

Kathy Belyeu

From: Jett, Jennifer <jjett@sempra.com>
Sent: Saturday, October 19, 2019 1:03 AM
To: Policy
Subject: ISS Benchmark policy comment period

Dear ISS,

Thank you for the opportunity to provide feedback on ISS's proposed policy changes. While we appreciate and support ISS's efforts to clarify its policies, we do have concerns related to the proposed changes to the Independent Board Chair – Shareholder Proposals policy.

Given the lack of evidence tying an independent chair to superior company performance, we believe ISS' default position should be to trust that the Board is in the best position to adjudicate the board leadership structure, and therefore recommend AGAINST prescriptive shareholder proposals that require an independent Board chair or separation of the chair and CEO roles, absent mitigating factors such as poor governance or lack of a strong lead independent director.

We understand that some shareholders prefer that the Board Chair and CEO roles be separate; however, it has not been established that there is a single board leadership structure that that leads to corporate success, as noted in the following studies:

<https://www.gsb.stanford.edu/sites/gsb/files/publication-pdf/cgri-research-spotlight-04-independent-chairman.pdf>

<https://corpgov.law.harvard.edu/2017/07/31/issuers-ceochairman-structure-not-correlated-with-firm-performance/>

Finally, the proposed change to ISS's U.S. Policy on Independent Board Chair Shareholder Proposals provides factors that "will increase the likelihood of a FOR recommendation" but does not provide a list of factors that would increase the likelihood of an AGAINST recommendation. To provide clarity to both issuers and investors, ISS should consider amending the proposed changes to include factors that would increase the likelihood of an AGAINST recommendation.

Thank you for your thoughtful consideration of our concerns.

Best regards,
Jennifer

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