

United States



GLASS LEWIS

Board Skills Appendix

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About Glass Lewis

Glass Lewis is the world's choice for governance solutions. We enable institutional investors and publicly listed companies to make informed decisions based on research and data. We cover 30,000+ meetings each year, across approximately 100 global markets. Our team has been providing in-depth analysis of companies since 2003, relying solely on publicly available information to inform its policies, research, and voting recommendations.

Our customers include the majority of the world's largest pension plans, mutual funds, and asset managers, collectively managing over \$40 trillion in assets. We have teams located across the United States, Europe, and Asia-Pacific giving us global reach with a local perspective on the important governance issues.

Investors around the world depend on Glass Lewis' [Viewpoint](#) platform to manage their proxy voting, policy implementation, recordkeeping, and reporting. Our industry leading [Proxy Paper](#) product provides comprehensive environmental, social, and governance research and voting recommendations weeks ahead of voting deadlines. Public companies can also use our innovative [Report Feedback Statement](#) to deliver their opinion on our proxy research directly to the voting decision makers at every investor client in time for voting decisions to be made or changed.

The research team engages extensively with public companies, investors, regulators, and other industry stakeholders to gain relevant context into the realities surrounding companies, sectors, and the market in general. This enables us to provide the most comprehensive and pragmatic insights to our customers.

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info@glasslewis.com | www.glasslewis.com

Board Skills

United States

A key focal point for shareholders when assessing corporate governance at investee companies is board composition. While discussion of board composition often focuses on gender diversity, the increasingly circumspect investing environment means the investor gaze is adjusting in order to better assess board diversity in the broadest sense. It has become a mainstream belief that having an appropriate mix of certain attributes on the board — in particular skills, experience, diversity, and independence — is essential to ensure that the board as a whole can satisfactorily perform its oversight duty, have informed opinions on all topics relevant to the company and effectively advise management on important strategic decisions. Further, and in addition to the increasing legal requirements for directors in most markets, investors' expectations of boards have never been higher, with their role having evolved from primarily one of watchdog to strategic leadership.

Glass Lewis believes that a board skills matrix can be a valuable tool for assessing a board's mix of skills and experience. Additionally, board skills matrices can help guide the director nomination and succession planning processes. In both cases, we believe disclosure of such is meaningful to shareholders. As such, we believe companies should disclose sufficient information to allow a

meaningful assessment of a board's skills and competencies.

*Our analyses of director elections at **S&P 100 companies** include board skills matrices to assist clients in assessing a board's competencies and identifying any potential skills gaps.*

Companies have been categorized across the eleven market sectors as defined by the Global Industrial Classification Standard (GICS): Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Healthcare, Industrials, Information Technology, Materials, Real Estate, and Utilities.

Further, each skills matrix will comprise seven “core” skills: Core Industry, Financial/Audit & Risk, Legal/Public Policy, Senior Executive, Cybersecurity/IT, Environmental/Social, and Human Capital Management and sector specific skills from the following list: Technical/Engineering, Health & Safety, Technology, M&A/ Capital Markets, Communications/Marketing/E-commerce, International Sales/Markets, Manufacturing/Supply Chain Management/Global Operations, Health & Safety, and Academia/Science. A description of the criteria used to appraise director skills can be found overleaf.

Appendix 1

Board Skills Matrices to be Applied by Glass Lewis

Communication Services

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Technical/Engineering
Communications/Marketing/E-commerce
International Sales/Markets

Consumer Discretionary

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Technology
Communications/Marketing/E-commerce
International Sales/Markets
Manufacturing/Supply Chain
Management/Global Operations

Consumer Staples

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Technology
Communications/Marketing/E-commerce
Manufacturing/Supply Chain
Management/Global Operations
International Sales/Markets

Energy

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Technical/Engineering
Health & Safety
M&A/Capital Markets
Manufacturing/Supply Chain
Management/Global Operations
International Sales/Markets

Financials

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Communications/Marketing/E-commerce
M&A/Capital Markets
International Sales/Markets
Technology

Healthcare

Core Industry
Financial/Audit & Risk
Legal/Public Policy
Senior Executive
Cybersecurity/IT
Environmental/Social
Human Capital Management
Health & Safety
International Sales/Markets
Manufacturing/Supply Chain
Management/Global Operations
Academia/Science
Communications/Marketing/E-commerce

Industrials

Core Industry
 Financial/Audit & Risk
 Legal/Public Policy
 Senior Executive
 Cybersecurity/IT
 Environmental/Social
 Human Capital Management
 Technical/Engineering
 Health & Safety
 Manufacturing/Supply Chain
 Management/Global Operations
 Communications/Marketing/E-commerce

Information Technology

Core Industry
 Financial/Audit & Risk
 Legal/Public Policy
 Senior Executive
 Cybersecurity/IT
 Environmental/Social
 Human Capital Management
 Communications/Marketing/E-commerce
 International Sales/Markets
 Technical/Engineering
 Manufacturing/Supply Chain
 Management/Global Operations
 Technology

Materials

Core Industry
 Financial/Audit & Risk
 Legal/Public Policy
 Senior Executive
 Cybersecurity/IT
 Environmental/Social
 Human Capital Management
 Health & Safety
 Technical/Engineering
 Manufacturing/Supply Chain
 Management/Global Operations
 International Sales/Markets
 Academia/Science

Real Estate

Core Industry
 Financial/Audit & Risk
 Legal/Public Policy
 Senior Executive
 Cybersecurity/IT
 Environmental/Social
 Human Capital Management
 M&A/Capital Markets
 Communications/Marketing/E-commerce
 International Sales/Markets

Utilities

Core Industry
 Financial/Audit & Risk
 Legal/Public Policy
 Senior Executive
 Cybersecurity/IT
 Environmental/Social
 Human Capital Management
 Health & Safety
 Technical/Engineering
 Communications/Marketing/E-commerce
 Manufacturing/Supply Chain
 Management/Global Operations
 Technology

SKILL (orange): Applied across all sectors and companies

SKILL (black): As applicable

Note: The skills listed above are for guidance purposes only; where appropriate to the individual issuer, the actual skills matrix may contain alternative skills that, in the estimation of the analyst, are particularly relevant considering a company's strategic direction and the industry and markets in which it operates.

Appendix 2

Criteria for Board Skills

Core Industry (CORE)	<ul style="list-style-type: none">• Relevant experience in the industry in which the company operates• Degree in area
Cybersecurity/IT (CYBER/IT)	<ul style="list-style-type: none">• Current or former executive role with direct control and responsibility for cybersecurity and information technology• Significant experience in digital technology or cybersecurity• Degree in area
Communications/Marketing/E-commerce (COMMS/MRKTING/E-COM)	<ul style="list-style-type: none">• Former or current executive role in a telecommunications, marketing or media organization• Former or current executive role with responsibility for sales, marketing or communications• Former or current executive role with direct responsibility for customer service• Experience with digital marketing, digital strategy, branding, social media, "go-to-market" strategy or consumer facing activities• Former or current investor relations role
Technical/Engineering (TECH/ENG)	<ul style="list-style-type: none">• Current or former executive role with direct responsibility for operations, project management, and/or product development in manufacturing, materials, resource, utilities or telecommunications industries• Experience in exploration, refining, development, production and distribution of resources products• Energy advisor (e.g., to the government, NGO, or institutional investors)• Technical expertise in infrastructure, distribution and transmission of energy• Experience in electricity and gas infrastructure and distribution• Degree in Engineering
Environmental/Social (E&S)	<ul style="list-style-type: none">• Former or current executive role with direct control and responsibility for environmental and social issues• Former or current role with direct accountability for environmental and social issues in the same industry• Experience in global environmental management• Former or current employment in non-profit or non-governmental organizations focused on environmental or social issues• Former or current leadership of a trade union or experience with workforce engagement• Degree in area

- This list of criteria is not intended to be exhaustive, and we may consider other factors material to the business

Financial/Audit & Risk (FINANCE/RISK)	<ul style="list-style-type: none"> • CA, CFA, CPA, former CFO role (financial expert) • Current or former partner of an audit firm • Current or former role in auditing or accounting • Current or former executive role in the finance industry, bank, insurance company or fund manager • Experience in underwriting and insurance • Degree in area
Health & Safety (HEALTH/SAFETY)	<ul style="list-style-type: none"> • Former or current executive role with direct control and responsibility for health, safety and workplace environment* • Former or current role with direct accountability for health, safety and workplace environment* in the same industry • Former or current executive role in HR <p>*Distinguished from external physical environment</p>
International Sales/Markets (INTL SALES/MRKTS)	<ul style="list-style-type: none"> • Current or recent executive or advisory role in an overseas market where the company sells products • Current or recent executive or advisory role in overseas markets
Legal/Public Policy (LEGAL/POLICY)	<ul style="list-style-type: none"> • Current or former practicing lawyer • Former or current partner in a law firm • Former or current general counsel • Former or current role in the government (relevant to sector) • Public and private sector experience in economic policy development and analysis • Degree in area
M&A/Capital Markets (M&A/CAP MRKTS)	<ul style="list-style-type: none"> • Current or former role in investment banking or fund management • Experience with M&A • Experience with capital raisings • Current or former corporate advisory role
Manufacturing/Supply Chain Management/Global Operations (MFG/SCM/GLOBAL OPS)	<ul style="list-style-type: none"> • Former or current executive role in the manufacturing sector • Experience in sourcing, manufacturing, fast moving consumer goods, supply chain, infrastructure, information management or logistics • Experience in product development, distribution and marketing • Current or recent executive or advisory role in an overseas market where the company operates
Senior Executive (SENIOR EXEC)	<ul style="list-style-type: none"> • Current or former executive of publicly listed company or large private multinational company

Technology (TECH)	<ul style="list-style-type: none">• Current or former executive role in technology industry• Experience in a role focused on hardware or software development• Experience researching, developing, or implementing new and emerging technologies
Academia/Science (ACAD/SCI)	<ul style="list-style-type: none">• Current or former professor, researcher or administrator at a university or non-profit organization• PhD, master's, or other advanced degree in relevant field
Human Capital Management (HCM)	<ul style="list-style-type: none">• Current or former executive role focused on human resources or people management• Experience managing or directing a human resources or compensation function, managing diversity, equity and inclusion programs, or implementing talent management or succession planning strategies

Note: Please note that the above information is for guidance only and is compiled using the company's most recent disclosure and/or additional public sources as necessary.

Connect with Glass Lewis

Corporate Website | www.glasslewis.com

Email | info@glasslewis.com

Social |  [@glasslewis](https://twitter.com/glasslewis)  [Glass, Lewis & Co.](https://www.linkedin.com/company/glass-lewis-&-co)

Global Locations

North America

United States

Headquarters
100 Pine Street, Suite 1925
San Francisco, CA 94111
+1 415 678 4110

New York, NY
+1 646 606 2345

2323 Grand Boulevard
Suite 1125
Kansas City, MO 64108
+1 816 945 4525

Asia Pacific

Australia

CGI Glass Lewis
Suite 5.03, Level 5
255 George Street
Sydney NSW 2000
+61 2 9299 9266

Japan

Shinjuku Mitsui Building
11th floor
2-1-1, Nishi-Shinjuku, Shinjuku-ku,
Tokyo 163-0411, Japan

Europe

Ireland

15 Henry Street
Limerick V94 V9T4
+353 61 534 343

United Kingdom

80 Coleman Street
Suite 4.02
London EC2R 5BJ
+44 20 7653 8800

France

Proxinvest
6 Rue d'Uzès
75002 Paris
+33 ()1 45 51 50 43

Germany

IVOX Glass Lewis
Kaiserallee 23a
76133 Karlsruhe
+49 721 35 49622

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