

GOVERNANCE QUALITYSCORE

Q4 2022 METHODOLOGY HIGHLIGHTS



NEW BOARD STRUCTURE FACTORS

Are there LGBTQ+ directors on the board? (Q427)

Region Applicability: US

Do the leaders on the board exhibit ethnic diversity? (Q434)*

Region Applicability: US, Canada, Anglo

Does the company have an anti-pledging policy for directors and executives? (Q435)*

Region Applicability: US

What is the aggregate value of pledged shares by directors and executives? (Q436)*

Region Applicability: US

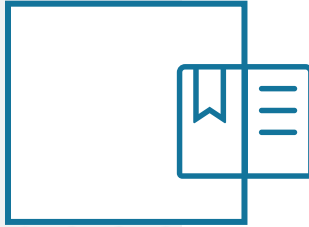
What percentage of outstanding shares are pledged by directors and executives? (Q437)*

Region Applicability: US

* Factor will be scored on its first year

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NEW COMPENSATION FACTORS

What is the disclosure level of information security-related performance measures for the executive short-term or any executive long-term incentive plan? (Q443)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

What is the overall quantitative concern level for the CEO's pay-for-performance evaluation? (Q444)*

Region Applicability: US, Canada (excluding Canada Small Cap)

What is the concern level of the size of the CEO's one-year pay as a multiple of the median pay of the company's peers (MOM)? (Q449)

Region Applicability: US, Canada (excluding Canada Small Cap), Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia

What is the concern level of the degree of alignment between the company's total shareholder return and the change in CEO pay over the past five years (PTA)? (Q450)

Region Applicability: US, Canada (excluding Canada Small Cap), Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia

What is the concern level of the degree of alignment between the company's annualized three-year pay percentile rank and its three-year annualized total shareholder return rank relative to its peers (RDA)? (Q451)

Region Applicability: US, Canada (excluding Canada Small Cap), Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia

What is the initial quantitative concern level for the CEO's pay-for-performance evaluation? (Q453)

Region Applicability: US, Canada (excluding Canada Small Cap), Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia

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NEW AUDIT & RISK OVERSIGHT FACTORS

What percentage of the committee responsible for health and safety is independent? (Q417)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia

What percentage of the committee responsible for risk is independent? (Q418)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia

What percentage of the committee responsible for succession is independent? (Q421)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

How many directors have climate skills? (Q438)

Region Applicability: US, Canada

How many directors have diversity, equity, and inclusion skills? (Q439)

Region Applicability: US, Canada

What is the average percentage of director skills? (Q440)

Region Applicability: US, Canada

Does the company disclose its third-party information security risks? (Q441)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

Has the company experienced a third-party information security breach? (Q442)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

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NEW AUDIT & RISK OVERSIGHT FACTORS

Is the company conclusively identified under the Holding Foreign Companies Accountable Act? (Q445)*

Region Applicability: US

What percentage of the committee responsible for mergers and acquisitions is independent? (Q446)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

What percentage of the committee responsible for human capital management is independent? (Q447)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

What percentage of the committee responsible for climate is independent? (Q448)

Region Applicability: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

* Factor will be scored on its first year

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EXPANDED COVERAGE OF BOARD STRUCTURE CATEGORY FACTORS



What is the term of mandate proposed for supervisory board directors? (Q17)

Applicable Regions: Nordic, Southern Europe, Western Europe

New Additions: Germanic

What percentage of the nominating committee is independent according to the ISS local market classification? (Q19)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Southern Europe (excluding Greece), Western Europe, Australasia, AsiaPac, India, Japan, South Korea

New Additions: Greece*, Latin America

What percentage of the compensation committee is independent according to the ISS local market classification? (Q25)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Southern Europe (excluding Greece and Portugal), Western Europe, Australasia, AsiaPac, India, Japan, South Korea

New Additions: Nordic, Greece, Latin America

What percentage of the audit committee is independent according to the ISS local market classification? (Q31)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Japan, South Korea

New Additions: Nordic, Latin America

How many executive directors are overboarded? (Q36)

Applicable Regions: US, Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, AsiaPac, India, Latin America

New Additions: Australasia, Africa

Is the CEO overboarded? (Q37)

Applicable Regions: US, Canada, Anglo, Germanic, Finland, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

New Additions: Africa, Denmark*, Norway*, Sweden*

* Factor will be scored on its first year in the region or country

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EXPANDED COVERAGE OF BOARD STRUCTURE CATEGORY FACTORS



How many non-executive directors are overboarded? (Q38)

Applicable Regions: US, Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

New Additions: Africa

Is the Board Chair overboarded? (Q39)

Applicable Regions: US, Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America

New Additions: Africa

Does the company disclose an annual board performance evaluation policy? (Q41)

Applicable Regions: US, Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia, Japan

New Additions: Africa, Latin America

Did any director attend less than seventy-five percent of all meetings without a valid reason? (Q45)

Applicable Regions: US, Canada, Anglo

New Additions: Germanic, Nordic, Southern Europe, Western Europe, Australasia, India, Africa, Latin America

How many directors received a majority of against or withhold votes? (Q49)

Applicable Regions: US, Canada

New Additions: Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, AsiaPac, Latin America, South Korea

What percentage of outstanding stock do directors and executives own? (Q140)

Applicable Regions: Anglo, Africa, Germanic, Southern Europe, Western Europe, Australasia, Latin America

New Additions: US, Canada, Nordic, South Korea

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EXPANDED COVERAGE OF BOARD STRUCTURE CATEGORY FACTORS

What percentage of directors with more than one year of service own stock? (Q144)

Applicable Regions: US, Canada, AsiaPac, Australasia, South Korea, India

New Additions: Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Latin America

Are there material related party transactions involving the CEO? (Q216)

Applicable Regions: US, AsiaPac

New Additions: Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia, India, Africa, Latin America

What percentage of directors received vote support below eighty percent? (Q312)

Applicable Regions: US

New Additions: Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, AsiaPac, Latin America, South Korea

Does the company disclose related party transactions? (Q336)

Applicable Regions: India

New Additions: US, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia

Does the board have a retirement and/or tenure policy? (Q349)

Applicable Regions: US

New Additions: Canada, Africa, Australasia

Does the board exhibit ethnic diversity? (Q390)

Applicable Regions: US, Anglo

New Additions: Canada*

* Factor will be scored on its first year in the region or country

GOVERNANCE QUALITYSCORE

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EXPANDED COVERAGE OF COMPENSATION CATEGORY FACTORS

What is the disclosure level of performance measures for the executive short-term incentive plan? (Q113)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, Latin America

New Additions: India*

Does the company apply a limit on the annual bonus for the CEO? (Q114)

Applicable Regions: Anglo, Germanic, Nordic, Southern Europe (excluding Greece), Western Europe, Australasia

New Additions: Greece*

Does the company apply a limit on the annual bonus for non-CEO executives? (Q115)

Applicable Regions: Anglo, Germanic, Nordic, Southern Europe (excluding Greece), Western Europe, Australasia

New Additions: Greece*

What percentage of the annual bonus for the CEO can be deferred? (Q116)

Applicable Regions: Anglo, Germanic, Southern Europe, Western Europe, Australasia

New Additions: Nordic*

What percentage of the annual bonus for non-CEO executives can be deferred? (Q117)

Applicable Regions: Anglo, Germanic, Southern Europe, Western Europe, Australasia

New Additions: Nordic*

Does the company disclose a performance measure for all other executive long-term incentives? (Q125)

Applicable Regions: Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, AsiaPac, Latin America

New Additions: Canada, India

* Factor will be scored on its first year in the region or country

GOVERNANCE QUALITYSCORE

Q4 2022 METHODOLOGY HIGHLIGHTS



EXPANDED COVERAGE OF COMPENSATION CATEGORY FACTORS

What percentage of outstanding equity is attributed to equity plans? (Q127)

Applicable Regions: Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America, South Korea

New Additions: US, Canada

Is there a maximum level of dilution annually? (Q128)

Applicable Regions: Anglo, Germanic, Western Europe, AsiaPac

New Additions: Nordic*, Southern Europe*, Africa*

What is the holding period for executive options? (Q134)

Applicable Regions: US, Canada, Anglo, Germanic, Southern Europe, Western Europe, Australasia, Latin America

New Additions: Nordic*, Africa*

What is the holding period for executive restricted stock? (Q135)

Applicable Regions: US, Anglo, Germanic, Southern Europe, Western Europe, Australasia, Latin America

New Additions: Nordic*, Africa*

What salary multiple of the CEO is subject to stock ownership guidelines? (Q145)

Applicable Regions: US, Canada, Anglo, Nordic, Southern Europe, Western Europe, Australasia

New Additions: Germanic*, Africa*

What salary multiple of non-CEO executives is subject to stock ownership guidelines? (Q146)

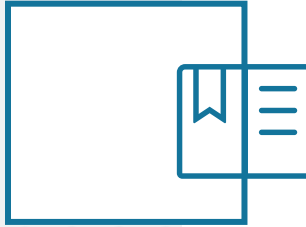
Applicable Regions: Anglo, Southern Europe, Western Europe, Australasia

New Additions: Germanic*, Nordic*, Africa*

* Factor will be scored on its first year in the region or country

GOVERNANCE QUALITYSCORE

Q4 2022 METHODOLOGY HIGHLIGHTS



EXPANDED COVERAGE OF COMPENSATION CATEGORY FACTORS

Does the company have a clawback or malus provision? (Q155)

Applicable Regions: US, Canada, Anglo, Germanic, Nordic, Southern Europe, Western Europe, Australasia

New Additions: Africa*

What is the multiple of pay in the change-in-control or the severance agreements for the CEO? (Q161)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe (excluding Greece), Western Europe

New Additions: Greece*

What is the performance period for the executive long-term incentive plan? (Q233)

Applicable Regions: Anglo, Africa, Southern Europe, Western Europe, Australasia

New Additions: Germanic*, Nordic*

What is the disclosure level of performance measures for executive long-term incentive plans? (Q246)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, Latin America

New Additions: India*

What is the basis for the change-in-control or severance payment for the CEO? (Q247)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe (excluding Greece), Western Europe

New Additions: Greece*

What is the basis for the change-in-control or severance payment for the non-CEO executives? (Q248)

Applicable Regions: Anglo, Africa, Germanic, Nordic, Southern Europe (excluding Greece), Western Europe

New Additions: Greece*

* Factor will be scored on its first year in the region or country

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EXPANDED COVERAGE OF COMPENSATION CATEGORY FACTORS

What is the disclosure level of environmental or social performance measures for the executive short-term incentive plan? (Q394)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, Latin America

New Additions: India*

What is the disclosure level of environmental or social performance measures for any executive long-term incentive plan? (Q395)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, Latin America

New Additions: India

What is the disclosed ratio of CEO total compensation to the median total compensation of all employees? (Q422)

Applicable Regions: US

New Additions: Anglo, Germanic, Nordic, Southern Europe, Western Europe

What is the company's three-year average adjusted burn rate? (Q433)

Applicable Regions: US

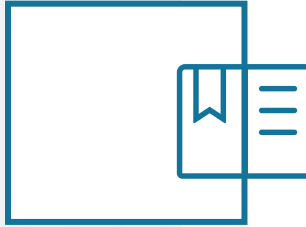
New Additions: Canada

* Factor will be scored on its first year in the region or country

GOVERNANCE QUALITYSCORE

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EXPANDED COVERAGE OF SHAREHOLDER RIGHTS CATEGORY FACTORS



Does the company have a majority vote standard in uncontested elections? (Q52)

Applicable Regions: US, Canada

New Additions: Latin America

Does the company have individual or bundled director elections? (Q53)

Applicable Regions: Germanic, Southern Europe, Western Europe, Latin America, South Korea

New Additions: Anglo, Nordic, Australasia, Africa

Are there directors not up for election by all shareholders? (Q55)

Applicable Regions: US, Canada

New Additions: Germanic, Nordic, Southern Europe, Western Europe, Australasia

Does the company require a supermajority to approve mergers? (Q90)

Applicable Regions: US, Canada

New Additions: Anglo, Africa, Latin America

What is the percentage of shares required to call a special meeting? (Q97)

Applicable Regions: US, Canada, Western Europe

New Additions: Latin America

Can shareholders act by written consent? (Q98)

Applicable Regions: US, Canada

New Additions: Anglo, Africa

Is quorum for shareholder meetings at least two people representing at least twenty-five percent of the outstanding shares? (Q101)

Applicable Regions: Canada

New Additions: Latin America

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EXPANDED COVERAGE OF SHAREHOLDER RIGHTS CATEGORY FACTORS



How many vacancies are on the board? (Q262)

Applicable Regions: Australasia, Japan

New Additions: Latin America

Are the names of the nominee directors disclosed? (Q334)

New Additions: Nordic

Does the company use cumulative voting for director elections? (Q338)

Applicable Regions: AsiaPac, South Korea

New Additions: Germanic, Nordic, Southern Europe, Western Europe, Latin America

What was the greatest percentage of vote support for environmental or social shareholder proposals? (Q393)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America, South Korea

New Additions: Japan

What was the greatest percentage of vote support for climate-related shareholder proposals? (Q419)

Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe, Australasia, AsiaPac, India, Latin America, South Korea

New Additions: Japan

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EXPANDED COVERAGE OF AUDIT & RISK OVERSIGHT CATEGORY FACTORS



Has the company disclosed its financial statements late? (Q4)

Applicable Regions: US, Canada, Japan, South Korea

New Additions: AsiaPac*, India*

What is the external auditor's tenure? (Q347)

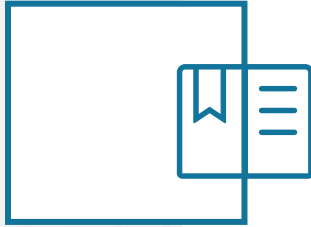
Applicable Regions: US, Canada, Anglo, Africa, Germanic, Nordic, Southern Europe, Western Europe (excluding France), Australasia, AsiaPac (excluding China), India, Latin America, South Korea

New Additions: France, China

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Please see the following for more information:

- [Governance QualityScore Fundamentals](#)
- [Governance QualityScore Landing Page](#)