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AMERICAS

Proxy Voting Guidelines

Benchmark Policy Changes for 2026: U.S., Brazil Canada, and Americas Regional

Effective for Meetings on or after February 1, 2026

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United States

Board of Directors

Problematic Capital Structures

Current ISS Policy:	New ISS Policy:
<p>Unequal Voting Rights:</p> <p>Generally vote withhold or against directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case), if the company employs a common stock structure with unequal voting rights⁸.</p> <p>Exceptions to this policy will generally be limited to:</p> <ul style="list-style-type: none"> ▪ Newly-public companies with a sunset provision of no more than seven years from the date of going public; ▪ Limited Partnerships and the Operating Partnership (OP) unit structure of REITs; ▪ Situations where the super-voting shares represent less than 5% of total voting power and therefore considered to be de minimis; or ▪ The company provides sufficient protections for minority shareholders, such as allowing minority shareholders a regular binding vote on whether the capital structure should be maintained. 	<p>Unequal Voting Rights:</p> <p>Generally vote withhold or against directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case), if the company employs a common stock <u>multi-class capital</u> structure with unequal voting rights⁸.</p> <p>Exceptions to this policy will generally be limited to:</p> <ul style="list-style-type: none"> ▪ Newly-public companies with a sunset provision of no more than seven years from the date of going public; ▪ Limited Partnerships and the Operating Partnership (OP) unit structure of REITs; ▪ <u>Convertible preferred shares that vote on an “as-converted” basis</u> ▪ <u>Situations where the enhanced voting rights are limited in duration and applicability, such as where they are intended to overcome low voting turnout and ensure approval of a specific non-controversial agenda item and “mirrored voting” applies;</u> ▪ Situations where the super-voting shares represent less than 5% of total voting power and are therefore considered to be de minimis; or ▪ The company provides sufficient protections for minority shareholders, such as allowing minority shareholders a regular binding vote on whether the capital structure should be maintained.

Current ISS Policy:	New ISS Policy:
<p>Footnotes:</p> <p>⁸This generally includes classes of common stock that have additional votes per share than other shares; classes of shares that are not entitled to vote on all the same ballot items or nominees; or stock with time-phased voting rights (“loyalty shares”).</p>	<p>Footnotes:</p> <p>⁸This generally includes classes of common <u>or preferred</u> stock that have <u>additionalmore</u> votes per share than other shares; classes of shares that are not entitled to vote on all the same ballot items or nominees; or stock with time-phased voting rights (“loyalty shares”).</p> <p><u>Preferred shares that have voting rights only with respect to items that affect the rights of their holders as a class are not generally considered a problematic capital structure.</u></p>
<p>Dual Class Structure</p> <p>General Recommendation: Generally vote against proposals to create a new class of common stock unless:</p> <p>The company discloses a compelling rationale for the dual-class capital structure, such as:</p> <ul style="list-style-type: none"> ▪ The company's auditor has concluded that there is substantial doubt about the company's ability to continue as a going concern; or ▪ The new class of shares will be transitory; ▪ The new class is intended for financing purposes with minimal or no dilution to current shareholders in both the short term and long term; and ▪ The new class is not designed to preserve or increase the voting power of an insider or significant shareholder. 	<p>Dual Class Structure</p> <p>General Recommendation: Generally vote against proposals to create a new class of common stock unless:</p> <p>The company discloses a compelling rationale for the dual-class capital structure, such as:</p> <ul style="list-style-type: none"> ▪ The company's auditor has concluded that there is substantial doubt about the company's ability to continue as a going concern; or ▪ The new class of shares will be transitory; ▪ The new class is intended for financing purposes with minimal or no dilution to current shareholders in both the short term and long term; and ▪ The new class is not designed to preserve or increase the voting power of an insider or significant shareholder. <p><u>Generally vote against proposals to create a new class of preferred stock with voting rights superior to the common stock unless:</u></p> <ul style="list-style-type: none"> ▪ <u>The preferred shares are convertible into common shares and vote on an “as converted” basis prior to conversion, or</u> ▪ <u>The enhanced voting rights of the preferred shares have limited duration and applicability and the shares are voted in a way that mirrors the votes of the common shares (i.e., where such shares are intended to overcome low voting turnout and ensure approval of a specific non-controversial agenda item such as a reverse stock split needed to avoid a delisting).</u>

Rationale for Change:

The policy change eliminates a discrepancy in the treatment of capital structures with unequal voting rights and clarifies that such structures are considered problematic whether the shares with superior voting rights are classified as “common” or “preferred”.

Compensation

Executive Pay Evaluation – Pay for Performance Evaluation

Current ISS Policy:	New ISS Policy:
<p>Primary Evaluation Factors for Executive Pay Pay-for-Performance Evaluation</p> <p>ISS annually conducts a pay-for-performance analysis to identify strong or satisfactory alignment between pay and performance over a sustained period. With respect to companies in the S&P1500, Russell 3000, or Russell 3000E Indices¹⁷, this analysis considers the following:</p> <ol style="list-style-type: none"> 1. Peer Group¹⁸ Alignment: <ul style="list-style-type: none"> ▪ The degree of alignment between the company's annualized TSR rank and the CEO's annualized total pay rank within a peer group, each measured over a three-year period. ▪ The rankings of CEO total pay and company financial performance within a peer group, each measured over a three-year period. ▪ The multiple of the CEO's total pay relative to the peer group median in the most recent fiscal year. 2. Absolute Alignment¹⁹ – the absolute alignment between the trend in CEO pay and company TSR over the prior five fiscal years – i.e., the difference between the trend in annual pay changes and the trend in annualized TSR during the period. 	<p>Primary Evaluation Factors for Executive Pay Pay-for-Performance Evaluation</p> <p>ISS annually conducts a pay-for-performance analysis to identify strong or satisfactory alignment between pay and performance over a sustained period. With respect to companies in the S&P1500, Russell 3000, or Russell 3000E Indices¹⁷, this analysis considers the following:</p> <ol style="list-style-type: none"> 1. Peer Group¹⁸ Alignment: <ul style="list-style-type: none"> ▪ The degree of alignment between the company's annualized TSR rank and the CEO's annualized total pay rank within a peer group, each measured over a threefive-year period. ▪ The rankings of CEO total pay and company financial performance within a peer group, each measured over a threefive-year period. ▪ The multiple of the CEO's total pay relative to the peer group median in the most recent fiscal yearover one- and three-year periods. 2. Absolute Alignment¹⁹ – the absolute alignment between the trend in CEO pay and company TSR over the prior five fiscal years – i.e., the difference between the trend in annual pay changes and the trend in annualized TSR during the period.

Current ISS Policy:	New ISS Policy:
<p>Footnotes:</p> <p>17: The Russell 3000E Index includes approximately 4,000 of the largest U.S. equity securities.</p> <p>18: The revised peer group is generally comprised of 14-24 companies that are selected using market cap, revenue (or assets for certain financial firms), GICS industry group, and company's selected peers' GICS industry group, with size constraints, via a process designed to select peers that are comparable to the subject company in terms of revenue/assets and industry, and also within a market-cap bucket that is reflective of the company's market cap. For Oil, Gas & Consumable Fuels companies, market cap is the only size determinant.</p> <p>19: Only Russell 3000 Index companies are subject to the Absolute Alignment analysis.</p>	<p>Footnotes:</p> <p>17: The Russell 3000E Index includes approximately 4,000 of the largest U.S. equity securities.</p> <p>18: The revised <u>ISS</u> peer group is generally comprised of 14-24 companies that are selected using <u>factors such as</u> market cap, revenue, (or assets, for certain financial firms), GICS industry group, and <u>the</u> company's selected peers' GICS industry group, with size constraints, via a process designed to select peers that are comparable to the subject company in terms of revenue/assets and industry, and also within a market cap bucket that is reflective of the company's market cap. For Oil, Gas & Consumable Fuels companies, market cap is the only size determinant. ISS' peer selection methodology is detailed in the U.S. Peer Group FAQ.</p> <p>19: Only Russell 3000E Index <u>companies (excluding S&P1500 and Russell 3000 companies)</u> companies are <u>not</u> subject to the Absolute Alignment analysis.</p>

Rationale for Change:

The U.S. pay-for-performance quantitative screens are being updated to assess pay for performance alignment over a longer-term time horizon. The update emphasizes a five-year, rather than three-year, assessment between CEO pay and company performance, while also maintaining an assessment of pay quantum over the short term. The update is intended to better align with how investors assess a company's long-term performance when evaluating compensation relative to peers. This change also emphasizes the assessment of *sustained* value creation and better smooths out short- to mid-term fluctuations, unusual one-time events, or external factors.

Other footnote changes are formatting and stylistic edits, including the removal of information that is considered more appropriate for detailing in the U.S. Peer Group FAQ.

Time-Based Equity Awards with Long-Time Horizon

Current ISS Policy:	New ISS Policy:
<p>Pay-for-Performance Evaluation: If the above analysis demonstrates significant unsatisfactory long-term pay-for-performance alignment or, in the case of companies outside the Russell indices, a misalignment between pay and performance is otherwise suggested, our analysis may include any of the following qualitative factors, as relevant to an evaluation of how various pay elements may work to encourage or to undermine long-term value creation and alignment with shareholder interests:</p> <ul style="list-style-type: none"> ▪ The ratio of performance- to time-based incentive awards; ▪ The overall ratio of performance-based compensation to fixed or discretionary pay; ▪ The rigor of performance goals; ▪ The complexity and risks around pay program design; ▪ The transparency and clarity of disclosure; ▪ The company's peer group benchmarking practices; ▪ Financial/operational results, both absolute and relative to peers; ▪ Special circumstances related to, for example, a new CEO in the prior FY or anomalous equity grant practices (e.g., bi-annual awards); ▪ Realizable pay²⁰ compared to grant pay; and ▪ Any other factors deemed relevant. 	<p>Pay-for-Performance Evaluation: If the above analysis demonstrates significant unsatisfactory long-term pay-for-performance alignment or, in the case of companies outside the Russell indices, a misalignment between pay and performance is otherwise suggested, our analysis may include any of the following qualitative factors, as relevant to an evaluation of how various pay elements may work to encourage or to undermine long-term value creation and alignment with shareholder interests:</p> <ul style="list-style-type: none"> ▪ <u>The overall ratio of performance-based compensation to fixed or discretionary pay;</u> ▪ The ratio of performance- to time-based <u>long-term</u> incentive awards; ▪ <u>Vesting and/or retention requirements for equity awards that demonstrate a long-term focus;</u> ▪ The overall ratio of performance-based compensation to fixed or discretionary pay; ▪ The rigor of performance goals; ▪ The complexity and risks around pay program design; ▪ The transparency and clarity of disclosure; ▪ The company's peer group benchmarking practices; ▪ Financial/operational results, both absolute and relative to peers; ▪ Special circumstances related to, for example, a new CEO in the prior FY or anomalous equity grant practices (e.g., bi-annual awards); ▪ Realizable <u>and/or realized</u> pay²⁰ compared to granted <u>ed</u> pay; and ▪ Any other factors deemed relevant.

Current ISS Policy:	New ISS Policy:
<p>Footnotes: 20: ISS research reports include realizable pay for S&P1500 companies.</p>	<p>Footnotes: 20: ISS research reports include realizable pay for S&P1500 companies.</p>

Rationale for Change:

This policy update reflects the importance of a longer-term time horizon for time-based equity awards and represents a more flexible approach in ISS' evaluation of equity pay mix in the pay-for-performance qualitative review. Feedback received from the 2024 and 2025 ISS policy surveys and 2024 and 2025 U.S compensation policy roundtables indicates evolving investor views on the appropriate mix of time- and performance-based equity. Many institutional investors have expressed concerns regarding performance equity programs in the U.S., and many have expressed a desire for a more flexible qualitative approach whereby time-based equity can comprise a majority (or all) of the equity pay mix so long as it is sufficiently long-term in nature, through extended vesting and/or retention requirements. This policy update will add more flexibility to the pay-for-performance qualitative review regarding the assessment of equity pay mix, whereby a time-based equity awards with extended time horizons will be viewed positively. Equity awards will continue to be evaluated qualitatively on a case-by-case basis and in the context of company-specific factors and circumstances. For the avoidance of doubt, ISS will also continue to consider well-designed and clearly disclosed performance equity structures as a positive factor in the pay-for-performance qualitative analysis.

The policy update also clarifies that *realized* pay outcomes may be considered alongside realizable and granted pay. Other changes are formatting and stylistic edits, including the removal of the footnote associated with realizable pay, which is considered more appropriate for detailing in the U.S. Executive Compensation Policies FAQ.

Compensation Committee Communications and Responsiveness

Current ISS Policy:	New ISS Policy:
<p>Compensation Committee Communications and Responsiveness</p> <p>Consider the following factors case-by-case when evaluating ballot items related to executive pay on the board’s responsiveness to investor input and engagement on compensation issues:</p> <ul style="list-style-type: none"> ▪ Failure to respond to majority-supported shareholder proposals on executive pay topics; or ▪ Failure to adequately respond to the company's previous say-on-pay proposal that received the support of less than 70 percent of votes cast, taking into account: <ul style="list-style-type: none"> ▪ Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated); ▪ Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; ▪ Disclosure of specific and meaningful actions taken to address shareholders' concerns; ▪ Other recent compensation actions taken by the company; ▪ Whether the issues raised are recurring or isolated; ▪ The company's ownership structure; and ▪ Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness. 	<p>Compensation Committee Communications and Responsiveness</p> <p>Consider the following factors case-by-case when evaluating ballot items related to executive pay on the board’s responsiveness to investor input and engagement on compensation issues:</p> <ul style="list-style-type: none"> ▪ Failure to respond to majority-supported shareholder proposals on executive pay topics; or ▪ Failure to adequately respond to the company's previous say-on-pay proposal that received the low support of less than 70 percent of votes cast, taking into account <u>the factors identified under the Responsiveness section in the Board of Directors policy with respect to say-on-pay.</u>: <ul style="list-style-type: none"> ▪ Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated); ▪ Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; ▪ Disclosure of specific and meaningful actions taken to address shareholders' concerns; ▪ Other recent compensation actions taken by the company; ▪ Whether the issues raised are recurring or isolated; ▪ The company's ownership structure; and ▪ Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness.

Rationale for Change:

The factors considered under the Compensation Committee Communications and Responsiveness policy is repeated in the US Voting Guidelines, appearing under both the Board of Directors and Compensation policy sections. This update simply removes the duplication of factors in the Compensation policy section and refers to those factors as identified under the Board of Directors policy section. Removing this duplication and instead cross-referencing these two sections makes the policy cleaner and clearer.

Board of Directors – Responsiveness

Current ISS Policy:	New ISS Policy:
<p>Vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) and the Say on Pay proposal if:</p> <ul style="list-style-type: none"> ▪ The company’s previous say-on-pay received the support of less than 70 percent of votes cast. Factors that will be considered are: <ul style="list-style-type: none"> ▪ The company's response, including: <ul style="list-style-type: none"> ▪ Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated); ▪ Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; and ▪ Disclosure of specific and meaningful actions taken to address shareholders' concerns; ▪ Other recent compensation actions taken by the company; ▪ Whether the issues raised are recurring or isolated; ▪ The company's ownership structure; and ▪ Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness. ▪ The board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the plurality of votes cast. 	<p>Vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) and <u>or</u> the <u>say-on-p</u> Pay proposal if:</p> <p>▪ The <u>when the</u> company’s previous say-on-pay received the support of less than 70 percent of votes cast. Factors that will be considered are <u>in assessing board responsiveness include:</u></p> <ul style="list-style-type: none"> ▪ The company's response, including: <ul style="list-style-type: none"> ▪ Disclosure of engagement efforts with major institutional investors, including the frequency and timing of engagements and the company participants (including whether independent directors participated); ▪ Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; and ▪ Disclosure of specific and meaningful actions taken to address shareholders' concerns. <p><u>If the company discloses meaningful engagement efforts, but in addition states that it was unable to obtain specific feedback, ISS will assess company actions taken in response to the say-on-pay vote as well as the company's explanation as to why such actions are beneficial for shareholders.</u></p> <p><u>Additional factors that may be considered include:</u></p> <ul style="list-style-type: none"> ▪ Other recent compensation actions taken by the company; ▪ Whether the issues raised are recurring or isolated; ▪ <u>The company's ownership structure; and</u> ▪ <u>Significant corporate activity, such as a recent merger or proxy contest; and</u> ▪ <u>Any other compensation action or factor considered relevant to assessing board responsiveness.</u>

Current ISS Policy:	New ISS Policy:
	<p>Whether if the <u>say-on-pay</u> support level was less than 50 percent <u>of votes cast, which this</u> would warrant the highest degree of responsiveness, <u>as assessed under the factors noted above</u>.</p> <p>Vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) if the board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the plurality of votes cast.</p>

Rationale for Change:

The current policy has been updated to address cases where a company has disclosed meaningful efforts to engage with shareholders but was ultimately unable to receive feedback. Recent SEC guidance regarding 13-G (passive) versus 13-D (active) filing status for institutional investors may make it more difficult for issuers to receive feedback after a low say-on-pay vote result. The ISS 2025 policy survey results indicated that there was strong agreement from both investors and non-investors that the absence of disclosed shareholder feedback should not be viewed negatively if the company discloses that it attempted but was unable to obtain sufficient investor feedback. Investor feedback has also supported the viewpoint that as a general matter companies can demonstrate say-on-pay responsiveness through positive pay program changes that are not necessarily linked to specific shareholder feedback, even outside the context of the recent SEC guidance.

In the 2025 U.S. compensation policy roundtables, investors uniformly expressed that companies that are unable to obtain shareholder feedback should still disclose meaningful engagement efforts as well as the rationale underlying compensation actions made in response to a low say-on-pay vote, including how such changes are beneficial for shareholders. The policy change allows for more flexibility in the way companies can demonstrate their responsiveness to low say-on-pay vote support.

The current policy has also been updated to clarify factors that are currently considered in the case of low support in connection with an unusual situation (such as a proxy contest, merger or bankruptcy). While disclosure of engagement efforts, how the board considered investor dissent, and/or compensation actions remain relevant in such scenarios, significant board turnover is also considered.

Problematic Compensation Practices: High Non-Employee Director Pay

Current ISS Policy:	New ISS Policy:
<p>Generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e. two or more years) of awarding excessive non-employee director compensation without disclosing a compelling rationale or other mitigating factors.</p>	<p>Generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e. two or more <u>consecutive or non-consecutive years/across multiple years</u>) of <u>awarding excessive or otherwise problematic¹ non-employee director compensation without disclosing a compelling rationale or other mitigating factors.</u></p> <p><u>Adverse recommendations may be warranted in the first year for director pay issues that are considered egregious.¹</u></p>
	<p>Footnote:</p> <p><u>1. May include performance awards, retirement benefits, or problematic perquisites.</u></p>

Rationale for Change:

Since the implementation of the high non-employee director (NED) pay policy in 2019, there have been multiple instances of problematic NED pay decisions made by companies across non-consecutive years (i.e. in Year 1 and Year 3 but not in Year 2) or egregious NED pay decisions made in a single year with no prior pattern.

There are specific practices in NED pay that shareholders may consider concerning or problematic. These include, but are not limited to:

- Particularly large NED pay magnitude (measured relative to industry peer medians based on four-digit GICS classification) or NED pay that exceeds that of the company's executive officers.
- Performance awards, retirement benefits, excessive perquisites, etc.
- Inadequate disclosure or lack of clearly disclosed rationale in the proxy for unusual NED payments.

This policy update allows for adverse vote recommendations for problematic or unreasonable pay in the first year of occurrence or in the event of a pattern identified across non-consecutive years. The identification of one of these practices does not guarantee an adverse recommendation. NED pay identified as merely marginally exceeding the relevant threshold in the absence of other escalatory factors or a multi-year pattern will continue to receive warnings without an adverse vote recommendation.

Equity-Based and Other Incentive Plans

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Vote case-by-case on certain equity-based compensation plans²¹ depending on a combination of certain plan features and equity grant practices, where positive factors may counterbalance negative factors, and vice versa, as evaluated using an "Equity Plan Scorecard" (EPSC) approach with three pillars:</p> <ol style="list-style-type: none"> I. Plan Cost: The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both: <ul style="list-style-type: none"> ▪ SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and ▪ SVT based only on new shares requested plus shares remaining for future grants. II. Plan Features: <ul style="list-style-type: none"> ▪ Quality of disclosure around vesting upon a change in control (CIC); ▪ Discretionary vesting authority; ▪ Liberal share recycling on various award types; ▪ Lack of minimum vesting period for grants made under the plan; and ▪ Dividends payable prior to award vesting. III. Grant Practices: <ul style="list-style-type: none"> ▪ The company's three-year burn rate relative to its industry/market cap peers; 	<p>General Recommendation: Vote case-by-case on <u>equity plan proposals subject to the Equity Plan Scorecard framework</u>certain equity-based compensation plans²¹ depending on a combination of certain plan features and equity grant practices, where positive factors may counterbalance negative factors, and vice versa, as evaluated using an "Equity Plan Scorecard" (EPSC) approach with<u>under</u> three pillars:</p> <ol style="list-style-type: none"> I. Plan Cost: The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both: <ul style="list-style-type: none"> ▪ SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and ▪ SVT based only on new shares requested plus shares remaining for future grants. II. Plan Features: <ul style="list-style-type: none"> ▪ Quality of disclosure around vesting upon a change in control (CIC); ▪ Discretionary vesting authority; ▪ Liberal share recycling on various award types; ▪ Lack of minimum vesting period for grants made under the plan; and ▪ Dividends payable prior to award vesting; and <u>Cash-denominated award limits for non-employee directors.</u> III. Grant Practices:

Current ISS Policy:	New ISS Policy:
<ul style="list-style-type: none"> ▪ Vesting requirements in CEO's recent equity grants (3-year look-back); ▪ The estimated duration of the plan (based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years); ▪ The proportion of the CEO's most recent equity grants/awards subject to performance conditions; ▪ Whether the company maintains a sufficient claw-back policy; and ▪ Whether the company maintains sufficient post-exercise/vesting share-holding requirements. <p>Generally vote against the plan proposal if the combination of above factors indicates that the plan is not, overall, in shareholders' interests, or if any of the following egregious factors ("overriding factors") apply:</p> <ul style="list-style-type: none"> ▪ Awards may vest in connection with a liberal change-of-control definition; ▪ The plan would permit repricing or cash buyout of underwater options without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies – or by not prohibiting it when the company has a history of repricing – for non-listed companies); ▪ The plan is a vehicle for problematic pay practices or a significant pay-for-performance disconnect under certain circumstances; ▪ The plan is excessively dilutive to shareholders' holdings; ▪ The plan contains an evergreen (automatic share replenishment) feature; or 	<ul style="list-style-type: none"> ▪ The company's three-year burn rate relative to its industry/market cap peers; ▪ Vesting requirements in CEO's recent equity grants (3-year look-back); ▪ The estimated duration of the plan (based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years); ▪ The proportion of the CEO's most recent equity grants/awards subject to performance conditions <u>classified by ISS as performance-based</u>; ▪ Whether the company maintains a sufficient claw-back policy; and ▪ Whether the company maintains sufficient post-exercise/vesting share-holding requirements. <p>Generally vote against the plan proposal if the combination of above factors indicates that the plan is not, overall, in shareholders' interests, or if any of the following egregious factors ("overriding factors") apply:</p> <ul style="list-style-type: none"> ▪ Awards may vest in connection with a liberal change-of-control definition; ▪ The plan would permit repricing or cash buyout of underwater options without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies – or by not prohibiting it when the company has a history of repricing – for non-listed companies); ▪ The plan is a vehicle for problematic pay practices or a significant pay-for-performance disconnect under certain circumstances;

Current ISS Policy:	New ISS Policy:
<ul style="list-style-type: none"> Any other plan features are determined to have a significant negative impact on shareholder interests. 	<ul style="list-style-type: none"> The plan is excessively dilutive to shareholders' holdings; <u>The plan contains an evergreen (automatic share replenishment) feature; or</u> <u>The plan lacks sufficient positive features under the Plan Features pillar; or</u> Any other plan features<u>factors that</u> are determined to have a significant negative impact on shareholder interests.
<p>Footnotes:</p> <p>²¹ Proposals evaluated under the EPSC policy generally include those to approve or amend (1) stock option plans for employees and/or employees and directors, (2) restricted stock plans for employees and/or employees and directors, and (3) omnibus stock incentive plans for employees and/or employees and directors; amended plans will be further evaluated case-by-case.</p>	<p>Footnotes:</p> <p>²¹ Proposals evaluated under the EPSC policy generally include those to approve or amend (1) stock option plans for employees and/or employees and directors, (2) restricted stock plans for employees and/or employees and directors, and (3) omnibus stock incentive plans for employees and/or employees and directors; amended plans will be further evaluated case-by-case.</p>

Rationale for Change:

Individual award limits for non-employee directors have previously been noted in the Equity Plan Scorecard (EPSC) analysis though as informational data and not a scored factor. This change implements a new scored factor under the Plan Features pillar that assesses whether a plan in which non-employee directors participate discloses cash-denominated award limits, which is considered best practice. For 2026, the new non-employee director individual award limit factor will only apply to the S&P 500 and Russell 3000 EPSC models.

Additionally, numerous cases have been identified for plans evaluated under the Equity Plan Scorecard in which an overall passing score is reached despite receiving a very poor or zero Plan Features pillar score. To address this, ISS is introducing a new negative overriding factor where an equity plan proposal will receive an "Against" recommendation if it is found to be lacking sufficient positive features under the Plan Features pillar (as indicated by a threshold Plan Features pillar score), despite an overall passing score. For 2026, the new overriding factor will only apply to S&P 500, Russell 3000, and non-Russell 3000 EPSC models.

Other changes are formatting and stylistic edits, including certain details around factor logic that, while unchanged for 2026, are considered more appropriate for detailing in the US Equity Compensation Plans FAQ, which is expected to be updated in mid-December.

Social and Environmental Shareholder Proposals

Climate Change/Greenhouse Gas (GHG) Emissions Proposals

Current ISS Policy:	New ISS Policy:
<p>Climate Change/Greenhouse Gas (GHG) Emissions</p> <p>General Recommendation: Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments or on how the company identifies, measures, and manages such risks, considering:</p> <ul style="list-style-type: none"> Whether the company already provides current, publicly available information on the impact that climate change may have on the company as well as associated company policies and procedures to address related risks and/or opportunities; The company's level of disclosure compared to industry peers; and Whether there are significant controversies, fines, penalties, or litigation associated with the company's climate change-related performance. <p>Generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations, unless:</p> <ul style="list-style-type: none"> The company already discloses current, publicly-available information on the impacts that GHG emissions may have on the company as well as associated company policies and procedures to address related risks and/or opportunities; The company's level of disclosure is comparable to that of industry peers; or There are no significant, controversies, fines, penalties, or litigation associated with the company's GHG emissions. 	<p>Climate Change/Greenhouse Gas (GHG) Emissions</p> <p>General Recommendation: Generally vote for<u>Vote case-by-case on</u> resolutions requesting that a company disclose information on the <u>climate change related</u> financial, physical, or regulatory risks it faces related to climate change on to its operations and investments or on how the company identifies, measures, and manages such risks, considering:</p> <ul style="list-style-type: none"> Whether the company already provides current, publicly available information <u>on the climate change-related financial, physical, or regulatory risks it faces to its operations and investments or</u> on the impact that climate change may have on the company; as well as a Associated company policies and procedures practices to address<u>addressing climate change</u> related risks and/or opportunities; The company's level of disclosure compared to industry peers; and Whether there are significant controversies, fines, penalties, or litigation associated with the company's climate change-related performance. <p>Generally vote for<u>Vote case-by-case on</u> proposals requesting <u>that a company a</u> report on <u>its</u> greenhouse gas (GHG) emissions from company operations and/or products and operations, unless<u>considering</u>:</p> <ul style="list-style-type: none"> The Whether the company already discloses current, publicly-available information on the impacts that GHG emissions may have on the company as well as associated company policies and procedures to address related risks and/or opportunities; The Whether the company's level of disclosure is comparable to that of industry peers; or

Current ISS Policy:	New ISS Policy:
<p>Vote case-by-case on proposals that call for the adoption of GHG reduction goals from products and operations, taking into account:</p> <ul style="list-style-type: none"> ▪ Whether the company provides disclosure of year-over-year GHG emissions performance data; ▪ Whether company disclosure lags behind industry peers; ▪ The company's actual GHG emissions performance; ▪ The company's current GHG emission policies, oversight mechanisms, and related initiatives; and ▪ Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to GHG emissions. 	<ul style="list-style-type: none"> ▪ There <u>Whether there</u> are no significant, controversies, fines, penalties, or litigation associated with the company's GHG emissions. <p>Vote case-by-case on proposals that call for the adoption of GHG reduction goals from products and operations, <u>taking into account</u> considering:</p> <ul style="list-style-type: none"> ▪ Whether the company provides disclosure of year-over-year GHG emissions performance data; ▪ Whether company disclosure lags behind industry peers; ▪ The company's actual GHG emissions performance; ▪ The company's current GHG emission policies, oversight mechanisms, and related initiatives; ▪ <u>Whether the company provides disclosure of year-over-year GHG emissions performance data;</u> ▪ <u>Whether company disclosure lags behind industry peers;</u> and ▪ Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to GHG emissions.

Rationale for Change:

ISS is updating its policies on climate change/greenhouse gas emissions related shareholder proposals from a “vote for” to a “case-by-case” approach. This update is a result of feedback received from various clients through our direct interactions with them, including at policy round tables. The continued decline in shareholder support for shareholder proposals on climate change/greenhouse gas emissions related matters has been acknowledged, and the analysis of these proposals is driven by multiple factors, including the increasing variation of regulations on the topic and the evolution of company relevant practices and general improvement in disclosures on the topic over the past few years.

Diversity – Equality of Opportunity Proposals

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Generally vote for proposals requesting a company disclose its diversity policies, or initiatives, or proposals requesting disclosure of a company’s comprehensive workforce diversity data, including requests for EEO-1 data, unless:</p> <ul style="list-style-type: none"> ▪ The company publicly discloses equal opportunity policies and initiatives in a comprehensive manner; ▪ The company already publicly discloses comprehensive workforce diversity data; or ▪ The company has no recent significant EEO-related violations or litigation. <p>Generally vote against proposals seeking information on the diversity efforts of suppliers and service providers. Such requests may pose a significant burden on the company.</p>	<p>General Recommendation: Vote case-by-case for on proposals requesting a company disclose its diversity policies, or initiatives, or proposals requesting disclosure of a company’s comprehensive workforce diversity data, including requests for EEO-1 data unless. Factors that will be considered are:</p> <ul style="list-style-type: none"> ▪ Whether the company publicly discloses equal <u>employment</u> opportunity policies and initiatives in a comprehensive manner; ▪ Whether the company already publicly discloses comprehensive workforce diversity data <u>EEO-1 report</u>; or ▪ Whether the company has no recent significant <u>workplace discrimination/fair employment</u> EEO-related violations or litigation. <p>Generally vote against proposals seeking information on the diversity efforts of suppliers and service providers. Such requests may pose a significant burden on the company.</p>

Rationale for Change:

ISS is updating its policies on diversity/equality of opportunity related shareholder proposals from a “vote for” to a “case-by-case” approach to better reflect an approach that resonates with broad shareholder sentiment. This update is a result of feedback received through direct interactions with clients as well as from observations of continued decline in shareholder support for shareholder proposals on diversity/equality of opportunity matters. Other factors driving the update include the changing related regulatory landscape in the U.S. and the evolution of relevant company practices and general improvement in disclosures on the topic over the past few years.

Human Rights Proposals

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Generally vote for proposals requesting a report on company or company supplier labor and/or human rights standards and policies unless such information is already publicly disclosed.</p> <p>Vote case-by-case on proposals to implement company or company supplier labor and/or human rights standards and policies, considering:</p> <ul style="list-style-type: none"> ▪ The degree to which existing relevant policies and practices are disclosed; ▪ Whether or not existing relevant policies are consistent with internationally recognized standards; ▪ Whether company facilities and those of its suppliers are monitored and how; ▪ Company participation in fair labor organizations or other internationally recognized human rights initiatives; ▪ Scope and nature of business conducted in markets known to have higher risk of workplace labor/human rights abuse; ▪ Recent, significant company controversies, fines, or litigation regarding human rights at the company or its suppliers; ▪ The scope of the request; and ▪ Deviation from industry sector peer company standards and practices. <p>Vote case-by-case on proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process, considering:</p> <ul style="list-style-type: none"> ▪ The degree to which existing relevant policies and practices are disclosed, including information on the implementation of these policies and any related oversight mechanisms; ▪ The company’s industry and whether the company or its suppliers operate in countries or areas where there is a history of human rights concerns; ▪ Recent significant controversies, fines, or litigation regarding human rights involving the company or its suppliers, and whether the company has taken remedial steps; and 	<p>General Recommendation: Generally vote <u>case-by-case on</u> proposals requesting a report on company or company supplier labor and/or human rights standards and policies, <u>taking into consideration</u>:</p> <ul style="list-style-type: none"> ▪ unless <u>Whether</u> such information is already publicly disclosed, ▪ <u>Whether the company is lagging industry peers,</u> ▪ <u>- Whether there are recent, significant company controversies, fines, or litigation regarding human rights at the company or its suppliers.</u> <p>Vote case-by-case on proposals to implement company or company supplier labor and/or human rights standards and policies, considering:</p> <ul style="list-style-type: none"> ▪ <u>The scope of the request;</u> ▪ The degree to which existing relevant policies and practices are disclosed; ▪ Whether or not existing relevant policies are consistent with internationally recognized standards; ▪ <u>Deviation from industry sector peer company standards and practices;</u> Whether company facilities and those of its suppliers are monitored and how; ▪ Company participation in fair labor organizations or other internationally recognized human rights initiatives; ▪ Scope and nature of business conducted in markets known to have higher risks of workplace labor <u>or</u> human rights abuse; <u>and</u> ▪ Recent, significant company controversies, fines, or litigation regarding human rights at the company or its suppliers; The scope of the request; <u>Deviation from industry sector peer company standards and pra</u> <p>Vote case-by-case on proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process, considering:</p>

Current ISS Policy:	New ISS Policy:
<ul style="list-style-type: none"> ▪ Whether the proposal is unduly burdensome or overly prescriptive. 	<ul style="list-style-type: none"> ▪ The degree to which existing relevant policies and practices are disclosed, including information on the implementation of these policies and any related oversight mechanisms; ▪ The company’s industry and whether the company or its suppliers operate in countries or areas where there is a history of human rights concerns; ▪ Recent significant controversies, fines, or litigation regarding human rights involving the company or its suppliers, and whether the company has taken remedial steps; and ▪ Whether the proposal is unduly burdensome or overly prescriptive.

Rationale for Change:

ISS is updating its policies on human rights related shareholder proposals from a “vote for” to a “case-by-case” approach to better reflect “an approach that resonates with broad shareholder sentiment. This update is a result of feedback received through direct interactions with clients as well as from observations of continued decline in shareholder support for shareholder proposals on human rights related matters.

Political Contributions Proposals

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Generally vote for proposals requesting greater disclosure of a company's political contributions and trade association spending policies and activities, considering:</p> <ul style="list-style-type: none"> ▪ The company's policies, and management and board oversight related to its direct political contributions and payments to trade associations or other groups that may be used for political purposes; ▪ The company's disclosure regarding its support of, and participation in, trade associations or other groups that may make political contributions; and ▪ Recent significant controversies, fines, or litigation related to the company's political contributions or political activities. <p>Vote against proposals barring a company from making political contributions. Businesses are affected by legislation at the federal, state, and local level; barring political contributions can put the company at a competitive disadvantage.</p> <p>Vote against proposals to publish in newspapers and other media a company's political contributions. Such publications could present significant cost to the company without providing commensurate value to shareholders.</p>	<p>General Recommendation: Generally vote for <u>Vote for case-by-case on</u> proposals requesting greater disclosure of a company's political contributions and trade association spending policies and activities, considering:</p> <ul style="list-style-type: none"> ▪ The company's policies, and management and board oversight related to its direct political contributions and payments to trade associations or other groups that may be used for political purposes; ▪ The company's disclosure regarding its support of, and participation in, trade associations or other groups that may make political contributions; and ▪ <u>The company's disclosure of its direct corporate political contributions; and</u> ▪ Recent significant controversies, fines, or litigation related to the company's political contributions or political activities. <p>Vote against proposals barring a company from making political contributions. Businesses are affected by legislation at the federal, state, and local level; barring political contributions can put the company at a competitive disadvantage.</p> <p>Vote against proposals to publish in newspapers and other media a company's political contributions. Such publications could present significant cost to the company without providing commensurate value to shareholders.</p>

Rationale for Change:

ISS is updating its policies on political contributions related shareholder proposals from a “vote for” to a “case-by-case” approach to better reflect “an approach that resonates with broad shareholder sentiment. This update is a result of feedback received through direct interactions with clients.

Brazil

Board of Directors

Voting on Director Nominees under Uncontested Election – Combined Chair/CEO

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Vote against the bundled election of directors if the company maintains or proposes a combined chair/CEO structure. Vote against the election of the company's chair, if the nominee is also the company's CEO, when it is presented as a separate election.</p> <p>When the company discloses detailed information stating that the chair/CEO would only serve in the combined role on an interim basis, vote case-by-case considering circumstances including, but not limited to the following specific market regulatory exemptions:</p> <ul style="list-style-type: none"> ▪ The company is within its first three years of trading on the differentiated corporate governance segments of the Sao Paulo Stock Exchange (B3), Novo Mercado, Nivel 2, and Nivel 1; and ▪ The chair/CEO was appointed on a temporary basis to fill a vacancy. 	<p>General Recommendation: Vote against the bundled election of directors if the company maintains or proposes a combined chair/CEO structure. Vote against the election of the company's chair, if the nominee is also the company's CEO, when it is presented as a separate election.</p> <p>Vote case-by-case. When the company discloses detailed information stating that the chair/CEO would only serve in the combined role on an interim basis, vote case-by-case considering circumstances including, but not limited to the following specific market regulatory exemptions:</p> <p>The company is within its first three years of trading on the differentiated corporate governance segments of the Sao Paulo Stock Exchange (B3), Novo Mercado, Nivel 2, and Nivel 1; and</p> <p>The chair/CEO was appointed on a temporary basis to fill a vacancy.</p>

Rationale for Change:

In 2021, a reform of the Brazilian Corporate Law included a prohibition of the chair/CEO structure for the country's publicly-listed companies. Until then, such limitation applied only to issuers listed in the differentiated corporate governance segments of the Sao Paulo Stock Exchange (Novo Mercado, Nivel 2, and Nivel 1), with an authorization for companies to exceptionally maintain such structure for up to three years after being listed under such segments. In 2023, the Sao Paulo Stock Exchange (B3) disclosed a document interpreting the law and stating that the exception no longer applied.

With the expansion of the prohibition beyond the issuers listed in the differentiated segments and the exclusion of the three-year exception by B3, the reference to Novo Mercado, Nivel 2, and Nivel 1 was excluded from the ISS policy guidelines. There is no impact on ISS general recommendation against such structure for boards of Brazilian companies nor on the rule to recommend case-by-case in case of temporary chair/CEO structures.

Canada

Shareholder Rights and Defenses (TSX and TSXV-Listed Companies)

Advance Notice Requirements

Current ISS Policy:	New ISS Policy:
<p>Vote case-by-case on proposals to adopt or amend an advance notice board policy or to adopt or amend articles or by-laws containing or adding an advance notice requirement. These provisions will be evaluated to ensure that all of the provisions included within the requirement solely support the stated purpose of the requirement. The purpose of advance notice requirements, as generally stated in the market, is:</p> <ul style="list-style-type: none"> ▪ To prevent stealth proxy contests; ▪ To provide a reasonable framework for shareholders to nominate directors by allowing shareholders to submit director nominations within a reasonable timeframe; and ▪ To provide all shareholders with information about potential nominees. <p>Features that may be considered problematic under ISS' evaluation include but are not limited to:</p> <ul style="list-style-type: none"> ▪ For annual notice of meeting given not less than 50 days prior to the meeting date, the notification timeframe within the advance notice requirement should allow shareholders the ability to provide notice of director nominations at any time not less than 30 days prior to the shareholders' meeting. The notification timeframe should not be subject to any maximum notice period. If notice of annual meeting is given less than 50 days prior to the meeting date, a provision to require shareholder notice by close of business on the 10th day following first public announcement of the annual meeting is supportable. In the case of a special meeting, a requirement that a nominating shareholder must provide notice by close of business on the 15th day following first public announcement of the special shareholders' meeting is also acceptable; 	<p>Vote case-by-case on proposals to adopt or amend an advance notice board policy or to adopt or amend articles or by-laws containing or adding an advance notice requirement. These provisions will be evaluated to ensure that all of the provisions included within the requirement solely support the stated purpose of the requirement. The purpose of advance notice requirements, as generally stated in the market, is:</p> <ul style="list-style-type: none"> ▪ To prevent stealth proxy contests; ▪ To provide a reasonable framework for shareholders to nominate directors by allowing shareholders to submit director nominations within a reasonable timeframe; and ▪ To provide all shareholders with information about potential nominees. <p>Features that may be considered problematic under ISS' evaluation include but are not limited to:</p> <ul style="list-style-type: none"> ▪ For annual notice of meeting given not less than 50 days prior to the meeting date, the notification timeframe within the advance notice requirement should allow shareholders the ability to provide notice of director nominations at any time not less than 30 days prior to the shareholders' meeting. The notification timeframe should not be subject to any maximum notice period. If notice of annual meeting is given less than 50 days prior to the meeting date, a provision to require shareholder notice by close of business on the 10th day following first public announcement of the annual meeting is supportable. In the case of a special meeting, a requirement that a nominating shareholder must provide notice by close of business on the 15th day following first public announcement of the special shareholders' meeting is also acceptable;

Current ISS Policy:	New ISS Policy:
<ul style="list-style-type: none"> ▪ The board's inability to waive all sections of the advance notice provision under the policy or bylaw, in its sole discretion; ▪ A requirement that any nominating shareholder provide representation that the nominating shareholder be present at the meeting in person or by proxy at which his or her nominee is standing for election for the nomination to be accepted, notwithstanding the number of votes obtained by such nominee; ▪ A requirement that any proposed nominee deliver a written agreement wherein the proposed nominee acknowledges and agrees, in advance, to comply with all policies and guidelines of the company that are applicable to directors; ▪ Any provision that restricts the notification period to that established for the originally scheduled meeting in the event that the meeting has been adjourned or postponed; ▪ Any disclosure request within the advance notice requirement, or the company's ability to request additional disclosure of the nominating shareholder(s) or the shareholder nominee(s) that exceeds what is required in a dissident proxy circular or, goes beyond what is required under law or regulation; ▪ Stipulations within the provision that the corporation will not be obligated to include any information provided by dissident director nominees or nominating shareholders in any shareholder communications, including the proxy statement; and ▪ Any other feature or provision determined to have a negative impact on shareholders' interests and deemed outside the purview of the stated purpose of the advance notice requirement. 	<ul style="list-style-type: none"> ▪ The board's inability to waive all sections of the advance notice provision under the policy or bylaw, in its sole discretion; ▪ A requirement that any nominating shareholder provide representation that the nominating shareholder be present at the meeting in person or by proxy at which his or her nominee is standing for election for the nomination to be accepted, notwithstanding the number of votes obtained by such nominee; ▪ A requirement that any proposed nominee deliver a written agreement wherein the proposed nominee acknowledges and agrees, in advance, to comply with all policies and guidelines of the company that are applicable to directors; ▪ Any provision that restricts the notification period to that established for the originally scheduled meeting in the event that the meeting has been adjourned or postponed; ▪ Any disclosure request within the advance notice requirement, or the company's ability to request additional disclosure of the nominating shareholder(s) or the shareholder nominee(s) that exceeds what is required in a dissident proxy circular or, goes beyond what is required under law or regulation <u>the Act¹ or Applicable Securities Laws², including disclosure requests pursuant to director questionnaires which have not been made publicly available;</u> ▪ Stipulations within the provision that the corporation will not be obligated to include any information provided by dissident director nominees or nominating shareholders in any shareholder communications, including the proxy statement; and ▪ Any other feature or provision determined to have a negative impact on shareholders' interests and deemed outside the purview of the stated purpose of the advance notice requirement.

Current ISS Policy:	New ISS Policy:
<p>Footnotes:</p>	<p><u>¹ Act means the relevant <i>Business Corporations Act</i> applicable to the company, and the regulations under the Act, all as amended, re-enacted or replaced from time to time.</u></p> <p><u>² Applicable Securities Laws means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.</u></p>

Rationale for Change:

ISS' policy materials state that additional disclosure requests which exceed those required by securities laws may be deemed problematic and that companies should generally disclose information requested under ANP disclosure requirements. This policy clarification makes it explicit that director questionnaires may be considered problematic, where they: (i) require disclosure exceeding the requirements under the Act or Applicable Securities Laws; and (ii) are not made publicly available.

Compensation

Equity-Based Compensation Plans – Plan Amendment Provisions

Current ISS Policy:	New ISS Policy:
<p>Plan Amendment Provisions</p> <p>General Recommendation: Vote against the approval of proposed Amendment Procedures that do not require shareholder approval for the following types of amendments under any security-based compensation arrangement, whether or not such approval is required under current regulatory rules:</p> <ul style="list-style-type: none"> ▪ Any increase in the number of shares reserved for issuance under a plan or plan maximum; ▪ Any reduction in exercise price or cancellation and reissue of options or other entitlements; ▪ Any amendment that extends the term of options beyond the original expiry; ▪ Amendments to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; ▪ Any amendment which would permit options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and ▪ Amendments to the plan amendment provisions. <p>To clarify application of the above criteria, all items will apply to all equity-based compensation arrangements under which treasury shares are reserved for grants of, for example: restricted stock, restricted share units, or deferred share units, except those items that specifically refer to option grants.</p>	<p>Plan Amendment Provisions</p> <p>General Recommendation: Vote against the approval of proposed Amendment Procedures that do not require shareholder approval for the following types of amendments under any security-based compensation arrangement, whether or not such approval is required under current regulatory rules:</p> <ul style="list-style-type: none"> ▪ Any increase in the number of shares reserved for issuance under a plan or plan maximum; ▪ <u>Any</u> reduction in exercise price; ▪ or <u>Any</u> cancellation and reissue of options or other entitlements; ▪ Any amendment that extends the term of options beyond the original expiry; ▪ Amendments to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis or amendments that increase limits previously imposed on non-employee director participation; ▪ Any amendment which would permit options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and ▪ Amendments to the plan amendment provisions. <p>To clarify application of the above criteria, all items will apply to all equity-based compensation arrangements under which treasury shares are reserved for grants of, for example: restricted stock, restricted share units, or deferred share units, except those items that specifically refer to option grants.</p>

Rationale for Change:

This policy update clarifies that the amendment provision must explicitly require shareholder approval for any reduction in the exercise price and the cancellation and reissue of options or other entitlements; otherwise, it may be considered not to sufficiently limit the board's ability to amend the plan without shareholder approval.

Director Compensation – Non-Employee Director (NED) Deferred Share Unit (DSU) Plans

Current ISS Policy:	New ISS Policy:
<p>General Recommendation: Vote for a NED deferred compensation plan if DSUs may ONLY be granted in lieu of cash fees on a value for value basis (no discretionary or other grants are permitted).</p>	<p>General Recommendation: Vote for a NED deferred compensation plan if <u>the plan explicitly states that</u> DSUs may ONLY be granted in lieu of cash fees on a value-for-value basis (no discretionary or other grants are permitted).</p>

Rationale for Change:

This policy update clarifies that a NED DSU plan must explicitly state that DSUs may only be granted in lieu of cash fees for non-employee directors on a value-for-value basis. In the absence of such an explicit statement in the plan, discretionary or other grants of DSUs are considered to be allowed under the plan.

Global Policy Updates

Social and Environmental Issues (Applicable to all Regions)

Global Approach – E&S Shareholder Proposals

Current ISS Policy:	New ISS Policy:
<p>ISS applies a common approach globally to evaluating social and environmental proposals which cover a wide range of topics, including consumer and product safety, environment and energy, labor standards and human rights, workplace and board diversity, and corporate political issues. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short or long term.</p> <p>General Recommendation: Generally vote case-by-case, examining primarily whether implementation of the proposal is likely to enhance or protect shareholder value. The following factors will be considered:</p> <ul style="list-style-type: none"> ▪ If the issues presented in the proposal are being appropriately or effectively dealt with through legislation or government regulation; ▪ If the company has already responded in an appropriate and sufficient manner to the issue(s) raised in the proposal; ▪ Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive; ▪ The company's approach compared with any industry standard practices for addressing the issue(s) raised by the proposal; ▪ Whether there are significant controversies, fines, penalties, or litigation associated with the company's practices related to the issue(s) raised in the proposal; ▪ If the proposal requests increased disclosure or greater transparency, whether reasonable and sufficient information is currently available to 	<p>ISS applies a common approach globally to evaluating social and environmental <u>shareholder</u> proposals. which cover a wide range of topics, including consumer and product safety, environment and energy, labor standards and human rights, workplace and board diversity, and corporate political issues. While a variety of factors goes into each analysis, the overall principle guiding all vote recommendations focuses on how the proposal may enhance or protect shareholder value in either the short or long term.</p> <p>General Recommendation: Generally vote case-by-case, examining primarily whether implementation of the proposal is likely to enhance or protect shareholder value. The following factors will be considered:</p> <ul style="list-style-type: none"> ▪ If the issues presented in the proposal are being appropriately or effectively dealt with through legislation or government regulation; ▪ If the company has already responded in an appropriate and sufficient manner to the issue(s) raised in the proposal; ▪ Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive; ▪ The company's approach-relevant practices compared with any industry standard practices for addressing the issue(s) raised by the proposal; ▪ Whether there are significant controversies, fines, penalties, or litigation associated with the company's practices related to the issue(s) raised in the proposal; ▪ If the proposal requests increased disclosure or greater transparency, whether reasonable and sufficient information is currently available to shareholders from the company or from other publicly available sources; <p>and</p>

Current ISS Policy:	New ISS Policy:
<p>shareholders from the company or from other publicly available sources; and</p> <ul style="list-style-type: none"> If the proposal requests increased disclosure or greater transparency, whether implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage. 	<ul style="list-style-type: none"> If the proposal requests increased disclosure or greater transparency, whether implementation would reveal proprietary or confidential information that could place the company at a competitive disadvantage; <u>Whether the proposal addresses substantive matters that may impact shareholders' interests, including how the proposal may impact shareholders' rights.</u>

Rationale for Change:

This change clarifies the ISS’ global benchmark policy approach on environmental and social-related shareholder proposals, which reinforces a consistent case-by-case framework for such proposals across all markets, and also serves as a baseline for other shareholder proposal topics that are not covered by specific ISS benchmark policies in the relevant markets. This existing global policy specifies a case-by-case analysis and a consistent set of key factors for consideration. The proposed update maintains this approach, introducing one additional factor to the global E&S Shareholder Proposals policy: "Whether the proposal addresses substantive matters that may impact shareholders' interests, including how the proposal may impact shareholders' rights."

Board of Directors (Applicable to Brazil and Americas Regional)

Director Classification of Highly-Paid NEDs

Current ISS Policy:	New ISS Policy:
<p>Executive Director</p> <ul style="list-style-type: none"> ▪ Employee or executive of the company; ▪ Any director who is classified as a non-executive, but receives salary, fees, bonus, and/or other benefits that are in line with the highest-paid executives of the company. <p>Non-Independent Non-Executive Director (NED)</p> <ul style="list-style-type: none"> ▪ Any director who is attested by the board to be a non-independent NED; ▪ Any director specifically designated as a representative of a significant shareholder of the company; ▪ Any director who is also an employee or executive of a significant shareholder of the company; ▪ Any director who is nominated by a dissenting significant shareholder unless there is a clear lack of material³ connection with the dissident, either currently or historically; ▪ Beneficial owner (direct or indirect) of at least 10 percent of the company's stock, either in economic terms or in voting rights (this may be aggregated if voting power is distributed among more than one member of a defined group, e.g., members of a family that beneficially own less than 10 percent individually, but collectively own more than 10 percent), unless market best practice dictates a lower ownership and/or disclosure threshold (and in other special market-specific circumstances); ▪ Government representative; ▪ Currently provides (or a relative¹ provides) professional services² to the company, to an affiliate of the company, or to an individual officer of the company or of one of its affiliates in excess of \$10,000 per year; 	<p>Executive Director</p> <ul style="list-style-type: none"> ▪ Employee or executive of the company; ▪ Any director who is classified as a non-executive, but receives salary, fees, bonus, and/or other benefits that are in line with the highest-paid executives of the company. <p>Non-Independent Non-Executive Director (NED)</p> <ul style="list-style-type: none"> ▪ Any director who is attested by the board to be a non-independent NED; ▪ Any director specifically designated as a representative of a significant shareholder of the company; ▪ Any director who is also an employee or executive of a significant shareholder of the company; ▪ Any director who is nominated by a dissenting significant shareholder unless there is a clear lack of material³ connection with the dissident, either currently or historically; ▪ Beneficial owner (direct or indirect) of at least 10 percent of the company's stock, either in economic terms or in voting rights (this may be aggregated if voting power is distributed among more than one member of a defined group, e.g., members of a family that beneficially own less than 10 percent individually, but collectively own more than 10 percent), unless market best practice dictates a lower ownership and/or disclosure threshold (and in other special market-specific circumstances); ▪ Government representative; ▪ Currently provides (or a relative¹ provides) professional services² to the company, to an affiliate of the company, or to an individual officer of the company or of one of its affiliates in excess of \$10,000 per year;

Current ISS Policy:	New ISS Policy:
<ul style="list-style-type: none"> ▪ Represents customer, supplier, creditor, banker, or other entity with which the company maintains a transactional/commercial relationship (unless the company discloses information to apply a materiality test³); ▪ Any director who has cross-directorships with executive directors or those in comparable roles; ▪ Relative¹ of a current or former executive of the company or its affiliates; ▪ A new appointee elected other than by a formal process through the general meeting (such as a contractual appointment by a substantial shareholder); ▪ Founder/co-founder/SPAC sponsors⁴ /member of founding family but not currently an employee; ▪ Former executive (five-year cooling off period)⁵; ▪ Excessive years of service from date of first appointment, as determined by the EC Recommendation 2005/162/EC, local corporate governance codes, or local best practice, is generally a determining factor in evaluating director independence⁶; ▪ Any additional relationship or principle considered to compromise independence under local corporate governance best practice guidance. <p>Independent NED</p> <ul style="list-style-type: none"> ▪ Not classified as non-independent by ISS (see above); ▪ No material⁷ connection, either direct or indirect, to the company (other than a board seat) or to a significant shareholder. <p>Employee Representative</p> <ul style="list-style-type: none"> ▪ Represents employees or employee shareholders of the company (classified as "employee representative" and considered a non-independent NED). 	<ul style="list-style-type: none"> ▪ Represents customer, supplier, creditor, banker, or other entity with which the company maintains a transactional/commercial relationship (unless the company discloses information to apply a materiality test³); ▪ Any director who has cross-directorships with executive directors or those in comparable roles; ▪ Relative¹ of a current or former executive of the company or its affiliates; ▪ A new appointee elected other than by a formal process through the general meeting (such as a contractual appointment by a substantial shareholder); ▪ Founder/co-founder/SPAC sponsors⁴ /member of founding family but not currently an employee; ▪ Former executive (five-year cooling off period)⁵; ▪ <u>Excessive years of service from date of first appointment, as determined by the EC Recommendation 2005/162/EC, local corporate governance codes, or local best practice, is generally a determining factor in evaluating director independence⁶;</u> ▪ <u>Any director who receives remuneration comparable to the top executives of the company⁷;</u> ▪ Any additional relationship or principle considered to compromise independence under local corporate governance best practice guidance. <p>Independent NED</p> <ul style="list-style-type: none"> ▪ Not classified as non-independent by ISS (see above); ▪ No material^{7,8} connection, either direct or indirect, to the company (other than a board seat) or to a significant shareholder. <p>Employee Representative</p> <ul style="list-style-type: none"> ▪ Represents employees or employee shareholders of the company (classified as "employee representative" and considered a non-independent NED).

Current ISS Policy:	New ISS Policy:
<p>Footnotes:</p> <p>1 “Relative” follows the definition of “immediate family members” which covers spouses, parents, children, stepparents, stepchildren, siblings, in-laws, and any person (other than a tenant or employee) sharing the household of any director, nominee for director, executive officer, or significant shareholder of the company.</p> <p>2 Professional services can be characterized as advisory in nature and generally include the following: investment banking/financial advisory services; commercial banking (beyond deposit services); investment services; insurance services; accounting/audit services; consulting services; marketing services; and legal services. The case of participation in a banking syndicate by a non-lead bank should be considered a transaction (and hence subject to the associated materiality test) rather than a professional relationship.</p> <p>3 A business relationship may be material if the transaction value (of all outstanding transactions) entered into between the company and the company or organization with which the director is associated is equivalent to either 1 percent of the company’s turnover or 1 percent of the turnover of the company or organization with which the director is associated; or</p> <p>A business relationship may be material if the transaction value (of all outstanding financing operations) entered into between the company and the company or organization with which the director is associated is more than 10 percent of the company’s shareholder equity or the transaction value (of all outstanding financing operations) compared to the company’s total assets is more than 5 percent.</p> <p>4 Depending how SPAC sponsors benefit from the transaction, a misalignment of sponsors and shareholders’ interests may be characterized. Potential conflicts of interest could arise if sponsors benefit from share classes with special rights attached.</p> <p>5 For the purpose of calculating the cooling-off period, if a former executive joins the board without having completed a five-year cooling-off period, they will be classified as non-independent for the remainder of their tenure on the company’s board.</p> <p>6 For example, the EC recommendation 2005/162/EC’s definition of independence provides that in order to remain independent, a non-executive director shall have served on the [supervisory] board for no more than 12 years. For countries governed by ISS’ European policy, ISS will follow the EC recommendation and apply stricter tenure limits where recommended by local corporate governance codes or established by local best practice.</p> <p>7 For purposes of ISS’ director independence classification, “material” will be defined as a standard of relationship (financial, personal, or otherwise) that a reasonable person might conclude could potentially influence one’s objectivity in the boardroom in a manner that would have a meaningful impact on an individual’s ability to satisfy requisite fiduciary standards on behalf of shareholders.</p>	<p>Footnotes:</p> <p>1 “Relative” follows the definition of “immediate family members” which covers spouses, parents, children, stepparents, stepchildren, siblings, in-laws, and any person (other than a tenant or employee) sharing the household of any director, nominee for director, executive officer, or significant shareholder of the company.</p> <p>2 Professional services can be characterized as advisory in nature and generally include the following: investment banking/financial advisory services; commercial banking (beyond deposit services); investment services; insurance services; accounting/audit services; consulting services; marketing services; and legal services. The case of participation in a banking syndicate by a non-lead bank should be considered a transaction (and hence subject to the associated materiality test) rather than a professional relationship.</p> <p>3 A business relationship may be material if the transaction value (of all outstanding transactions) entered into between the company and the company or organization with which the director is associated is equivalent to either 1 percent of the company’s turnover or 1 percent of the turnover of the company or organization with which the director is associated; or</p> <p>A business relationship may be material if the transaction value (of all outstanding financing operations) entered into between the company and the company or organization with which the director is associated is more than 10 percent of the company’s shareholder equity or the transaction value (of all outstanding financing operations) compared to the company’s total assets is more than 5 percent.</p> <p>4 Depending how SPAC sponsors benefit from the transaction, a misalignment of sponsors and shareholders’ interests may be characterized. Potential conflicts of interest could arise if sponsors benefit from share classes with special rights attached.</p> <p>5 For the purpose of calculating the cooling-off period, if a former executive joins the board without having completed a five-year cooling-off period, they will be classified as non-independent for the remainder of their tenure on the company’s board.</p> <p>6 For example, the EC recommendation 2005/162/EC’s definition of independence provides that in order to remain independent, a non-executive director shall have served on the [supervisory] board for no more than 12 years. For countries governed by ISS’ European policy, ISS will follow the EC recommendation and apply stricter tenure limits where recommended by local corporate governance codes or established by local best practice.</p> <p><u>7 However, if there is clear evidence of management duties, a classification as Executive Director may be considered.</u></p> <p>7 For purposes of ISS’ director independence classification, “material” will be defined as a standard of relationship (financial, personal, or otherwise) that a reasonable person might conclude could potentially influence one’s objectivity in the boardroom in a manner</p>

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	that would have a meaningful impact on an individual's ability to satisfy requisite fiduciary standards on behalf of shareholders.

Rationale for Change:

This is an update of the classification framework for directors who receive compensation levels comparable to the company’s top executives. Previously, such directors were generally reclassified as executive directors. Going forward, they may instead generally be classified as non-independent non-executive directors, unless there is clear evidence of actual management responsibilities.

This change ensures that ISS policy reflects both the legal and conceptual distinction between executives and non-executives, while continuing to capture independence concerns linked to excessive or performance-based pay. The revised approach strengthens the conceptual foundation of ISS’s director classification policy while maintaining rigorous safeguards against compromised independence. By clearly distinguishing between executive function and independence status, ISS provides a more accurate, consistent, and transparent framework for assessing board composition and governance risks. Executive status is a function of duties, while independence is a function of relationships and incentives; the revision reflects this distinction.

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