ISS BENCHMARK POLICY UPDATES

Executive Summary
Global Proxy Voting Guidelines Updates for 2026 and Process of ISS Benchmark Policy Development

Effective for Meetings on or after February 1, 2026
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Summary of ISS Benchmark Policy Development Process

ISS conducts a robust, inclusive, and transparent global policy review process annually to consider potential updates to its global Benchmark Proxy Voting Guidelines ("benchmark guidelines" or "policies") for the upcoming year and beyond.

The annual policy update process begins with an internal review of emerging issues, relevant regulatory changes, and notable trends seen across the globe, regionally, and/or at the market level. Based on information gathered throughout the preceding year (particularly feedback from investors and companies during and after proxy seasons), ISS policy working groups examine various governance and other voting topics across global markets. As part of this process, the working groups also consider relevant academic research, other empirical studies, and commentary by many market participants. To gain further insights from a broad range of market participants on specific topics, ISS then conducts a public survey on emerging and other topics of interest, convenes multiple roundtable discussions with institutional investors and other stakeholders, and also undertakes in-depth discussions with individual clients in some markets. Having considered the insights and feedback received, ISS publishes the main draft policy update proposals publicly for an open review and comment period. After considering the comment period responses and completing this extensive review process, the final policy updates are determined, approved by the ISS Global Policy Board, and announced for the following year. For most markets, policy changes are announced in Q4 of each year, and the updated policies generally apply to meetings held on and after February 1 of the following year. Different timetables apply to a small number of markets that have off-cycle main proxy seasons.

This annual review and update process also helps inform updates to ISS' various Specialty (or thematic) policies. ISS solutions include ISS Specialty policy options catering for a range of different investor needs and views, such as socially responsible investors, faith-based investors, Taft-Hartley (labor) funds and their external asset managers, public employee pension funds, investors with a particular focus on climate change, and investors who wish to reflect foundational corporate governance principles as a means of protecting and maximizing their investments while generally aligning with the recommendation of company boards on proposals with an environmental or social focus. The content of the research and the vote recommendations issued under ISS Specialty policies may differ from those under the ISS benchmark voting policies.

ISS also supports institutional investor clients in developing and implementing their own custom voting policies based on their organizations' specific mandates and requirements. As part of the client custom policy annual review process, ISS custom research specialists work with the many institutional investor clients that use ISS research to help implement their own customized approaches to proxy voting. ISS helps clients apply approximately 500 client-specific custom policies that reflect clients' unique corporate governance philosophies and investment strategies.

Key Attributes of the ISS Policy Development Process

Industry-Leading Transparency: ISS promotes openness and transparency in the development of its proxy voting policies. A description of the policy development process, and copies of all final ISS policies and FAQ (Frequently Asked Questions) documents, are made publicly available and posted on the issgovernance.com website under the Policy Gateway section.

Robust Engagement with Market Constituents: Listening to diverse viewpoints is critical to effective policy review, development, and application processes. ISS' analysts regularly interact with institutional investors, company

directors and other issuer representatives, shareholder proposal proponents, and other parties to gain deeper insights into diverse views on many critical issues. This ongoing dialogue enriches ISS' policy development and analysis and helps inform the research and recommendations provided to clients. The policy review process includes a global policy survey and a public comment period on proposed policy changes, both of which open to all interested parties.

Global Expertise: ISS' policy development process is rooted in our global coverage and expertise. ISS' global network of experts and locations provides access to regional, local market and topic expertise across the Americas; Europe, Middle East and Africa (EMEA); and Asia-Pacific regions.

2025 Outreach

Policy Survey

ISS launched its 2025 Global Benchmark Policy Survey on July 24, 2025, and the survey was open for responses until Aug. 28, 2025.

The survey asked both market-specific questions and global questions relating to a variety of topics. The key global questions included topics such as multi-class capital structures, director overboarding, and AI governance and risk management. For the U.S. market, the survey also included questions with respect to Non-Executive Director pay, burden of proof expectations for shareholder proposals, and views on board diversity and DEI for U.S. companies.

A significant portion of the survey was dedicated to questions on compensation, starting with a global question about equity time-based vs. performance-based long-term incentives for executives, reflecting recent developments in multiple markets. Compensation-related questions focused on specific markets included say-on-pay responsiveness and non-executive director pay in the US, modification or removal of company ESG/DEI metrics for in-flight awards in the US and Canada, and hybrid equity incentive plans in the UK.

We received 248 responses to the survey: 165 responses from investors and investor-affiliated organizations ("investor respondents") and 83 from non-investor respondents, the majority being from companies and corporate-issuer affiliated organizations.

Over 60 percent of the investor respondents to the survey stated they had a global focus, as opposed to being focused only on specific markets or regions. Approximately 48 percent of the investor respondents declared assets owned or under management between U.S. $ 1 billion - $ 100 billion and approximately 35 percent declared asset sizes over $ 100 billion.

The 2025 Global Benchmark Policy Survey results report was published on September 22, 2025 and is available here.

Policy Roundtables and Other Policy-related Engagements

In 2025, the ISS benchmark research teams held eight policy roundtables in the US, Canada and Europe, with a total of approximately 100 participants, to discuss a range of topics and potential policy developments:

- US: One virtual roundtable on Sept. 18, with eight participants, covering board oversight of AI; the recent trends of companies reincorporating from Delaware to other US states and the competition among states for

such incorporations, and 2025 regulatory developments (SEC Staff Legal Bulletin 14M, the SEC's new Compliance & Disclosure Interpretation regarding investor eligibility to be treated as "passive," and DEI-related executive orders).

- US Compensation: Two virtual roundtables on Sept. 17 and Sept. 25, with five participants each. The key topics discussed were time-based vs. performance-based equity pay mix, responsiveness and shareholder engagement in light of new 2025 SEC guidance on investors' active/passive filing eligibility, impact of extraordinary circumstances on pay, and relative pay metrics.
- Canada: Virtual roundtable on Sept. 24, with 30 participants, to discuss advance notice provisions, board oversight of AI, director tenure, executive compensation performance periods, director overboarding, and the implications of Bill C-59.
- London: One in-person roundtable on Sept. 16 with 30 attendees from UK and Continental Europe, and a virtual follow-up discussion on Oct. 2 with 18 participants. Discussions included updated corporate governance codes, virtual-only shareholder meetings, late company disclosure of meeting materials, director overboarding, executive pay structures, shareholder proposals, board diversity, climate board accountability, and AI governance.
- Paris: Two in-person roundtables, on Sept. 18 with 11 participants and Sept. 19 with eight participants. The discussions included French regulation and the 2024 EU Directive Gender Balance on Corporate Boards as well as other topics similar to those of the London meetings noted above.
- Two one-on-one follow-up meetings with investors were carried out by the Continental Europe research team on Sept. 24 and Nov. 13, to further discuss topics such as executive compensation, peer benchmarking, timely disclosure of meeting materials, staggered boards, sustainability reporting in EU, climate integration, closed-door AGMs in Italy, and audit function.

Other engagements related to US Executive Compensation: the US compensation research team held a number of compensation-specific engagements with investors throughout the year. In 11 individual and group meetings carried out between January and November 2025, topics such as executive compensation disclosures, ISS current policies and potential policy changes, and broader market practices were discussed.

In the Asia-Pacific region, 18 individual client engagements on policy development topics were undertaken in the form of one-on-one meetings. The ISS Japan research team carried out 13 such meetings between July and September, being 11 with Japan-based clients and two with other clients. In these meetings, feedback was received on topics that included cross-shareholding policy, board gender policy, return on equity (ROE) policy, and board independence requirements for controlled companies. Five other one-on-one meetings were carried out by the Asia ex-Japan research team. The discussions involved topics such as director independence criteria, cumulative voting in South Korea, related-party transactions and audit/nomination committee independence in India, as well as the impacts of regulatory reforms across many markets in the regions for example, (China’s ambitious corporate governance agenda, Taiwan’s tightening director independence rules, and Singapore’s sustainability mandates).

In addition to the above, ISS research teams participated throughout the year in numerous engagements and other discussions with institutional investors, companies and other stakeholders, including in the U.S., Canada, Latin America, UK, Continental Europe, Middle East and Africa, Asia including in Japan, Australia and New Zealand.

ISS Specialty Policies

ISS research also carried out engagements to discuss ISS Specialty policies, including on topics such as board diversity, say-on-pay proposals, vote no campaigns, artificial intelligence-related shareholder proposals and AI risk management, environmental and social shareholder proposals, biodiversity disclosure, and company climate transition plans. A survey for the clients of the ISS Global Board-Aligned Specialty Policy was carried out in January

2025, and based on the responses, policy updates were made to that policy in February 2025. Feedback was provided on other ISS Specialty policies in the following roundtable discussions, in addition to other client engagements through the year:

- Socially Responsible Investment (SRI) Policy Roundtable: October 27, with 16 participants
- Two Sustainability Policy Roundtables: October 28 and 29, with 9 participants
- Catholic Faith-based Policy Roundtable: October 29, with 10 participants
- Taft-Hartley/Public Fund Roundtable: October 30, with 5 participants

ISS Specialty policy updates for 2026 will be announced in December 2025.

Public Comment Period on Proposed Policy Changes

On Oct. 31, 2025, ISS opened its customary public comment period and invited institutional investors, corporate issuers, and any other interested parties to provide views and feedback on 19 proposed policy changes for 2026. The comment period, which ran through Nov. 12, 2025, sought feedback on each proposed policy change presented, and also commented on and invited additional feedback on ongoing considerations regarding ISS benchmark director overboarding policies for future years. The Comment Period document is available here.

ISS received 28 responses to the comment period proposals, from 12 respondent organizations. The majority were from institutional investors, both asset owners and asset managers, with a smaller number from others including companies and company advisors. All comments received were reviewed and considered. An overview of the comments received is provided in Appendix B.

Upcoming Benchmark Policy Milestones

- *By early December 2025:* Publication of all updated 2026 ISS benchmark policies (proxy voting guidelines) on ISS website.
- *By mid-December 2025:* Publication of updated Frequently Asked Questions (FAQ) documents on ISS website.
- *February 1, 2026*: The updated 2026 ISS benchmark policies take effect for meetings occurring on or after this date.
- *Various dates in 2026*: ISS benchmark policies for off-cycle markets (i.e., markets where the main proxy seasons do not happen in the first half of the year, for example Australia, New Zealand, and South Africa,) may be updated for main 2026 proxy seasons in those markets.

Summary of Final Policy Updates

ISS' Benchmark policies (proxy voting guidelines) are guided by the four tenets of ISS' Global Voting Principles on accountability, stewardship, independence and transparency. They also consider relevant market-specific regulations and governance best practices (such as those found in listing rules, local codes of best practice, etc.), investors' needs for transparency in corporate reporting, and are informed by input from institutional investor clients and other market constituents across many of the different topics that shareholders are asked to vote on

and that are of relevance to investors - including topics such as corporate governance standards and practices, shareholder rights, board elections, executive compensation, shareholder proposals, board governance and risk management.

The updates contained in this Executive Summary reflect the changes to ISS Benchmark policies for 2026, and are grouped by ISS' three global benchmark policy research regions – the Americas; Europe, Middle East and Africa (EMEA); and Asia-Pacific. Separate regional update documents addressing each of the Americas, EMEA, and Asia-Pacific policy changes in detail are released at the same time as the publication of this Executive Summary, and these documents will all be available on our website at the ISS Policy Gateway.

The final policy updates, 19 of which are considered significant and were included in the public comment period, will be effective for meetings on or after Feb. 1, 2026, except where noted otherwise. They include four South African policy updates, which were published in September 2025 and are already in effect due to the market's off-cycle proxy season. ISS invited comments on the 19 significant policy updates in the public comment period opened on Oct. 31, 2025, as noted above and further discussed below. The other policy updates are less significant in nature, typically being minor updates for regulatory changes, or clarifications or codifications of existing policy applications, plus the South African policy updates noted above, which are already in effect.

All policy updates are listed below, organized by region and market. More detailed information on each is provided in Appendix A . The full texts of and rationales for all the policy updates are provided in the three regional update documents for the Americas, EMEA and Asia-Pacific regions, as noted above, which are released at the same time as the publication of this Executive Summary.

Americas

Brazil

- Combined Chair/CEO Board Structure

Canada

- Advance Notice Provisions
- Equity Compensation Plan Amendments
- Non-employee Director Deferred Share Unit Plans

U.S.

- Problematic Capital Structures - Unequal Voting Rights
- Long-Term Alignment in Pay-for-Performance Evaluation
- Time-Based Equity Awards with Long-Term Time Horizon
- Compensation Committee Responsiveness
- Company Responsiveness
- High Non-Employee Director Pay

- Enhancements to Equity Plan Scorecard
- E&S-related Shareholder Proposals

EMEA

Continental Europe

- Timely Disclosure of Shareholder Meeting Materials
- Equity-Based Compensation
- Definition of In-Person Shareholder Meetings

Continental Europe - France

- Board Gender Diversity

Continental Europe - Nordic Region

- Stock Option Plans

Israel

- Board Gender Diversity

Middle East and North Africa

- Cumulative Voting and Board Independence

U.K. and Ireland

- Irish CG Code Update
- Definition of In-Person Shareholder Meetings
- Relationship Agreements
- Change of Control Provision
- Good Leaver Disclosure
- Related-Party Transactions
- Minor Updates and Typographical Corrections

South Africa

- Policy Overview

- Social & Ethics Committee Elections
- Share Buyback
- Financial Assistance

Sub-Saharan Africa

- Policy Coverage
- Board Gender Diversity

Asia Pacific

Asia-Pacific Regional Policy - Philippines

- Non-Independent Chair

China

- Supervisory Boards

Hong Kong

- Gender Diversity on Nomination Committees
- Supervisory Boards

India

- Director Classification
- Problematic Audit Related Practices and Board Elections
- Approval of Financial Statements
- Secretarial Auditor Appointments
- Remuneration of Non-Executive Directors

Japan

- Board Independence in Controlled Companies
- Board Gender Diversity

Global

- Highly Paid Non-Executive Directors (changes for Americas Regional, Asia-Pacific Regional, Brazil, Continental Europe, EMEA Regional, Hong Kong, India, Israel, Korea, MENA, Russia and Kazakhstan, Singapore, Sub-Saharan Africa, China and Taiwan policies)
- E&S-related Shareholder Proposals

Appendices

Appendix A –List of 2026 Benchmark Policy Updates

The following table summarizes the final policy updates for 2026, consisting of the updates on the 19 policy topics considered significant and presented as proposed changes in the comment period document (identified in the table with an asterisk *), and the remaining less significant updates which were not included in the comment period document, being relatively minor in nature, including clarifications or codifications of existing policy applications or simple updates of a regulatory nature. The full text of and rationales for all updates are provided in the three regional update documents noted above, which are released at the same time as the publication of this Executive Summary.

The appendix concludes with a section on director overboarding policies, which remain under review globally, although no changes are being introduced for 2026.

Region/Market Policy	**Topic** (* indicates included in the comment period document)	**Policy Change/Update**
AMERICAS		
Brazil	Combined Chair/CEO Board Structure	Reflects recent changes to Brazilian corporate law prohibiting combined chair/CEO roles at publicly listed companies. Removes outdated references to exceptions for companies listed on differentiated governance segments (Novo Mercado, Nivel 2, Nivel 1), aligning the policy with current legal interpretation.
Canada	Advance Notice Provisions	Clarifies that disclosure requests under ANPs which exceed requirements under Canadian corporate or securities law may be considered problematic. Specifically highlights director questionnaires as potentially unacceptable if they require excessive disclosure or are not made publicly available.
Canada	Equity Compensation Plan Amendments	Clarifies that shareholder approval must be explicitly required for both reductions in exercise price and cancellation/reissuance of options or other entitlements.
Canada	Non-employee Director Deferred Share Unit Plans	Clarifies that DSU plans must explicitly state that DSUs may only be granted in lieu of cash fees on a value-for-value basis. In the absence of such a statement, discretionary or other grants will be considered permitted under the plan and may trigger concern.
U.S.	Problematic Capital Structure - Unequal Voting Rights*	Eliminates inconsistencies in the treatment of capital structures with unequal voting rights by considering them problematic regardless of whether superior voting shares are classified as “common” or “preferred.”
U.S.	Long-Term Alignment in Pay-for-Performance Evaluation*	Updates U.S. pay-for-performance quantitative screens to assess pay for performance alignment over a longer-term time horizon, considering a five-

		year period, above the current three years, while also maintaining an assessment of pay quantum over the short term.
U.S.	Time-Based Equity Awards with Long-Term Time Horizon*	This policy update reflects the importance of longer-term time horizons for time-based equity awards and provides for a more flexible approach in evaluating the equity pay mix in pay-for-performance qualitative reviews.
U.S.	Compensation Committee Responsiveness	Streamlines policy language by removing duplicated factors for evaluating responsiveness to shareholder input on executive pay. The section now cross-references the factors listed under the Board of Directors policy.
U.S.	Company Responsiveness*	Expands flexibility for companies to demonstrate responsiveness to low say-on-pay support, in light of recent SEC guidance on 13G vs. 13D filing status that may limit shareholder engagement.
U.S.	High Non-Employee Director Pay*	Expands existing policy that addresses high NED pay practices, allowing for adverse recommendations in the first year of occurrence if considered highly problematic, or when a pattern emerges across non-consecutive years.
U.S.	Enhancements to Equity Plan Scorecard*	Adds a new scoring factor under the Plan Features pillar to assess whether plans that include non-employee directors disclose cash-denominated award limits, and introduces a new negative overriding factor for equity plans found to be lacking sufficient positive features under the Plan Features pillar despite an overall passing score.
U.S.	E&S-related shareholder proposals*	Adopts a fully case-by-case approach for proposals on diversity, political contributions, human rights, and climate change, reflecting varied proposal scope, shifting investor sentiment, regulatory changes, and evolving company practices.
EMEA		
Continental Europe	Timely Disclosure of Shareholder Meeting Materials*	Sets a clear expectation for timely disclosure of meeting materials, aiming to ensure that shareholders have adequate time to make well-informed voting decisions.
Continental Europe	Equity-Based Compensation	Clarifies that performance targets under long-term incentive plans must be measured over an unbroken three-year period to qualify as sufficiently long-term.
Continental Europe	Definition of In-Person Shareholder Meetings*	Establishes a clear definition of in-person meetings to address recent practices by some companies that seek to introduce more restrictive in-person shareholder meetings, with the potential to diminish shareholder participation or restrict opportunities for engagement with the board.
Continental Europe - France	Board Gender Diversity	Updates policy to reflect changes in French law following the transposition of the EU “Women on Boards” directive. Employee shareholder representatives will now be included in the

		calculation of gender diversity thresholds, removing the previous exception that excluded them.
Continental Europe – Nordic Region	Stock Option Plans	Removes the standalone policy on dividend-adjusted stock option plans, as its provisions are already covered under general equity-based compensation guidelines.
Israel	Board Gender Diversity*	Introduces minimum board gender diversity criteria for board elections, reflecting evolving investor expectations and in line with Israel Companies Law developments that require directors of both genders in board composition.
Middle East and North Africa	Cumulative Voting and Board Independence	Updates policy to recommend support only for independent nominees where overall board independence falls below one-third, excluding employee shareholder representatives. Reflects evolving disclosure practices in Kuwait and aligns with other ISS guidelines for minimum board independence levels.
U.K. and Ireland	Irish CG code update	Updates policy to reflect the Irish Corporate Governance Code (2024), which sets the threshold for significant shareholder dissent at 25% (versus 20% under the U.K. Code).
U.K. and Ireland	Definition of In-Person Shareholder Meetings*	Establishes a clear definition of in-person meetings to address recent practices by some companies that seek to introduce more restrictive in-person shareholder meetings, with the potential to diminish shareholder participation or restrict opportunities for engagement with the board.
U.K. and Ireland	Relationship Agreements	Reflects 2024 changes to U.K. Listing Rules, removing the requirement for companies to maintain written and legally binding relationship agreements with controlling shareholders. Companies are still expected to disclose how they ensure management independence.
U.K. and Ireland	Change of Control Provision	Updates policy language to reflect the removal of change of control guidance from the U.K. Investment Association's Principles of Remuneration.
U.K. and Ireland	Good Leaver Disclosure	Adds an explicit expectation for companies to provide a rationale and justification for the treatment of departing directors classified as "good leavers." Aligns policy with U.K. market best practice and investor expectations regarding transparency of exit arrangements.
U.K. and Ireland	Related-Party Transactions	Reflects 2024 changes to U.K. Listing Rules that removed the requirement for shareholder approval of most related-party transactions. Policy language updated to acknowledge this change, while retaining case-by-case evaluation criteria for any transactions that remain subject to shareholder vote.

U.K. and Ireland	Minor Updates and Typographical Corrections	Updates references to reflect the latest U.K. Corporate Governance Code (January 2024, effective January 2025) and QCA Code (2023), and corrects minor typographical errors.
South Africa	Policy Overview	Updates the overview section to reflect amendments to the Companies Act requiring shareholder approval for the election of social and ethics committee members and the committee report at AGMs.
South Africa	Social & Ethics Committee Elections	Updates policy to reflect amendments to the Companies Act requiring shareholder approval of social and ethics committee members. Clarifies that the committee must comprise at least three members, with a majority being directors who have not been involved in company management during the previous three financial years.
South Africa	Share Buyback	Updates policy discussion to reflect amendments to the Companies Act effective December 2024, clarifying conditions under which shareholder approval is required for share repurchases.
South Africa	Financial Assistance	Updates policy to reflect amendments to the Companies Act effective December 2024, which removes the requirement for shareholder approval when providing financial assistance to subsidiaries. Guidance continues to apply for assistance to related/inter-related companies, directors, and prescribed officers.
Sub-Saharan Africa	Policy Coverage	Updates the list of countries covered under the Sub-Saharan Africa proxy voting guidelines to include Benin. Removes Mauritius from the list to reflect that it is not covered under this policy.
Sub-Saharan Africa	Board Gender Diversity*	Establishes minimum board gender diversity criteria for board elections, consistent with prevailing good practices across the region.
ASIA PACIFIC		
Asia-Pacific Regional - Philippines	Non-Independent Chair*	Introduces a policy addressing the independence classification of board chairs, aligned with the 2020 Revised Corporation Code of the Philippines.
China	Supervisory Boards	Removes policy provisions related to the election of supervisory board members, reflecting regulatory changes that require all listed companies to abolish supervisory boards and adopt audit committees by Jan. 1, 2026.
Hong Kong	Gender Diversity on Nomination Committees*	Adds minimum gender diversity criteria for nomination committee elections, in line with the Corporate Governance Code Enhancement made by the Hong Kong Exchanges and Clearing Limited (HKEX) in 2024.
Hong Kong	Supervisory Boards	Removes policy provisions related to the election of supervisors, reflecting regulatory changes that require China-incorporated companies listed in Hong Kong to abolish supervisory boards and adopt audit committees by Jan. 1, 2026.

India	Director Classification*	Expands the definition of non-independent directors to include directors of state-controlled companies who were nominated by government entities and have affiliations with political parties.
India	Problematic Audit Related Practices and Board Elections*	Introduces the possibility of recommending against the election of audit committee and/or board members when material weaknesses are flagged by statutory auditors in two or more consecutive years, indicating potential internal control concerns.
India	Approval of Financial Statements	Clarifies that a negative vote recommendation will apply when the company's auditor issues a qualified or adverse opinion on the latest financial statements.
India	Secretarial Auditor Appointments	Introduces a new policy section following SEBI's December 2024 amendments to LODR Regulation 24A. Shareholder approval is now required for the (re)appointment of secretarial auditors, with tenure capped at one five-year term for individuals and two five-year terms for firms, followed by a five-year cooling-off period.
India	Remuneration of Non-Executive Directors	Formalizes the requirement for shareholder approvals of NED remuneration or commission to specify a fixed term. Negative vote recommendations may apply where no term is disclosed, with case-by-case exceptions for proposals that include a reasonable monetary cap or are subject to regulatory limits.
Japan	Board Independence in Controlled Companies*	Raises the minimum recommended board independence level for controlled companies to majority independent, reflecting improvements in Japanese corporate governance practices and addressing concerns that excessive controlling shareholder influence may harm minority shareholders' interests.
Japan	Board Gender Diversity*	Changes the minimum board gender diversity criteria for Japanese companies to 10 percent of the board, replacing the current requirement of at least one female director, and aligning with evolving good market practice. This will be introduced with a one-year grace period, to be effective from February 2027.
GLOBAL		
Global	E&S-related shareholder proposals*	Clarifies a consistent case-by-case framework for environmental and social-related proposals across all markets. The update reinforces the use of a common set of evaluation factors and specifically notes consideration of whether a proposal may substantively affect shareholder rights or interests.
Global	Highly Paid Non-Executive Directors*†	Refines classification of directors receiving compensation comparable to top executives. Such individuals will now be classified as non-

		independent non-executive directors unless there is clear evidence of managerial authority.

†ISS benchmark policies impacted by the updates regarding Highly Paid Non-Executive Directors will be: Americas Regional, Asia-Pacific Regional, Brazil, Continental Europe, EMEA Regional, Hong Kong, India, Israel, Korea, MENA, Russia and Kazakhstan, Singapore, and Sub-Saharan Africa, plus China and Taiwan with additional market-specific criteria.

Appendix B – Summary of Comments Received

ISS received, reviewed and considered 28 responses to the comment period proposals from 12 respondents. The majority were from institutional investors, both asset owners and asset managers, with a number also from companies and company advisors. All were reviewed and considered in finalizing the updates.

Where high-level comments were provided on the proposed changes, many of the respondents noted they were generally supportive of the proposals.

The proposed changes to U.S. Executive Compensation policies drew the most specific comments and some questions. Several respondents noted that they supported the proposed added flexibility in evaluating company responsiveness to low say-on-pay votes, especially in light of recent SEC guidance. Some suggested further information be made available and a few questioned the continued use of a 70 percent support threshold to assess low support. Where additional information was suggested, this will be addressed in updated FAQ documents where considered relevant. Increased recognition of time-based equity awards with long-term vesting was broadly welcomed. Several respondents appreciated the additional proposed flexibility on equity awards, a few stressed their views of the importance of maintaining performance-based elements and/or requested clear guidance be provided.

Views on the proposed negative overriding factor in the Equity Plan Scorecard were mixed. Some commenters supported the focus on plan quality, while some others raised concerns that a single pillar that could override an otherwise passing score could undermine the scorecard's balance.

While commenters generally supported the expanded U.S. policy on high non-employee director pay, a few sought guidance on how excessive magnitude would be defined, especially for multinational firms. One requested "safe harbor"-type provisions for one-time awards, and another emphasized considering director responsibilities and time commitments.

Outside of U.S. compensation, commenters generally supported the proposed expanded case-by-case approach to environmental and social shareholder proposals in the U.S., and the global codification of a case-by-case approach in all markets, with a few suggesting further expansions of the criteria to be considered.

A small number of investor commenters either expressed disappointment that the director overboarding policies globally will remain unchanged for 2026, or noted that they believe in stricter requirements particularly for CEOs. One pointed to market trends and survey data supporting stricter limits and noted potential benefits for board refreshment and diversity. As ISS noted in the Comment Period document, overboarding policies remain under review for the future.

Appendix C – Off-Cycle Benchmark Policy Updates Already Published in 2025

The 2025/2026 benchmark policy updates for Australia and New Zealand were made earlier in 2025, and the updated ISS Proxy Voting Guidelines were published on June 30, 2025, in line with the markets' off-cycle main proxy seasons.

ISS also advanced the publication of the South Africa Proxy Voting Guidelines to Sept. 29, 2025, due to market needs; the South Africa policy development was included in the standard policy development cycle and is presented and included with the other ISS policy updates in this document.

Australia

The main 2025 updates of the ISS benchmark policy for Australia were the following:

- Adjustments to the rules for director independence classification, mainly to include that a director who has served for nine or more years concurrently with the CEO will be classified as non-independent by ISS.
- Amendments to the board election policy to include recommendations to generally vote against (i) non-executive chairs classified as non-independent for reasons other than tenure; (ii) directors who are former executives of the company or former partners or employees of the company's auditor and serve on the audit committee, including cases where there is evidence of a continuing relationship with the audit firm; (iii) candidates who are an executive and the board chair and/or the committee chair when an executive is a member of the audit or remuneration committee; and (iv) non-independent incumbent nominees who will reach a tenure of 16 years or more during the next term. ISS may also recommend a vote against the incumbent board chair when there is evidence of long-running, systemic issues around committee composition.

- Amendment to the policy for long-term executive incentives and share-based payments to state that plans should not allow for a dividend-equivalent amount to be paid or granted at the end of the performance period for LTIs that ultimately vest.

New Zealand

For New Zealand, the main 2025 benchmark policy updates were:

- Introduction of a policy for amendments to the company's constitution regarding virtual-only meetings, generally recommending support for proposals which allow the company to convene hybrid shareholder meetings and against amendments that would allow for virtual-only shareholder meetings.
- Creation of a delisting policy, with case-by-case analyses of proposals considering if (i) there has been a substantial fall in market capitalization that no longer justifies listing; (ii) the company has provided sufficient time for shareholders to exit their investments on market; (iii) the company disclosed sufficient information under which shareholders may be able to trade their shares off-market; and (iv) profitability, costs, net assets and other compelling factors outweigh the need for retaining a listing.
- Similar to the Australia update above, ISS will classify directors who have served for nine or more years concurrently with the CEO as non-independent.

- Also in line with the Australian policy updates, amends the board election policy to include recommendations to generally vote against (i) non-executive chairs classified as non-independent for reasons other than tenure; (ii) directors who are former executives of the company or former partners or employees of the company's auditor and serve on the audit committee, including cases where there is evidence of a continuing relationship with the audit firm; (iv) candidates who are an executive and board chair and/or the committee chair when an executive is a member of the audit or remuneration committee; and (v) a non-independent incumbent nominee will reach a tenure of 16 years or more during the next term.
- Amends the board gender diversity policy to generally recommend against the election of the chair of the nomination committee or the board chair of companies included in the S&P/NZX 50 Index that do not have at least 30 percent board female representation. For the remaining companies, the minimum recommended threshold of one female director remains unchanged.
- Introduces a problematic remuneration practice factor to the board election policy, stating that ISS will generally recommend against the election of the board chair, or of the chair or members of the remuneration committee when (i) the company's remuneration policy and structures are not appropriately disclosed to allow shareholder scrutiny; or (ii) problematic pay practices are identified.
- Creates a policy for late disclosure of meeting notice and materials, recommending a vote against the board chair, the chair or members of the governance committee when (i) the company fails to disclose the meeting materials at least 20 working days before a shareholder meeting, or (ii) company adds a resolution to the meeting agenda and provides less than 20 working days' notice (In Australia, the threshold is 28 days under the Corporations Act).

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