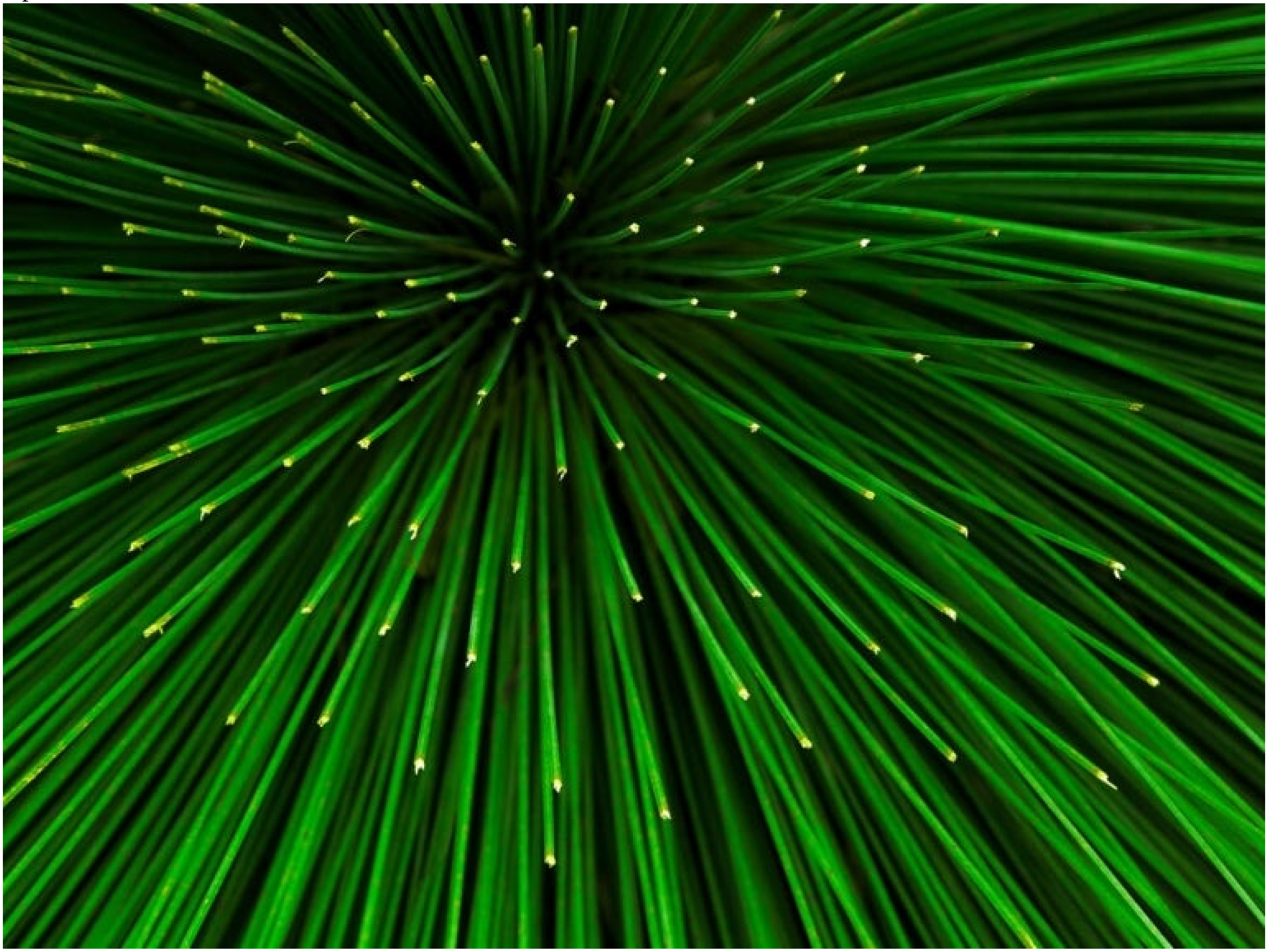
[Blogs]
April 19, 2023



Just as companies with December 31st fiscal year-ends gear up for their annual shareholder meetings in the coming weeks, State Street has released its **updated voting policies** — and a helpful "**Summary of Material Changes**." I won't parse all of the changes here, but I thought their new policy on director overboarding — which is summarized in the Material Changes Summary and will take effect for the 2024 proxy season for companies in the S&P 500 — was interesting. Here are three things to know about the new policy:

1. Rather than a one-size-fits all numerical overboarding limit that applies to all companies, State Street expects companies in the S&P 500 to set their own policies.

2. State Street expects companies to have numerical commitment limits, disclose confirmation of each board member's compliance with the policy, and disclose the process for annually reviewing the policy.

3. State Street will no longer withhold votes on individual directors for exceeding such thresholds, but may vote against nominating committee chairs if a policy is not disclosed or does not comply with State Street's expectations.

At this time, most companies don't have their own overboarding policies (although many have limits on audit committee service). As we head towards next year's proxy season, we'll see if this new State Street policy will drive change on that front.

By the way, here is SSGA's "**Asset Stewardship Library**." SSGA publishes quite a bit of information, including "Guidance for Companies" on many current hot topics in governance — so it's good to know where to look for the entire collection...

Explore more in

Corporate Law
Blog series

Public Chatter

Public Chatter provides practical guidance—and the latest developments—to those grappling with public company securities law and corporate governance issues, through content developed from an in-house perspective.

Subscribe ?

Visit Public Chatter Resources for Guides, Quick Alerts and Programs

View the blog