Director Overboarding Policies Summary

(As of April 2022)

The chart below summarizes the director overboarding policies of proxy advisory firms Glass Lewis and Institutional Shareholder Services (ISS), as well as several large institutional investors and asset managers.

- In the following table, unless otherwise noted, negative votes/recommendations for CEOs and other directors serving as public company executives will apply only at outside boards.
- All policies are phrased slightly differently and may apply differently to the same director; please see endnotes for full policy details.
- Except as otherwise noted, the number noted in “maximum number of public company boards” for public company CEOs or other executives includes the executive’s own board and policies may apply differently for those not serving on their own board.

	Maximum Number of Public Company Boards Before a Director is Considered Overboarded			
Institution Name	**Public Company CEO**	**Public Company Executive Officer**	**Non-Executive Director**	**Notable Features**
AllianceBernstein[1]	2	N/A	3	• Limit of 1 public company board seat for sitting CEOs of companies other than the company under consideration
BlackRock[2]	2	2	4	—
CalPERS[3]	2	2	4	—
CalSTRS[4]	2	N/A	4	• Lower limit applies only to public company CEOs; silent on other public company executives
Fidelity[5]	3	N/A	N/A	• Limit applies only to public company CEOs; silent on other public company executives and non-executive directors

	Maximum Number of Public Company Boards Before a Director is Considered Overboarded			
Institution Name	Public Company CEO	Public Company Executive Officer	Non-Executive Director	Notable Features
Glass Lewis[6]	2	2	5	• Mitigating facts and effective disclosure can avoid negative recommendations (see endnotes) • Glass Lewis also has limits on audit committee service (see endnotes)
Goldman Sachs[7]	3	N/A	5	• Lower limit applies only to public company CEOs; silent on other public company executives
ISS[8]	3	N/A	5	• Lower limit applies only to public company CEOs; silent on other public company executives
JPMorgan[9]	3	N/A	4	• Lower limit applies only to public company CEOs; silent on other public company executives
Legal & General[10]	2	N/A	4	• Independent board chair roles count as two roles
Norges Bank[11]	Not specified	Not specified	5	• Catchall for directors who “[have] too many board or management roles to fulfil effectively his or her responsibilities at the company” • Voting policy also includes a limit of two board chair roles
Northern Trust [12]	2	N/A	4	• Lower limit applies only to public company CEOs; silent on other public company executives
NYC Comptroller[13]	3	N/A	4	• Lower limit applies only to public company CEOs; silent on other public company executives
State Street[14]	2	2	4	• Lower limit of 3 applies to board chairs and lead independent directors
T. Rowe Price[15]	2	N/A	5	• Lower limit only applies to public company CEOs; silent on other public company executives
Vanguard[16]	2	2	4	• Lower limit applies to public company CEOs and NEOs • Mitigating facts and effective disclosure can avoid withhold/against votes (see endnotes)

[1]From AllianceBernstein's Proxy Voting and Governance Policy (dated March 2022):

General Rule: "AB currently votes against the appointment of directors who occupy, or would occupy following the vote: four (4) or more total public company board seats for non-CEOs, three (3) or more total public company board seats for the sitting CEO of the company in question and two (2) or more total public company board seats for sitting CEOs of companies other than the company under consideration. We may also exercise flexibility on occasions where the "over-boarded" director nominee's presence on the board is critical, based on company specific contexts in absence of any notable accountability concerns."

[2]From BlackRock's Proxy Voting Guidelines for U.S. Securities (effective as of January 2022):

General Rule: "Where a director serves on an excessive number of boards, which may limit their capacity to focus on each board's needs, we may vote against that individual. The following identifies the maximum number of boards on which a director may serve, before BIS considers them to be over-committed:

	Public Company Executive	# Outside Public Boards[1]	Total # of Public Boards
Director A	✓	1	2
Director B[2]		3	4

[1] In addition to the company under review.
[2] Including fund managers whose full-time employment involves responsibility for the investment and oversight of fund vehicles, and those who have employment as professional investors and provide oversight for those holdings."

[3]From CalPERS' Proxy Voting Guidelines (dated March 2022):

General Rule: "We will withhold votes from directors who serve on an excessive number of boards. Directors are considered overboarded in the following instances: The director is a non-executive director who serves on more than four public boards. The director is an executive director who services on more than two public boards. In such cases, we will not withhold from the directors at the company where the director holds the executive position."

[4]From CalSTRS' Corporate Governance Principles (dated January 27, 2021):

General Rule: "Generally, CalSTRS believes that CEOs should not serve on more than one other public board and directors should not serve on more than four public boards."

[5]From Fidelity's Proxy Voting Guidelines (dated February 2022):

General Rule: "Fidelity will evaluate board composition and generally will oppose the election of certain or all directors if, by way of example:…[t]he director is a public company CEO who sits on more than two unaffiliated public company boards."

[6]From Glass Lewis's 2022 Policy Guidelines for the United States:

General Rule: "[W]e generally recommend that shareholders vote against a director who serves as an executive officer of any public company while serving on more than two public company boards and any other director who serves on more than five public company boards. Because we believe that executives will primarily devote their attention to executive duties, we generally will not recommend that shareholders vote against overcommitted directors at the companies where they serve as an executive."

Disclosure Mitigation: "When determining whether a director's service on an excessive number of boards may limit the ability of the director to devote sufficient time to board duties, we may consider relevant factors such as the size and location of the other companies where the director serves on the board, the director's board roles at the companies in question, whether the director serves on the board of any large privately-held companies, the director's tenure on the boards in question, and the director's attendance record at all companies. In the case of directors who serve in executive roles other than CEO (e.g., executive chair), we will evaluate the specific duties and responsibilities of that role in determining whether an exception is warranted."

"We may also refrain from recommending against certain directors if the company provides sufficient rationale for their continued board service. The rationale should allow shareholders to evaluate the scope of the directors' other commitments, as well as their contributions to the board including specialized knowledge of the company's industry, strategy or key markets, the diversity of skills, perspective and background they provide, and other relevant factors. We will also generally refrain from recommending to vote against a director who serves on an excessive number of boards within a consolidated group of companies or a director that represents a firm whose sole purpose is to manage a portfolio of investments which include the company."

Audit Committee Rule: "[W]e will consider recommending that shareholders vote against the following:…[a]ny audit committee member who sits on more than three public company audit committees, unless the audit committee member is a retired CPA, CFO, controller or has similar experience, in which case the limit shall be four committees, taking time and availability into consideration including a review of the audit committee member's attendance at all board and committee meetings."

"Glass Lewis may exempt certain audit committee members from the above threshold if, upon further analysis of relevant factors such as the director's experience, the size, industry-mix and location of the companies involved and the director's attendance at all the companies, we can reasonably determine that the audit committee member is likely not hindered by multiple audit committee commitments."

SPAC Director Rule: "[W]e generally recommend that shareholders vote against a director who serves in an executive role only at a SPAC while serving on more than five public company boards."

[7]From GSAM's Policies, Procedures and Guidelines for GSAM Global Proxy Voting, 2022 Edition (dated March 2022):

General Rule: "Vote AGAINST or WITHHOLD from individual directors who:…[s]it on more than five public company boards; [a]re CEOs of public companies who sit on the boards of more than two public companies besides their own--withhold only at their outside boards."

[8]From ISS's United States Proxy Voting Guidelines (Effective for Meetings on or after February 1, 2022):

General Rule: "Generally vote against or withhold from individual directors who: [s]it on more than five public company boards; or [a]re CEOs of public companies who sit on the boards of more than two public companies besides their own—withhold only at their outside boards."

Subsidiary Rule: "Although all of a CEO's subsidiary boards with publicly-traded common stock will be counted as separate boards, ISS will not recommend a withhold vote for the CEO of a parent company board or any of the controlled (>50 percent ownership) subsidiaries of that parent but may do so at subsidiaries that are less than 50 percent controlled and boards outside the parent/subsidiary relationships."

[9]From JPMorgan's Global Proxy Voting Guidelines (dated April 2022):

General Rule: "Votes generally will be WITHHELD from directors who:…are CEOs of publicly-traded companies who serve on more than two public boards (besides his or her own board) and all other directors who serve on more than four public company boards."

[10]From Legal & General's Corporate Governance and Responsible Investment Policy: North America 2021 (dated March 2021):

General Rule: "... LGIM expects that a full-time CEO at a large public company should not undertake more than one other non-executive directorship at an unrelated listed company. This is especially important in this market as many company chair and CEO roles remain combined. For non-executive directors, LGIM would expect individuals to hold no more than four public company board roles."

Independent Board Chair Rule: "LGIM considers an independent board chair role to count as two roles due to the extra complexity, oversight and time commitment that it involves."

[11]From Norges Bank's Global Voting Guidelines (dated 2021):

General Rule and Board Chair Rule: "At a company in developed markets, we will not support the election of a director who sits on more than five boards, holds more than two board chairs, or otherwise has too many board or management roles to fulfil effectively his or her responsibilities at the company."

[12]From Northern Trust's Proxy Voting Policies, Procedures and Guidelines (dated December 15, 2019):

> **General Rule:** "Northern Trust generally votes against a director nominee if it is a CEO who sits on more than two public boards or a non-CEO who sits on more than four public boards."

[13]From NYC Comptroller's Corporate Governance Principles and Proxy Voting Guidelines (dated April 2016, amended February 2019):

> **General Rule:** "The Systems generally consider any director nominee who serves on more than a total of four public company boards to be over-boarded. If the director nominee is a chief executive officer of a public company, the Systems generally withhold support from the director's nomination to boards other than the company where the individual serves as chief executive, if the nominee serves on more than a total of three public company boards."

[14]From State Street's Proxy Voting and Engagement Guidelines: North America (dated March 2022):

> **General Rule:** "When voting on the election or re-election of a director, we also consider the number of outside board directorships a non-executive and an executive may undertake. Thus, State Street Global Advisors may take voting action against a director who exceeds the number of board mandates listed below:
>
> - Named Executive Officers (NEOs) of a public company who sit on more than two public company boards
> - Non-executive board chairs or lead independent directors who sit on more than three public company boards
> - Director nominees who sit on more than four public company boards"
>
> **Waiver of General Rule:** "For non-executive board chairs/lead independent directors and director nominees who hold excessive commitments, as defined above, we may consider waiving our policy and vote in support of a director if a company discloses its director commitment policy in a publicly available manner (e.g., corporate governance guidelines, proxy statement, company website). This policy or associated disclosure must include:
>
> - A numerical limit on public company board seats a director can serve on
>   - This limit cannot exceed our policy by more than one seat
> - Consideration of public company board leadership positions (e.g., Committee Chair)
> - Affirmation that all directors are currently compliant with the company policy
> - Description of an annual policy review process undertaken by the Nominating Committee to evaluate outside director time commitments
>
> If a director is imminently leaving a board and this departure is disclosed in a written, timebound and publicly-available manner, we may consider waiving our withhold vote when evaluating the director for excessive time commitments."
>
> **SPAC Director Rule:** "Service on a … Special Purpose Acquisition Company (SPAC) board is not considered when evaluating directors for excessive commitments. However, we do expect these roles to be considered by nominating committees when evaluating director time commitments."

See also **State Street's** Guidance on Managing Director Time Commitments (dated January 2022).

[15]From T. Rowe Price's Proxy Voting Guidelines (dated March 2022):

> **General Rule and Board Chair Rule:** "[Vote] AGAINST individual directors in the following cases:…Any director who exhibits such a high number of board commitments overall that it causes concerns about the director's effectiveness at any one of the companies. A director's portfolio of private company board seats is a secondary consideration. Specifically, concerns about overboarding arise with: [a]ny director who serves on more than five public company boards; or [a]ny director who is CEO of a publicly traded company and serves on more than one additional public board."

[16]From Vanguard's Proxy Voting Policy for U.S. Portfolio Companies (effective March 1, 2022):

> **General Rule:** "A fund will generally vote against any director who is a named executive officer (NEO) and sits on more than two public boards. The two boards could comprise either the NEO's "home board" plus one outside board or two outside boards if the NEO does not serve on their home board. If an NEO sits on more than two public boards, a fund will typically vote against the nominee at each company where they serve as a nonexecutive director, but not at the company where they serve as an NEO."

“A fund will also generally vote against any director who serves on five or more public company boards. In that instance, the fund will typically vote against the director at each of these companies except the one where they serve as board chair or lead independent director.”

Possible Exceptions: “In certain instances, a fund will consider voting for a director who would otherwise be considered overboarded under the standards above because of company-specific facts and circumstances. This includes indications that the director will have sufficient capacity to fulfill their responsibilities and/or a review of the full board’s skill and diversity composition. In addition, a fund may vote for an overboarded director if the director has publicly committed to stepping down from the other directorship(s) necessary to fall within the thresholds listed above.”

Governance Practices Policy and Disclosure: “Looking ahead, the Vanguard funds will look for portfolio companies to adopt good governance practices regarding director commitments, including an overboarding policy and disclosure of the board’s oversight of the implementation of that policy.”