

**Glass Lewis Policies Affecting Director Elections**

*As of December 2024*

Circumstance	Glass Lewis Policy	Targeted Directors
<b>Board Governance</b>		
Director Independence	<ul style="list-style-type: none"> <li>If a board is less than two-thirds independent, Glass Lewis typically recommends voting against some of the inside and/or affiliated directors in order to satisfy the two-thirds threshold               <ul style="list-style-type: none"> <li>An exception is made for controlled companies</li> </ul> </li> </ul>	Individual Director
Director Performance	<ul style="list-style-type: none"> <li>Director has failed to attend a minimum of 75% of board and committee meetings, has a pattern of belatedly filing Form(s) 4 or 5, serves as CEO of a company where a serious and material financial restatement has occurred after the CEO had certified the pre-restatement financial statements, or has received two against recommendations from Glass Lewis for identical reasons within the prior year at different companies</li> </ul>	Individual Director
Overboarding	<ul style="list-style-type: none"> <li>Serves as a director and an executive officer (other than executive chair) of any public company while serving on more than one other public company board</li> <li>Serves as an executive chair of the board of any public company while serving on more than two other public company boards</li> <li>Serves on more than five public company boards in total</li> <li>Serves in an executive role only at a SPAC while serving on more than five public company boards in total</li> <li>Glass Lewis will not recommend against overcommitted directors at the companies where they serve as an executive</li> </ul>	Individual Director
Conflicts of Interest	<ul style="list-style-type: none"> <li>A CFO serves on the board</li> <li>A director, or his/her immediately family member, provides material consulting or other material professional services to the company, including legal and financial services</li> <li>A director, or his/her immediate family member, engages in transactions with the company amounting to more than \$50,000</li> <li>CEOs or other top executives of two different companies serve on each other's boards</li> <li>On a case-to-case basis, interlocking relationships, such as interlocks with close family members of executives or within group companies</li> <li>All directors who served on the board when a poison pill with a term longer than one year was adopted without shareholder approval during the prior year</li> </ul>	Individual Director

\* Reflects new or revised policy for 2025.

Circumstance	Glass Lewis Policy	Targeted Directors
	<ul style="list-style-type: none"> <li>On a case-to-case basis, all directors who extend the term of a poison pill by one year or less in two consecutive years without seeking shareholder approval or providing adequate justification</li> <li>On a case-to-case basis, all Nominating/Governance committee members when the board adopts a poison pill with a term of one year or less without seeking shareholder approval or providing adequate justification</li> </ul>	
Board Gender Diversity	<ul style="list-style-type: none"> <li>Companies within the Russell 3000 index that are not at least 30 percent gender diverse               <ul style="list-style-type: none"> <li>An exception may be made if the board provides a sufficient rationale or plan to address the lack of diversity on the board, including a timeline to appoint gender diverse directors (generally by the next annual meeting)</li> </ul> </li> </ul>	Nominating/Governance Committee Chair
Board Underrepresented Community Diversity	<ul style="list-style-type: none"> <li>Companies in the Russell 1000 index with fewer than one director from an underrepresented community on the board               <ul style="list-style-type: none"> <li>An exception may be made if the board provides a sufficient rationale or plan to address the lack of diversity on the board, including a timeline to appoint additional directors from an underrepresented community (generally by the next annual meeting)</li> <li>“Underrepresented community” is defined as an individual who self-identifies, as disclosed in the company proxy statements, as Black, African American, North African, Middle Eastern, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaskan Native, or who self-identifies as a member of the LGBTQIA+ community</li> </ul> </li> </ul>	Nominating/Governance Committee Chair
Disclosure of Director Diversity and Skills	<ul style="list-style-type: none"> <li>Companies in the Russell 1000 index that have not provided any disclosure of individual or aggregate racial/ethnic minority demographic information of directors</li> <li>Companies in the Russell 1000 index that have not provided any disclosure in all of the following:               <ul style="list-style-type: none"> <li>The board’s current percentage of racial/ethnic diversity</li> <li>Whether the board’s definition of diversity explicitly includes gender and/or race/ethnicity</li> <li>Whether the board has adopted a policy requiring women and minorities to be included in the initial pool of candidates when selecting new director nominees</li> <li>Board skills disclosure</li> </ul> </li> </ul>	Nominating/Governance Committee Chair

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Circumstance	Glass Lewis Policy	Targeted Directors
	<ul style="list-style-type: none"> <li>Companies listed on the NASDAQ stock exchange that do not provide board diversity statistics required by the SEC and NASDAQ's new listing rules</li> </ul>	
Board Accountability for Environmental and Social Performance	<ul style="list-style-type: none"> <li>Companies that have not properly managed or mitigated material environmental or social risks to the detriment of shareholder value, or when such mismanagement has threatened shareholder value</li> <li>Determination based on careful review of the situation, its effect on shareholder value, as well as any corrective action or other response made by the company</li> </ul>	Entire Board, Audit Committee and/or Individual Director
Board Oversight of Environmental and Social Issues	<ul style="list-style-type: none"> <li>Companies in the Russell 1000 index that fail to provide explicit disclosure concerning the board's role in overseeing environmental and social issues               <ul style="list-style-type: none"> <li>Documents examined in the determination of whether directors maintain a meaningful level of oversight and accountability for a company's material environmental and social risks include committee charters and other governing documents, in which these responsibilities should be formally designated and codified</li> </ul> </li> </ul>	Entire Board, Nominating/Governance Committee Chair and/or Individual Director (on a case-by-case basis)
Board Oversight of Artificial Intelligence*	<ul style="list-style-type: none"> <li>If an AI-related incident occurs and there is evidence that insufficient oversight and/or management of AI technologies caused material harm to shareholders</li> </ul>	Individual Director (on a case-by-case basis)
Cyber Risk Oversight	<ul style="list-style-type: none"> <li>If cyber-attacks have caused significant harm to shareholders and the board's oversight, response or disclosure is found to be insufficient or not provided</li> <li>If companies fail to provide periodic updates about the status of a material cybersecurity incident</li> </ul>	Individual Director (on a case-by-case basis)
Problematic Governance Structures at Newly-Public Companies	<ul style="list-style-type: none"> <li>The company has completed an IPO, spin-off, or direct listing within the past year and the Board has approved overly restrictive governing documents. Measures evaluated include:               <ul style="list-style-type: none"> <li>The adoption of anti-takeover provisions such as a poison pill or classified board</li> <li>Supermajority vote requirements to amend governing documents</li> <li>Exclusive forum or fee-shifting provisions</li> <li>Inability of shareholders to call special meetings or act by written consent</li> <li>Voting standard provided for the election of directors</li> <li>Ability of shareholders to remove directors without cause</li> </ul> </li> </ul>	Committee Members

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Circumstance	Glass Lewis Policy	Targeted Directors
	<ul style="list-style-type: none"> <li>• Presence of evergreen provisions in the company’s equity compensation arrangements</li> <li>• Presence of a multi-class structure which does not afford common shareholders voting power that is aligned with their economic interest</li> <li>• If, preceding an IPO or a SPAC combination becoming publicly traded, the company adopted a multi-class share structure or an anti-takeover provision, Glass Lewis will generally recommend voting against all members of the board who served at the time of the IPO if the board: <ul style="list-style-type: none"> <li>• Does not commit to submitting these provisions to a shareholder vote at the first shareholder meeting</li> <li>• Does not provide for a reasonable sunset of these provisions, generally 3 to 5 years in the case of a classified board or poison pill, or 7 years in the case of a multi-class share structure</li> </ul> </li> </ul>	
Board Composition and Refreshment	<ul style="list-style-type: none"> <li>• The board adopts term or age limits, and waives these term or age limits for two or more consecutive years, unless a compelling rationale is provided for why the board proposes to waive this rule</li> </ul>	Nominating/Governance Committee Chair
Conflicting and Excluded Proposals	<ul style="list-style-type: none"> <li>• The company excludes a shareholder proposal seeking a reduced special meeting right by means of ratifying a management proposal that is materially different from the shareholder proposal</li> </ul>	Nominating/Governance Committee Chair
<b>Shareholder Rights</b>		
Anti-Takeover Measures	<ul style="list-style-type: none"> <li>• On a case-by-case basis: The company adopts a Net Operating Loss (NOL) poison pill without shareholder approval within the prior twelve months</li> <li>• A closed-end or business development company relied on a control share statute as a defense mechanism to a public buyout offer in the prior year, absent a compelling rationale as to why offer was not in the best interest of shareholders</li> </ul>	Entire Board  Nominating/Governance Chair
Exclusive Forum Provisions	<ul style="list-style-type: none"> <li>• A board seeks shareholder approval of a forum selection clause pursuant to a bundled bylaw amendment rather than as a separate proposal, and/or bundles disparate proposals into a single proposal</li> </ul>	Nominating/Governance Committee Chair
Fee-Shifting Bylaw Provisions	<ul style="list-style-type: none"> <li>• The board adopts a “fee-shifting” bylaw that requires plaintiffs who sue the company and fail to receive a judgment in their favor pay the legal expenses of the company</li> </ul>	Nominating/Governance Committee Members
Virtual Shareholder Meetings	<ul style="list-style-type: none"> <li>• The board plans to hold a virtual-only shareholder meeting and the company does not provide such disclosure</li> </ul>	Nominating/Governance Committee Members

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Circumstance	Glass Lewis	Targeted Directors
<b>Board Governance</b>		
Problematic Nominating/Governance Committee Structures	<ul style="list-style-type: none"> <li>● The board fails to address shareholder concerns following majority approval of a shareholder proposal relating to shareholder rights, such as those seeking a declassified board structure, a majority vote standard for director elections, or the right to call a special meeting</li> <li>● A shareholder resolution is excluded from the meeting agenda in the absence of SEC approval to exclude such a resolution</li> <li>● The Nominating/Governance Committee chair is not independent</li> <li>● The board contains fewer than five directors or more than 20 directors</li> <li>● The board has a multi-class share structure and unequal voting rights and the company does not provide for a reasonable sunset of the multi-class share structure</li> <li>● The Company provides inadequate related party transaction disclosure for two or more consecutive years</li> <li>● The board seeks shareholder approval of a forum selection clause pursuant to a bundled bylaw amendment rather than as a separate proposal subject to shareholder approval</li> <li>● The board adopts other provisions, without shareholder approval, that may inhibit the ability of shareholders to nominate directors or vote on other matters material to shareholder rights</li> <li>● The board fails to make other egregious governance-related disclosures</li> </ul>	Nominating/Governance Committee Chair and/or Committee Members

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**Compensation**


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Compensation Committee Performance	<ul style="list-style-type: none"> <li>● On a case-by-case basis: board implements egregious compensation practices such as the approval of large on-off payments, inappropriate and unjustified use of discretion, or sustained poor pay for performance practices</li> <li>● The board fails to address shareholder concerns following majority shareholder rejection of the say-on-pay proposal in the previous year</li> <li>● On a case-by-case basis: The board fails to respond adequately to a previous SOP proposal that received less than 80 percent support of votes cast</li> <li>● The Compensation Committee has recently practiced or approved problematic pay practices, such as option repricing or option backdating</li> <li>● The Compensation Committee allows excessive perquisites and benefits</li> <li>● The Compensation Committee grants outsized awards (so-called “mega-grants”) and the awards present concerns such as excessive quantum, lack of sufficient performance conditions, and/or are excessively dilute, among others</li> <li>● Other egregious practices, such as the payment of performance-based compensation despite goals not being attained</li> </ul>	Compensation Committee Chair and/or Committee Members
Option Backdating	<ul style="list-style-type: none"> <li>● The company grants backdated options to an executive who is also a director</li> </ul>	Individual Director, Directors who approved or allowed the backdating, Audit Committee Members
Spring-loading and bullet-dodging	<ul style="list-style-type: none"> <li>● The company engages in spring-loading or bullet dodging</li> </ul>	Individual Director, Directors who benefited, Compensation Committee Members

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### Audit & Risk Oversight

Problematic Audit-Related Practices	<ul style="list-style-type: none"> <li>● The board has backdated options, there are a lack of internal controls in place, there was a resulting restatement, and disclosures indicate a lack of documentation</li> <li>● Audit Committee lacks proper financial expertise, has less than three members, did not meet at least four times during the year</li> <li>● Audit Committee member is overboarded or not independent</li> <li>● Audit Committee has received undisclosed or excessively high or low fees, or non-audit fees include fees for tax services for senior executives of the company</li> <li>● Auditor ratification fails to be placed on the ballot for shareholder approval</li> <li>● Auditor has resigned and reported that a Section 10A letter has been issued</li> <li>● Company experiences material accounting fraud, conducts financial restatements as a result of fraud, fails to file financial reports in a timely fashion, violates FCPA, lacks sufficient transparency in its financial statement, or fails to correct material weaknesses year-over-year.</li> </ul>	Audit Committee Chair and/or Committee Members
Material Weaknesses	<ul style="list-style-type: none"> <li>● The company reported a material weakness that has not yet been corrected does not disclose its remediation plan to a material weakness or the weakness has been ongoing for over a year without any disclosures detailing the company's progress in remediating the situation</li> </ul>	Audit Committee Members (who served since last annual meeting)
Risk Management Failures	<ul style="list-style-type: none"> <li>● The Company has disclosed a sizable loss or writedown, and the company's board-level risk committee's poor oversight contributed to the loss</li> </ul>	Individual Director

### Climate

Climate-Related Issues	<ul style="list-style-type: none"> <li>● The company is one whose GHG emissions represent a financially material risk** and its climate-related disclosures, in line with the recommendations of the Task Force on Climate-related Financial Disclosure, are absent or significantly lacking</li> </ul> <p>** ** Such companies include ASX 200, CAC 40, DAX40, Euronext 100, FTSE 100, FTSE MIB, Hang Seng, Ibex 35, IBRX 50, JSE Top 40, KOPSI 200, Nikkei 225, OMNX40, S&amp;P 500, S&amp;P Europe 350, S&amp;P/NZX 50, TSX 60</p>	Individual Director
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