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Corporate Governance Outlook 2022

Featuring Commentary From

DFIN orrick

EQUILAR

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Executive Summary

Over the last two calendar years, the world has changed dramatically, to say the least. The COVID-19 pandemic made its way through the globe in early 2020, leaving a lasting impact across all parts of life. For a long time, it appeared as though the days of water cooler talk and post-work happy hours with colleagues were a thing of the past. While Corporate America seems to be making slow, but steady, progress towards a normal work environment, several challenges remain that corporate leaders must overcome for success in 2022.

The pandemic has shed light on several issues that were just beginning to gain the attention of key stakeholders. The focus on employees and their safety is more critical than ever as companies have become more diligent in how they approach their human capital management (HCM) strategies. Of course, the conversation around environmental, social and governance (ESG) issues only grows louder as each day passes. Several social justice movements across the U.S. over the last year and a half sparked the conversation on racial equality, forcing companies to reconsider how well represented their workforces are from a diversity perspective. From an environmental standpoint, the U.S. continued to witness several wildfires and other natural disasters throughout 2021, spurring investors to pay close attention to whether corporate leaders are doing their part to protect the planet.

With these trends in mind, *Corporate Governance Outlook 2022* examines the top governance issues companies must prepare to address in the new year and beyond. This publication provides valuable insight on key trends in ESG and HCM, but also highlights areas of focus for traditional governance topics such as executive compensation, CEO and board succession planning, shareholder activism, and more.

ESG Is the New Standard

In today's corporate world, companies must make ESG a priority or otherwise face the wrath of investors. The last two years have only exacerbated the need for ESG to be top of mind at every company, particularly given the emphasis on diversity, the climate, health and safety, and income discrepancies. Unsurprisingly, the percentage of companies disclosing their ESG practices has skyrocketed in the last few years. In 2021, nearly 82% of Equilar 100 companies either mentioned or disclosed their ESG policies—an increase from just 10.3% of companies in 2017. Furthermore, companies are electing to go into greater detail in their proxy disclosures more than ever before, with 47.5% of companies providing full ESG disclosures in 2021 compared to 3.1% in 2017.

Of course, among the most talked about topics under the ESG umbrella is diversity. In the last year, the diversity movement, particularly at the board level, gained significant momentum, as Nasdaq's board diversity listing rules were approved by the SEC in August 2021. The rules are sure to propel companies to implement a plan to track progress towards diversity—the proxy is a good place to start. In 2021, 89.9% of Equilar 100 companies included board composition disclosures related to gender, nearly nine percentage points higher than the 80.8% of companies that did the same for ethnicity or race. Meanwhile, an equal percentage of companies included gender as a part of their board or director assessment process as those that included ethnicity or race—in both cases, 84.9% of the Equilar 100.

While it's evident that companies are making a more concerted effort to disclose exactly what they are doing with respect to ESG practices, many companies are also looking to provide incentives to those executives who meet certain ESG targets and goals. In 2021, 21.5% of Equilar 500 companies elected to tie executive bonuses to an ESG-related metric, with 10.3% choosing an unweighted or group metric and 11.2% selecting an individual weighted metric. Although nearly 80% of Equilar 500 companies did not assign an ESG metric to their bonuses, it would come as no surprise if this figure decreases substantially over the next few years, particularly with the attention around ESG expected to heighten even further.

The Balance Between Executive Pay and Performance

While many aspects of the governance picture have evolved over the last several years, one constant that remains is that executives are regularly awarded high pay packages to lead their organizations to success, particularly through turbulent times as experienced in the last two years. If shareholders feel executives have not done an adequate job to earn those high pay packages, then they may voice their displeasure through Say on Pay votes.

Over the last several years, the overwhelming majority of companies have passed Say on Pay. However, a recent trend emerged in 2021 that showed that investors may begin to crack down a bit more heading into 2022. In 2021, the percentage of Equilar 500 companies that received more than

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95% approval for Say on Pay declined for the fourth straight year, with just 29.5% of companies accomplishing this feat in 2021, a 35.4% decline since 2017. The percentage of companies that failed Say on Pay more than doubled since 2017, with 3.4% of Equilar 500 companies failing.

As we enter 2022, there is no question investors and other key stakeholders will pay close attention to how executives guide their organizations through what's sure to be a transitional year. Those executives who excel and perform at a high level will likely be rewarded accordingly, while those who fail could face high levels of scrutiny with respect to their pay packages.

Methodology

Corporate Governance Outlook 2022, an Equilar publication, analyzes the proxy statements and shareholder voting results for Equilar 500 companies from 2017 to 2021. The Equilar 500 tracks the 500 largest, by reported revenue, U.S.-headquartered companies trading on one of the major U.S. stock exchanges (Nasdaq, NYSE or NYSE American). The Equilar 100, a subset of the largest revenue reporting companies in the Equilar 500, was manually reviewed for specific examples of disclosure in targeted areas. Year one (2021) was defined as companies with a fiscal year ending from June 1, 2020 to May 31, 2021, and previous years were defined similarly. The narrative portion of this report identifies trends in compensation and corporate governance disclosure practices. DFIN and Orrick have provided independent commentary on the most pressing governance issues heading into 2022.

Key Findings

1. **Social and environmental issues remain the most common shareholder proposal type.** After reaching a peak of 183 in 2017, the number of social and environmental-focused proposals has since fluctuated, falling to 139 in 2021.
2. **Say on Pay failures increase in prevalence.** Say on Pay failures more than doubled since 2017, as 3.4% of Equilar 500 companies failed Say on Pay in 2021.
3. **Shareholder engagement disclosures continue steady rise.** The percentage of Equilar 100 companies mentioning or disclosing topics or processes related to shareholder engagement rose to 93.9% in 2021, a 3.2% increase from 2020.
4. **ESG disclosures become the standard.** The percentage of Equilar 100 companies disclosing or mentioning ESG-related policies rose from 10.3% in 2017 to 81.8% in 2021, highlighting the increased scrutiny surrounding ESG issues in recent years.
5. **Companies are slowly linking ESG targets to executive annual incentives.** During 2021, 21.5% of Equilar 500 companies elected to tie executive bonuses to an ESG-related performance metric.

Beyond the Numbers | DFIN orrick

A Q&A with DFIN and Orrick

To provide additional perspective on the trends uncovered in *Corporate Governance Outlook 2022*, Equilar spoke with contributors at DFIN and Orrick to discuss the state of the governance environment and what to expect in 2022. Below is a snapshot of the conversation. Commentary from both DFIN and Orrick can be found throughout the publication.

Equilar: How does the current landscape of corporate governance differ from this time last year? Have companies become more proactive in addressing shareholder concerns after almost two years of the pandemic?

Ron Schneider, DFIN: Companies, employees, investors and other affected stakeholders, unfortunately, have had two years to observe the pandemic's impact, company responses, and subsequent performance. Looking back to 2019, investor focus on ESG, corporate social responsibility (CSR), sustainability and the related topic of human capital management (HCM) had been rapidly intensifying. Previously endorsed primarily by a small but vocal group of "social investors," many companies tried to ignore, due to their relatively small ownership, ESG in its various forms increasingly being adopted by large, long-term mainstream investors. In fact, fully one third of all actively managed U.S. investments now apply some form of ESG considerations in their investment selection process. As for the large (and growing) "passive" (i.e., indexed) investors, these considerations have been elevating among their "stewardship" priorities for engagement with their portfolio companies. Blackrock CEO Larry Fink clearly summarized this investor view that "climate risk is investment risk."

In "year one" of the pandemic, many companies and even industries literally went into survival mode, and investors and proxy advisors appear to have given these companies a fair amount of forbearance, apparently accepting pauses in their sustainability (and related reporting) journeys as they struggled with rapidly unfolding events impacting their companies, workforces, customers and suppliers.

That said, the pandemic has served to galvanize investor resolve that their pre-existing focus on ESG and sustainability, and related focus on human capital, are correct, and they have renewed pressure on portfolio companies to either initiate—or resume——their ESG and reporting journeys, and address investor desire for material, quantitative, decision-useful information.

Regarding ESG, investors are increasingly focused on the "G" of the ESG program itself. Pending anticipated SEC rulemaking on climate disclosure, investors still expect the primary reporting on company ESG risks and opportunities to occur at the website, either in searchable information, or in more robust sustainability reports and fact sheets. They also like to see relevant highlights of these programs in the proxy. What they particularly need to see in the proxy, is the role of board oversight over ESG. Is it the responsibility of the full board, or of a particular committee? Have the relevant charters been updated to include these responsibilities? Are the qualifications and competencies of directors to effectively provide this oversight clearly delineated in the board bios and skills matrices?

In short, what's transpired is that clear, credible, useful ESG disclosures (which may evolve significantly from year to year), as well as of the program's oversight—have moved from "nice to have" to "must have."

J.T. Ho, Orrick: This past year has sharpened companies' focus on ESG and led to a greater appreciation that stakeholder expectations are real and require specific actions, not just from policies and boilerplate public disclosures. Four trends are driving this:

1. Institutional Investor Focus: We saw a surge in support from large institutional investors with respect to shareholder proposals and activist campaigns related to ESG matters, including most notably, the Engine No.1 campaign, in which shareholders such as BlackRock, Vanguard and State Street elected three new board members to the Exxon board with the goal of pushing Exxon to reduce its carbon footprint. Support for climate change and human capital management proposals is also on the rise. With the new SEC guidance on no action letters, companies can expect to face more ESG-related proposals in 2022.
2. Signals From the SEC: We also saw the SEC issue comment letters (and follow-up comment letters, in many cases) to a number of issuers, seeking detailed information relating to how they determined what climate change-related disclosure was necessary. More prescriptive guidance from the SEC is anticipated in 2022. In addition, the SEC has stated that they are working on new guidance related to human capital and cybersecurity matters, which will likely require further disclosure from companies, including specific disclosure on topics like employee retention, worker health and safety, and cybersecurity hygiene.
3. Other Stakeholder Scrutiny: Companies are also experiencing increasing scrutiny from other stakeholders, including customers and business partners about their ESG practices (driven by these stakeholder's own ESG policies), with an increasing number of business-to-business contracts containing ESG commitments. Companies are having to find ways to address these increased, and increasingly specific, contractual demands and to track them internally to ensure they are being followed.
4. Data and Disclosure Risk: Companies are also reevaluating how they are collecting and analyzing ESG data, and the processes they are undergoing to make sure that their representations about that data are accurate, and their decisions based on it are reliable and defensible. More companies are using, or are considering using, third parties to provide assurance. Many of these third parties are not traditional auditors.

These dynamics have led companies both to be more proactive with stakeholders about ESG, but also more careful. Few companies can afford not to have a well-developed and well-informed approach to stakeholder engagement on ESG.

Equilar: Are there any issues that have flown under the radar that companies should seek to address in 2022? How can companies stay ahead of the curve on governance practices?

Carolyn Frantz, Orrick: Two emerging corporate governance issues that companies should consider addressing in 2022 are increased rigor in, and disclosure about, board assessments, and the integration of ESG into their internal controls processes.

Traditionally, companies have given very limited disclosure about their board assessment processes. Practices have also varied, with even companies known for excellent corporate governance engaging in very informal assessment processes—often nothing more formal than a discussion of specific questions in annual executive sessions by the board and each committee. And, indeed, for a well-functioning board, an informal process may work quite well, and avoid risks that can be associated with more formal approaches—in particular, the risk that survey responses or other outputs from the assessment process might ultimately be discoverable in litigation.

But shareholders are increasingly pushing for more transparency about board assessment processes. ISS's Governance QualityScore, for instance, considers a company's disclosure about board assessment, favoring disclosure that demonstrates an annual process that includes assessments of individual directors and the use of an external evaluator at least every three years. As some companies plan to increase their disclosures, they are also considering altering their processes to address shareholder priorities.

Another factor likely to drive increased enhancements of board assessment processes is widespread re-evaluation of board composition. The new Nasdaq board diversity requirements, as well as state-specific board diversity requirements like those in California and Washington, are drivers for many companies. Even beyond specific legal and listing requirements, companies are thinking about board diversity as the result of feedback from multiple stakeholders: shareholders, customers, employees, and existing and potential directors. Additionally, increased shareholder focus on particular director skills, such as information security expertise and experience with ESG, is causing many boards to rethink whether changes to their boards are necessary.

Director refreshment can be challenging, and a board assessment process that effectively facilitates difficult discussions about whether existing directors have the right mix of skills and experiences can help. For some companies, instituting individual director assessments can be an important part of this process, as well as involving a third party, who can help process and deliver sensitive results (and in the case of a third-party attorney, with the potential benefit of attorney-client privilege).

With respect to ESG, 2022 will be the year when many companies incorporate ESG more deeply into their general internal controls processes. As the rigor around ESG issues increases, financial reporting, internal audit and enterprise risk management will need clearly defined roles in ESG initiatives, goals, and disclosures. Compliance professionals may also benefit from considering what their role in their companies' ESG program should be. Compliance professionals have broad experience in creating and administering company-wide programs designed to advance corporate values, and their expertise should be invaluable as ESG continues to mature.

Equilar: Given the cross-department collaboration necessary in the creation of the proxy, how can companies remain committed to a singular vision and effectively communicate that vision to shareholders?

Ron Schneider, DFIN: The proxy, or "14A" filing, is a serious regulatory document and as such, should remain primarily controlled by legal. Over the past two decades, based primarily on investor demand, mature company proxies increasingly contain greater amounts of non-SEC required, voluntary or "contextual" information—the "why" as well as the "what" about corporate governance, compensation and sustainability. As ESG highlights sections illustrate, proxies increasingly are "one-stop shops" to give investors the "big picture" prior to voting (while referring them to other documents and locations where they can learn more about these ancillary topics).

As proxies, annual reports and even sustainability reports increasingly discuss company strategy and performance and there is "crossover" in content, it can be striking how different these documents—often located adjacent to each other at company websites—may be in branding and design. This is an understandable result of these documents often being drafted by different teams operating under different budgets and time frames. In response, many of our clients are asking for our help in correcting and harmonizing the look and feel of these increasingly interrelated documents, and more consistently reflect their "one brand."

What is more concerning is inconsistent or even conflicting messaging, which investors can be quick to spot. We suggest that all three of these (and other) documents and information channels receive a fresh review to ensure consistency in message as well as in brand.

One tactic to mitigate this problem is to have more crossover between the various drafting or review teams. Irrespective of the unique technical and informational requirements of each document, investor relations and corporate communications—perhaps with disclosure committee involvement—deserve a seat at all tables. This can help ensure that unified strategic messaging resonates through all channels.

From our perspective, this is resulting in rapidly growing use of our secure, collaborative disclosure management platform Active Disclosure, which permits multiple users to collaborate securely on the same document.

Equilar: What are the critical issues companies will look to address in their upcoming proxy statements? Which topics will require the most attention and detail?

Ron Schneider, DFIN: Perennial, as well as emerging, issues need to be addressed. Content-wise, the "big three" issues investors focus on are:

1. Board diversity, skills and qualifications, including those necessary to provide effective oversight of ESG and HCM issues. Nasdaq companies will have to comply with its new board diversity disclosure requirements, effective as of August 8 for most companies. This is not a proxy disclosure requirement per se, but many of our Nasdaq clients that already meet the standards are indicating they intend to include this in the spring 2022 proxy.
2. Executive compensation and the "pay for performance" story. As part of this, many companies are discussing compensation in the context of the business strategy—how the program, its vehicles and any metrics and weightings support the current business strategy.
3. As discussed earlier, ESG and human capital highlights (not the full story) increasingly are desired in the proxy by a range of investors and other readers. Rather than be just a "check the box" exercise, the desired end state of this ESG and reporting focus is for ESG to become instilled throughout the organization, its strategies and operations, to help give the company a sustainable advantage.

A related content consideration is the increasing ownership of large, indexed investors, who may not be as fully attuned to a company's ongoing IR communications as are the "active" managers, yet who seek to vote thoughtfully. As a convenience to them, we recommend including a brief company, strategy and performance overview. This may be contained in substantive cover letters or a proxy summary at the start of the document, or alternatively, at the start of the CD&A. Essentially, it is repurposing existing IR disclosures.

In addition to content, we also focus on:

- Appropriate use of the company brand in document covers and even throughout the document
- Humanizing board and executive leadership, including through robust cover letters featuring half or full profile photography
- Given the focus on human capital and diversity, equity, and inclusion, many companies are including photography of actual employees throughout the document
- As proxies increasingly become longer and more complex, efficient navigation is essential. This can be enabled via one (or more) detailed tables of contents, consistent hierarchy and flow of primary, secondary, and tertiary section headings, page headers and footers and similar devices.
- With more readers viewing the proxy online, many companies are adding additional color to the SEC-filed and web-hosted version (digital color having little, if any, cost impact compared to the printed version), links to company and director videos, and additional interactive and engaging features.

Equilar: With the approval of Nasdaq's new listing rules, along with legislative efforts in states like California, board diversity has become a crucial governance issue. How have companies responded to these calls for action, and will more requirements emerge in 2022?

J.T. Ho, Orrick: The approval of Nasdaq's new listing rules, along with legislative efforts in states like California, have led many companies to reassess the composition of their boards and add or replace board members to meet these requirements. However, adding new diverse board members and/or replacing board members can be challenging. Many companies want to continue to recruit from the traditional pool of candidates (for example, former CEOs or CFOs of public companies) but are finding it difficult to identify diverse candidates from those pools, particularly those who also have industry expertise. There are also concerns that diverse candidates who have traditional qualifications will be "overboarded" because they currently serve on a number of other company boards. Tensions and challenges can also arise from board refreshment, with some long-standing directors who are knowledgeable about the company and well-connected to other directors needing to step aside to change the overall board composition.

To overcome these issues, a number of companies are looking to more non-traditional candidates, such as candidates who fall within the C-suite but were not CEOs or CFOs, and leaders of major business or functional groups who may not have been in the C-suite at all. Human resources and information security leaders can be particularly in demand, given the rising prominence of those issues in ESG. Some companies are also looking more closely at candidates who haven't served in a corporate role at all but bring other valuable, relevant skills to the boardroom, such as former government officials, corporate lawyers and other advisors. Consistent with this practice, companies also are recognizing that the skill sets needed in the boardroom evolve over time and warrant continual review and revisiting to ensure the right mix of backgrounds among board members.

Companies have also adjusted their recruiting practices. They are moving beyond traditional third-party search firms and instead are partnering with organizations whose mission centers around placing diverse board candidates. Another strategy is leaning on diverse contacts and colleagues to make introductions to people who might be qualified for board roles.

Companies are beginning to recognize the importance of building diversity into their board succession planning, as losing even one diverse board member can make a significant difference. Strategic board succession planning can be a tool for adding new diverse board members without having to expand the board.

Finally, to encourage board refreshment and avoid entrenchment, some companies are adopting mandatory director retirement age guidelines or other tenure-related requirements.

California's state board diversity laws are facing challenges in enforcement, as well as legal challenges. This may dissuade individual states from passing similar statutes. Even without legal requirements, however, the interest of listing agencies, proxy advisors and shareholders seems likely to continue to increase at least in the short term.

Data Points and Figures

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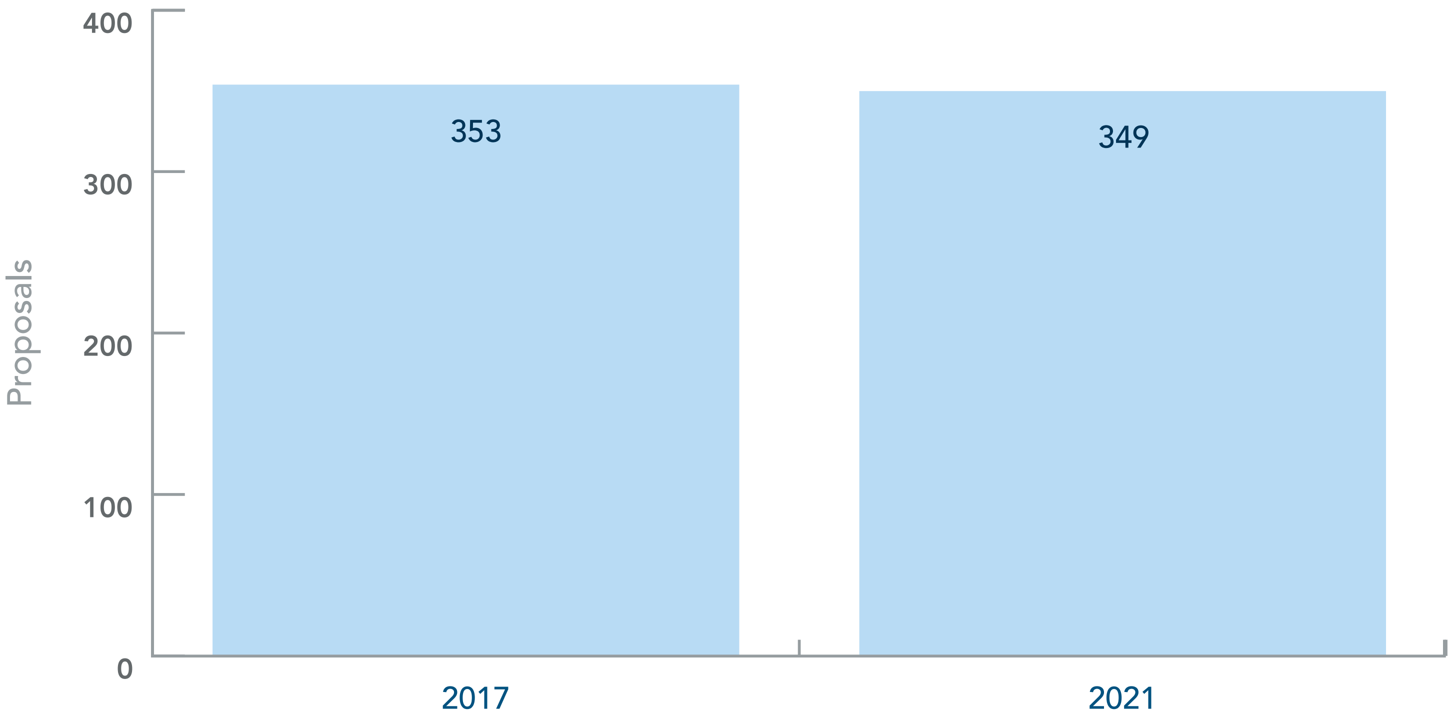
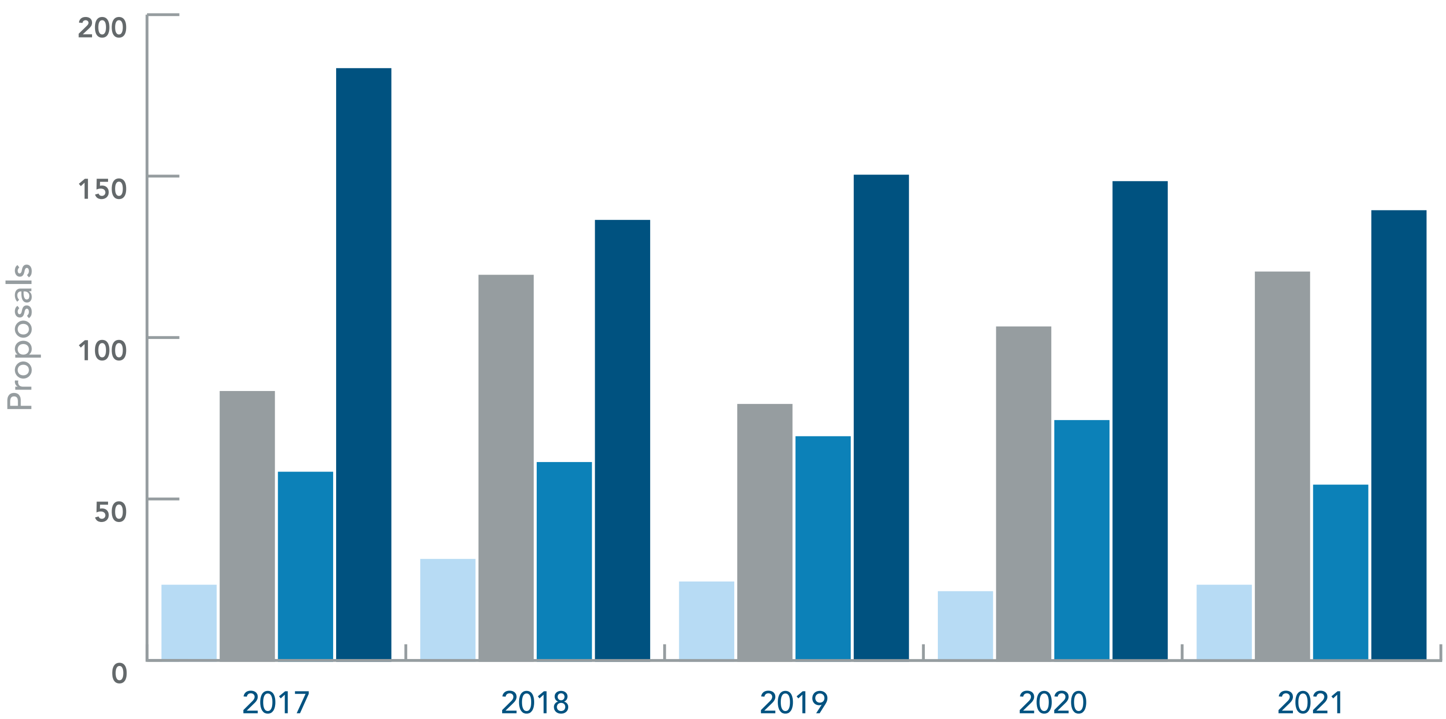
Figure 1 Shareholder Proposals (Equilar 500)



Data Points

1. Since 2017, the prevalence of shareholder proposals across the Equilar 500 remained relatively constant, declining by just 1.1% over the study period (*Fig. 1*)

Figure 2 Shareholder Proposals by Type (Equilar 500)

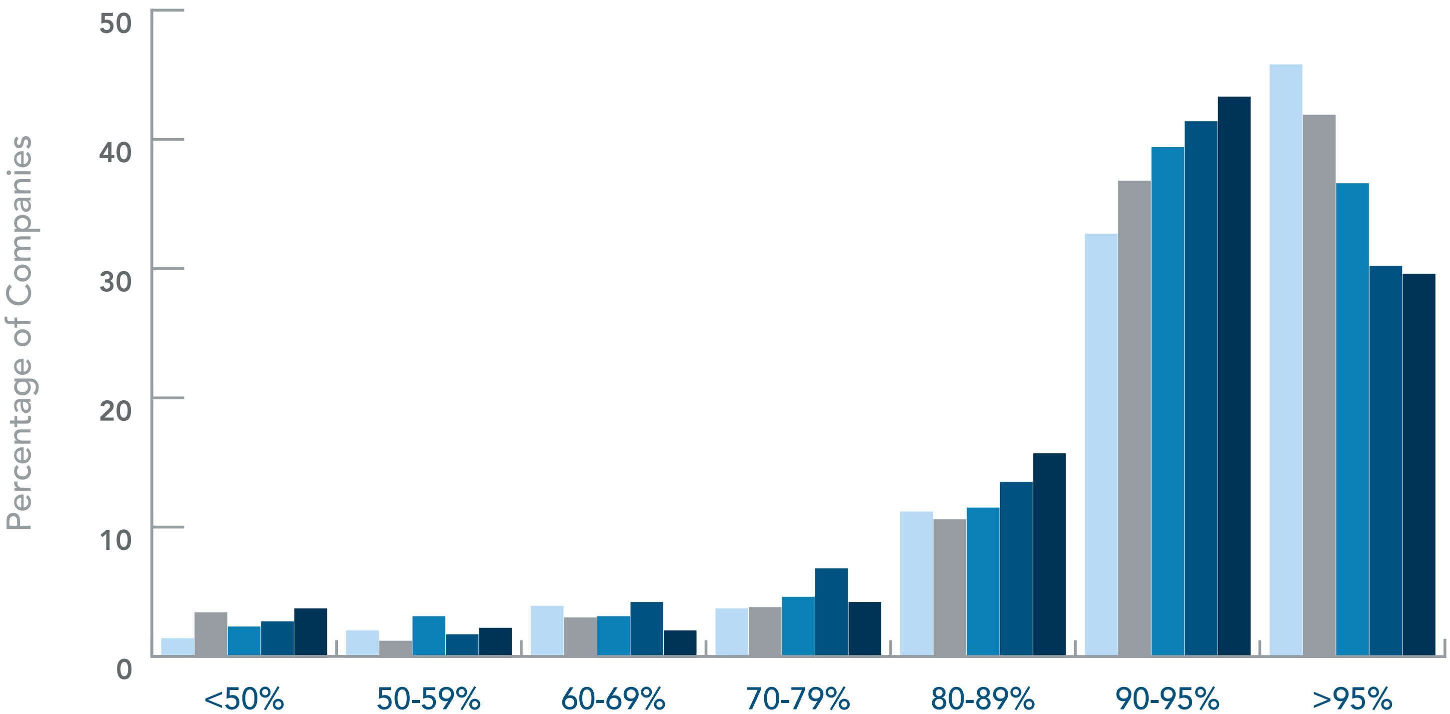


	2017	2018	2019	2020	2021
Compensation	23	31	24	21	23
General Shareholder Rights	83	119	79	103	120
Board Management	58	61	69	74	54
Social and Environmental Issues	183	136	150	148	139

Data Points

1. Compensation-related shareholder proposals increased slightly in prevalence in 2021 to 23, matching the number of proposals in 2017 *(Fig. 2)*
2. The number of general shareholder rights proposals rose for a second year in a row, a high point for the study period *(Fig. 2)*
3. Following a gradual increase each year from 2017 to 2020, the prevalence of board management proposals fell by 27% in 2021 to 54 *(Fig. 2)*
4. After reaching a peak of 183 in 2017, the number of social and environmental-focused proposals has since fluctuated, falling to 139 in 2021 *(Fig. 2)*

Figure 3 Say on Pay Voting Trends (Equilar 500)

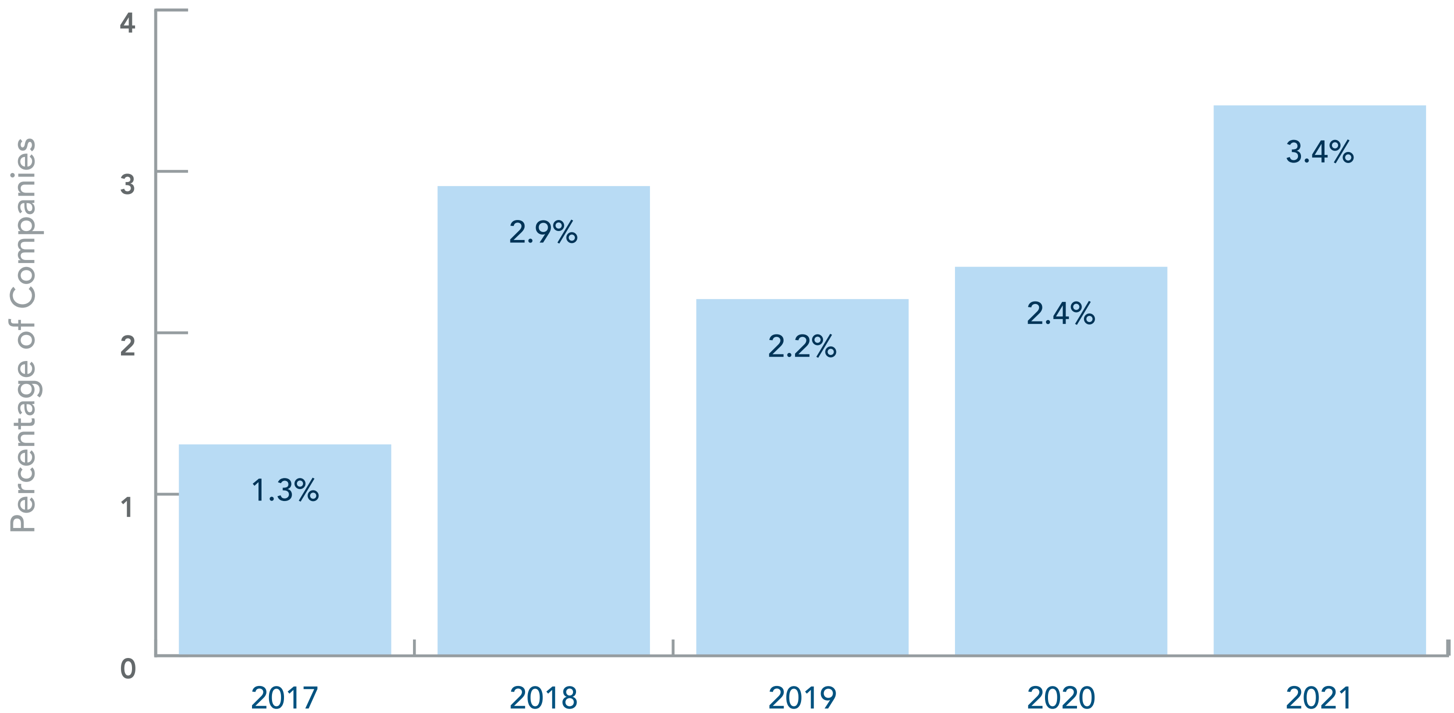


	<50%	50-59%	60-69%	70-79%	80-89%	90-95%	>95%
2017	1.3%	1.9%	3.8%	3.6%	11.1%	32.6%	45.7%
2018	3.3%	1.1%	2.9%	3.7%	10.5%	36.7%	41.8%
2019	2.2%	3.0%	3.0%	4.5%	11.4%	39.3%	36.5%
2020	2.6%	1.6%	4.1%	6.7%	13.4%	41.3%	30.1%
2021	3.6%	2.1%	1.9%	4.1%	15.6%	43.2%	29.5%

Data Points

1. The percentage of companies that received more than 95% approval for Say on Pay declined for the fourth straight year, with just 29.5% of companies accomplishing this feat in 2021, a 35.4% decline since 2017 *(Fig. 3)*
2. Despite declining approval of more than 95%, the percentage of companies achieving 90% to 95% Say on Pay approval has increased each year since 2017 *(Fig. 3)*
3. 3.6% of companies received less than 50% Say on Pay approval in 2021, a nearly 177% increase since 2017 *(Fig. 3)*

Figure 4 Say on Pay Failures (Equilar 500)



Data Points

1. 3.4% of Equilar 500 companies failed Say on Pay in 2021, a peak for the study period *(Fig. 4)*
2. The percentage of companies to fail Say on Pay increased by 162% between 2017 and 2021 *(Fig. 4)*

Ron Schneider, DFIN Commentary

Shareholders have, for many years, been asking companies to clearly explain how their pay programs support their business strategy. For companies with "discretionary" programs (i.e., not based on pre-set formulaic metrics), investors will evaluate after the fact whether executive payouts seem warranted in relation to investors' most tangible "performance factor," stock price performance (whether absolute or relative).

In these cases, companies can make the case that increased stock price volatility makes this an imperfect performance measure and try to focus investors on achievement of relevant financial, operating or strategic factors.

Companies with more formulaic plans should clearly explain why they use the metrics they do, and how these metrics best measure performance aligned with business strategy.

These contextual disclosures generally don't influence proxy advisor models and thus their rate of negative vote recommendations. While most large institutional investors don't automatically follow proxy advisor Say on Pay recommendations, a negative recommendation will cause them to examine the company's program and disclosures more carefully. When taking this closer look, if they don't find meaningful countervailing rationale in the proxy, the investors have little to go on other than the proxy advisor analysis and vote recommendation. When they DO find credible contextual disclosures, they are more likely to conclude that, despite the advisor's expressed concerns, the program is fundamentally sound and well-aligned, and they are more likely to support it. This type of enhanced disclosure is in our view a major reason why some company votes, when receiving negative ISS and Glass Lewis recommendations, drop from 90% to 60%, while others only decline from 90% to 75% or 80%. Clarity of story-telling matters.

The Sherwin-Williams Company

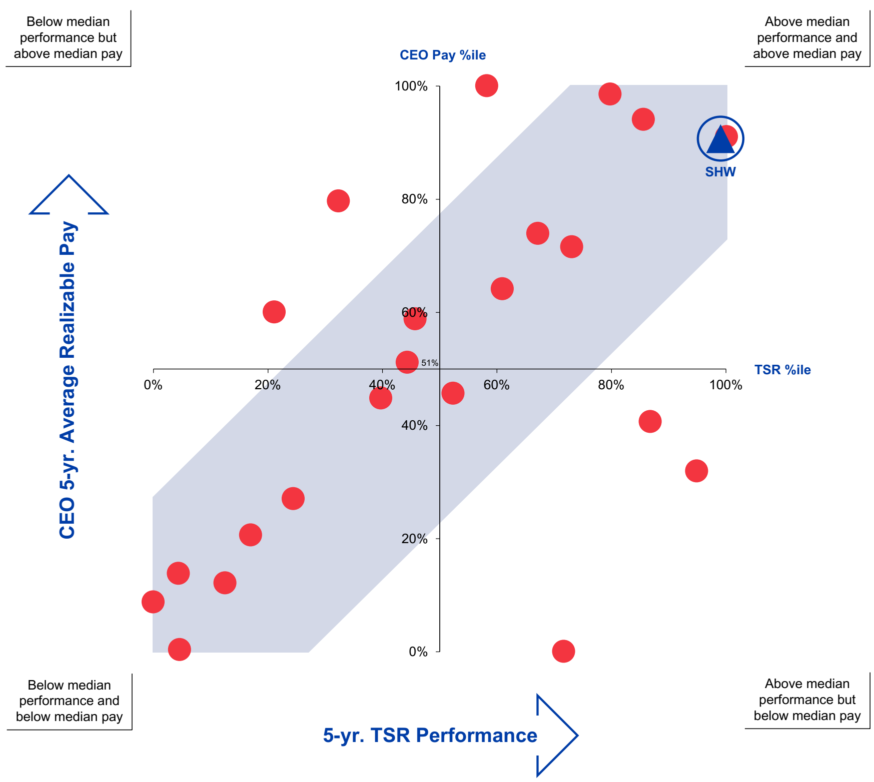
DEF 14A | Filed 3/10/21

Say on Pay success or failure is largely dictated by a company's ability to link executive pay to performance-related goals. In this example, Sherwin-Williams effectively outlined how their executive performance lined up with the financial goals of the Company using eye-catching visual elements.

Each year, the Compensation Committee assesses our CEO's compensation in light of Sherwin-Williams' performance relative to its peers. In October 2020, the Compensation Committee analyzed the relationship between the realizable pay of our CEO and total shareholder return (TSR) over the five-year period ended December 31, 2019, comparing Sherwin-Williams to the peer group we use when making executive compensation decisions. At the time of such review, 2019 was the most recent year for which compensation information was available for our peer group. TSR includes the reinvestment of dividends and is calculated on a compounded annual growth rate basis.

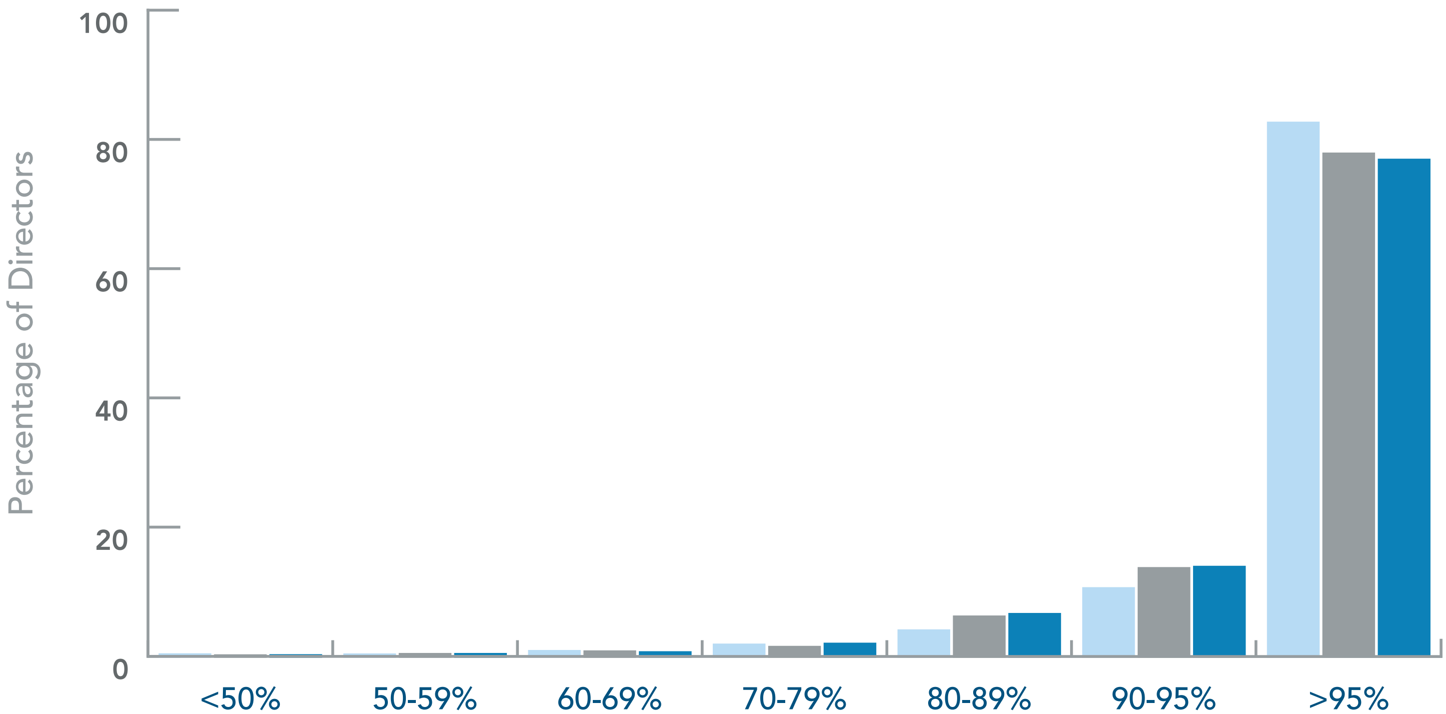
The following chart, prepared by our independent compensation consultant, Compensation Advisory Partners, shows the degree of alignment between the total realizable pay of our CEO and Sherwin-Williams' TSR relative to our peer group over the five-year period. Sherwin-Williams' cumulative TSR over the five-year period was 133%, which was higher than all but one company in our peer group. Peer group companies are indicated by the circles in the chart. Companies that fall within the shaded diagonal alignment zone are generally viewed as having pay and performance alignment. As illustrated below, our CEO's realizable pay was well aligned with Sherwin-Williams' performance.

PAY FOR PERFORMANCE ALIGNMENT
CEO REALIZABLE PAY AND TSR



Realizable pay includes: (a) base salary during the five-year period; (b) actual cash incentive compensation earned during the five-year period; (c) the value of RSUs granted during the five-year period based on the 2019 year-end closing stock price per share; (d) the vesting date value of long-term performance equity awards that were earned in 2017, 2018, and 2019, which consisted of PRSUs; (e) the value of target long-term performance equity awards granted in 2018 and 2019, which consisted of PRSUs, based on the 2019 year-end closing stock price per share; and (f) the in-the-money value of stock options granted during the five-year period based on the 2019 year-end closing stock price per share. Valuing equity awards in this manner is different from valuing equity awards at their aggregate grant date fair value, which is the method used in the Summary Compensation Table and the 2020 Grants of Plan-Based Awards Table.

Figure 5 Director Approval (Equilar 500)

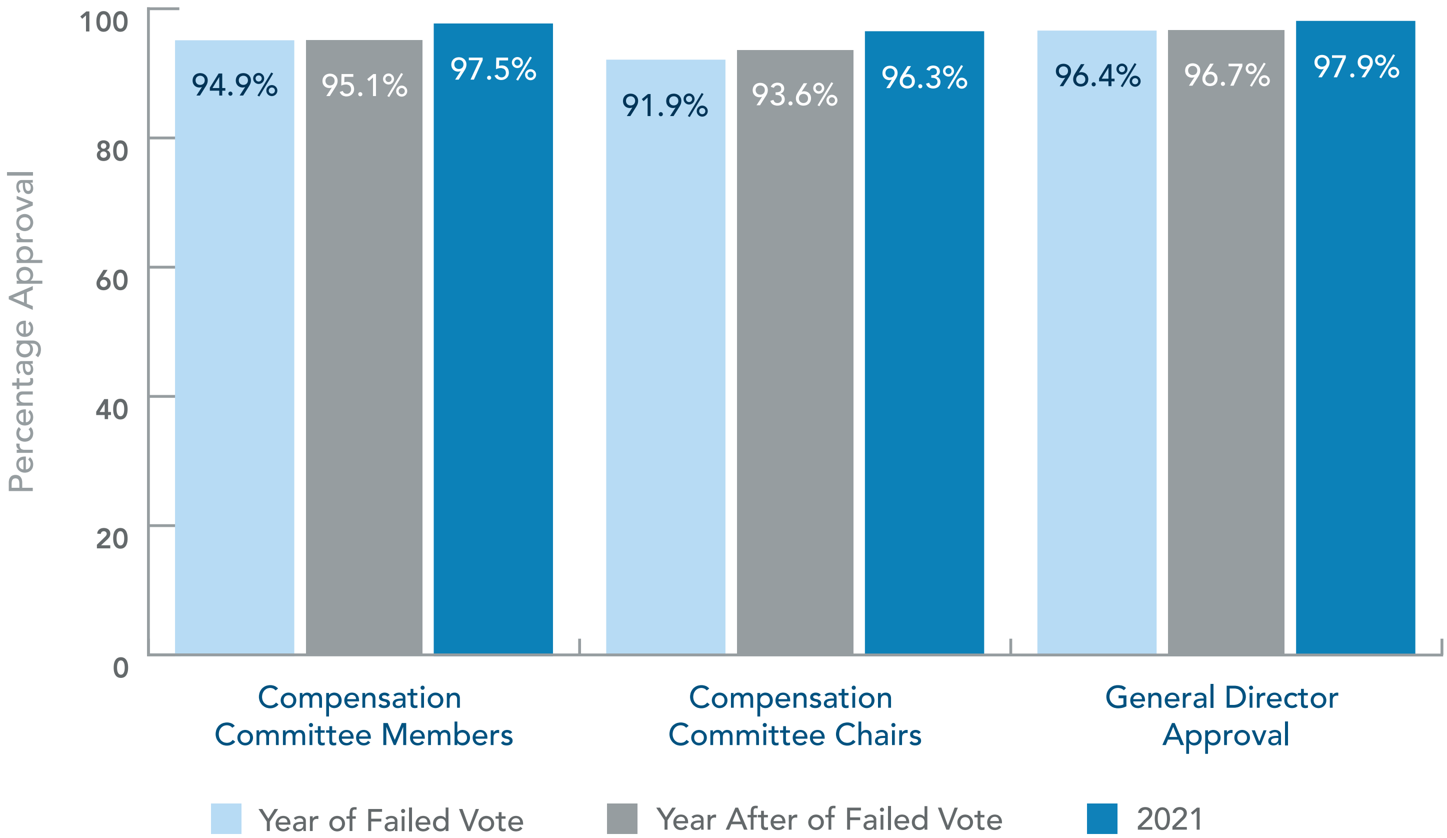


	<50%	50-59%	60-69%	70-79%	80-89%	90-95%	>95%
2019	0.3%	0.2%	0.8%	1.8%	4.0%	10.5%	82.5%
2020	0.1%	0.3%	0.7%	1.4%	6.1%	13.6%	77.8%
2021	0.1%	0.3%	0.6%	1.9%	6.5%	13.8%	76.8%

Data Points

1. The share of directors receiving 95% approval or more fell to 76.8% in 2021, a 6.9% decrease from 2019 *(Fig. 5)*
2. In 2021, just 1% of directors received less than 70% approval, a slight decline from 1.1% in 2020 *(Fig. 5)*

Figure 6 Median Compensation Committee Approval After a Failed Say on Pay Vote, 2017-2021 (Equilar 500)



Data Points

1. During the year of a failed Say on Pay vote, director approval rates were above 90% across compensation committee members, compensation committee chairs and general directors *(Fig. 6)*
2. Compensation committee chairs saw the largest increase in approval following a year with a failed Say on Pay vote, with approval rising by 1.8% *(Fig. 6)*

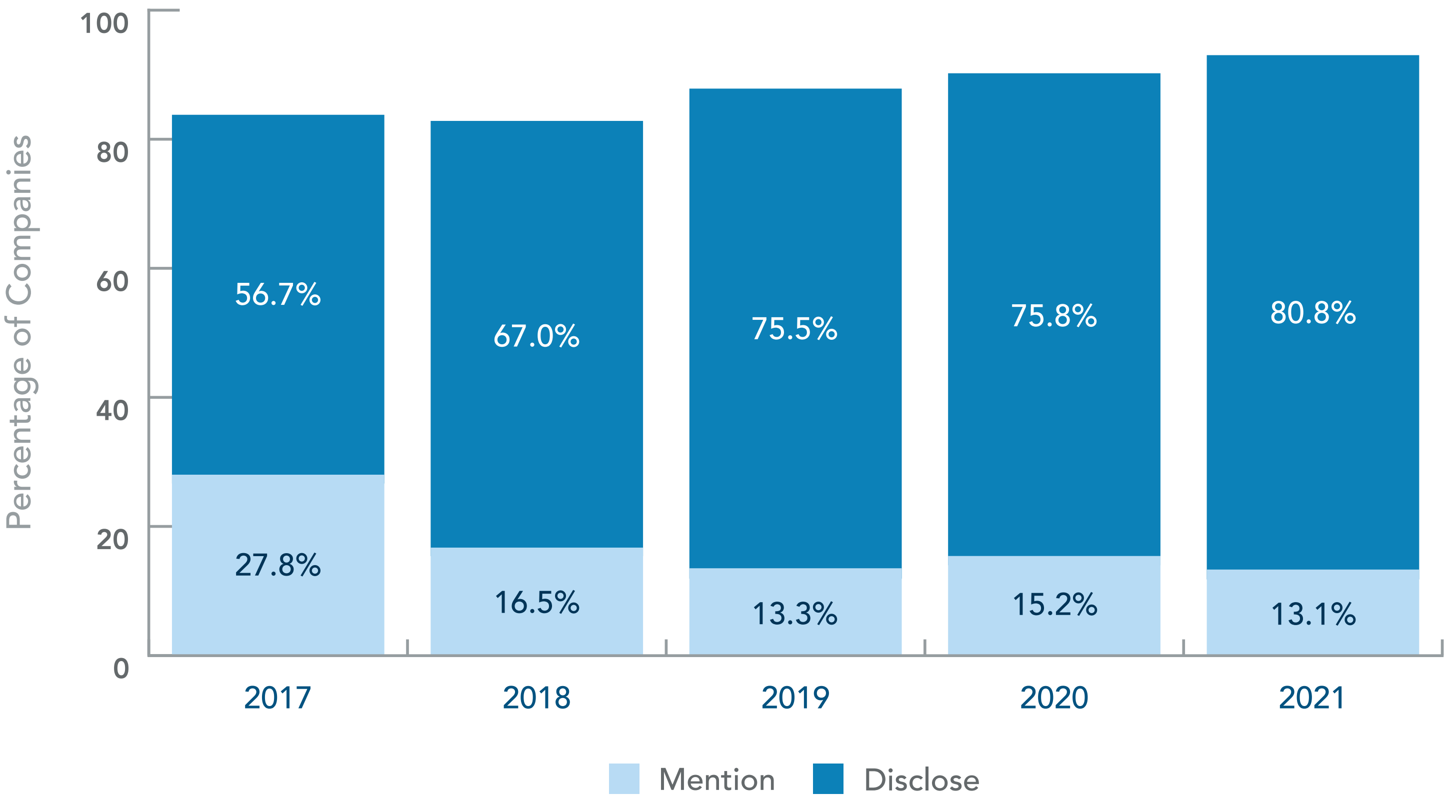
Ron Schneider, DFIN Commentary

A failed (defined as under 50% support), or even poor (under 75 or 80% support), Say on Pay vote doesn't necessarily mean anyone did anything wrong or that the pay plan was fundamentally flawed. What it DOES demonstrate is that some investors either a) did not fully understand or appreciate either the pay plan's design or the executive's performance OR b) they did understand it, and concluded that performance was lacking relative to pay.

As for the subsequent year's compensation committee member vote, investors will assess the committee's apparent "responsiveness to the (sub-par) vote." This often is evidenced in the CD&A through expanded discussion of post-meeting engagement with investors, what topics were discussed/feedback gleaned, and most importantly, what if any subsequent actions the committee took in response to the vote and the investor feedback. Based on the above, this could include a combination of a) better disclosure of under-appreciated or mis-understood aspects of the pay program, and b) specific changes that were made in response to the feedback, with investors carefully considering the following year's alignment of pay and performance.

If the above demonstrates reasonable responsiveness to the prior year's vote, then committee members may not get dinged with meaningful against votes. If it does not, then they may.

Figure 7 Shareholder Engagement Disclosure (Equilar 100)



Data Points

1. The percentage of Equilar 100 companies mentioning or disclosing topics or processes related to shareholder engagement rose to 93.9% in 2021, a 3.2% increase from 2020 *(Fig. 7)*
2. Companies providing full disclosures on topics or processes related to shareholder engagement reached a study period high of 80.8% in 2021, a 42.5% increase from 2017 *(Fig. 7)*

General Motors Company

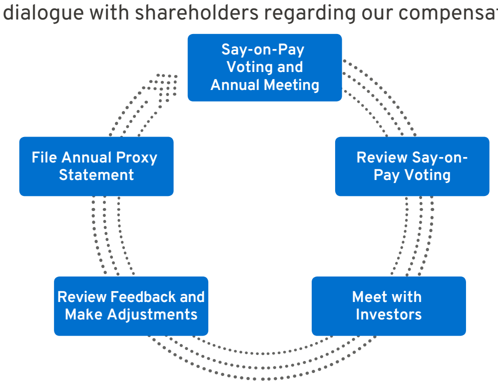
DEF 14A | Filed 4/30/21

In this disclosure, General Motors provides a comprehensive breakdown of their shareholder engagement process. The Company details their year-round engagement cycle, as well as the key issues discussed with shareholders throughout the year.

Shareholder Engagement

The Company views shareholder engagement as a continuous process and annually seeks feedback directly from our shareholders. Through these engagements, we received positive feedback in support of executive compensation programs and, in particular, the Compensation Committee's decision to further drive accountability and reinforce our safety culture and ESG results.

Shareholder feedback is reflected through the new 2020 LTIP where PSU measures are equally weighted for Relative ROIC-adjusted (37.5% of total LTIP) and Relative TSR (37.5% of total LTIP), and performance measure payouts are subject to caps. These discussions, Say-on-Pay voting results, and alignment to the Company vision and strategic goals are key drivers in our ongoing assessment of our current and future programs. As executive compensation programs evolve, the Board remains committed to continuing the dialogue with shareholders regarding our compensation philosophy and practices.

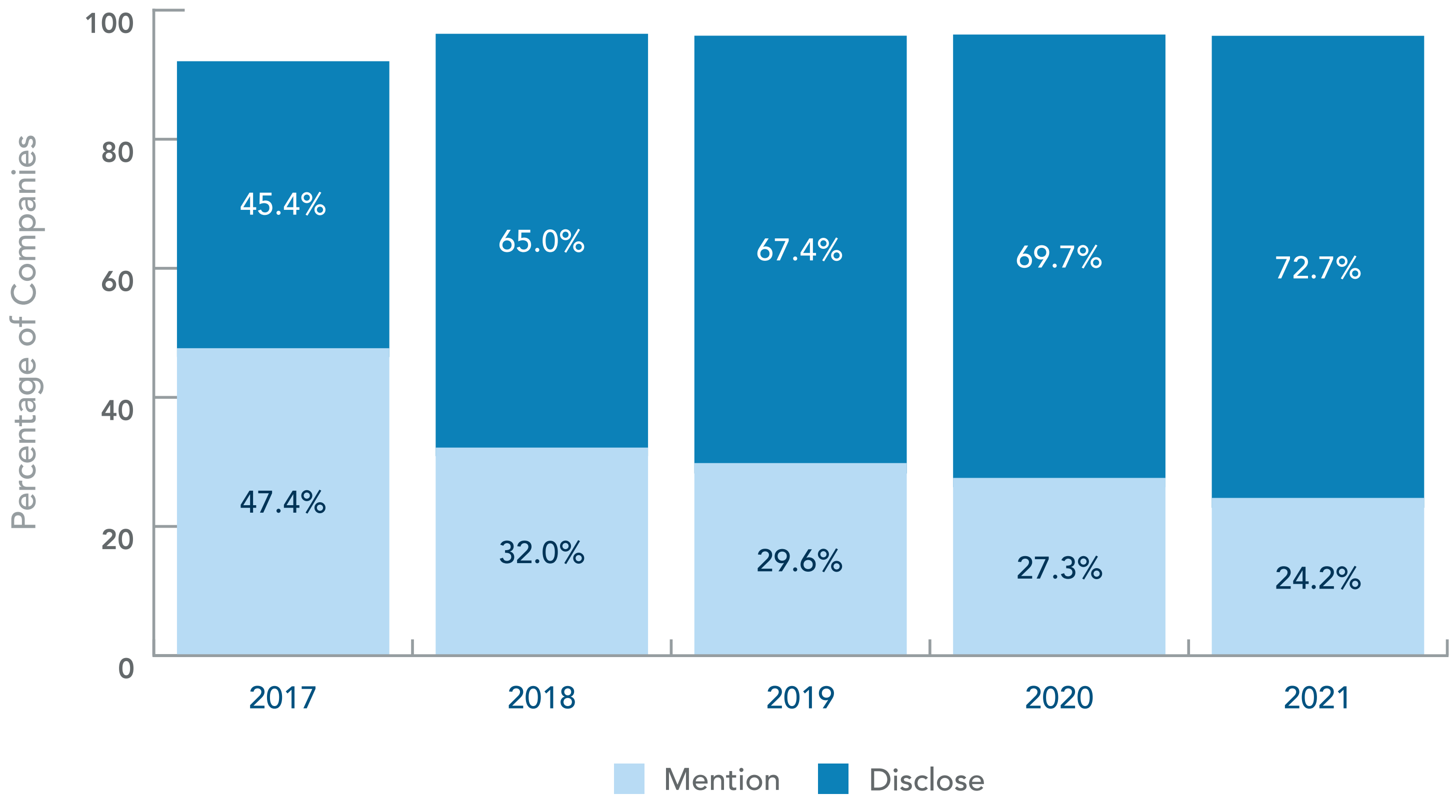


SHAREHOLDER SAY-ON-PAY

The Compensation Committee seeks to align the Company's executive compensation programs with the interests of the Company's shareholders. The Compensation Committee considers the results of the annual Say-on-Pay vote, the long-term vision and strategic goals of the Company, input from management, input from its independent compensation consultant, and investor engagement feedback when setting compensation for our executives. In 2020, 96.5% of our shareholders voted in favor of our executive compensation programs.

Investor Alignment Topics	2020 Activities
Enhanced Human Capital Management Disclosure	We remain committed to providing robust HCM practices and disclosure. Each year, the Company provides HCM updates through our Sustainability Report, which describes both the development of our workforce and updates on diversity, equity, and inclusion. We have taken further steps to foster an inclusive Company culture by creating our Inclusion Advisory Board, led by our Chairman and CEO, and adding "Be Inclusive" to our GM Behaviors to continue to impact positive social change. For additional information on our HCM initiatives, see "Our People, Our Communities, and Our Environment" section on page 33 of this Proxy Statement.
Evaluation of ESG Performance	ESG performance continues to be a focus for the Company and our shareholders. The Compensation Committee factors ESG performance into strategic goals for each NEO. We identify ESG results with a green leaf in the "Our Company Performance" section on page 42 of this Proxy Statement and the "Performance Results and Compensation Decisions" section for individuals starting on page 57 of this Proxy Statement, which reflect our ongoing commitment to ESG performance outcomes.
Balanced Approach to Short-Term and Long-Term Plans	The 2020 STIP focuses leadership on driving strong profitability and cash flow, as well as evaluating individual performance to strategic goals. The 2020 LTIP focuses leadership on stock price appreciation and encourages sound capital investments. We continue to evaluate the external market and hold conversations with investors to ensure the competitiveness, appropriateness, and overall balance of the STIP and LTIP.
Appropriate Peer Group Selection	The Compensation Committee reviews recommendations from its independent compensation consultant annually to determine any additions or deletions to the peer group that is used for compensation comparisons. We ensure our peer group composition remains competitive and appropriate as we continue to transform the organization. All companies in the peer group have been included for at least five consecutive years. A full disclosure of our consistent approach and framework can be found in the "Peer Group for Compensation Comparisons" section on page 47 of this Proxy Statement.

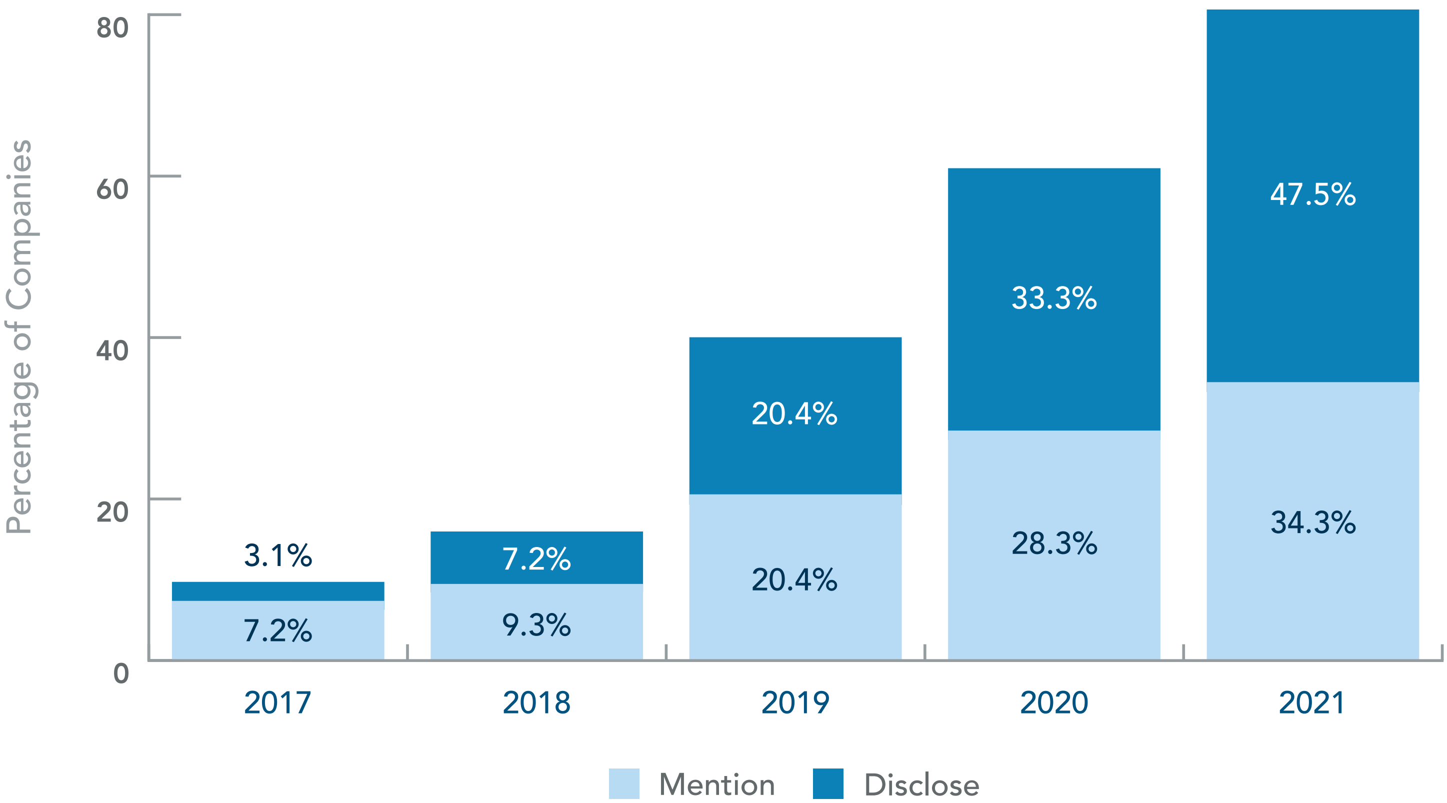
Figure 8 Board Evaluation Disclosure (Equilar 100)



Data Points

1. Nearly 97% of Equilar 100 companies either mentioned or disclosed their board evaluation processes in 2021 *(Fig. 8)*
2. The percentage of Equilar 100 companies disclosing their board evaluation processes has increased by 60.1% since 2017, reaching a peak of 72.7% in 2021 *(Fig. 8)*

Figure 9 ESG Disclosure (Equilar 100)



Data Points

1. The percentage of Equilar 100 companies disclosing or mentioning ESG-related policies rose from 10.3% in 2017 to 81.8% in 2021, highlighting the increased scrutiny surrounding ESG issues in recent years *(Fig. 9)*
2. 47.5% of Equilar 100 companies provided full disclosures on their ESG practices in 2021, a 42.6% increase from 2020 *(Fig. 9)*

Carolyn Frantz, Orrick Commentary

For many years, companies could satisfy shareholders on most ESG issues relatively easily. Often, just an acknowledgement that certain issues were important, and disclosing a very basic plan to address them, was enough.

Those days are behind us. Institutional investors have increased their sophistication on ESG issues, and have more specific expectations of companies, as well as a greater number of available tools to gather the information they desire. Shareholders can take advantage not only of current and expected SEC reporting requirements, they can make use of the increasing number of voluntary disclosures companies are making, including corporate social responsibility/ESG reports, sustainability accounting reporting and survey responses for ESG ratings providers.

Going into 2022, companies should take a step back and consider whether their voluntary disclosure strategy meets the needs of the company and its shareholders. Chasing ESG ratings and reporting to the widest variety of standards may be the easiest approach in the short term, but it is unlikely to address what is uniquely important about ESG at each company. Taking time to do a thoughtful ESG materiality assessment, and to consider what it means for the company's particular ESG program, is well worth the effort.

Ron Schneider, DFIN Commentary

Each company is at a different stage of their "ESG and reporting journey." I deliberately included the word "reporting" since, as with governance and compensation practices, companies may not get credit for having strong ESG practices and performance if they don't publicize them.

We should discuss "the message" as well as "the medium." Not every company initiates their reporting on the same topics or in the same location or document. Some start with website information about topics like corporate citizenship, employee health and safety, and community relations. Others may have some proxy highlights confirming that ESG and its oversight are priority topics receiving board level attention.

For many companies, the most challenging aspect is "getting started." Companies are faced with multiple "materiality standards" and "reporting languages" to select from and may be inundated with dozens or more surveys from ESG "ratings and ranking" firms. Each investor they speak with may highlight a different (though overlapping) set of priority issues.

In guiding our clients, we follow a five-step process including:

1. *Identifying what's material to the company and industry, taking a hybrid approach to materiality standards, and reviewing peer company disclosures to identify additional items investors may be accustomed to hearing about*
2. *Selecting the five to 10 material items they currently have data or "a good story" on and assemble that information*
3. *Condense these into three to five "thematic buckets" to lend cogency and clarity to what otherwise may seem like a hodge-podge of unrelated issues*
4. *This yields a "gap analysis" that companies can prioritize and assemble teams, and identify data sources and time frames to start closing these material information gaps*
5. *Draft content, along with design and iconography highlighting key tenets, pillars, and themes of the program*

The good news is that the above approach can be applied irrespective of the "output," whether it's initial proxy highlights, website information, a summary or full ESG or CSR report, as well as "fact sheets" aligning with the major materiality standards.

Remember that, whatever the format, investors are looking for material, quantitative, decision-useful information (and with the SEC planning to get more involved, let's add "auditable" to that list).

Also, "ESG strategy" should be aligned and part of "company strategy." The ideal endgame of a mature ESG program is for it to be endorsed at the board and C-suite level, ingrained in the company culture, imbued throughout all levels of the organization and operations, and ideally providing the company with a competitive advantage over less ESG-oriented companies.

Visa, Inc.

DEF 14A | Filed 12/3/20

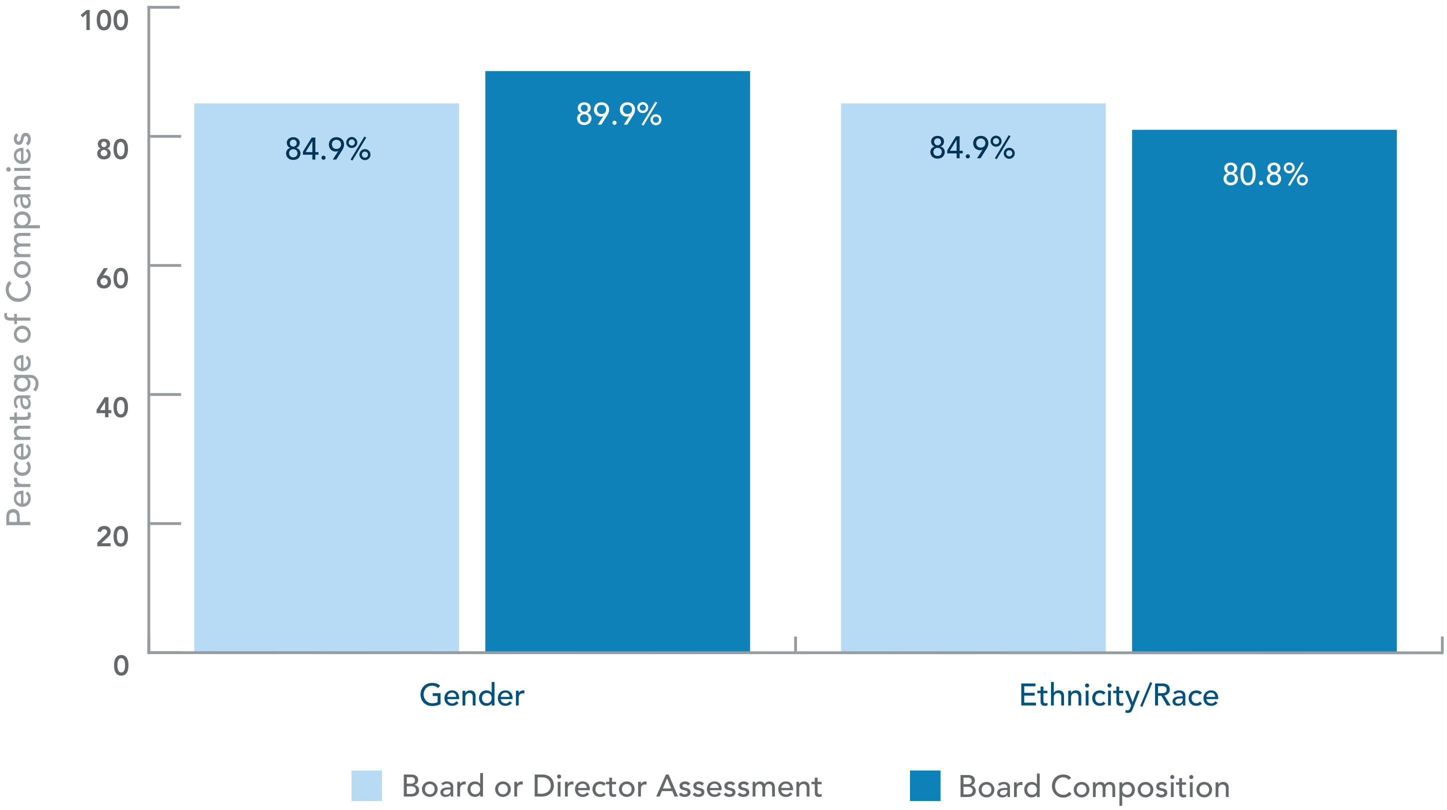
Given the heightened focus on environmental and social responsibility in the corporate governance sphere, many companies have elected to communicate their ESG practices in their proxy statements. Among those companies is Visa, who provides shareholders with a clear outline of their specific commitments and accomplishments related to ESG.

Key Focus Areas of ESG Strategy and Recent Progress

Our corporate responsibility and sustainability strategy focuses on priority issues in five areas, each informed by our materiality assessment and stakeholder engagement.

Focus Area	Recent Progress
Empowering People & Economies ▪ Small & Micro Businesses ▪ Unbanked & Underserved Individuals ▪ Community Support	✓ Digitally enabling 50M small/micro businesses worldwide through programs, solutions and partnerships ✓ Formed the Visa Economic Empowerment Institute focused on economic and societal issues ✓ Achieved our 2015 goal to provide 500M unbanked or underserved people with access to a Visa branded payment account by 2020 ✓ Committed $210M from the Visa Foundation for pandemic relief and longer-term small/micro business recovery ✓ Supported women's economic empowerment through new partnerships with iFundWomen and Hand in Hand International, our She's Next and She Trades initiatives, and our expanded sponsorship of women athletes, teams and sports events
Securing Commerce & Protecting Customers ▪ Payments Security ▪ Cybersecurity at Visa ▪ Consumer Privacy ▪ Transaction Integrity	✓ Highest rating in our sector from Gartner Consulting during our 2020 Cybersecurity program review ✓ Decreased overall payment fraud volume during an unprecedented volatility in spend patterns and active/creative fraud attacks ✓ Partnered across the payments ecosystem to share payment intelligence that identified and prevented fraud attacks worldwide ✓ Implemented the California Consumer Privacy Act (CCPA) and prepared for other pending privacy regulations ✓ Matured our Data Use Council and provided global training on data use principles
Investing in Our Workforce ▪ Employee Learning & Development ▪ Employee Engagement ▪ Inclusion & Diversity ▪ Employee Benefits ▪ Employee Safety	✓ Supported our employees during COVID-19 through expanded opportunities for remote work, specialized engagement initiatives, broadened childcare and benefit offerings, wellbeing investment/resources, and a commitment to no pandemic-related layoffs in 2020 ✓ Created a three-pronged approach to support racial equality including establishing a $10M Visa Black Scholars & Jobs program, ongoing education through a newly created Race Talks series, and increased reporting and tracking of diversity metrics through quarterly business reviews with the Executive Committee ✓ Represented by our Chairman and CEO on the board of directors of Catalyst, a non-profit focused on gender equity research and best practices ✓ Joined Gender and Diversity KPI Alliance (GDKA) to support measurement of gender and diversity progress ✓ Introduced the Visa Learning Hub, our new AI-powered platform for learning that brings together more than 80,000 resources from Visa and our world-class providers ✓ Hosted the second Visa Learning Festival dedicated to virtual learning focused on a growth mindset
Protecting the Planet ▪ Within Visa ▪ Sustainable Payments Ecosystem	✓ Transitioned to 100% renewable electricity across our offices and data centers ✓ Issued our inaugural $500M green bond to finance the transition to low-carbon operations and economy ✓ Launched with CPI Card Group the Earthwise high-content, upcycled payment card ✓ Advanced our sustainable living initiatives, including support of a 27-market study on Healthy & Sustainable Living, lead sponsorship of Netflix's "Down to Earth w/ Zac Efron" and participation in Travalyst (sustainable travel) and Brands for Good ✓ Participated in education and advocacy in support of climate change policy action
Operating Responsibly ▪ Corporate Governance ▪ Ethics & Compliance ▪ Human Rights ▪ Responsible Sourcing	✓ Recognized as a "Trendsetter" for the fifth consecutive year by the Center for Political Accountability for our disclosures related to corporate political contributions ✓ Expanded paid time off for voting in U.S. and joined the Time to Vote Coalition to support our employees in exercising their right to vote ✓ Maturing our business and human rights program, by completing our Human Rights Impact Assessment and ongoing involvement in the Centre for Sport & Human Rights ✓ Expanded supplier diversity program and continued implementation of Visa Supplier Code of Conduct

Figure 10 Board Composition Disclosures on Gender and Ethnicity/Race, 2021 (Equilar 100)



Data Points

1. In 2021, 89.9% of Equilar 100 companies included board composition disclosures related to gender, roughly nine percentage points higher than the 80.8% of companies that did the same for ethnicity or race *(Fig. 10)*
2. An equal percentage of companies included gender as a part of their board or director assessment process as those that included ethnicity or race—in both cases, 84.9% of the Equilar 100 *(Fig. 10)*

Ron Schneider, DFIN Commentary

There is increasing evidence that diverse boards, including gender and orientation, race, ethnicity, geography, and of experiences and competencies, can help reduce risk and improve decision making.

Companies that do not yet display desired levels of such board diversity, yet may be working towards it, can explain their board evaluation and director recruitment efforts in greater depth— what they are doing to achieve the desired diversity going forward.

As they then add greater diversity, they can tie that board refreshment to the above-described refreshment/recruitment process ("our process is working").

Investors have limited opportunity to meet CEOs and directors in person (particularly with greater use of remote/virtual investor and annual meetings), so "humanizing" them through the website and the proxy are desirable objectives. This includes robust, contextual board or executive cover letters, including their photos, as well as those of other board nominees. Some companies include group photos of the full board or committees—others have told us they plan to do so but have had limited opportunity to create them over the past two years.

In addition to the data points (gender, age, tenure, race, ethnicity) in the proxy, companies have for years been using a range of graphics to highlight diversity in its various dimensions. Some companies use maps of the world to highlight global/geographic (i.e., "passport") diversity.

To help connect the board to a company's brands, products and customers, we have helped some clients list "my favorite product" or something similar, under each nominee's bio.

We think this type of creative storytelling is a good thing, provided it highlights relevant aspects of diversity without lumping them into one overall "diversity bucket" that investors will want unpacked into its components.

At the same time, comparability does have its merits, and standardized formats like Nasdaq's recommended board diversity matrix can help as well—we think that both creative and standardized methods can and will co-exist.

Carolyn Frantz, Orrick Commentary

Shareholders, proxy advisors and ESG ratings providers will be best able to use and understand board diversity data that is clear and easy to compare across companies. As many companies have learned through the ESG ratings process, even if the underlying facts are excellent, if the information is not disclosed in a particular format, the truth can get lost. Given the benefits of a single approach, Nasdaq's tabular board diversity disclosure, which reflects the views of multiple stakeholders, will likely predominate. It will evolve as companies and shareholders give feedback based on experience, but as a first mover with substantial market presence, Nasdaq is well situated to become, and remain, the standard.

Even having a standard, however, will not eliminate controversy. How to define gender or membership in an underrepresented community can be difficult. Issues about requiring directors to self-identify certain characteristics can also be thorny. Finally, and most significantly, board diversity requirements will need to more fully address complex issues about what board diversity means for companies with non-U.S. headquarters or substantial non-U.S. presence. For now, Nasdaq will give more flexibility to foreign private issuers, but eventually, more standardization about what constitutes meaningful diversity globally will be required.

Intel Corporation

DEF 14A | Filed 3/30/21

Board diversity is among the most crucial corporate governance issues heading into 2022. As a result, a growing number of companies have chosen to disclose board composition data in the proxy. In this example, Intel provides a statistical overview of their board's composition, as well as a specific breakdown of each director's diverse characteristics.

Board Matrix

Listed below are the skills and experience that we consider important for our director nominees in light of our current business strategy and structure. The directors' biographies note each director's relevant experience, qualifications, and skills relative to this list.

Skills & Expertise

Experience	Gelsinger	Goetz	Henry	Ishrak	Lavizzo-Mourey	Liu	Smith	Weisler	Yeary
Senior Leadership	●	●	●	●	●		●	●	
Global/International	●		●	●		●	●	●	●
Industry and IT/Technical	●	●	●	●		●		●	
Financial Expertise							●	●	●
Human Capital	●			●	●		●	●	●
Operating and Manufacturing	●			●			●	●	
Sales, Marketing, and Brand Management	●		●	●					
Emerging Technologies and Business Models	●	●	●	●		●	●	●	●
Business Development and M&A	●	●		●		●	●	●	●
Cybersecurity/Information Security	●	●	●				●	●	
Government, Legal, and Regulatory					●				
Public Company Board	●	●		●	●	●	●	●	●

Background

Tenure/Age/Gender	Gelsinger	Goetz	Henry	Ishrak	Lavizzo-Mourey	Liu	Smith	Weisler	Yeary
Years on the Board	0	1	1	4	3	5	4	1	12
Age	60	55	50	65	66	57	54	53	57
Gender	M	M	F	M	F	F	M	M	M

Race/Ethnicity/Nationality	Gelsinger	Goetz	Henry	Ishrak	Lavizzo-Mourey	Liu	Smith	Weisler	Yeary
African American/Black					●				
Asian/South Asian				●		●			
White/Caucasian	●	●	●				●	●	●
Hispanic/Latino									
Native American									
Born Outside of the U.S.				●			●	●	

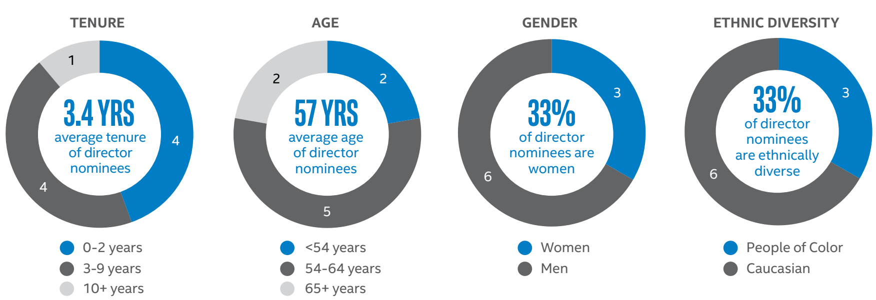
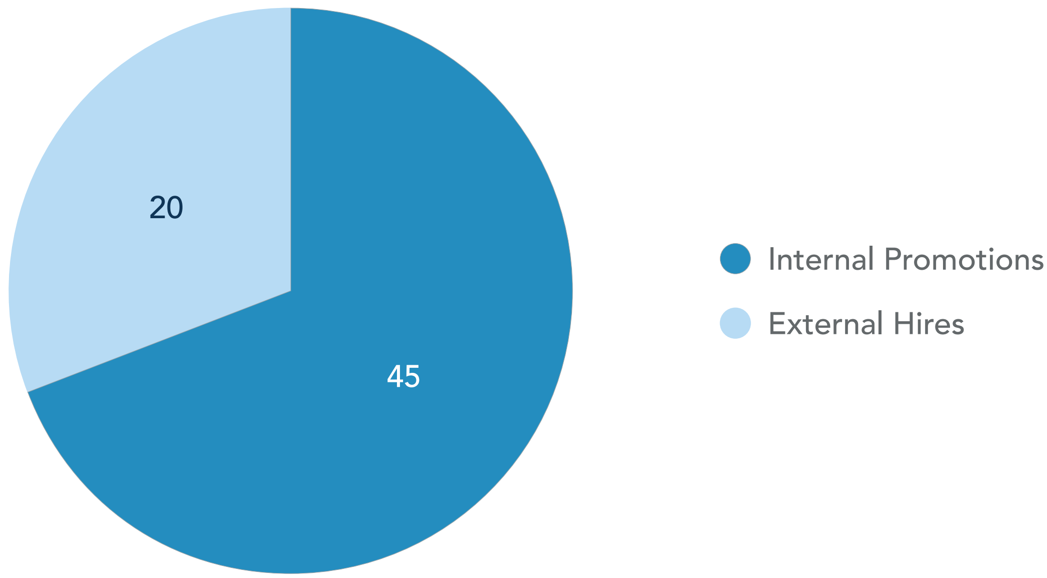


Figure 11 CEO Transitions in 2021 (Equilar 500)



Data Points

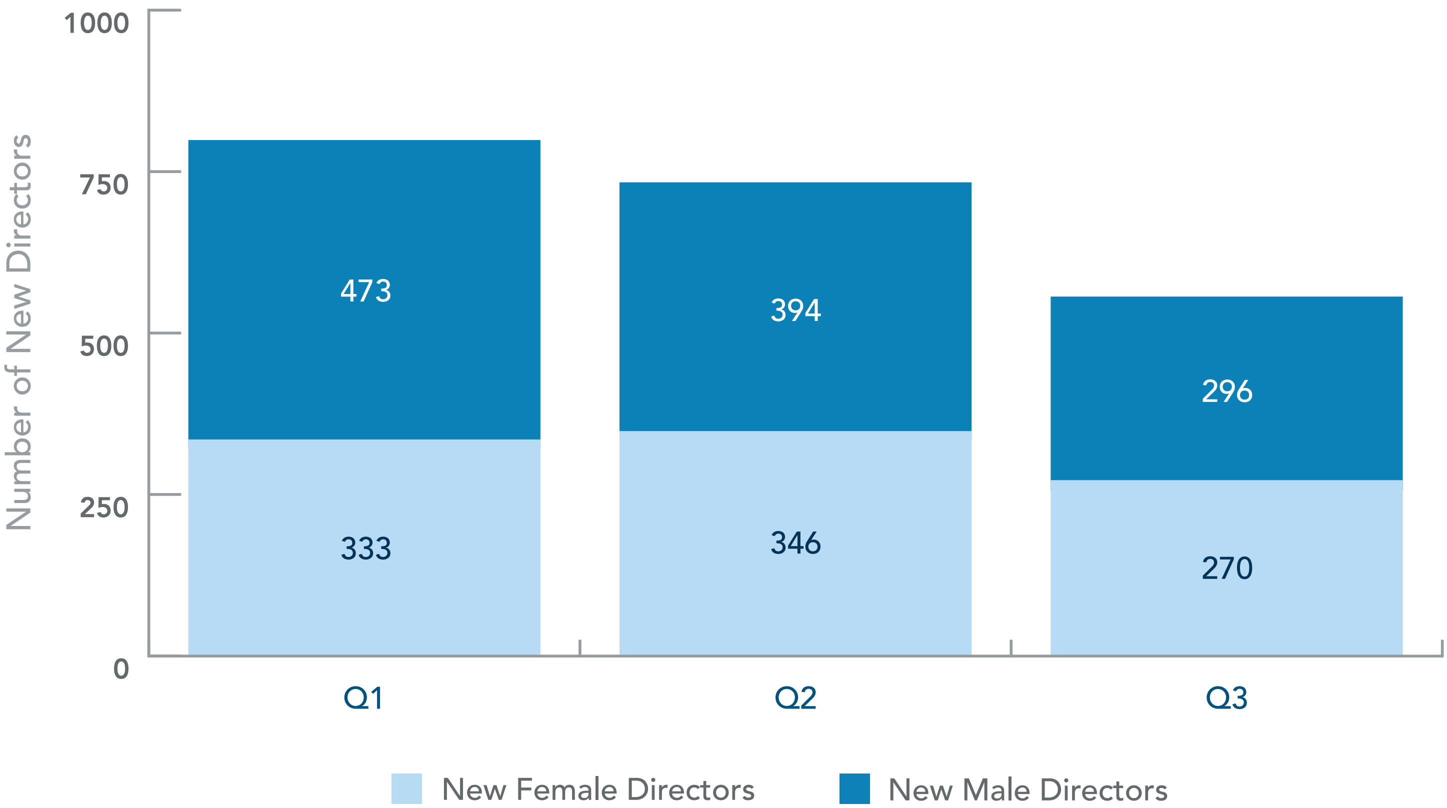
1. There were 65 CEO transitions at Equilar 500 companies in 2021 *(Fig. 11)*
2. Among the 65 newly appointed CEOs, 30.8% were external hires and 69.2% were internal promotions *(Fig. 11)*

Carolyn Frantz, Orrick Commentary

Succession planning for CEOs and other key executives is one of the most important tasks for the board, though it can also be one of the hardest ones. For companies to stay ahead of these issues requires clear governance processes for addressing it. Succession planning for top executives should follow a documented plan, the existence of which should be disclosed to shareholders. The plan should routinize succession planning, following clearly articulated responsibilities for relevant committees and a regular cadence of board review. Boards and committees should consider including in their regular review process 1) the creation and refinement of criteria for a successful candidate; 2) advice from recruiters who can help assess the availability and desirability of external candidates; as well as 3) executive sessions without management present to allow candid discussion. Board or committee chairs would also be well served to discuss these issues one on one with other directors to ensure unpopular views can be aired. Depending on the circumstances, opening a dialogue between the chair and potential internal candidates, even long-term ones, can help identify issues and opportunities, and decrease risks.

Holding the CEO and other top leaders accountable for succession planning in their annual performance reviews can also help ensure that they are doing the work needed to prepare realistic successors. Boards that model healthy refreshment practices themselves will have more credibility in asking for the same from management.

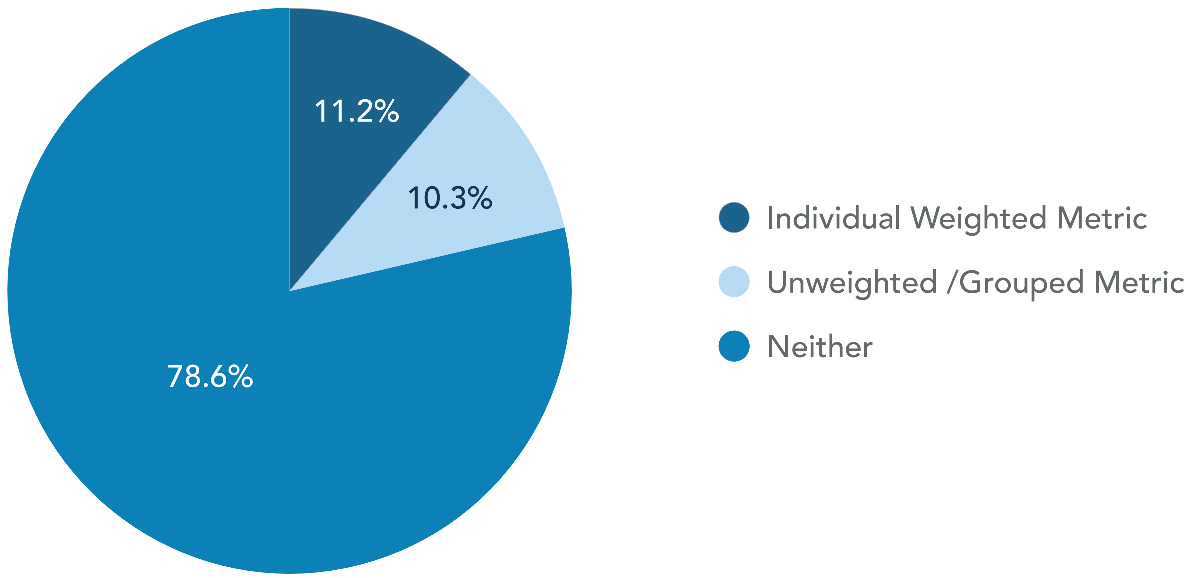
Figure 12 Prevalence of New Female Directors Through Q3 2021 (Russell 3000)



Data Points

1. Of the 2,112 new directors appointed through the end of Q3 2021, 949, or 44.9%, were women *(Fig. 12)*
2. Nearly 48% of new directors appointed during Q3 were women, the highest quarterly percentage for 2021 *(Fig. 12)*

Figure 13 Companies With Annual Bonus ESG Metrics in 2021 (Equilar 500)



Data Points

1. During 2021, 21.5% of Equilar 500 companies elected to tie executive bonuses to an ESG-related metric, with 10.3% choosing an unweighted or group metric and 11.2% selecting an individual weighted metric *(Fig. 13)*
2. Despite mounting public attention on ESG issues, the vast majority of companies, 78.6%, elected not to tie an ESG metric to annual executive bonuses *(Fig. 13)*

J.T. Ho, Orrick Commentary

Including ESG metrics in executive incentive compensation programs can help to focus management on ESG issues. But companies should be careful to select only metrics that are important to a company's long-term success to avoid the perception of window dressing or a method to inflate executive pay. Companies should also focus on areas where data is available, reliable and well understood, to facilitate rigorous goal setting and ensure pay results are reliable and defensible. For these reasons, many companies have chosen human capital metrics (in particular, those related to diversity, equity and inclusion) because of their importance and because they are typically already subject to robust data practices. When using these metrics, companies should also consider whether they should be company-wide, or tied to a particular executive's business unit or area of responsibility. While most companies only include ESG metrics in their short-term incentive plans, an increasing number of companies are incorporating them into their long-term plans.

Companies can also incentivize management to take action on ESG issues by incorporating ESG into their business plans and strategies, and regularly reporting on key ESG metrics to the board and relevant committees.

Closing Thoughts

Ron Schneider, DFIN Commentary

- *Be aware of disclosures that may be considered "green-washing." Do your actions support your words?*
- *Are your various documents harmonized, both in branding/design but also in messaging?*
- *Does your proxy need a refresh or even a re-write? If you primarily "mark it up" each year, has that led to retaining too much legacy disclosure that may no longer be material or necessary?*
- *Do you review your peer company disclosures on a regular basis? Rating agencies and proxy advisors often evaluate companies relative to peers, and if your peers are evolving around you, "standing still" isn't really an option.*
- *Do you engage with investors on a regular basis (or at least make the effort) and if so, do you adequately disclose those efforts to those you don't engage with know that it is a meaningful practice?*

Orrick Commentary

A theme of 2022 will be the integration of ESG efforts across the company. Traditionally for many companies, components of ESG have been siloed among different business units but as we have come to see, an integrated approach is necessary to effectively address the concerns of investors, customers, employees and other stakeholders, and mitigate potential legal risks.

Governance professionals will also find their own roles changed. Traditionally, corporate secretaries and their teams have operated largely independently of the rest of the company. Few others took an interest in governance. As ESG efforts bring different groups in the company together, governance professionals will not only have a pivotal role in creating and implementing broader company ESG strategy, but will also have more opportunities to collaborate cross-company on governance itself. We anticipate that this will lead to exciting governance innovations in the years ahead.

About the Contributor | DFIN

Donnelley Financial Solutions (DFIN) is a leading global risk and compliance solutions company. We provide domain expertise, enterprise software and data analytics for every stage of our clients' business and investment lifecycles. Markets fluctuate, regulations evolve, technology advances, and through it all, DFIN delivers confidence with the right solutions in moments that matter. Learn about DFIN's end-to-end risk and compliance solutions online at DFINsolutions.com or you can also follow us on Twitter @DFINSolutions or on LinkedIn.

Additional proxy disclosure examples, similar to those found in this publication, can be found in DFIN's Guide to Effective Proxies, 9th edition: www.proxydocs.com/xDFINx

Ronald M. Schneider

Director, Corporate Governance Services
Donnelley Financial Solutions (DFIN)

Ron joined DFIN as Director of Corporate Governance Services in April 2013. He is responsible for providing thought leadership on emerging corporate governance, proxy and disclosure issues.

Over the past four decades, Ron has advised senior management, the C-suite and boards of public companies of all sizes, industries and stages of growth facing investor activism, as well as challenging and sensitive proxy solicitations involving corporate governance, compensation and control issues.

His primary recent focus has been helping companies conduct engagement programs with their top institutional investors with the objective of identifying and addressing investor concerns through best practices in proxy disclosure.

At DFIN, Ron works closely with clients and our firm's sales and service teams to identify and implement appropriate changes to proxy statement design, content and navigation that fit each client's unique corporate culture and proxy-related objectives.

During his career he has managed more than 1,600 proxy solicitations, 200 tender or exchange offers and 30 proxy contests, with his proxy fight clients succeeding in over 70% of such situations.

Ron earned a B.A. in Economics from Princeton University.

About the Contributors | orrick

We focus on serving the Technology & Innovation, Energy & Infrastructure and Finance sectors globally. Clients worldwide call on our teams for forward-looking commercial advice on transactions, litigation and compliance matters. We bring distinctive quality, teamwork and value to the table—and innovate in everything we do.

www.orrick.com

Carolyn Frantz

Senior Counsel
Orrick

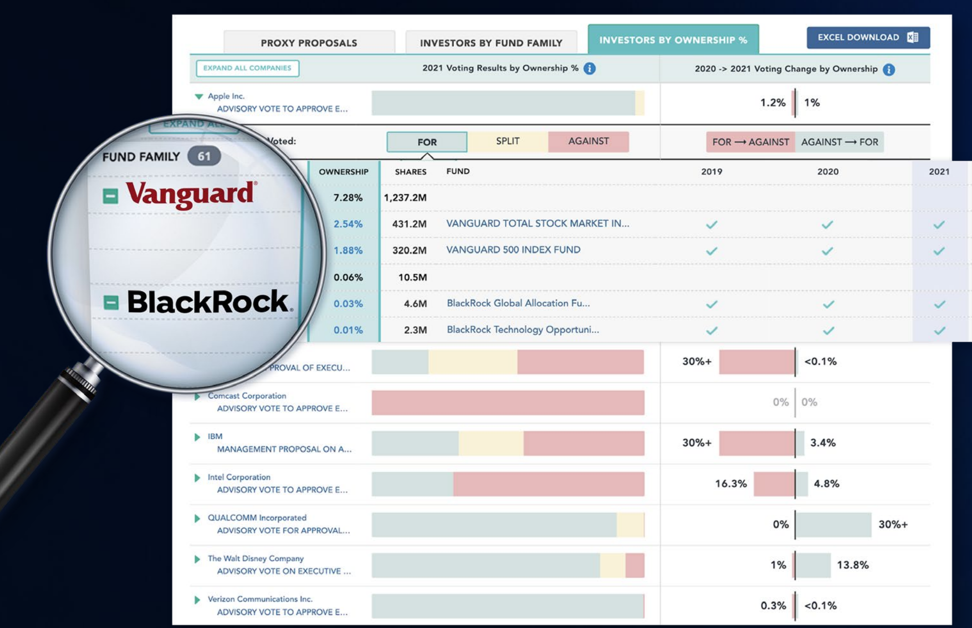
The former corporate secretary and head of the Corporate Legal Group at Microsoft, as well as a long-time litigator, Carolyn Frantz helps clients address a range of legal issues, including those related to corporate governance, ESG, and public policy. She has been providing corporate governance support to Starbucks since May 2020, gaining insight into the business and developing working relationships with the senior team.

J.T. Ho

Partner
Orrick

Justin “J.T.” Ho advises companies in the areas of corporate governance, securities law compliance, executive compensation and ESG. He has significant experience advising public companies on the proxy advisor, institutional investor, and disclosure issues that arise in connection with corporate governance, executive compensation and ESG matters, and on developing effective governance frameworks focused on long-term value creation.

Effectively Analyze the Voting Patterns of Your Institutional Investors



2021 Results Are Now Available

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- Discover how your top investors by ownership stake voted on proposals
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For more information visit
www.equilar.com/proxy-voting-results

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