

INSTITUTIONAL SHAREHOLDER SERVICES INC. (“ISS”)
POLICY REGARDING DISCLOSURE OF SIGNIFICANT RELATIONSHIPS

As the leading global provider of corporate governance research, voting recommendations and voting services to institutional investors, ISS places primary importance on conducting our business in a transparent and responsible manner. One measure that ISS has historically taken to ensure transparency is the disclosure of instances where a relationship between ISS and a party exists that may present a conflict of interest. In light of our continuing efforts to enhance our conflict mitigation and disclosure policies, the purpose of this Policy is to explain (a) ISS’ framework for assessing whether a relationship with an issuer that is the subject of a proxy research report, or with a security holder proponent of a matter on ISS which is providing proxy research advice, is “significant”; and (b) the manner in which ISS will disclose any such significant relationships to the recipients of ISS’ proxy research reports.

In formulating this Policy, members of ISS’ executive leadership team, in conjunction with ISS’ Legal/Compliance team, undertook a process to review the types of relationships that ISS and its affiliates may have, including those with corporate issuers and security holders that may be the subject of its proxy research reports. The leadership team then developed the framework described below for assessing significance, taking into account factors such as the types of services offered by ISS (or its affiliates) to the issuer/proponent, the amount of compensation received for the services and the extent to which the services provided by ISS relate to the same subject matter giving rise to ISS’ relationship with the issuer/proponent. The leadership team also looked at significance/materiality tests used in other contexts to serve as a frame of reference in formulating this Policy.

Based upon this review, ISS has concluded that there are three primary sources of these types of relationships that may be deemed significant to ISS. These sources are: a client relationship between a corporate issuer and ISS Corporate Solutions, Inc. (“ICS”), a subsidiary of ISS; a client relationship between ISS and an institutional client that is (or is affiliated with) a corporate issuer; and a client relationship between ISS and an entity acting as the primary shareholder proponent seeking to have a specific proposal acted on by shareholders.

In addition to the foregoing, ISS has considered the significance of being owned by Genstar Capital (“Genstar”), a private equity firm, and the fact that as a private equity firm Genstar may have portfolio companies that are public issuers.

ISS’ approach to each of these potential sources of significant relationships is described below.

Assessment of Significance

Issuers that are Clients of ICS

ICS provides corporate issuers with analytical tools, data and advisory services to enable them to improve shareholder value and reduce risk through the adoption of improved corporate governance and executive compensation practices. Some of the products and services offered by ICS are closely related to some of the proxy voting matters which will ultimately be analyzed by ISS during its review of an issuer’s proxy statement. For example, subscribers to certain ExecComp services offered by ICS receive

web-based tools and, in some cases, advisory services that rely upon the analytical framework developed by ISS to assess and make vote recommendations with respect to equity compensation plans that are put to a shareholder vote.

ISS takes the view that in light of the products and services provided by ICS, any paying-client relationship between ICS and a corporate issuer, where ISS provides proxy vote recommendations and research regarding that issuer, is significant for purposes of this Policy. For additional context, it should be noted that from a financial perspective, the average dollar value of ICS' client contracts is quite small. Thus, the assessment of significance in this instance is more of a qualitative than a quantitative judgment.¹

Issuers that are Clients of ISS

Within ISS' large institutional client base, there is a subset of clients who are themselves corporate issuers or that have a parent or affiliated company that is a corporate issuer (each, a "Public Client"). A Public Client, in its capacity as an institutional investor, may buy any number of ISS' product offerings, such as proxy research reports, vote execution services, vote disclosure services, responsible investment data, analytics and tools, QualityScore™, or securities class action filing services. These are the same as the products and services available to all of ISS' institutional clients, and the nature of ISS' relationships with the Public Client is not related to the subjects covered in ISS' proxy research reports.

As noted, ISS has a very broad base of institutional clients. Thus, in the ordinary course of its business, ISS will inevitably provide research coverage on a Public Client, and the Public Client could have an interest in ISS' support of the positions taken by the Public Client's Board/management on matters put to a shareholder vote. In assessing this scenario, ISS' leadership team views the potential significance of our relationships with Public Clients as a function of the dollar value of the client relationship and the potential that a Public Client might use the client relationship as a lever to exert influence on ISS' research and voting recommendations. This raises the question of what dollar value would rise to the level of being significant. After considering our own business operations and other benchmarks for significance/materiality, including measures used in different contexts under SEC laws and rules², ISS has determined it appropriate to adopt a 5% threshold, so that ISS will view a relationship with a Public Client as significant if the annual revenues from that client³ are in excess of 5% of ISS' total, consolidated revenues for the most recently completed fiscal year.

¹ Beyond disclosure, ISS has put in place a variety of policies and procedures designed to mitigate potential conflicts arising from ICS' work with corporate issuers relative to the work of ISS' Global Research team in preparing proxy research reports and vote recommendations. For information regarding ISS' conflict management policies and procedures, we refer you to the Due Diligence Materials on our public website at www.issgovernance.com/compliance/due-diligence-materials/.

² See Appendix A to this Policy for a listing of some of the benchmarks reviewed.

³ For clarity, in applying this Policy, ISS will look on a monthly basis at the total annualized contract value of the Public Clients relative to ISS' total, consolidated revenues for the most recently completed fiscal year.

Security Holder Proponents

The ISS institutional client base also includes a subset of clients who from time to time act as shareholder proponents, seeking to have their specific proposals acted on at a shareholders meeting (each, a “Proponent Client”). Like Public Clients, Proponent Clients may buy any number of ISS’ product offerings such as proxy research reports, vote execution services, vote disclosure services, responsible investment data, analytics and tools, QualityScore™ or securities class action filing services. Similarly, the products and services offered are the same as those available to all of ISS’ institutional clients, and the nature of ISS’ relationships with these Proponent Clients is not related to the subjects covered in ISS’ proxy research reports. Specifically, ISS does not provide a service in which we work with Proponent Clients (or any others) regarding the crafting of shareholder proposals.

Once again, given the breadth of its client base, ISS in the ordinary course will inevitably provide research coverage and vote recommendations on shareholder proposals for which the Proponent Client would have an interest (since by definition the client is advocating for a specific outcome). Given the similarities to the analysis of Public Client relationships, ISS’ leadership team has again concluded that the potential significance of our relationships with Proponent Clients is a function of the dollar value of the client relationship, and the potential that a Proponent Client might use the relationship to try to exert influence on ISS’ research and voting recommendations. In that light, ISS has determined it appropriate to adopt a 5% threshold, so that ISS will view a relationship with a Proponent Client who is the primary filer of a shareholder proposal as significant if the annual revenues from that client⁴ are in excess of 5% of ISS’ total, consolidated revenues for the most recently completed fiscal year.

In thinking about Proponent Clients, we also note that oftentimes the identity of a shareholder proponent may not be disclosed in the proxy materials relating to the proposal, and in that scenario, ISS would obviously be unable to assess the significance of any particular relationship (if it is not aware that a shareholder proponent is a Proponent Client).

Genstar Portfolio Companies

ISS is a privately-held company owned by entities affiliated with Genstar. As a private equity firm, Genstar owns or controls other portfolio operating companies which are, or may become, publicly traded. Each Genstar portfolio company is separately operated and managed and ISS does not have any relationship with those other portfolio companies by virtue of Genstar’s common ownership. Accordingly, as ISS does not have a relationship with these entities, there is no need to assess for purposes of this Policy the significance vis-à-vis any Genstar portfolio companies that happen to be publicly traded.

While Genstar portfolio companies are not covered by this Policy, ISS understands that perceived or potential conflicts of interest could arise through Genstar itself, inasmuch as proxy research and vote recommendations might be produced that relate to Genstar’s other operating companies.

⁴ As above, in applying this Policy, ISS will look on a monthly basis at the total annualized contract value of the Proponent Clients relative to ISS’ total, consolidated revenues for the most recently completed fiscal year.

Accordingly, we have adopted policies and procedures to mitigate any potential conflicts in this area.⁵

Disclosure Procedures

ISS' primary client delivery platform, ProxyExchange ("PX"), provides institutional clients with proactive visibility regarding the significant relationships described in this Policy, all integrated within a client's workflow.

Within both the "Meetings" and "Research Materials" views in PX, there is a column indicating in Yes/No fashion whether there is a significant relationship associated with that meeting/research report. If there is, then the user will be able to click-through on a link to get more information about that relationship. In addition, users of PX's existing onscreen and/or email alerts for notification of the publication of new benchmark or custom research have a column on those notifications indicating whether there is a significant relationship associated with the report. PX also provides users with a tab labeled "Disclosure of Significant ISS Relationships" within which a user can use a look-up box to search for entities with which ISS has a significant relationship.

Historically, ISS has provided its institutional clients with disclosure regarding ICS' client relationships with corporate issuers through its Legal/Compliance department via the disclosure@issgovernance.com email address. That disclosure vehicle remains in place.

ISS' Legal/Compliance department will perform a monthly review in order to monitor compliance with the disclosure requirements of this Policy.

Policy Review

ISS intends to review this Policy on a periodic basis and to update it as necessary to reflect changes to ISS' business or other developments which may require changes to the manner in which ISS assesses and discloses significant relationships.

This Policy was first approved by ISS' executive leadership, to be effective on November 14, 2014 and was first amended effective October 27, 2017.

⁵ For information regarding ISS' conflict management policies and procedures related to Genstar we refer you to the Due Diligence Materials on our public website at www.issgovernance.com/compliance/due-diligence-materials/.

Appendix A

Examples of Significance/Materiality Standards Reviewed

1. Regulation S-K (the SEC regulations spelling out reporting requirements for public companies that file with the SEC): Item 101 requires disclosure of the name of a major customer if sales to that customer equal **10% or more of the issuer's consolidated revenue** and if the loss of the customer would have a material adverse effect on the issuer.
2. Section 240.17g-5 (regulations relating to conflicts of interest for nationally recognized statistical rating organizations): a nationally recognized statistical rating organization is prohibited from issuing or maintaining a credit rating solicited by a person that, in the most recently ended fiscal year, provided the nationally recognized statistical rating organization with **10% or more of the total net revenue** of the nationally recognized statistical rating organization for the fiscal year.
3. Listing standards regarding determination of the existence of a material transactional relationship in the context of assessing director independence: a material transactional relationship exists if the company makes annual payments to, or receives annual payments from, another entity exceeding **the greater of \$200,000 or 5 percent of the recipient's gross revenues**, in the case of a company which follows NASDAQ listing standards; **or the greater of \$1,000,000 or 2 percent of the recipient's gross revenues**, in the case of a company which follows NYSE/Amex listing standards.