



# GLASS LEWIS

## Policies and Procedures for Managing and Disclosing Conflicts of Interest

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## **CONFLICT OF INTEREST STATEMENT**

Glass Lewis understands and takes seriously the potential for conflicts of interest to affect the independence and integrity of its research and analysis. Accordingly, Glass Lewis has always taken a rigorous approach to avoiding, mitigating and disclosing potential conflicts.

Proxy research providers, like many companies, may face conflicts in conducting their business. In the case of proxy advisors, potential conflicts generally fall into three categories: (i) business relationships, such as selling Proxy Paper research reports to asset manager divisions of public companies; (ii) personal, such as where an employee of the proxy advisor or one of their relatives is an employee or board member of a public company; or (iii) organizational, such as an affiliation or interest of any of the proxy advisor's owners.

Given the scope of Glass Lewis' services and business operations, situations inevitably arise in which a real or perceived conflict arises. When such situations are potentially material to assessing the objectivity of its research and advice, Glass Lewis employs rigorous safeguards and mitigation measures. Glass Lewis also provides prominent disclosure of such potential conflicts on the cover of the relevant Proxy Paper research report to notify clients, and any other parties with access to the report, of the issue at the same time they review the research, analysis and voting recommendations contained therein.

Glass Lewis' Compliance Committee — comprised of Glass Lewis' President; Chief Operating Officer; Senior Vice President of Research and Engagement; Senior Vice President and General Counsel; Vice President of Human Resources; and Director of Compliance — has primary responsibility for ensuring that all potential conflicts are addressed in a timely manner.

In addition, Glass Lewis is a signatory to the Best Practice Principles for Providers of Governance Research & Analysis, which, among other things, requires signatories to have and publicly disclose a conflicts-of-interest policy that details their procedures for avoiding or addressing potential or actual conflicts of interest that may arise in connection with the provision of services. A copy of Glass Lewis' Statement of Compliance to the Principles is available on Glass Lewis' corporate website (<https://www.glasslewis.com/best-practices-principles/>).



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## **CONFLICT OF INTEREST POLICIES AND PROCEDURES**

### **I. Introduction**

Glass Lewis takes seriously its responsibility to identify and manage circumstances that may give rise to actual or perceived conflicts of interest. In addition, Glass Lewis recognizes that some of its clients have regulatory responsibilities to review Glass Lewis' policies and procedures for managing conflicts in connection with their retention of Glass Lewis as their proxy advisor. These policies and procedures have been established by Glass Lewis to ensure the objectivity of its proxy research and vote recommendations, as well as the integrity of the proxy votes it casts on behalf of its institutional clients.

Glass Lewis' Compliance Committee is the main body in charge of recognizing conflict situations and taking measures to manage them appropriately. This includes drafting, analyzing, discussing, and monitoring Glass Lewis policies and procedures for the identification, management, and disclosure of potential conflicts. The Compliance Committee meets quarterly and on an ad hoc basis, as necessary.

### **II. Identifying Potential Areas of Conflict**

During its meetings, the Compliance Committee reviews and considers whether any changes are needed to Glass Lewis' policies on conflicts of interest; identifies and addresses conflicts of interest if and when they emerge; and regularly reevaluates all potential emerging areas of conflict that should be addressed.

Most of the potential conflicts Glass Lewis faces can be mitigated or managed effectively based on the firm's standards and procedures (see Section III below). In instances where Glass Lewis believes, based on the relevant facts and circumstances, that it has a significant actual, potential, or perceived conflict, it makes prominent disclosure in the relevant Glass Lewis Proxy Paper research report (see Section IV below).

### **III. Mitigating and Managing Potential Conflicts**

Glass Lewis employs both general safeguards that apply across its business and specific safeguards that operate when certain relationships or other situations occur to mitigate and manage potential conflicts.

#### **A. General Safeguards**

Glass Lewis' general conflicts safeguards include:

- **Training.** All research analysts and operations team members are trained, on an annual basis and promptly after any policy updates are made by Glass Lewis' Compliance Committee, to identify and manage conflicts of interest in accordance with Glass Lewis policies and procedures.



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- ***Strict Use of Publicly Available Sources.*** Glass Lewis analyses and recommendations are based solely on publicly available information. Under no circumstance does Glass Lewis develop its research or make vote recommendations based on non-public information.
- ***Review, Editing and Publication Process.*** Glass Lewis' Proxy Paper research reports undergo a multi-level review and editing process prior to publication. As part of the pre-publication process, senior members of the Glass Lewis research team review high-profile reports and those with unique issues. Moreover, the authority to publish Glass Lewis Proxy Paper research reports, thereby making them available to clients, is limited based on the issues covered in the report as well as the analyst's specialty, seniority and expertise.
- ***Policy Guideline Formulation and Adherence.*** In order to ensure that Glass Lewis research remains objective and current, and maintains the highest level of quality, the Glass Lewis Research Advisory Council ("RAC") reviews the Glass Lewis house policy guidelines and provides feedback on key corporate governance issues and regulatory developments. The Glass Lewis RAC - an independent external group of prominent industry experts - ensures that Glass Lewis' house proxy voting policies are comprehensive, well-reasoned, and reflective of current global governance and regulatory practices and developments. The RAC also helps Glass Lewis ensure that its research maintains an independent perspective. The RAC includes experts in the fields of corporate governance, finance, law, management, investments, and accounting as detailed on Glass Lewis' corporate website (<https://www.glasslewis.com/leadership-2/>).
- ***Policy-based Approach.*** Glass Lewis adheres to its house policy guidelines or its clients' custom voting policies when making its vote recommendations. Glass Lewis publishes its house policy guidelines on Glass Lewis' corporate website (<https://www.glasslewis.com/guidelines/>). All guidelines are open year-round to public comment and informed by feedback from market participants.
- ***Process for Unforeseen Conflicts.*** If an unforeseen conflict requires treatment in a manner different than under Glass Lewis' established policies and procedures, the Compliance Committee will develop and implement appropriate alternate measures up to and including having Glass Lewis refrain from writing a Proxy Paper research report on a particular company or meeting. In such a case, Glass Lewis would procure a substitute research report for clients from an alternative, qualified provider.

## **B. Specific Safeguards**

In addition to its general conflicts safeguards, Glass Lewis has developed and applies case-specific conflict management policies and procedures to the business relationship, personal and organizational situations that arise in its work and may present conflicts.



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## 1) Business Relationships

As part of carrying out its work, Glass Lewis interacts with and has formal or informal business relationships with a variety of organizations, including, among others, public companies, shareholder proponents, vendors and, of course, its institutional investor clients. Glass Lewis recognizes that, depending on the relevant facts and circumstances, these relationships may cause real or perceived conflicts of interest and is committed to managing and fully disclosing any such conflicts. To that end, Glass Lewis has adopted the safeguards and disclosure practices below for the recurring types of business relationships that could present conflicts in the course of its work.

### a) Engagement with Public Companies

Glass Lewis engages with public companies through a number of programs. As detailed below, these programs have been carefully designed to enhance Glass Lewis' ability to produce robust, informed research and analyses for its clients, while safeguarding the independence and integrity of its work.

- **Engagement Meetings.** Glass Lewis believes that discussions with public companies and their representatives, at the appropriate time, foster mutual understanding and promote better disclosure. As a precaution, however, Glass Lewis postpones any engagement meetings until after the solicitation period has ended, with the exception noted below. Glass Lewis takes this precaution because allowing a public company, director, dissident shareholder, and/or shareholder proposal proponent to meet with its research analysts during the solicitation period may lead to discussions about the proxy, thereby providing an opportunity to lobby Glass Lewis for a change in policy or a specific recommendation against management.

Glass Lewis applies somewhat different criteria in the atypical circumstances of a dissident campaign or M&A transaction. In such cases, Glass Lewis does not actively reach out to its clients or other institutional investors to solicit their views or opinions. Glass Lewis may, however, in response to unsolicited, inbound requests, agree to meet with the dissident or the other party to the M&A transaction during the solicitation period when it believes it will better inform its analysis and voting recommendations to be used by its clients, but only if the public company is afforded the same opportunity. These meetings can provide Glass Lewis analysts useful context given the unusual volume and timing of disclosures made during the solicitation period of these extraordinary shareholder meetings. In neither of these instances does Glass Lewis charge a fee to participate.

Glass Lewis' engagement policy is available on Glass Lewis' corporate website (<https://www.glasslewis.com/engagement-policy/>).



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- **Issuer Data Report (IDR).** To enhance the accuracy and reliability of its Proxy Paper research reports, Glass Lewis offers public companies in many markets the ability to receive free access to key data points that will be used in their Proxy Paper research report. This review process enables companies to notify Glass Lewis of any factual mistakes in the publicly-available data collected from the public companies themselves, as well as from third-party sources, prior to Glass Lewis completing and publishing its analysis and vote recommendations for its institutional investor clients. The IDR service is available to all public companies that sign up for the IDR prior to releasing their proxy materials for the relevant meeting. Additional information on the IDR is available on Glass Lewis' corporate website (<https://www.glasslewis.com/issuer-data-report/>).
- **The Report Feedback Statement (RFS).** The RFS service provides public companies and shareholder proponents the ability to express their differences of opinion with Glass Lewis' analysis, and then have those comments delivered electronically to individuals who subscribe to Glass Lewis' research and voting services. When Glass Lewis provides an RFS to its clients, it is done in a way that distinguishes the RFS from Glass Lewis' analysis and the RFS is clearly marked as the company's statement. Additional information on the RFS service is available on Glass Lewis' corporate website (<https://www.glasslewis.com/report-feedback-statement-service/>).
- **Proxy Talks.** In the event that a public company, director, dissident shareholder, or a shareholder proponent is interested in presenting its views on a relevant subject during the solicitation period, Glass Lewis may set up a teleconference forum for a discussion on particularly controversial topics and will invite all of its clients to participate and, as appropriate, pose questions. Glass Lewis records these forums and makes the recordings available on its corporate website. Glass Lewis believes that conducting the debate in an open forum promotes transparency and eliminates concerns as to privileged access to information. Additional information on Proxy Talks is available on Glass Lewis' corporate website (<https://www.glasslewis.com/propose-proxy-talk/>).

While these interactions and relationships do not necessarily present conflicts that would be material to assessing the objectivity of its proxy advice, Glass Lewis believes in being transparent about such activities and makes prominent disclosure, on the cover page of its Proxy Paper research reports, of its relevant public company engagement activities.

<b>Engagement Meeting</b>	A Glass Lewis Research Analyst had an engagement meeting with a public company.
<b>Issuer Data Report (IDR)</b>	A public company participated in the IDR program for one of its shareholder meetings.
<b>Report Feedback Statement (RFS)</b>	A public company, dissident shareholder, or shareholder proposal proponent participated in the RFS service for one of its shareholder meetings.



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## **b) Business Relationships with Vendors and Business Partners**

As part of conducting business, Glass Lewis enters into contracts and has other business relationships with companies that could also be the subject of its research. To mitigate potential conflicts arising from such circumstances, research analysts are not authorized to enter into, or responsible for the ongoing management of, any commercial relationship Glass Lewis may have with a vendor and/or business partner. Glass Lewis also recognizes that, depending on the nature of these relationships, they could present a potential conflict that should be disclosed to its clients. Accordingly, Glass Lewis assesses whether the particular business relationship involves a vendor that is critical to its business operations (i.e., a “Tier 1” vendor) or whether the particular business relationship is significant enough from a quantitative, monetary perspective to create a possible appearance of affecting the objectivity of Glass Lewis’ research. Accordingly, as further detailed below, Glass Lewis provides disclosure in relevant Proxy Paper reports of any business partnerships or commercial relationship with a public company that is a Tier 1 vendor or where the annual provision of Glass Lewis products and services or the annual contract value exceeds 5% of Glass Lewis’ annual revenue.

## **c) Business Relationships with Institutional Investor Clients**

Glass Lewis also recognizes that its relationships with its institutional investor clients may present potential conflicts. A Glass Lewis institutional investor client may itself be a public company or related to or owned by a public company. Glass Lewis clients may also be involved in shareholder activism, such as submitting a shareholder proposal at a company, being a dissident shareholder in a proxy contest, or otherwise publicly soliciting shareholder support for or against a director or proposal.

Glass Lewis’ policy is to assess such situations to determine whether the particular relationship is significant enough from a quantitative, monetary perspective to create a possible appearance of affecting the objectivity of Glass Lewis’ research. Accordingly, as further detailed below, Glass Lewis will disclose situations in which its report concerns a public company who is, or is affiliated with, a Glass Lewis institutional investor client and the annual revenue from that client exceeds 5% of Glass Lewis’ annual revenue. Likewise, Glass Lewis will make an appropriate disclosure in situations in which it is aware that one of its clients is involved in specific shareholder activism relevant to its Proxy Paper research report and the annual revenue from that client exceeds 5% of Glass Lewis’ annual revenue. (The identity of some or all shareholder proponents may not be disclosed in the proxy materials related to the proposal and Glass Lewis may or may not know whether one of its clients is a primary or secondary shareholder proponent or has otherwise publicly solicited shareholder support for or against a director or proposal. While Glass Lewis makes reasonable efforts to be aware of advocacy surrounding proposals covered in its Proxy Paper research reports, obviously, only relationships of which Glass Lewis is aware could potentially affect its objectivity. Accordingly, this disclosure will only pertain to situations in which it is aware of the client’s activities.)

In addition, to ensure that Glass Lewis Proxy Paper research reports and vote recommendations are in no way influenced by the voting strategies of Glass Lewis’ clients, Glass Lewis research analysts do not have access to client holdings files and/or voting activity. Access to such information is strictly limited to the client services and operations team members directly responsible for supporting each client.



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## 2) Personal

Glass Lewis also recognizes that personal relationships may present conflicts. Glass Lewis employees and independent contractors, as well as members of its Board of Directors or RAC, could have outside interests or could themselves be involved, or have relatives involved, in activities, such as being an officer or director of a public company, that may present a potential conflict. In addition, Glass Lewis recognizes that outside business activities of non-executive members of its Board of Directors could also pose potential conflicts or the appearance of a conflict of interest. To avoid such conflicts and to preserve the independence and integrity of its research and analysis, Glass Lewis has put in place safeguards for such situations, including:

- **Recusal.** In the event an employee of Glass Lewis (or a relative of such employee) serves as an officer or director of a public company, or an employee of Glass Lewis has a material ownership interest in a public company, such employee is prohibited from any involvement in the research, analysis or making of any vote recommendations for such company.
- **Safeguard Against Policy or Recommendation Involvement.** Non-executive members of the Board of Directors may not be involved in the formulation and implementation of the Glass Lewis proxy voting policies and guidelines, in the preparation of Glass Lewis research reports, or in the determination of voting recommendations for specific shareholder meetings. In addition, non-executive Board members may not have advance access to Glass Lewis Proxy Paper research reports or any recommendations therein.
- **Compliance with Employee Handbook, Third-Party Worker Policies and Practices, and Code of Ethics.** All employees of Glass Lewis, as well as all independent contractors with access to Glass Lewis' online platforms, temporary workers and agents that are subject to the supervision and control of Glass Lewis ("Supervised Persons," as that term is defined in the Glass Lewis Code of Ethics) must, on an annual basis, acknowledge receipt of and agree to comply with, as applicable, either Glass Lewis' Employee Handbook or Third-Party Worker Policies and Practices and Glass Lewis' Code of Ethics, which set forth, among other things, mandatory workplace standards of conduct, information security responsibilities, disclosure requirements of outside activities, personal trading restrictions, and other policies and procedures related to doing business on behalf of Glass Lewis.
- **Internal Disclosure of Public Company Board Affiliations.** All Supervised Persons, as well as members of Glass Lewis' Research Advisory Council and members of Glass Lewis' Board of Directors, must disclose whether they serve as an officer or director of a public company.

As detailed below, Glass Lewis also provides disclosure in relevant Proxy Paper research reports of, among other things, any situation in which a Supervised Person or member of Glass Lewis' Research Advisory Council or Glass Lewis' Board of Directors is an officer or director of the subject public company.





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## 3) Organizational

Glass Lewis is a portfolio company of Peloton Capital Management (“PCM”), a private-equity firm based in Toronto, Canada, who, along with its Chair, Stephen Smith, acquired Glass Lewis from the Ontario Teachers’ Pension Plan Board and Alberta Investment Management Corporation in March, 2021. Neither PCM nor Stephen Smith is involved in the day-to-day management of Glass Lewis’ business. Glass Lewis has adopted the following safeguards to address any potential conflicts from its ownership structure:

- **Independent Management.** Glass Lewis operates as an independent company without any involvement from its owners in the day-to-day management of the business.
- **No Policy Involvement.** Glass Lewis maintains its independence by excluding its owners from any involvement in the formulation and implementation of the Glass Lewis proxy voting policies and guidelines, in the preparation of Glass Lewis research reports, and in the determination of voting recommendations for specific shareholder meetings. Glass Lewis’ owners, including any employee, officer, or director of PCM (“PCM-affiliated persons”), may not have advance access to Glass Lewis Proxy Paper research reports or any recommendations therein. They are also excluded from membership on the RAC and they do not participate in nominating or appointing RAC members.
- **Restricted Access to Information.** Glass Lewis research analysts are blocked from any access to the holdings and voting activity of Glass Lewis’ owners. In addition, PCM-affiliated persons are prohibited from any access to Glass Lewis’ clients’ holdings, custom policies and investment strategies.

As detailed below, Glass Lewis also provides disclosure of any situations in which its owners hold an ownership stake equal to or greater than 5% in a public company or are engaged in shareholder activism with respect to a company that is the subject of a Glass Lewis Proxy Paper research report. In addition, when a Glass Lewis owner is one of the 20 largest shareholders of the subject company, the Proxy Paper research report will flag their status as a Glass Lewis owner in connection with reporting their interest in the company. Glass Lewis will also provide disclosure when any PCM-affiliated person is an officer or director of a public company that is the subject of our research.



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## IV. Disclosing Potential Conflicts

In all instances in which there is a significant actual, potential, or perceived conflict, Glass Lewis will disclose the conflict to its clients on the cover of the relevant Proxy Paper research report. By providing prominent disclosure on the face of each report, Glass Lewis clients have the ability to review the disclosure at the same time as they review Glass Lewis' research, analysis and voting recommendations for a particular company and make an informed decision.

### A. Business Relationships

<b><i>Material Commercial Relationships</i></b>	Glass Lewis has a material commercial relationship with a public company.
<b><i>Material Client Relationship</i></b>	Glass Lewis has a material client relationship with a public company.
<b><i>Material Client Activism</i></b>	Glass Lewis has a material client relationship with a shareholder proposal proponent, a dissident shareholder in a proxy contest, or party publicly soliciting shareholder support for or against a director or proposal.

### B. Personal

<b><i>Direct Affiliation</i></b>	An employee of Glass Lewis or any of its subsidiaries, an independent contractor with access to Glass Lewis' online platforms, a member of the Research Advisory Council, or a member of Glass Lewis' Board of Directors serves as an officer or director of a public company.
<b><i>Indirect Affiliation</i></b>	A relative of an employee of Glass Lewis or any of its subsidiaries serves as an officer or director of a public company.



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## C. Organizational

<b><i>Significant Ownership Stake</i></b>	One or more of Glass Lewis' owners holds an ownership stake equal to or greater than 5% in a public company.
<b><i>Dissident Shareholder or Shareholder Proposal Proponent</i></b>	One or more of Glass Lewis' owners is a dissident shareholder in a proxy contest or a shareholder proposal proponent.
<b><i>Officer or Director Role</i></b>	A PCM-affiliated person is an officer or director of a public company.

Inquiries about Glass Lewis' *Policies and Procedures for Managing and Disclosing Conflicts of Interest* can be sent to [compliance@glasslewis.com](mailto:compliance@glasslewis.com).