

**WILSON  
SONSINI**

**2021 Silicon  
Valley 150  
Corporate  
Governance  
Report**



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# INTRODUCTION

Wilson Sonsini Goodrich & Rosati is pleased to provide the 2021 Silicon Valley 150 Corporate Governance Report, which analyzes the governance of the Valley's largest public companies and reviews various matters regarding annual meetings held between January 1 and December 31, 2021.

The report uses the Lonergan SV150, which ranks the top 150 public companies with headquarters in Silicon Valley by annual sales. For more information on the methodology used to prepare the Lonergan SV150, please visit <https://lonerganpartners.com/2021-lonergan-silicon-valley-150-list>.

The report includes information regarding the boards of directors and officers of the SV150, their defensive measures, corporate governance disclosure in their proxy statements, stockholder proposals, and executive compensation matters.

This year FactSet was instrumental in providing information for our report. For more information visit [www.factset.com](http://www.factset.com).

We would like to thank the team that conducted the research and provided editorial input for this report, including Richard Blake (who oversaw the report), Jason Chan, and Barbara Novak. Special thanks also to Katie Martin, chair of Wilson Sonsini's board of directors, and Doug Clark, managing partner.

Please feel free to share your comments or questions about public companies and corporate governance by contacting Richard Blake ([rblake@wsgr.com](mailto:rblake@wsgr.com)), Jose Macias ([jmacias@wsgr.com](mailto:jmacias@wsgr.com)), Katherine Henderson ([khenderson@wsgr.com](mailto:khenderson@wsgr.com)), Amy Simmerman ([asimmerman@wsgr.com](mailto:asimmerman@wsgr.com)) or any Wilson Sonsini public company representation or corporate governance partner.

# ABOUT THE SV150



The SV150 is released each year by Lonergan Partners, a leading executive recruiting firm, and is comprised of the 150 largest public companies in Silicon Valley, based on annual sales. Among the SV150 are some of the most influential technology, biotech, and pharmaceutical companies in the world. Some have been public for many decades; others completed their IPOs only months ago. Most are headquartered along the peninsula between San Francisco and San Jose, but they spread as far north as San Rafael and Hercules, as far east as Livermore, and as far south as Santa Cruz. Given the range of type of business, annual sales, market cap, growth rate, and years since IPO in the SV150, it provides a very useful sample set for examining corporate governance matters for technology and biotech companies throughout the United States. This section provides an overview of the demographics of the SV150.



# The Rankings (1-50)

SV150 Rank	IPO Year	Business Description	2020 Sales (\$millions)	Headquarters Location	
1	Apple Inc.	1980	Consumer electronics	294,135	Cupertino
2	Alphabet Inc.	2004	Web search, advertising	182,527	Mountain View
3	Facebook, Inc.	2012	Social networking website	85,965	Menlo Park
4	Intel Corporation	1971	Semiconductors	77,867	Santa Clara
5	HP Inc.	1957	Imaging, printing, computing devices	57,667	Palo Alto
6	Cisco Systems, Inc.	1990	IT networking services	48,026	San Jose
7	Tesla, Inc.	2010	Electric vehicles, battery powertrains	31,536	Palo Alto
8	Netflix, Inc.	2002	Entertainment distributor	24,996	Los Gatos
9	Gilead Sciences, Inc.	1992	Therapeutic viral medicines	24,689	Foster City
10	Broadcom Inc.	1998	Semiconductors	24,685	San Jose
11	SYNNEX Corporation	2003	IT supply chain services	24,676	Fremont
12	PayPal Holdings, Inc.	2015	Digital payment platform	21,454	San Jose
13	salesforce.com, inc.	2004	CRM software	21,252	San Francisco
14	Applied Materials, Inc.	1972	Chip-making equipment	18,202	Santa Clara
15	NVIDIA Corporation	1999	Graphics processors	16,675	Santa Clara
16	Western Digital Corporation	1978	Semiconductors	16,327	San Jose
17	Adobe Inc.	1986	Publishing software	12,868	San Jose
18	Lam Research Corporation	1984	Chip-making equipment	11,929	Fremont
19	VMware, Inc.	2007	Virtualization software	11,767	Palo Alto
20	Uber Technologies, Inc.	2019	Transportation network company	11,139	San Francisco
21	eBay Inc.	1998	Online marketplace	10,271	San Jose
22	Advanced Micro Devices, Inc.	1972	Semiconductors	9,763	Santa Clara
23	Square, Inc.	2015	Mobile payment solutions	9,498	San Francisco
24	Intuit Inc.	1993	Financial software	7,717	Mountain View
25	Sanmina Corporation	1993	IT manufacturing services	6,875	San Jose
26	KLA Corporation	1980	Chip-making equipment	6,073	Milpitas
27	Equinix, Inc.	2000	IT data centers	5,999	Redwood City
28	Electronic Arts Inc.	1989	Entertainment software	5,670	Redwood City
29	NetApp, Inc.	1995	IT storage, management	5,590	Sunnyvale
30	Agilent Technologies, Inc.	1999	Electronic measurement tools	5,530	Santa Clara
31	ServiceNow, Inc.	2012	IT management software	4,519	Santa Clara
32	Juniper Networks, Inc.	1999	Networking tools	4,445	Sunnyvale
33	Intuitive Surgical, Inc.	2000	Robotic surgical systems	4,358	Sunnyvale
34	Workday, Inc.	2012	Enterprise software	4,318	Pleasanton
35	Synopsys, Inc.	1992	Chip-design software	3,821	Mountain View
36	Autodesk, Inc.	1985	Design software	3,790	San Rafael
37	Palo Alto Networks, Inc.	2012	Network security	3,783	Santa Clara
38	Twitter, Inc.	2013	Multimedia messaging	3,716	San Francisco
39	Airbnb, Inc.	2020	Online marketplace for temporary lodging	3,378	San Francisco
40	Super Micro Computer, Inc.	2007	IT hardware	3,261	San Jose
41	Trimble Inc.	1990	Global positioning tools	3,148	Sunnyvale
42	Varian Medical Systems, Inc.	1999	Cancer-fighting equipment	3,118	Palo Alto
43	Xilinx, Inc.	1990	Semiconductors	3,053	San Jose
44	Marvell Technology, Inc.	2000	Semiconductors	2,969	Santa Clara
45	McAfee Corp.	2020	Security software	2,906	San Jose
46	DoorDash, Inc.	2020	Online food delivery platform	2,886	San Francisco
47	Cadence Design Systems, Inc.	1988	Chip-design software	2,683	San Jose
48	Zoom Video Communications, Inc.	2019	Web conferencing platform	2,651	San Jose
49	Fortinet, Inc.	2009	Network security devices, software	2,594	Sunnyvale
50	Opendoor Technologies Inc.	2020	Online home selling platform	2,583	San Francisco

SOURCE: LONERGAN SV150

## The Rankings (51-100)

SV150 Rank	IPO Year	Business Description	2020 Sales (\$millions)	Headquarters Location	
51	Bio-Rad Laboratories, Inc.	1980	Life science research tools	2,546	Hercules
52	ContextLogic Inc.	2020	Online e-commerce platform	2,541	San Francisco
53	Lyft, Inc.	2019	Transportation network company	2,365	San Francisco
54	Maxim Integrated Products, Inc.	1988	Semiconductors	2,355	San Jose
55	Arista Networks, Inc.	2014	Cloud networking equipment	2,318	Santa Clara
56	Splunk Inc.	2012	Web data analysis software	2,229	San Francisco
57	Zynga Inc.	2011	Social gaming	1,975	San Francisco
58	Dropbox, Inc.	2018	Web-based content sharing platform	1,914	San Francisco
59	Stitch Fix, Inc.	2017	Personalized online retail service	1,810	San Francisco
60	Roku, Inc.	2017	Entertainment streaming	1,778	San Jose
61	Twilio Inc.	2016	Internet infrastructure solutions	1,762	San Francisco
62	Lumentum Holdings Inc.	2015	Optical and photonic products	1,702	San Jose
63	Pinterest, Inc.	2019	Social photo-sharing platform	1,693	San Francisco
64	Pure Storage, Inc.	2015	Data storage solutions	1,684	Mountain View
65	Plantronics, Inc.	1994	Telecommunications and audio devices	1,654	Santa Cruz
66	Veeva Systems Inc.	2013	Cloud based business software	1,465	Pleasanton
67	DocuSign, Inc.	2018	Electronic verification software	1,453	San Francisco
68	Ultra Clean Holdings, Inc.	2004	Chip-making equipment	1,390	Hayward
69	Infinera Corporation	2007	Optical telecom equipment	1,356	San Jose
70	Fair Isaac Corporation	1987	Enterprise analytics software	1,308	San Jose
71	Nutanix, Inc.	2016	Cloud platform infrastructure	1,305	San Jose
72	Synaptics Incorporated	2002	Touch-based information tech.	1,292	San Jose
73	Dolby Laboratories, Inc.	2005	Audio processing technology	1,260	San Francisco
74	NETGEAR, Inc.	2003	Home, small business networking	1,255	San Jose
75	Coherent, Inc.	1978	Laser-based photonics	1,234	Santa Clara
76	RingCentral, Inc.	2013	IP-based telephony	1,184	Belmont
77	SMART Global Holdings, Inc.	2017	Specialty memory and storage solutions	1,142	Newark
78	SunPower Corporation	2005	Solar energy products	1,125	San Jose
79	Proofpoint, Inc.	2012	Data protection software	1,050	Sunnyvale
80	Zendesk, Inc.	2014	Web-based help desk software	1,030	San Francisco
81	Exelixis, Inc.	2000	Small-molecule cancer treatments	988	Alameda
82	FireEye, Inc.	2013	Network security	941	Milpitas
83	Sunrun Inc.	2015	Solar energy products	922	San Francisco
84	Ichor Holdings, Ltd.	2016	Semiconductors	914	Fremont
85	Extreme Networks, Inc.	1999	LAN switching tools	903	San Jose
86	Slack Technologies, Inc.	2019	Workplace collaboration software	903	San Francisco
87	Omnicell, Inc.	2001	Medication management technology	892	Mountain View
88	Xperi Holding Corporation	2003	Chip scale packaging	892	San Jose
89	GoPro, Inc.	2014	Wearable, gear, mounted cameras	892	San Mateo
90	Crowdstrike Holdings, Inc.	2019	Cybersecurity platform	874	Sunnyvale
91	Yelp Inc.	2012	User review network	873	San Francisco
92	Cloudera, Inc.	2017	AI-based analytics platform	869	Palo Alto
93	Okta, Inc.	2017	Identity management software	835	San Francisco
94	Bloom Energy Corporation	2018	Fuel cell systems for onsite power	794	San Jose
95	Enphase Energy, Inc.	2012	Solar microinverter technology	774	Fremont
96	Unity Software Inc.	2020	Video game software	772	San Francisco
97	Box, Inc.	2015	Content sharing platform	771	Redwood City
98	Guidewire Software, Inc.	2012	Insurance industry software	762	San Mateo
99	FormFactor, Inc.	2003	Chip-making equipment	694	Livermore
100	Inphi Corporation	2010	High speed analog semiconductors	683	San Jose

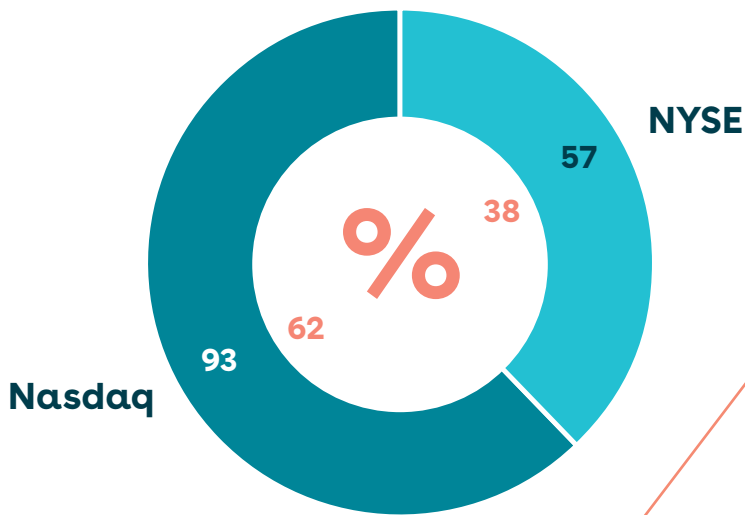
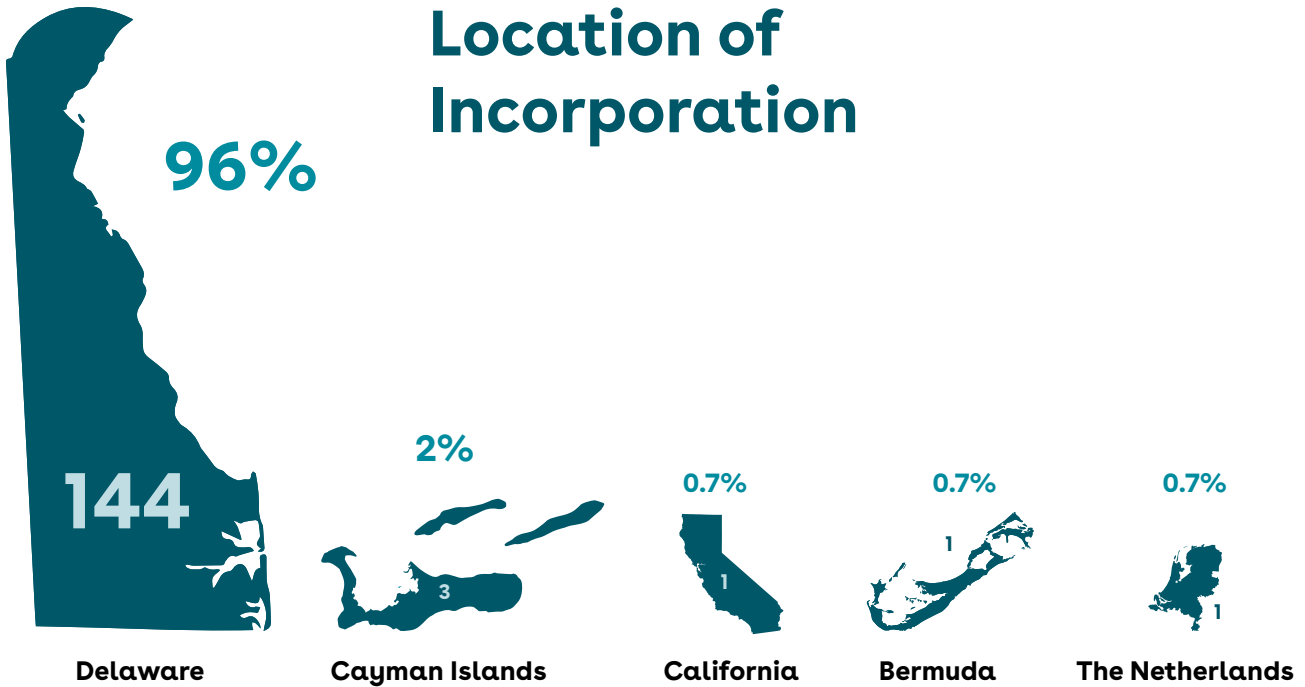
SOURCE: LONERGAN SV150

# The Rankings (101-150)

SV150 Rank	IPO Year	Business Description	2020 Sales (\$millions)	Headquarters Location	
101	Affirm Holdings, Inc.	2021	Online shopping installment loan platform	670	San Francisco
102	New Relic, Inc.	2014	Cloud-based application management	655	San Francisco
103	Chegg, Inc.	2013	Education software platform	644	Santa Clara
104	Snowflake Inc.	2020	Cloud data warehousing	592	San Mateo
105	Penumbra, Inc.	2015	Medical devices for stroke patients	560	Alameda
106	Elastic N.V.	2018	Enterprise search engine	555	Mountain View
107	Coupa Software Incorporated	2016	Cloud procurement software	542	San Mateo
108	Calix, Inc.	2010	Communications platform and services	541	San Jose
109	Glu Mobile Inc.	2007	Mobile games	541	San Francisco
110	Alpha and Omega Semiconductor Limited	2010	Semiconductors	540	Sunnyvale
111	Zscaler, Inc.	2018	Cloud-based security	536	San Jose
112	QuinStreet, Inc.	2010	Internet marketing tools	520	Foster City
113	8x8, Inc.	1997	VoIP platforms	509	Campbell
114	Power Integrations, Inc.	1997	Power-conversion chips	488	San Jose
115	Medallia, Inc.	2019	Customer management software	477	San Francisco
116	Anaplan, Inc.	2018	Financial planning software	448	San Francisco
117	Quotient Technology Inc.	2014	Online promotion platform	446	Mountain View
118	Five9, Inc.	2014	Cloud contact center software	435	San Ramon
119	Cloudflare, Inc.	2019	Cloud based security platform	431	San Francisco
120	LiveRamp Holdings, Inc.	2018	Identity resolution platform	430	San Francisco
121	Natus Medical Incorporated	2001	Devices to treat newborn disorders	416	Pleasanton
122	Harmonic Inc.	1995	Content delivery services	379	San Jose
123	Accuray Incorporated	2007	Robotic radiosurgery systems	377	Sunnyvale
124	Momentive Global Inc.	2018	Online survey platform	376	San Mateo
125	Upwork Inc.	2018	Freelancer marketplace	374	Santa Clara
126	NeoPhotonics Corporation	2011	Planar light wave circuits	371	San Jose
127	Qualys, Inc.	2012	IT security and compliance services	363	Foster City
128	Nevro Corp.	2014	Pain relief products	362	Redwood City
129	Arlo Technologies, Inc.	2018	Smart home security cameras	357	San Jose
130	Corcept Therapeutics Incorporated	2004	Cortisol regulating pharmaceuticals	354	Menlo Park
131	Quantum Corporation	1999	Computer storage products	345	San Jose
132	Zuora, Inc.	2018	Subscription management software	305	Redwood City
133	10x Genomics, Inc.	2019	Tools for genomic analysis	299	Pleasanton
134	Fastly, Inc.	2019	Website speed platform	291	San Francisco
135	Guardant Health, Inc.	2018	Cancer detection technology	287	Redwood City
136	Invitae Corporation	2015	Genetic testing for health diagnostics	280	San Francisco
137	iRhythm Technologies, Inc.	2016	Ambulatory cardiac monitoring	265	San Francisco
138	Poshmark, Inc.	2021	Online fashion marketplace	262	Redwood City
139	LendingClub Corporation	2014	Internet based lending facilitation	244	San Francisco
140	Rambus Inc.	1997	Semiconductor technology	243	San Jose
141	Asana, Inc.	2020	Project management software	227	San Francisco
142	A10 Networks, Inc.	2014	Networking products	226	San Jose
143	Ambarella, Inc.	2012	Semiconductors for imaging	223	Santa Clara
144	PagerDuty, Inc.	2019	Real time incident management platform	214	San Francisco
145	Sumo Logic, Inc.	2020	Real time data analytics service	203	Redwood City
146	Vocera Communications, Inc.	2012	Mobile communications platform	198	San Jose
147	Bill.com Holdings, Inc.	2019	Intelligent bill payment platform	184	San Jose
148	FibroGen, Inc.	2014	Development stage pharmaceuticals	176	San Francisco
149	C3.ai, Inc.	2020	AI software platform	173	Redwood City
150	Ooma, Inc.	2015	Internet phone service provider	169	Sunnyvale

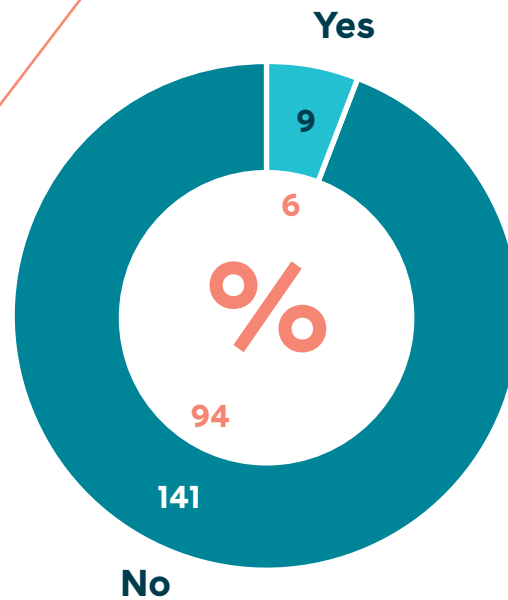
SOURCE: LONERGAN SV150

## Location of Incorporation



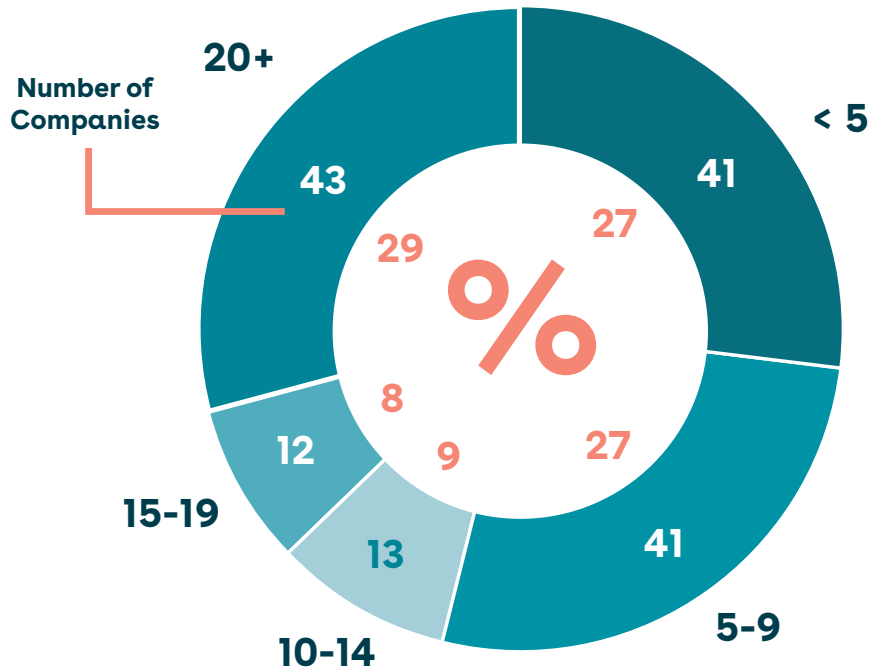
## Listing Exchange

## Emerging Growth Companies





# Years Since IPO



9

of the 150 companies have been public for more than 40 years.



Western Digital.

2

of the 150 companies underwent IPOs in 2021.

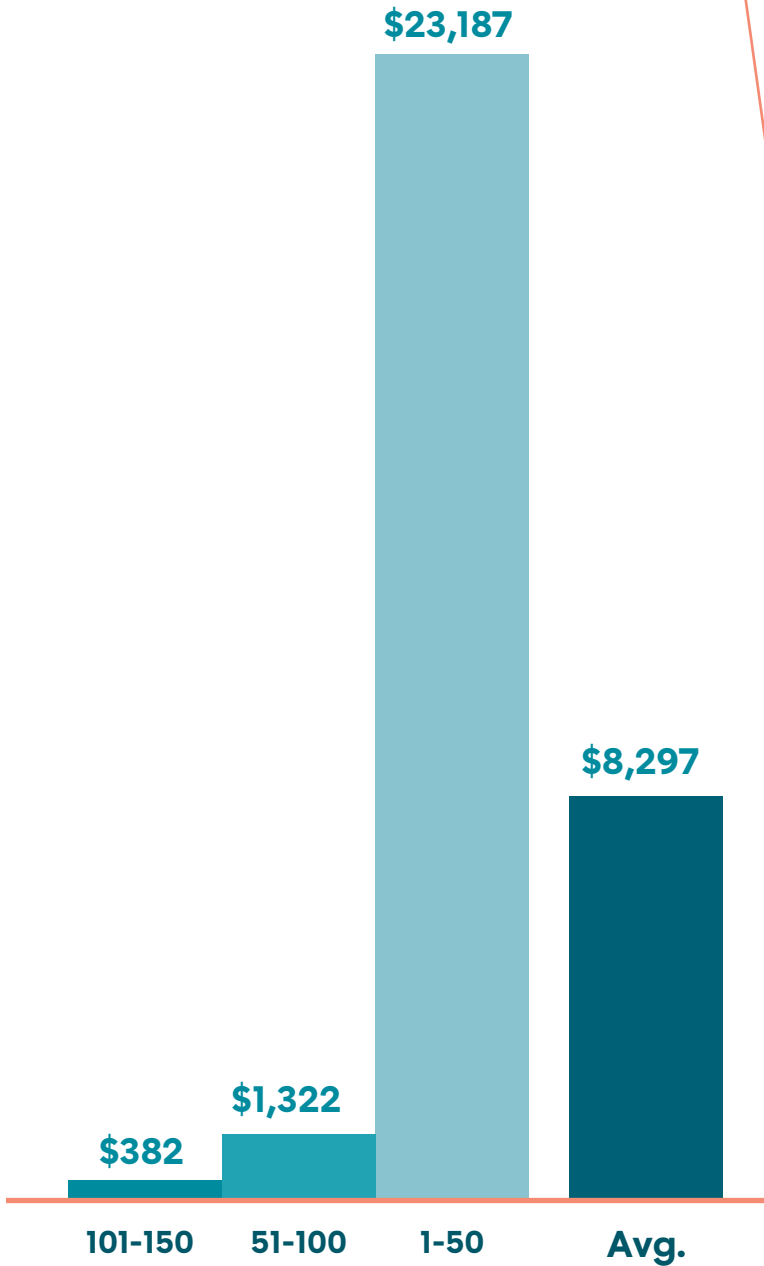


POSHMARK

## Sales (in millions)

Calculated based on four quarters ending December 31, 2020 or January 31, 2021.

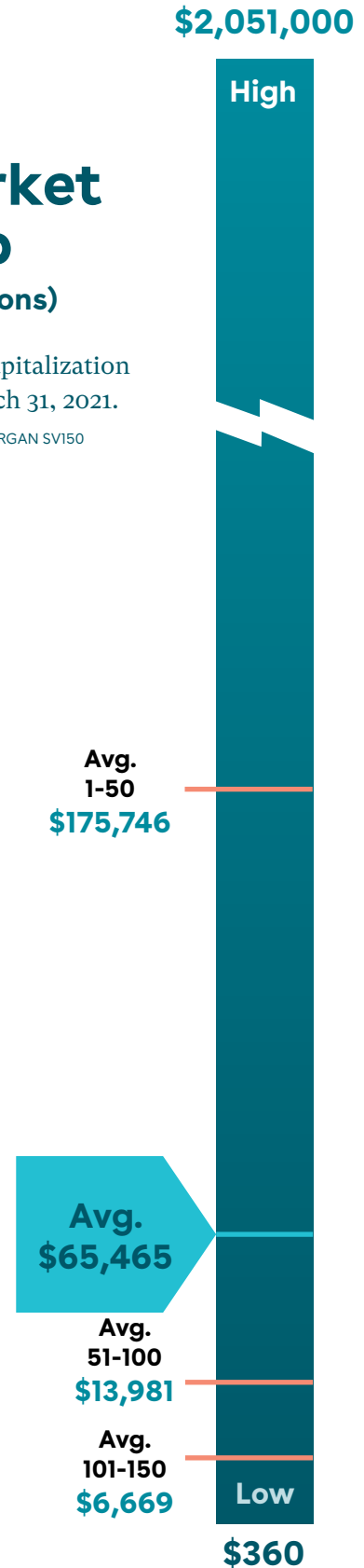
SOURCE: LONERGAN SV150



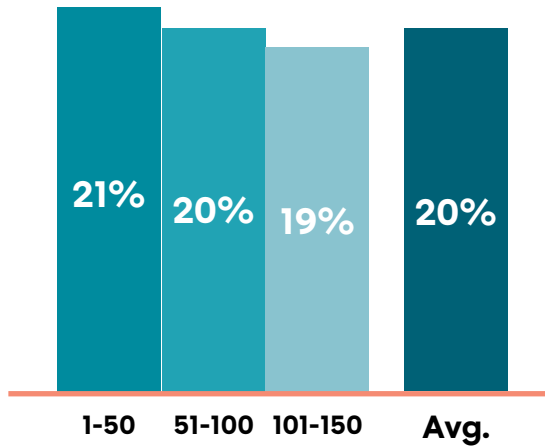
## Market Cap (in millions)

Market capitalization as of March 31, 2021.

SOURCE: LONERGAN SV150



## Sales Growth Rate



High Growth

**300%**



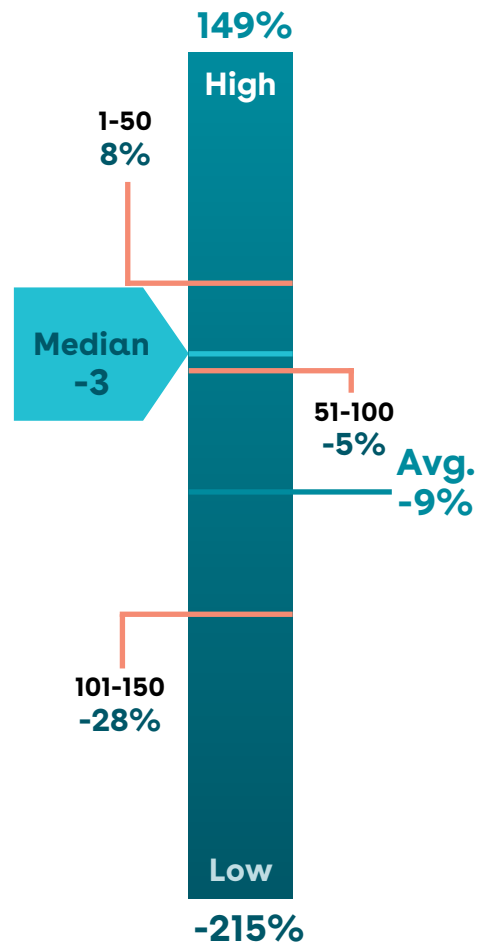
Low Growth

**-63%**

## Profitability

Growth rate (above) and profitability calculated based on companies' fiscal year ends, ranging from September 30, 2020, through February 2, 2021. Profitability is not weighted by 2020 sales.

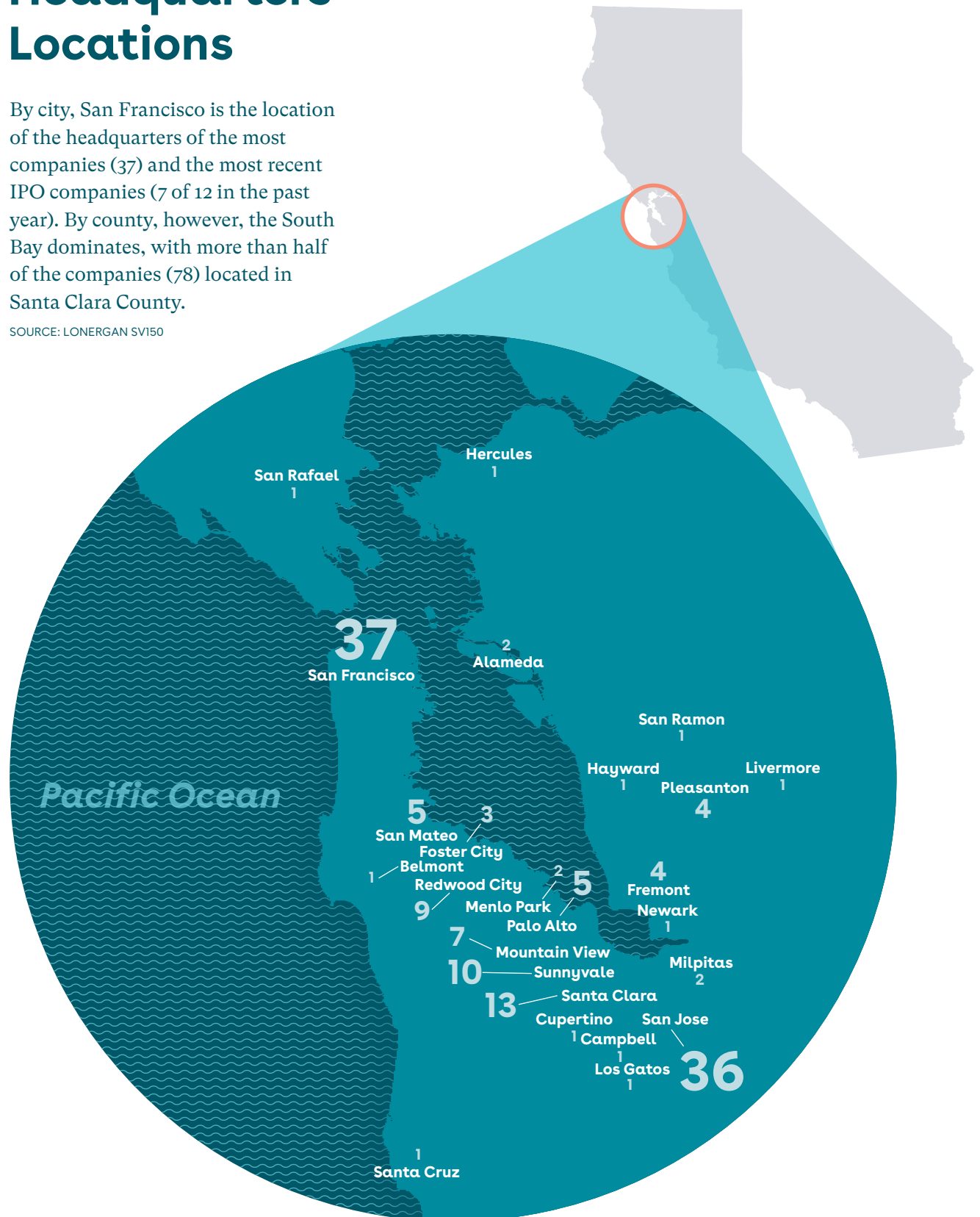
SOURCE: LONERGAN SV150



# Headquarters Locations

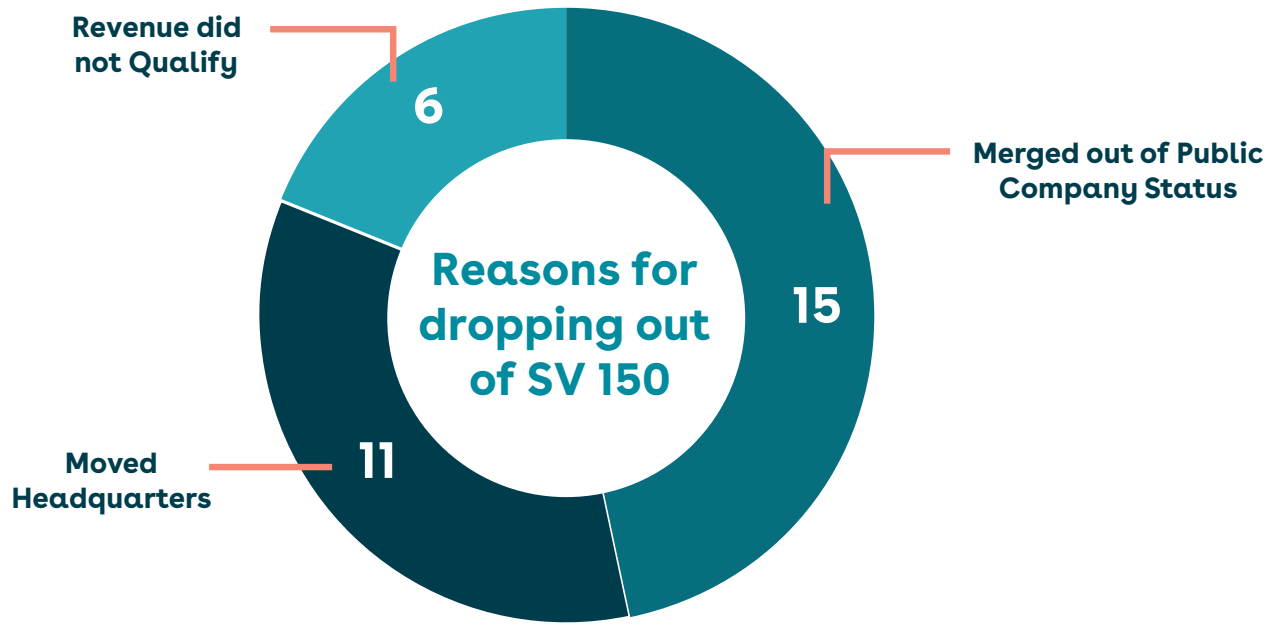
By city, San Francisco is the location of the headquarters of the most companies (37) and the most recent IPO companies (7 of 12 in the past year). By county, however, the South Bay dominates, with more than half of the companies (78) located in Santa Clara County.

SOURCE: LONERGAN SV150

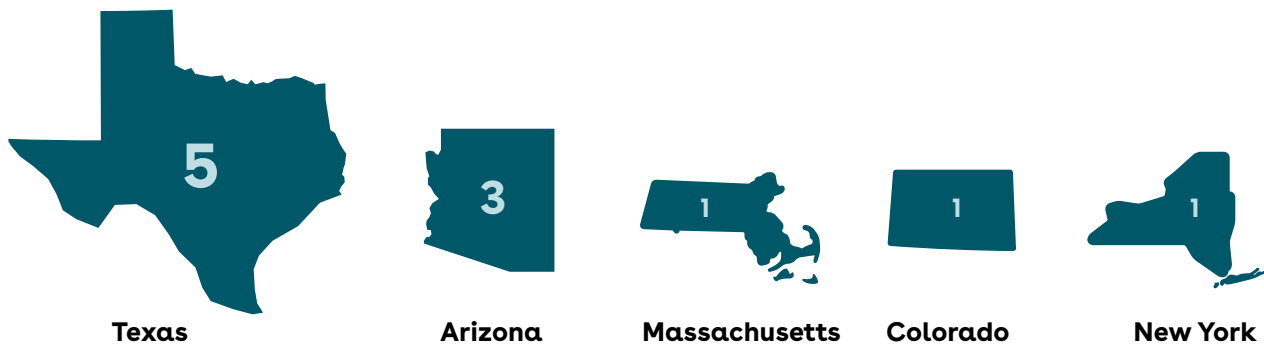


# Companies Dropped from 2021 SV 150

**32 companies** were on 2019 SV 150 List and not on the 2021 SV 150 List.



## States Where Companies Moved



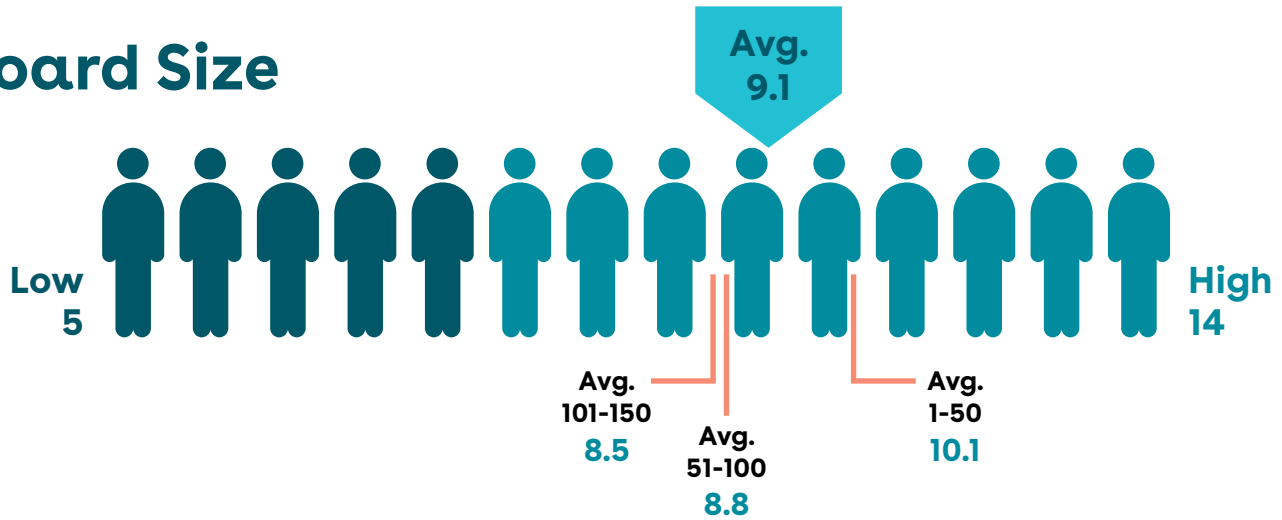
# BOARD MATTERS



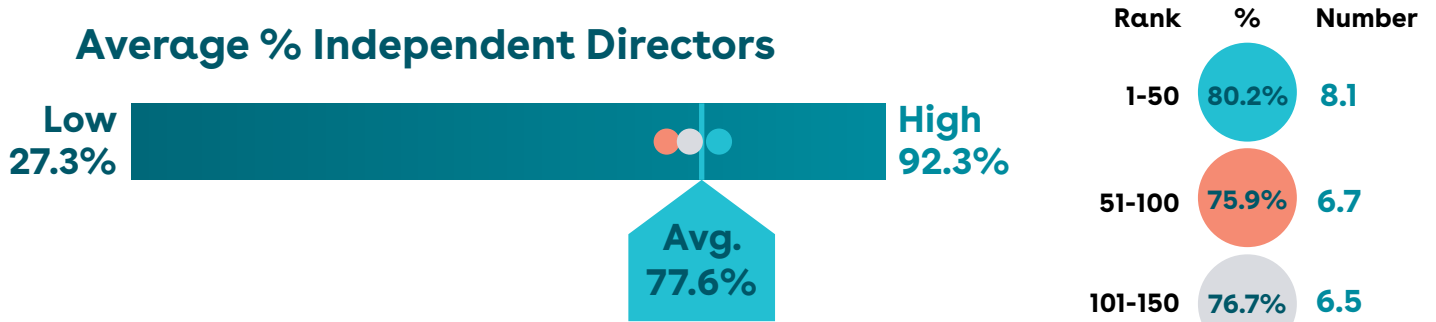
Boards oversee companies, and stockholders elect boards. In the past 20 years, federal and state laws, as well as stockholder initiatives, have put a sharp focus on board and committee independence, leadership, diversity, age, tenure, and experience. Board refreshment is emphasized more than ever. This section provides demographic information about the boards of directors of the SV150 and their workloads, obtained from each company's proxy statement. It also provides information about board policies that address board refreshment and overboarding, obtained from each company's corporate governance policies. Among the lessons learned: 29.9% of all SV150 directors are women, and the average percentage of women on SV150 boards is 30.5%. While many companies have policies on overboarding and change in occupation, fewer have policies on mandatory retirement age or term limits. Finally, while the areas surveyed in this section tend to change based on SV150 rankings, there is less correlation based on time since IPO.



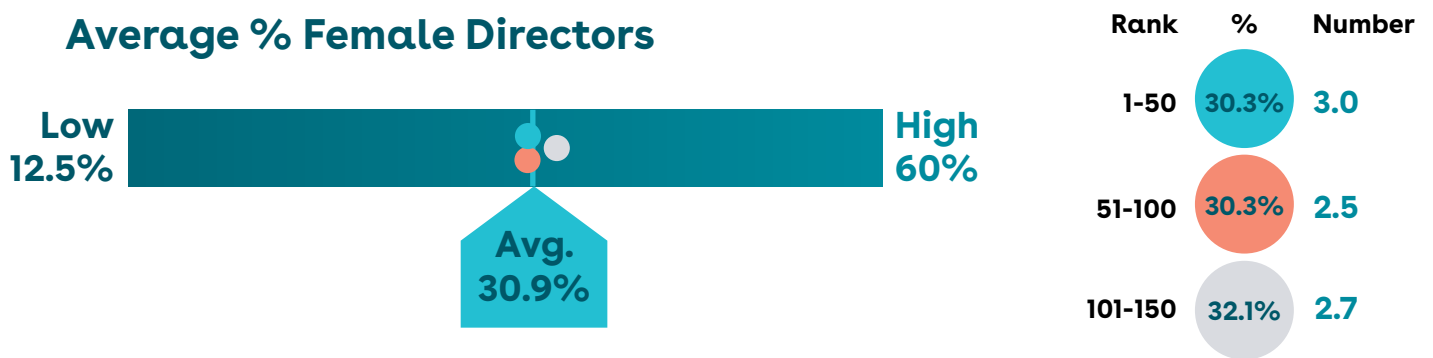
## Board Size



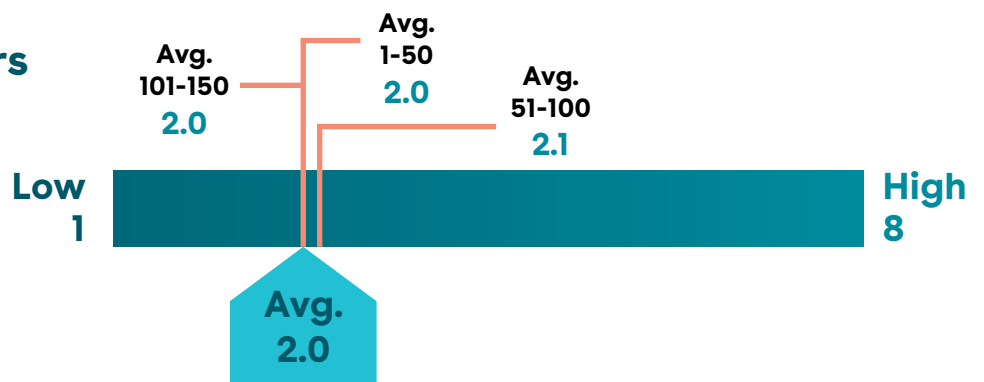
## Average % Independent Directors



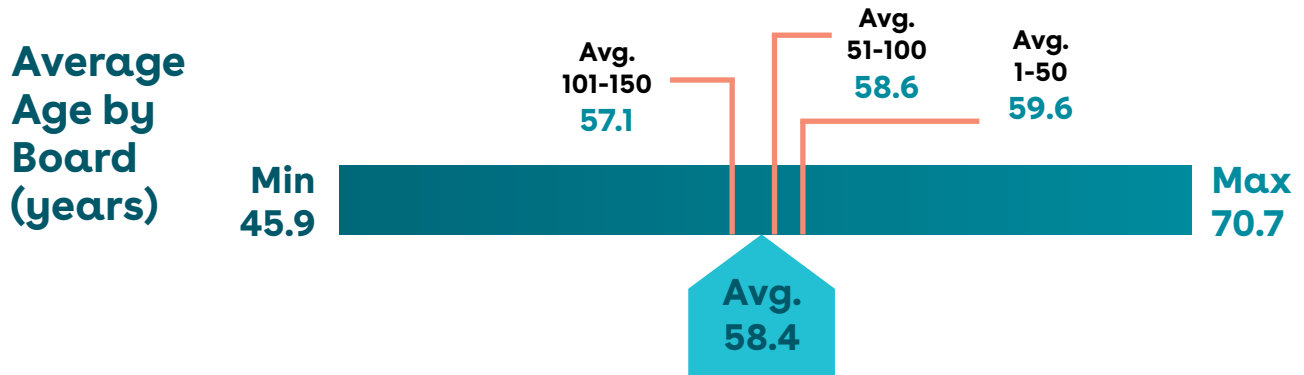
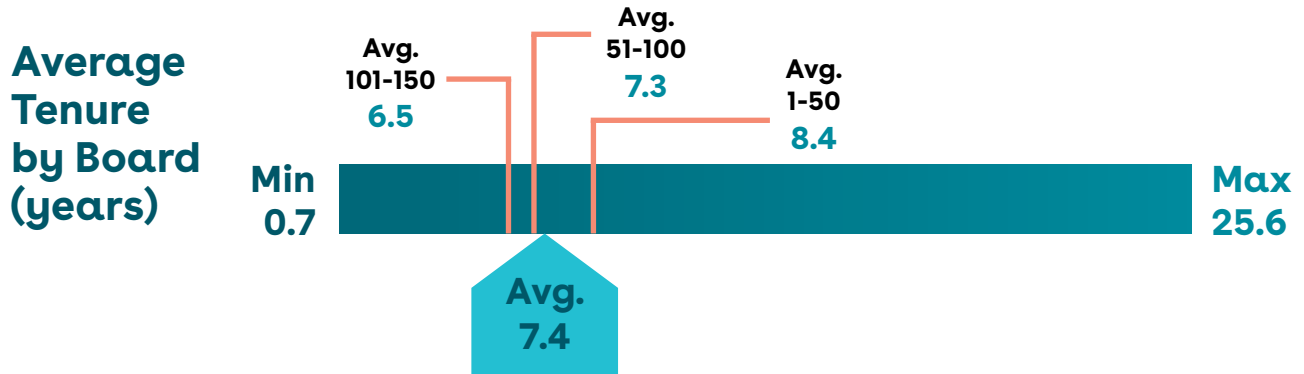
## Average % Female Directors



## Employee Directors



# Average Age and Tenure of Directors



**Andy Fang, 28**  
 Youngest director on DoorDash board since 2013; Head of Consumer Engineering, co-founder DoorDash



**Alice N. Schwartz, Now 94 years old**  
 Longest-tenured/oldest director; retired co-founder, Bio-Rad Laboratories; on board since 1967.

## Board Tenure and Age: Highs and Lows

Highest Average Tenure: Nearly  
**26**  
 years



Lowest Average Tenure: About  
**1**  
 years



Highest Average Age: Over  
**70**

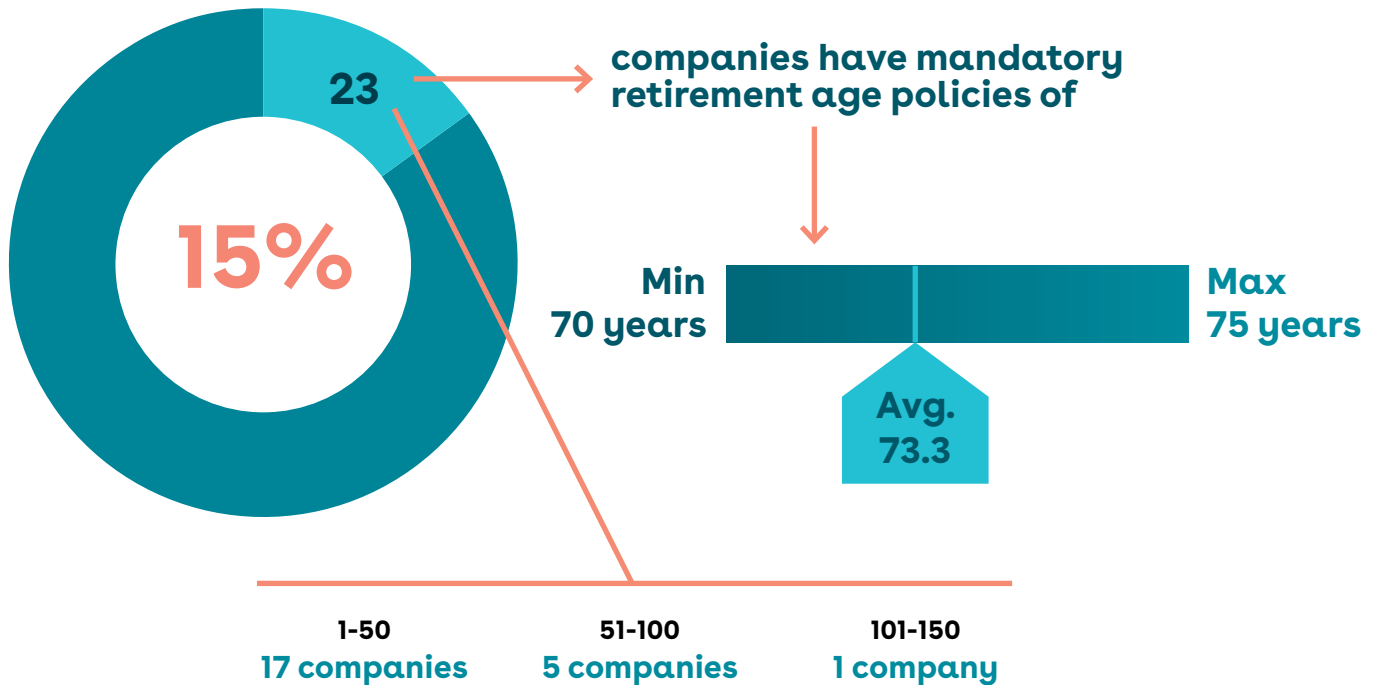


Lowest Average Age: Almost  
**46**

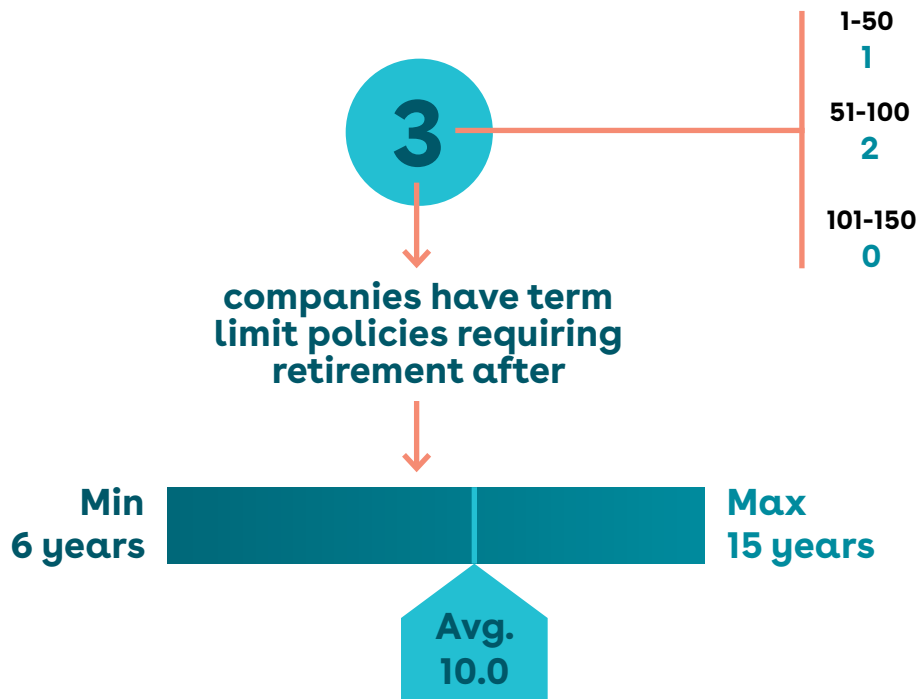




# Mandatory Retirement Age Policies

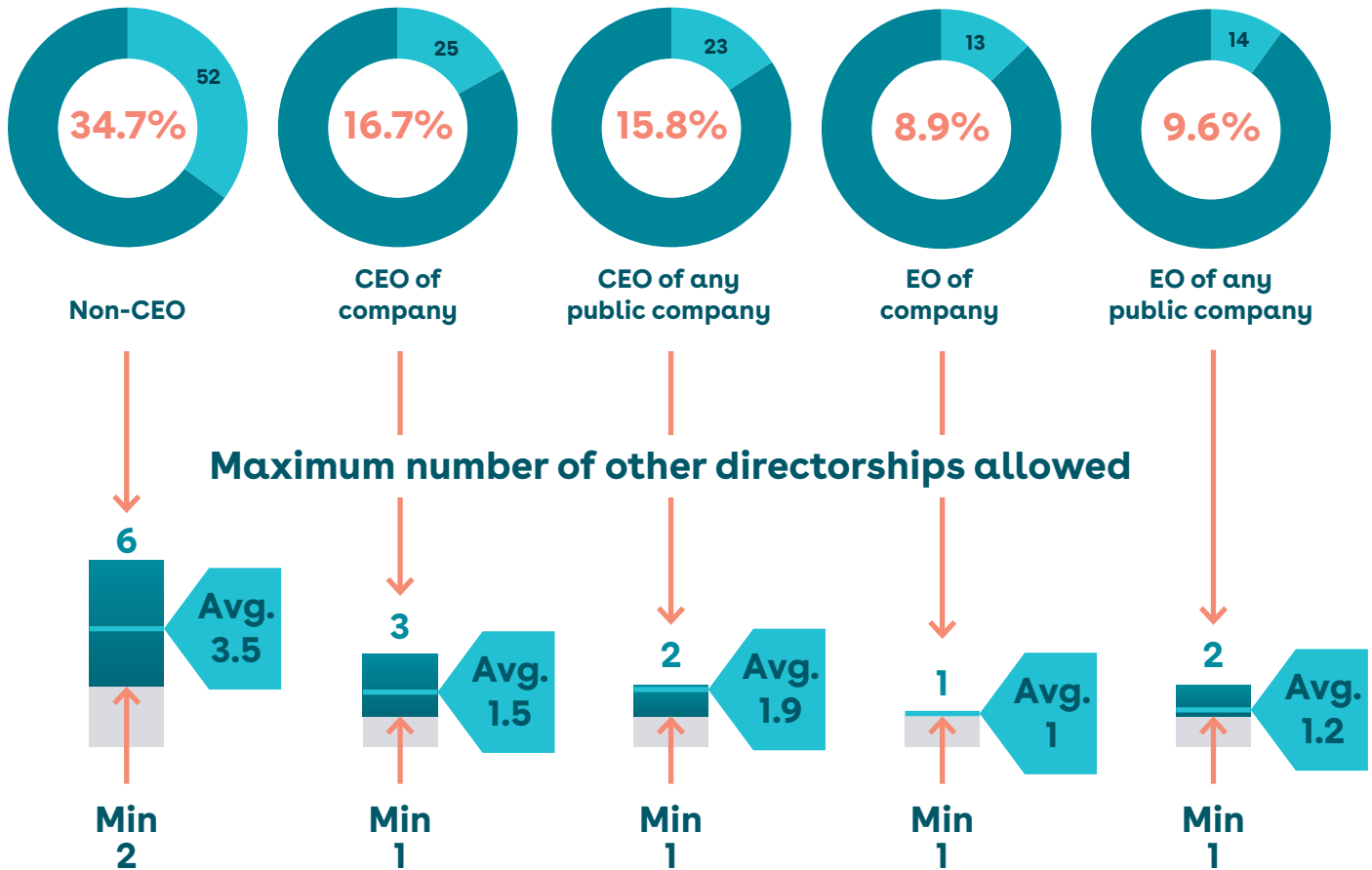


# Term Limits Policies

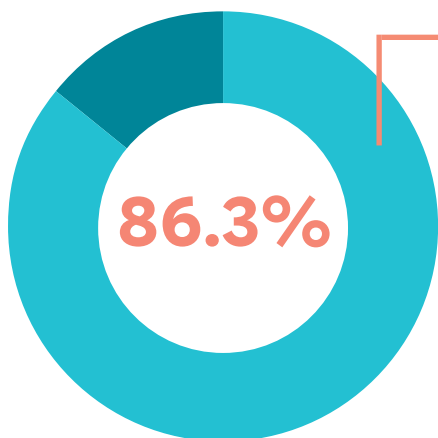


# Overboarding Policies

Company policy applies to director who is:



## Policy on change in occupation



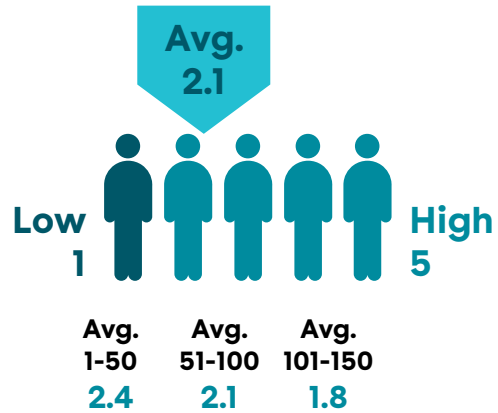
**126 companies** have a policy requiring notification to the board—and in some cases voluntary resignation from the board, to be accepted or rejected by the board after review of the circumstances—in the event of retirement or change in one’s principal occupation or business association or other significant change in personal circumstances.

# Committee Members

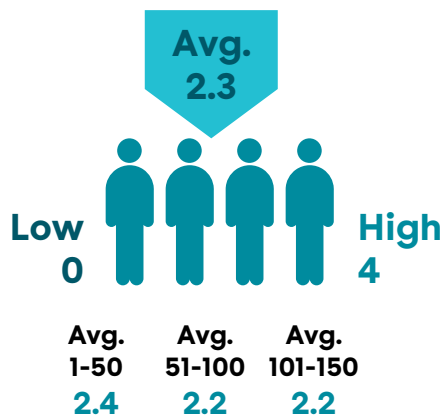
## Audit Committee Members



## Audit Committee Financial Experts



## Compensation Committee Members

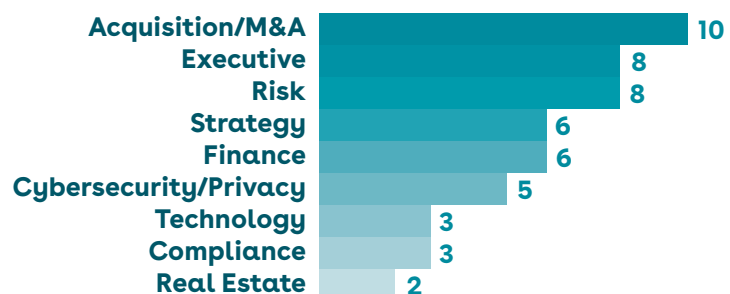


## Nominating/Governance Committee Members

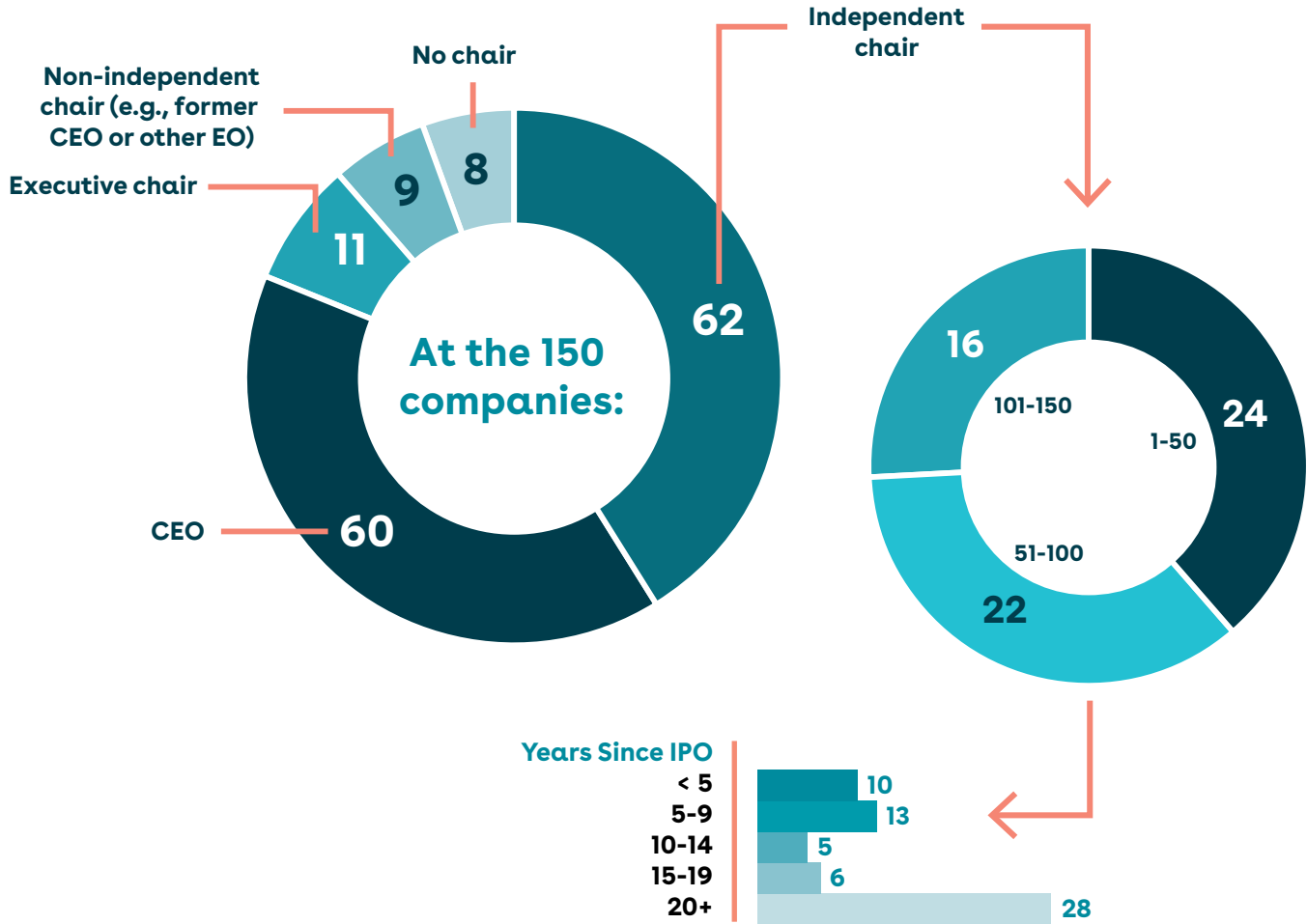


## Other Committees

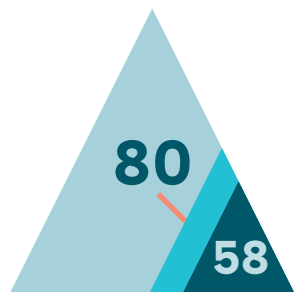
26 of the top 50 had an additional committee. This was less prevalent for the middle 50 (16) and the bottom 50 (10).



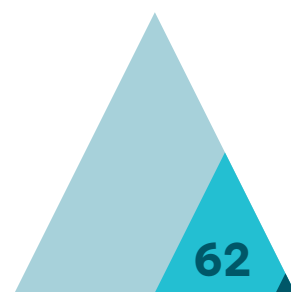
# Who Is the Board Chair?



## Lead Independent Directors



In 58 of the 80 companies where the CEO, executive chair, or non-independent chair was the chair, the company also had a lead independent director.



In 10 of the 62 companies where there was an independent chair, the company also had a lead independent director.

# Board and Committee Meetings

## Number of Board Meetings



## Number of Audit Committee Meetings



## Number of Compensation Committee Meetings



## Number of Nominating/Governance Committee Meetings



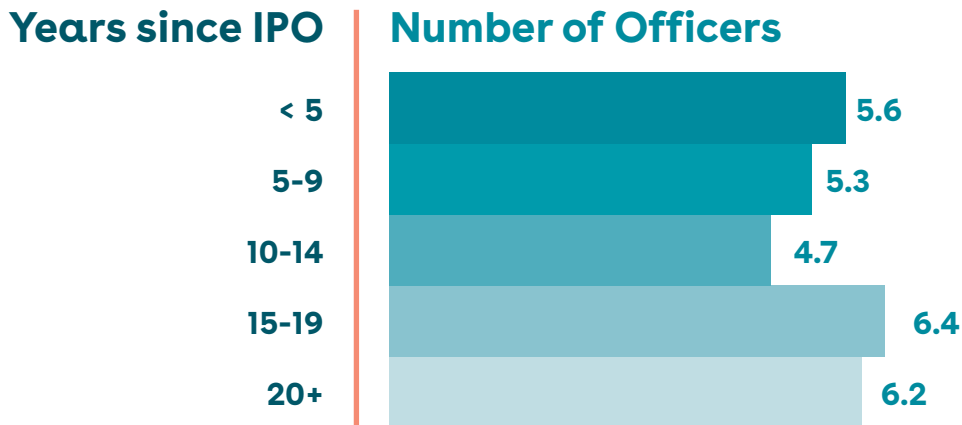
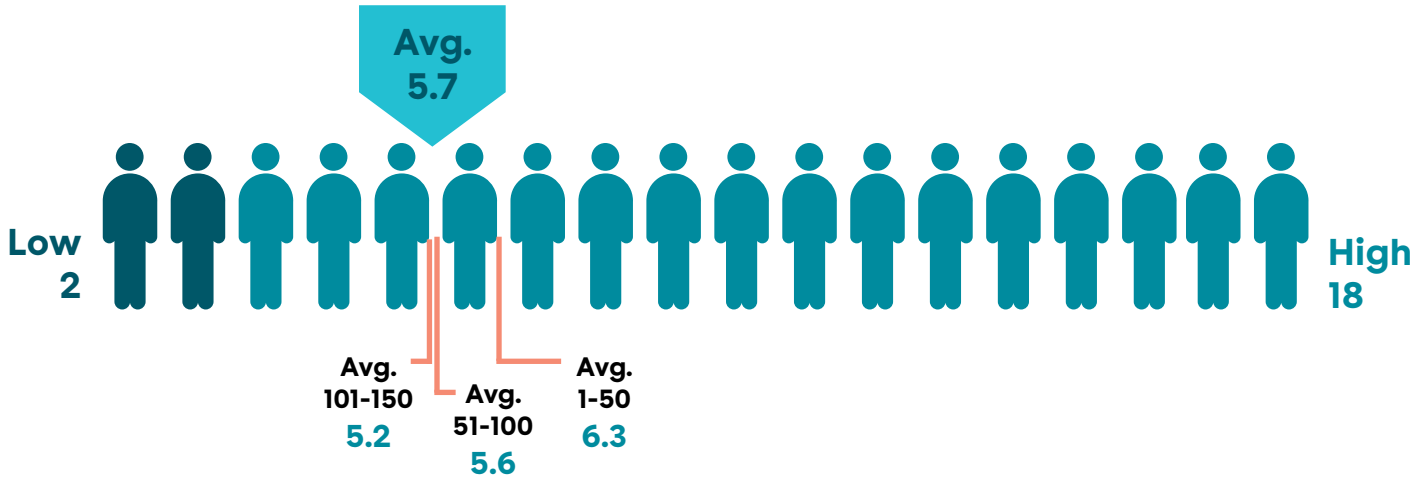
# OFFICER MATTERS



Perhaps the most important responsibility of the board of directors is to select the company's officers, who are responsible for the company's day-to-day management. We examined the average number of executive officers at the SV150 companies, as well as the types of officers that were most typical, as disclosed in proxy statements and annual reports. We also looked at women CEOs in the SV150; while nearly 30% of all SV150 directors are women, less than 5% of SV150 companies are led by women CEOs.

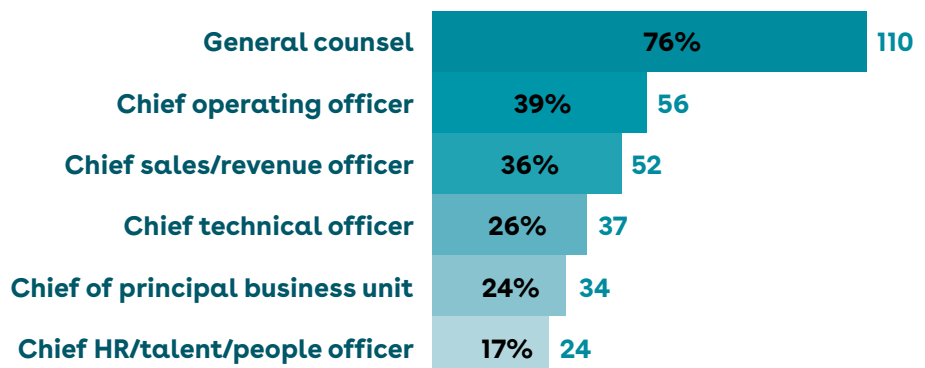


# Total Number of Executive Officers at Companies



## Other Executive Officers

In addition to CEO and CFO, these were the most frequent other executive officers named.



## Women CEOs in the SV150



Only **4.0%** of the CEOs in the SV150 are women.

**#22: Lisa T. Su, Ph.D., Advanced Micro Devices**

**#55: Jayshree V. Ullal, Arista Networks**

**#59: Elizabeth Spaulding, Stitch Fix**

**#83: Lynn Michelle Jurich, Sunrun**

**#125: Hayden Brown, Upwork**

**#144: Jennifer Tejada, PagerDuty**

SOURCE: LONERGAN SV150



# DEFENSIVE MEASURES

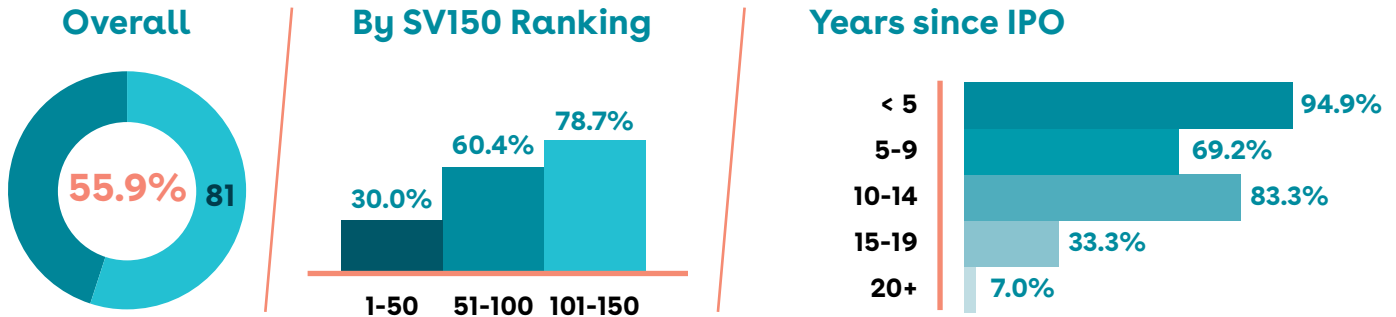


At IPO, most companies adopt defensive measures to help prevent hostile takeovers. These measures tend to place power in the hands of the board as opposed to stockholders, so that the board can control negotiations with a potential acquirer. Stockholders, however, dislike that defensive measures take control away from them, and they work over time to weaken them. Accordingly, larger companies and those farther in time from IPO have fewer defensive measures. This section provides information about the defensive measures of the 145 U.S. incorporated companies in the SV150, based on certificates of incorporation and bylaws. Non-U.S. companies were not examined, as their legal structures do not always permit the same types of defensive measures as U.S. incorporated companies. Controlled companies are included in this section, and the information below reflects the provisions that will be in place once any provisions with additional protections for the controlling stockholders fall away. For this section, we show results based both on SV150 ranking and years since IPO.



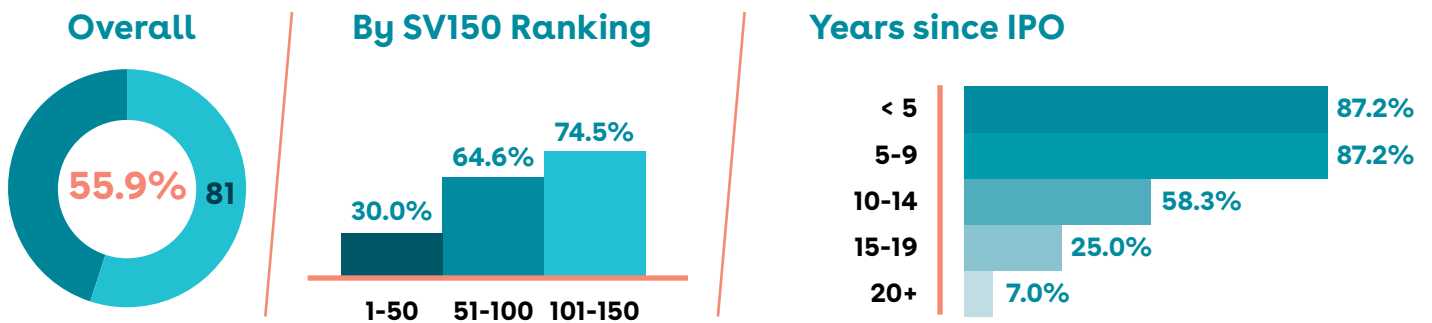
## Classified Boards

Companies with a classified board stagger director elections over a three-year period, with approximately one-third of the directors subject to re-election each year.



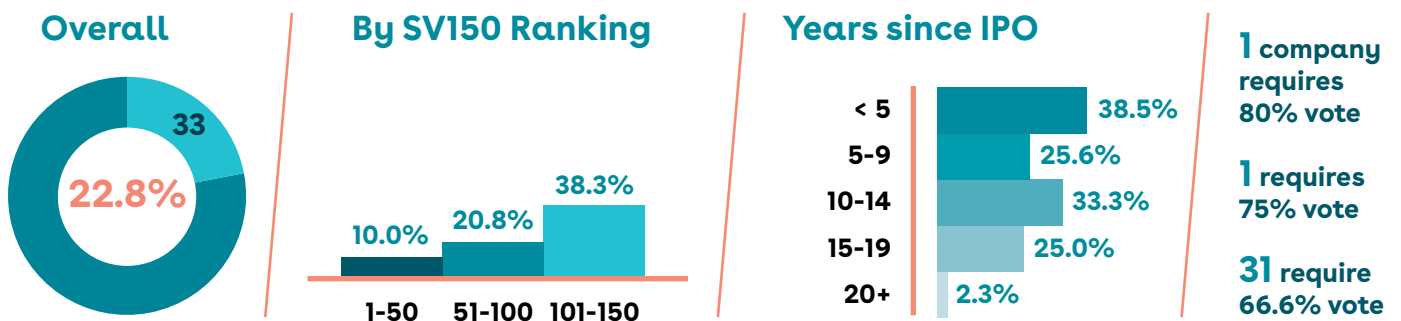
## Director Removal for Cause Only

According to Delaware law, examples that constitute cause for removal of directors include: malfeasance in office, gross misconduct or neglect, false or fraudulent misrepresentation inducing the director's appointment, willful conversion of corporate funds, breach of the obligation of full disclosure, incompetency, gross inefficiency, or moral turpitude.



## Supermajority Stockholder Vote Required to Remove Director

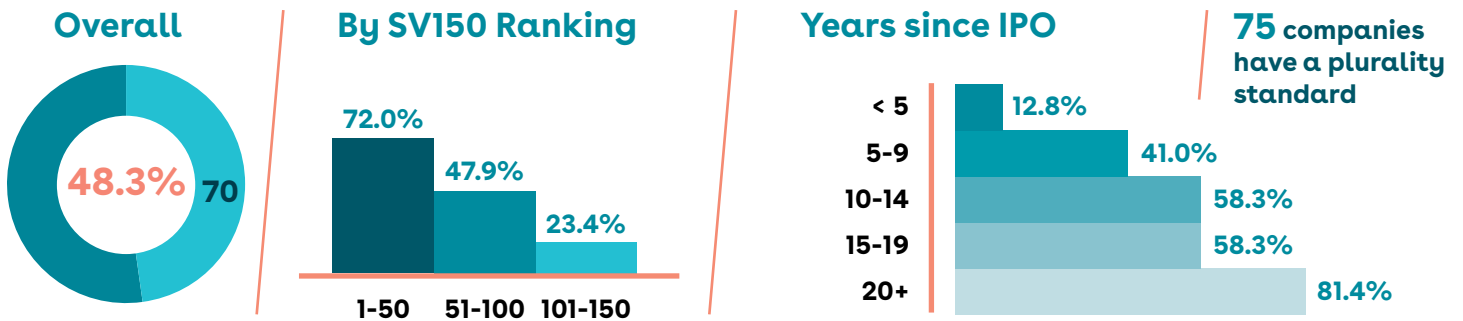
More than a simple majority of the company's outstanding stock is required to remove a director from office.



## Board Elected by Majority or Plurality

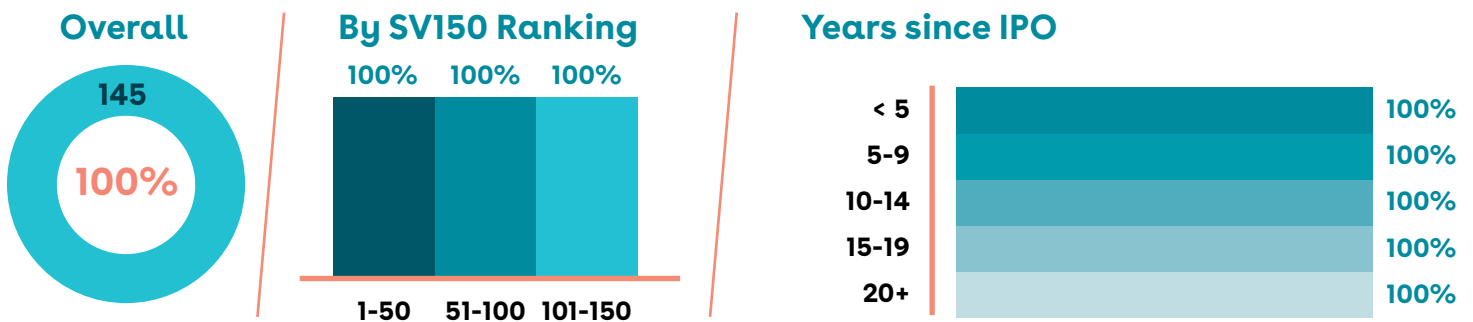
If the board is selected by a plurality of votes cast, the winners are the nominees who receive the most votes regardless of whether that is more than 50% of the votes cast. If the board is elected by a majority of the votes cast, a nominee must receive more than 50% of the votes cast in order to be elected.

### For companies with a majority standard



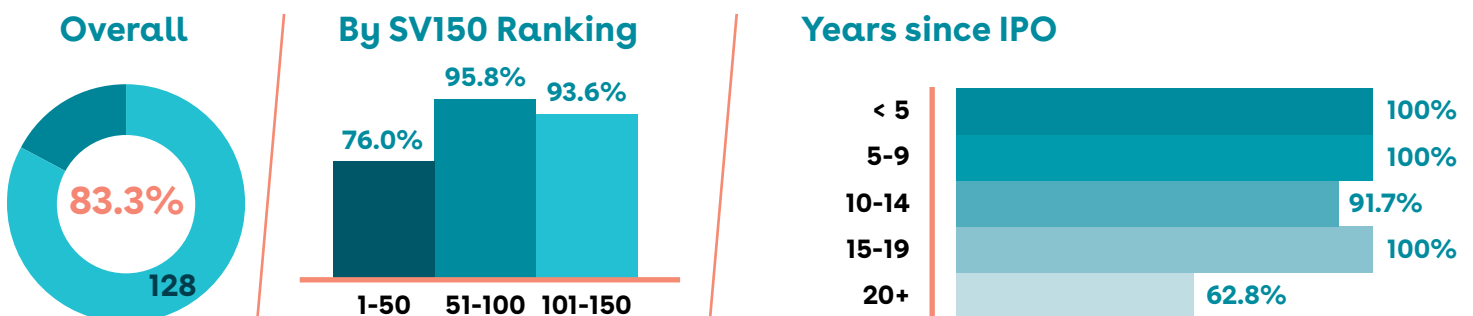
## Board Authority to Change Number of Directors

The typical provision in a company's certificate of incorporation will provide the board of directors with the ability to increase or decrease the size of the board.



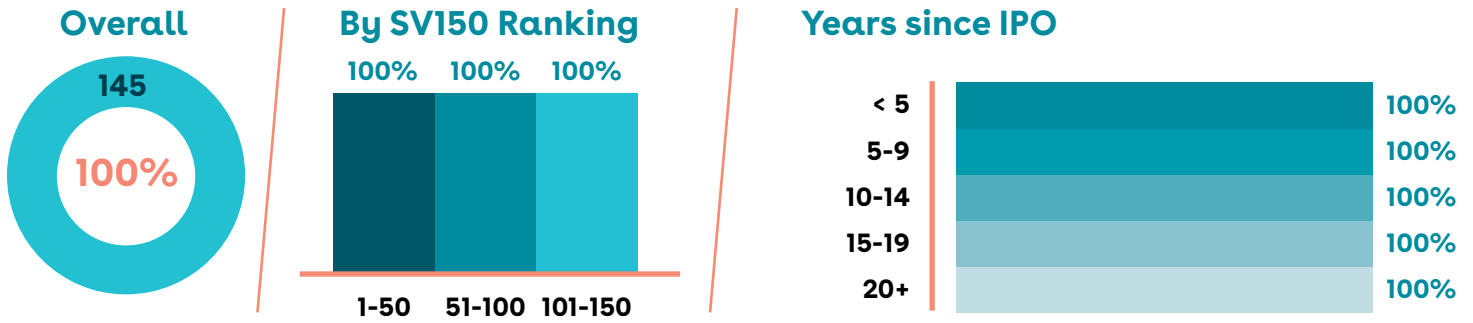
## Board Authority to Fill Vacancies on the Board

The typical provision in a company's certificate of incorporation will provide the board of directors, even if less than a quorum, with the exclusive ability to fill vacancies on the board, including new director positions created through an increase in the authorized number of directors.



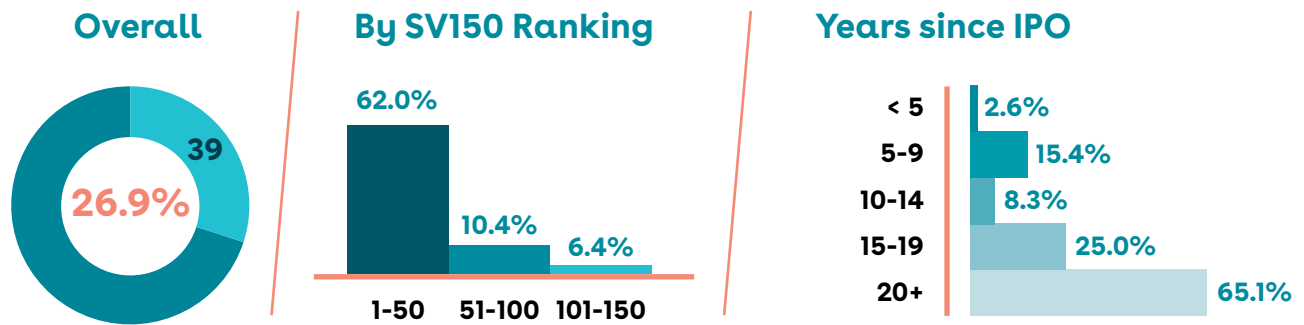
## Advance Notice Bylaws

Advance notice bylaws set forth certain requirements that a stockholder must meet in order to bring a matter of business before a stockholder meeting or nominate a director for election.



## Proxy Access Bylaw

A proxy access bylaw permits stockholders holding a certain percentage of stock for a certain number of years to nominate a certain percentage of directors in the company’s proxy materials without starting a formal proxy fight. The typical “3/3/20/20” approach means 3% of stock must be held for at least three years by up to 20 stockholders who can nominate up to 20% of the board.



of these

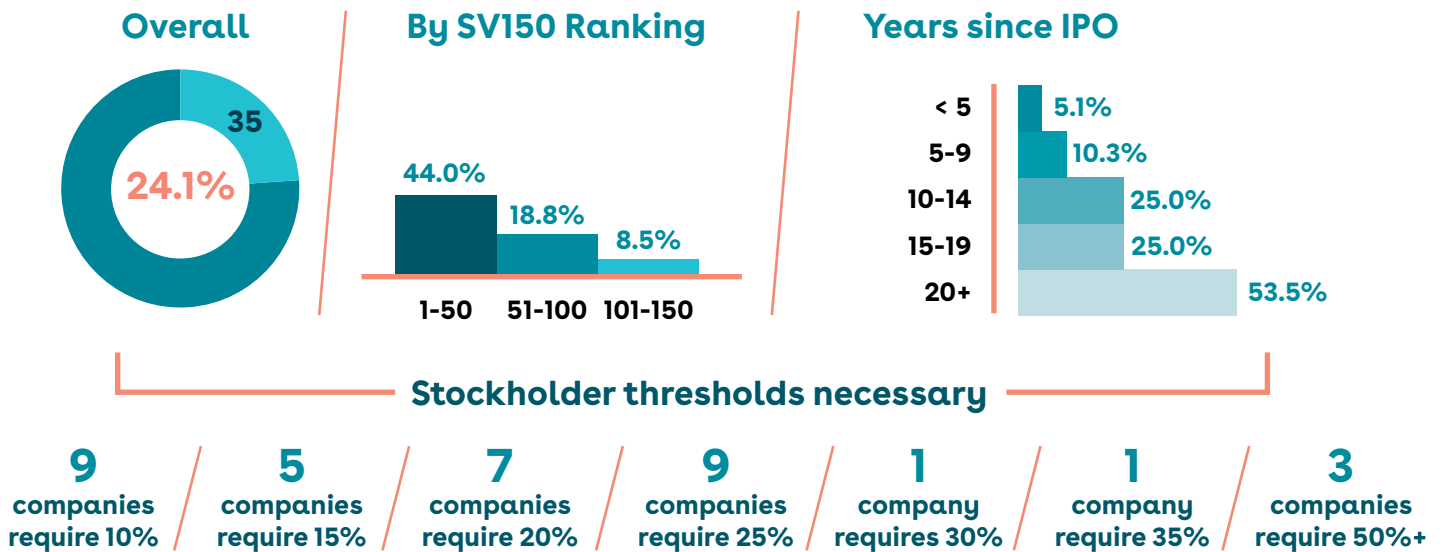
37  
use 3/3/20/20  
approach

1  
uses 3/3/20/25  
approach

1  
uses 3/3/50/20  
approach

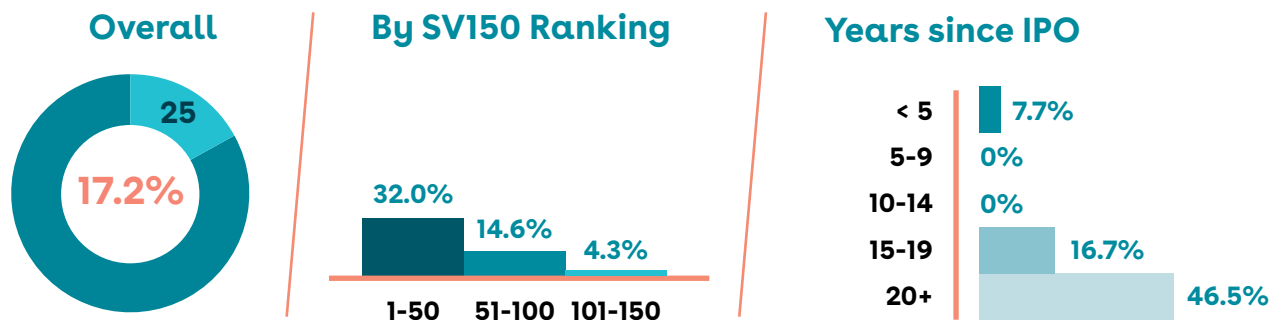
## Stockholder Ability to Call Special Meeting

The typical provision in a company's bylaws provides that a special meeting may only be called by the chairperson of the board, the CEO, or the president (in the absence of a CEO), and prohibits stockholders from calling a special meeting. Below we show the companies whose stockholders can call a special meeting.



## Stockholder Ability to Act by Written Consent

If companies do not permit stockholders to act by written consent, any action requiring stockholder approval must occur at a stockholder meeting. Below we show the companies whose stockholders can act by written consent.



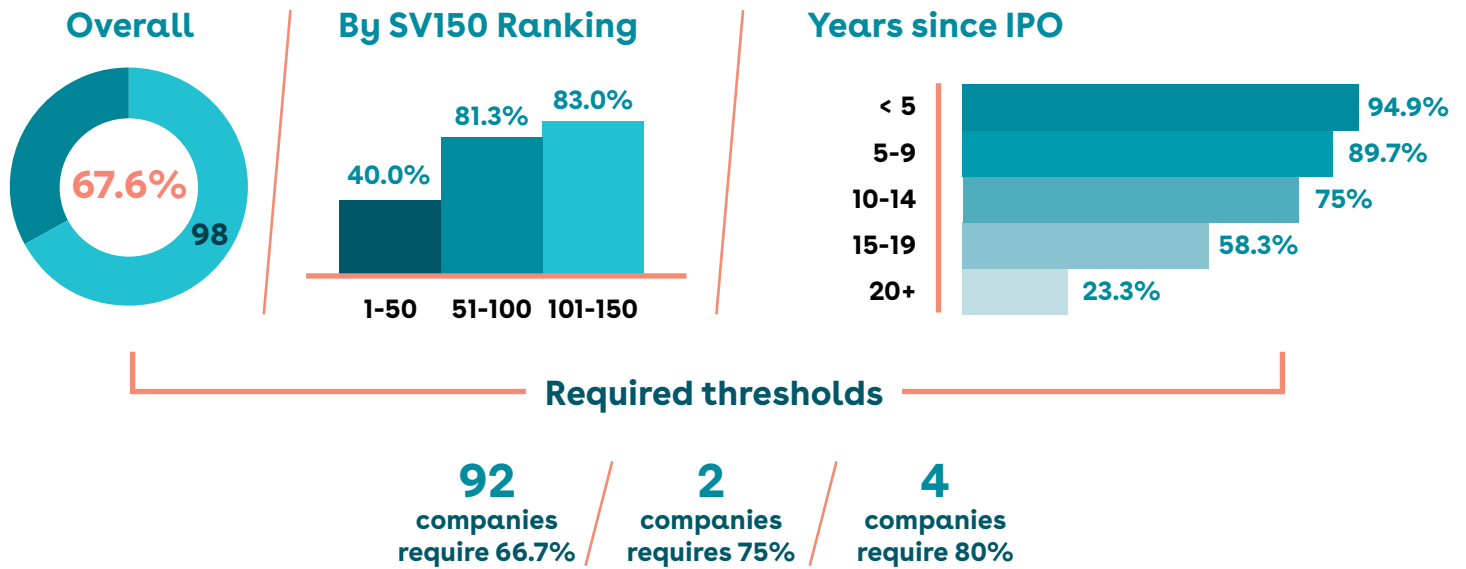
## Shareholder Rights Plan (Poison Pill)

A shareholder rights plan, also known as a "poison pill," acts as a defensive measure against hostile takeovers by making a company's stock less attractive to an acquirer.

Only **1** company

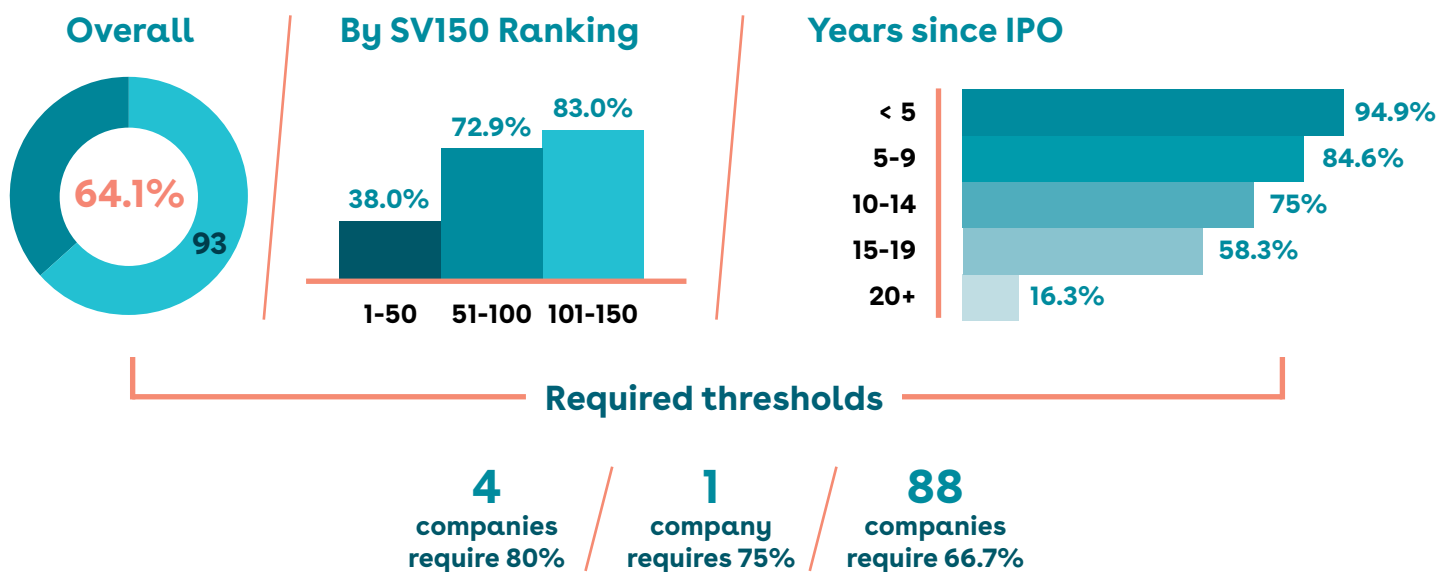
## Supermajority Stockholder Vote Required to Amend Certificate of Incorporation

More than a simple majority of the issuer's outstanding stock is required to amend this governing document.



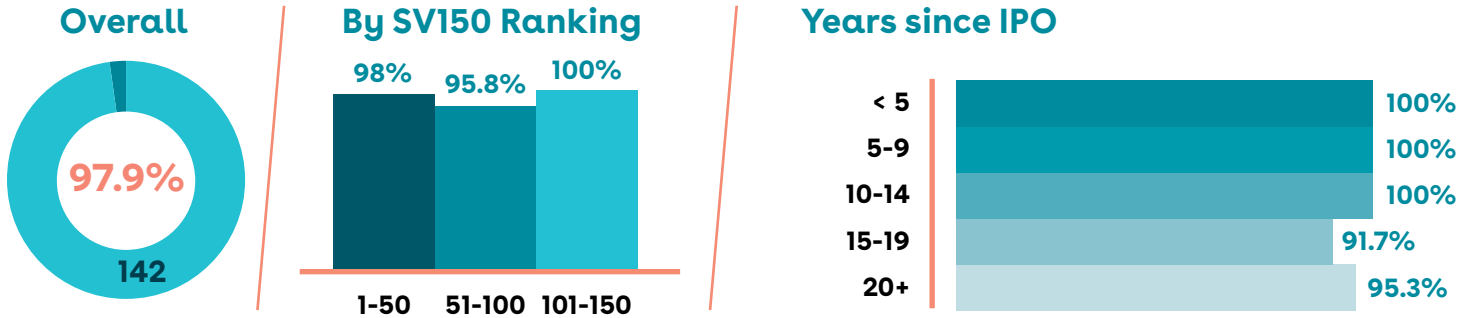
## Supermajority Stockholder Vote Required to Amend Bylaws

More than a simple majority of the issuer's outstanding stock is required to amend this governing document.



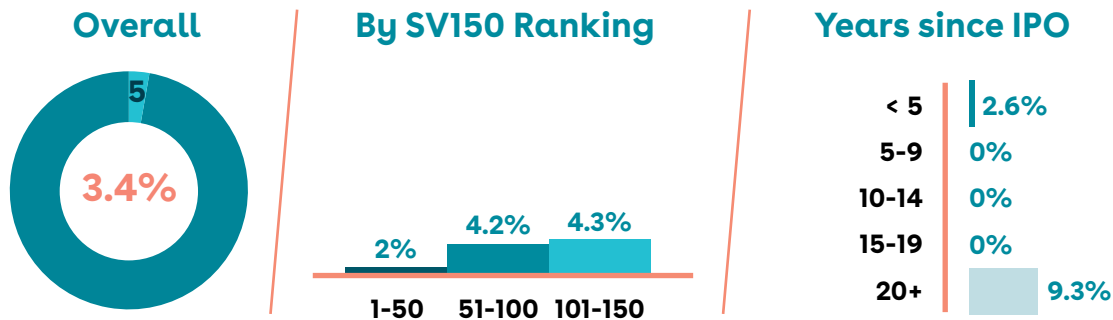
## Blank Check Preferred

Blank check preferred allows boards, without stockholder approval, to issue preferred stock with rights, preferences, and privileges it chooses. Blank check preferred can be used for a poison pill or for an investment by a strategic investor.



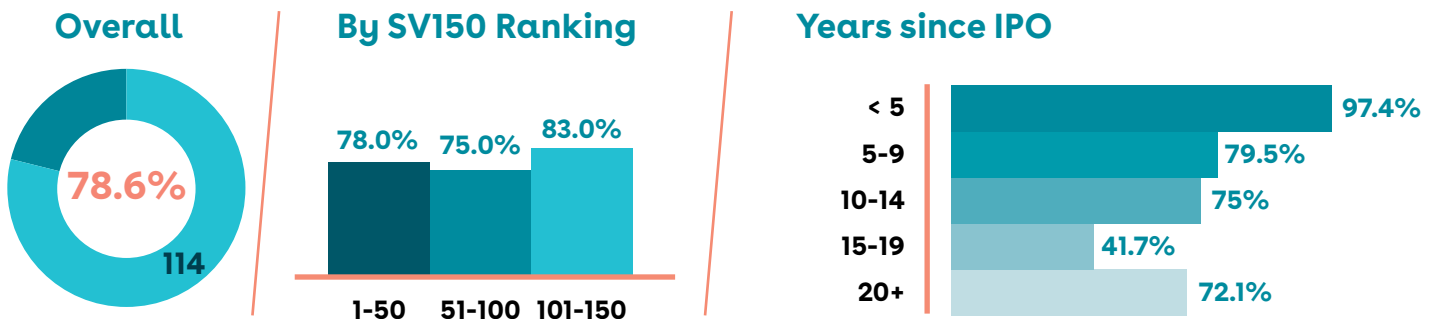
## Cumulative Voting

Cumulative voting is a method of voting for a company’s directors. Each stockholder holds a number of votes equal to the number of shares owned by the stockholder, multiplied by the number of directors to be elected.

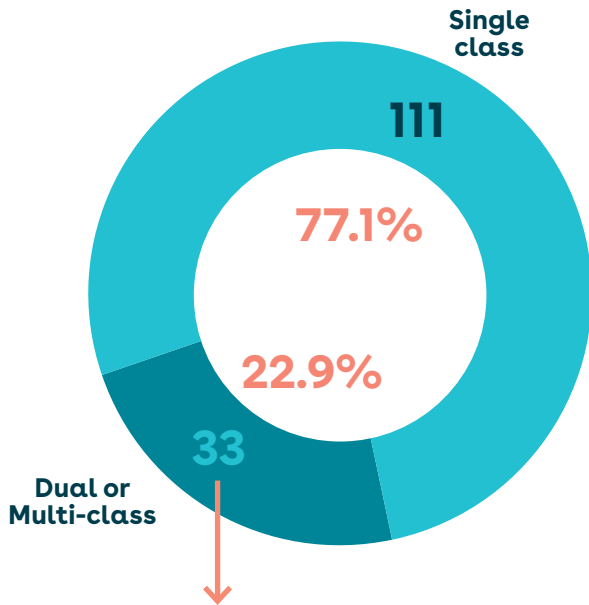


## Exclusive Forum Provisions

Exclusive forum provisions require that certain types of litigation (i.e., derivative suits, claims of breach of fiduciary duty, claims under Delaware corporate law, or claims governed by the internal affairs doctrine) be brought solely and exclusively in the Court of Chancery of the State of Delaware (or another specified forum).



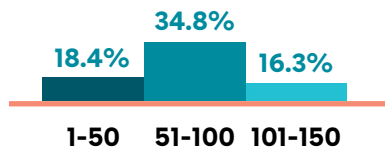
# Classes of Common Stock



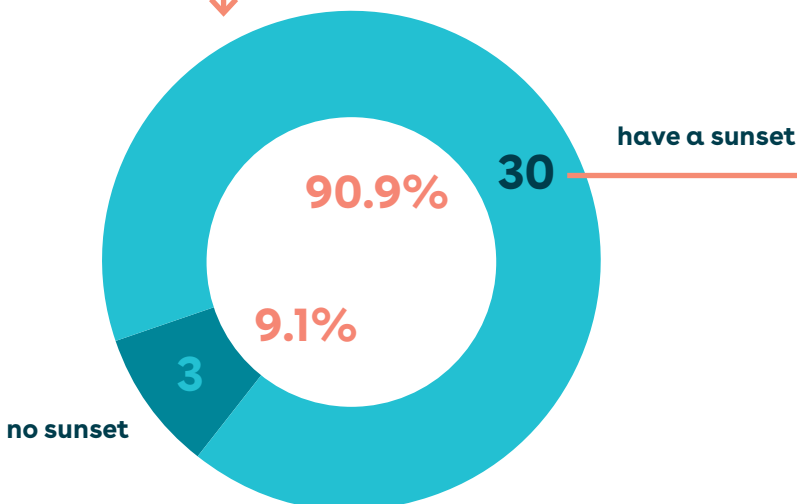
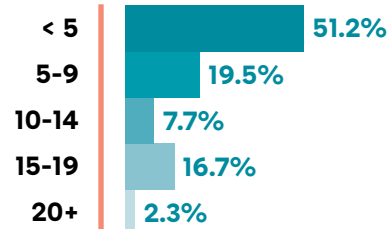
In companies with dual or multi-classes of common stock, shares held by the public carry one vote (or in some cases zero votes) per share while shares held by pre-IPO investors carry multiple votes per share, giving more voting control to founders, employees, and other pre-IPO investors. Many companies that implement a dual or multi-class structure include a sunset provision where the high-vote shares fall away upon the occurrence of a specified condition, such as the date on which all high-vote shares represent less than a certain percentage of all shares outstanding; after a specified time period; or upon the occurrence of a specific event, such as the death of a founder. The most common approach is that all high-vote shares automatically convert to low-vote shares at such time that they represent less than a certain percentage of all shares outstanding. A time-based fall away is also a possibility, though less common.

of these

## SV150 Ranking




## Years since IPO




- 9** determined by event or time
- 9** determined by time, event or percentage
- 8** determined by event or percentage
- 2** determined by percentage only
- 2** determined by event only



# PROXY STATEMENT DISCLOSURES



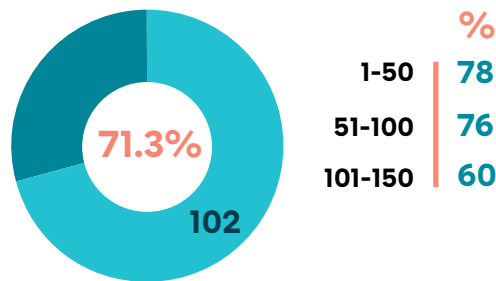
Each proxy statement includes disclosure required by SEC rules. Many companies, however, have voluntarily begun to include dedicated, obvious disclosure (i.e., more than a passing mention) on a number of corporate governance topics important to institutional stockholders and others. We examined proxy statements of the SV150 to determine how prevalent such voluntary disclosure is becoming. We also looked at whether companies are starting to include summaries at the beginning of the proxy statement to emphasize important matters included elsewhere in the proxy statement. We found that each of these items are more typically provided by the top 50 companies in the SV150 and with those farther removed in time from their IPOs. We also looked at whether companies hold their annual meetings at a physical location, online, or both. Due to Covid, the overwhelming majority of companies held their meetings online in 2021.



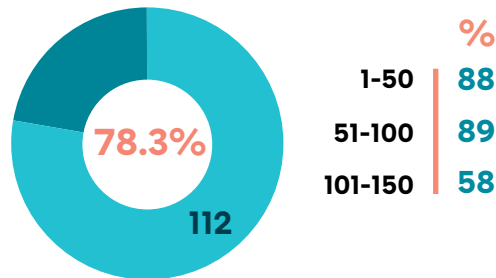
# Voluntary Disclosure

We looked to see which companies included Environmental, Social, and Governance (ESG) or Corporate Social Responsibility (CSR) disclosure in their proxy statement, as well as those with a dedicated ESG/CSR website and a separate annual ESG/CSR report on their websites, each of which dramatically increased in number in 2021.

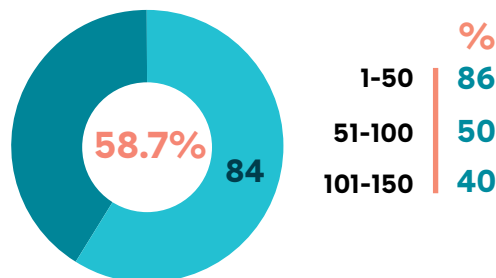
## ESG/CSR Disclosure in Proxy



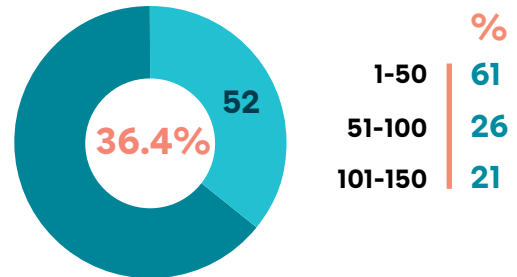
## ESG/CSR Website



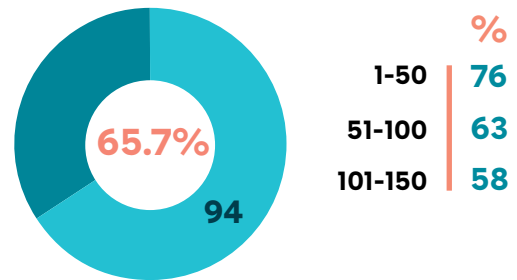
## ESG/CSR Report on Website



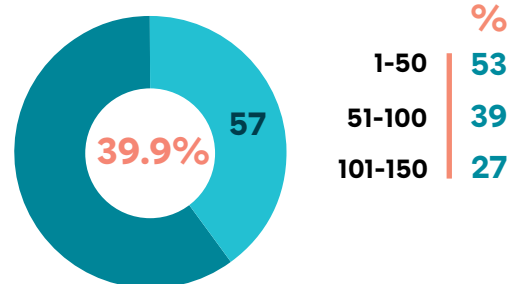
## Director Skills Matrix



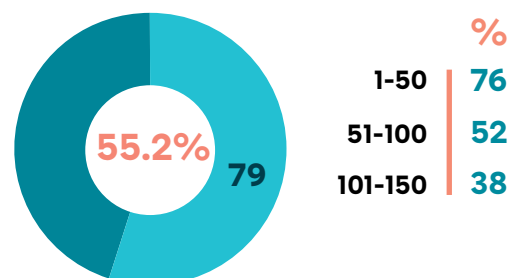
## Board Diversity Disclosure



## Director Photos

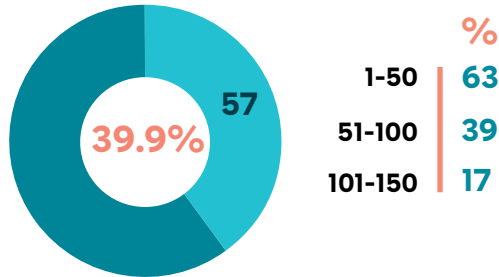


## Shareholder Engagement Disclosure

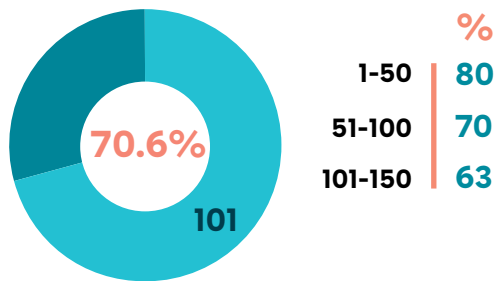


# Voluntary Disclosure *continued*

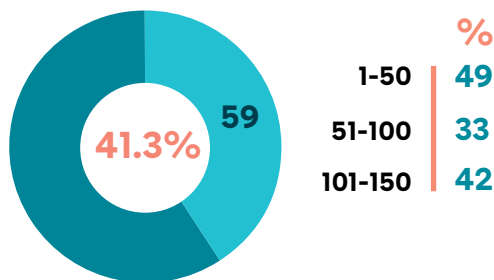
## Board Evaluation Process Disclosure



## Both Board and Committee Evaluated

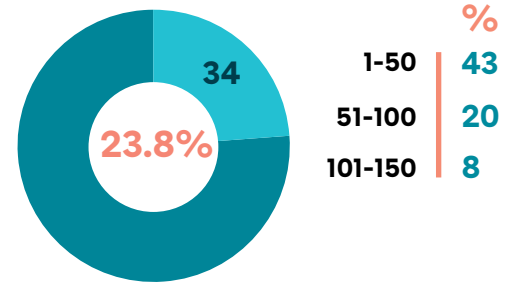


## Peers/Individual Directors Evaluated

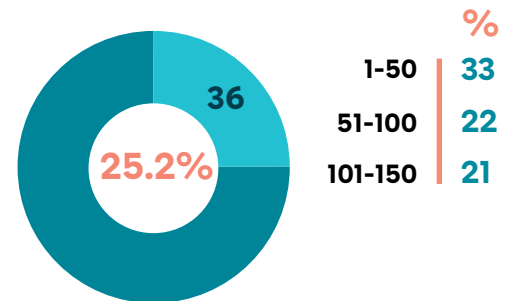


Our research also showed that board and committee evaluations are typically conducted by board chairs, lead independent directors, governance committee chairs, outside counsel, or governance consultants. Interviews, questionnaires, and group discussions are the most typical evaluation methods.

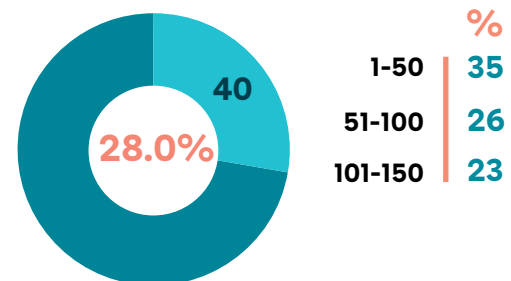
## Officer Succession Plan Disclosure



## Cybersecurity Disclosure

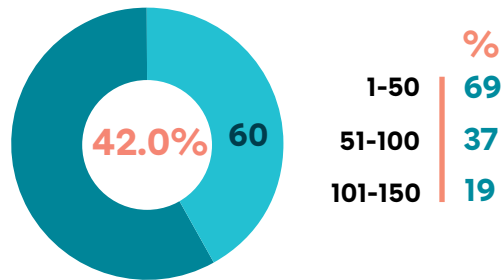


## Human Capital Management Disclosure

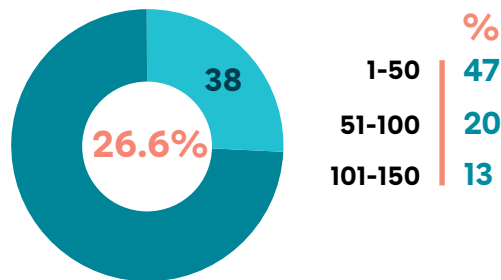


# Proxy Statement Summaries

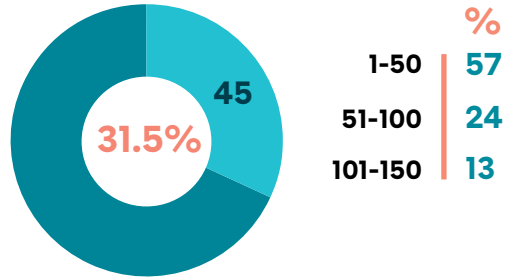
Proxy Statement/Annual Meeting Summary



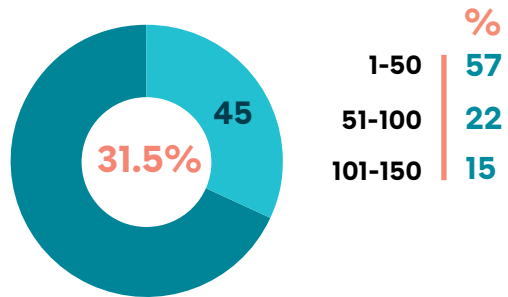
Company Financial Performance Summary



Corporate Governance Summary



Executive Compensation Summary

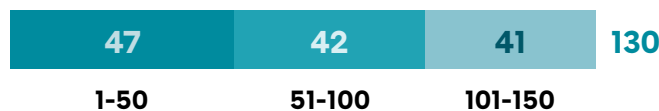


# Location of Annual Meetings

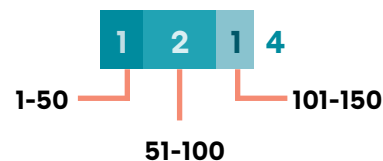
## Physical



## Online



## Both



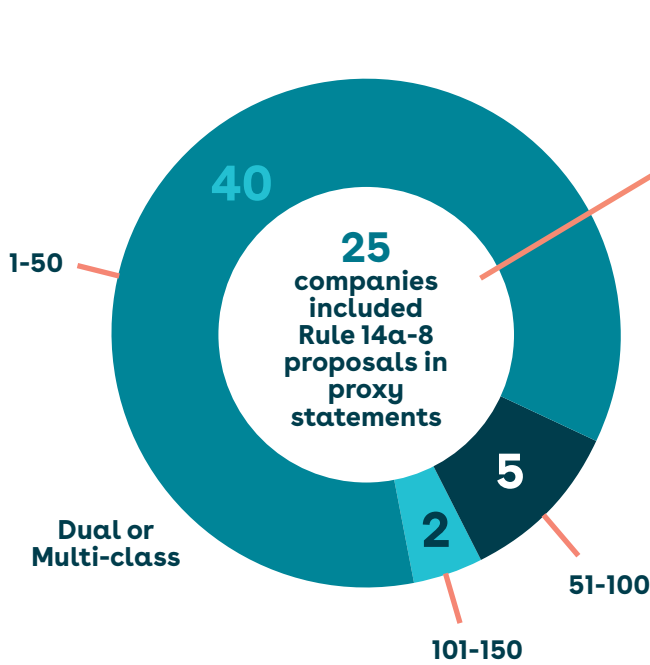
# STOCKHOLDER PROPOSALS



SEC Rule 14a-8 permits stockholders to propose a non-binding resolution that is included in the company's proxy statement and voted upon at the annual meeting. These proposals are typically intended to urge companies to improve different aspects of their corporate governance. While non-binding, boards of directors of companies that ignore a Rule 14a-8 proposal that receives majority voting support do so at their peril, as they will likely be the subject of a "vote no" campaign the following year. Rule 14a-8 proposals are more prevalent in the largest of the SV150, but less than 10% of such proposals at SV150 companies received majority vote support in 2021.



# Stockholder Proposals



The most proposals were received by:

**Alphabet**

8

FACEBOOK

6



3

**NETFLIX**

3

6 others received 2 proposals; 15 others received 1 proposal.

## Proposal Frequency

8

Stockholder ability to act by written consent

7

Other corporate governance issues

4

Separate Chairman and CEO  
Labor Issues  
Other executive compensation issues

3

Allow or decrease requirement for special meetings  
Political Issues  
Proxy access

2

Other Social Issues  
Eliminate dual class structure (unequal voting)  
Adopt director nominee requirements

1

Link pay equity grants and vesting to performance (pay for performance)  
Human rights  
Other board committee related  
Eliminate supermajority requirement  
Environmental issues  
Change voting to majority from plurality

Of the 47 stockholder proposals voted upon, only 5 were approved by stockholders.

1

for public report on impact of use of mandatory arbitration on employees and workplace culture

1

for a report disclosing company political contributions

1

for simple majority vote/no supermajority voting

2

for ability for stockholders to act by written consent

SUNRUN



NetApp

NETFLIX

# EXECUTIVE COMPENSATION

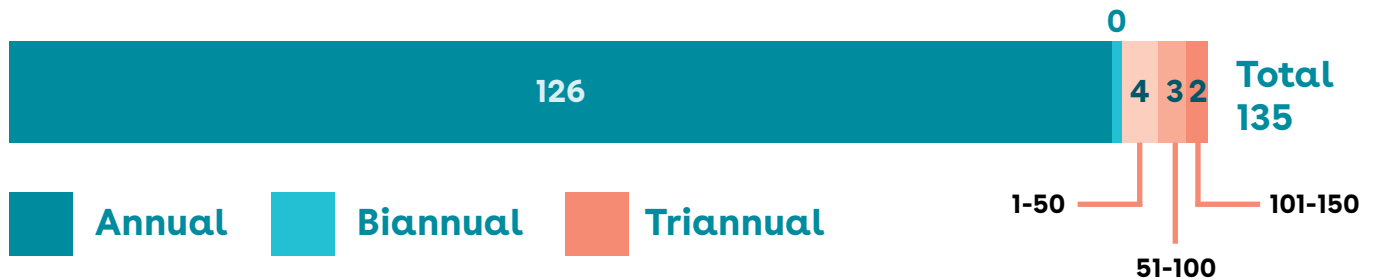


For decades, companies have been required to include executive compensation information in proxy statements, but the amount and type of such information has increased, particularly in the last 15 years. In addition, since 2011, public companies have been required to hold non-binding “say-on-pay” votes, in which stockholders provide an advisory vote on whether they approve the executive compensation of the CEO, CFO, and the other most highly compensated executive officers at the company. More recently, companies have been required to provide pay-ratio disclosure, showing how the CEO’s compensation compares to the compensation of the median employee at the company. We looked at the frequency and approval rates of “say-on-pay” votes, CEO pay-ratio disclosure, prevalence of certain executive compensation perks, and clawback policies whereby the compensation of certain employees may be recouped in certain circumstances.



# Say-on-Pay

**135** companies have chosen a “say-on-pay” frequency.

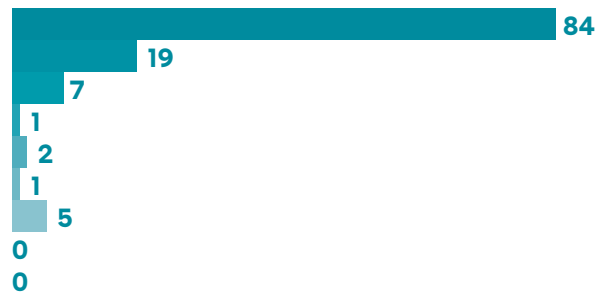


**119** companies took a say-on-pay vote in 2021.

## Approval Rate

- Greater than 90%
- > 80%
- > 70%
- > 60%
- > 50%
- > 40%
- > 30%
- > 20%
- > 10%

## Number of Companies



# CEO Pay Ratio

**121** companies have disclosed CEO pay ratio.





# Executive Compensation Perks

These types of perks were found primarily in the top 50 of the SV150, among well-established and newly public companies alike.

## Use of Aircraft

CEO 

CFO 

Other NEOs 

All NEOs

## Personal Security

CEO 

CFO 

Other NEOs 

All NEOs 

## Personal Driver

CEO 

CFO 

Other NEOs 

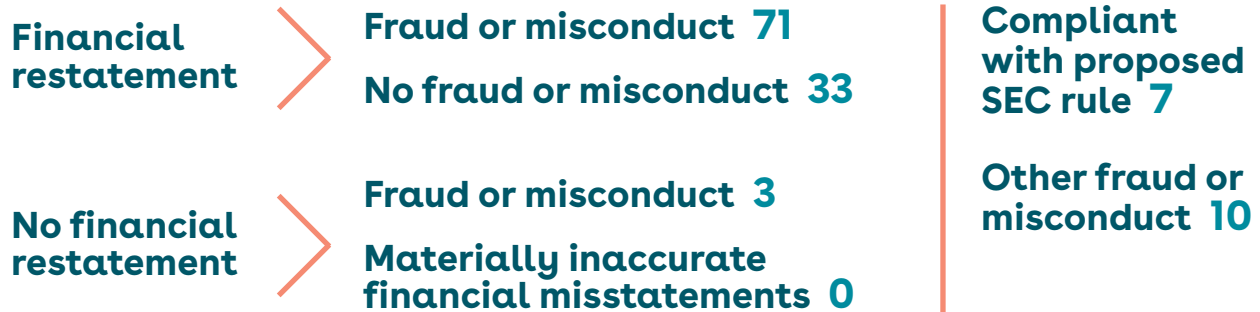
All NEOs 

# Clawbacks

## Triggers



The JOBS Act of 2010 directed the SEC to approve rules requiring public companies to adopt clawback policies. These policies would require the companies to recoup certain incentive compensation previously paid to executive officers in the event of financial statement restatement or modification or fraud or misconduct. While the SEC proposed rules in July 2015, final rules had not been adopted by September 2021 and in October 2021, the SEC announced that it was reopening the comment period for the proposed rule. Over 105 companies across all SV150 rankings and years since IPO, however, have voluntarily adopted clawback policies. Over 20 companies have also adopted “detrimental conduct” clawback policies, which require compensation to be recouped in the event of violations of contract, law, company policy, or other specified conduct detrimental to the company.



## Covered Persons



NEOs only 6  
 All EOs 82  
 Senior employees 5  
 All officers 2  
 All employees 10  
 Not disclosed 6

## Comp Recouped



Cash 1  
 Equity 9  
 Both 4  
 Not specified 80

## Enforcement



Discretion 16  
 Mandatory 93  
 Not specified 5

# Clawbacks *continued*

## Detrimental Conduct (some companies have multiple triggers)

### Violations of contracts or restrictive covenants



### Violation of law



### Violation of company policy



### Acts resulting in reputational/financial/other harm to company



### Failure of risk management



### Failure to supervise

0

### General fraud or misconduct



### Termination for cause or misconduct



### Other



Found primarily in the top 50 of the SV150, among well-established and newly public companies alike.

# CONCLUSIONS

Corporate governance structuring and proxy statement disclosure are certainly not one-size-fits-all endeavors. We hope, however, that this glimpse by the numbers into the corporate governance and annual meeting matters of the SV150 is useful as companies benchmark their own practices with those of the most prominent technology and biotech companies in the world.

We noted the following key conclusions from our survey of SV150 corporate governance:

- Due to the COVID-19 pandemic, almost 95% of the SV150 opted to hold a virtual meeting in 2021 rather than a physical one.
- ESG/CSR disclosure in the proxy statement and on websites exploded throughout the SV150, with more than 75% of the top 100 companies having such disclosure in their proxies and almost 90% of the top 100 companies having such disclosure on their website.
- Voluntary proxy statement disclosures in general and proxy summaries also increased throughout the SV150 compared to previous years, although it continued to be the case that these are much more likely to be implemented by top 50 companies—and shareholder proposals are almost always directed to top 50 companies.
- The SV150 is still fairly diversified in years since IPO, but the top 50 companies have substantially greater annual sales, market cap, and profitability than the other 100 companies.
- The top 50 companies, on average, have up to 1.5 more directors. In addition, directors at the top 50 companies have longer tenure, are older, and are more likely to be subject to mandatory retirement policies. Female directors, however, are more prevalent throughout the SV150.
- Companies more than 20 years from their IPO are significantly more likely to have an independent chair than any other demographic factor.
- The number of executive officers correlates more to ranking within the SV150 than years since IPO.
- The top 50 companies are much more likely to have a non-classified board, majority voting, proxy access, and ability for stockholders to call a special meeting or act by written consent. Years since IPO also plays a role in these decisions.
- More than 90% of SV150 companies have adopted annual say-on-pay votes, and of the companies that took a say-on-pay vote in 2021, more than 70% received greater than 90% stockholder approval.
- Executive compensation perks are primarily found in top 50 companies, regardless of time since IPO.
- Clawback policies are in place throughout the SV150, regardless of years since IPO, but detrimental conduct policies are more typically found in the top 50 companies, regardless of time since IPO.

## About Wilson Sonsini Goodrich & Rosati

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## For More Information

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