Egan-Jones Proxy Services

Research Report

Company		Ticker Symbol	CUSIP
TWITTER, INC.		TWTR	90184L102
Guideline	**Meeting Date**	**Record Date**	**Date Published**
Standard	06/24/21	04/05/21	06/18/21

(delivered to most major institutional investors and parties interested in proxy matters)

Our recommendations are received by most major investors.

Meeting Information	
Meeting Type	Annual
Meeting Date	06/24/21
Record Date	04/05/21

Items & Recommendations

We recommend that clients holding shares of TWITTER, INC. vote:

Item	Egan-Jones Recommendation	Management Recommendation
1A - 1D – Election of Directors	FOR, WITH EXCEPTION OF David Rosenblatt	FOR ALL
2 – Advisory Vote on Executive Compensation	FOR	FOR
3 – Advisory Vote on Frequency of Executive Compensation	1 YEAR	1 YEAR
4 – Ratification of Auditor	AGAINST	FOR
5 – Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Declassify the Board of Directors	FOR	FOR
6 – Shareholder Proposal Regarding a Climate Report	FOR	AGAINST
7 – Shareholder Proposal Regarding a Director Candidate with Human and/or Civil Rights Expertise	FOR	AGAINST

Considerations and Recommendations

Egan-Jones' review centered on the Proposals in the context of maximizing shareholder value, based on publicly available information.

Governance Rating Score Summary

The Egan-Jones Governance Rating is based upon data sourced from FactSet Research Systems Inc., the company's public filings, reputable news sites, as well as other regulatory disclosures such as those found at the SEC and FASB

Ticker	**TWTR**
Company name	**TWITTER, INC.**

Board Rating

Item	**TRUE/FALSE**
CEO and Chairman Separate	TRUE
Annual Director Elections	FALSE
All Classes of Stock Have Equal Voting Rights	TRUE
Compensation Committee with All Independents	FALSE
Audit Committee with All Independents	TRUE
Nominating Committee with All Independents	FALSE
Non-binding Compensation Vote on Agenda	TRUE
Two Thirds of Directors on Board are Independent	TRUE
Over-boarded CEO Director	FALSE
Over-boarded Board Chair	FALSE
Over-boarded Non-CEO Director	FALSE
Major cyber security breach	FALSE
Failure to implement sufficient carbon risk plan	FALSE
Other financial or operational risk control failure	FALSE
Other serious reputational risk failure by the Board	FALSE
Version	VER 2.10 12/15/2017
Sub Total	60.00
Performance Adjustment	31.89
Total	91.89
Final Board Score	***Good***

Compensation Rating

CEO Total Comp($)	8,060,199
CEO Salary ($)	600,000
TSR (%)	68.77
Market Capitalization ($M)	43,103.40
Wealth Creation ($M)	29643.63
Wealth Creation/CEOPAY	3677.78
Raw Score (pre adjustments)	Superior
Final Score	***Superior***
Rating Model Version	VER 3.10 1/22/2021
High CEO Total Compensation	Negative Adjustment
CEO Salary Under $1 Million Limit	Positive Adjustment
Other Adjustments:	No Adjustment

Audit Rating

Audit Fees	6,520,000
Total Fees	10,482,000
Non-Audit Fees exceed 50%	FALSE
Auditor has served for seven or more years	TRUE
Raw Score	Neutral
Version	VER 1.11 1/22/2021
Final Score	***Needs Attention***

Governance Rating

Overall Score	***Needs Attention***

Cyber Security Risk Rating

The Egan-Jones Cyber Risk Ratings helps stake holders assess the security posture (health) of covered entities. EJPS analysts use the SecuritiesScorecard platform to ascertain the company's Score which is incorporated into the EJPS Proxy Research Report. The methodology utilized for determining the Score can be found at http://ejproxy.com/media/documents/Egan-Jones_Proxy_Services_Cyber_Risk_Rating.pdf. For additional questions or comments please contact research@ejproxy.com or +1-844-495-5244 x1102.

Company Name	TWITTER, INC.
Domain	twitter.com
SSC Letter Grade	C
SSC Industry	technology
Application Security	A
Cubit Score	A
DNS Health	C
Endpoint Security	B
Hacker Chatter	A
IP Reputation	D
Network Security	C
Information Leak	A
Patching Cadence	B

Social Engineering	A
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Minimum Factor Grade	D
EJP Qualitative Adjustment	None
Final Score	***Some Concerns***
Cyber Security Scoring Engine Version	2.0.1 - EJP

**The Total Comp ($) and Salary ($) used in the Compensation Rating belong to the highest paid NEO of the Company,Michael Montano Engineering Lead.*

Items 1A - 1D

Election of Directors

Director Name	Nominee	Key Committee Membership	Attendance (<75%)	Position CEO/Chair	Director Since	Diverse director	Classification	Footnotes	EJP recommendation
	1	2	3	4	5	6	7	8	9
Jesse Cohn	**Yes**		**No**		**2020**		**Independent Outside Director**		**FOR**
Martha Lane Fox	**Yes**	**A;N**	**No**		**2016**	**Yes**	**Independent Outside Director**		**FOR**
Fei-Fei Li	**Yes**	**C**	**No**		**2020**	**Yes**	**Independent Outside Director**		**FOR**
David Rosenblatt	**Yes**	**C;N**	**No**		**2010**		**Affiliated Outside Director**	**F6**	**WITHHOLD**
Jack Dorsey	*No*		*No*	*CHIEF EXECUTIVE OFFICER*	*2007*		*Inside Director*		
Egon Durban	*No*	*N*	*No*		*2020*		*Independent Outside Director*		
Omid R. Kordestani	*No*		*No*		*2015*	*Yes*	*Independent Outside Director*		
Patrick Pichette	*No*	*A*	*No*	*NON EXECUTIVE CHAIRMAN*	*2017*	*Yes*	*Independent Outside Director*		
Bret Taylor	*No*	*C*	*No*		*2016*		*Independent Outside Director*		
Robert Zoellick	*No*	*A*	*No*		*2018*		*Independent Outside Director*		

2021 Footnotes # Egan-Jones Explanation

F6 Affiliation - Over-tenured director - Member of a Key Board committee

According to Egan-Jones' Proxy Guidelines a director whose tenure on the Board is 10 years or more is considered affiliated, except for diverse nominees. We believe that key Board committees namely Audit, Compensation and Nominating committees should be comprised solely of Independent outside directors for sound corporate governance practice.

Item 2

Advisory Vote on Executive Compensation

Recommendation:

After taking into account both the quantitative and qualitative measures outlined below, we believe that shareholders should support the current compensation policies put in place by the Company's directors. Furthermore, we believe that the Company's compensation policies and procedures are centered on a competitive pay-for-performance culture, strongly aligned with the long-term interest of its shareholders and necessary to attract and retain experienced, highly qualified executives critical to the Company's long-term success and the enhancement of shareholder value. **Therefore, we recommend a vote FOR this Proposal.**

Background:

At Egan-Jones Proxy Services we review a number of factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the advisory vote on executive compensation. These include total CEO compensation, company performance, and any past issues with compensation.

The sum total of our quantitative look at compensation can be found in the compensation corporate governance grade we give this company. Generally, and absent other negative factors, a score of *Neutral* or higher in compensation merits a positive "say-on-pay" vote. This Company has earned a grade of ***Superior*** in compensation and thus passes our quantitative tests.

Given the disclosure on its executive compensation practices, and based on our qualitative review of the Company's compensation, we do not find any issues, positive or negative, that would be relevant enough for Egan-Jones to change our recommendation determined by the compensation rating for this Company.

This advisory vote is not binding. Although non-binding, the Compensation Committee will consider the outcome of the advisory vote when making future decisions regarding the executive compensation programs.

**See scoring details on the top of the report.*

Item 3

Advisory Vote on Frequency of Executive Compensation

Recommendation:

We believe that allowing shareholders to express their opinion about senior executive compensation will provide the Company with useful information about shareholders' views on the company's senior executive compensation and will facilitate constructive dialogue between shareholders and the board. As such, *as the board recommends*, shareholders should have the opportunity to vote on the compensation of the named executive officers and CEO every year. **We recommend a vote FOR the option of annual (every year) as the frequency with which shareholders will be provided as advisory vote on executive compensation.**

Background:

The shareholders are being asked to provide an advisory vote on the frequency of the advisory vote on executive compensation.

The Dodd Frank Act requires that, at least every six years at the annual meeting of shareholders, companies must submit a separate resolution subject to a non-binding shareholder advisory vote to determine whether shareholders believe the Company should submit a resolution relating to the compensation of the named executive officers at the annual meeting every year, every two years, or every three years.

Board Recommendation: 1 Year

Item 4

Ratification of Auditor

Recommendation:

At Egan-Jones Proxy Services we review relevant factors, both qualitative and quantitative in nature, before issuing a recommendation regarding the ratification of appointment of independent auditors. We believe that auditor rotation every seven years, a ratio of non-audit fees and total fees not exceeding 50%, a lack of significant and material disciplinary actions taken against the Company's Auditor and any financial interest of the auditor in or association with the Company are the minimum criteria that should be taken into consideration in ensuring the auditor's independence.

The sum total of our evaluation can be found in the Auditor Rating we give this auditor. Generally and absent other negative factors, we suggest a score of ***Neutral*** or higher. This audit firm has earned a grade of ***Needs Attention*** and thus, has failed to pass our model.

After taking into account both the quantitative and qualitative measures outlined below, we believe that shareholders should not support the ratification of the auditors. **Therefore, we recommend a vote AGAINST this Proposal.**

**See scoring details on top of the report.*

Background:

While ratification of auditors is one of the most common proposals submitted to shareholders it should not be overlooked. After employing the most qualified directors and CEO, to manage and grow the company, having equally experienced auditors should be next in importance. Reliable auditors are critical to ensuring shareholders receive accurate and timely reports of the Company's financial performance.

Exhibit 1 -Fees

	Current Fiscal Year		Prior Fiscal Year
Audit Fees	$ 6,520,000		$ 6,306,000
Audit Related Fees	$ 607,000		$ 1,721,000
Non Audit and Tax Fees	$ 3,355,000		$ 2,554,000
Total Fees	$ 10,482,000		$ 10,581,000

Exhibit 2- Fees

	Relevant Ratios		Note
Total Fee Increase/Decrease	-0.9%		
Non-Audit Related Fees divided by Total Fees (Current FY):	32.0%		Should not be higher than 50%

Board Auditor Choice: **PricewaterhouseCoopers, LLP**

PricewaterhouseCoopers, LLP is a PCAOB (Public Company Accounting Oversight Board) registered auditor. Public records show that there have been disciplinary actions taken against this firm; however, we do not believe this to be unusual for such a large company with numerous employees, in most of these cases.

Nevertheless, we note the PCAOB Release No. 105-2017-032 from August 2, 2017 in which the Public Company Accounting Oversight Board censured PricewaterhouseCoopers LLP ("PwC" or "Respondent") and imposed on PwC a civil money penalty in the amount of $1,000,000. The Board imposed these sanctions on the basis of its findings that PwC violated PCAOB rules and standards in connection with its 2014 audit and examination engagements for Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill"), a broker-dealer registered with the United States Securities and Exchange Commission ("Commission").

In addition, we note the 2014 PCAOB order (PCAOB Release No. 105-2014-007) in which the Board censured Randall A. Stone, CPA ("Stone"), Randall A. Stone, age 51, of Austin, Texas, a certified public accountant licensed under the laws of Texas (license no. 047916), imposed a civil money penalty in the amount of $50,000; and barred Stone from being associated with a registered public accounting firm. At all relevant times, Stone was a partner in the Austin, Texas office of PwC was an associated person of a registered public accounting firm as that term is defined in Section 2(a)(9) of the Act and PCAOB Rule 1001(p)(i). Stone retired from PwC effective June 30, 2014. This PCAOB order resulted from its findings concerning Stone's violations of PCAOB rules and auditing standards in connection with (1) the audit of the consolidated financial statements of ArthroCare Corporation ("ArthroCare" or "Company") for the fiscal year ended December 31, 2007, and (2) the consent to incorporate by reference the fiscal year 2007 audit report in a Form S-8 Registration Statement filed by ArthroCare with the United States Securities and Exchange Commission ("Commission" or "SEC") in June 2008.

Item 5

Approval of an Amendment to the Amended and Restated Certificate of Incorporation to Declassify the Board of Directors

Recommendation:

We believe that staggered terms for directors increase the difficulty for shareholders of making fundamental changes to the composition and behavior of a board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders. **We recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to approve an amendment to the amended and restated certificate of incorporation to declassify the board of directors.

The amended and restated certificate of incorporation divides the board of directors into three classes, designated as Class I, Class II and Class III. One class is elected at each annual meeting of stockholders, to hold office for a term beginning on the date of the election and ending on the date of the third annual meeting of stockholders next succeeding their election.

After careful consideration, and taking into account the input of the stockholders, and the recommendation of the management structure committee and the nominating and corporate governance committee, the board of directors has determined that it would be in the best interests of Twitter and the stockholders to declassify the board of directors to allow the stockholders to vote on the election of the entire board of directors each year, rather than on a staggered basis. In recommending that stockholders vote in favor of declassifying the board of directors, both the advantages and disadvantages of a classified board structure were considered. The proposed amendment to the amended and restated certificate of incorporation is set forth in Appendix A to this Proxy Statement. In addition, the board of directors has also conditionally approved, subject to stockholder approval of this proposal, amendments to the amended and restated bylaws, in order to further implement the changes under this proposal.

If this amendment to the amended and restated certificate of incorporation is approved by the stockholders, beginning at the 2022 annual meeting of stockholders, each of the nominees for director in 2022 would stand for election for a one-year term. At the 2023 annual meeting, each of the directors elected at the 2022 annual meeting and each of the nominees for director at the 2023 annual meeting would be elected for a one-year terms. At the 2024 annual meeting and at annual meetings after 2024, all of the nominees for director be elected for a one-year term. This would result in the entire board of directors being elected annually for one-year terms beginning at the 2024 annual meeting of stockholders. Other directors who currently have multiple-year terms will continue to serve those terms until they expire. Vacancies which may occur during the year may be filled by vote of a majority of the remaining members of the board of directors and each director so appointed shall serve for a term which will expire at the next annual meeting of stockholders. Notwithstanding the foregoing, in all cases, each director will hold office until their successor is duly elected and qualified, or until their earlier resignation or removal.

Item 6

Shareholder Proposal Regarding a Climate Report

Recommendation:

We believe that improved transparency and accountability will enhance the Company's commitment to long-term sustainability. **After evaluating the details pursuant to the shareholder proposal and in accordance with the Egan-Jones' Proxy Guidelines, we recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to act on a proposal that requests the board of directors issue a report, at reasonable expense and excluding confidential information, disclosing Twitter's climate policies, performance, and improvement targets responsive to the indicators set forth in the Net Zero Benchmark, or any rationale for failure to adopt such metrics.

The increasing rate and number of climate-related disasters affecting society is raising alarms within the executive, legislative, and judicial branches of government, making the corporate sector's contribution to climate mitigation a significant policy issue.

The Commodity Futures Trading Commission's Climate Related Risk Subcommittee recently issued a report finding that climate change poses a significant risk to, and could impair the productive capacity of, the U.S. economy.

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest.

In response to material climate risk, the steering committee of the Climate Action 100+ initiative (CA100+), a coalition of more than 500 investors with $52 trillion in assets, issued a Net Zero Company Benchmark (Net Zero Benchmark) calling on carbon emitting companies to work toward reducing greenhouse gas (GHG) emissions to net zero, improving climate governance, and providing specific climate related financial disclosures.

The Net Zero Benchmark includes ten indicators of company alignment with the Paris Agreement including a statement of ambition to achieve net zero greenhouse gas emissions by 2050 for the Company's scope 1, 2, and applicable scope 3 emissions in alignment with the Paris 1.5 degree goal.

Failure to address such critical climate issues may have a negative effect on the Company's cost of capital and shareholders' financial returns. BlackRock notes that investment flows into "sustainable" and climate aligned assets will drive long term outperformance relative to companies perceived as having weaker sustainability characteristics.

Twitter discloses no GHG emissions data. The company states a goal for its current data centers to achieve 100 percent carbon neutral power by 2022, without defining 'carbon neutral power.' The company states it is offsetting current carbon emissions, but lacks clarity as to whether all Scope 1-3 emissions are being offset.Twitter is also lagging behind peers, many of which have made pledges, aligned with achieving net zero emissions by 2050. For example, Google pledged it will run entirely on carbon-free, not carbon neutral, energy at all times by 2030. Salesforce has validated its GHG targets through the Science-Based Targets Initiative."

Shareholders ask thr Company to provide disclosure that satisfies the Net Zero Benchmark metrics to reduce material governance, financial, and regulatory risk, and materially increase the potential for strong financial performance.

1 *https://www.cnn.com/2020/11/11/politics/climate-executive-actions-joe-biden/index.html*

2 *https://www.govtrack.us/congress/bills/subjects/climate_change_and_ greenhouse_gases/6040#sort=-introduced_date*

3 *https://www.nature.com/articles/d41586-020-00175-5*

4 *https://www.cftc.gov/sites/default/files/2020-09/9-9-20%20Report%20of%20the%20Subcommittee%20on%20Climate-Related%20Market*

%20Risk%20-%20Managing%20Climate%20Risk%20in%20the%20U.S.%20Financial%20System%20for%20posting.pdf

5 *https://www.climateaction100.org/wp-content/uploads/2020/12/Net-Zero-Benchmark-Indicators-12.15.20.pdf*

6 *https://www.blackrock.com/corporate/compliance/insights-terms-and-conditions?targetUrl=%2Fcorporate%2Fliterature%2Fwhitepaper%2*

Fbii-portfolio-perspectives-february-2020.pdf

7 *https://www.morningstar.com/articles/994219/sustainable-funds-continue-to-rake-in-assets-during-the-second-quarter*

8 *https://blog.twitter.com/en_us/topics/company/2020/earth-day-2020.html*

9 *https://www.greentechmedia.com/articles/read/google-pledges-24-7-carbon-free-energy-by-2030*

Item 7

Shareholder Proposal Regarding a Director Candidate with Human and/or Civil Rights Expertise

Recommendation:

We believe that the adoption of the proposal will assure shareholders of the Company's global leadership.**We recommend a vote FOR this Proposal.**

Background:

The shareholders are being asked to act on a proposal that requests to nominate for the next Board election at least one candidate who: (a) has high level of human and/or civil rights experience and is widely recognized as such as determined by the Board, and (b) will qualify as an independent director.

Shareholders believe Twitter requires expert, board level oversight of civil and human rights issues to assess risk and develop strategy to avoid causing or contributing to widespread violations of human or civil rights, such as voter suppression, disinformation and hate campaigns, or violence.

Twitter reports "…if we are not able to address user concerns regarding the safety and security of our products and services or if we are unable to successfully prevent or mitigate…abusive…behavior on our platform, the size of our engaged user base may decline."

White supremacists were responsible for the most domestic extremist violence since 1995 – 39 out of 48 deaths in 2019. Henry Fernandez, Center for American Progress, said "The muted efforts of giant social media companies to address racial violence and hate crimes perpetuated via their platforms have had terrible consequences," noting "white nationalist rhetoric being fueled on social media leading to real-world violence including mass killings in El Paso, Texas; Gilroy, California; and, Christchurch, New Zealand."

In October 2020, Chairwoman, Subcommittee on Cybersecurity, Infrastructure Protection, and Innovation called out Twitter's use by malicious actors attempting to silence Black voters and sow racial division requesting disclosure of "measures put in place to counter voter suppression, interference, and disinformation targeting Black voters." A Senate report on Russia's role in the United States' elections and social media platforms' role concluded, "No single group of Americans was targeted by information operatives more than African Americans."

Twitter enabled police to surveil Black Lives Matter protests through a data startup," a practice that potentially exposes people — particularly Black, Indigenous, and people of color – to further surveillance and state violence."

Amnesty International revealed a "shocking scale of online abuse against women. " with "troublesome" tweets sent once every 30 seconds on average, disproportionately targeting black women…contributing to the silencing of already marginalized voices."

Ranking Digital Rights reports: "Facebook, Google (Youtube), and Twitter lack oversight and risk assessment mechanisms that could help them identify and mitigate the ways that their platforms can be used by malicious actors to organize and incite violence or manipulate public opinion."

As fiduciaries, the Board is responsible for stewardship of business performance and long term strategic planning, in light of risk factors like widespread violations of human and civil rights.