



October 13, 2026

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Via email: visionquestions@glasslewis.com

Re: Glass Lewis Four Perspectives Model for Differentiated Proxy Voting Guidelines ("Four Perspectives Model")

Dear Eric:

The Society for Corporate Governance (the "Society") appreciates the opportunity to comment on Glass Lewis's consultation on its Four Perspectives Model to inform its research perspectives beginning in September 2027.

Founded in 1946, the Society is a professional membership association of approximately 3,700 corporate and assistant secretaries, in-house counsel, outside counsel, and other governance professionals who serve public and private companies and nonprofit organizations of almost every size and industry. The Society seeks to be a positive force for responsible corporate governance through education, collaboration, and advocacy. Our organization has more than 75 years of experience empowering professionals to shape and advance corporate governance within their organizations on topics such as board practices, regulatory and legal developments, investor engagement, and environmental, social, and governance ("ESG")/sustainability issues, and associated disclosure requirements. In this context, we are well-positioned to weigh in on the topics covered in the consultation and the potential implications of corresponding proposed policy perspectives. Our members are pleased to have this opportunity to provide Glass Lewis with valuable input and information.

Below are our top-level comments on the Four Perspectives Model based on our review of full and summary consultation papers, comparison paper, and other relevant resources.

Overview

The Society appreciates Glass Lewis's recognition that investors differ in their investment philosophies, stewardship priorities, and approaches to proxy voting. Providing investors with meaningful choice could be constructive. The proposed Four Perspectives model, however, raises fundamental questions that cannot be resolved by describing four broad approaches in market-agnostic terms.

Each perspective should be analytically sound as a standalone policy, grounded in the economic interests of the investors selecting it, transparent in its operation, and adaptable to applicable law and company-specific circumstances. The consultation materials, however, do not demonstrate that any of the perspectives is supported by empirical evidence connecting its policy standards and voting outcomes to long-term shareholder value. This is a fundamental omission because institutional investors may rely on these perspectives in carrying out proxy voting responsibilities subject to fiduciary duties. Without that analytical foundation, none of the four proposed perspectives provides an appropriate basis on which an institutional investor can responsibly discharge those duties.

Furthermore, the consultation materials leave many consequential elements undefined or defer them to the market-specific guidelines that Glass Lewis states it will publish after completing this consultation.

They also rely on voting data that predate substantial changes in investor policies, voting behavior, and the US regulatory environment.

Finally, across all four perspectives, Glass Lewis substitutes its judgment for that of boards, management teams, or investors; in addition to being grounded in applicable fiduciary duties and the long-term economic interests of shareholders, proxy voting recommendations should recognize that boards are best positioned to assess the company's strategy, risks, opportunities, and particular circumstances.

For these reasons, and as outlined in further detail below, the Society views these comments as an initial response. We encourage Glass Lewis to update and validate the analysis supporting its model, publish the market-specific guidelines and underlying methodology with sufficient detail, and provide a further opportunity for comment before the perspectives are finalized or implemented.

1. Overall architecture, off-the-shelf usability, investor choice, and customization

The proposed architecture does not provide four equally sound and genuinely differentiated off-the-shelf voting policies and may be particularly problematic for investors that lack the resources to develop customized policies.

The Society supports the objective of giving investors greater choice. Meaningful choice, however, requires much more than has been proposed. Each perspective should be a substantively sound, internally coherent policy that an investor with fiduciary duties can responsibly use on an off-the-shelf basis. While the materials appear to contemplate that an investor will select the closest perspective and then customize it, that premise may not reflect the resources or practical options available to many investors, particularly smaller institutions that may rely most heavily on a standard proxy advisor policy.

The proposed model also risks circularity: Glass Lewis has derived the perspectives from observed investor policies and voting records, but some of those policies and voting decisions may themselves have been influenced by Glass Lewis's existing policies and recommendations. Replicating historical market practice does not establish that the resulting voting policy protects or enhances long-term shareholder value. Glass Lewis should provide the economic analysis supporting the standards embedded in each perspective so that investors can independently assess whether relying on the policy would be consistent with their fiduciary obligations.

Glass Lewis should address these issues and disclose how frequently clients currently use custom policies, whether customization is equally available and practicable for clients of different sizes, whether it entails additional cost, and which tests, thresholds, indicators, and default recommendations may be modified. The ability of a large investor to negotiate a bespoke policy does not address the shortcomings that are inherent in a standard perspective used by investors that lack comparable resources.

The proposed perspectives also do not appear to operate on equal terms. Access to the governance flexibility associated with Business Fundamentals is conditioned on Glass Lewis's own High-Performing designation, while both Business Fundamentals and Foundational Governance employ a conception of financial materiality that is far narrower than prevailing legal precedent and investor understandings. Business Fundamentals and Foundational Governance recognize an environmental or social matter as financially material only where specified forms of harm have occurred or can be demonstrably established. Global Stewardship and Sustainability Focused are not subject to that same narrow limitation but incorporate substantially broader sustainability presumptions and expectations. An investor seeking to apply a conventional, company-specific understanding of financial materiality may therefore be forced to choose between the Business Fundamentals and Foundational Governance perspectives, which exclude matters a reasonable investor could consider important, and the Global Stewardship and Sustainability Focused perspectives, which incorporate sustainability or stakeholder expectations extending well beyond the investor's intended approach and understanding of its fiduciary duties. The perspectives consequently do not offer four neutral and equally viable alternatives and may not offer an acceptable

alternative for investors whose investment philosophy and fiduciary obligations require a conventional approach to financial materiality.¹

Glass Lewis's proposed model will also make transparency more important. If investors adopt different Glass Lewis perspectives or use customized variants, issuers may have less visibility into the policies driving voting decisions and less ability to engage effectively. Glass Lewis should provide clear public disclosure of each perspective and its operative tests, identify the recommendation generated under each perspective in company reports, and periodically disclose aggregate information regarding client adoption and use of the perspectives. Glass Lewis should also consider a mechanism that allows issuers to understand which policies are relevant to their significant investors, subject to appropriate client confidentiality.

2. Timing and continuing validity of the empirical analysis

The July 2023–June 2024 voting data underlying Glass Lewis's development and testing of the Four Perspectives model no longer reflect current US voting practices and trends, and Glass Lewis has not disclosed whether the investor policies and other materials it reviewed corresponded to the same period.

The empirical foundation for the proposed model should be updated before Glass Lewis relies on it to establish policies expected to take effect in September 2027. The cluster analysis is based on voting at meetings held from July 2023 through June 2024. Investor guidelines and voting behavior—particularly in the United States on environmental, social, and board-composition matters—have changed materially since that period. The relevant comparison is not simply whether votes can be grouped retrospectively, but whether those groupings remain a reliable representation of current and reasonably expected investor approaches.

The consultation also does not make clear which versions of investors' proxy voting guidelines, stewardship policies, stewardship reports, and related materials Glass Lewis reviewed or how the relevant periods correspond to the July 2023–June 2024 voting data.² That alignment is essential to the analysis. The policies in effect when the votes were cast would ordinarily provide the most relevant evidence of the principles and expectations underlying those votes. Reliance on later policies or reports could result in Glass Lewis attributing subsequently adopted positions to earlier voting behavior, while reliance on contemporaneous materials would compound the concern that the proposed perspectives are based on investor approaches that may no longer be current. Glass Lewis should identify the materials and periods reviewed, explain how it matched policy documentation to the relevant voting records, and disclose how it addressed policy changes occurring during or after the voting period.

Recent voting results illustrate the concern. BlackRock's 2026 Global Voting Spotlight reports that median US support for environmental and social shareholder proposals declined from 13.0% in the 2023–2024 reporting period to 10.4% in 2024–2025 and 6.7% in 2025–2026. It also reports that the share of such proposals receiving at least 75% opposition rose from 75.4% to 87.8% and then 88.6% over those periods.³ Those figures do not alone determine the appropriate policy, but they demonstrate why a model based on a single, earlier proxy year should not be treated as a stable account of investor preferences.

Vanguard's Investor Choice program provides a separate illustration of how materially observed voting-policy selections can change over a relatively short period. Among eligible equity index mutual fund and ETF investors participating in the program, the asset-weighted share selecting the Company Board-Aligned Policy increased from 17% in 2023 to 38% in 2026, while the share selecting the Glass Lewis ESG Policy declined from 45% to 12%.⁴ Vanguard cautions that this shift likely reflects changes in the mix

¹ Glass Lewis, *Four Perspectives Comparison Paper*, pp. 8–9, 11–23, and 40–45.

² Glass Lewis, *Full Consultation Paper*, pp. 10 and 20.

³ BlackRock, *2026 Global Voting Spotlight*, p. 11. See also Fenwick & West LLP, *Key Takeaways from BlackRock and Vanguard's Voting Reports for the 2025–2026 Proxy Season*, pp. 3–4 (October 5, 2026) (reporting that BlackRock supported 0.4% of environmental and social shareholder proposals in the Americas and that both Vanguard stewardship teams supported 0% of such proposals in the US).

⁴ Vanguard, *How Investors Vote (September 2026)*, p. 9.

of investment objectives and shareholder populations of the funds added to the program, rather than a secular change in investor preferences; the available policy options also changed during the period. Those qualifications underscore, rather than eliminate, the methodological concern. A point-in-time analysis may reflect the particular investor population, investment products, and policy choices available during the period studied and may quickly cease to represent the market as those conditions evolve.

Glass Lewis should rerun the cluster analysis and vote-prediction model using the most recent available Form N-PX data, test the model across multiple proxy years, and report the results by relevant market. It should disclose whether the four clusters, their relative sizes, defining characteristics, and predicted outcomes remain stable over time.

Because investor policies and legal conditions will continue to change, validation should not be a one-time exercise. Glass Lewis should establish and disclose a process for periodic reassessment, including the conditions that would prompt it to revise, combine, add, or discontinue a perspective. More fundamentally, clustering observed votes does not demonstrate that the resulting policy tests protect or enhance long-term shareholder value. As noted above, Glass Lewis should explain the analytical and empirical basis connecting each proposed test to investors' economic interests, rather than treating historical voting patterns as self-validating.

3. Market-specific design, jurisdictional differences, and sequencing

The indicative guidelines presented in the Comparison Paper are not market-specific.⁵ Without the market-specific standards, thresholds, exceptions, and legal assumptions that will determine how the guidelines operate in practice, market participants cannot meaningfully evaluate the proposed Four Perspectives model.

Market-specific design is not a secondary implementation detail. Applicable corporate, securities, employment, privacy, and other laws; ownership structures; disclosure regimes; listing standards; and accepted governance practices differ substantially across jurisdictions. Those differences can determine whether a proposed expectation is required, appropriate, feasible, or legally problematic. They are especially consequential for board composition, executive compensation, environmental and social matters, tax oversight, shareholder rights, and shareholder proposals.

The market-agnostic consultation therefore does not provide a sufficient basis for market participants to evaluate how the perspectives will operate in practice. General descriptions of a principle cannot substitute for the thresholds, exceptions, legal assumptions, and voting consequences that will appear in the market-specific guidelines. For example, a quantitative demographic expectation that may be consistent with the legal framework in one jurisdiction may be inappropriate or expose companies to legal risk in another.

Glass Lewis should treat the present consultation as an initial stage, publish proposed market-specific guidelines with the operative tests and thresholds, and provide a meaningful additional opportunity for comment before finalization. The implementation timetable should allow Glass Lewis to consider and incorporate that feedback, correct unintended outcomes, and give investors and issuers adequate time to understand the policies and their implications before they affect voting recommendations.

4. Judgment-based analysis, methodology, and undefined qualitative standards

Numerous proposed standards and thresholds depend on inherently judgment-based terms that may make otherwise sound concepts difficult to apply consistently and predictably. It is unclear whose judgment will control, how that judgment will be exercised, and whether analyst discretion may ultimately override the stated standards and thresholds.

The Society supports appropriate case-by-case analysis. Fixed rules and quantitative models cannot capture every company's circumstances, and relevant context may justify differing conclusions. For example, Glass Lewis should consider a company's stage of development when evaluating its

⁵ Glass Lewis, *Summary Consultation Paper*, p. 6; Glass Lewis, *Full Consultation Paper*, p. 6.

governance practices because reasonable investor expectations for newly public companies may differ significantly from those applicable to mature public companies. Judgment, however, must be bounded by a transparent methodology, supported by well-defined terms, and applied consistently. Open-ended analyst discretion should not become an additional, undisclosed test or a means of overriding stated policy whenever an analyst believes the framework produces an undesirable result.

The consultation materials repeatedly use terms such as “material,” “meaningful,” “sufficient,” “appropriate,” “robust,” “meaningful dissent,” “material dissent,” “significant dissent,” and “material gap” without defining them or explaining how Glass Lewis will apply them. Glass Lewis should provide specific definitions or decision factors, identify the information analysts will consider, explain how issuer disclosure and engagement will inform the analysis, and describe the review and quality-control procedures that will be used to promote consistency across analysts and markets. Where a recommendation departs from an otherwise applicable test, Glass Lewis’s company report should identify the departure and the reasons for it.

The treatment of shareholder opposition illustrates the problem. Glass Lewis identifies as a premise common to all four perspectives that directors must remain accountable through regular elections and be responsive when shareholders register “meaningful dissent,” yet it does not define the level or nature of dissent that triggers that expectation.⁶ A minority vote opposing the board’s recommendation on a director or other proposal should not automatically be characterized as meaningful dissent requiring a prescribed response. Glass Lewis should disclose and justify any numerical or qualitative threshold, consider the subject of the vote and the company’s governing documents, and evaluate the board’s response in light of the complete circumstances. Although investor feedback can be important, an undefined or arbitrarily applied threshold should not displace the board’s responsibility to exercise its own judgment.

5. Financial materiality and the three-tier framework

The proposed three-tier financial materiality framework for sustainability topics is inconsistent with prevailing investor policies and voting behavior and with widely used frameworks such as SASB, which identify potentially relevant sustainability topics but do not establish company-specific materiality.

Financial materiality should be assessed in a manner consistent with the investor’s duties and the company’s particular facts, not through categorical proxies. The proposed Business Fundamentals and Foundational Governance formulations “presume that environmental, social, human-capital, and human-rights proposals are not financially material unless demonstrated harm can be shown” through regulatory costs, penalties, operational disruption, or comparable effects.⁷ That formulation is fundamentally inconsistent with prevailing legal and investor understandings of financial materiality. It appears to recognize an environmental or social matter as financially material *only* after specified forms of harm have occurred or can be demonstrably established, excluding risks or opportunities that reasonable investors could consider important before they crystallize in those forms.

At the same time, Glass Lewis has not provided a basis for using industry classification or blue-chip index as a proxy for materiality. The proposed perspectives should not include any presumption of materiality from an industry label, index membership, peer practice, or the existence of a disclosure framework. SASB standards identify sustainability issues that may be financially material for companies in an industry; they do not establish that every identified issue is material to every company in that industry. SASB itself acknowledges and emphasizes that “each reporting entity is responsible for identifying the information that is material to its operations and activities and is ultimately responsible for determining what should be disclosed in compliance with applicable laws and regulations.”⁸ Industry can help identify

⁶ Glass Lewis, *Full Consultation Paper*, p. 14.

⁷ Glass Lewis, *Summary Consultation Paper*, pp. 9–11; Glass Lewis, *Four Perspectives Comparison Paper*, pp. 8–9 and 40–45.

⁸ Sustainability Accounting Standards Board, *Proposed Changes to the SASB Conceptual Framework and Rules of Procedure: Bases for Conclusions and Invitation to Comment on Exposure Drafts*, PDF p. 30, para. 26, https://sasb.ifrs.org/wp-content/uploads/2021/07/PCP-package_vF.pdf.

a potentially relevant exposure, but it cannot determine company-specific materiality. Index membership is an even weaker proxy. Materiality depends on the company's business, strategy, exposures, controls, and circumstances, and boards and management are responsible in the first instance for making those assessments.

The three-tier framework also raises a structural question. If a sustainability risk is financially material, appropriate board oversight of that risk is already a matter of foundational governance. A separate Global Stewardship perspective should not be necessary merely to recognize financially material sustainability risks. Conversely, a double-materiality or stakeholder-impact framework may be appropriate for investors with particular mandates or in jurisdictions that require it, but it should not be imported into US voting policies without regard to the investor's fiduciary duties and the applicable legal framework.

We urge Glass Lewis to fundamentally rework, rather than merely clarify, the proposed three-tier framework. A revised framework should begin with a recognized, company-specific conception of financial materiality; distinguish between identifying a potentially relevant sustainability topic and determining that the topic is material to a particular company; and recognize the respective roles of companies and investors in making materiality assessments. While industry classification can help identify a potentially relevant exposure, it cannot determine company-specific materiality. Index membership is an even weaker proxy. Industry classification, blue-chip index membership, peer practice, and the absence of Glass Lewis-preferred disclosure should not substitute for that company-specific analysis. Nor should Glass Lewis employ an artificially narrow standard in two perspectives that effectively channels investors toward the two sustainability-oriented perspectives, as discussed above. Until the framework is redesigned to address these concerns, it cannot serve as the basis for any vote recommendations.

6. Relative TSR, leadership performance, and the “High-Performing” designation

The proposed relative-TSR and incumbent-CEO-tenure criteria for the High-Performing designation substitute Glass Lewis's judgment for that of investors, significantly and illogically restrict the circumstances in which Business Fundamentals provides meaningful governance and compensation latitude, and call into question Glass Lewis's characterization of certain governance standards as “best practices” when the proposed model itself suggests that those practices may be unrelated to a company's durable financial performance.

The Society supports considering financial performance and company-specific circumstances when evaluating governance and compensation. The proposed relative-TSR and incumbent-CEO-tenure criteria, however, make the principal feature distinguishing Business Fundamentals from Foundational Governance—greater flexibility from Glass Lewis's governance and compensation expectations—dependent on Glass Lewis's own definition of High-Performing.⁹ Although an investor may formally select Business Fundamentals for any company, the perspective appears to provide little meaningful differentiation from Foundational Governance unless the company satisfies Glass Lewis's eligibility screen. The proposed criteria therefore substitute Glass Lewis's judgment for that of investors and significantly constrain the operation of Business Fundamentals.

Moreover, conditioning the meaningful operation of a performance-oriented perspective on whether a company satisfies Glass Lewis's eligibility screen runs contrary to Glass Lewis's stated objective of providing investors with greater choice. An investor may reasonably conclude that financial performance should receive substantial weight without adopting Glass Lewis's top-quartile threshold, peer group, or CEO-tenure measurement period. At a minimum, the designation, resulting flexibility or exemptions, peer group, measurement period, and treatment of CEO succession should be fully transparent and customizable.

The incumbent-CEO construct also does not capture the performance of the company's “leadership.” Results reflect the oversight and contributions of the board and senior management, inherited strategy, prior leadership, market conditions, capital allocation decisions, and, in some cases, an interim or newly

⁹ Glass Lewis, *Four Perspectives Comparison Paper*, pp. 8, 11–18; Glass Lewis, *Full Consultation Paper*, pp. 13, 17–18.

appointed CEO. Resetting or truncating the measurement period upon a CEO transition could ignore durable performance and create counterproductive consequences for orderly succession.

More fundamentally, the proposed waivers for “High-Performing” companies call into question the characterization of certain practices as universal governance “best practices.” If a company can produce sustained superior returns *without* a particular structure, Glass Lewis should explain the evidence that the structure is necessary at *other* companies. Further, if Glass Lewis continues to provide flexibility for High-Performing companies, it should explain why the same performance evidence does not warrant flexibility under the *other* perspectives. Relative performance should be relevant context across all perspectives, not confined to one policy and used solely as a gateway to relief.

7. Board diversity and jurisdictional differences

Glass Lewis’s proposed approach to board diversity ignores critical market-specific differences in laws, regulations, and legal risks; unjustifiably subjects companies included in blue-chip and mid-cap indices to heightened standards; and introduces a new, undefined, unmeasured, and inherently subjective concept of ethnicity-related diversity “performance.”¹⁰

The Society recognizes that a board benefits from an appropriate mix of backgrounds, perspectives, skills, and experience. It does not support universal quantitative requirements that elevate selected demographic characteristics over the board’s complete composition, the company’s needs, and applicable law. The Global Stewardship and Sustainability Focused approaches cannot be evaluated responsibly without market-specific details, including what Glass Lewis means by “ethnicity-related diversity performance,” which legal categories and data sources it would use, and how it would address jurisdictions in which collecting, disclosing, or acting on such information may be restricted or fraught with legal risk.

The proposal should also account for recent changes in investor policies. Several major investors have moved away from fixed demographic expectations based on gender, race, or ethnicity and toward broader, company-specific assessments of skills, experience, expertise, and perspectives.¹¹ That evolution reinforces the need to update Glass Lewis’s empirical analysis and avoid embedding assumptions derived from an earlier period.

Any policy should allow boards to explain how their composition supports the company’s strategy and long-term value creation, and it should consider the full mix of relevant attributes and the company’s succession planning. Glass Lewis should not recommend against directors solely because the board does not meet a universal or index-based demographic threshold, particularly where doing so could conflict with applicable law or disregard material company-specific considerations.

8. Sustainability oversight, disclosure, and director accountability

Glass Lewis’s proposed approach to board oversight of environmental and social issues and related disclosure fails to treat company-specific financial materiality as the governing consideration. It effectively omits meaningful consideration of such matters from the Business Fundamentals and Foundational Governance perspectives; circumvents materiality under Global Stewardship by imposing heightened expectations on companies included in a major blue-chip index irrespective of materiality; and, under Sustainability Focused, imposes a board-expertise

¹⁰ Glass Lewis, *Full Consultation Paper*, p. 18; Glass Lewis, *Four Perspectives Comparison Paper*, p. 13.

¹¹ See Weil, Gotshal & Manges LLP, *The Big Three & ESG: A Guide to BlackRock, State Street & Vanguard Proxy Voting Policies & Guidance on Key ESG Issues* pp. 5, 7 (March 2025) (describing the elimination of certain minimum board-diversity requirements and increased reliance on case-by-case and company-specific considerations); Weil, Gotshal & Manges LLP, *The Big Three & ESG: A Guide to BlackRock, State Street & Vanguard Proxy Voting Policies & Guidance on Key ESG Issues* pp. 4–5 (April 2026) (describing further removal of demographic references and expectations and policies emphasizing skills, experience, expertise, and perspectives).

expectation based on generalized “industry exposure” without regard to company-specific circumstances.¹²

Board oversight and disclosure expectations should follow from company-specific financial materiality and applicable legal requirements. Industry classification, blue-chip index membership, peer disclosure, or the absence of a Glass Lewis-preferred disclosure should not – and does not – itself establish that a risk is material, that the board has failed in its oversight responsibilities, or that shareholders lack decision-useful information. Nor should Glass Lewis determine that a company’s existing plan is “insufficient” without transparent criteria and careful consideration of the company’s explanation.

Director accountability should be reserved for an actual, material, company-specific oversight or disclosure failure and should be proportionate to the conduct at issue. Glass Lewis should identify the relevant responsibility of the director or committee, consider the information available to the board and the steps the company has taken, and explain why opposition is warranted. Automatic escalation from a perceived disclosure or policy gap to opposition against multiple directors would risk inappropriately substituting Glass Lewis’s preferred governance design for the board’s judgment.

These principles should apply across the perspectives even if the scope of the relevant sustainability issues differs. A broader mandate does not eliminate the need for materiality, evidence, due process, and proportionate accountability.

9. Executive compensation and sustainability metrics

Compensation committees should retain the flexibility to design programs that support the company’s strategy, performance objectives, talent needs, and long-term shareholder value.

The problems in applying the High-Performing designation also carry into compensation analysis. Strong performance can be relevant context, but it should not automatically validate an unusually large award; conversely, the absence of a Glass Lewis designation should not deprive the committee of appropriate flexibility. The central question should remain whether the program and pay outcomes are reasonably aligned with performance and long-term shareholder value.

Glass Lewis should also clarify what it means for material sustainability factors to be “built into” performance measurement. A policy should not presume that material sustainability considerations must appear as separate, formulaic incentive metrics. Such considerations may already be reflected in financial and operating goals, risk management, individual performance assessments, or the committee’s holistic judgment.

The absence of an explicit environmental or social metric should not warrant opposition where the company’s outcomes, oversight, and compensation program do not otherwise raise a material concern. Where a board elects to use such metrics, they should be company-specific, tied to strategy, sufficiently measurable, and selected and weighted by the compensation committee rather than prescribed as a matter of broad policy by a proxy advisor.

Explicitly incorporating a growing set of discrete sustainability metrics into compensation plans can make the plans more complex, reduce management’s line of sight, create competing incentives, and introduce legal or reputational risk. For example, demographic workforce metrics may raise significant legal concerns in certain jurisdictions. Glass Lewis should assess the design in context rather than favor the presence of a category of metrics.

Glass Lewis should also explain and reconsider the proposed Stakeholder Alignment Topic. The Full Paper characterizes Global Stewardship as focused on the oversight of financially material sustainability risks and distinguishes it from the double-materiality and broader stakeholder approach of Sustainability Focused. The Comparison Paper nevertheless provides that, under Global Stewardship, Glass Lewis would assess whether compensation outcomes are grossly disconnected from the experience of shareholders and other “direct stakeholders,” including the company’s workforce, customers, and local

¹² Glass Lewis, *Full Consultation Paper*, pp. 17–19; Glass Lewis, *Four Perspectives Comparison Paper*, pp. 17 and 19–23.

communities, without expressly requiring a financially material effect on the company. Although the treatment of these stakeholders may have financial consequences, the proposed test does not require Glass Lewis to establish that connection. It therefore appears inconsistent with the stated orientation of Global Stewardship and blurs the distinction between that perspective and Sustainability Focused. Glass Lewis should either tie the Global Stewardship test expressly to company-specific financial materiality and long-term shareholder value or explain why a broader stakeholder standard is consistent with that perspective. It should also define the relevant stakeholders, explain how their “experience” would be evaluated, and identify the connection required between that experience and executive compensation.¹³

The Sustainability Focused perspective compounds this uncertainty by extending the test to “the broader society and the environment,” without explaining how Glass Lewis would define those constituencies, assess their experience, determine what duty the company owes them, or connect that assessment to executive compensation.

10. Shareholder proposals and the changing US framework

The proposed treatment of shareholder proposals applies the same problematic three-tier materiality framework and undefined qualitative standards used elsewhere in the model, while broad Analyst Discretion may override the stated tests and policy outcomes; yet the consultation does not solicit focused feedback on these consequential provisions.

The proposed perspectives would apply materially different presumptions and tests to shareholder proposals, yet the consultation does not ask focused questions about those differences. This omission is significant because shareholder proposals are a principal area in which the perspectives may produce divergent recommendations. As discussed in Section 5, the proposed approaches directly operationalize Glass Lewis’s legally and economically problematic three-tier materiality framework: Business Fundamentals and Foundational Governance presume that environmental, social, human-capital, and human-rights proposals are not financially material absent “demonstrated harm”; Global Stewardship relies on industry exposure and industry practices and asks whether a company has a “material gap”; and Sustainability Focused applies the broadest presumption in favor of support. These distinctions depend on the same unsound materiality concepts and categorical proxies that Glass Lewis should fundamentally rework before using them to determine voting recommendations.¹⁴

Across the perspectives, Glass Lewis should use a neutral, company- and proposal-specific analysis rooted in long-term shareholder value. Relevant considerations include the proposal’s actual language and supporting statement; the materiality of the subject to the company; existing practices, oversight, and disclosure; the board’s explanation; implementation costs and consequences; the proposal’s degree of prescriptiveness; legal and regulatory constraints; and the quality of the proponent’s case. A policy should not presume that a proposal is warranted merely because it concerns an issue associated with an industry or because peers provide different disclosure.¹⁵

The breadth of Analyst Discretion creates an additional concern. The Comparison Paper states that analysts may override specific Tests or modify policy outcomes whenever application of the guidelines does not produce an “appropriate” outcome in the analyst’s view, including by supporting or opposing a proposal where the stated Tests indicate otherwise. It further states that Analyst Discretion may be

¹³ Glass Lewis, *Full Consultation Paper*, pp. 16 and 18; Glass Lewis, *Four Perspectives Comparison Paper*, pp. 29–34.

¹⁴ Glass Lewis, *Summary Consultation Paper*, p. 11; Glass Lewis, *Four Perspectives Comparison Paper*, pp. 40–48.

¹⁵ See Fenwick & West LLP, *Key Takeaways from BlackRock and Vanguard’s Voting Reports for the 2025–2026 Proxy Season*, pp. 3–4 (October 5, 2026) (reporting that BlackRock and Vanguard applied case-by-case, materiality-driven frameworks to environmental and social shareholder proposals and generally withheld support where proposals were not financially material, lacked economic merit, sought to influence company operations or strategy, were overly prescriptive, or duplicated existing company processes or disclosure).

applied differently across the four perspectives.¹⁶ As discussed in Section 4, Glass Lewis has not defined the limits of that authority, identified whose judgment determines the appropriate outcome, or explained how consistent application will be maintained. This discretion could substantially diminish the transparency and predictive value of the published guidelines and could undermine the integrity of the Four Perspectives Model and any conclusions Glass Lewis may draw from commenter support for it. Glass Lewis should disclose in the relevant company report whenever Analyst Discretion changes the result otherwise indicated by the applicable Tests and explain the reasons for the departure. It should also publish annual aggregate information regarding the frequency with which Analyst Discretion was exercised, the Topics involved, whether it resulted in a more or less favorable recommendation, and the principal reasons for the overrides. Without that information, neither investors nor issuers will be able to understand how the published guidelines operate in practice or anticipate future recommendations.

Glass Lewis also does not seem to take into consideration the fact that empirical and regulatory baselines are changing rapidly. The substantial decline in US support for environmental and social proposals since the 2023–2024 data period underscores the need to reassess the model using current information. In addition, the SEC has proposed rescinding Rule 14a-8 and amending Rule 14a-4.¹⁷ If adopted, those changes – as well as any state action taken to fill the void created by the rescission of Rule 14a-8 – could alter the volume, types, and legal treatment of shareholder proposals. Glass Lewis should explain how it will revise the perspectives in response to material legal developments and should consult before applying legacy presumptions to a fundamentally different framework.

Finally, as in other contexts, Glass Lewis’s recommendations on shareholder proposals should remain tied to the investor’s economic interests and mandate. Glass Lewis should not use those recommendations to promote policy outcomes that are untethered from long-term shareholder value, particularly where the board has provided a reasoned, company-specific explanation of its assessment.

11. Special situations

To the extent Glass Lewis applies the four perspectives in special situations, the same foundational principles discussed above should govern: the analysis should focus on long-term shareholder value, applicable fiduciary duties, the transaction or contest as a whole, and the company-specific record.

Glass Lewis should avoid substituting its judgment regarding stakeholder effects or preferred governance arrangements for the judgment of the board. The weight assigned to non-shareholder effects should depend on the investor’s mandate, applicable law, and a demonstrated connection to shareholder value. Recommendations should explain the material factors considered and lay out the economic analysis they were based on, rather than turning on generalized assumptions associated with a perspective label.

Conclusion

Given the number of critical elements that remain undefined or unsupported, we encourage Glass Lewis not to treat this consultation as the final opportunity for market input.

Most fundamentally, Glass Lewis should rework the proposed three-tier materiality framework before using it to generate voting recommendations. A revised framework should begin with a recognized, company-specific conception of financial materiality and should not treat industry classification, index membership, peer practice, or the absence of Glass Lewis-preferred disclosure as substitutes for company-specific analysis. Until the framework is redesigned, it cannot responsibly serve as the basis for differentiated voting recommendations under the perspectives.

¹⁶ Glass Lewis, *Four Perspectives Comparison Paper*, p. 7.

¹⁷ U.S. Securities and Exchange Commission, *Rescission of Rule 14a-8’s Federal Regulation of Shareholder Proposals and Amendments to Rule 14a-4*, Proposed Rule Release No. 34-106383, File No. S7-2026-32 (September 16, 2026).

Before implementation, Glass Lewis should (1) update and validate its empirical analysis using current, multi-year, market-specific data; (2) demonstrate the analytical and empirical connection between each perspective's proposed standards and voting outcomes and investors' long-term economic interests, so that institutional investors can assess whether reliance on the perspective is consistent with their fiduciary obligations; (3) publish the proposed market-specific guidelines, operative thresholds, and methodology; (4) define the material qualitative standards used throughout the perspectives and establish clear boundaries and disclosure requirements for Analyst Discretion; (5) explain how the perspectives will remain current as investor policies and legal requirements change; (6) provide issuers and investors adequate transparency into the policies and recommendations produced; and (7) conduct a further consultation with sufficient time for meaningful review.

We appreciate the opportunity to provide comments on the Four Perspectives Model and would be pleased to make ourselves available for further engagement or feedback to help identify reasonable ways to address the issues we have identified.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Randi Val Morrison', with a long horizontal line extending to the right.

Randi Val Morrison
General Counsel & Chief Knowledge Officer
Society for Corporate Governance

A handwritten signature in black ink, appearing to read 'Paul F. Washington', with a stylized, cursive script.

Paul F. Washington
President & Chief Executive Officer
Society for Corporate Governance