

Good morning

*We appreciate the opportunity to comment on ISS' draft policies for 2018.*

*With respect to the Canadian proposal regarding director overboarding, we believe that a CEO should be allowed to serve on subsidiary boards without such directorships counting towards the limit of one outside directorship.*

*When a CEO serves on the board of a controlled subsidiary, generally no additional compensation is provided for service on subsidiary boards, which reflects that it part of the CEO's employment duties, and therefore not an additional "outside" directorship. The time commitment involved in service on the board of a subsidiary is encompassed in the role of CEO, and so should not be counted as a separate directorship.*

*The purpose of limiting outside directorships for CEO directors, is to ensure that they may devote sufficient time to their outside board – serving on the board of a subsidiary entity when also CEO of the controlling entity would not detract from that role, as the CEO would be required to oversee the business and affairs of the controlled subsidiary due to their position as CEO, regardless of whether they were to serve directly on the subsidiary's board.*

*If ISS would like to discuss our position further, please feel free to contact me.*

Chris Johnston

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