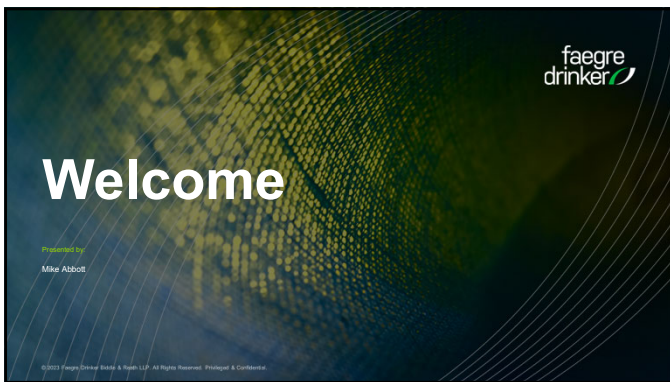
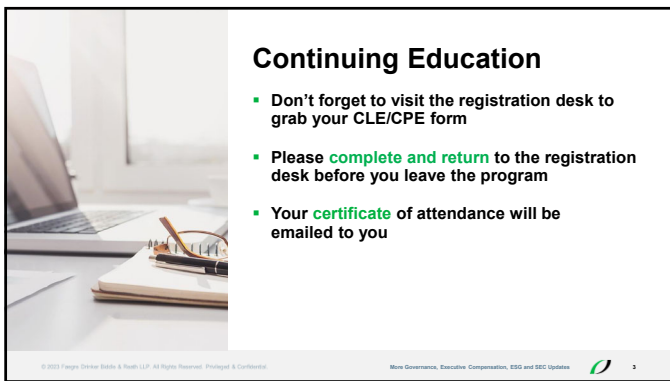




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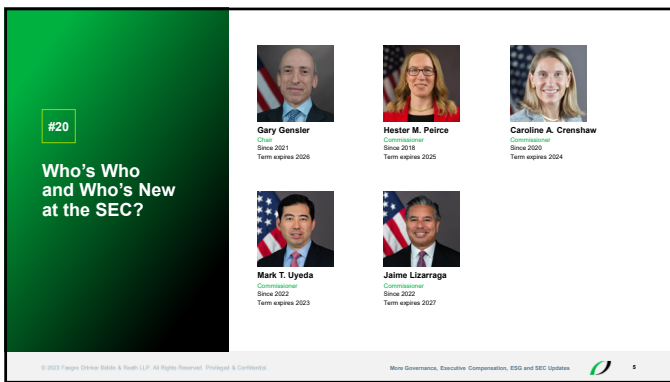


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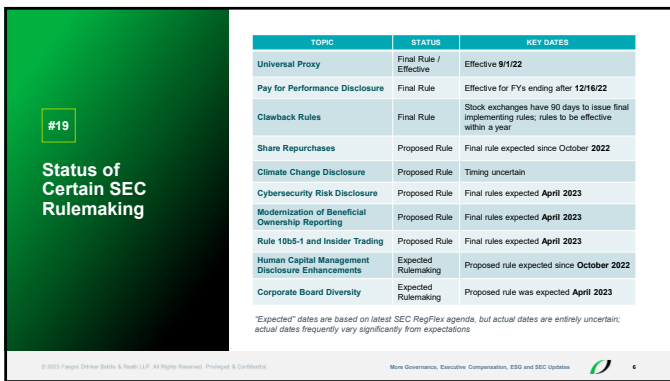




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#18
Clayton Act Enforcement

The Clayton Act (Section 8) prohibits individuals from simultaneously serving on board or as an executive officer of competing companies.

Size of companies test:

- Prohibition triggered if combined capital, surplus & undivided profits of each of the companies exceed **\$41,034,000***

Exemptions:

- Prohibition does not apply if competitive sales (measured by gross revenues) are:
 - less than **\$4,103,400*** for either company
 - less than **2%** of that company's total sales
 - less than **4%** of both companies' total sales

* Amounts adjusted annually for inflation.

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#17
D&O Questionnaire Highlights

- Clayton Act**
 - Inquire about current officer and director positions
- Diversity Demographics**
 - Gender
 - Race/ethnicity
 - Other (LGBTQ+, Veterans, Disabilities)
- Consent to be Named in Proxy Statement**

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#16
Director Support Levels

94.7% average support across Russell 3000

Common concerns leading to against recommendations:

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#15

Director Overboarding

POLICY	PUBLIC COMPANY CEO	NON-EXECUTIVE DIRECTOR	NOTES
ISS	3	5	Mitigating factors can avoid against recommendation
Glass Lewis	2 (Chain co. plus one) (any public company executive officer)	5	Mitigating factors discussed below
BlackRock	2	4	
State Street	2	4	Mitigating factors can avoid against vote
T. Rowe	2	4*	* Lower limit of 3 for board chairs and independent lead directors
Vanguard	2 (any public company executive officer)	5	

Glass Lewis mitigating factors include: type and location of other companies where director serves on board, director's board roles at companies in question, whether director serves on board of any large privately-held companies, director's tenure on boards in question, and director's attendance record at all companies.*

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#14

Board Diversity Matrix

NASDAQ RULE	Initial Matrix	1 Diverse Director	2 Diverse Directors
Nasdaq Global Select/Global Market	Later of August 8, 2022 or the date company files 2022 proxy.	August 7, 2023	August 6, 2025
Nasdaq Capital Market	OR If listed on/after August 6, 2021, then one year from date of listing		August 6, 2026
Boards with 5 or fewer directors			N/A

Year 2 Reminder:

- Matrix must disclose for current year + prior year

Disclosure samples from Nasdaq: https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf

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#13

Committee Charters

AUDIT	COMPENSATION	NOMINATING & GOVERNANCE
<ul style="list-style-type: none"> Review of critical audit matters Oversee disclosure of key performance measures (KPIs) similar to non-GAAP measures Oversight of ESG reporting? Cybersecurity risk oversight? 	<ul style="list-style-type: none"> Eliminate any legacy references to directors needing to be qualified as "outside directors" under 162(m) unless required for certain grandfathered compensation Human Capital Management disclosure and general oversight? Oversee/administer rising policies like stock ownership guidelines, clawback policies? 	<ul style="list-style-type: none"> Allocate all/portion of ESG oversight?

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#12
Corporate Governance Guidelines

- Board refreshment**
 - Retirement ages, director tenure, failure to receive majority vote, change in principal occupation
- Director overboarding**
 - Notice of new boards, preventative policies
- Board diversity**
 - Rooney Rule
 - Stock exchange requirements

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#11
Virtual Meetings

- Virtual-only meetings **declined** slightly in 2022
 - some meetings returned to in-person
- Expect more **in-person meetings** in 2023
- Hybrid** continues to be viewed as worst of all options
- Virtual platforms** enhanced
 - Provide livestream of audio and video
 - Provide authentication of attendees
 - Permit shareholder interaction for Q&A


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#10
SWOP is Back!

... and the answer is easy ...

ANNUAL!



- 2011 → 2017 → 2023
- Was *your* last Say on Pay Frequency proposal six years ago?
- Proxy cards generally must state "1 Year" (not "One Year" or "Annual")
- Remember to **make** a final frequency decision and report it in Form 8-K with voting results

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#9
Human Capital Management Disclosures

Most popular topics:
Talent development, compensation and benefits, health and safety, commitment to DEI, pandemic measures, employee engagement, employee geography, leadership development, employee resource groups

Biggest trends compared to 2021:
Increased diversity breakdown disclosures, increased employee geography disclosures, increased turnover disclosures

Most likely areas for SEC rulemaking:
Turnover data, skills and development training, compensation/benefits and workforce demographics

Benchmark Peer Disclosure → Compare ESG Reports (if any) → Engage with Shareholders → Audit Data as part of Disclosure Controls

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#8
EDGAR & XBRL Updates

Glossy Annual Reports

- Current rule: Must post any 14a-3 "glossy" annual report on corporate website
- Effective January 11, 2023: Must submit any 14a-3 "glossy" annual report on EDGAR (as PDF)

Forms 144

- Current rule: Form 144 can be filed in paper and mailed or emailed to SEC
- Effective April 23, 2023: Must file Form 144 on EDGAR (no requirement to send to stock exchange)

Form 11-Ks

- Current rule: Can file Form 11-K in paper, although most file on EDGAR already
- Effective January 22, 2023: Must file Form 11-K on EDGAR
- Effective July 11, 2025: Must tag Form 11-K financial statements in XBRL

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#7
Comment Letters: Board Risk Oversight & Leadership Disclosure

- SEC Staff has sent some futures comment letters to some companies encouraging more tailored, less boilerplate, disclosure
- Two topics:
 - Board leadership structures
 - Board oversight of risk and role of independent board leadership
- Focus on "why" your structure is right for your company

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#6

**Dear Issuer:
Russia/Ukraine *
Supply Chain
Issues**

- Exposure to affected areas through operations, employees, investments, sanctions, or legal/regulatory uncertainty
- Direct or indirect reliance on good/services
- Actual or potential disruptions in supply chain
- Business relationships with and assets in affected areas
- Board oversight of risks
- New/heightened risk of cyberattacks
- Known trends/uncertainties
- Critical accounting estimates
- Non-GAAP adjustments

*We note your adjustment to add an estimate of lost revenue due to (Russia's invasion of Ukraine and/or supply chain disruptions). Reconciling revenue that was not earned during the period presented results in the use of an individually tailored revenue recognition and measurement method which may not be in accordance with Rule 100(b) of Regulation G. Please remove these adjustments. Refer to Question 100.04 of the Division's C&DI for Non-GAAP Financial Measures."

CorpFin Sample Letter to Companies, May 2022, available at <https://www.sec.gov/corpfin/sample-letter-companies-governance-to-ukraine>.

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#5

**Risk Factor
Hot Topics**

RISING

- International Political/Economic/Operational Risks
 - Ukraine/Russia (often as the first risk factor)
- Ethical, Social, and Environmental Considerations
- Cybersecurity, Data Privacy, and Information Technology
- Natural Disasters, Climate Change Law & Regulation
- Supply Chain
- Recent/Specific Market Risks
 - Volatility
 - Securities Analysts May Downgrade or Cease Coverage

FADING

- COVID-19 (often more genericizing than dropping)
- Brexit
- Third party credit risk
- Valuation of Goodwill and Intangible Assets
- Debt Covenants, Risk of Default

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#4

**MD&A
Reminders
in Turbulent
Markets**

- Describe and quantify factors that contributed to material period-to-period changes
- Describe any unusual or infrequent events or transactions
- Explain components of revenue or expense (acquisitions/organic, price/volume, etc.)
- Disclose known trends and uncertainties
- Liquidity and capital resources
- Consideration of impairment, including risk of impairment

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#3

SEC Filing Fee Exhibit

SEC adopted changes to modernize filing fee disclosures and payment methods, effective May 31, 2022

OUT: Cover Page Fee Table

IN: Exhibit 107

XBRL Required:

- 7/31/2024 (LAFs)
- 7/31/2025 (all others)

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#2

Courtesy Copies: Thanks, but no thanks!

SEC requests that paper “courtesy copies” **not** be sent unless specifically requested by Staff.

NO THANKS

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#1

Proxy Prep: Checklist of Things to do Now!

- Pay Ratio:** Need new median employee?
- Section 16:** Any late filings?
- Exhibits:** Review Description of Capital Stock and Registration Statements for Auditors Consent
- New Directors:** Identify source of candidate
- Equity Plan Proposals:** Any plans expiring, need more shares, extensions?
- Director Attendance:** Check meeting attendance to date
- Pay for Performance Disclosure:** Start preparing for new disclosure...

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Navigating the 2023 Annual Report and Proxy Season

In Other News (What happened since November?)

Presented by
Emily Dolan

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Russell 3000 Board Diversity Disclosure Initiative (November 15)

- Letter campaign calling for increased board diversity disclosure
- Russell 3000 companies
 - 13% - exemplary disclosure
 - Diversity information by director
 - 63% - partial disclosure
 - Aggregated diversity disclosure
 - 24% - no disclosure

Year	Exemplary Disclosure	Partial Disclosure	No Disclosure
2020	~100	~1,000	~1,900
2021	~150	~1,100	~1,750
2022	~150	~1,100	~1,750

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AT&T's Reg FD Settlement (December 5)

- AT&T settled by paying \$6.25 million, and three IR executives each paid \$25,000
- AT&T missed quarterly revenue estimates for two quarters and was concerned about missing estimates for a third quarter
- CFO instructed IR team to make calls to "work the analysts who still have equipment revenue too high"
 - IR team made about 20 calls to analysts
 - Allegedly disclosed smartphone sales data (equipment data and upgrade rates), even though internal documents suggested this information was "material"
- Analysts substantially reduced their revenue forecasts, leading to consensus revenue just below the level AT&T eventually reported

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SEC Universal Proxy C&Ds (December 6)

- SEC issued universal proxy C&Ds
 - Company does not include dissident nominees on proxy card if it determines shareholder **failed to comply** with advance notice bylaws
 - If shareholder **initiates litigation** to dispute exclusion, company must disclose that it determined nominations to be invalid and a description of the basis for the conclusion and potential implications if they were valid (company would need to re-solicit)
 - Dissidents must use their **own proxy card**

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UPC – Early Returns

- AIMCO Proxy Fight – December 16**
 - L&B nominated two candidates for three seats
 - ISS recommend in favor of one L&B nominee and vote on L&B proxy card
 - Shareholders elected one L&B nominee and two company nominees
- Argo Proxy Fight – Withdrawn earlier**
 - CRM nominated two candidates for seven seats
 - ISS and GL recommend for company's nominees; CRM withdrew nominations
- Aim ImmunoTech Proxy Fight – Found invalid**
 - DE courts found dissident did not comply with advance notice bylaws

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Non-GAAP C&Ds (December 13)

- SEC issued new and revised C&Ds
 - Certain adjustments misleading under Reg G –
 - Excluding normal cash operating expenses that occur repeatedly or occasionally (including at irregular intervals) may be misleading, analysis depends on company's business
 - Individually tailored accounting principles (revenue recognition) - may be misleading
 - Inadequate labelling – may be misleading
 - Failure to identify and describe as non-GAAP
 - Presenting measures with label that does not reflect actual nature of measure
 - Greater or equal prominence rules applies to:
 - Ratios, charts/graphs, discussion and analysis
- SEC continues to issue many comment letters on non-GAAP compliance

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Nasdaq Board Diversity Rules: Amended Compliance Dates (December 14)

NASDAQ RULE	Initial Matrix	1 Diverse Director	2 Diverse Directors
Nasdaq Global Select/Global Market			December 31, 2025
Nasdaq Capital Market	December 31, 2022	December 31, 2023	December 31, 2026
Boards with 5 or fewer directors			N/A

Year Two Reminder:

- Matrix must disclose for current year + prior year
- Requirement to disclose prior year is considered satisfied if matrix for the prior year is publicly available (such as in a filed proxy statement, or if still posted on the company's website)

If Post on Website:

- Can satisfy requirement by submitting URL to drivingdiversity@nasdaq.com

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Form 10-K Cover Check Boxes for Clawback Rules

Compliance Dates

- January 27, 2023 – SEC rule effective
- February 27, 2023 – NYSE/Nasdaq deadline
- November 28, 2023 – Latest possible effective date
 - Companies will have 60 days to adopt compliant clawback policy

Additional check boxes on Form 10-K

- Effective date uncertain

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. □

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). □

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Navigating the 2023 Annual Report and Proxy Season

Insider Trading Arrangements and Related Disclosure

Produced by Amy Seldin

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Why?

- Concerns about **market integrity and investor confidence**
 - 10b5-1 trades viewed as **outperforming** trading by insiders not pursuant to plans
 - Study suggesting public companies disproportionately **disclose positive news** ahead of predetermined trade dates
- Congressional pressure over concerns that 10b5-1 plans were **vehicle for abuse**, providing windfalls to executives
- Approved by **rare 5-0 vote**
- Issuer transactions** largely exempt and subject to further review

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Rule 10b5-1(c) Amendments

Applies to Section 16 officers

Requires Cooling Off Period Before 1st Trade

- Officers and directors** – expires later of:
 - 90 days after adoption
 - Two business days following disclosure of financial results in 10-K or 10-Q for the quarter in which the plan was adopted
 - And, in no event more than 120 days after adoption
- Persons other than D&Os and issuers:**
 - Expires 30 days after adoption
- No cooling off period required for issuers
- No financial hardship exemption
- Applies to certain modifications
 - Change to amount, price or timing (or formula impacting the foregoing)

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Rule 10b5-1(c) Amendments

- Prohibit Overlapping Plans by All Non-Issuers**
 - Cannot have multiple plans in place
 - Series of separate contracts with different B-Ds can be treated as a single "plan"
 - May have one later-commencing plan under which trading not authorized to commence until current plan is completed/expired
 - Exemption for plans for sell-to-cover transactions to satisfy tax withholding obligations upon vesting
- Limit Single-Trade Plans by All Non-Issuers**
 - Only one plan designed to effect transaction in single-trade in any 12-month period
 - Exemption for sell-to-cover plans

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Rule 10b5-1(c) Amendments

D&O Certification – include certification in plan:

- Not aware of MNPI (personal determination)
- Adopting in good faith and not as part of a plan or scheme to evade Rule 10b-5

Amended Good Faith Condition

- Trader must act in good faith “with respect to the contract, instruction or plan” (expands good faith requirement currently applicable to adopting the plan)
 - Must be “operated” in good faith during life of the plan
 - This is the only new condition that applies to issuers as well

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Original Rule 10b5-1(c) Still Applies!

REMEMBER!

- All of the current provisions of Rule 10b5-1(c) still apply to be eligible for safe harbor
- Must not have MNPI when entering into the contract, instruction or plan
 - Cannot rely on cooling off period to “cleanse” MNPI

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Rule 10b5-1 and Insider Trading Disclosures

Material terms do not require disclosure of “price”

Quarterly Disclosure of Trading Arrangements* (Item 408(a))	Annual Disclosure of Insider Trading Policies & Procedures (Item 408(b))
<ul style="list-style-type: none"> ▪ Any director or Section 16 officer ▪ Adopts or terminates (includes modifications) ▪ Rule 10b5-1 trading arrangement and/or any non-Rule 10b5-1 trading arrangement ▪ Describe material terms (in 10-Q/10-K) <ul style="list-style-type: none"> – Name/title – Date of adoption or termination – Duration of the arrangement – Aggregate number of securities to be purchased/sold – Must be XBRL tagged 	<ul style="list-style-type: none"> ▪ Whether policies/procedures adopted and, if not, why not <ul style="list-style-type: none"> – Required in 10-K/proxy – Must be XBRL tagged ▪ File policy and procedures as exhibit to 10-K <ul style="list-style-type: none"> – Consider incorporating procedures into policy

Non-Rule 10b5-1 trading arrangement is an arrangement that does not satisfy all of the conditions of Rule 10b5-1, but nonetheless may not violate Rule 10b-5.

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Form 4s and 5s Disclosures

- Adds a **box to check** on Form 4s and Form 5s if reported transaction was intended to satisfy Rule 10b5-1(c)

Form 4

SECURITIES AND EXCHANGE COMMISSION
Statement of Changes in Beneficial Ownership of Securities

Check box if a change subject to Section 10(b) of the Securities Exchange Act of 1934 (Section 10(b)).
Indicate only one box.

Indicate if the transaction was intended to satisfy Rule 10b5-1(c) of the Securities Exchange Act of 1934 (Section 10(b)).
Indicate only one box.

1. Name and Address of Reporting Person
2. Issue Name and Ticker or Trading Symbol
3. Number of Reporting Person's Ticker Shares of Securities
4. Other (Give the symbol, other security, etc.)

5. Date of Earliest Transaction Required to be Reported
6. Acquisition: Date Original Acquired
7. Initial or Subsequent Acquisition
8. Form Made by Reporting Person
9. Form Made by Issuer (Not Reporting Person)

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Guidance on Gifts

SEC commentary in release states:

“a donor of securities violates Section 10(b) if the donor gifts a security of an issuer in fraudulent breach of a duty of trust and confidence when the donor was aware of material nonpublic information about the security or issuer, and knew or was reckless in not knowing that the donee would sell the securities prior to the disclosure of such information.”

- Revisit policies on gifting in insider trading policy (or absence thereof)
- Particularly relevant to year-end charitable gifts/contributions
 - Although, SEC noted 10b5-1(c) is available for a *bona fide* gift

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Option/SAR Grants Describe policies

New Item 402(x) requires annual disclosure in 10-K/proxy of policies and practices on timing of awards in relation to disclosure of MNPI

- How board determines when to grant awards (such as predetermined schedules)
- Whether the board/comp committee takes MNPI into account when determining timing and terms of awards
- Whether company has timed disclosure of MNPI for purpose of affecting the value of compensation

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Options/SAR Grants Table

Disclose tabular information if during the last year:

- Options/SARs granted to NEOs
- During period beginning 4 business days before and ending 1 business day after
- Filing of 10-K, 10-Q or 8-K announcing MNPI
 - Other than Item 5.02 8-K disclosing material option grant

Name	Grant date	Number of securities underlying the award	Exercise price of the award (\$/%)	Grant date fair value of the award	Percentage change in the closing market price of the securities underlying the award between the trading day ending immediately prior to the disclosure of material nonpublic information and the trading day beginning immediately following the disclosure of material nonpublic information.
(a)	(b)	(c)	(d)	(e)	(f)
CEO					
COO					
A					
B					
C					

Disclosure must be iXBRL tagged

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Key Dates

Is this an April Fool's Day Joke? (Answer: No.)

February 27, 2023

- 10b5-1(c) rule changes effective
- Existing 10b5-1 plans grandfathered (unless modified)

April 1, 2023

- Form 4s and Form 5s filed after this date

April 1, 2023: 10-Ks, 10-Qs and Proxy Statements for periods beginning on or after this date (October 1 for SRCs)

- Quarterly disclosure of 10b5-1 plans
- Annual disclosure of insider trading policies and procedures
- Annual table regarding option/SAR grants close in time to material news

For 12/31 FYE companies (non-SRC/EGC):

- 10-Q for quarter ending 6/30/23
- 10-K and proxy for year ending 12/31/23 - ??

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What Do We Need To Do?

- Amend insider trading policy, and related memos and training materials
- Prepare to file insider trading policy
- Inventory existing trading arrangements
- Review any new 10b5-1 plans for compliance with new rules
- Monitor dates of option/SAR grants (and/or consider policy/practice regarding grant timing)
- Ensure Section 16 filing team is aware of the changes to Form 4 and Form 5 (check box for 10b5-1 plans and gift reporting)
- Notify and educate officers, directors and employees of the changes
- Reflect the above in disclosure controls and procedures

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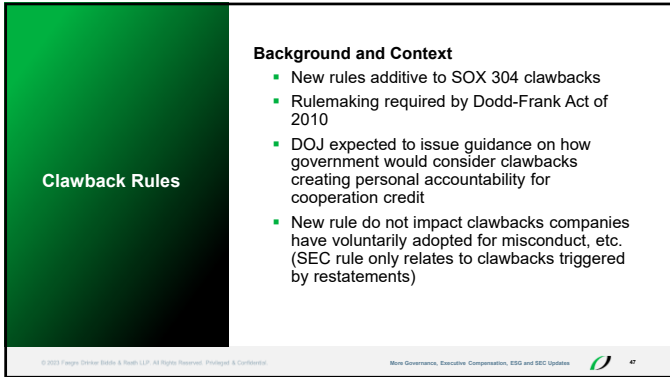
Navigating the 2023 Annual Report and Proxy Season

Executive Compensation Updates

Presented by
Amy Biddle

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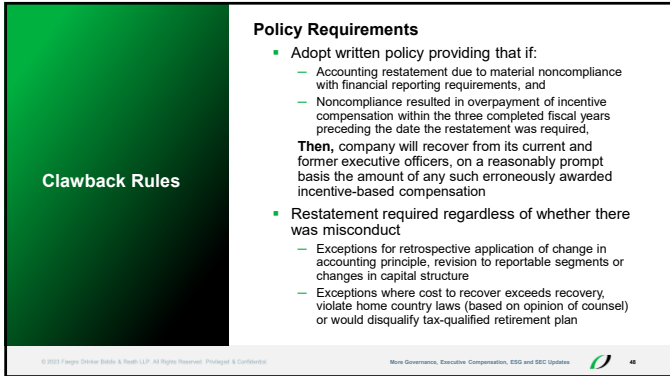
Clawback Rules

Background and Context

- New rules additive to SOX 304 clawbacks
- Rulemaking required by Dodd-Frank Act of 2010
- DOJ expected to issue guidance on how government would consider clawbacks creating personal accountability for cooperation credit
- New rule do not impact clawbacks companies have voluntarily adopted for misconduct, etc. (SEC rule only relates to clawbacks triggered by restatements)

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Clawback Rules

Policy Requirements

- Adopt written policy providing that if:
 - Accounting restatement due to material noncompliance with financial reporting requirements, and
 - Noncompliance resulted in overpayment of incentive compensation within the three completed fiscal years preceding the date the restatement was required.

Then, company will recover from its current and former executive officers, on a reasonably prompt basis the amount of any such erroneously awarded incentive-based compensation
- Restatement required regardless of whether there was misconduct
 - Exceptions for retrospective application of change in accounting principle, revision to reportable segments or changes in capital structure
 - Exceptions where cost to recover exceeds recovery, violate home country laws (based on opinion of counsel) or would disqualify tax-qualified retirement plan

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Definitions

Financial Restatement

- Corrects an error in previously issued financial statements that is material ("Big R")
- Would result in a material misstatement if the error was left uncorrected, or if correction of the error was recorded only in the current period ("Little R")

Executive Officer

- Section 16 officers

Incentive Compensation

- Compensation granted, earned or vested based wholly or in part upon attainment of a financial reporting measure
- Includes GAAP and non-GAAP measures and stock price and TSR
- Generally covers annual bonuses and performance-based LTI
 - But not salary, discretionary bonuses, time-based vesting awards or awards based on strategic goals (M&A, opening new stores, increasing market share)

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Clawback Disclosure

10-K

- Check boxes
- File policy as exhibit

Proxy Statement

- Disclosures required about restatement and recoupment if clawback is triggered
- SCT instruction to reduce amounts previously reported as compensation by any amounts recovered

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Clawback Policies:
What to do Now

- Begin reviewing existing policies to determine changes (or draft new policy, if applicable)
- Identify compensation potentially subject to recovery
- Ensure controls exist to recalculate results if needed
- Review plans/agreements to ensure awards are subject to clawback policy as in effect from time to time and review any termination release language so it doesn't conflict
- Consider implications for structuring incentive compensation and possible deferral alternatives

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Pay versus Performance

- Proxy statement must include Executive Pay versus Performance (PVP) disclosures
- Reports relationship between “compensation actually paid” for CEO and other NEOs and company financial performance
- For purposes of the PVP disclosure table, the measures of company financial performance are
 - TSR
 - Net Income
 - A “Company-Selected Measure”
 - The most important financial performance measure selected by the company
- Company TSR is also compared to peer group TSR

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COMPENSATION REPORTED

Pay for Performance Table

Year	Summary Compensation Table Total to PEO	Compensation Actually Paid to PEO	Average Summary Compensation Table Total for Non-PEO NEOs	Average Compensation Actually Paid to Non-PEO NEOs	Value of Initial Fixed \$100 Investment Based On:		Net Income	CSM: []
					Company TSR	Peer Group TSR		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
2022	\$	\$	\$	\$	\$	\$	\$	\$
2021	\$	\$	\$	\$	\$	\$	\$	\$
2020	\$	\$	\$	\$	\$	\$	\$	\$

(b) Total Compensation directly from Summary Compensation Table total for each covered year for the PEO

- If more than one person served as PEO for a covered year, add additional columns for each person
- Includes separation pay, new hire equity grants, etc. Explain one-time payments in footnotes

(c) Adjusted total for PEO, as adjusted to reflect “compensation actually paid”

- Footnotes to this column will include adjustments, as shown in the additional reconciliation tables

(d) Total Compensation directly from Summary Compensation Table for other NEOs, except that the average from the Summary Compensation Table for the other NEOs is used

- Identify in a footnote the individual NEOs in each year
- Simple average, no matter how many NEOs in a year; includes separation pay, new hire equity grants, etc. Explain one-time payments in footnotes

(e) Average SCT total for other NEOs, as adjusted to reflect “compensation actually paid”

- Footnotes to this column will include adjustments, as shown in the additional reconciliation tables

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Reconciliation Between Summary Compensation Table and “Compensation Actually Paid”


Year	Summary Compensation Table Total to PEO	Equity Adjustment	Pension Adjustment	Compensation Actually Paid
2022	\$	\$	\$	\$
2021	\$	\$	\$	\$
2020	\$	\$	\$	\$

- This is where the total compensation amounts from the Summary Compensation Table (SCT) are adjusted to show Compensation Actually Paid for the PVP Table
 - For equity awards, adjust the value of stock and option awards from the Summary Compensation Table amounts
 - For pension costs, adjust the change in pension value
- The PVP Table does not show W-2 compensation for the covered year
- For the non-PEO NEOs, compensation is adjusted as described above and then averaged for the covered year
- These adjustments may cause Compensation Actually Paid to be a negative amount

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Explanation of Connection Between Pay and Performance

- Must provide comparison of several relationships over the required time period
 - Comp actually paid compared to:
 - the Company's cumulative TSR
 - the Company's net income
 - The Company selected measure
 - Company TSR vs Peer Group TSR
- Explanation of relationship between pay and performance

This comparison and explanation can be a chart, line plot, graph, or narrative

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Table of Most Important Performance Metrics

- 3 to 7 measures
- The CSM in the PVP Table should be first
- Can be one list or two
 - For example, separate for CEO and other NEOs
- Non-financial ok
 - as long as at least 3 financial measures

Most Important Performance Measures
Revenue
Return on Invested Capital
Relative Total Shareholder Return
EBITDA
Diversity, Equity & Inclusion (DEI)

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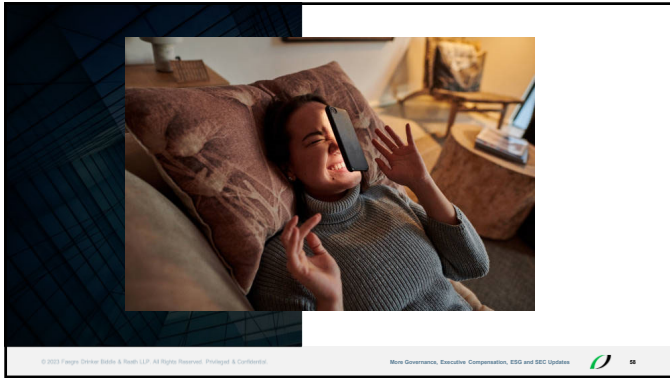
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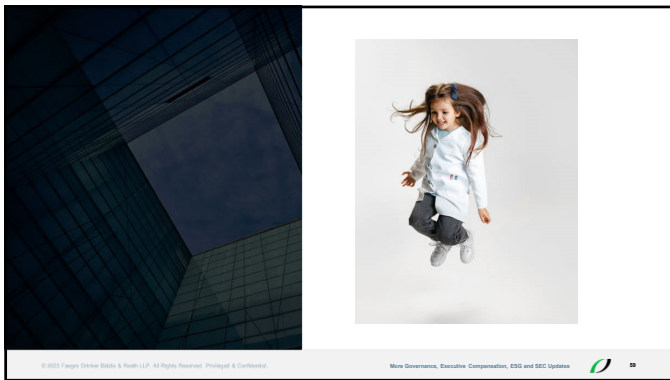

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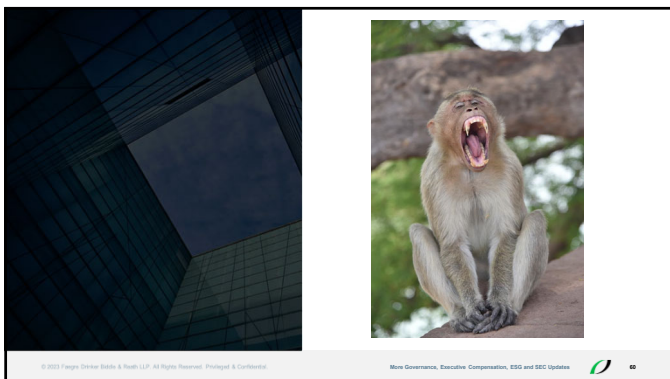




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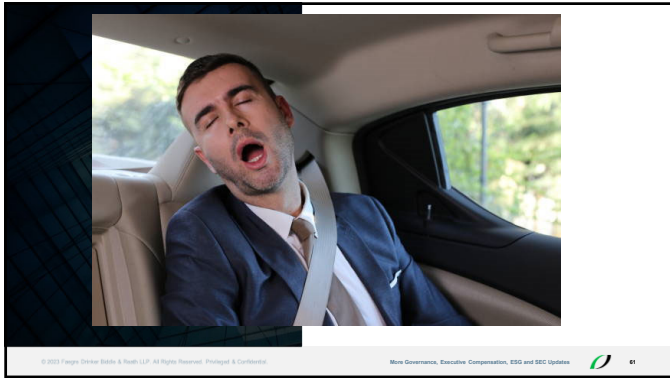


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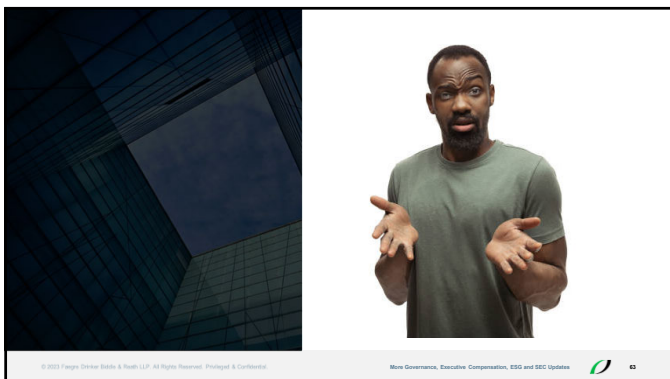




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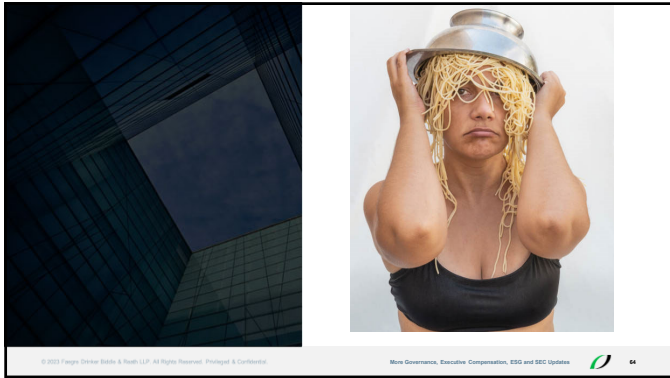


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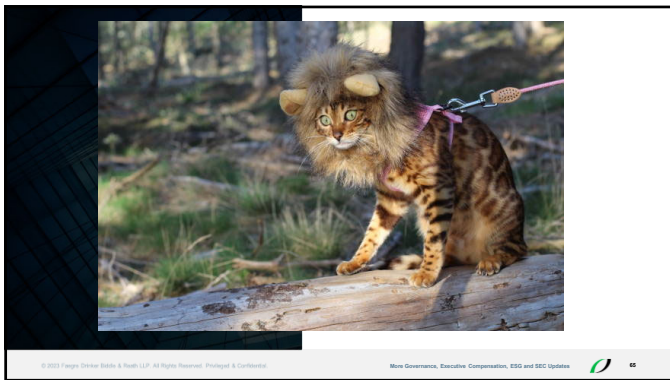


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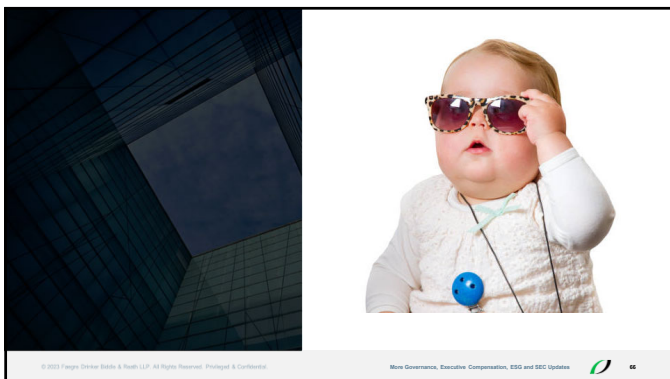




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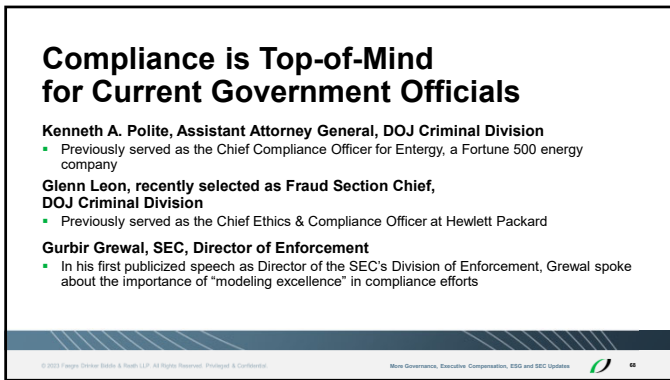


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AAG Polite's Recent Remarks on Compliance

- On March 25, 2022, Assistant Attorney General Kenneth A. Polite spoke at NYU Law's Program on Corporate Compliance and Enforcement
- DOJ expects "an effective corporate compliance program to be much more than a company's policies, procedures, and internal controls." DOJ expects to see programs that "(1) are well designed, (2) are adequately resourced and empowered to function effectively, and (3) work in practice."

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CONTINUED

AAG Polite's Recent Remarks on Compliance

- Then in a significant departure, AAG Polite elevated the role of the CCO in corporate resolutions: "In order to further empower Chief Compliance Officers, for all of our corporate resolutions (including guilty pleas, deferred prosecution agreements, and non-prosecution agreements), I have asked my team to consider requiring both the Chief Executive Officer and the Chief Compliance Officer to certify at the end of the term of the agreement that the company's compliance program is reasonably designed and implemented to detect and prevent violations of the law (based on the nature of the legal violation that gave rise to the resolution, as relevant), and is functioning effectively."


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AAG Polite's Recent Remarks on Compliance

- "In instances where a monitor is not imposed and a company is required to provide annual self-reports on the state of their compliance programs, **we will consider requiring that the CEO and the CCO will also have to certify that all compliance reports submitted during the term of the resolution are true, accurate, and complete.**"



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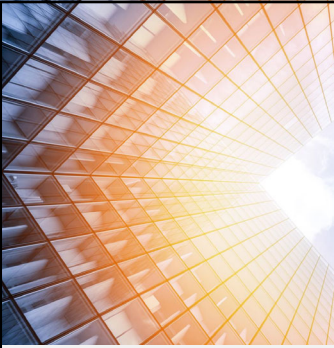
AAG Polite's Recent Remarks on Compliance

- DOJ also expects companies to measure and test the effectiveness of their compliance programs.
- AAG Polite put it this way: "We are also interested in how a company measures and tests its culture—at all levels of seniority and throughout its operations—and how it uses the data from that testing to embed and continuously improve its ethical culture."



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AAG Polite's Summation

AAG Polite concluded: "Our message is clear – companies that make a serious investment in improving their compliance programs and internal controls will be viewed in a better light by the Department. Support your compliance team now or pay later."

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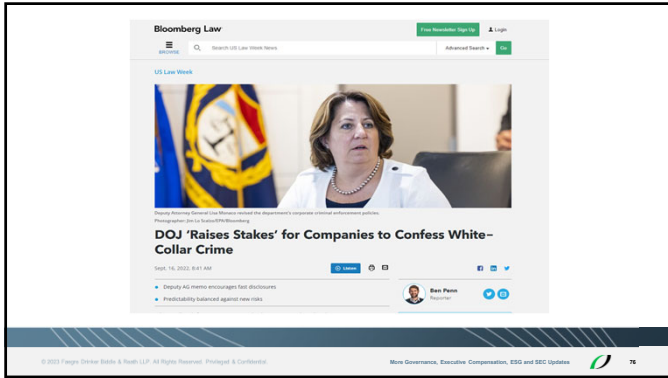
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Deputy Attorney General Monaco Announces Criminal Enforcement Policy Changes

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DAG Monaco's Policy Pronouncements

- During a speech on September 15, 2022, Deputy AG Lisa Monaco announced significant policy changes to DOJ's corporate enforcement strategy.
- DOJ expects companies to do more to police themselves through investments in corporate compliance.
- Policy changes address prioritization of individual accountability; evaluation of prior misconduct, cooperation, and compliance program in determining corporate resolutions; benefits of voluntary self-disclosure; and use of monitors.


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Renewed Focus on the Timeliness of Cooperation

- "Going forward, undue or intentional delay in producing information or documents—particularly those that show individual culpability—will result in the reduction or denial of cooperation credit."
- "If a cooperating company discovers hot documents or evidence, its first reaction should be to notify the prosecutors. This requirement is in addition to prior guidance that corporations must provide all relevant, non-privileged facts about individual misconduct to receive any cooperation credit."

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Benefits of Voluntary Self-Disclosure

- Self-disclosure remains the “clearest path” to avoiding a guilty plea or indictment.
- DOJ seeks “to reward those companies whose historical investments in compliance enable voluntary self-disclosure and to incentivize other companies to make the same investments going forward.”

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Benefits of Voluntary Self-Disclosure

- “[F]or the first time ever, every Department component that prosecutes corporate crime will have a program that incentivizes voluntary self-disclosure. If a component currently lacks a formal, documented policy, it must draft one.”
- “Absent aggravating factors, the Department will not seek a guilty plea when a company has voluntarily self-disclosed, cooperated, and remediated misconduct.”
- “In addition, the Department will not require an independent compliance monitor for such a corporation if, at the time of resolution, it also has implemented and tested an effective compliance program.”

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Focus on Corporate Culture and Financial Incentives

- “[R]esourcing a compliance department is not enough; it must also be backed by, and integrated into, a corporate culture that rejects wrongdoing for the sake of profit.”
- Companies should hold financially accountable all individuals who contribute to criminal misconduct by, e.g., employing “clawback provisions” and/or escrowing compensation.
- “Compensation systems that clearly and effectively impose financial penalties for misconduct can deter risky behavior and foster a culture of compliance.”
- Companies should also promote compliance by using affirmative benchmarks to reward compliance-promoting behavior.

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Focus on Corporate Culture and Financial Incentives

- "Going forward, when prosecutors evaluate the strength of a company's compliance program, they will consider whether its compensation systems reward compliance and impose financial sanctions on employees, executives, or directors whose direct or supervisory actions or omissions contributed to criminal conduct."
- Criminal Division to provide further guidance by end of year on how to reward corporations that employ clawback or similar arrangements.

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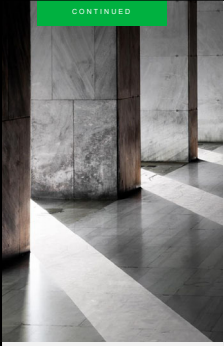
Focus on "Ephemeral Messaging"

- DOJ prosecutors should consider, among other things, "whether the corporation has implemented effective policies and procedures governing the use of personal devices and third-party messaging platforms to ensure that business-related electronic data and communications are preserved."

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Focus on "Ephemeral Messaging"

- Prosecutors should also consider whether a corporation seeking cooperation credit in connection with an investigation has instituted policies to ensure that it will be able to collect and provide to the government all non-privileged responsive documents relevant to the investigation, **including work-related communications (e.g., texts, e-messages, or chats), and data contained on phones, tablets, or other devices that are used by its employees for business purposes.**

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Focus on “Ephemeral Messaging”

- “We continue to see in multiple investigations instances where one party or firm that used off-channel communications has preserved and produced them, while the other has not. Not only do these failures delay and obstruct investigations, they raise broader accountability, integrity and spoliation issues. A proactive compliance approach requires market participants to not wait for an enforcement action to put in place appropriate policies and procedures to preserve these communications and anticipate these emerging challenges.”

– SEC Director of Enforcement, Gurbir S. Grewal, Oct. 6, 2021

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Compliance as a Risk Mitigation Tool in a Tough Enforcement Climate

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- **Domestic and international government authorities consistently stress the same core components of a corporate compliance program:**
 - U.S. Sentencing Guidelines for Corporations
 - DOJ Fraud Section’s Corporate Enforcement Policy (CEP)
 - DOJ Antitrust Division Guidance
 - OFAC Compliance Framework
 - U.K. Financial Conduct Authority Financial Crime Guide
 - U.K. Bribery Act Guidance
 - World Bank Group Integrity Compliance Guidelines

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- **The United States Sentencing Guidelines**
 - Organizations can receive a reduction in their culpability score if their compliance programs meet certain requirements, meaning that a company may receive a significantly lower fine.
- **The Principles of Federal Prosecution of Business Organizations “The Filip Factors”**
 - DOJ prosecutors are required to consider “the adequacy and effectiveness of the corporation’s compliance program at the time of the offense, as well as at the time of a charging decision,” meaning an adequate compliance program may mitigate the terms of a criminal resolution or avoid one altogether.

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- On June 1, 2020, the Criminal Division of the U.S. Department of Justice released updated guidance to its prosecutors on how to evaluate the design, implementation, and effective operation of corporate compliance programs:
 - A company’s assessment of risks is the “starting point” for evaluating the design of compliance programs, and under the guidance prosecutors should probe how the risk assessment informed “why the company has chosen to set up the compliance program the way that it has, and why and how the company’s compliance program has evolved over time.”

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- **DOJ Fraud Section’s Corporate Enforcement Policy (CEP)**
 - Presumption that a company will receive a declination absent aggravating circumstances when it voluntarily self-discloses misconduct, fully cooperates, and provides “timely and appropriate” remediation.
 - The CEP defines timely and appropriate remediation to include: “Implementation of an effective compliance and ethics program” measured by, among other items, **a culture of compliance, the dedication of resources, the authority and independence of the compliance function, and the effectiveness of a company’s risk assessment, auditing and reporting functions.**

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- **The Securities and Exchange Commission (SEC)**
 - Four factors identified in the Seaboard Report used when determining appropriate charges and remedies are self-policing, self-reporting, remediation, and cooperation.
- **In addressing corporate “self-policing” the SEC asks:**
 - How did the misconduct arise? Is it the result of pressure placed on employees to achieve specific results, or a tone of lawlessness set by those in control of the company? **What compliance procedures were in place to prevent the misconduct now uncovered? Why did those procedures fail to stop or inhibit the wrongful conduct?**

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- **The Resource Guide to the U.S. Foreign Corrupt Practices Act**, published jointly by the Criminal Division of the U.S. Department of Justice and the Enforcement Division of the U.S. Securities and Exchange Commission
 - The guide contains the “hallmarks of effective compliance programs” that DOJ and the SEC consider when evaluating corporate compliance programs in the context of an FCPA enforcement action (but which in practice apply more broadly):
 - Commitment from Senior Management
 - Clearly Articulated Policies
 - Code of Conduct
 - Oversight, Autonomy and Resources
 - **Testing and Risk Assessment**

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

- U.K. Financial Conduct Authority (FCA)
- “A firm’s efforts to combat financial crime should be subject to challenge. We expect senior management to ensure that policies and procedures are appropriate and followed.” Self-assessment questions are:
 - How does your firm ensure that its approach to reviewing the effectiveness of financial crime systems controls is comprehensive?
 - **What are the findings of recent internal audits and compliance reviews on topics related to financial crime?**
 - How has the firm progressed remedial measures?”

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The Role of Compliance as a Risk Mitigation Tool in Government Enforcement

The U.K. Bribery Act

- **Affirmative defense** of "adequate procedures" which can shield a company from prosecution for the strict liability offense of failing to prevent bribery.
- Ministry of Justice Guidance sets forth factors which may be considered adequate in evaluating corporate compliance programs:
 - Proportionate procedures
 - Top-level commitment
 - Risk assessment
 - Due diligence
 - Communication (including training)
 - **Monitoring and review**

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Navigating the 2023 Annual Report and Proxy Season

Proxy Disclosure: Director Disclosure Workshop

Presented by
Emily Donaher

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Director Disclosure

- Easy to read bios (sections/bullets)
- Director photos
- Demographic tables/charts
- Enhance details about committees and board leaders
- Cover letter from board or board leadership
- Committee chair quotes
- Video clips

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#1
Director Bio

Mr. Allen is former chief marketing officer of IBM Cloud at IBM Corporation (NYSE: IBM), an international technology solutions company, a position he held from 2015 until his retirement in 2018. Prior to joining IBM, Mr. Allen served as chief marketing and strategy officer at Unisys Corporation (NYSE: UIS) from 2012 to 2015. He previously served as chief executive officer of Vertis Communications, a direct marketing and advertising company, a position held from 2009 to 2010. Prior to Vertis Communications, Mr. Allen held several leadership positions with Xerox Corporation, including serving as president of the Global Services and Strategic Marketing Group and president of Production Systems Group, as well as vice president of Xerox Corporation. Mr. Allen has served on the board of The ODP Corporation (Office Depot) (NASDAQ: ODP) since 2020, the Lumen Technologies Corporation (NYSE:LUMN) since 2021, and previously served on the boards of NCR Corporation (NYSE: NCR) from 2009 to 2012 and Gateway, Inc. from 2006 to 2007.

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#2
Director Bio

JULIA A. STEWART
Age 65
Director since January 2021
Independent

RECENT BUSINESS EXPERIENCE
Araia, Inc., health and wellness company
• Founder, Chair & CEO since January 2020
One Brands Global, Inc., consumer packaged goods
senior operator and Founder of HDP and Appleby's restaurants
• Chairman & CEO from June 2008 to March 2021

BOARD ROLES
Compensation Committee Chair
Governance Committee Member

OTHER PUBLIC COMPANY BOARDS
Carnet
Elio Acquisition Corp.
Puffin Energy
One Brands Global, Inc.

SELECT EARLY AND QUALIFICATIONS
Senior leadership experience
• Led companies that with over \$500 million in annual revenues and more than 3,000 employees
Industry expertise and global exposure
• International operational and marketing experience in retailing/industry
• Expertise in brand positioning, risk assessment, financial reporting and governance
U.S. public company board experience
• Corporate service on other board and prior service on other boards

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#3
Director Bio

Lynn A. Pike
Age 65
Director since 2020 | Independent

Career Highlights
• Former President of Capital One Bank (2000-2002) and a former member of the Capital One Executive Committee
• Former President of Business Banking at Bank of America, as well as the former President of California for that corporation

Specific Qualifications, Experience, Skills and Expertise
• Unique perspective as Co-Chair of the Board of Directors of Amerant Express
• National Bank
• Banking industry expertise
• Corporate governance and management
• Payments and network industry expertise
• Regulatory experience

Director since 2020 | Independent | Age 65 Committee, Compensation and Benefits
Other Current Public Directorships
• Hexion Ltd.
Other Public Directorships in the Past Five Years
• None

Select Professional and Community Contributions
• Co-Chair, Board of Directors of American Express National Bank
• Director, Hexion Ltd. (HXC)
• Director, Bank of America
• Director, California State University Channel Islands Foundation

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#4
Director Bio



Frank P. Bramble, Sr.

Mr. Bramble brings broad-ranging financial services experience, international assignments, and executive insight to our Board, having held leadership positions at our Financial Services Company as a senior executive since 2003. He joined our Board in 2019, and was elected to our Board in 2020. Mr. Bramble has also held a wide range of senior positions at major financial institutions, including financial management, credit, cyclicals and underwriting, and asset and financial reporting.

Other leadership experience and service:

- Former member of the Board of Directors of Harvest University and prior financial services company and advising firm 2008-2018

Professional Highlights:


- Served as Chairman of the Board of Directors from July 2014 to June 2019 and Deputy President from July 2013 to June 2014 of a public utility company in the Southeast, Missouri.
- Served as Executive Vice Chairman from July 2012 to April 2013, and Chairman of the Executive Committee from April 2013 to December 2013, of a public utility company in the Southeast, Missouri.
- President of the Board of Directors, and Chief Executive Officer of Affinity Financial, Inc. and Chief Executive Officer of Affinity Bank, a National Security Bank, and Origin Bank, a National Security Bank.
- Served as a member of the Board of Directors, from 2005 to 2012, of Sun Life of Canada, a major insurance company in the U.S. and Canada.
- Served as a member of the Board of Directors, from 2001 to 2004, of Sun Life of Canada, a major insurance company in the U.S. and Canada.
- Began his career as an audit clerk at the First National Bank of St. Louis.

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#5
Director Bio



Drew Faust, Ph.D.

Director Since: July 2018

Age: 74

Other U.S.-Listed Company Directorships:

- CoStar Group
- Premier Fosters & Smalls, Inc.

KEY EXPERIENCE AND QUALIFICATIONS:

- **Harvard member and diversity:** As a former President of Harvard University, distinguished to provide insight on the firm's strategies relating to diversity, recruiting and retention.
- **Leadership and governance:** Current and past service on the boards of directors of public and/or not-for-profit firms provide additional perspective on governance.
- **Diversity and sustainability:** During her tenure at Harvard University, she, among other things, advanced the university's international reach, promoted collaboration across disciplines and administrative units and designed and implemented service sustainability initiatives, including Harvard's Climate Action Plan.

CAREER HIGHLIGHTS:

- Harvard University, President Emerita (July 2018 - Present) and Arthur King Philip Postum University Professor (January 2019 - Present)
- Director (July 2017 - June 2018)
- Deputy President of Harvard (January 2013 - December 2018)
- Founding Dean, Radcliffe Institute for Advanced Study (January 2001 - July 2013)
- University of Pennsylvania (1998 - 2003), various senior positions including: the Director, Professor of History and the Director of the Women's Studies Program.

OTHER PROFESSIONAL EXPERIENCE AND COMMUNITY INVOLVEMENT:

- Member, Educational Advisory Board, Johns Simons Guggenheim Memorial Foundation
- Member, National Academy of Arts & Sciences
- Member, The MIT Corporation
- Former Member, Board of Directors, The Board Institute Inc.
- Former Member, Board of Directors, Harvard Management Company Inc.

EDUCATION:


- Graduate of Bryn Mawr College and the University of Pennsylvania (Masters and Ph.D.)

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#6
Director Bio



Ted Sarandos

CO-CHIEF EXECUTIVE OFFICER AND CHIEF CONTENT OFFICER OF THE COMPANY

Why this director is valuable to Netflix:

Mr. Sarandos, as Co-Chief Executive Officer and Chief Content Officer, is integral to developing corporate strategy and oversees the teams responsible for the acquisition, creation and production of all Netflix content including original series from around the world. His in-depth knowledge about Netflix and experience in the entertainment industry provide a valuable contribution to the Board.

Age: 57

Director Since: 2020

Committees: None

Class: III (Expires 2023)

Other Public Company Boards:

- Spotify Technology S.A.

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Highlight ESG Experience



Director Since 2011
 Mr. Schoewe has served as an Independent Director since 2011.

Thomas M. Schoewe
 Annual Executive Vice President & CFO
 at Black & Decker

Spotlight on ESG Expertise: Mr. Schoewe developed social expertise - in particular, supply chain management - during his tenure as CFO at Black & Decker and Wal-Mart and currently as a member of the Audit Committee Leadership Network. In his current capacity, he leverages his training to advocate for improved performance of audit committees and more rigorous controls of ESG disclosures. GM benefits from Mr. Schoewe's experience as we continue our efforts to provide comprehensive and meaningful ESG disclosures.

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Highlight Director Leader Responsibilities

Our Board leadership structure

Our Board's general leadership structure may change over time to reflect our company's evolving needs, strategy, and operating environment, changes in our Board's composition and leadership needs, and other factors, including the perspectives of shareholders and other stakeholders. In accordance with a 2014 amendment to our Bylaws that was ratified by our shareholders at a 2014 special meeting called solely for that purpose, our Board has the flexibility to determine the Board leadership structure here stated to the extent and measurement of our company and our Board. Our shareholders ratified their support for allowing the flexibility to bring general shareholder proposals before the annual meeting regarding an independent Chair at each of our 2017 and 2018 annual meetings of shareholders. At that meeting, our Board in consultation with our Corporate Governance, ESG, and Sustainability Committee, deliberated on and discussed the appropriate Board leadership structure, including the considerations described above.

Under our Board's current leadership structure, we have a Chair and a Lead Independent Director. Our Lead Independent Director is empowered with and exercises, subject to certain limits, our Board's composed of experienced and committed independent directors (with all non-management directors being independent). Our Board committees have objective, experienced chairs and members. All our directors are required to stand for election annually. Our Board, other leadership of the Lead Independent Director is committed to engaging with shareholders and other stakeholders. Our Board committees and our directors, acting together, provide for effective independent Board leadership, effective engagement with and oversight of management, and a role that is independent from management and accountable to shareholders and other stakeholders.

Our Lead Independent Director, together with the other independent directors, collaborates with the independent Board leadership, and effectively engages and oversees management. The Lead Independent Director is guided by experienced independent Board members and a Chair who, as CEO, serves as the primary voice to articulate our long-term strategy and our responsible growth. The independent directors provide objective oversight of management, review the CEO's performance, determine and approve CEO compensation, help to establish our compensation and regulatory issues, and oversee the risk management of our company and our shareholders. By providing management with the most direct and regular communication with the other independent directors, the other directors, and our shareholders, before the meeting, the Board, through its annual engagement with those non-shareholders, before the meeting, and our Board on Responsible Growth. Our Chair is also a global leader who is "a leading voice in ESG progress, including through the Board's Corporate Social Responsibility Human Rights Council, which is leading efforts on consideration of ESG disclosures, and is co-chair of the Sustainable Behavior Institute, the global shareholder advocacy forum. A Lead Independent Director who is empowered (see our page for a list of the defined duties) who is highly engaged and fully regular meeting with our primary regulators, our investment director, and our CEO (see our management, investors, and page a leading role in our shareholder engagement process (see page 35).

Highly engaged Lead Independent Director


The following list of duties of the Lead Independent Director does not fully capture Mr. Gerber's role on the Board's independent role. Among other things, Mr. Gerber:

- Holds bi-monthly calls with our primary bank regulators to discuss any issues of concern
- Regularly speaks with our CEO and holds calls at least monthly to discuss Board meeting agendas and discuss topics, schedules, and other Board governance matters
- Attends meetings of all of the Board committees
- Speaks with each Board member at least quarterly to receive input on Board agenda, Board effectiveness, Board planning matters, and other related topics of management energy
- Meets at least quarterly with management members, including our CEO, our Chief Risk Officer, our Head of Global Compliance and Operational Risk, and our Chief Human Resources Officer
- Plays a leading role in our shareholder engagement process, representing our Board and independent directors in investor meetings and providing information from those investor meetings to our Board

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Meet Our Independent Lead Director



Our Lead Independent Director Serving Since 2017
 Mary E. Gerber

The Role of the Lead Independent Director

Our Lead Independent Director has significant authority and responsibilities to provide for an effective and independent Board. In this role, Mr. Gerber:

- Develops and approves the agenda for Board meetings, in consultation with the Chairman and Committee Chairs
- Leads executive sessions and facilitates discussion of the Company's strategy, key governance issues (including succession planning) and the performance of BlackRock senior executives at each executive session
- Serves as liaison between independent directors and the Chairman
- Focuses on Board effectiveness, performance and composition with input from the NSGC
- Oversees and reports on annual Board and Committee performance evaluations in consultation with the NSGC
- Serves as the primary Board contact for shareholder engagement

Mr. Gerber has substantial experience with corporate governance and public company management, as well as deep knowledge of the Company and its governance practices. The Board believes Mr. Gerber's long tenure as a director enables him to provide a valuable perspective on BlackRock's growing business and risk management and enhances his ability to challenge members of senior management. The Board is reflective in response to the 2020 Board and Committee evaluations, commended Mr. Gerber's strength as Lead Independent Director, highlighting his leadership and the effectiveness with which he acts as a liaison between the Board and the Chairman.

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Cover Letter from Board Leadership

Letter from our Chair and Chief Executive Officer

We are pleased to invite you to the 2022 annual meeting of shareholders to be held on April 29, 2022 at 10:00 a.m. Eastern time. For the health and safety of our shareholders, employees, and communities, our 2022 annual meeting will be held virtually by webcast.

During the meeting, we will provide updates on how, by hosting an Independent Growth, our company achieved its objectives and all of our stakeholders in 2021.

You will also hear from our Lead Independent Director and our Lead Independent Director following the 2022 annual meeting.

Your vote is important. We will make a \$1 charitable donation for every shareholder who votes. Contributions will be made to our local and national charities and the United Way. We will also give \$1 to the Bank of America for every \$1 charitable donation for every shareholder who votes. Your participation in the 2022 annual meeting is valued at approximately \$1 million in contributions to the National Urban League and United Way.


For more information, please read our 2021 Proxy Statement, our 2021 Annual Report, and the other proxy materials and the voting instructions on the page that follow to ensure your shares are represented at the meeting.

Letter from our Lead Independent Director


The independent director and you have been invited to attend our company's 2022 annual meeting of shareholders. The Board values your input and your participation in the 2022 annual meeting. We are pleased to have you as a shareholder and we are committed to providing you with the information you need to make an informed decision regarding the election of our directors and the ratification of our independent auditors.

Our 2021 and 2022 performance highlights include our strong results, including the Board's focus on corporate governance and the health of our company. We are committed to providing you with the information you need to make an informed decision regarding the election of our directors and the ratification of our independent auditors.

We are pleased to have you as a shareholder and we are committed to providing you with the information you need to make an informed decision regarding the election of our directors and the ratification of our independent auditors.



BRIAN T. MCINMAN
Chair and Chief Executive Officer



LIONEL L. NOWELL III
Lead Independent Director

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Highlight the Committees

BOARD	EXECUTIVE COMMITTEE
<p>Chair: Brian T. McInman</p> <p>Members: Thomas W. Schuette (Chair), Wesley G. Bush, Luke S. Givens, James A. Hinkle, and Mark A. Taylor</p> <p>Meeting Year: 2022</p> <p>Key Responsibilities:</p> <ul style="list-style-type: none"> Monitor the effectiveness of the Company's financial reporting practices and controls, as well as the Company's internal controls. Review and engage the Company's external auditors and review and evaluate the audit process. Review and evaluate the scope and performance of the internal audit function. Monitor significant transactions and other financial positions and affairs between the Board and the external auditors, the Company's financial and senior management, and the Company's internal audit function. Review the Company's policies and procedures regarding ethics and compliance. Review the Company's ESG reporting processes and control procedures and annually approve the Company's Sustainability Report disclosure in 2022 and the Company's Report on related disclosure for the annual proxy statement. 	<p>Chair: Carol M. Stabinski</p> <p>Members: Carol M. Stabinski (Chair), Wesley G. Bush, Charles J. Bennett, Mark A. Taylor, and Marjorie C. Wilman</p> <p>Meeting Year: 2022</p> <p>Key Responsibilities:</p> <ul style="list-style-type: none"> Review the Company's executive compensation policies and procedures, including the Company's "pay or lose" policy, to ensure that the Company's executive compensation policies and procedures are consistent with the Company's values and the Company's long-term interests. Review and approve the Company's executive compensation policies and procedures, including the Company's "pay or lose" policy, to ensure that the Company's executive compensation policies and procedures are consistent with the Company's values and the Company's long-term interests.

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Highlight the Committees

Audit Committee

Chair: Pamela J. Craig

Other Members: Mary Ellen Cox, Stephen L. Mayo, Ph.D., Paul B. Rothman, M.D., Christine E. Sidman, Ph.D., Kathy J. Warden

Number of Meetings in 2022: 9

Financial Experts on Audit Committee: Pamela J. Craig, Ph.D., Mary Ellen Cox, Stephen L. Mayo, Ph.D., Paul B. Rothman, M.D., Christine E. Sidman, Ph.D., Kathy J. Warden

Overview:

The Audit Committee oversees our accounting and financial reporting processes, internal controls and audits and consults with management, the internal auditors, and the independent auditors on emerging risks, matters related to the annual audit, the published financial statements and the accounting principles applied. The Audit Committee has established policies and procedures for the pre-approval of all services provided by the independent auditor (as described on page E3 of this proxy statement) and for the approval of the annual internal audit plan as required by the internal audit organization.

The Audit Committee's Report is included on page B3 of this proxy statement.

The Primary Functions of this Committee are to:

- Appoint, evaluate and retain our independent auditors;
- Monitor direct responsibility for the preparation, termination and oversight of our independent auditors and evaluate the independent auditors' qualifications, performance and independence;
- Oversee the Company's compliance with legal & regulatory requirements, including monitoring compliance with the Foreign Corrupt Practices Act and the Company's policies on ethical business practices and reporting on these items to the Board;
- Establish procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- Oversee the Company's Risk Management process;
- Regularly meet with the Chief Information Officer regarding the Company's information technology and have primary responsibility for overseeing the Company's cybersecurity risk management programs and
- Review any significant issues concerning litigation and contingencies with management, counsel, and the independent public accountants.

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Show How Hard They Work

In carrying out their leadership roles during 2021:

LEAD DIRECTOR
Anthony Oppenhe

OVER 55 MEETINGS

COMMITTEE CHAIRS
Audit and Compensation
Compensation – Michelle Burns
Public, Environmental & Governance
Risk – Mark Weissman

OVER 125 MEETINGS

Includes meetings with, as applicable:
CEO, COO, CFO, Secretary to the Board, General Counsel, CRO, Director of Internal Audit and other key Internal Audit employees, Controller, Global Head of HCM, Director of Investor Relations, Global Head of Executive Compensation, Global Head of Corporate Engagement, Chief Information Security Officer, Co-Chief Information Officer, Shareholders, Regulators, Independent Compensation Consultants, Director Search Firm, Independent Auditors

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Vote For Me!

Our Board of Directors recommends a vote FOR the election to the Board for each of the nominees listed below.

Rudd G. Hoffman Age 44 April 14, 2017 Investment Counsel Partner, Graylock Partners	Heath J. Johnson Age 60 Since 2012 Chairman and Chairman, Executive Vice President, and CEO, PepsiCo Inc.	Tari L. Lin Age 58 Since 2014 Executive Vice President and CEO, The Gap, Inc.	Sergio Staib (Incumbent) Age 51 April 14, 2014 Investment Executive and CEO, Microsoft Corporation
Sanjiv K. Peterson Age 50 December 2013 Occupational Consulting Partner, Capgemini Global & Risk LLC	Pamela S. Priskler Age 52 December 2013 Occupational Executive and Chairman, P2F Partners, LLC	Carlos A. Rodriguez Age 53 Since 2014 Occupational President, CEO, and Global, Automati- Data Processing, Inc.	Charles W. Scharf Age 55 December 2014 President and Director, Wells Fargo & Company
John W. Stanton Age 66 December 2014 Chairman, Treasurer and Partnering	John W. Thompson Age 77 Since 2012 Occupational and Independent Director, BlackRock Corporation, Member of the Director Nomination Committee, Corporation	Ernest N. Wainwright Age 52 Since 2019 Chairman, 571 Mail Director, GrandCentral life	Radhika Wastler Age 60 December 2015 President, and CEO, Fable Wine, Inc.

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Draw Attention to Highlights

Board and Committee Oversight of Cybersecurity

Our Board is actively engaged in the oversight of BlackRock's cybersecurity program. Several of our Director nominees bring experience with managing and mitigating cyber and technology risks at regulated entities, which provides the Board with insight and participation in overseeing the firm's technology and operations, as well as our continuing investment in and development of the cybersecurity program.

- Our Risk Committee receives regular reports on the Company's cybersecurity program and related developments from members of our information security team. These reports include analyses of recent cybersecurity trends and incidents across the industry, as well as reviews of BlackRock's own security controls and program, including as it relates to Aladdin and our investment platform.
- On an annual basis, senior members of BlackRock's technology, risk and information security teams provide comprehensive overviews of BlackRock's cyber risk and related programs to a joint session of the Risk and Audit Committees.

Our global information security team, in collaboration with our technology risk team, internal audit and independent third parties, assesses cyber risks and adjusts our program as needed.

In 2021, the Risk Committee also discussed with management cyber incident preparedness and measures implemented by the firm, such as response, governance and communication protocols, as well as the results of "tabletop" exercises conducted by management and led by external advisors.

Program Highlights:

- Global, in-depth, multi-layered strategy of control programs, using internal teams and independent third parties, including monitoring, incident management, security engineering, identity and access management and security assessments.
- Participation in financial services industry and government forums to improve both internal and sector cybersecurity defense.
- Cybersecurity risk program is aligned with various frameworks, including FedRAMP, SOC 1 & 2, ISO 27001/2 and others.
- Employees are required to complete an annual information security training.

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Understand Our Board Refreshment

Board Refreshment
 Understanding our approach to board refreshment, including Board and Committee composition, and board effectiveness.

- To ensure a Board with appropriate mix of experience and qualifications, the NYSE, and the level of management and/or public company experience of our independent director nominees and Committee members.
- To ensure a Board with a mix of skills and perspectives, including geographic diversity.
- To 2022, the Board added three new directors: Ruth Paul, Keith Puck and Steve Long.
- Annual Board and Committee evaluations may identify director skills that need enhanced or new director nominees for board refreshment purposes. The Board will consider the Board and Committee composition.
- To ensure the Board has an appropriate balance of experience, industry, and other connections, the Board considers length of director tenures and independence.
- To ensure the Board has a mix of management and public company experience, which may include the nomination of director nominees to management positions.
- To ensure our director nominees are not affiliated with our competitors and to ensure our director nominees are not affiliated with our competitors.
- The Board considers the publicly available performance records and performance relative to their competitors and industry of the Board and Committee members.
- All new directors participate in an executive orientation program, including the NYSE listing requirements, the NYSE listing rules, and the listing rules for public companies, including the listing rules for public companies.

Director Nomination

Board and Committee Evaluations

Director Term, Retirement and Pay Policy

Board Committee Structure

Director Observability

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Call Us ...well, maybe email us

Communications with the Board
 Shareholders and other interested parties may contact any member (or all members) of the Board, any Committee or any Chair of any such Committee by mail or electronically.

Correspondence may be sent by:

Mail:

BlackRock, Inc.
 Attn: Board of Directors
 c/o Corporate Secretary
 40 East 52nd Street
 New York, New York 10022

Online:

Go to the BlackRock website at www.blackrock.com. Under the headings "Our Company and Other About BlackRock Investor Resources," "Governance / Governance Overview / Contact Our Board of Directors," you will find a link that may be used for writing an electronic message to the Board, the Lead Independent Director, any individual director or any group or subcommittee of Directors.

BlackRock's Corporate Communications, Investor Relations and Legal and Compliance Departments will review all communications received by investors outside the corporate reporting channel for our directors. Please, therefore, for all messages with any member of the Board will also be reviewed accordingly and, if appropriate, reviewed by Investor Relations and the Corporate Secretary. Contents relating to securities, financial controls or trading matters are handled in accordance with established procedures. Shareholders are encouraged to visit the "Governance / Governance Overview" page of the BlackRock website at <http://www.blackrock.com> to view the Corporate Governance Overview, Code of Business Conduct and Ethics, Code of Ethics for Chief Executive and Senior Financial Officers and additional information about BlackRock's Board and its Committees and corporate governance policies. The charters for each of the Board Committees, the NODC, the Risk Committee and the Executive Committee can be found at the same website address. In addition, BlackRock intends to satisfy any disclosure requirements regarding any amendments to our charter from a provision of the Code of Ethics for Chief Executive and Senior Financial Officers by posting such information on its corporate website. BlackRock will provide a copy of these documents without charge to each shareholder upon written request. Requests for copies should be addressed to the Corporate Secretary, BlackRock, Inc., 40 East 52nd Street, New York, New York 10022.

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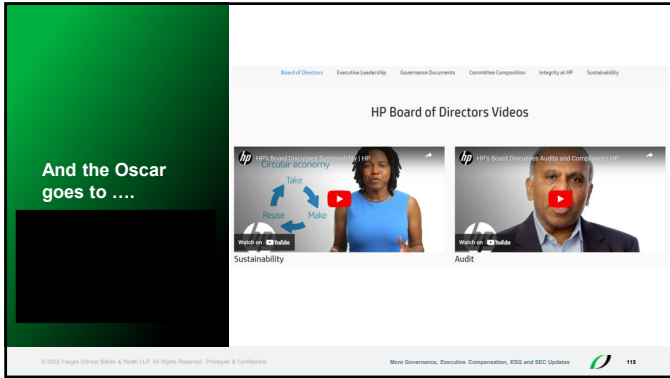
Show the Board's Track Record

Demonstrated track record of responsiveness to investors and other stakeholders
 Our Board evaluates and reviews input from our shareholders in considering their independent oversight of management and our long-term strategy. In addition to our commitment to constructive engagement with investors, we evaluate and respond to the views raised by our shareholders, including voting results from our annual meetings of shareholders. Our dialogue has led to enhancements in our corporate governance, ESG, and executive compensation policies, which our shareholders are in the best interests of our company and our shareholders. For example, after consulting with shareholders and other stakeholders:

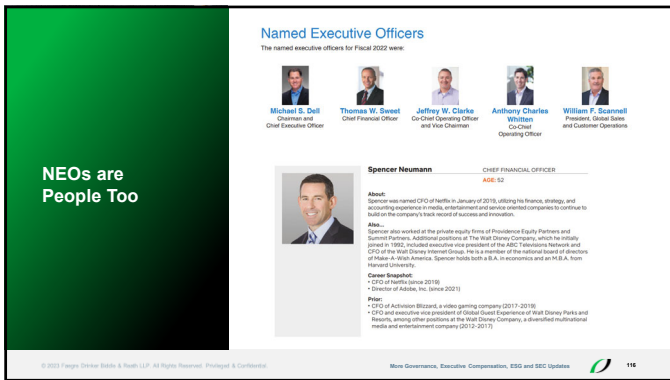
- We constructedively considered **board succession planning and refreshment**, driven by our Corporate Governance, ESG, and Sustainability Committee and the process described in "Identifying and evaluating director candidates" on page 10.
- We revised our open shareholders' track record on **rating shareholders to ratify the amendments to our Bylaws** to provide for Disclosure Exclusion Forum Provisions. See Proposal 2 on page 25.
- We provided focused disclosure on our **Board and management ESG oversight structure**, including the oversight of human capital metrics, ESG metrics generally, and ESG risk (see page 30).
- We enhanced **ESG disclosure** in this proxy statement (see pages 38 through 43) and in our 2021 Annual Report. We continue to seek to **improve ESG disclosure** and we work to share transparent insight into our business and its shared success in our communications, filing programs to help reach a wider audience, and bring a fresh perspective to our work. We provide **highlights of our ESG accomplishments**, including our progress, actions to promote and quantify our business, opportunities, and initiatives, and identify sustainable financial and program goals for 2021. (See page 41).
- In our 2021 Annual Report, we include **Human Capital Management updates** to share the latest information about our commitment to being a great place to work, including the impact of the physical, emotional, and financial wellness of our employees, along with inclusive workplace and our ESG1 data. A subset of the information is highlighted in this proxy statement (see pages 43 through 47).
- We continued our **active participation in the Value Reporting Foundation**, including through the service of our Chief Accounting Officer on the Value Reporting Executive Board of Directors.
- We published our **TCFD Report 2020** providing information to our shareholders, clients, and communities regarding the potential financial impact of climate change on our business, and how we are managing climate risk. We also update this report to 2023. (See an additional site information about the report on www.blackrock.com/clients.)
- We updated our **Environmental and Social Risk Policy Framework (ESRF)** to highlight our Net Zero Goal, our collaboration with peers banks through NCFP to create a common methodology to assess and disclose emissions associated with each bank's financing operations, and supply chain, and our plans to set public goals to reduce emissions for key high-emitting portfolio, including energy and power utilities in 2022.
- We continued to **refine our shareholder engagement process** to connect shareholders and key stakeholders with our Lead Independent Director, Chair of our independent directors, and executive management.
- At our 2021 Annual meeting, 94.4% of the votes cast favored the "Say on Pay" proposal. Our Compensation and Human Capital Committee considered the vote and our then actions during our shareholder engagement process, and in light of the strong support established a consistent overall approach for compensating named executive officers for 2021 full year performance. See Proposal 2 on page 24. Also see "Shareholder engagement & Say on Pay" results on page 25 for a discussion of our compensation-related shareholder engagement and our historical "Say on Pay" vote results.

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Flurry of SEC Rulemaking

TOPIC	STATUS	KEY DATES
Universal Proxy	Final Rule / Effective	Effective 9/1/22
Pay for Performance Disclosure	Final Rule	Effective for FYs ending after 12/16/22
Clawback Rules	Final Rule	Stock exchanges have until 2/27/23 to issue final implementing rules; rules to be effective no later than 11/27/23
Rule 10b5-1 and Insider Trading	Final Rule	Effective 2/27/23, compliance dates generally tied to 4/1/23
Climate Change Disclosure	Proposed Rule	Final rules expected April 2023
Share Repurchases	Proposed Rule	Final rules expected April 2023
Cybersecurity Risk Disclosure	Proposed Rule	Final rules expected April 2023
Human Capital Management Disclosure Enhancements	Expected Rulemaking	Proposed rule expected April 2023
Corporate Board Diversity	Expected Rulemaking	Proposed rule expected October 2023

"Expected" dates are based on latest SEC RegFlex agenda, but actual dates are entirely uncertain; actual dates frequently vary significantly from expectations

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The World According to the SEC: Fact Sheets

FACT SHEET
Pay Versus Performance

The Securities and Exchange Commission adopted final rules implementing the pay versus performance requirements of Section 303A(b) of the Exchange Act. The rules will require registrants to disclose, in proxy or information statements, in which reporting periods the financial information or performance measures used to calculate the executive's compensation are the same as the financial information or performance measures used to calculate the executive's bonus.

Background
Section 303A(b) of the Securities Exchange Act of 1934 was added to the Securities and Exchange Commission's authority to enforce Section 303A(b) of the Exchange Act. The Commission adopted final rules implementing Section 303A(b) of the Exchange Act on September 16, 2022.

What's Required
The rules will require all public companies, except those public entities exempt from the rules, to disclose, in proxy or information statements, in which reporting periods the financial information or performance measures used to calculate the executive's compensation are the same as the financial information or performance measures used to calculate the executive's bonus.

The financial performance measures to be disclosed in the proxy are:
• Total executive bonus ("TEB") for the reporting period.

FACT SHEET
Pay Versus Performance

- TEB for the reporting year group.
- An approved performance goal.

What's Not Required
A registrant will not be required to provide a list of those public entities exempt from the rules to the Commission. Registrants will be required to use TEB, to tag their pay versus performance disclosure.

What's Next
The rules will become effective 90 days following publication of the release of the Final Rule. Registrants should begin preparing for the rules as soon as possible and should begin disclosing for the first time ending on or after December 31, 2022.

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The World According to the SEC: Office Hours with Gary Gensler

Office Hours with Gary Gensler

U.S. Securities and Exchange Commission
October 13, 2022 (and available on Oct 13, 2022)

2:00 - 2:30 PM EDT

- Cybersecurity & Cyber Hygiene in the Financial Sector | Office Hours with Gary Gensler | 13 minutes ago
- The Caution with Celebrity Endorsements of Investment Products | Office Hours with Gary Gensler | 15 minutes ago
- What's So Hard About Selling? | Office Hours with Gary Gensler | 15 minutes ago
- What Did the Securities-Only Act do? | Office Hours with Gary Gensler | 15 minutes ago
- What Are Crypto Trading Platforms? | Office Hours with Gary Gensler | 15 minutes ago
- The U.S. Treasury Markets Explained | Office Hours with Gary Gensler | 15 minutes ago
- Why Does the SEC Take Time When Developing Public Policy? | Office Hours with Gary Gensler | 15 minutes ago
- Investment Professionals & Investor Protection | Office Hours with Gary Gensler | 15 minutes ago

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Climate Change Disclosure
(Proposed rule)

Requires companies to make disclosure regarding climate change matters, including:

- Risks, strategy, governance and risk management
- GHG emissions metrics (Scope 1 and 2, and for some Scope 3)
- Targets and transition plans
- Disclosure in financial statements

Take-Aways:

- Highly controversial rulemaking; will likely be challenged through litigation
- Consider conducting "gap" analysis to compare current state to proposed rules

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Share Repurchases
(Proposed rule)

Requires reporting of share repurchase data on new Form SR no later than first business day after purchase, and enhances disclosure requirements about share repurchase program

Take-Aways:

- May result in speculation about day-to-day decisions by issuer in effecting repurchases
 - Why isn't company buying back shares when price seems low?
 - Does it imply that there is some material information?
- Additional compliance requirements and costs
- Additional disclosure unlikely to add much as most companies have same reason for repurchasing stock (tax efficient way to return capital to shareholders and offset dilution, especially when shares are undervalued)
- Note also the 1% excise tax on repurchases under Inflation Reduction Act of 2022

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Cybersecurity
(Proposed rule)

Requires:

- Reporting of material cyber incidents on Form 8-K within 4 business days of determination such event has occurred, and then periodic updates
- Requires periodic disclosure of risk and governance matters, including board of directors' cyber expertise

Take-Aways:

- Proposed rule does not permit flexibility for timing of disclosure of incident even when law enforcement would not support disclosure at that time
- Places a focus on company/board process for identifying and analyzing cyber incidents
- Concerns about suggesting boards need a "cyber" expert director

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Additional Proposed Rulemakings on the Horizon


- Enhanced Human Capital Management Disclosure**
 - Likely to require additional quantitative disclosure about matters such as workforce demographics, turnover data, skills and development training, compensation/benefits
- Board Diversity Disclosure**
 - May require disclosure about diversity demographics of board members (similar to existing Nasdaq requirement)

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Thank You for Attending

- 

Watch out for the follow up email to download the presentation slides and other great resources.
- 

Don't forget to visit the registration desk to grab your CLE/CPE form. Please complete and return to the registration desk before you leave the program. Your certificate of attendance will be emailed to you

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