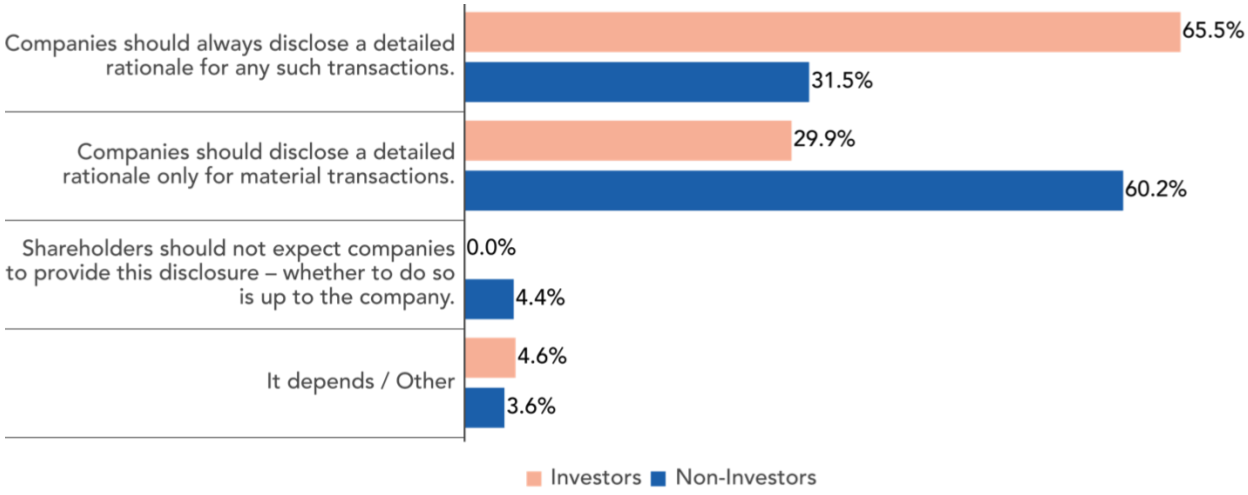
Several non-investors highlighted the potential additional disclosure requirements to create new problems:

> *"Overcommunication of every topic works against shareholder interests, so materiality should govern here. Shareholders should be able to take comfort through review of the company's more general policies and Code of Conduct that immaterial matters are also proper and justifiable, even if not worthy of detailed disclosure. The prevalent assumption that more disclosure is always good for the shareholders is (interestingly) not universally true and reliance on ethics and governance structure is appropriate. If investors lose faith in those elements, they should disinvest."* (U.S. non-investor)

A Canadian non-investor suggested a new approach:

> *"Materiality is too high a threshhold, but "all" such transactions is too low a threshhold. A $1,000 fee should not create an issue. Suggest something like: companies should disclose a detailed rationale only for transactions that are greater than 3% of materiality or $30,000, whichever is LESS."*

What are your expectations regarding disclosure of the rationale for related party transactions?



	Investors	Non-Investors
Total Responses	88	251
Total Comments	9	20

AI Governance and Ethics

Many companies are rapidly embracing the use of artificial intelligence ("AI"), which includes machine learning, deep learning, and generative AI. In response, investors are increasingly expecting that boards confirm safeguards are in place to mitigate associated risks, assess the impact of AI on company operations, and ensure the ethical use of AI.

Investors were more likely to view board oversight of AI issues as relevant, particularly in relation to the provision of disclosure regarding this oversight, and its formal codification. Overall, whereas a majority of non-investors felt it was too early to hold the board of any company accountable for AI issues, over three-quarters of investors rejected this notion.

Many respondents, of all types, felt an option for any company where AI is a material issue would best reflect their current approach/thinking. For example:

> *"Because this is a rapidly developing issue area, it is too early to penalize companies outside of the sector for being behind at this point. However, companies at the forefront should be acutely focused on related risks.'* (U.S. investor)

> *"We believe that the board of directors should be accountable for companies' responsible development and use of AI. Boards play a key role in overseeing that corporate governance and strategy balance competitive deployment of new technology against potential risks. This requires board expertise and resources that are proportionate to the company's risk exposure and business model. We do not expect individual board directors to have expertise on AI, but rather for the board to have or gather that expertise as a whole." (European investor)*

The emphasis on overall board familiarity, rather than individual expertise, was fairly consistent among investors, a majority of whom do not expect an AI specialist on all boards right now. It was echoed by a Canadian non-investor:

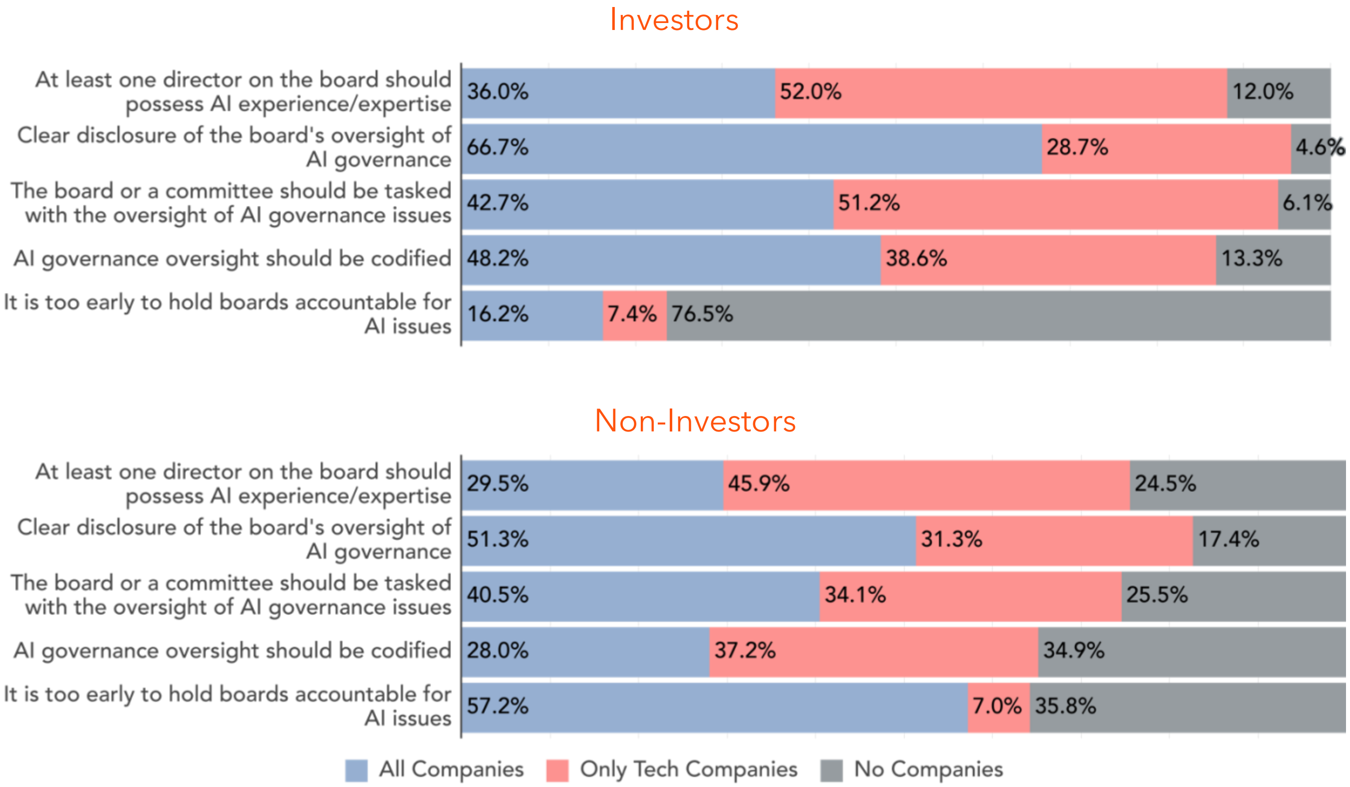
> *"AI is quite broad and think it is unlikely we will find directors that have the right AI experience. Think it is more about Board education and a component of risk management."*

Several other non-investors similarly placed AI oversight in the context of broader risk management:

> *"Important for risk management, ethical use of AI, implementing and adjustments for regulators"* (European non-investor)

> *"Board oversight of AI governance issues and ethics should be considered as part of a company's enterprise risk management program."* (U.S. non-investor)

Please use the options below to indicate your expectations for each of the following statements:



	Investors	Non-Investors
Total Responses	89	250
Total Comments	40	66

A majority of investors and non-investors alike considered disclosure on AI data security and privacy-related vulnerabilities to be very important. While non-investors were much less likely to view these factors as "Very Important", notably, social and ethical issues and the potential for reputational harm received the second-most "Very Important" responses among both groups.

Overall, investors were more likely to view all elements of risk assessment disclosure on AI and AI ethics as "Somewhat" or "Very Important" (47.9% overall, vs 39.9% among non-investors). A European investor shared that:

> *"We expect companies to be able to explain how the AI system they develop or use have been designed, trained and tested, and how they align with human values and intent. Disclosures should enable stakeholders to assess the potential impacts of AI systems and understand their accuracy, efficiency and reliability."*

Many respondents, particularly non-investors, were wary of a one-size-fits-all approach:

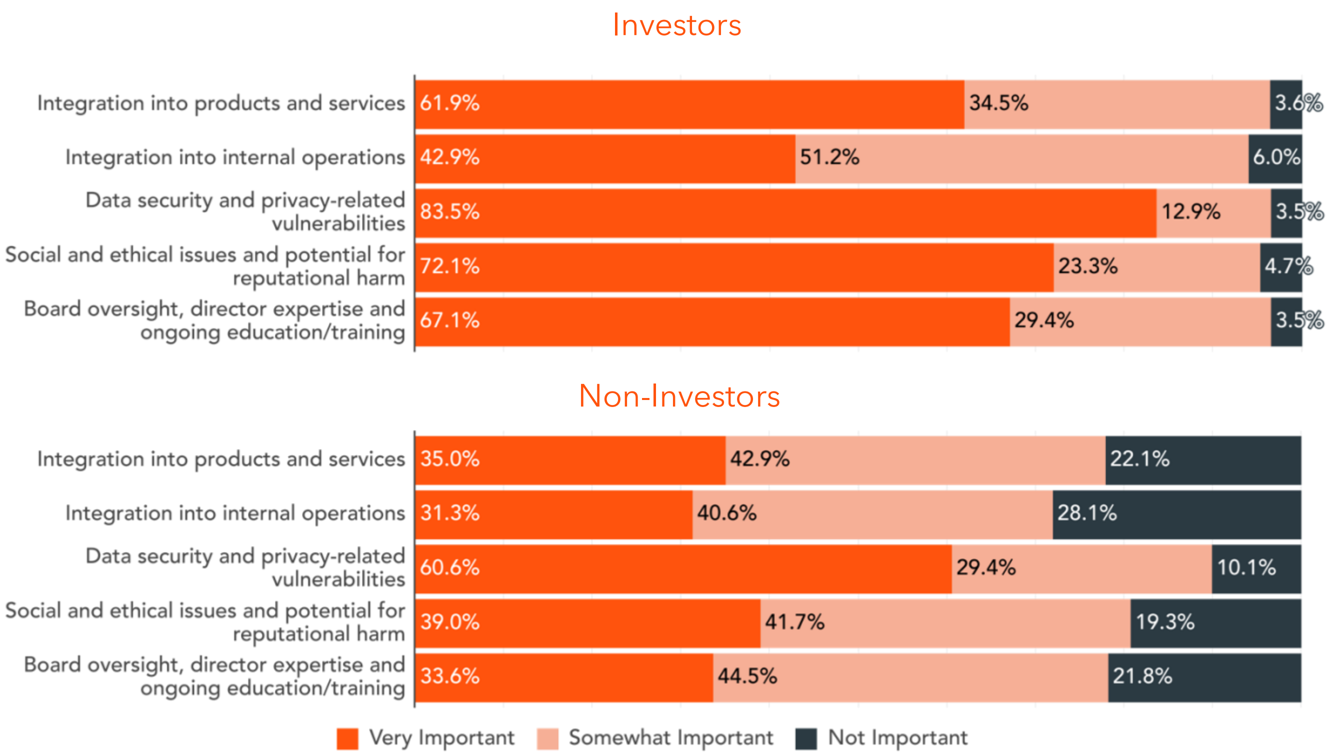
> *"Governance and ethics are most important. Details of integration should be reported on based on the level of risk which will be different for each company"* (UK non-investor)

> *"All these are important, of course, but making it part of a disclosure would actually backfire and heavily affect competition."* (European non-investor)

> *"This type of disclosure often results in a boilerplate document that is not particularly helpful to me as an investor. Companies also need to be careful not to release proprietary competitive information."* (U.S. investor)

While we did not observe a significant geographical split among investors, among non-investors, North American respondents appear to be less focused on AI issues than those from other markets.

In your opinion, how important are the following components of a company's risk assessment disclosure on AI and AI ethics?



	Investors	Non-Investors
Total Responses	86	221
Total Comments	16	41

Cybersecurity Oversight

There was also a significant contrast in how investors and non-investors view oversight of cybersecurity issues, with 62.5% of investors on average seeing this as “Very Important”, vs just 39.4% of non-investors. Investors were particularly concerned about the number/cost of attacks and remediation efforts (viewed as Very Important by 89.0%) and director expertise and ongoing training (69.0%). Similar to AI issues, there was a geographical split among non-investors, with North American respondents less concerned with cyber oversight; on average, 16.7% of North American non-investors viewed these issues as “Not Important”, vs 8.3% for other respondents.

Many respondents again felt that, while potentially critical to certain companies, these issues were not necessarily relevant to all. However, not all respondents agreed.

> *“Cyber threats are a universal, growing risk for all corporations. Robust disclosure of the items listed above would provide decision-useful information for shareholders.”* (U.S. investor)

> *“Board expertise is key. We want at least one board director to have relevant skills and experience related to cybersecurity, from their previous career history. The company should disclose how they have assessed the director has the relevant experience and skills to tackle this challenge. It is not sufficient for the company to rely on training the board receives from execs and consultants as it won’t provide adequate oversight.” (UK investor)*

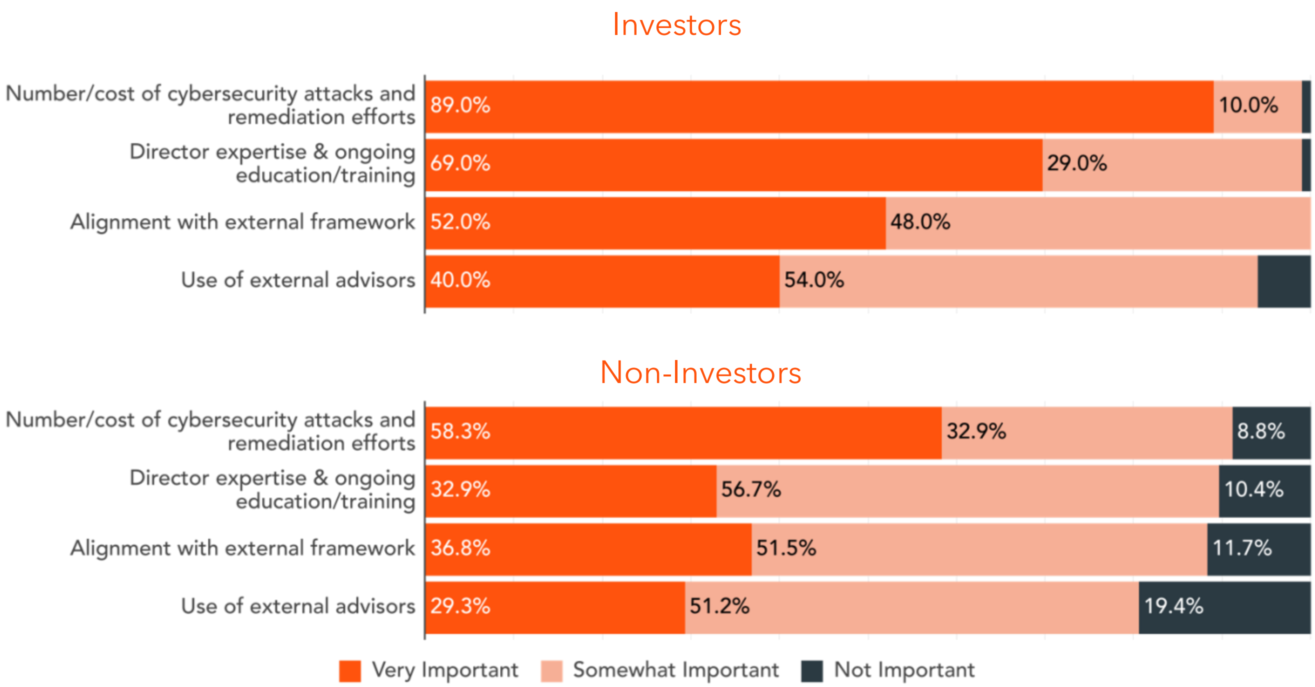
How to implement that oversight was again a point of contention. Notably, many non-investors expressed a preference for board-wide education rather than the appointment of specific experts:

> *“Board members are not supposed to be experts of everything. Besides, having super-experts at the board tends to …give [the other directors] a feeling … that they are not responsible for that question because they are not as legitimate as the expert is. The role of a board member is to raise the good questions and to exercise his/her best judgment. His/her responsibility is to ask the management to hear AI experts, internal or external. CEOs are not AI experts for instance, yet they are required to handle AI implications as an expert would do.”* (European non-investor)

> *“Having the right technical expertise available to the Board is key. Directors need to know what questions to ask and have access to expertise but they do not need to be the technical experts”* (UK non-investor)

> *“Companies are wise to seek out experts and smart frameworks to help manage this complex work. The idea that directors need to be experts is folly. Directors need to be able to ask for the right help, but in the end, they do not do the work. In this important risk area, companies should disclose information about their exposure, and they are smart if the utilize outside frameworks and expertise. An investor should be concerned if the risk is high and there is a lack of discussion about the approach.”* (U.S. non-investor)

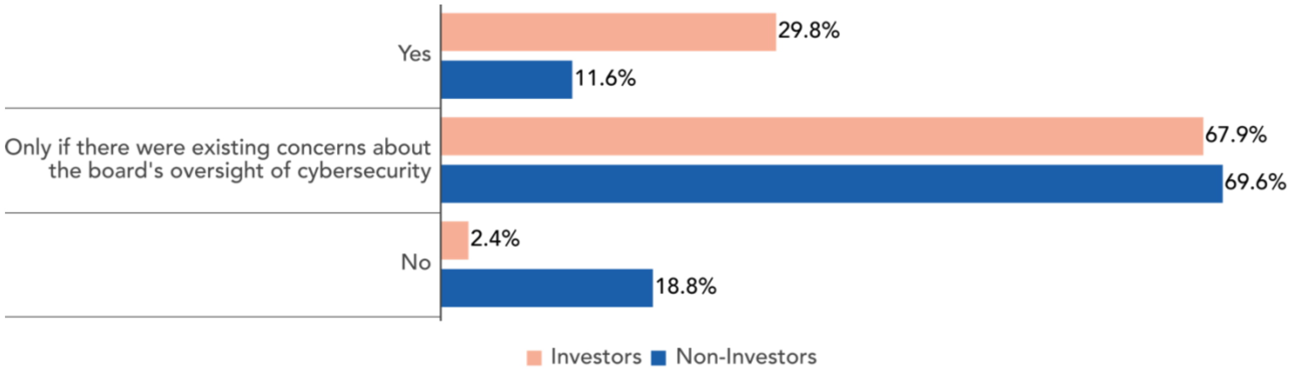
In assessing the board's oversight of cybersecurity issues, how important are the following factors?



	Investors	Non-Investors
Total Responses	85	244
Total Comments	8	25

When we asked about opposing directors on the basis of a cyberattack, the most common response among both investors and non-investors was to only vote on this basis if there were existing concerns about cybersecurity (67.9% among investors, vs 69.6% among non-investors). Non-investors were far more likely to reject the notion entirely (18.8%, vs 2.4% among investors).

Would you consider opposing the election/re-election of directors following a significant cybersecurity attack?

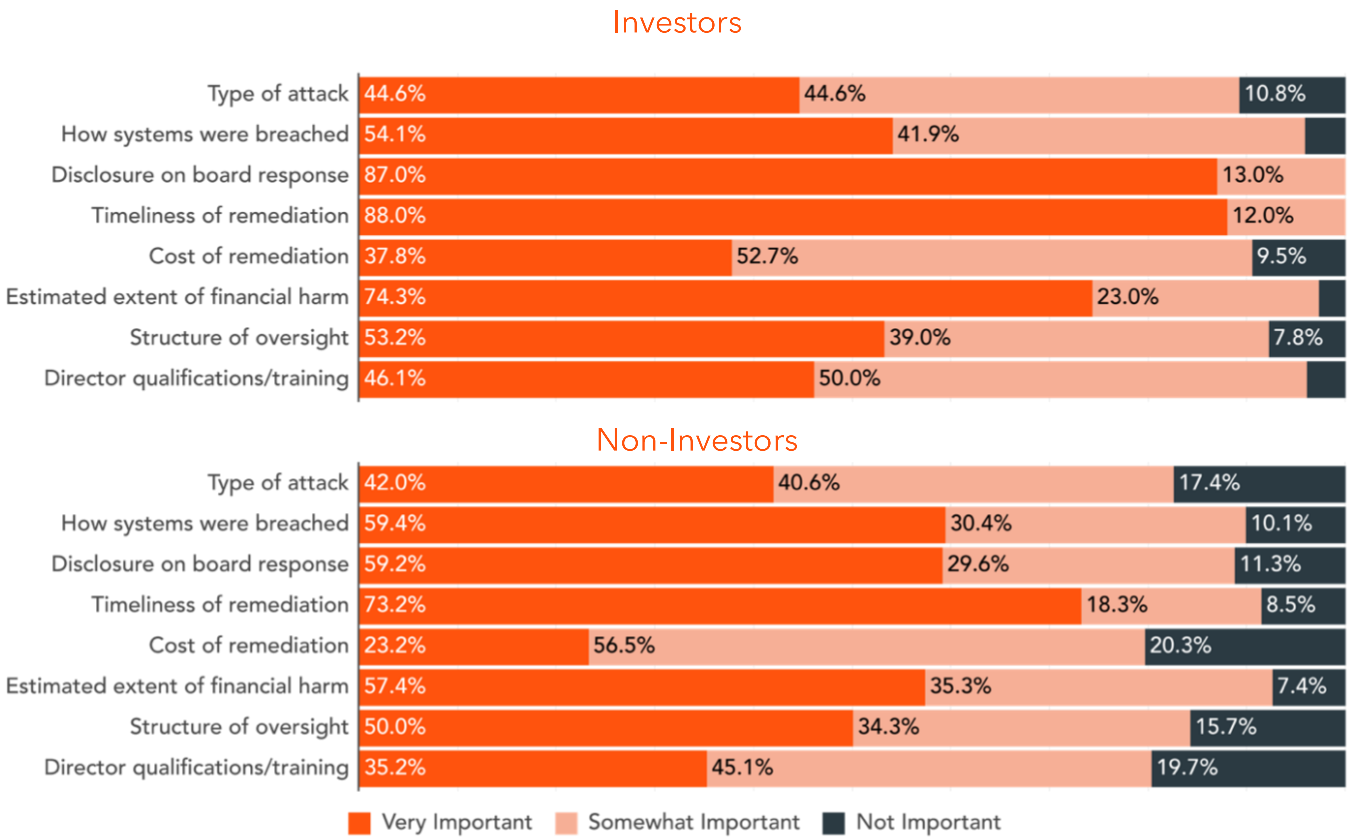


	Investors	Non-Investors
Total Responses	84	112
Total Comments	13	19

We also asked how important certain factors were as 'red flags' in assessing cybersecurity oversight. The timeliness of remediation and disclosure on the board's response to the attack, along with the extent of financial harm, were the most likely to be very important in investors' voting decisions.

While investors and non-investors were somewhat aligned on many factors, there was a notable split with regard to director qualifications/training, which was viewed as "Not Important" by 20% of non-investors, vs just 4% of investors. Like with other emerging technology issues, North American non-investors were significantly less likely to see relevance. On average, 21% of non-investors from North America viewed these issues as "Not Important", vs 6% among non-investors from other markets.

If yes, how important are the following factors in making your vote decision?

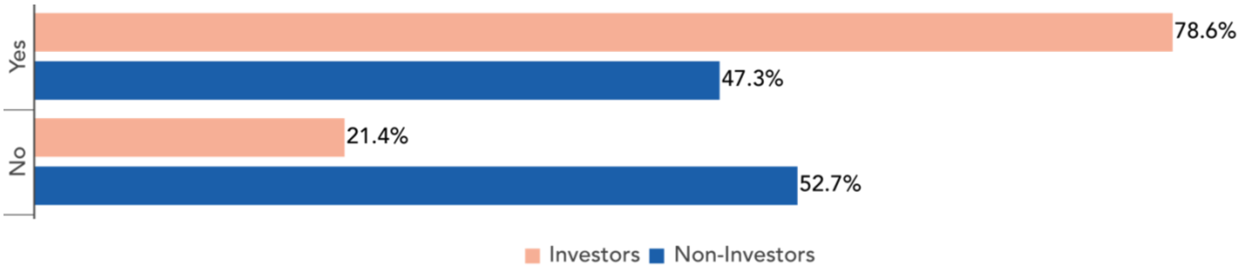


	Investors	Non-Investors
Total Responses	77	72
Total Comments	3	15

Consideration of Director Performance on Other Boards

Investors were far more open to voting against a director based on their performance at other boards. Once again, there was a notable geographical split among non-investors, with North American respondents significantly less likely to view performance at other boards as relevant (36.1%, vs 61.1% for other markets).

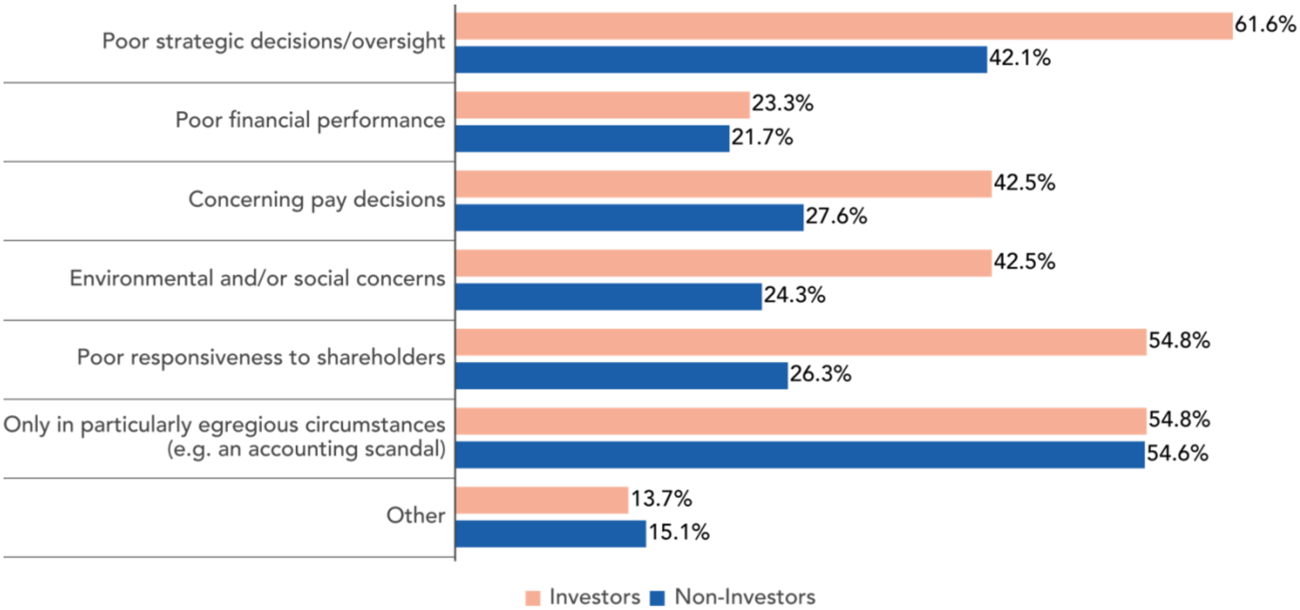
When shareholders hold material concerns with the performance of a director at one company, should they consider opposing the election/reelection of that director at different companies on this basis?



	Investors	Non-Investors
Total Responses	85	241
Total Comments	32	54

We followed up to ask in what areas of performance they considered, and found notable gaps in how investors and non-investors viewed the relevance of responsiveness to shareholders (54.8% of investors viewed this as a potential voting reason, vs just 26.3% of non-investors) and strategic decisions (61.6% vs 42.1%); however, both groups were fairly consistent in their consideration of egregious circumstances (54.8% vs 54.6%), and in putting a relatively low weighting on financial performance (23.3% vs 21.7%).

If yes, under what circumstances would this be appropriate?



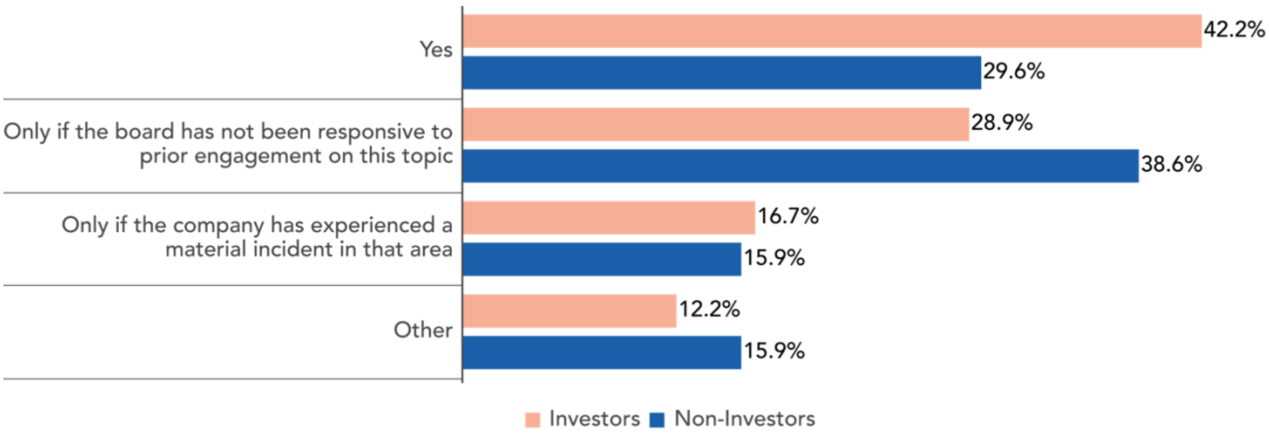
	Investors	Non-Investors
Total Responses	73	152
Total Comments	20	35

Voting Based on Board Skills Gaps

Responses were relatively consistent for investors and non-investors regarding the appropriateness of holding the nomination/governance committee chair responsible for board skills gaps. However, non-investors were somewhat more likely to view voting as a second step, only appropriate if prior engagement on the topic was unproductive (38.6%, vs 28.9% among investors).

There was a notable geographical split among investors, with North American respondents significantly more likely to limit voting on this basis to cases where the company had experienced a material incident in the relevant area (23.1%, vs 7.9% among investors from other markets); and investors from the rest of the world more likely to vote on this basis regardless of other circumstances (50%, vs 36.5% among North American investors).

Would you consider voting against the election of the nominating/governance committee's chair or members if there are no directors on the board with clear skills and/or expertise in an area that is relevant to the company (e.g. AI, cybersecurity, ESG, supply chain)?



	Investors	Non-Investors
Total Responses	91	113
Total Comments	13	19

Executive Pay

Make-Whole Awards

For executive recruitment, companies sometimes agree to provide "make -whole" grants to compensate for awards that the candidate must forfeit upon leaving their current employer. There is a significant gap in investor and non-investor expectations regarding disclosures related to "make-whole" grants. On average, 63.4% of investors expect disclosure of the terms of the award, along with explicit confirmation that awards are time-restricted and the same size as those forfeited, vs 30.1% among non-investors. By contrast, nearly half of non-investors responded that companies should only need to provide minimum disclosure (48.4%, vs 15.5% of investors).

One U.S. investor stated:

> *"We would prefer a detailed breakdown, but often that is not made available. …[W]e will try to reconcile the terms and value of the award with any previous public disclosures made at the executive's prior employer. Failing that, we will generally take the company at their word, but would engage if we hold a material position."*

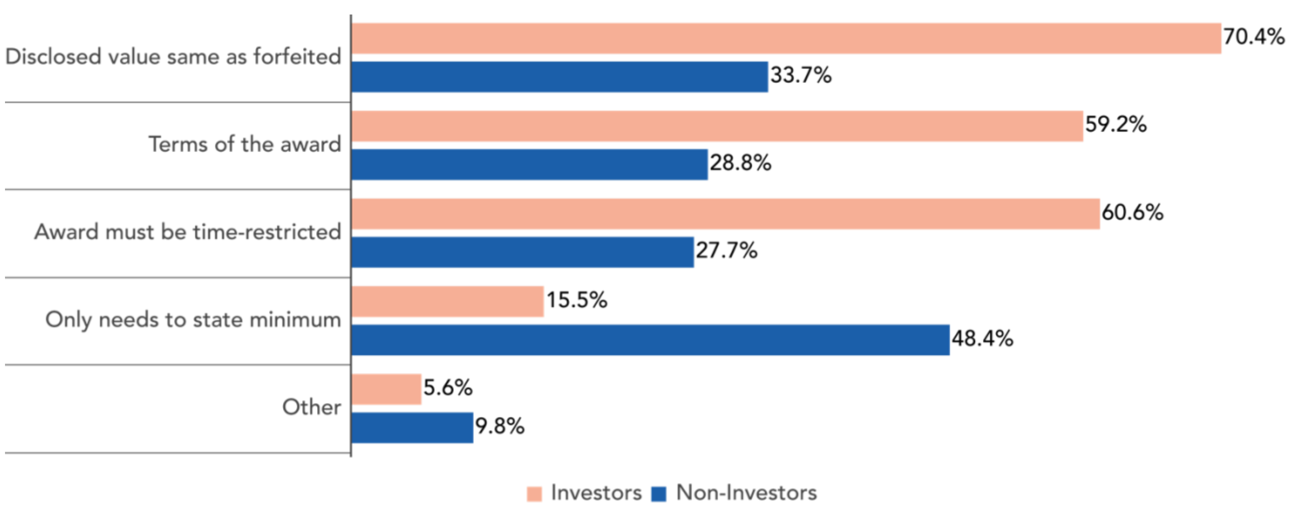
Comments left by U.S. non-investors indicate the opposition was mainly to general rules for disclosure, favoring instead board discretion:

> *"We use guidelines, but if it is material enough as compared to prior or other similar employee grants, then a fuller explanation is warranted."*

> *"If a company feels a make whole payment is necessary and that it might raise investor questions, they should disclose what will help explain that decision. Why would we apply a general rule here?"*

> *"In the best case,….investors should simply agree that the company had all the elements to make the best decisions, and no reason to waste money."*

When a company provides an executive with a make-whole grant or grants, what should the company demonstrate in its disclosure?



	Investors	Non-Investors
Total Responses	71	184
Total Comments	12	28

Time-Based vs Performance-Based Incentives

Some market participants advocate for granting non-performance-based awards subject to extended time-based vesting periods, but no performance conditions. The vesting period for these time-based grants is typically at least five years.

Investors were far more likely to disagree that performance conditions are unnecessary for long-term incentives (73.0% vs 39.5% among non-investors), or too complicated (85.1% vs 62.7%). However, there was a consensus that performance-based equity plays an important role in directing executives (90.9% of investors agreed, vs 87.0% of non-investors). Notably, a majority of investors would consider supporting time-based awards in specific circumstances, but generally prefer performance-based awards.

While investors were generally aligned in their views across different regions, North American investors were more willing to consider supporting time-based awards if the award size is reduced (61.5%, vs 41.9% for other investors).

> *"There should be an appropriate discount to the more leveraged nature of performance-based pay, given the increased certainty of reward."* (U.S. investor)

Several investor comments underscored concerns regarding PSU structure while still supporting their use:

> *"We believe incentive compensation should be primarily long-term and performance-based…That said, we have been giving extra scrutiny to PSUs, the issues are surrounding complexity of the design, appropriateness of targets, dilution and gearing impacts."* (U.S. investor)

> *"We agree that many equity plans have become too complicated to assess and/or monitor. Generally, plans should include and disclose clear performance-based criteria, longer horizon vesting periods and post-employment holding periods."* (U.S. investor)

> *"There is no one size fits all answer. Companies should not obfuscate and enrich management with murky performance metrics and formulae."* (Canadian investor)

Non-investors highlighted practical difficulties with performance-based awards:

> *"[G]oal setting is a lot less precise and more difficult than is recognized by academics and advisory services…. However, extending the vesting period for time-based grants ignores the reality of executive tenure and duration. Longer vesting periods create larger issue upon separation and they actually exceed the time horizon that is incentivizing (if we believe these are really incentives at all). The structure of overlapping grants over say a 3-year period provides a continual and practical incentive to manage beyond the current quarter. This is a solution in search of a problem."* (U.S. non-investor)

In contrast to that last comment, many non-investors highlighted the importance of long-term alignment:

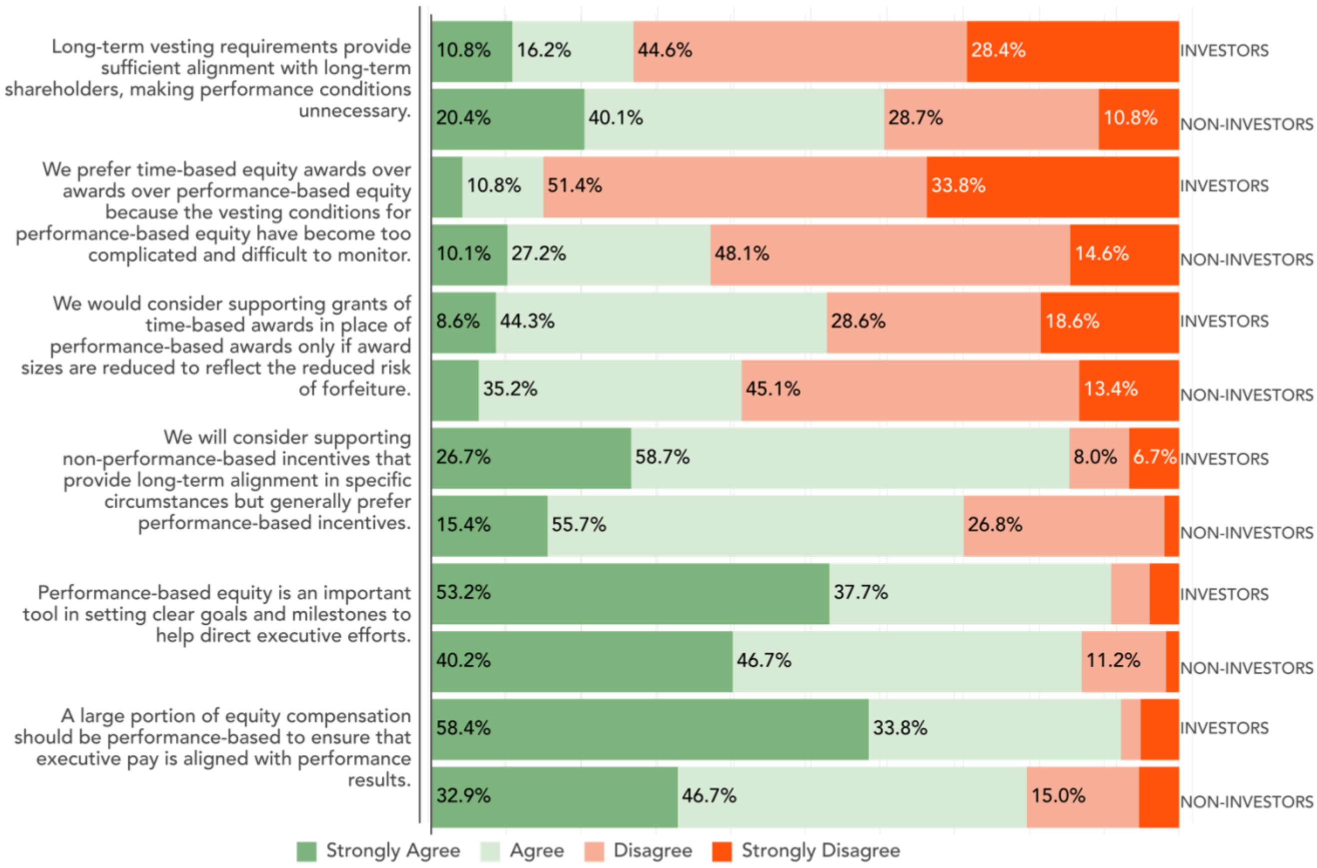
> *"Companies should have the flexibility to award equity vehicles that align with the business strategy and culture. Companies can better meet their goals, motivate employees, and maintain a culture that supports their mission and values. With that said, having a strong stock ownership guideline would help with long-term alignment between shareholders and executives."* (U.S. non-investor)

> *"Suggest consideration of equity awards with not only long vesting period but long overall holding periods (vesting + post vesting holding)."* (U.S. non-investor)

One European investor who expressed a strong preference for time-based awards over performance-based awards clarified that:

> *[Our responses] apply to CEOs and not necessarily other executives. The CEO has a unique and comprehensive role in the company which is different from the other executives who tend to have more sectoral or process-focussed roles. The terms and incentives of other executives will normally be strongly influenced by the CEO, and are sometimes seen as largely the remit of the CEO. In our perspective, shareholder views on compensation are therefore mostly relevant for the CEO.*

Please select your level of agreement with the following statements:



	Investors	Non-Investors
Total Responses	78	176
Total Comments	14	39

Workplace Safety & Pay Outcomes

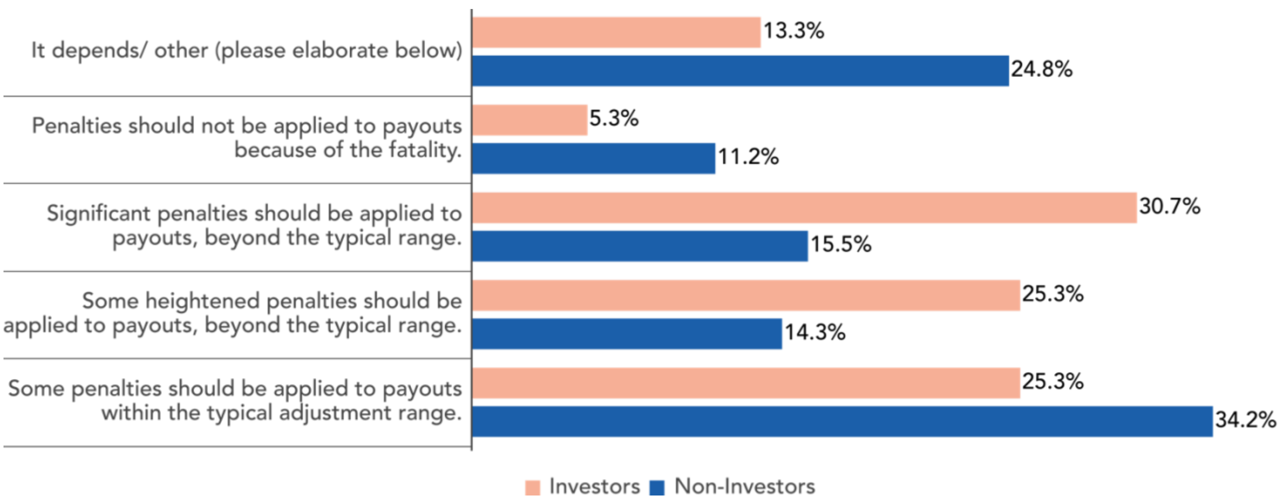
Workplace safety is a common component of executives' annual bonus opportunity, particularly among companies in sectors with significant operational exposure, such as energy, manufacturing, mining and utilities. Typically, payouts are decreased by a certain range (5-15% in some markets) for poor safety performance.

Investors appear to take a stricter line regarding the treatment of fatalities in the workplace safety component of short-term incentives. The most popular response among investors was that significant penalties should be applied that go beyond the typical adjustment range (30.7%, vs 15.5% among non-investors), whereas the most common response among non-investors was to limit penalties to the typical adjustment range (34.2%, vs 25.3% among investors). Notably, North American investors were more likely to call for significant penalties (38.6%, vs 19.4% for investors from other markets). However, among investor comments, context is important:

> *"i.e., to what extent could better training/procedures etc have prevented the fatalities…We are not opposed to other H&S metrics being included in the incentive structure, but we need to see strong evidence that they actually result in improved practices."* (U.S. investor)

> *"It depends on the nature of the incident, the culpability of the company and the level of disclosure from the company about the incident."* (U.S. investor)

When overall safety performance has improved but the company records a fatality for which it may be at fault, how should annual bonus payouts be impacted?



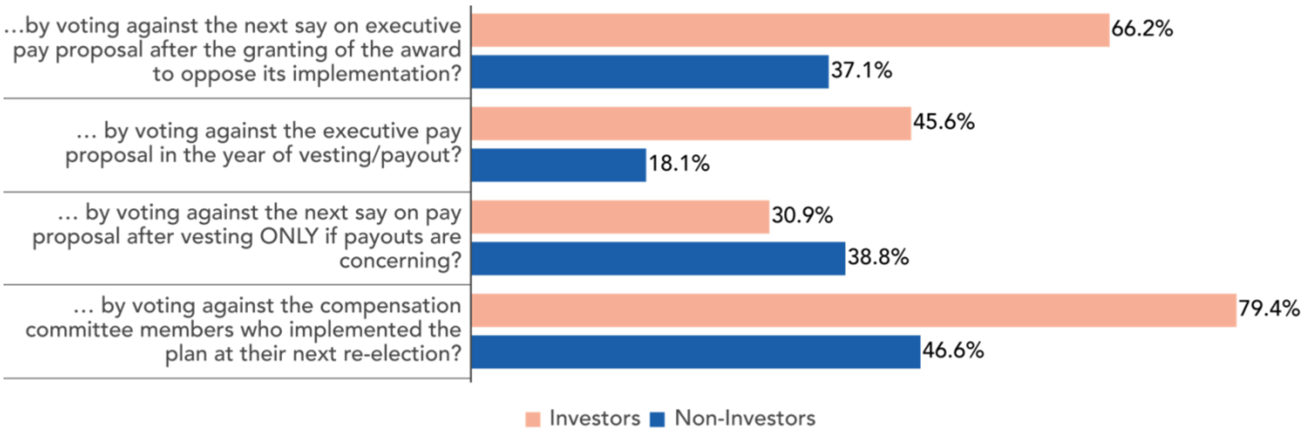
	Investors	Non-Investors
Total Responses	76	162
Total Comments	23	44

Equity Plans and Shareholder Dissent

In most markets, binding shareholder approval is required for equity incentive plans and some individual equity incentive awards. Where companies implement equity incentive plans or awards despite significant shareholder dissent, investors were far more likely to view escalation to other agenda items as appropriate regardless of other circumstances (63.7% overall, vs 33.9% among non-investors).

Notably, investors from outside North America were much more likely to consider voting against the executive pay proposal in the year that plan awards vest (60.0%, vs 34.2% among North American investors), while North American investors were more likely to limit escalation to cases where ultimate payouts are concerning (39.5%, vs 20% among other investors).

Assume an equity incentive plan or equity award received significant shareholder dissent but was nonetheless implemented without modification upon a passing level of support. Is it appropriate for shareholders to escalate this issue to other agenda items:



	Investors	Non-Investors
Total Responses	68	116
Total Comments	12	35

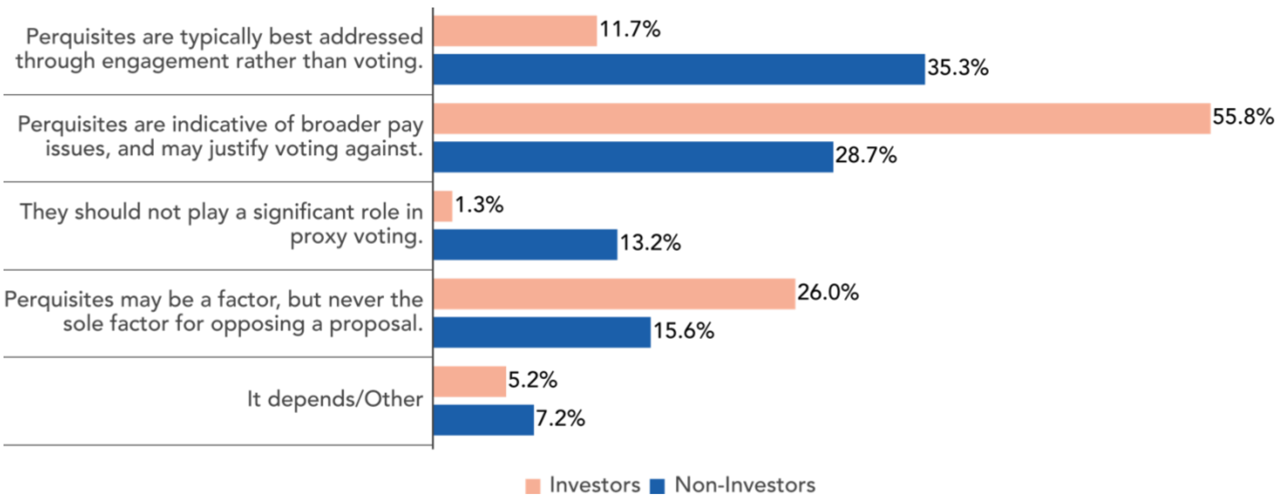
Executive Perquisites

In recent years, the annual value of CEO perquisites (such as personal use of the company aircraft or country club fees) has dramatically increased among U.S. companies. Compared to pre-pandemic levels (2019), 2023 CEO perquisites was an average 28% higher among S&P 500 companies, topping $1 million in many cases.

Investors were more likely to view perquisites as indicative of broader executive pay issues (55.8%, vs 28.7% among non-investors), whereas the most common response among non-investors was that concerns with perquisites should be handled via engagement rather than proxy voting (35.3%, vs 11.7% among investors).

Notably, non-North American investors were more likely to vote against a pay proposal based solely on perquisite concerns (63.6%, vs 50.0% among North American investors), whereas North American investors were more likely to include perquisites as a consideration, but not the primary reason for voting (34.1%, vs 15.2% among other investors).

What is your opinion on how perquisites should be considered in voting?



	Investors	Non-Investors
Total Responses	78	168
Total Comments	13	22

Median Pay Disclosure

Investors were more than twice as likely to view median pay level disclosure as "necessary" (43.8%, vs 19.2% among non-investors). The most popular response among non-investors was that companies should not disclose this information if it is not required by local regulations (33.5%, vs 6.3% among investors). To understand why, one European non-investor explained:

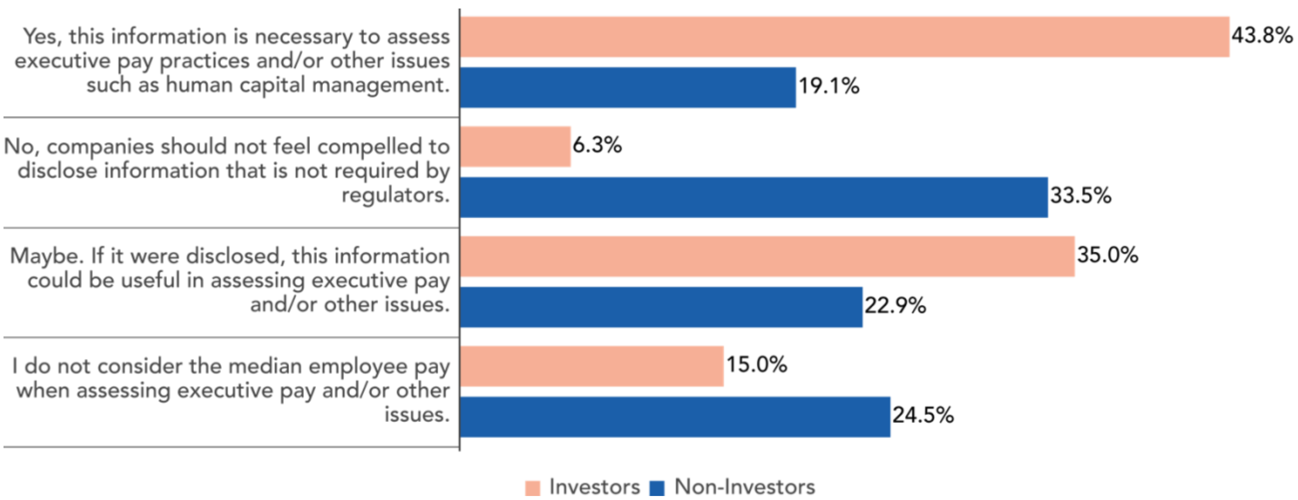
> *"the median employee pay is meaningless in companies having an international footprint. Its mixing apples and carrots."*

A U.S. non-investor concurred*:*

> *"…pay ratio depends on which countries the majority of your employees live in, or which type of jobs they have. This ratio has very little value in our opinion."*

More broadly, we observed a geographical split; among both investors and non-investors, respondents from outside North America were more likely to view median pay level disclosure as important. Half of investors from other regions viewed this disclosure as "necessary", compared to 39.1% of North American investors; as did 29.6% of non-investors from other regions, compared to 10.0% among North American non-investors.

Do you agree that the median employee pay level should be disclosed by the company, regardless of applicable regulatory reporting requirements?



	Investors	Non-Investors
Total Responses	81	189
Total Comments	8	25

Transatlantic Pay Gap

Perhaps surprisingly, investors were more likely to view the so-called Transatlantic pay gap as 'problematic' (60%, vs 42% among non-investors). While different respondents interpreted the nature, severity and causes of the 'problem' differently, by and large there was a consensus that, as a U.S. investor put it:

> *"Such a gap is evidence of the excessive executive pay common in North America."*

A counterpart at another U.S. investor states:

> *"The problem is overblown. We will provide some leeway if the company genuinely needs to compete for talent in the U.S. (e.g. senior executives are based there, significant operations/revenue derived there). However, we do not agree with the notion that a mid-cap European or U.K.-based company needs to pay in line with U.S. benchmarks. We are highly skeptical of the idea that increasing executive compensation would significantly improve the competitiveness of the U.K./Europe capital markets vis-à-vis the U.S."*

European investors concur:

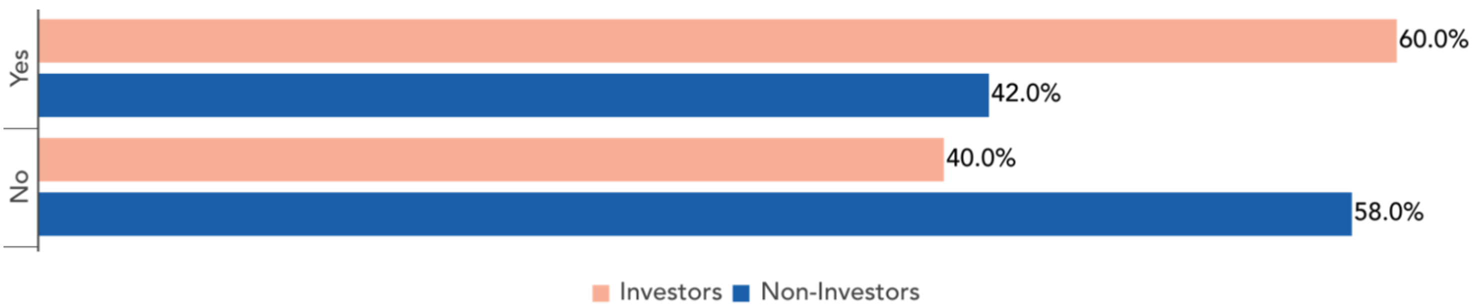
> *"…high remuneration for US peers shouldn't be reason for European companies to significantly increase remuneration. US remuneration should rather decrease as pay inequality is also already high within European companies."*

Perhaps unsurprisingly, North American non-investors were much less likely to view the pay gap as a problem (31.0%, vs 53.9% among non-investors in other markets). As one U.S.-based non-investor noted:

> *"Compensation Committees are independent and have their own independent advisors. There are different reasons different people at different positions are paid as they are. Not every difference in pay means it is problematic. People have different roles and impact at a company and they are compensated accordingly after reviewing the relevant data."*

Among investors, there was not a significant geographical split.

Do you believe that the executive pay gap is problematic?

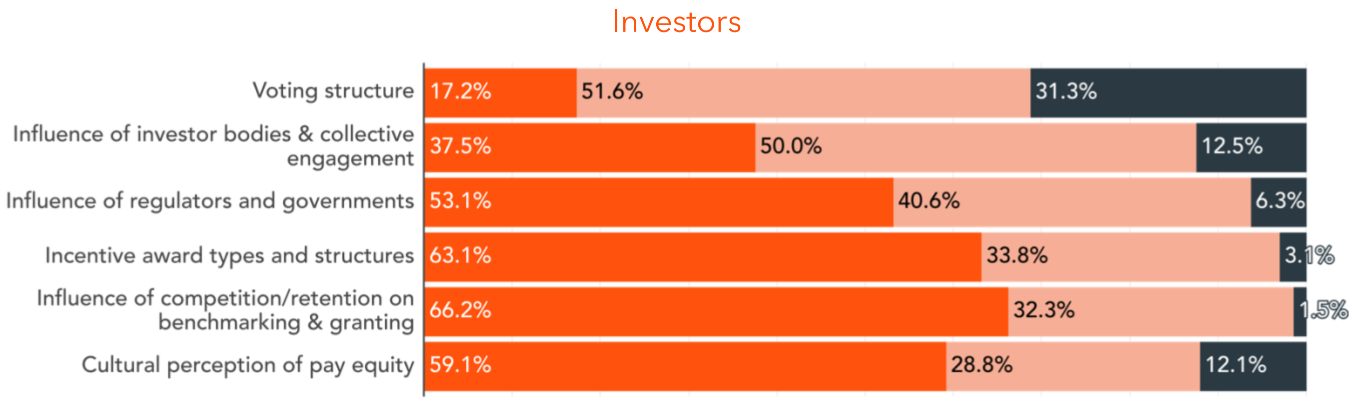


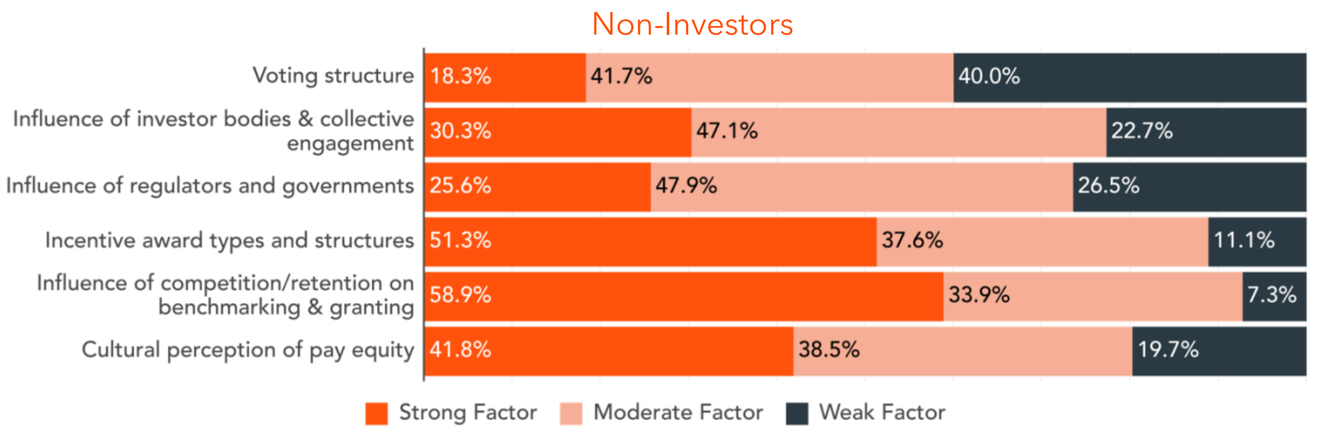
	Investors	Non-Investors
Total Responses	76	163
Total Comments	21	32

In terms of what is causing the pay gap, investors were particularly more likely to view the influence of both investor bodies/engagement, and of regulators and governments, in establishing local market norms and promoting shareholder interests as a "Strong" or "Moderate Factor". Culture was also seen as a strong factor, and cited in several comments:

> *"Perhaps the most important factor is social and cultural - the mistaken impression that top management "deserves" and is entitled to excessive compensation because their peers in other companies are rewarded excessively."* (U.S. non-investor)

For each item, please indicate the magnitude of its influence on the pay gap.



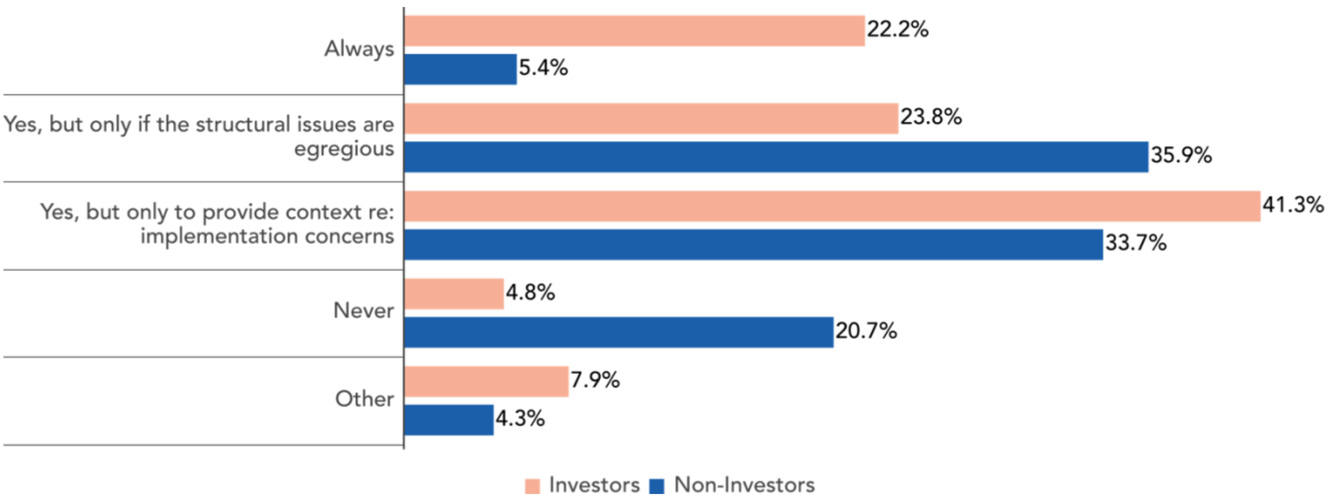


	Investors	Non-Investors
Total Responses	69	128
Total Comments	7	5

Structural Issues in Advisory 'Pay Implementation' Votes

Among investors, the most common response was that structural issues should only be considered for context when implementation decisions have already raised concerns (41.3%, vs 33.7% among non-investors). Investor and non-investor totals for "Always" (22.2% vs 5.4%) and "Never" (4.8% vs 20.7%) were roughly inverse. Notably, there was a significant split between UK and European investors, with no UK respondents answering "Always" (vs 21.1% of European respondents) and a majority only taking structural issues into account when they were egregious (57.1%, vs 21.1% among European investors).

Where shareholders get separate votes on remuneration policy and policy implementation (UK and Europe), should structural concerns ever affect votes on the approval of a remuneration report (advisory remuneration vote)?



	Investors	Non-Investors
Total Responses	64	93
Total Comments	5	11

Pay Benchmarking

Competitiveness as a Rationale for Pay Increases

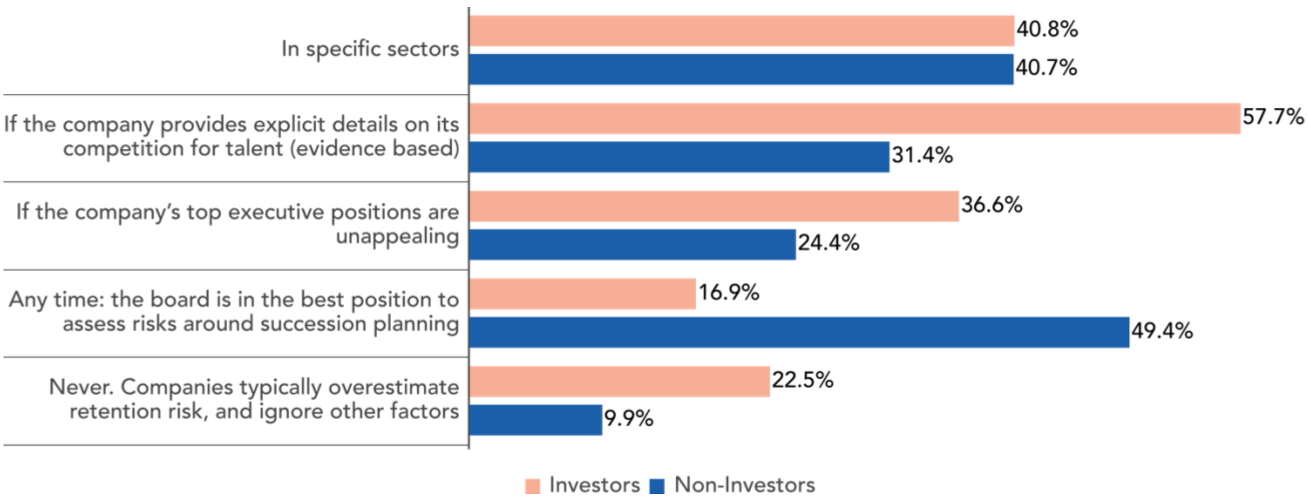
Perhaps unsurprisingly, non-investors were most likely to defer to the board on whether the need to attract and retain executive talent justifies pay increases (49.4%, vs 16.9% of investors); this option was particularly popular among North American non-investors (58.2%, vs 37.8% for other markets). Two U.S.-based non-investors stated:

> *"No amount of compensation is too high, if the executive can deliver superior results. However, failure to deliver superior results when the compensation was relatively high, should result in negative votes for the say-on-pay vote or the compensation committee members."*

> *"There are multiple reasons why a board may conclude that it needs to increase pay to enhance the likelihood of it attracting and retaining key talent. It is fair for investors to expect a convincing rationale and sufficient background information; however, given the sensitivities of this issue, a company may not always be able to provide extensive detail on specific circumstances. "*

By contrast, a majority of investors prefer to see explicit evidence of the need to make increases (57.7%, vs 31.4% of non-investors), with this option particularly popular among investors outside of North America (70%, vs 48.8% among North American investors). Notably, investors were more than twice as likely to view retention risk as overrated (22.5% vs 9.9%), particularly North American investors (26.8%, vs 16.7% among other investors).

In what situations is the need to attract and retain executive talent a valid rationale for increases to overall pay opportunity?



	Investors	Non-Investors
Total Responses	71	172
Total Comments	11	20

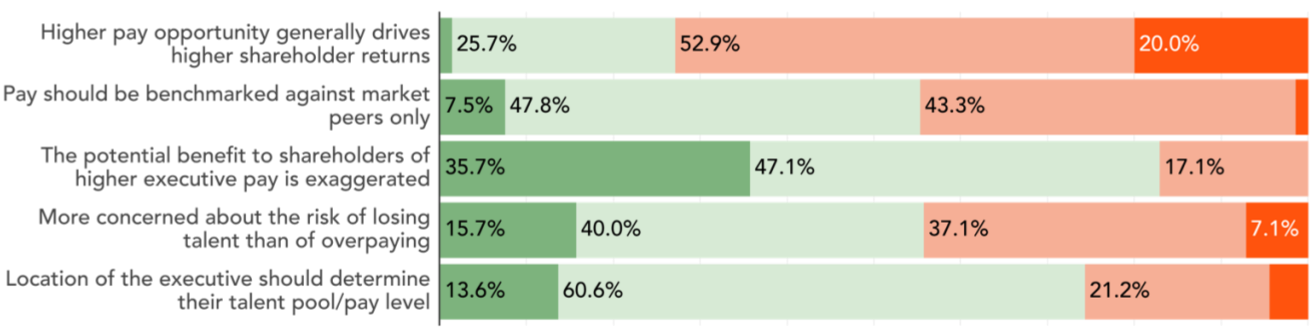
Views on Benchmarking

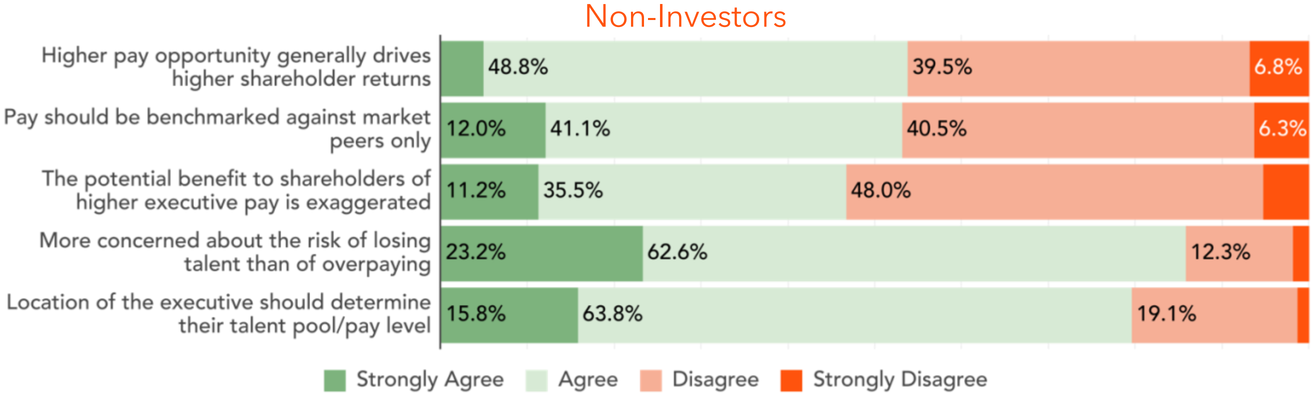
While a majority of non-investors agreed or strongly agreed that higher pay opportunity generally drives higher shareholder returns (53.7%), nearly three-quarters of investors disagreed or strongly disagreed (72.9%). Said one U.S.-based investor:

> *"However, higher pay opportunity alone is not going to guarantee better performance, rather, this ensures companies can compete against their peers. This may result in overpaying which we would obviously take issue with."*

There were similar views about whether the potential benefit to shareholders of higher executive pay is overrated. However, strong majorities of both investors and non-investors agreed or strongly agreed that the location of the executive and the region they oversee should define their pay structure. Among investors, there was a notable geographic split on this last point – whereas just 58.3% of North American respondents agreed or strongly agreed, in other markets this rose to 93.3%.

Rate your agreement with the following statements, assuming the peer group comprises companies of similar valuations, financial properties and scope.





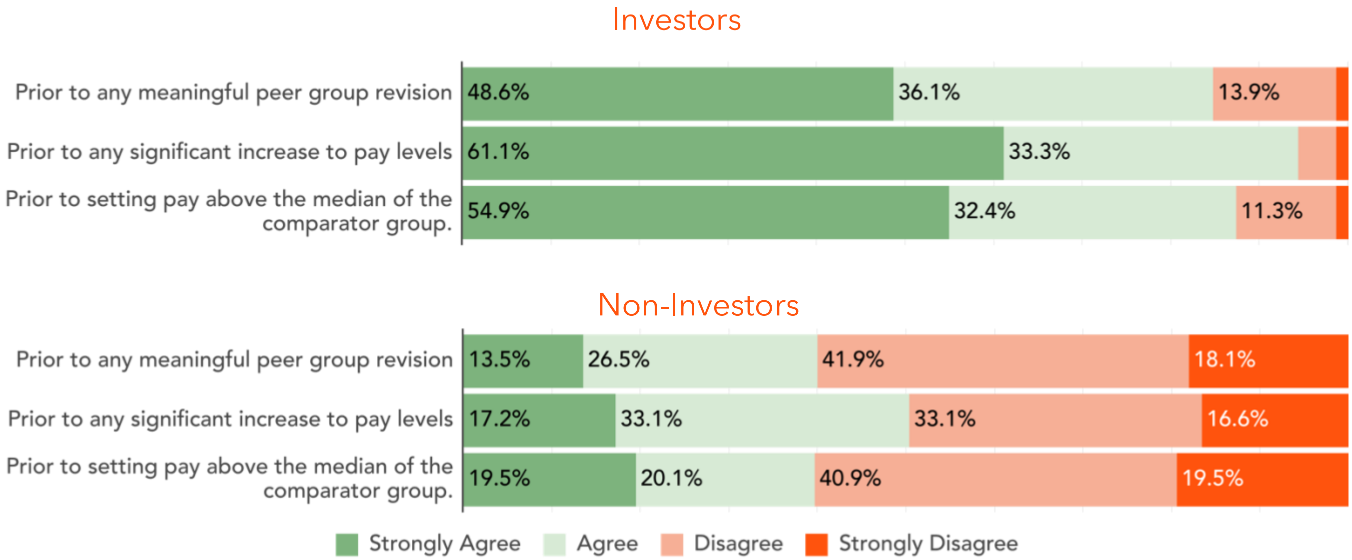
	Investors	Non-Investors
Total Responses	72	169
Total Comments	6	17

Shareholder Consultation Regarding Pay

There is a significant gap between investor and non-investor expectations on the necessity of consulting with shareholders prior to pay changes and benchmarking. The following comments were representative of North American non-investors' views on the subject:

> *"Shareholder feedback can be obtained through Say-on-Pay votes."*
>
> *"Boards and Executive teams need to have the flexibility to address this directly. Shareholders already have a mechanism by which they can have input - a vote against."*
>
> *"The Board/Compensation Committee is in the best position to determine appropriate pay design and quantum that best aligns shareholder and executive interests. Appropriate and adequate checks and balances are already in place for Board members (typically annual say-on-pay vote and annual voting for Board members)."*

Should shareholders expect companies to seek and disclose their feedback in the following circumstances:



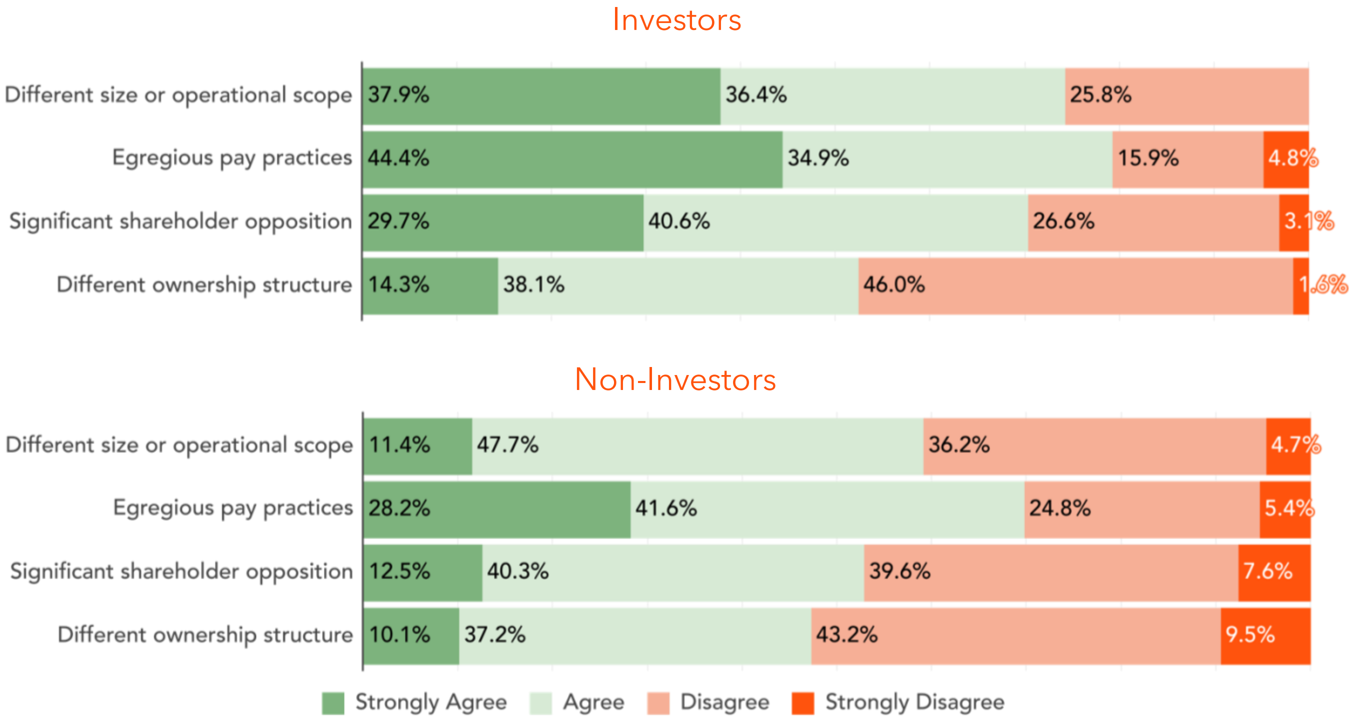
	Investors	Non-Investors
Total Responses	72	161
Total Comments	7	24

Peer Groups

Across the board, investors were more likely to view the inclusion of companies with each of the attributes we asked about as inappropriate. In particular, there were significant gaps regarding companies of different size or operational scope (74.2% investors agreed or strongly agreed that their inclusion is inappropriate, vs 59.1% among non-investors) and companies that had experienced significant shareholder opposition (70.3%, vs 52.8% among non-investors).

Investor views were broadly aligned across regions, with respondents from outside North America generally somewhat more likely to agree. However, a significantly higher proportion of North American investors viewed companies with a different ownership structure as problematic (60%, vs 42.9% for other markets).

Would you view the inclusion of companies with the following attributes within a compensation peer group as inappropriate?



	Investors	Non-Investors
Total Responses	68	154
Total Comments	7	17

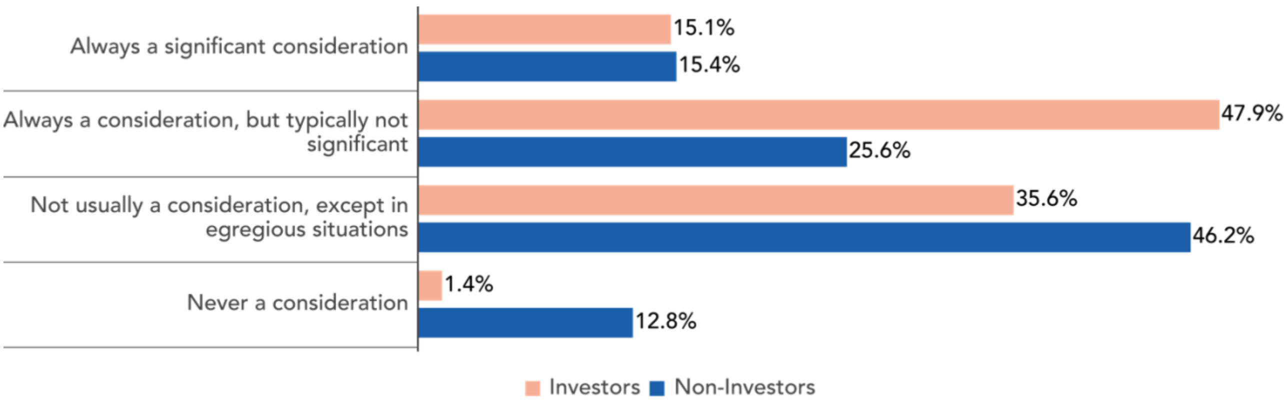
Global Peers

With regard to the inclusion of global (non-local market) peers in executive pay benchmarking, investors were more likely to always view this as a consideration (47.9%, vs 25.5% among non-investors). One U.S. investor felt that it:

> *"Depends on the justification and appropriateness. If a UK company explains that the majority of its employees are based or revenues are generated in the US, then we will typically be more flexible than for a UK company that is only competing in the UK."*

The most common response among non-investors was "Not usually a consideration" (46.2%, vs 35.6% among investors), and non-investors were more likely to respond "Never a consideration". Notably, there was a geographic split among both groups. North American respondents were more likely to respond "Not usually a consideration" (41.9% vs 26.7% for other markets), whereas investors from other markets were more likely to view the inclusion of global peers as "Always a significant consideration" (23.3% vs 9.3%). Similarly, whereas over three-quarters of North American non-investors responded that global peers were "Never" or "Not usually a consideration", it is "Always" a consideration for a majority of non-investors from other markets.

If a company benchmarks against global peers, how does that influence your voting decision on executive pay proposals?



	Investors	Non-Investors
Total Responses	74	39
Total Comments	10	19

ESG Issues

Voting on Non-Financial Reporting

In Spain and Switzerland, companies are now required to prepare a report on non-financial matters (i.e., environmental, social, and employment-related matters, respect for human rights, and anti-corruption) on an annual basis, and submit that reporting to a shareholder vote.

Across the board, investors were more likely to consider voting against, with expectations particularly higher regarding the timeliness, completeness and/or quality of reporting.

> *"If the non-financial report fails to align with globally recognized reporting standards and frameworks, like the TCFD and GRI, a vote against may be warranted. If the report doesn't adequately disclose the company's relevant impact areas, dependencies and risks, and how these issues impact its long term strategy, a vote against is also warranted."* (European investor)

> *"This would need to be applied in a case of extremes. But if one company only provides high-level, boilerplate statements with respect to its ESG policies and initiatives without any meaningful data to assess performance -- whereas peers are all much more developed -- then that report should not be supported."* (Global investor)

> *"Specifically on reporting, when the company does not report conform widely adopted market esg reporting standards, for example a company with material climate risk exposure does not report according tcfd or cdp standards"* (U.S. investor)

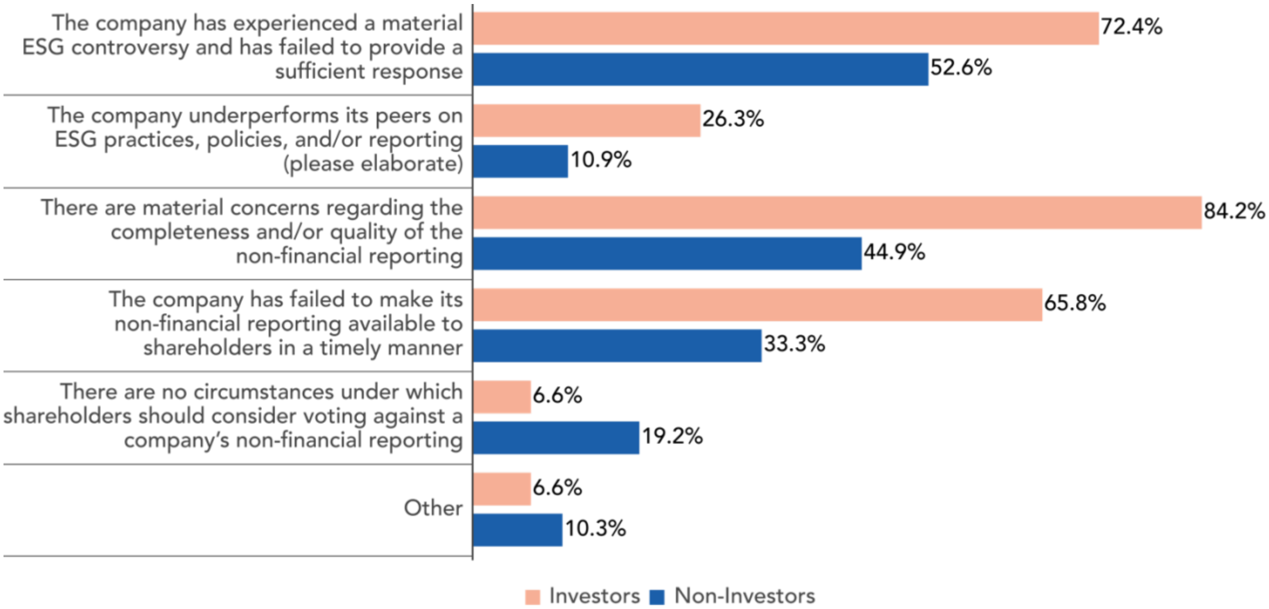
Many non-investors offered a different view:

> *"ESG should be an area for engagement"* (Canadian non-investor)

> *"Let's apply the same logic as for the financial reporting: shareholders do not vote against a financial reporting because the performance is poor!"* (European non-investor)

There appear to be different approaches to non-financial reporting based on geography. Whereas 12% of North American investors would never consider voting against a company's non-financial reporting under any circumstances, no investors from other markets provided this response. There was a similar gap between non-investors, 30.9% for North Americans and 10.2% for other markets.

Under what circumstances should shareholders consider voting against a company's non-financial reporting?



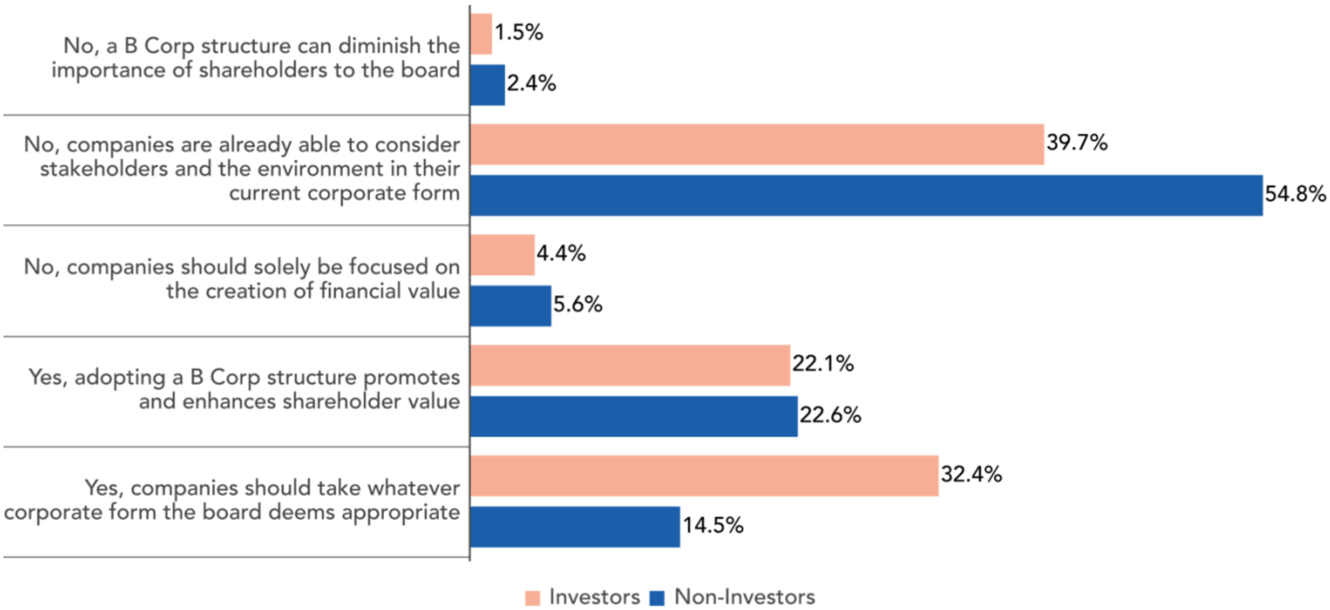
	Investors	Non-Investors
Total Responses	76	156
Total Comments	20	26

B-Corporations

Adopting a B Corporation structure certifies that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials.

Among both investors and non-investors, the most popular response was that adopting a B corporation form is unnecessary, as companies are already able to consider stakeholders and environmental factors; however, this only accounted for roughly four in ten investors, vs a majority of non-investors. Investors were more likely to respond that boards should take whatever corporate form they deem appropriate (32.4% vs 14.5% among non-investors). There was a notable geographic split among investors, with respondents from outside North America more likely to be open to the B corp form (66.7%, vs 46.3% among North American investors).

Should companies consider changing their corporate form to become B Corporations?



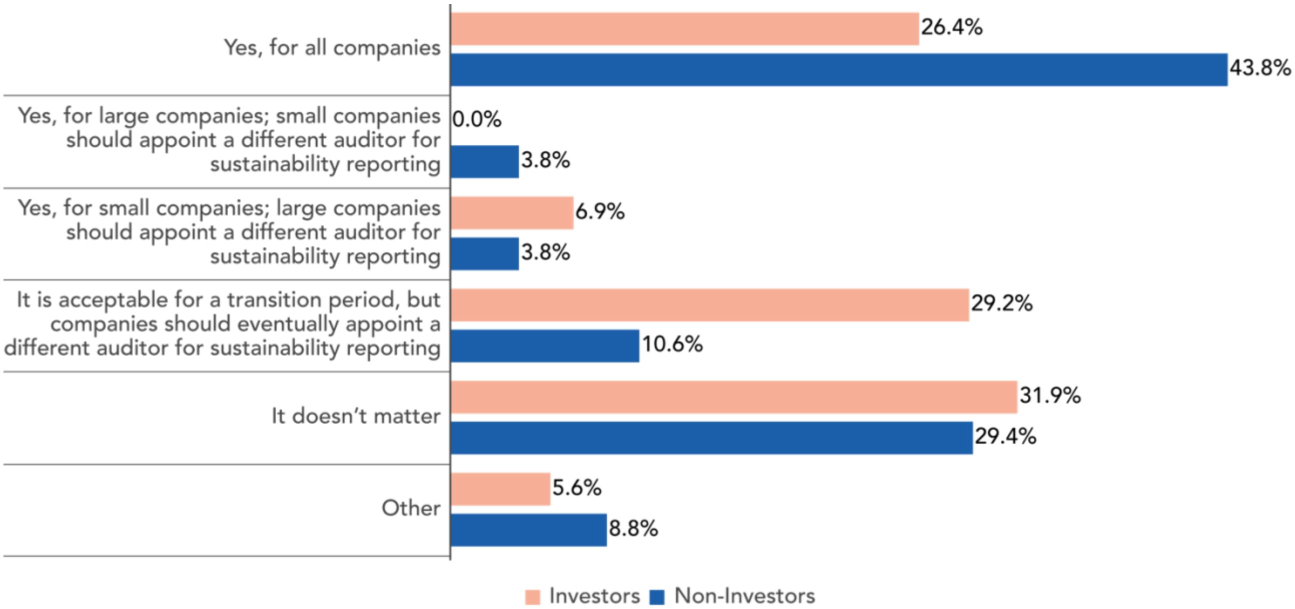
	Investors	Non-Investors
Total Responses	70	124
Total Comments	13	14

Sustainability Audits

A majority of both investors and non-investors either find it reasonable for all companies to retain the same external audit firm to provide both financial and sustainability assurance, or don't think it matters (58.3% of investors, vs 54.4% of non-investors).

Investors were nearly three times more likely to view it as acceptable for a transition period, but generally prefer separate auditors (29.2%, vs 10.6% among non-investors).

In markets where the assurance of sustainability reporting is mandatory, do you find it reasonable that a company's statutory financial auditor is also tasked with providing sustainability reporting assurance?



	Investors	Non-Investors
Total Responses	74	160
Total Comments	10	28

Climate Transition

Of the minority of investor respondents who do not currently evaluate climate transition strategies when making decisions on director elections, roughly a quarter indicated that they plan to begin doing so in future. Among those that answered "Yes", there were a range of approaches. Some look at the overall quality and robustness of the company's climate strategy and reporting, but many cited more specific factors (see below).

Several commented that they only apply climate transition considerations to director voting at certain companies, assessed either sector-by-sector, based on the Climate Action 100 list, or on an ad hoc basis. Another consideration is engagement; many investors stated that they only turn to director voting if the company has not been responsive to discussions on the topic. For example:

> *"Yes, dependent on sector and engagement strategy. We will escalate votes against directors for climate reasons if the company is in a high-emitting sector and/or as a next step in an engagement plan for the company."* (Canadian investor)

> *"Yes. Materiality of the risk is first (whether or not they are CA100+ list names), and then the robustness of the proposed approach given that materiality"* (European investor)

Some were more specific about their voting policies.

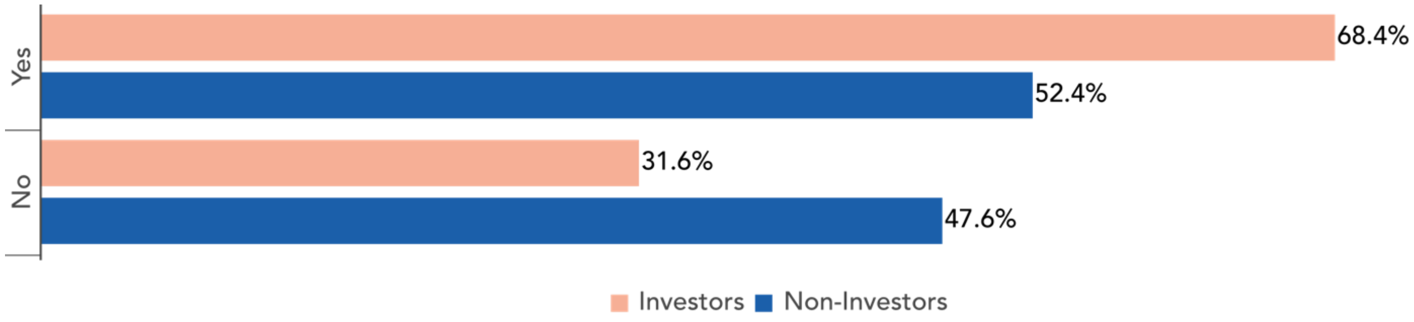
> *"For CO2 intensive companies, we vote against the chairman of the E&S (responsible) committee if the company does not have SBTi certified emission reduction targets. Alternatively, if there is no E&S (responsible) committee, we vote against the chairman of the Board."* (European investor)

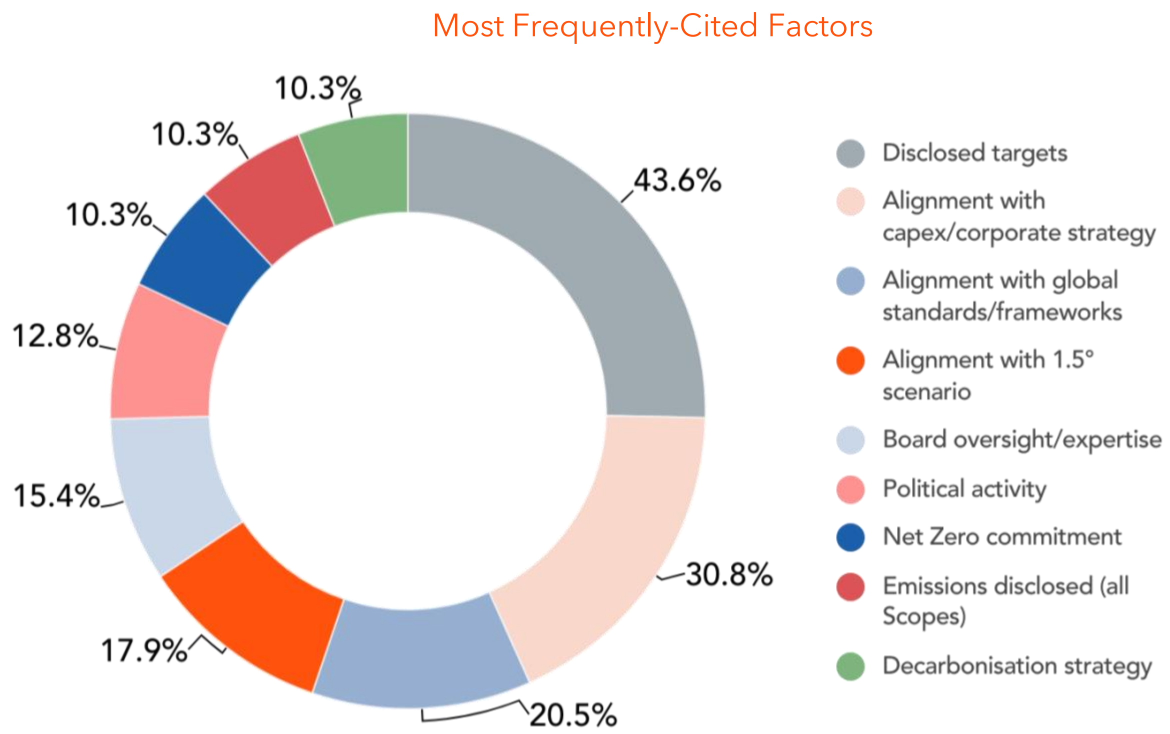
> *"We will vote against the entire board of directors if they have not disclosed scope 1 and scope 2 emissions or if they do not have a climate report aligned with TCFD recommendations/or meet requirements of IFRS S2. For high emitting companies (for example, companies in CA100+) we also expect them to have established GHG emissions reductions goals or we will vote against the entire board. We make exceptions for directors with less than 1 year tenure"* (U.S. investor)

While there were substantially fewer responses from non-investors on this proxy voting-centric question, some did share their comments. For example, a U.S. non-investor opined that:

> *"Director votes should focus on the Directors' expertise to oversee climate transition strategies and related risks and opportunities."*

Are you evaluating companies' climate transition strategies when making decisions on director elections? If so, what factors are you using to make this assessment?





Other factors that were cited included the company's level of disclosure (particularly regarding progress updates), scenario analysis, asset impairment testing, and verification/certification of targets and results.

	Investors	Non-Investors
Total Responses	58	21

Say on Climate Voting

There was a notable geographic split on investors' approach to Say on Climate. While a slightly greater proportion of North American investors would consider voting against a proposal where the link to financial and shareholder returns is unclear, for all other factors, investors from other markets were more likely to consider voting against, in some cases by a wide margin. In particular, alignment of capital expenditures with long-term climate strategy, alignment with a 1.5-degree scenario, and the presence of a net zero strategy were all seen as significantly more important by non-North American investors.

> *"Our voting on Say on Climate proposals is based on company plans meeting our core climate change expectations and our further guidance on transition plans. In the former we look for: board oversight of climate risks and opportunites, climate risk disclosures, greenhouse gas reporting, net zero and interim targets and transition plans. On transition plans specifically we look for time-bound and quantified decarbonisation strategies, including the specific abatement measures needed to reach their interim emission reduction targets, including internal abatement measures, divestments, output changes, carbon credits and contractual instruments such as RECs."* (European investor)

> *"[I]f the company's climate strategy doesn't adequately address the material climate-related risks the company faces."* (UK investor)

> *"A lack of engagement with net zero goals would also increase our expectations around scenario analysis (i.e. business reliance assessment) and disclosure of physical climate risk planning. We would consider voting against if this is not present and our evaluation of Say on Climate proposals are highly influenced by the energy intensity of the company's activities."* (U.S. investor)

> *"The company has recently stepped back from their initial targets without providing sufficient rationale for such a change in direction"* (U.S. investor)

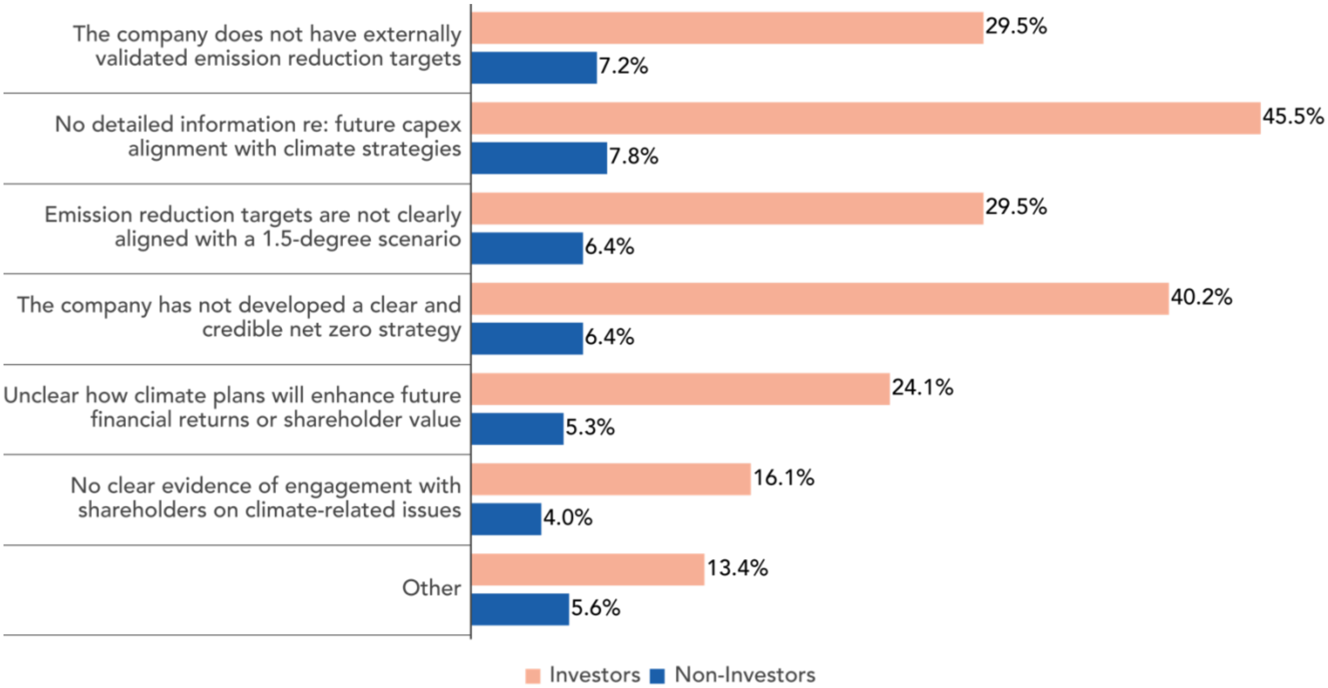
Notably, respondents from both segments raised concerns with the use of Say on Climate votes:

> *"It is our expectation that management have a climate strategy that is approved by the Board and that details are provided to shareholders. However, an advisory vote on climate is not ideal in our view and if a company does not meet our expectations on its approach to climate change, we will vote against the election of directors."* (U.S. investor)

> *"The Fund does not find Say on Climate proposals to be beneficial to shareholders."* (U.S. investor)

> *"SoC is unrelated to real action or progress on emissions and should not be a vehicle for use in proxy statements."* (U.S. non-investor)

What factors would make you consider opposing a company's Say on Climate proposal?



	Investors	Non-Investors
Total Responses	77	62
Total Comments	26	25

Approach to Shareholder Proposals

How respondents approach shareholder proposals were generally aligned across different segments, with all or a significant majority viewing each component as "Very" or "Somewhat Important". Of the three components we asked about, proponent identity was the most divisive, but was nonetheless viewed as "Very" or "Somewhat Important" by over 70% of investors. Notably, more North American investors view the identity of the proponent as "Not Important" (37.0%, vs 18.2% for other markets).

Despite the broad alignment, investors expressed a range of views on how to approach shareholder proposals:

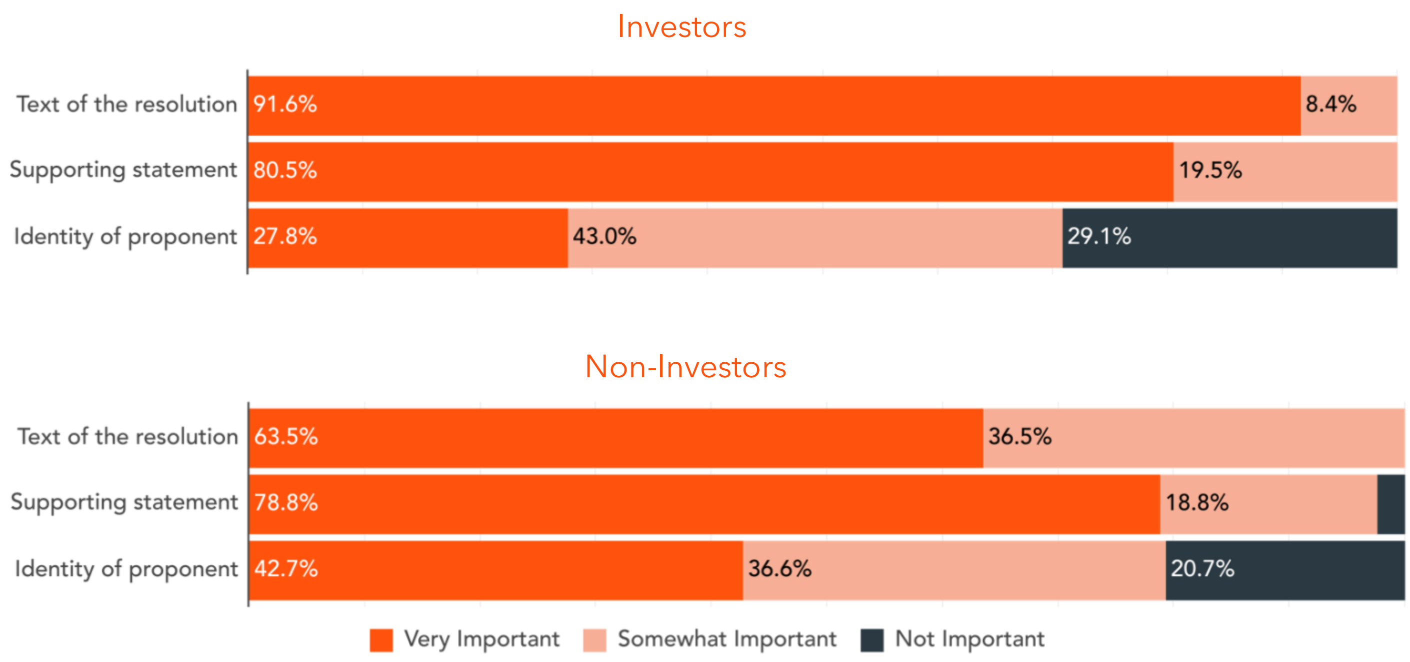
> *"The text of the resolution and supporting statement are important in that they can make a compelling case as to why a certain action builds long term shareholder value. BUT we cannot forget that these proposals are non-binding. Support for a less-than-perfectly-worded climate-related proposal still warrants support at a company with lagging climate ambition/performance. Instead of furrowing our brows over how reasonable an ask is, we should see the forest for the trees."* (Global investor)

> *"Many anti ESG proposals lately so having identity of the proponent is important. We currently don't vote in spirit of proposals and read them to the letter, so the text and the supporting statement are important."* (U.S. investor)

Some investors noted other considerations:

> *"Another important piece of information is the success of a proposal in previous years, as well as a company's response and any actions taken, if it has been tabled at prior company AGMs."* (Canadian investor)

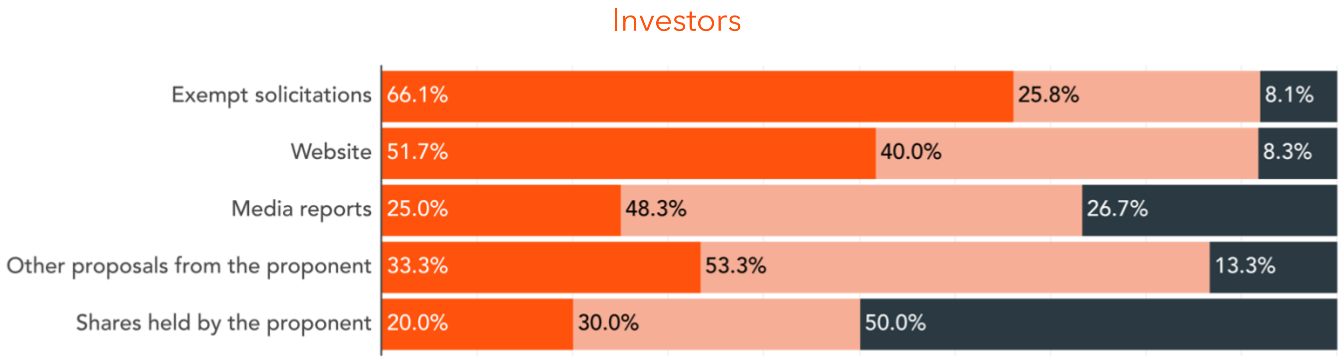
When analyzing and voting on a shareholder proposal, how important are the following factors:

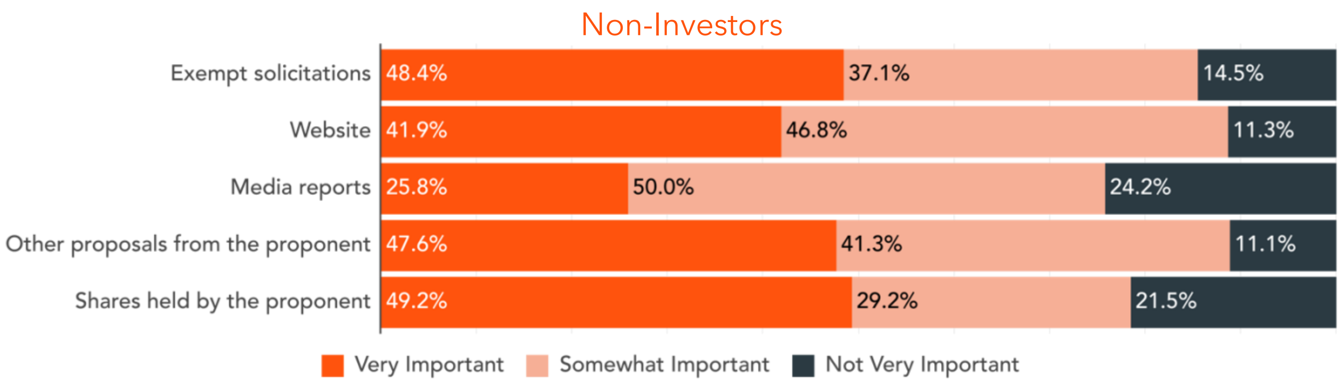


	Investors	Non-Investors
Total Responses	83	86
Total Comments	12	18

We followed up on how the proponent's identity is considered, and found that far fewer investors view the number of shares held as "Very" or "Somewhat Important" (50%, vs 78.5% of non-investors).

If you view the identity of the proponent as very important or somewhat important, how important are the following in making your assessment:





	Investors	Non-Investors
Total Responses	62	67
Total Comments	7	8

Responsiveness to Shareholder Opposition

Board Response to Failed Advisory Proposal

Investors and non-investors expressed very different expectations for how a board should respond when an advisory management proposal does not receive majority support. The most popular answer among investors was that the board should generally refrain from the requested action (41.1%, vs 9.0% among non-investors). As one Canadian investor put it:

> *"Why put it to shareholder opinion if you aren't going to follow their views?"*

Other investors took a more balanced view:

> *"This would depend on the ask and the level of shareholder opposition."* (U.S. investor)

> *"In some cases, not proceeding may be impractical. For example, refusing to pay a CEO their new salary or trying to clawback bonuses will destabilize the business and may result in legal action against the company. But a majority vote against should still send a clear message to the Board that it must take action on the main issues raised."* (U.S. investor)

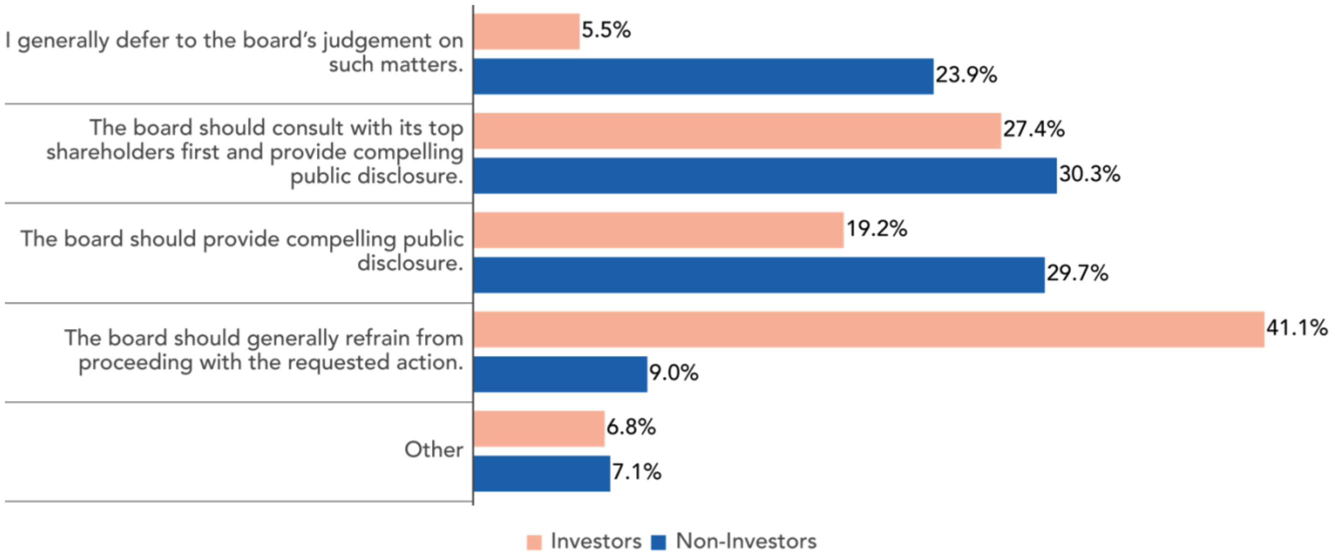
Meanwhile, non-investors were far more likely to defer to the board's judgment (23.9%, vs 5.5% among investors).

> *"The Board should consider the views of the shareholders, particularly as it solicited those views, but shouldn't be required to go ask a subset of shareholders for permission, and should implement the action if the Board believes it is appropriate."* (U.S. non-investor)

> *"I think a lot depends. Remember that a meeting typically only requires a majority of shares to be present. And to pass typically requires a majority of those shares. I think more context is required."* (U.S. non-investor)

Although responses were generally aligned across regions, non-investors from outside North America appear to put more emphasis on consultation with shareholders (32.0%, vs 22.0% among North American non-investors).

What are your expectations when an advisory management proposal does not receive majority support from shareholders?



	Investors	Non-Investors
Total Responses	74	155
Total Comments	15	15

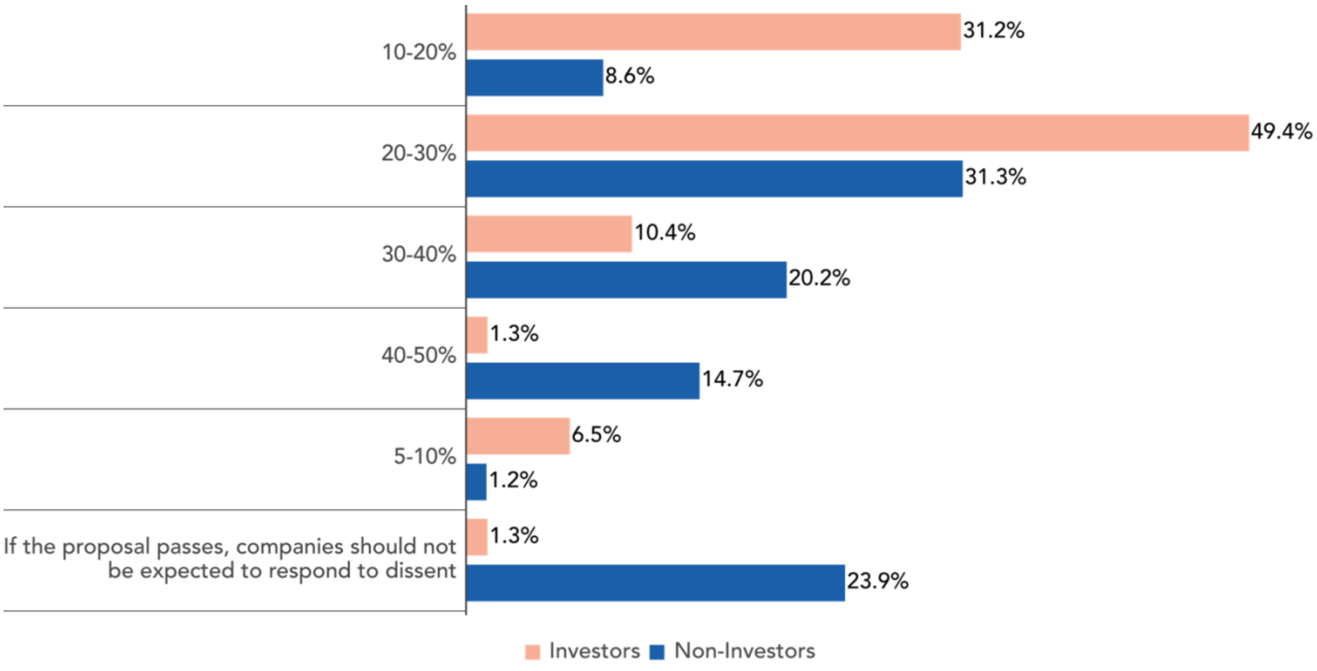
Defining 'Significant' Opposition

The most popular answer among both types of respondent was "20-30%" (49.4% among investors, vs 31.3% among non-investors); however, investors were twice as likely to view shareholder opposition of 30% or less as significant (80.5%, vs 39.9% among non-investors), and non-investors were much more likely to see no need for a response so long as the proposal is approved (23.9%, vs 1.3% among investors).

Notably, respondents from both groups highlighted the relevance of ownership & voting structure:

> *"depends on the company shareholding structure. Eg. if 40% of the company voting rights are controlled by a shareholder then 20% is a significant dissent. If the largest shareholders has less than 5%, then 30% is a significant dissent*." (European non-investor)
>
> *"Where there is a multi-class structure, dissent should be calculated to reflect the views of non-affiliated shareholders."* (Canadian investor)
>
> *"Degree of opposition from non-controlling shareholders is also relevant."* (U.S. investor)

What level of dissent do you generally consider to be significant enough to warrant a response?

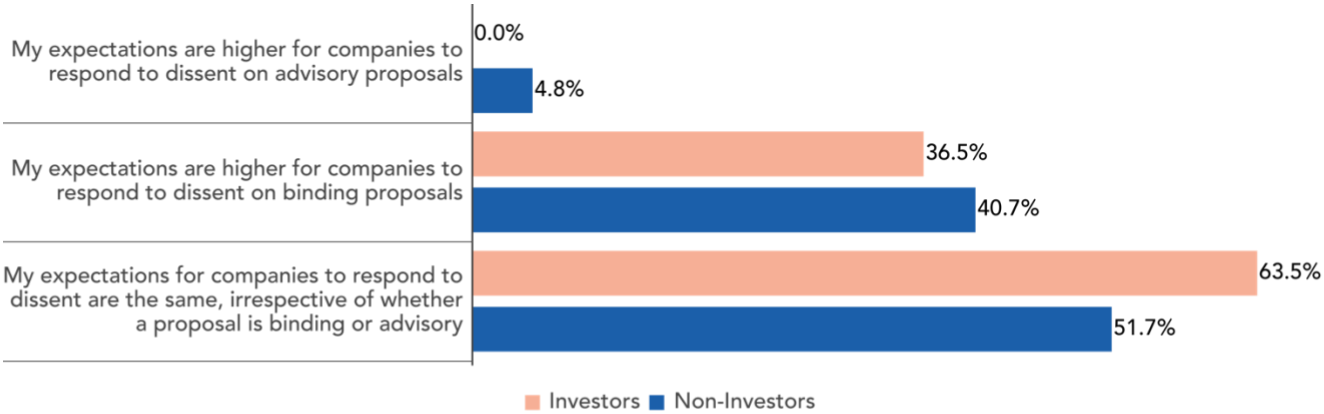


	Investors	Non-Investors
Total Responses	78	163
Total Comments	12	17

Company Responsiveness to Binding/Advisory Votes

Across different regions and types of respondent, there appears to be a general consensus that expectations for how a company responds to significant levels of shareholder dissent are not influenced by whether the proposal is binding or advisory.

Do you have different expectations on a company's response when a proposal is advisory rather than binding?

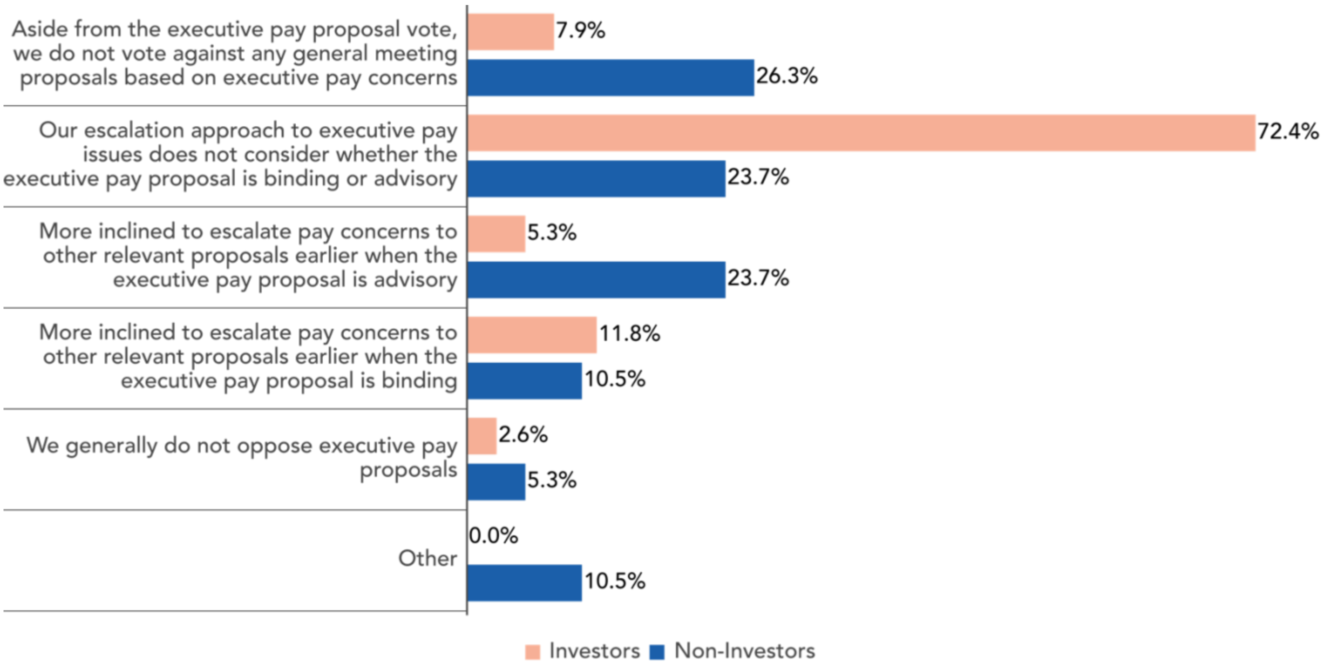


	Investors	Non-Investors
Total Responses	75	145
Total Comments	3	6

Investor Escalation on Binding/Advisory Pay Votes

Similarly, nearly three-quarters of investors do not approach escalation of the executive pay vote differently based on whether that proposal is binding or advisory (72.4%). Notably, this response was more common among North American investors (78.7%) than other markets (62.1%). Looking specifically at regions where a mix of binding and advisory pay proposals are standard, this view was more common in the UK (85.7%), and less so on the European continent (56.3%).

When you have significant pay concerns, do you approach escalating those issues beyond the company's executive pay vote to other relevant proposals differently, depending on whether the company's executive pay proposal is advisory or binding?



	Investors	Non-Investors
Total Responses	77	38
Total Comments	2	9

Shareholder Rights

Virtual vs In-Person Meeting Format

There is a significant gap in expectations when it comes to meeting format. Whereas a majority of investors feel shareholder meetings should typically allow for in-person participation (52.7%, vs 21.5% among non-investors), the most popular non-investor response was that shareholders should defer to the board (47.3%, vs 8.1% among investors). Investors' desire for a physical meeting was particularly strong outside of North America (60%, vs 47.7% among North American investors), and particularly so in Europe (70.6%) and the UK (71.4%).

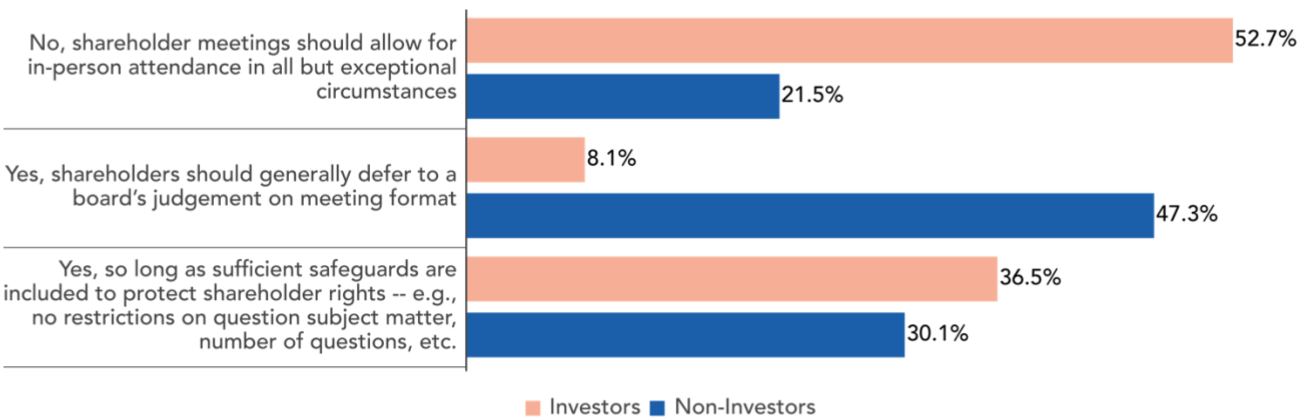
> *"When boards unilaterally limit shareholder participation, we may take those actions into account when voting."* (U.S. investor)

> *"A virtual meeting which includes safeguards allows for cost savings and potentially greater shareholder participation; but the safeguards for shareholder rights are paramount."* (U.S. investor)

However, not all investors agreed:

> *"In the past … we would advocate for hybrid meetings. However, we are now more minded to support virtual-only meetings if a company can evidence that they can easily replicate the provisions of an in-person meeting. The opposite applies to advocates of in-person or hybrid meetings – we need to see evidence where virtual only meetings have not been in shareholders best interests' such as where shareholders haven't been able to ask or get a response on a question. Until we see that, it is becoming increasingly difficult to push back against virtual-only meetings."* (UK investor)

In normal circumstances, do you believe that it is acceptable for companies to hold virtual-only shareholder meetings at which in-person attendance is not permitted?

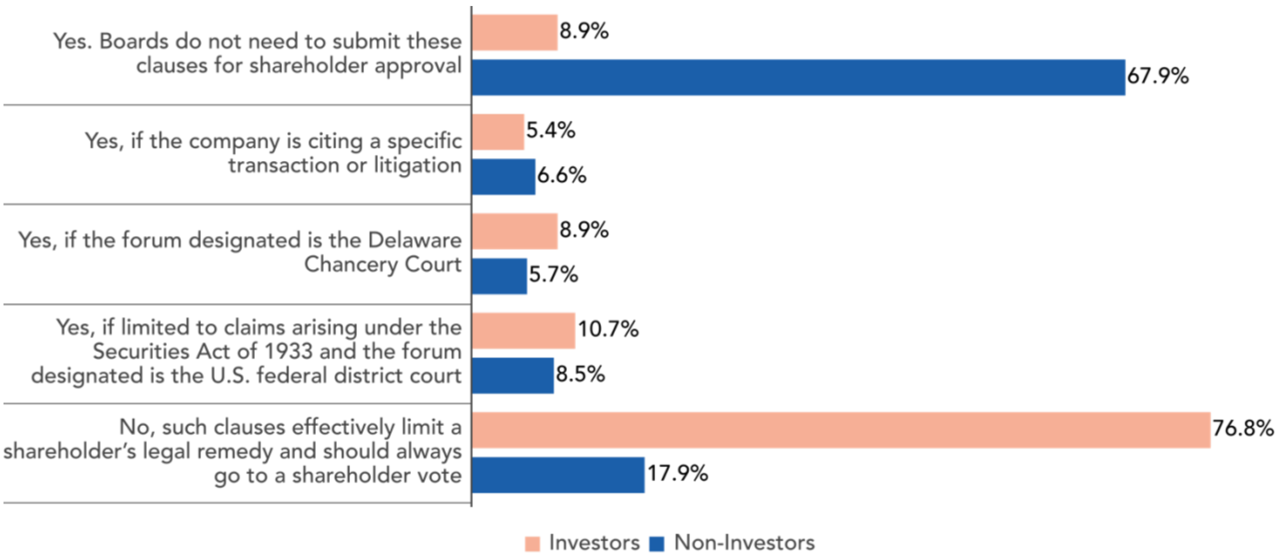


	Investors	Non-Investors
Total Responses	75	186
Total Comments	17	33

Exclusive Forum

Investors and non-investors were starkly divided on the topic of exclusive forum. Over three-quarters of investors feel that such clauses should always go to a shareholder vote, whereas over two-thirds of non-investors feel there is no need for shareholder approval.

Exclusive forum provisions are clauses included in a company's governing documents which stipulate that a certain state or federal jurisdiction is the exclusive forum for specified legal matters. Do you believe it is appropriate for companies to adopt such provisions without shareholder approval?



	Investors	Non-Investors
Total Responses	56	106
Total Comments	4	9

Reincorporation

Views on factors that impact a reincorporation were broadly aligned, with investors more likely to view the impact on shareholder rights and governance issues as "Very" rather than "Somewhat Important". Notably, non-investors put more weight on financial benefits, and the impact on director and officer protections. Investors from outside of North America were much more likely to view those factors, as well as the impact on anti-takeover provisions, as "Not Important".

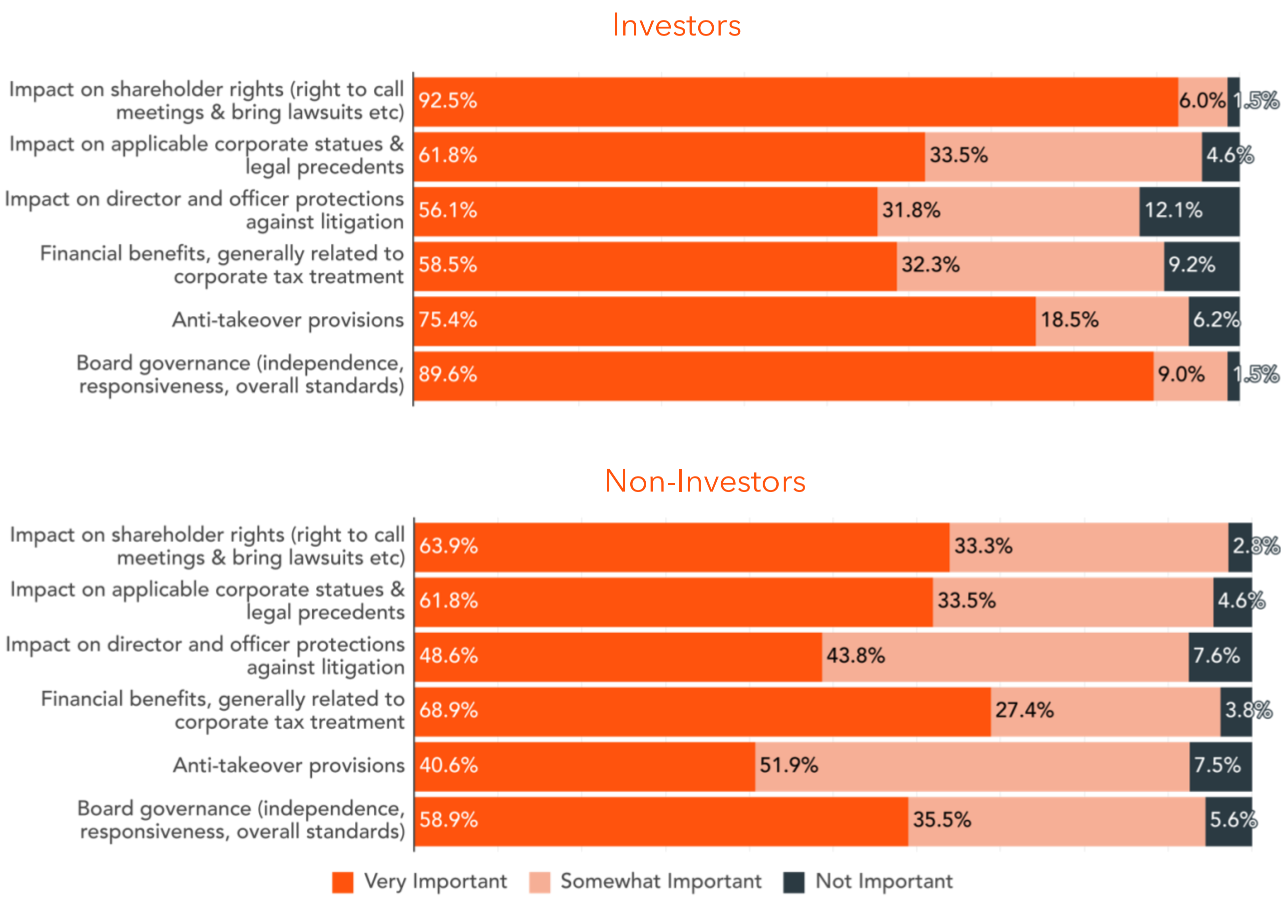
Many investors stated that they take a balanced approach, emphasizing long-term considerations:

> *"We will evaluate reincorporation proposals based on the long-term best interests of the company, including the financial and strategic rationale for the proposed move, as well as the comparative corporative governance and shareholder rights available in the current and proposed jurisdictions."* (Canadian investor)

A UK investor highlighted ESG factors:

> *"Would also add a focus on worker rights and other ESG considerations - if reincorporation was a way to avoid obligations, regulations, or legislation."*

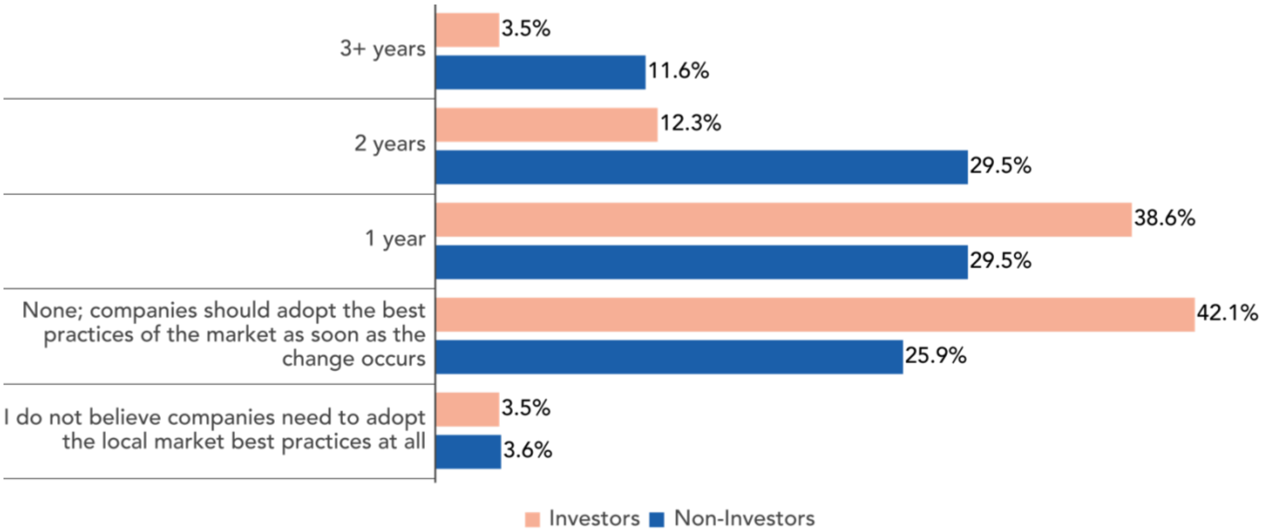
Please indicate how important the following factors are to you when evaluating a reincorporation:



	Investors	Non-Investors
Total Responses	67	106
Total Comments	10	13

A higher proportion of investors expect companies to align their corporate governance practices to the new local market immediately or within a year post-reincorporation (80.7%, vs 55.4% among non-investors); notably, investors were split geographically along roughly the same lines (82.2% among non-North American investors, vs 63.9% among North American investors). Non-investors were more likely to view two years as a reasonable timeframe (29.5%, vs 12.3% among investors); again, the geographic split between North American and other investors was roughly the same (23.7% vs 10.7%).

When companies opt to redomicile/reincorporate in a different country, how much time should they be afforded to align with the new local market's corporate governance practices?



	Investors	Non-Investors
Total Responses	58	112
Total Comments	7	7

Thank You

Again, we sincerely thank everyone who took the time to provide informed and thoughtful input through our Policy Survey. Updates to our Benchmark Policy guidelines will be released in the November/December timeframe and will be accessible through our web site.

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