ANNEX A

Board Accountability – Problematic Governance Structure – Newly Public Companies

Current ISS Policy, incorporating changes:	New ISS Policy:
Problematic Governance Structure - Newly public companies: For newly public companies[2], generally vote against or withhold from directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board adopted the following bylaw or charter provisions that are considered to be materially adverse to shareholder rights~~, or implemented a multi-class capital structure in which the classes have unequal voting rights considering the following factors~~: - ~~The level of impairment of shareholders' rights;~~ - ~~The disclosed rationale;~~ - ~~The ability to change the governance structure (e.g., limitations on shareholders' right to amend the bylaws or charter, or s~~Supermajority vote requirements to amend the bylaws or charter~~)~~; - ~~The ability of shareholders to hold directors accountable through annual director elections, or whether the board has a~~ A classified board structure; or - Other egregious provisions. - ~~Any reasonable sunset provision. and~~ - ~~Other relevant factors~~ A reasonable sunset provision will be considered a mitigating factor. Unless the adverse provision ~~and/or problematic capital structure~~ is reversed or removed, vote case-by-case on director nominees in subsequent years. **Problematic Capital Structure - Newly public companies:** For newly public companies, generally vote against or withhold from the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board implemented a multi-class capital structure in which the classes have unequal voting rights without subjecting the multi-class capital structure to a reasonable time-based sunset. In assessing the reasonableness of a time-based sunset provision, consideration will be given to the company's lifespan, its post-IPO ownership structure and the board's disclosed rationale for the sunset period selected. No sunset period of more than seven years from the date of the IPO will be considered to be reasonable. Continue to vote against or withhold from incumbent directors in subsequent years, unless the problematic capital structure is reversed or removed.	**Problematic Governance Structure - Newly public companies:** For newly public companies[2], generally vote against or withhold from directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board adopted the following bylaw or charter provisions that are considered to be materially adverse to shareholder rights: - Supermajority vote requirements to amend the bylaws or charter; - A classified board structure; or - Other egregious provisions. A reasonable sunset provision will be considered a mitigating factor. Unless the adverse provision is reversed or removed, vote case-by-case on director nominees in subsequent years. **Problematic Capital Structure - Newly public companies:** For newly public companies, generally vote against or withhold from the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board implemented a multi-class capital structure in which the classes have unequal voting rights without subjecting the multi-class capital structure to a reasonable time-based sunset. In assessing the reasonableness of a time-based sunset provision, consideration will be given to the company's lifespan, its post-IPO ownership structure and the board's disclosed rationale for the sunset period selected. No sunset period of more than seven years from the date of the IPO will be considered to be reasonable. Continue to vote against or withhold from incumbent directors in subsequent years, unless the problematic capital structure is reversed or removed.

[2] Newly-public companies generally include companies that emerge from bankruptcy, spin-offs, direct listings, and those who complete a traditional initial public offering.

~~Redlined~~ = deleted; green = added
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