



November 2, 2020

Dear Sir/Madam:

We write to let you know that ISS is altering its approach to providing draft proxy research reports for issuer review in the U.S. and, for shareholder meetings on or after January 1, 2021, will no longer provide draft reports to U.S. companies within the S&P 500.

Our reasons for this change are multifold. As a client-focused firm, we implemented our S&P 500 draft review process many years ago to help check the factual accuracy of the data underpinning our research. However, since that time, we have invested considerable additional resources in data collection, checks and quality controls, and the result is data with a high degree of factual accuracy. We have also found in recent years that instead of providing useful feedback regarding identification of factual errors, the process now often consists of “lobbying” by companies regarding our draft voting recommendations and the underlying policy approaches that ISS uses to analyze issues and make those recommendations. In other words, the S&P 500 draft review process is no longer necessary, nor is it being used by many companies as intended.

Furthermore, the review process takes time that we believe will be better used in providing our clients with an earlier view of our reports and recommendations, giving them more time to consider the information and their voting decisions, and to engage with companies where they wish to. These reasons, combined with feedback from many clients, underpin our decision to make this process change.

In discussions with us and through letters submitted to the comment file during the recent Securities and Exchange Commission rulemaking process, many of our institutional clients have made it clear that they do not support draft previews. They do not want subject companies involved in the research process; do not want them being the first to see our research and recommendations; and do not want them lobbying ISS about our analyses or our conclusions before these are released to our clients. Instead, they want institutional investors to be the first to see and review the ISS research to which they subscribe. At this time, we are focusing this change on the U.S., which provides a consistent approach for all U.S.-listed companies regardless of capitalization. This step will result in earlier research delivery times to our clients with more time to consider the research as they make their voting decisions and to engage if they wish with

their portfolio companies on matters that are raised by the companies' meeting materials and/or that have been flagged within our reports.

We of course remain focused on ensuring the accuracy and integrity of our proxy research reports and vote recommendations and we do not believe that this process change will have a negative impact on this. Our data will remain subject to rigorous quality control checks and companies can continue to avail themselves of our varied data verification portals. Moreover, all companies can still access copies of the final ISS report, at no cost, in keeping with our long-standing policy of transparency. Companies will still have the opportunity to provide feedback to ISS at that time. Furthermore, as you may know, to the extent relevant new information comes to light or any errors in a report are identified, we have a formal "Alert" process to update a previously issued report where an update is warranted; we distribute an Alert to all ISS subscribers who received the original report to which such Alert relates. Even where a client has already executed their vote instructions for a meeting, those votes can be changed (in most cases in the U.S. as late as the night before a shareholders meeting), if an Alert (or other new information) results in a client changing their voting decision(s).

Sincerely,

Institutional Shareholder Services