

I am writing to voice my strong objection to ISS' proposed changes to its overbearing policy. In particular,

- ISS fails to provide any analysis, much less evidence, that overbearing affects firm value (either positively or negatively). Simply asserting that board time commitments have increased is not analysis nor is it evidence.
- ISS' proposal is not supported by its own survey results. While it is true that a plurality (34%) of investors preferred four total board seats, even more investors (38%) preferred more than four seats (either five or six) and nearly two-thirds (66%) preferred a limit other than four or no limit at all. Among non-investors, a four seat limit did not even attain a plurality. Forty one percent favored leaving the decision up to the board and another 32% favored a limit of five or six seats.
- In future surveys involving selection of multiple options, it would be far more useful if ISS asked responders to rank their preferences using the Borda count method. The Borda count method converts rankings into points and the choice receiving the most points is the "winner".

In my opinion, ISS' adoption of the proposed changes would be both wildly irresponsible and a breach of its fiduciary duty to its clients.

By way of background, I previously served as California's Commissioner of Corporations and in that capacity administered and enforced California's securities laws. I previously served as a member of the California Senate Commission on Corporate Governance, Shareholder Rights and Securities Transactions. I have taught as an adjunct professor at the University of California, Irvine (Administrative Law) and Chapman School of Law School (Business Organizations, Advanced Topics in Corporate Governance, and Sales and Lease Transactions). I have also served as Co-Chairman of the Corporations Committee of the Business Law Section of the California State Bar and Chairman of the Business and Corporate Law Section of the Orange County (California) Bar Association. This comment is submitted in my individual capacity and not on behalf of any other person.

Very Truly Yours,

Keith Paul Bishop