

ANNEX C

Board Accountability – Poison Pills

Current ISS Policy, incorporating changes:	New ISS Policy:
<p><b>General Recommendation:</b></p> <p><b>Poison Pills:</b> Vote against or withhold from all nominees (except new nominees, who should be considered case-by-case) if:</p> <ul style="list-style-type: none"> <li>▪ The company has a poison pill that was not approved by shareholders<sup>15</sup>. However, vote case-by-case on nominees if the board adopts an initial pill with a term of one year or less, depending on the disclosed rationale for the adoption, and other factors as relevant (such as a commitment to put any renewal to a shareholder vote).;</li> <li>▪ The board makes a material adverse modification to an existing pill, including, but not limited to, extension, renewal, or lowering the trigger, without shareholder approval; <del>or</del> <span style="color: green;">or</span></li> <li>▪ <span style="color: green;">The pill, whether short-term<sup>16</sup> or long-term, has a deadhand or slowhand feature.</span></li> </ul>	<p><b>General Recommendation:</b></p> <p><b>Poison Pills:</b> Vote against or withhold from all nominees (except new nominees, who should be considered case-by-case) if:</p> <ul style="list-style-type: none"> <li>▪ The company has a poison pill that was not approved by shareholders<sup>15</sup>. However, vote case-by-case on nominees if the board adopts an initial pill with a term of one year or less, depending on the disclosed rationale for the adoption, and other factors as relevant (such as a commitment to put any renewal to a shareholder vote);</li> <li>▪ The board makes a material adverse modification to an existing pill, including, but not limited to, extension, renewal, or lowering the trigger, without shareholder approval; or</li> <li>▪ The pill, whether short-term<sup>16</sup> or long-term, has a deadhand or slowhand feature.</li> </ul>

**ISS Explanation of Deadhand and Slowhand Provisions**

“A deadhand provision is generally phrased as a ‘continuing director (or trustee)’ or ‘disinterested director’ clause and restricts the board’s ability to redeem or terminate the pill. Continuing directors are directors not associated with the acquiring person, and who were directors on the board prior to the adoption of the pill or were nominated by a majority of such directors. The pill can only be redeemed if the board consists of a majority of continuing directors, so even if the board is replaced by shareholders in a proxy fight, the pill cannot be redeemed: the defunct board prevents that. A slowhand is where this redemption restriction applies only for a period of time (generally 180 days).”

<sup>15</sup> Public shareholders only, approval prior to a company’s becoming public is insufficient.

<sup>16</sup> If the short-term pill with a deadhand or slowhand feature is enacted but expires before the next shareholder vote, ISS will generally still recommend withhold/against nominees at the next shareholder meeting following its adoption.