Global



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The Four Perspectives

A Model for Differentiated Proxy Voting Guidelines

Request for Comment – Feedback & Response Paper

November 2026

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Editors & Contributors

Hendrik Garz, Senior Vice President, Methodology
Philip Foo, Senior Vice President, Research

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The Four Perspectives – Feedback & Response Paper

This paper summarizes the feedback Glass Lewis received through its Request for Comment on the proposed Four Perspectives Model and sets out how we intend to respond. It draws on 121 responses to the online survey, including 826 written comments, and on five written submissions received outside the survey, and it should be read together with the Consultation Paper (Glass Lewis, 2026a) and the accompanying Comparison Paper (Glass Lewis, 2026c).

1. Executive Summary

1.1. Overall Assessment

Investors endorse the central premise of the model: that institutional investors legitimately differ in how they weigh governance standards, various financial performance metrics, and sustainability considerations, and that a structured set of differentiated Perspectives is a sensible way to make those differences explicit. Two-thirds of all investor respondents (66%) consider the four Perspectives to represent the major stewardship orientations in the market well or very well, and a majority (59%) consider them clearly and meaningfully differentiated. Each of the four Perspectives was chosen by a distinct group of investors as the closest match to its own stewardship approach, and each orientation group rates that Perspective as highly relevant while rating the Perspectives furthest from it on the continuum as considerably less so.

The results fall into three groups, which structure both this summary and the paper. On the model's foundations, investors largely agree. On the features that are meant to distinguish the Perspectives, their views divide, and they divide along the fault lines[1] described in Section 4.2 of the Consultation Paper, so that most of the criticism of each Perspective's distinctive features comes from investors who would not use it. On a small number of features, however, the investors a Perspective is designed for are themselves divided, and these are the points on which the feedback most clearly calls for change.

Corporate issuers and other non-investor respondents welcomed the transparency the model brings to differing investor expectations, but are concerned about complexity and predictability and are markedly more skeptical than investors of escalation linked to sustainability matters. Their views are presented separately in Section 5. Taken together, the feedback supports the model's architecture and points to a limited number of targeted refinements, which are set out in Section 4.8.

[1] The six fault lines, summarized, are: (1) Does strong performance earn governance leeway? (2) What evidence of financial materiality is required for sustainability topics? (3) What must boards proactively disclose and oversee? (4) How is board diversity approached? (5) How far does "pay must reflect performance" extend? (6) What is the approach to shareholder proposals? Section 4.2 of the Consultation Paper describes how each Perspective answers these questions.

1.2. Where Investors Agree

- **The architecture is generally supported.** Majorities of all investor respondents consider the model complete (66%), clearly differentiated (59%), and its three-tier approach to environmental and social matters clear and workable (56%). Views on these questions barely differ between investors identifying with different Perspectives.
- **Judgment is essential.** Nine in ten investor respondents (90%) consider Judgment-Based Tests necessary at least to a moderate extent, and 66% to a significant or very significant extent, provided that their use is transparent.
- **Performance matters beyond Business Fundamentals, but as an input to judgment rather than an automatic allowance.** Most investors regard performance as relevant beyond Business Fundamentals: majorities consider at least moderate influence of relative returns appropriate under Foundational Governance (71%) and Global Stewardship (63%), as do about half (48%) under Sustainability Focused. The comments make clear, however, that most investors see this influence as an input to judgment, particularly on executive pay and on accountability for sustained underperformance, rather than as a formalized mechanism under which strong performance automatically leads to departures from governance standards being tolerated. Where such formalized latitude is intended, investors agree that it belongs in Business Fundamentals: the share considering significant formal influence appropriate falls from 72% for Business Fundamentals to 15% for Sustainability Focused, and core safeguards such as shareholder rights should not be relaxed under any Perspective.
- **Some safeguards apply under every Perspective.** Among all investor respondents, 58% reject extending High-Performing latitude to performance-based awards for non-executive directors (19% in favor), and few see a need for the Perspectives to apply meaningfully different considerations in mergers, acquisitions, and contested meetings (49% limited or none, 8% significant).

1.3. Where the Perspectives Divide as Designed

- **Performance-based latitude.** Among investors identifying with Business Fundamentals, 72% support significant High-Performing flexibility on governance and pay, against no more than 23% in any other orientation group.
- **Materiality.** Among investors identifying with Business Fundamentals, 83% support the harm-based approach to environmental and social matters, as do 69% of those identifying with Foundational Governance, against roughly a third of those identifying with Global Stewardship or a hybrid approach.
- **Board diversity.** Among investors identifying with Foundational Governance, 77% support assessing board composition on the basis of relevant skills and experience, without quantitative diversity expectations, as do 61% of those identifying with Business Fundamentals, against 38% of those identifying with Global Stewardship and 14% of those identifying with Sustainability Focused.
- **Sustainability in pay.** Among investors identifying with Sustainability Focused, 57% support an AGAINST policy outcome on the vote on executive pay (say-on-pay) where the company's variable pay contains no material sustainability factors; in every other orientation group, support is 18% or less. Across all investor respondents, 57% see little or no case for such a policy outcome where a company's sustainability outcomes give no cause for concern, which is why we will treat the absence of such factors as a concern rather than an automatic trigger.

- **Much of the criticism comes from other orientation groups.** Only 4% to 14% of the negative answers to the questions specific to Business Fundamentals, Foundational Governance, and Sustainability Focused come from investors identifying with the Perspective concerned. We read such criticism as an expression of a different stewardship philosophy rather than as evidence that the Perspective fails its users. Global Stewardship is the exception: a quarter of the negative answers to its questions come from its own constituency, which is why its disclosure-based escalation is addressed separately below.

1.4. Where a Perspective's Own Constituency Dissents

- **Disclosure-based escalation under Global Stewardship.** Only 24% of investors identifying with Global Stewardship support AGAINST policy outcomes for inadequate disclosure of board-level environmental and social oversight to a significant extent, and 36% support them only to a limited extent or not at all.
- **The High-Performing assessment under Business Fundamentals.** Investors in every orientation group, including those identifying with Business Fundamentals, regard relative Total Shareholder Return (TSR) over the CEO's tenure as relevant but insufficient on its own, and 94% of those identifying with Business Fundamentals want sustained underperformance to be taken into account as well as outperformance.

1.5. What We Are Changing

The feedback does not call the model's architecture into question, and we will retain four Perspectives built on a common foundation. We plan to make a limited number of refinements, set out in full in Section 4.8:

- **Business Fundamentals:** re-articulate the Perspective as a performance-informed philosophy built on the same governance foundation as Foundational Governance; replace the singular relative-TSR High-Performing test with a Performance Assessment based on an advisory Performance Scorecard that informs the analyst's judgment; allow that assessment to inform the consideration of director elections where underperformance is sustained; and allow High-Performing status to be carried forward for a limited period after an orderly CEO succession.
- **Global Stewardship and Sustainability Focused:** treat inadequate disclosure of board-level environmental and social oversight, and the absence of material sustainability factors from variable pay, as a concern that does not automatically lead to an AGAINST policy outcome, and introduce new Judgment-Based Tests to assess whether the concern points to a more fundamental failure.
- **Terminology:** rename Business Fundamentals as "Performance Focused"; rename the Breach Indicators of the Research Methodology Framework as "Alignment Indicators"; and express the outcome of every Test as "Yes" or "No," with all Tests formulated as questions.

We will also confirm and clarify several elements of the model, including an extension of the materiality approach used by Business Fundamentals and Foundational Governance to evident harm, whether or not yet fully realized. Feedback on the delivery of research, which was not part of the consultation, and on the empirical foundation of the model is addressed separately in Section 6.

2. About the Consultation

2.1. Purpose and Approach

As set out in Section 1 of the Consultation Paper, the Request for Comment was designed to test the proposed model against three central questions:

- Are the distinctions between the Perspectives clear and recognizable?
- Is the Four Perspectives Model workable in practice?
- Does the model reflect how institutional investors approach stewardship today?

Feedback was collected through an online survey between September 15 and October 16, 2026; two responses received shortly after the survey closed have also been included. The survey contained the 22 consultation questions set out in Section 6.1 of the Consultation Paper, each with an optional comment field, together with a respondent profile question asking which Perspective most closely reflects the respondent's own stewardship approach. We received 121 responses, and 83 respondents provided a total of 826 written comments, all of which were reviewed in full. Glass Lewis also received five written submissions outside the survey, from an issuer-side association, an investor association, an asset management association, and two asset owners; they are cited in this paper where they add a point that the survey responses do not already make. Details of the survey design, the response base, and the classification of respondents are set out in Section 7.2.

2.2. Who Responded

The survey asked respondents that are not investors to skip the profile question and the first consultation question, both of which refer to the respondent's own stewardship approach and investment firm. We have therefore treated respondents that answered either question substantively as investors (94 respondents) and the remainder as non-investors (27 respondents),[2] most of whom identified themselves as corporate issuers. Table 1 sets out the defining characteristics of the four Perspectives as proposed in the Consultation Paper, together with the share of investors that selected each Perspective, or a hybrid approach, as most closely reflecting their own stewardship approach.

[2] Respondents are classified by the questions they answered, not by the content of their comments. Nine of the 94 respondents classified as investors indicated in their comments that they were responding from an issuer's or advisor's standpoint. We have kept them in the investor group to apply the classification rule consistently; excluding them does not materially change any result reported in this paper.

Table 1: Investor Self-Selection Among the Four Perspectives*

Perspective	Defining Characteristics	Share of Investors
Business Fundamentals *(to be renamed Performance Focused)*	Recognizes that good governance is demonstrated in practice, with a performance assessment informing whether departures from governance standards warrant shareholder opposition; the only Perspective in which strong relative performance can formally earn latitude ("High-Performing"); deems environmental and social matters material only where financial harm is evident **(Tier 1)**.	22%
Foundational Governance	Treats core governance standards as essential to safeguard long-term shareholder value; like Business Fundamentals, deems environmental and social matters material only where financial harm is evident **(Tier 1).**	16%
Global Stewardship	Pairs core governance standards with rigorous oversight of financially material sustainability risks to protect long-term shareholder value, using an industry-specific materiality lens **(Tier 2)**.	29%
Sustainability Focused	Pairs core governance standards with rigorous oversight of sustainability risks that are or could become financially material over extended time horizons and across portfolios **(Tier 3)**; recognizes that asset owners have a fiduciary interest in the stability and integrity of the markets in which they invest; never applies a performance-based exemption.	8%
Hybrid	Combines elements of two or more Perspectives, most often Global Stewardship with Foundational Governance or Sustainability Focused.	26%

**Perspectives are listed in the order of the continuum, from the greatest weight on demonstrated financial performance to the greatest weight on broader stakeholder and sustainability outcomes. Shares based on investors that selected a Perspective or a hybrid approach in the respondent profile question (n = 90); they may not add up to 100% due to rounding. Tiers 1 to 3 refer to the three-tier approach to environmental and social matters, under which the Perspectives apply successively broader criteria for treating such a matter as relevant to a voting decision; see Section 3.1.*

Each of the four Perspectives was selected by a distinct group of investors as the closest match to their own stewardship approach. Asked which Perspective most closely reflects their own approach, 29% of all investor respondents chose Global Stewardship, 22% Business Fundamentals, 16% Foundational Governance, and 8% Sustainability Focused. A further 26% described an approach that combines elements of two or more Perspectives, most often Global Stewardship with elements of Foundational Governance or of Sustainability Focused. Every Perspective therefore has a constituency, although the Sustainability Focused orientation group is small. The distribution is broadly consistent with the fund voting analysis in Section 5.3 of the Consultation Paper, in which Global Stewardship and Foundational Governance together accounted for roughly 85% of the fund series analyzed. Business Fundamentals is chosen more often in the survey than its 9.6% share of fund series would suggest, which may reflect a desire among some investors to give financial performance more weight in their voting than their current policies accommodate. In both data sets, however, most investors fall within the territory spanned by Foundational Governance and Global Stewardship.

2.3. How to Read This Paper

Because the model is designed to serve investors with different stewardship philosophies, the primary lens of this paper is that of investors, grouped by the Perspective with which they identify. We refer to all investors who answered a question as "all investor respondents," to those who selected a given Perspective in the respondent profile question as "investors identifying with" that Perspective, and to those who selected an approach between two or more Perspectives as "investors identifying with a hybrid approach." Each of these groups is also referred to as an "orientation group." Aggregate results and the results for all respondents are reported in Section 7.1, and the views of issuers and other non-investors are presented in Section 5. Unless otherwise stated, percentages refer to all investor respondents who answered the question concerned, including those selecting "no strong view." Question numbers follow Section 6.1 of the Consultation Paper. Because the respondent base is self-selected and some orientation groups are small, in particular the seven investors identifying with Sustainability Focused, the results should be read as indications of the balance of opinion among engaged market participants rather than as statistically representative estimates.

3. Where There Is Consensus

On the questions that test the model's foundations, investors largely agree, and their answers differ little between investors identifying with different Perspectives. These results provide the common ground on which the refinements in Section 4 are built. Full response distributions are shown in Section 7.1.

3.1. The Foundations of the Model

A majority of all investor respondents regard the model as complete and its Perspectives as recognizable. Two-thirds (66%) consider the four Perspectives to represent the major stewardship orientations in the market well or very well (Q2), and only 9% answered "slightly" or "not at all" (Exhibit 6). Investors also recognize their own approach in the model: those identifying with each Perspective rate it as significantly or very significantly relevant to their firm (between 71% and 94%) more often than investors identifying with any of the other three Perspectives do. The principal reservation is not that a major orientation is missing but that the Perspectives are not mutually exclusive: many investors draw on more than one Perspective, apply different approaches depending on the strategy, mandate, or market concerned, and will continue to rely on custom policies. A small number of respondents identified orientations that the continuum may not fully capture, including short-term investors, certain hedge fund strategies, high-conviction concentrated portfolio strategies, investors seeking to reverse existing sustainability and diversity commitments, mission- or values-based investors, and the orientations reflected in some of Glass Lewis' existing thematic policies, such as its Taft-Hartley[3] and faith-based policies. These are best accommodated through custom policies built on the common framework or, alternatively, through an entirely discretionary voting approach.

Investors also see the Perspectives as meaningfully differentiated, but ask for two boundaries to be made clearer. Overall, 59% consider the Perspectives well or very well differentiated (Q3). The boundary most often

[3] Glass Lewis' Taft-Hartley policy is designed for plan trustees who have elected to follow the proxy voting guidelines of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and for investment managers who vote proxies for plans with guidelines based on the AFL-CIO proxy voting guidelines and its annual Key Vote Survey.

questioned is that between Business Fundamentals and Foundational Governance, which share the same Topics and Tests and differ only in the latitude that Business Fundamentals can grant for sustained high performance; the second is the practical boundary between Global Stewardship and Sustainability Focused, where investors ask how financial and impact materiality will be distinguished in individual voting decisions. Both points are addressed in Section 4.

The three-tier approach to environmental and social matters is regarded as a logical progression. Under this approach, the Perspectives apply successively broader criteria for treating an environmental or social matter as relevant to a voting decision: Business Fundamentals and Foundational Governance only where financial harm is plainly evident, for example through regulatory costs, penalties, or other sanctions (Tier 1); Global Stewardship where the matter is financially material for the company's industry (Tier 2); and Sustainability Focused additionally where the company has a material impact on the environment or society (Tier 3). Of all investor respondents, 56% consider it clear and workable well or very well (Q4), and only 12% answered "slightly" or "not at all." The comments focus on the first tier, the "plainly evident financial harm" criterion, which many investors regard as backward-looking; this is the subject of Section 4.4.

3.2. Performance and Judgment

Most investors regard performance as relevant beyond Business Fundamentals; the main difference between them concerns whether strong performance should earn formalized latitude, that is, whether it should lead to departures from governance and compensation standards being tolerated rather than opposed. The Consultation Paper proposed that relative shareholder returns should formally influence only Business Fundamentals, and asked investors how far they should influence each of the four Perspectives (Q5). The answers form a gradient that follows the order in which the Perspectives were presented, from the one that gives most weight to demonstrated financial performance to the one that gives most weight to broader stakeholder and sustainability outcomes: 72% of all investor respondents consider significant or very significant influence appropriate for Business Fundamentals, compared with 43% for Foundational Governance, 34% for Global Stewardship, and 15% for Sustainability Focused (Q5, Exhibit 7). Majorities nonetheless consider at least moderate influence appropriate under Foundational Governance (71%) and Global Stewardship (63%), as do about half (48%) under Sustainability Focused; the comments indicate that they see this influence mainly as an input to analyst judgment rather than as a formal allowance. Many investors regard performance as particularly relevant to executive compensation, but warn that strong returns are an outcome that does not necessarily reflect effective governance, controls, and risk management.

Judgment-Based Tests are regarded as essential. Of all investor respondents, 90% consider them necessary at least to a moderate extent and 66% to a significant or very significant extent; no investor answered "not at all" (Q6, Exhibit 8). This supports the position taken in Section 6.2 of the Consultation Paper that Judgment-Based Tests are "a first-class part of the framework." Investors attach a clear condition, however: they want to know when and why judgment has changed the outcome indicated by a Rules-Based Test. Respondents also asked for the scope and limits of analyst discretion to be set out, and for terms such as "meaningful dissent" to be defined, points that are addressed in Section 4.8.

3.3. Common Safeguards, Special Situations and Proportionate Escalation

Investors expect a number of safeguards to hold regardless of a company's performance or an investor's stewardship orientation. A majority of investor respondents (58%) reject extending High-Performing latitude to performance-based awards for non-executive directors, against 19% in favor (Q10, Exhibit 10). In other words, even at a strongly performing company, non-executive directors should not receive pay tied to performance targets. Their role is to oversee and, where necessary, challenge management on behalf of shareholders. If their own pay depends on the same results as that of management, they may be less inclined to do so. Respondents suggested aligning non-executive directors with shareholders through shareholding requirements or time-based equity instead. Comments across the Business Fundamentals questions identified a consistent set of protections that performance should not relax, including director accountability, shareholder rights, protection against entrenchment and dilution, and the integrity of financial reporting.

Investors also favor a common core in Special Situations. Only 8% of all investor respondents want the Perspectives to apply meaningfully different considerations in mergers, acquisitions, and contested meetings to a significant extent, while 49% favor limited or no differentiation (Q21, Exhibit 3). The comments describe a shared assessment of valuation, strategic rationale, execution risk, alternatives, process, conflicts of interest, and the treatment of unaffiliated shareholders, with any differences confined to the weight given to clearly specified factors.

Finally, investors in every orientation group favor escalation that is proportionate and engagement-led. AGAINST policy outcomes should not be triggered automatically by disclosure gaps, single metrics, or plan-design features, should generally follow engagement, and should be directed at the directors who bear responsibility for the issue in question.

4. Areas of Divergence and Our Response

The questions on the features that distinguish the Perspectives produced a much wider spread of views. This section first explains how these results should be read, then addresses each area of divergence in turn, setting out what investors said and how we intend to respond, and closes with a summary of the changes we will make (Section 4.8).

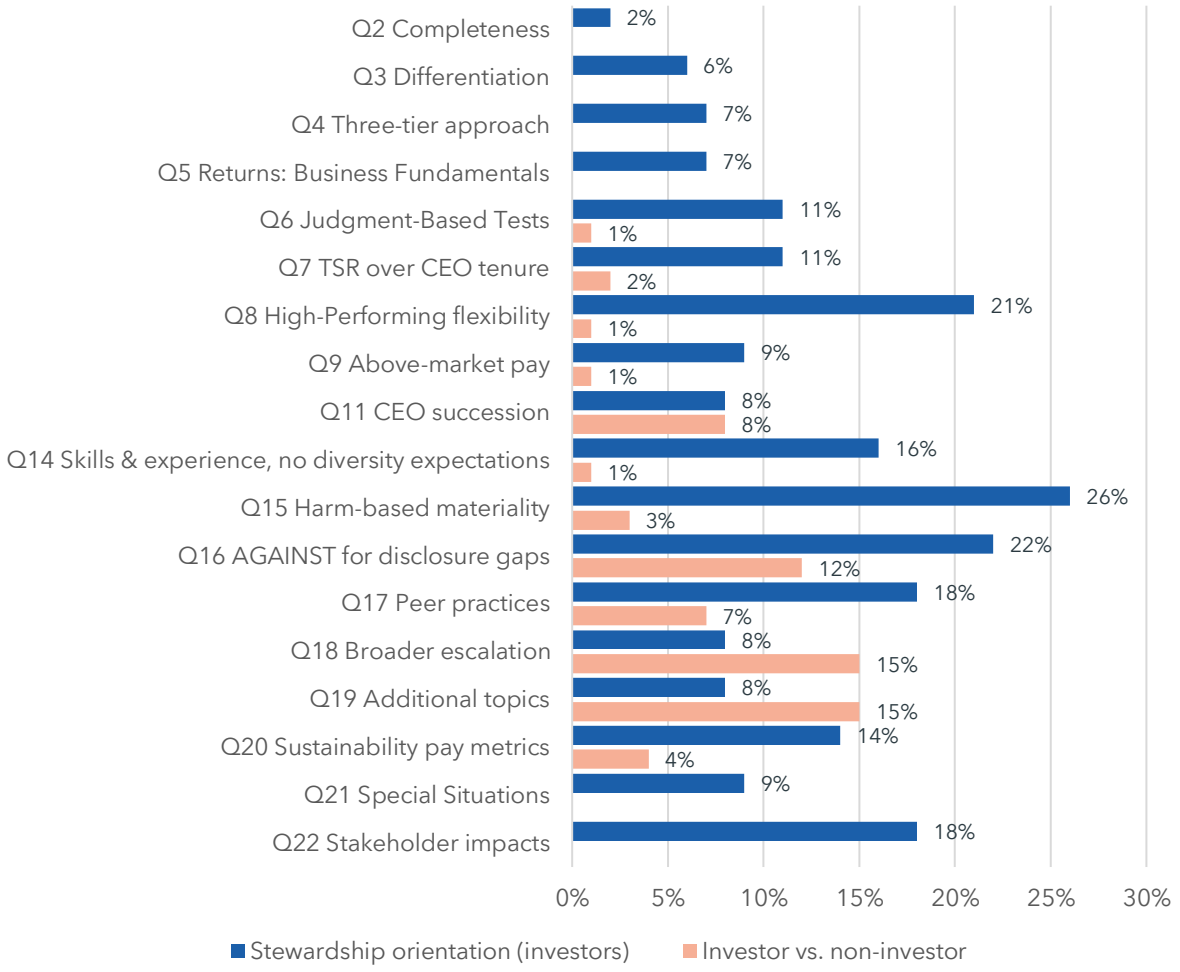
4.1. Reading the Areas of Divergence

On the features where views diverge, an investor's stewardship orientation is the best guide to its answer. Tables 2 to 4 compare, for selected questions grouped by topic, the share of investors in each orientation group who support the proposition concerned. They appear in the sections that discuss the issues concerned and show that the differences between orientation groups are largest where the Perspectives are designed to differ: on High-Performing flexibility (Table 2), quantitative diversity expectations and the harm-based approach to materiality (Table 3), and disclosure-based escalation and sustainability factors in pay (Table 4).

Exhibit 1 measures how much of the variation in answers is explained by investors' orientation and compares it with the difference between investors and non-investors. Orientation explains little of the variation in views on the foundations of the model (2% to 7% for Q2 to Q4), but up to a quarter on the fault lines: 26% for the harm-based approach to materiality (Q15), 22% for disclosure-based AGAINST policy outcomes (Q16), and 21% for

High-Performing flexibility (Q8). The difference between investors and non-investors matters most where the consequences fall on companies, notably on escalation and additional director-election Topics under Sustainability Focused (Q18 and Q19) and on disclosure-based AGAINST policy outcomes (Q16).

Exhibit 1: Share of Answer Variation Explained by Stewardship Orientation and by Respondent Type*

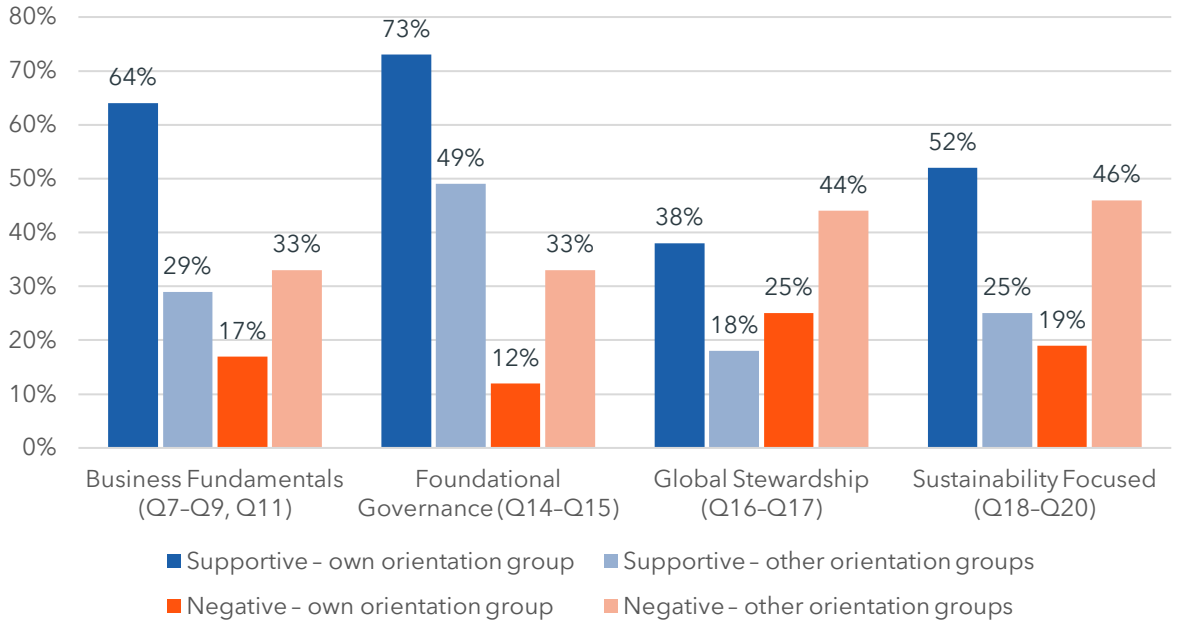


**Correlation ratio (η^2): the share of the variance in scored answers (1 to 5, excluding "no strong view") attributable to differences between group means. Stewardship orientation: investors in the five orientation groups from the respondent profile question (n = 72–85). Respondent type: investors and non-investors (n = 91–106). Source: Glass Lewis analysis of Request for Comment survey responses.*

A direct consequence is that much of the criticism of each Perspective comes from investors who would not use it. Exhibit 2 compares the answers of investors identifying with a Perspective with those of investors identifying with one of the other three. Investors in a Perspective's own orientation group are between one and a half and two and a half times as likely as others to support its defining features. Only 14% of the negative answers to the Business Fundamentals questions, 5% of those to the Foundational Governance questions, and 4% of those to

the Sustainability Focused questions came from investors identifying with the Perspective concerned, and the written comments follow the same pattern.

Exhibit 2: Support and Opposition on Perspective-Specific Questions: Own versus Other Orientation Groups*



**Supportive answers are the two highest options of each scale; negative answers are the two lowest. Own orientation group: investors identifying with the Perspective concerned; other orientation groups: investors identifying with one of the other three Perspectives. Investors identifying with a hybrid approach are excluded. Shares exclude "no strong view." The Sustainability Focused orientation group comprises seven investors. Source: Glass Lewis analysis of Request for Comment survey responses.*

We have therefore assessed the areas of divergence against two questions. First, does a feature serve the investors the Perspective is designed for? Where it does, criticism from other orientation groups is read as an expression of a different stewardship philosophy rather than as evidence that the Perspective fails its users. Second, is a feature questioned by the very investors who would rely on it? Such dissent from within a Perspective's own constituency is the clearest signal for change in settings. Global Stewardship is the main example: its own constituency supplies a quarter of the negative answers to its questions, so the reservations about disclosure-based escalation cannot be attributed to a difference in philosophy.

Self-identification is nonetheless only a partial guide to an investor's detailed views. When investors are assigned to the orientation group whose answer profile is closest to their own, about half (51%) are placed in the orientation group they chose, compared with 25% for a random assignment, and 85% in their own

orientation group or an adjacent one on the continuum[4]. The boundaries between the orientation groups are therefore fluid: each orientation group describes a shared tendency rather than a group whose members hold identical views, which underlines the importance of customization.

4.2. The High-Performing Assessment under Business Fundamentals

Investors identifying with Business Fundamentals clearly support the Perspective's defining feature: the latitude it grants companies with strong performance. Investors in every orientation group, including those identifying with Business Fundamentals, nonetheless question whether relative TSR alone is an adequate measure of that performance. Business Fundamentals is the only Perspective in which relative financial performance is a formal input, through a High-Performing determination based on top-quartile relative TSR, measured primarily over the incumbent CEO's tenure (Section 4.2 of the Consultation Paper). Among investors identifying with Business Fundamentals, 72% support significant High-Performing flexibility on governance and pay, against no more than 23% in any other orientation group (Q8, Table 2), and 67% would let a company retain its High-Performing status after an orderly CEO succession (Q11).

The measure itself, however, attracts reservations in every orientation group. Investors accept relative TSR over the CEO's tenure as relevant evidence of leadership, but not as sufficient: the most frequent answer is "to a moderate extent" (42%), and only 41% consider it appropriate to a significant or very significant extent (Q7). They point out that TSR reflects market conditions, sector cycles, and inherited circumstances outside management's control, that measurement windows tied to CEO tenure can be arbitrary, and that the choice of peer group is decisive, particularly for companies with few genuine peers. They consistently suggest combining relative TSR with fundamental indicators such as returns on capital, cash flow generation, capital allocation, and strategic execution, measured over more than one period.

Investors identifying with Business Fundamentals also want the assessment to work in both directions. Almost all of them (94%), and 69% of all investor respondents, believe that low relative returns should formally influence the Perspective, while cautioning against a mechanical link (Q12). Within their own orientation group, views are more divided on the scale of pay that strong performance should justify: 28% of them see limited or no case for greater tolerance of well above-market compensation (Q9). Only 39% of all investor respondents consider it appropriate that Business Fundamentals shares the Topics and Tests of Foundational Governance with the High-Performing designation as the only difference (Q13); many of the remainder accept a common foundation but want the Perspective to be presented as a philosophy in its own right.

[4] We compared each investor's answers to the questions on the features that distinguish the Perspectives with the average answers of each of the four orientation groups, and assigned the investor to the orientation group whose average answers were closest to its own. When calculating each orientation group's average, the investor being assigned was left out, so that no investor could influence the result of its own assignment. The approach mirrors, on a much smaller scale, the cluster analysis of fund voting records described in Section 5 of the Consultation Paper, which grouped fund series by the similarity of their voting behavior rather than by any predefined label. Investors identifying with a hybrid approach are not included. With four orientation groups, a random assignment would place an investor in the orientation group it chose 25% of the time.

Table 2: The High-Performing Assessment under Business Fundamentals, by Stewardship Orientation*

Proposition (Question)	BF	FG	GS	SF	Hybrid
High-Performing flexibility on governance and pay, significant or very significant (Q8)	72%	23%	13%	0%	19%
High-Performing tolerance for above-market pay, significant or very significant (Q9)	56%	23%	21%	17%	29%
High-Performing exemption for NED award types, yes (Q10)	42%	21%	9%	17%	10%
Retain High-Performing status after CEO succession, agree (Q11)	67%	43%	43%	17%	38%
Low relative TSR should formally influence Business Fundamentals, yes (Q12)	94%	64%	70%	71%	48%
Business Fundamentals should share Foundational Governance Topics and Tests, yes (Q13)	37%	64%	35%	50%	29%
Respondents (n)	17–19	13–14	22–24	6–7	21

**BF = Business Fundamentals; FG = Foundational Governance; GS = Global Stewardship; SF = Sustainability Focused; Hybrid = an approach that falls between two or more Perspectives. Share of investors in each orientation group who answered the question concerned, by alignment selected in the respondent profile question. Percentages include "no strong view" in the base. The SF orientation group comprises seven investors; its results are indicative only. Source: Glass Lewis analysis of Request for Comment survey responses.*

Our response. We will re-articulate Business Fundamentals as a performance-informed philosophy built on the same governance foundation as Foundational Governance. We will replace the relative-TSR-only test with a Performance Assessment based on an advisory Performance Scorecard, which anchors on relative TSR and adds other financial and operating measures. The Scorecard will inform a Judgment-Based assessment in which the analyst places the measured performance in context, takes account of additional, situational information, and weighs the nuances involved in benchmarking against peer groups. The outcome of this assessment will determine whether a company qualifies for High-Performing latitude. Where the assessment identifies sustained underperformance, the analyst may take it into account in considering the election of directors, and clients will also be able to reflect it in their custom policies. After an orderly, well-disclosed CEO succession, the analyst may carry forward the prior conclusion for up to two years; the carry-forward will lapse early on a material deterioration in performance or governance and will be disclosed whenever it is applied.

We will retain the High-Performing exemptions as published in the Comparison Paper, as well as the exclusion of performance-based awards for non-executive directors. Every Topic not listed as exempt has always formed part of a governance baseline from which no High-Performing latitude is available; the feedback suggests that we have not communicated this clearly enough, and we will make it more visible which Topics are and are not exempt. Where a strong Performance Assessment leads to support for a proposal that would otherwise attract a negative policy outcome, the concerns identified will continue to be highlighted in the report. Finally, to reflect more accurately the role of the Performance Assessment, Business Fundamentals will be renamed "Performance Focused."

4.3. Board Composition and Diversity

Views on quantitative diversity expectations divide along the lines the model anticipates. Support for assessing board composition primarily on the basis of relevant skills and experience, without quantitative diversity expectations, was highest among investors identifying with Foundational Governance (77%) and Business Fundamentals (61%), and lowest among those identifying with Global Stewardship (38%) and Sustainability Focused (14%; Table 3). Supporters emphasize board effectiveness, industry knowledge, and cognitive diversity; opponents regard quantitative expectations as a useful minimum accountability mechanism. A number of respondents argued that companies should at least be assessed against the diversity requirements set by law, listing rules, or codes in their home market, while others cautioned that demographic expectations consistent with the legal framework in one jurisdiction may be inappropriate or create legal risk in another.

Table 3: Board Composition and Materiality, by Stewardship Orientation*

Proposition (Question)	BF	FG	GS	SF	Hybrid
Board assessed on skills and experience, without quantitative diversity expectations, agree (Q14)	61%	77%	38%	14%	39%
E&S material only where financial harm is plainly evident, agree (Q15)	83%	69%	33%	29%	30%
Respondents (n)	18	13	24	7	23

**BF = Business Fundamentals; FG = Foundational Governance; GS = Global Stewardship; SF = Sustainability Focused; Hybrid = an approach that falls between two or more Perspectives. Share of investors in each orientation group who answered the question concerned, by alignment selected in the respondent profile question. Percentages include "no strong view" in the base. The SF orientation group comprises seven investors; its results are indicative only. Source: Glass Lewis analysis of Request for Comment survey responses.*

Our response. No change. Business Fundamentals and Foundational Governance will continue to assess board composition on skills, experience, and perspectives only; compliance with diversity requirements set by law or listing rules will be treated as a matter for regulators to enforce. Code and best-practice expectations will apply under Global Stewardship and Sustainability Focused. In the market-specific guidelines, the thresholds applied under those two Perspectives will be tied to local guidance and expectations where applicable.

4.4. The Harm-Based Materiality Approach

The harm-based approach is supported by the investors most likely to use it, but criticized as backward-looking by investors in other orientation groups. Just under half of all investor respondents (48%) agree that Foundational Governance should consider environmental and social matters financially material only where financial harm is plainly evident, while 37% disagree (Q15). Among investors identifying with Business Fundamentals, 83% agree, as do 69% of those identifying with Foundational Governance, whereas majorities of those identifying with a hybrid approach (61%) or with Sustainability Focused (71%), and a plurality of those identifying with Global Stewardship (46%), disagree. Table 3 shows the share of each orientation group in agreement. Critics describe the approach as one that recognizes risks only after the damage is done, and point to an apparent inconsistency with the forward-looking treatment of cyber and AI risk oversight under all four Perspectives. From a different starting point, the issuer-side association argued that the approach is narrower than prevailing legal understandings of financial materiality and that materiality should be assessed on a company-specific basis.

One respondent also questioned the wording of Q4, which described environmental and social matters as "non-financial issues," pointing out that a matter that is financially material, whether through evident harm or industry exposure, is by definition financial. We agree that the label was imprecise. It was intended as shorthand for environmental and social matters, not as a judgment on their financial relevance: the Perspectives differ in the evidence they require before treating such a matter as financially material, not in what counts as financial. The final guidelines will refer to environmental and social matters instead.

Our response. Because the approach is supported by the investors for whom it is designed, we will retain a deliberately demanding evidentiary bar, but extend it to evident harm, whether or not yet fully realized. Under Business Fundamentals and Foundational Governance, an environmental or social matter will be considered financially material where harm has been realized, through fines, penalties, or sanctions, or where there is concrete, company-specific financial exposure that has not yet been realized, such as enacted regulation with a known compliance cost, a regulatory investigation, a threatened license or material contract, or litigation for which the company has recognized a provision or disclosed a contingent liability. General or industry-presumed exposure, transition and net-zero alignment, Scope 3 emissions, and long-dated physical risk will remain outside the scope of Tier 1, which keeps it distinct from the industry-based materiality applied under Global Stewardship. We will provide examples of matters that fall within and outside the scope of Tier 1. A qualifying matter will be assessed on whether the board is overseeing and responding to it adequately and will not by itself justify an AGAINST policy outcome or support for a related shareholder proposal. Where a company discloses its own materiality assessment, analysts may take it into account as context.

4.5. Disclosure-Based Escalation and Peer Practices under Global Stewardship

Under Global Stewardship, the Consultation Paper proposed that companies that are materially exposed or included in a major blue-chip index clearly disclose how the board oversees environmental and social risks. It asked how far inadequate disclosure should warrant an AGAINST policy outcome for the relevant directors where no risk incident has occurred (Q16), and whether peer practices should be used to assess disclosure where no accepted framework exists (Q17). Investors identifying with Global Stewardship are themselves cautious about AGAINST policy outcomes based on disclosure alone. Only 23% of all investor respondents support AGAINST policy outcomes for relevant directors at blue-chip companies to a significant extent where

disclosure of board-level environmental and social risk oversight is inadequate but no risk incident has occurred, and 39% support them only to a limited extent or not at all (Q16). Among investors identifying with Global Stewardship, the figures are 24% and 36%; investors identifying with a hybrid approach are the most supportive orientation group (48%; Table 4). The comments do not question the importance of board-level oversight of material environmental and social risks; the disagreement concerns escalation. Investors that support AGAINST policy outcomes generally do so where exposure is material, accountability is unclear, and engagement has failed. Those that oppose them argue that a disclosure gap does not necessarily indicate an oversight failure, and that engagement or a clearly stated concern are more proportionate first steps. They also warned that if AGAINST policy outcomes are triggered by gaps in disclosure, companies may respond with generic, standardized statements that satisfy the formal requirement without saying anything meaningful about how the board actually oversees these risks. Several respondents asked that the assessment also take into account information a company publishes outside its annual report and proxy statement, such as policies and reports on its website. They also asked which reporting frameworks, such as TCFD or IFRS S2,[5] Glass Lewis would use as the benchmark for judging whether disclosure is adequate.

Table 4: Escalation, Disclosure, and Pay, by Stewardship Orientation*

Proposition (Question)	BF	FG	GS	SF	Hybrid
AGAINST for inadequate E&S oversight disclosure, significant or very significant (Q16)	11%	0%	24%	29%	48%
Peer practices to assess E&S disclosure, significant or very significant (Q17)	11%	31%	48%	43%	35%
AGAINST say-on-pay where pay contains no sustainability metrics, significant or very significant (Q20)	18%	8%	12%	57%	14%
Respondents (n)	17–18	13	25	7	22–23

**BF = Business Fundamentals; FG = Foundational Governance; GS = Global Stewardship; SF = Sustainability Focused; Hybrid = an approach that falls between two or more Perspectives. Share of investors in each orientation group who answered the question concerned, by alignment selected in the respondent profile question. Percentages include "no strong view" in the base. The SF orientation group comprises seven investors; its results are indicative only. Source: Glass Lewis analysis of Request for Comment survey responses.*

Using peer-company practices to assess the sufficiency of environmental and social disclosure where no accepted framework exists enjoys qualified support: 33% of all investor respondents favor it to a significant

[5] TCFD refers to the recommendations of the Task Force on Climate-related Financial Disclosures (2017), a framework for climate-related financial disclosure. IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB) in June 2023, is its successor standard; monitoring of the TCFD recommendations has since passed to the IFRS Foundation. Both are referenced in the Consultation Paper as acceptable frameworks for disclosing board-level climate oversight.

extent and 22% to a limited extent or not at all (Q17), with those identifying with Global Stewardship the most supportive (48%). Many investors regard peer practice as a useful reference point but not as a minimum standard. Some caution that benchmarking against peers may anchor expectations to average or weak practice rather than good practice. Others, particularly issuers, are concerned that peer-based expectations, backed by the prospect of an AGAINST policy outcome, could in effect impose disclosure requirements that no law or regulation requires. Peer selection is regarded as the critical variable.

Our response. Inadequate disclosure of board-level oversight of material environmental and social risks, at companies that are materially exposed or included in a major blue-chip index, will be treated as a concern that does not automatically result in an AGAINST policy outcome. We will introduce a new Judgment-Based Test that asks whether the concern is indicative of a more fundamental failure of board oversight. Indicative factors will include whether oversight responsibility is identifiable elsewhere in the company's disclosure, the persistence of the gap across years or after engagement, related controversies, and the company's management of the risk. The blue-chip index trigger will be retained. Where no accepted framework exists, peer practice will serve as a reference point rather than a minimum standard, and the appropriate standard will be left to analyst judgment.

4.6. Escalation, Additional Topics, and Pay under Sustainability Focused

The Consultation Paper proposed three features that distinguish Sustainability Focused: broader escalation for significant sustainability concerns, including opposing multiple directors rather than only the director considered most accountable (Q18); additional sustainability-specific Topics in director elections, such as tax transparency assessed against the 15% minimum rate of the OECD/G20 Pillar Two framework (Q19); and the expectation that material sustainability factors be built into variable pay (Q20). The investors most likely to use Sustainability Focused support its distinctive features, while the wider market favors proportionate escalation. On broader escalation for significant sustainability concerns, including opposing multiple directors (Q18), all investor respondents are evenly divided (28% significant, 27% limited or none), and the small Sustainability Focused orientation group is supportive (57%).

The comments describe the conditions under which broader escalation is appropriate: a concern that is material and persistent, reflects a collective failure of board oversight, and has not been resolved through engagement, with opposition linked to each director's responsibilities. Views on incorporating additional sustainability-specific Topics, such as tax transparency, into director elections are similarly balanced (Q19: 25% significant, 30% limited or none). Respondents regard tax transparency as relevant to good governance but raised specific concerns about a rate-based test, since effective tax rates reflect jurisdictional mix, incentives, and timing differences.

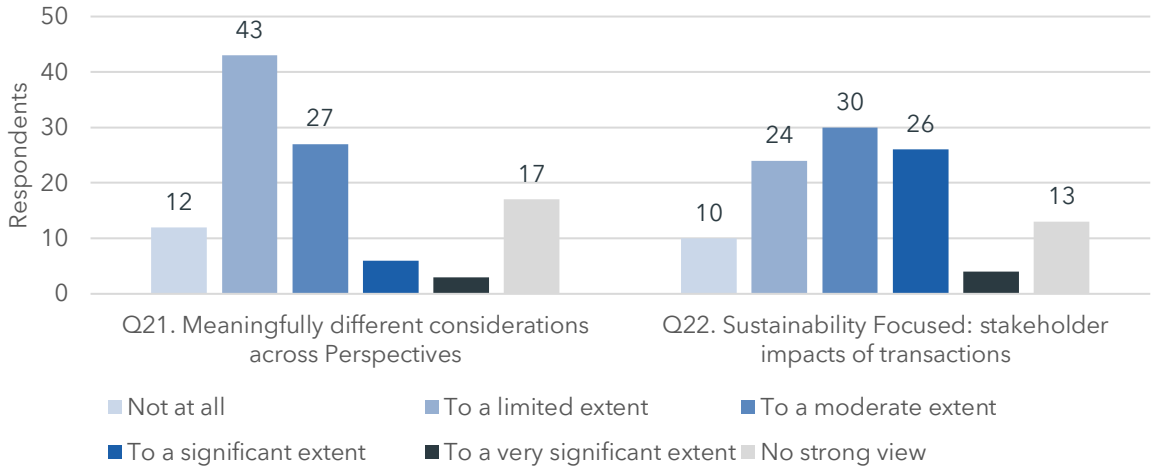
The absence of material sustainability factors from variable pay is a clearer case. Of all investor respondents, 57% see little or no case for an AGAINST policy outcome on the vote on executive pay (say-on-pay) on this ground alone where a company's sustainability outcomes give no cause for concern, against 16% who support such a policy outcome to a significant extent (Q20). Among investors identifying with Sustainability Focused, by contrast, 57% support it (Table 4), consistent with that Perspective's wider definition of performance, but the reservations extend to most investors identifying with Global Stewardship or a hybrid approach. Respondents argue that remuneration should be judged on its overall design, rigor, and outcomes rather than on the presence of a particular metric.

Our response. Broader escalation to multiple directors will be retained through Analyst Discretion, applied consistently with the Perspective's viewpoint, and the report will explain why each director beyond the primary accountable director is opposed. Tax transparency will be retained as a Topic, and we will clarify in the guidelines that the 15% effective tax rate operates only as a screen and that the policy outcome turns on the Judgment-Based Test of the company's tax policy disclosure. The absence of a material sustainability factor from variable pay will be treated as a concern that does not automatically result in an AGAINST policy outcome. We will introduce a new Judgment-Based Test that asks whether the absence of such a factor indicates a more fundamental neglect of sustainability factors in strategy or execution, taking into account performance and trajectory on the relevant issues, targets and progress, related controversies, whether the issue is captured through other measures, and the board's disclosed rationale.

4.7. Stakeholder Impacts in Special Situations

Whether Sustainability Focused should consider the social and environmental impacts of a transaction on other stakeholders divides all investor respondents evenly: 26% support it to a significant extent and 31% to a limited extent or not at all (Q22, Exhibit 3). Supporters point to the effects transactions can have on employees, communities, and environmental performance, and to the financial and reputational consequences that may follow. Others ask that such impacts be considered only where they are material, foreseeable, and directly connected to the transaction, and that they not displace the core assessment of whether a transaction is in shareholders' interests.

Exhibit 3: Differentiation across Perspectives in Special Situations (Q21–Q22)*



**All survey respondents. Number of respondents. Respondents: n = 107–108 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Our response. We confirm the common core for Special Situations: all Special Situations Topics remain common across the four Perspectives, except that Sustainability Focused adds a Judgment-Based Test of the social and

environmental impacts of a transaction on other stakeholders. In practice, we expect policy outcomes on Special Situations to differ between Perspectives only in a small minority of cases, typically where environmental or social arguments are a material part of the case for or against a transaction or a dissident's proposals.

4.8. What We Are Changing

The consultation broadly supported the model, and the number of changes we plan to make to the guidelines is correspondingly limited. We distinguish below between refinements, which change the proposed guidelines, changes in terminology, and confirmations and clarifications, which respond to questions about how the model will operate. Their detailed wording will be set out in the final guidelines. Table 9 in Section 7.4 links each of these changes to the feedback on which it rests.

Refinements to the Guidelines

- **Business Fundamentals: performance assessment.** Replace the High-Performing test, which was proposed to rest solely on relative TSR over the CEO's tenure, with a Performance Assessment based on an advisory Performance Scorecard that anchors on relative TSR and adds other financial and operating measures. The Scorecard informs a Judgment-Based assessment in which the analyst places the measured performance in context and takes account of additional, situational information, including the nuances involved in defining an appropriate peer group. The outcome determines whether a company qualifies for High-Performing latitude.
- **Business Fundamentals: sustained underperformance.** Allow the Performance Assessment to identify sustained underperformance, which the analyst may take into account in considering the election of directors, and make the Performance Scorecard available to clients so that they can reflect underperformance in their custom policies. Under Business Fundamentals, sustained underperformance is embedded in certain board-related Topics; under the other Perspectives, it is not formally assessed but may be taken into account at the analyst's discretion.
- **Business Fundamentals: CEO succession.** The Performance Assessment considers company performance across several periods, including the current CEO's tenure. Where the CEO has been in the role for less than two years, the tenure period is given no weight and the assessment relies on the three- and five-year periods, which reduces sensitivity to CEO succession. In deciding whether a company qualifies for latitude, analysts will also consider the context of the succession process.
- **Global Stewardship: disclosure of board-level oversight.** Treat inadequate disclosure of board-level oversight of material environmental and social risks, at companies that are materially exposed or included in a major blue-chip index, as a concern that does not automatically result in an AGAINST policy outcome, and introduce a new Judgment-Based Test that asks whether the concern is indicative of a more fundamental failure of board oversight.
- **Sustainability Focused: sustainability factors in variable pay.** Treat the absence of a material sustainability factor from variable pay as a concern that does not automatically result in an AGAINST policy outcome, and introduce a new Judgment-Based Test that asks whether the absence of such a factor indicates a more fundamental neglect of sustainability factors in strategy or execution.

Changes in Terminology

Conversations with clients around the world during the consultation also led us to three changes in terminology:

- **Performance Focused.** Business Fundamentals will be renamed "Performance Focused," to reflect more accurately the role of the Performance Assessment as the Perspective's defining feature.
- **Alignment Indicators.** In the Research Methodology Framework, Breach Indicators will be renamed "Alignment Indicators." The new, more positive name describes more naturally both where a company is in line with the Principles and where it is not.
- **Test Outcomes.** The outcome of every Test will be expressed as "Yes" or "No" rather than "Pass" or "Fail." The binary logic of the Tests is fully preserved, but every Test will be formulated as a question, which means that the wording of some Tests will be adjusted.

Confirmations and Clarifications

- **Analyst discretion and defined terms.** We will set out more fully the scope and limits of Analyst Discretion and how its consistent application is supported, and define "meaningful dissent" as a specific percentage of votes cast against a proposal, above which the applicable Perspective expects the board to respond to shareholders' concerns. Terms such as "material" and "sufficient" are well established in market practice or call for judgment, and will not be given a fixed definition.
- **Business Fundamentals.** We will explain our general approach to peer groups for the Performance Assessment and make clear which Topics are and are not eligible for High-Performing latitude. Where a strong Performance Assessment leads to support for a proposal that would otherwise attract a negative policy outcome, the concerns identified will continue to be highlighted in the report.
- **Materiality under Business Fundamentals and Foundational Governance.** We will extend the approach to evident harm, whether or not yet fully realized, as described in Section 4.4, and provide examples of environmental and social matters that fall within and outside its scope.
- **Sustainability Focused.** Broader escalation to multiple directors will continue to operate through Analyst Discretion, and the report will explain why each additional director is opposed. The 15% effective tax rate will operate only as a screen, with the policy outcome turning on the Judgment-Based Test of the company's tax policy disclosure.
- **Special Situations.** All Special Situations Topics remain common across the four Perspectives, except that Sustainability Focused adds a Judgment-Based Test of the social and environmental impacts of a transaction on other stakeholders.
- **Market-specific guidelines.** The market-specific guidelines will retain regional calibration. They will capture market structures and proposal types that the global guidelines do not, take account of the prevalence of shareholder groups such as state-owned enterprises and family-owned businesses, and include thresholds linked to domestic corporate governance codes and regulatory guidance. The market-specific points raised in the consultation have been referred to the respective regional market teams (Section 6.1).
- **Shareholder proposals.** Shareholder proposals are the Proposal Category in which the Perspectives differ most, but the consultation did not ask about them directly. In addition, the US rules that govern which shareholder proposals companies must put to a vote may change significantly if the SEC's September 2026 proposal to rescind Rule 14a-8 is adopted. We will therefore keep the treatment of shareholder proposals under each Perspective under review and update the US market-specific guidelines as the legal framework evolves (Section 6.1).

Elements We Will Retain

The feedback also supports a number of the model's core design choices, which we will retain: four Perspectives built on a common foundation of 18 Principles; a formal role for relative performance in Business Fundamentals only, with performance continuing to inform judgment elsewhere; the exclusion of performance-based awards for non-executive directors from any High-Performing latitude; differentiated treatment of materiality and board diversity across Perspectives; Judgment-Based Tests as a first-class element of the framework; and a broader stakeholder lens confined to Sustainability Focused. Suggestions to reduce the model to three Perspectives, or to add a fifth, "balanced" Perspective, pull in different directions and came largely from outside the constituencies concerned; the needs of investors identifying with a hybrid approach, and of orientations at the edges of the spectrum, are better served through custom policies.

5. Issuer Feedback

Corporate issuers submitted some of the most detailed responses to the consultation. Because the Perspectives are designed to reflect the stewardship choices of investors, issuers' views have not been used to decide between Perspectives; they are, however, an important guide to how the model can be made predictable and workable for the companies it assesses. This section draws on the 27 survey respondents that, as requested, did not answer the investor questions, most of whom identified themselves as corporate issuers, and on the written submission of an issuer-side association.

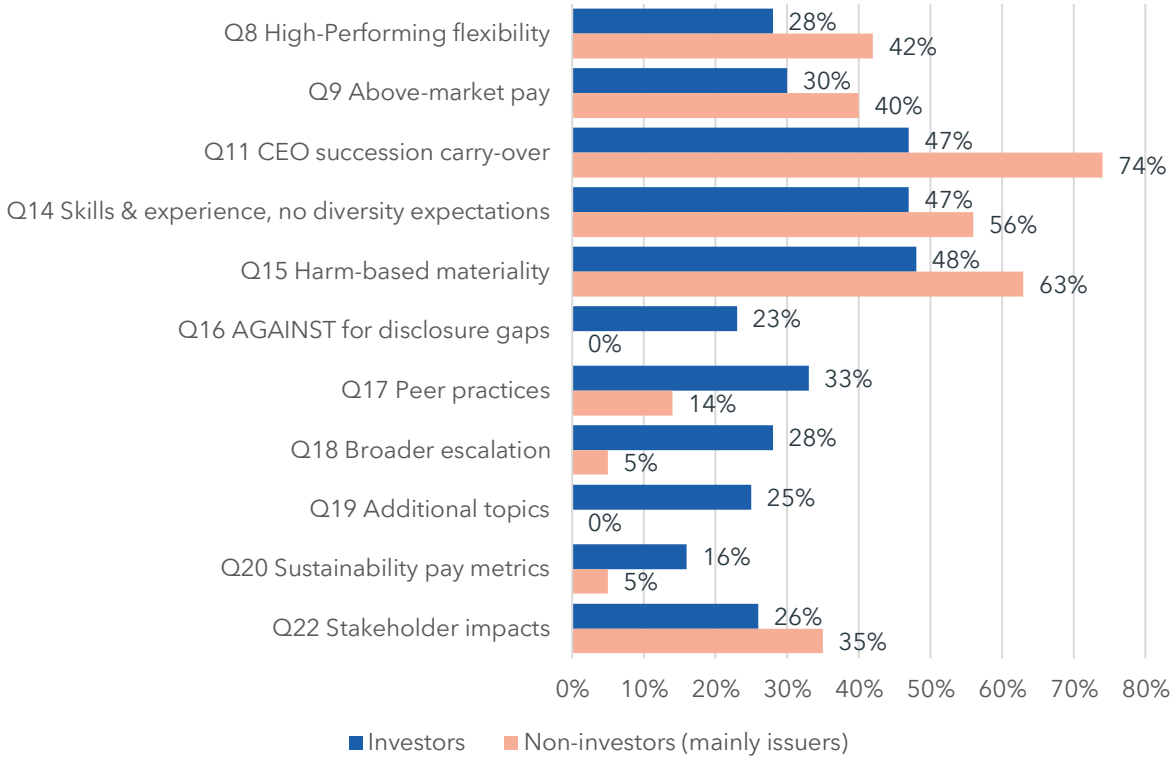
5.1. Support for the Model's Purpose

Issuers generally welcomed the transparency the model brings to differing investor expectations, and several said the Perspectives would help them understand their shareholders and prepare for engagement. On the questions concerning the model as a whole, their answers closely resemble those of investors: 59% consider the model complete, 56% consider the Perspectives clearly differentiated, and 89% consider Judgment-Based Tests necessary to a significant or very significant extent. One issuer-side respondent that was otherwise critical of the content of the Perspectives applauded the move away from a single benchmark policy toward greater choice.

5.2. Where Issuers and Investors Differ

Issuers' views diverge from those of investors mainly where the consequences of a policy fall directly on companies (Exhibit 4). They are more supportive than investors of performance-based latitude (42% favor significant High-Performing flexibility, against 28% of all investor respondents), of retaining High-Performing status after a CEO succession (74% against 47%), and of the harm-based approach to materiality (63% against 48%). They are markedly more skeptical of escalation linked to sustainability matters: none supports disclosure-based AGAINST policy outcomes under Global Stewardship to a significant extent and 74% support them only to a limited extent or not at all; around two-thirds see little or no case for broader escalation, additional director-election Topics, or sustainability factors in pay under Sustainability Focused.

Exhibit 4: Support for Selected Propositions, Investors versus Non-Investors*



**Share of respondents answering in the two most supportive categories of each scale, including "no strong view" in the base. Investors: n = 86–90; non-investors, mainly corporate issuers: n = 18–22. Source: Glass Lewis analysis of Request for Comment survey responses.*

These differences do not call for changes in the Perspectives themselves, which exist to reflect the choices of investors. Several of them are nonetheless addressed by the refinements in Section 4.8, which respond to concerns that issuers share with many investors: disclosure gaps and missing pay metrics will no longer lead automatically to AGAINST policy outcomes, broader escalation will be explained director by director, and the materiality approach of Business Fundamentals and Foundational Governance will be specified more clearly.

5.3. Predictability and Complexity

Issuers' principal concern is complexity. With four Perspectives, each with its own Topics, Tests, and thresholds, issuers anticipate having to assess the same proposal through several lenses and to plan for potentially conflicting outcomes, and some asked which set of expectations a company should seek to meet. As one put it, greater choice for investors should not result in greater complexity or multiple prescriptive requirements for issuers. Issuers therefore place particular weight on a consistent governance baseline stated clearly in one place; on clearly defined exemptions, thresholds, and evidentiary standards; on disclosure of which Perspective and which Tests drive each policy outcome; on appropriate weight being given to a board's credible, company-specific explanation; and on consistency across jurisdictions. Several asked for an opportunity to review the

factual accuracy of analyses before policy outcomes are finalized, and for clarity on how engagement with companies will work across four Perspectives.

The issuer-side association added several requests: periodic disclosure of aggregate client adoption of the Perspectives; a mechanism through which issuers can understand which Perspectives are relevant to their significant investors, subject to client confidentiality; transparency about the use of Analyst Discretion; and an assessment of shareholder proposals under every Perspective that rests on a company- and proposal-specific analysis. It also cautioned that a model premised on selecting and then customizing a Perspective may not suit investors without the resources to develop custom policies. Each Perspective has been designed to serve as a starting point for an investor's own policy, but also to be usable as it stands, without further customization; we will make this clear in our materials. The requests concerning research delivery and engagement are recorded in Section 6.2.

6. Other Feedback and Next Steps

6.1. Legal, Regulatory, and Market Context

The model will operate within very different legal frameworks, and most of the questions this raises are best addressed in the market-specific guidelines. A US public pension plan explained that state legislation requires its proxy votes to be based solely on financial factors, and asked for confirmation that research produced for its account under Business Fundamentals relies on no non-financial considerations. European respondents asked how the model applies in stakeholder-oriented legal systems, under national corporate governance codes based on comply-or-explain, and under EU sustainability reporting and due diligence rules, and an investor association argued that latitude granted for high performance should not override core provisions of national codes.

Respondents also asked that the regional differentiation of the current benchmark policy be retained. Japanese respondents asked that established thresholds, such as the one-third board independence expectation and the return-on-equity criterion for capital efficiency, be carried over to avoid unnecessary disruption, and noted that cross-shareholdings, the available pool of independent directors, and the proportion of women directors call for local calibration. An asset management association described Italy's slate-voting system (voto di lista), under which minority shareholders, coordinated through a committee of asset managers and institutional investors, nominate independent directors, and asked that minority lists submitted by institutional investors not be treated as contested elections. An Asia-Pacific asset owner explained how its voting is anchored in its national corporate governance code, which expects boards to comprise at least 30% women, and how the absence of say-on-pay votes and the prevalence of concentrated, family, and group ownership shape its stewardship priorities.

We appreciate the importance of market-specific context and the detail respondents provided. We have referred these points to the Glass Lewis market teams responsible for the market-specific guidelines, who are best placed to consider them. These geographically diverse teams have long engaged with individual markets and maintained our benchmark guidelines, which comprise approximately 40 market-specific documents.

Finally, the issuer-side association noted that the consultation did not ask targeted questions about shareholder proposals, even though this is the category in which the Perspectives diverge most, and that the US framework for shareholder proposals may change significantly if the SEC's September 2026 proposal to rescind Rule 14a-8 is

adopted. As noted in Section 4.8, we will keep the Perspectives under review and update the US market-specific guidelines as that framework evolves.

6.2. Research Delivery and Implementation

The most frequent request in the comments, voiced by investors and issuers alike, concerns the transparency of research outputs. The consultation did not present the research reports or the client platform, so this feedback does not bear on the policy guidelines themselves. It is nevertheless valuable, and we will take it forward in designing the research reports and the platform, which Glass Lewis will present to the market separately. Respondents asked, in particular, that the research:

- show, for each proposal, the outcome under each of the four Perspectives, and identify the Topics, Tests, and thresholds that drive any divergence between them;
- indicate whether each outcome is rules-, model-, or judgment-based, show where analyst discretion changed the outcome indicated by a Test, and show the severity of the concern underlying a policy outcome;
- make Test outputs available as structured data and be accompanied, before implementation, by worked examples that apply all four Perspectives to the same proposals; and
- be supported by clarity on how Perspectives will be selected, whether existing benchmark policy users will be mapped to a default Perspective, how the Perspectives relate to existing thematic policies, and how issuers can provide factual feedback and context.

6.3. The Architecture of the Model and the Role of the Proxy Advisor

A smaller group of respondents questioned the architecture itself. Some suggested simplifying the model to three Perspectives, either by merging Foundational Governance into Global Stewardship or by folding Foundational Governance and Global Stewardship into the Perspectives on either side; others suggested that Business Fundamentals be presented as an overlay rather than as a separate Perspective, or proposed a fifth, “balanced” Perspective. One investor questioned how long-lived any fixed set of categories will be as investor approaches continue to diverge.

Others raised questions about the role of the proxy advisor. Some argued that the value of Glass Lewis’ research lies in integrating governance, performance, and sustainability considerations into a single policy outcome, and that an investor cannot vote in four different ways. Others suggested that a model emphasizing choice could encourage investors to formalize their own guidelines and weaken the benchmark function, or noted the influence that proxy advisors’ recommendations can have on voting outcomes. At the same time, several respondents explicitly welcomed the change: one described the new approach as a clear improvement, and another as a positive move toward more granular research (see also Section 5.1).

These views go to the heart of the rationale set out in Section 2 of the Consultation Paper. The model does not diminish Glass Lewis’ analytical role. It makes explicit the policy choices that a single benchmark necessarily consolidates, while the underlying research, including the Judgment-Based Tests that respondents overwhelmingly endorse, continues to be applied under every Perspective. As Section 2.2 of the Consultation Paper notes, the shift toward investor-directed choice is already visible in market practice. The feedback nonetheless signals that the value proposition of the Perspectives, and their relationship to investors’ own policies, should be communicated clearly.

6.4. The Empirical Foundation

Several respondents, and in particular the issuer-side association, questioned the empirical basis on which the Perspectives were developed and validated. The cluster analysis and Vote Prediction Model described in Section 5 of the Consultation Paper rest on voting at meetings held between July 2023 and June 2024, and the association argued that US investor policies and voting behavior have changed materially since then. Respondents also noted that the validation rests on US fund voting records and that Asia-Pacific institutions are thinly represented in the underlying policy review, and the association asked Glass Lewis to demonstrate the connection between each Perspective's standards and investors' long-term economic interests.

The cluster analysis and Vote Prediction Model were designed to establish whether distinct voting philosophies exist in the market and whether the four Perspectives capture them, not to measure the size of each group or to predict how investors will vote on particular matters. That question is less sensitive to changes in voting behavior from one proxy season to the next, and the consultation itself provides more recent and independent confirmation: each Perspective was chosen by a distinct group of investors as the closest match to its own approach, and when investors are assigned to the orientation group whose answers are closest to their own, 85% are placed in their own orientation group or an adjacent one (Section 4.1). We will continue to evaluate both the Perspectives and the policy outcomes they produce: we will refresh the empirical analysis with the most recent available voting data, test its stability across proxy seasons, report results by market where data permit, and establish and disclose a process for periodic review of the Perspectives.

6.5. Next Steps

Glass Lewis is grateful to all respondents for the time and care they devoted to the consultation. The written feedback in particular, much of it detailed and constructive, has been invaluable and has been considered in full alongside the survey results.

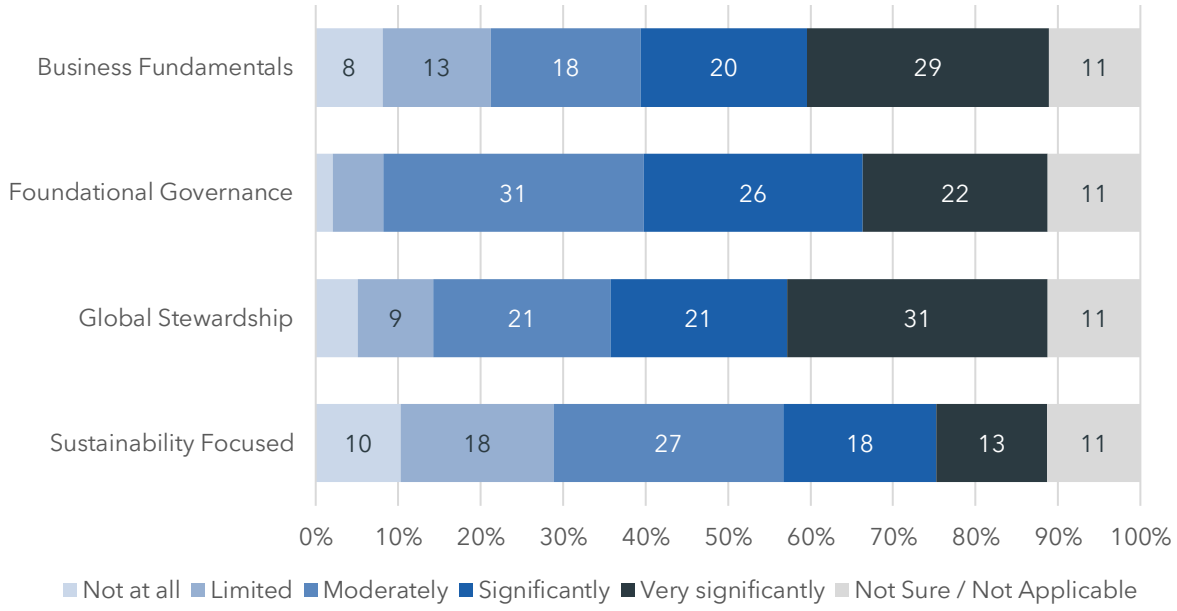
As announced, the Four Perspectives will replace the single benchmark policy following the 2027 proxy season. Over the coming months, Glass Lewis will implement the changes set out in this paper in the global guidelines, including the new names and the question-based formulation of the Tests, and complete the market-specific guidelines that will be used to produce policy outcomes. Decisions on the final design of the model will be communicated together with the final guidelines. Glass Lewis also expects to provide further guidance and illustrative examples on the application of the model ahead of its implementation, and will continue to engage with investors, issuers, and other market participants throughout this process. Market participants who wish to share additional views are encouraged to contact Glass Lewis at info@glasslewis.com.

7. Appendix

7.1. Results by Question

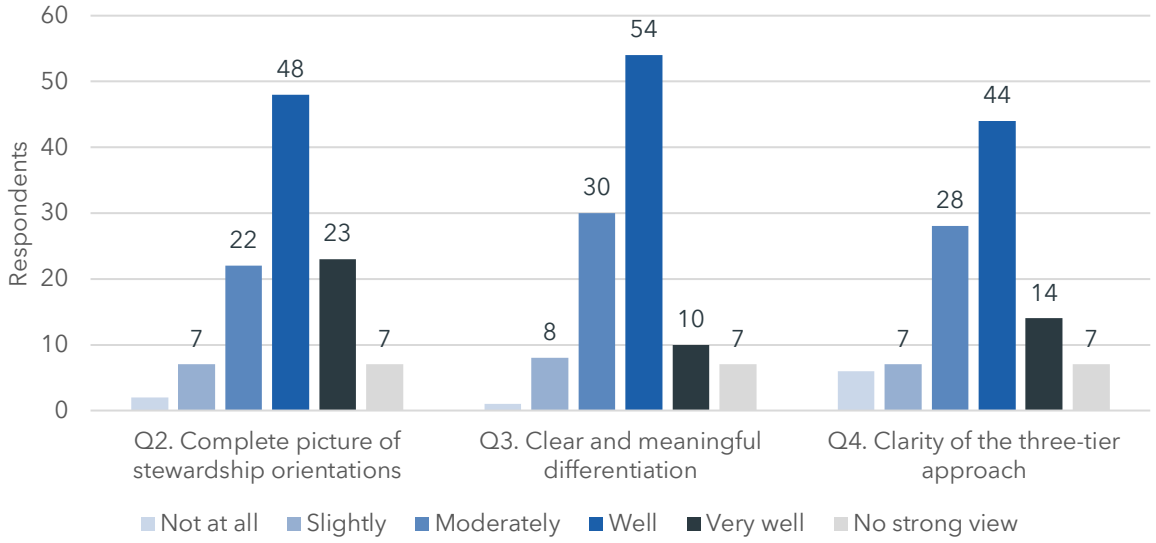
This appendix shows the full distribution of answers to each consultation question for all survey respondents, investors and non-investors combined. Results for investors, which form the primary lens of this paper, are cited in Sections 3 and 4, and the differences between investors and non-investors are discussed in Section 5. Table 8 in Section 7.3 summarizes the key result for each question.

Exhibit 5: Relevance of Each Perspective to Respondents' Stewardship Orientation (Q1)*



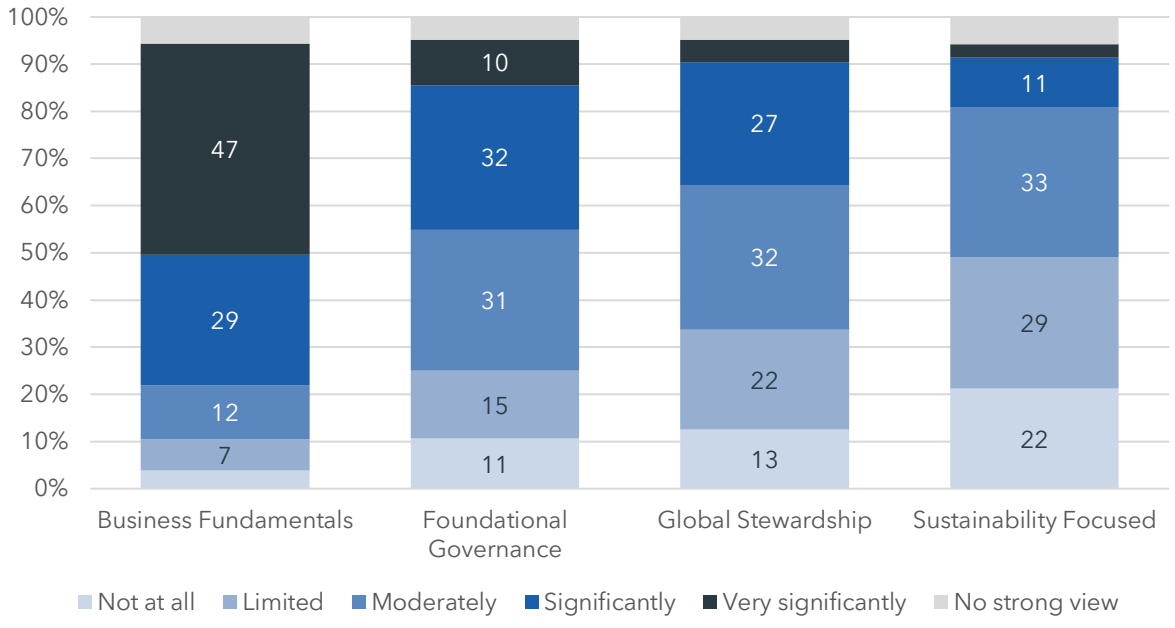
**All survey respondents. Share of responses by Perspective; data labels show the number of respondents. Respondents: n = 97–99 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Exhibit 6: Completeness, Differentiation, and Clarity of the Three-Tier Approach (Q2–Q4)*



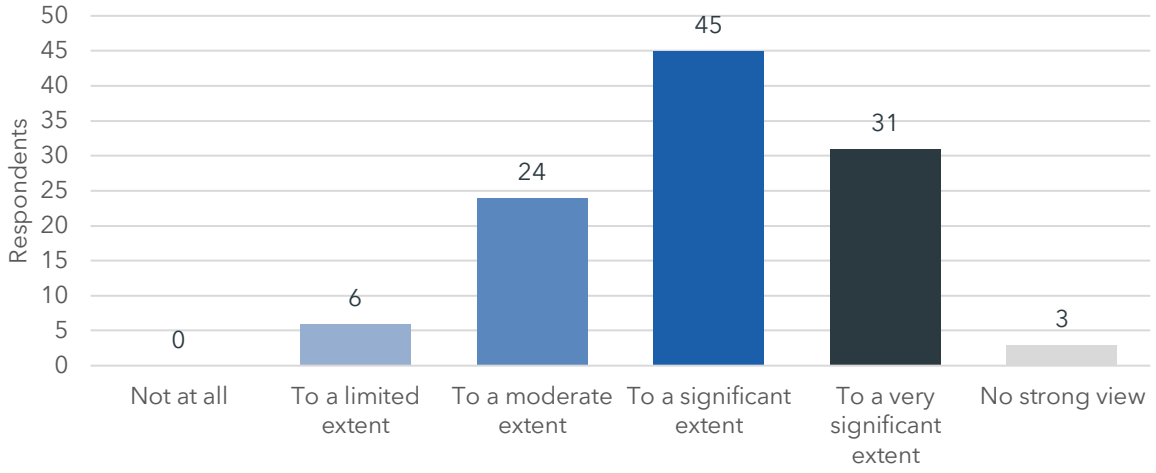
**All survey respondents. Number of respondents. Respondents: n = 106–110 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Exhibit 7: Appropriate Influence of Relative Shareholder Returns, by Perspective (Q5)*



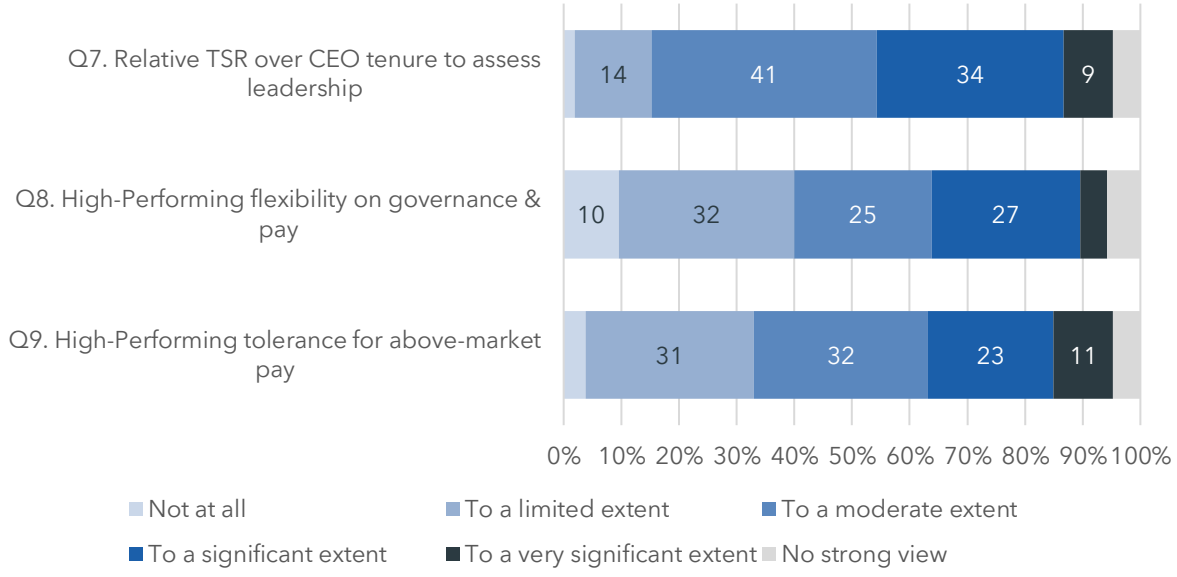
**All survey respondents. Share of responses by Perspective; data labels show the number of respondents. Respondents: n = 104–105 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Exhibit 8: Necessity of Judgment-Based Tests (Q6)*



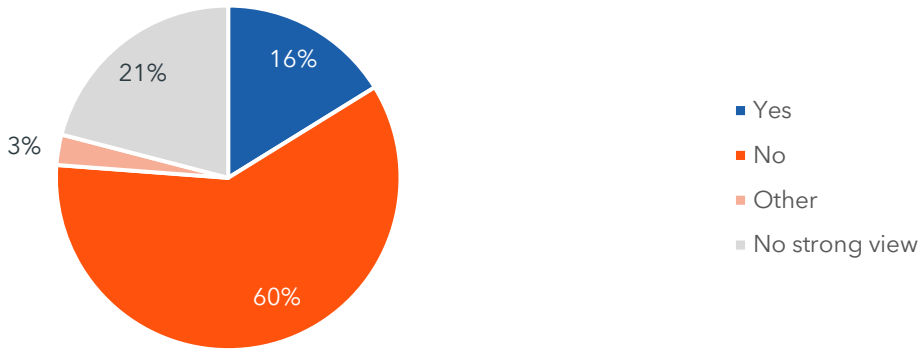
All survey respondents. Number of respondents. Respondents: n = 109 of 121 survey responses.

Exhibit 9: TSR-Based Leadership Assessment and Scope of the High-Performing Designation (Q7–Q9)*



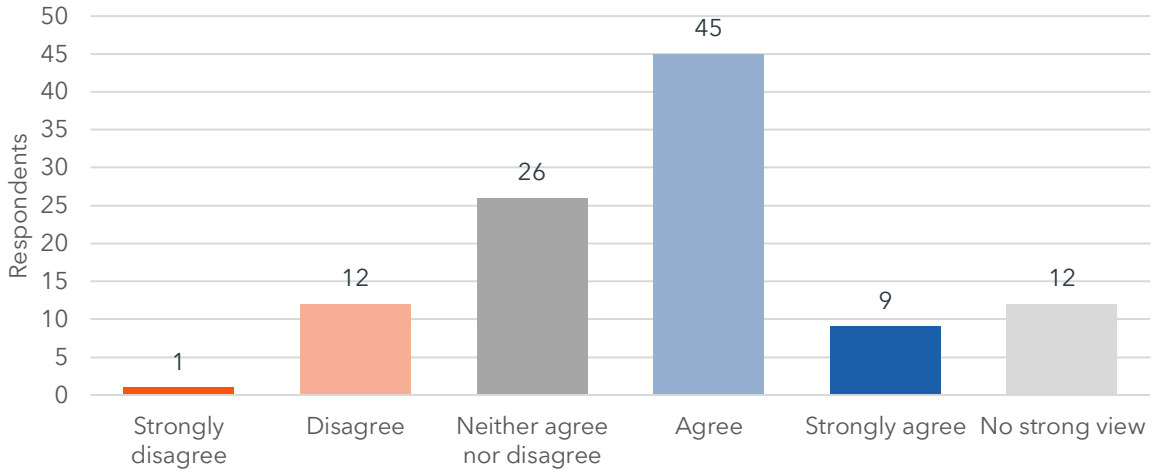
All survey respondents. Share of responses by question; data labels show the number of respondents. Respondents: n = 105–106 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.

Exhibit 10: Should NED Award Types Be Eligible for a High-Performing Exemption? (Q10)*



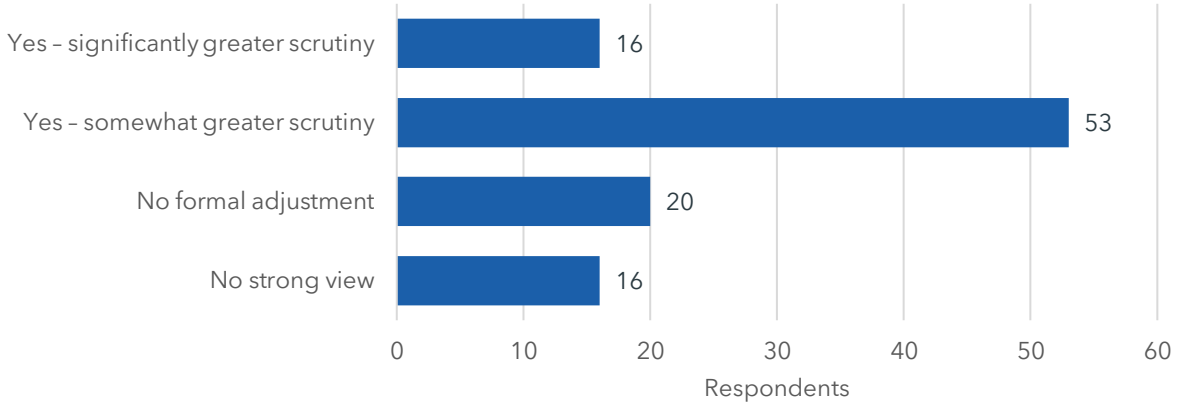
**All survey respondents. Respondents: n = 105 of 121 survey responses.*

Exhibit 11: Retention of High-Performing Status Following an Orderly CEO Succession (Q11)*



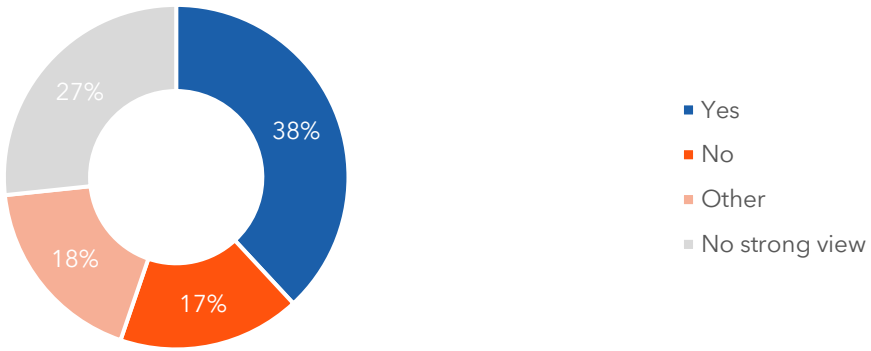
**All survey respondents. Number of respondents. Respondents: n = 105 of 121 survey responses.*

Exhibit 12: Should Low Relative TSR Formally Influence the Business Fundamentals Policy? (Q12)*



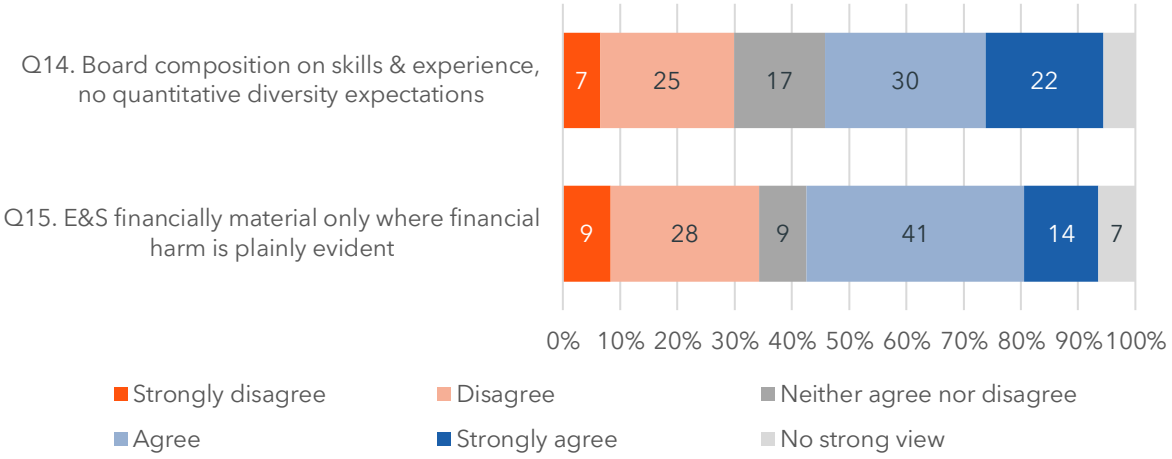
**All survey respondents. Number of respondents. Respondents: n = 105 of 121 survey responses.*

Exhibit 13: Should Business Fundamentals Share the Same Topics and Tests as Foundational Governance? (Q13)*



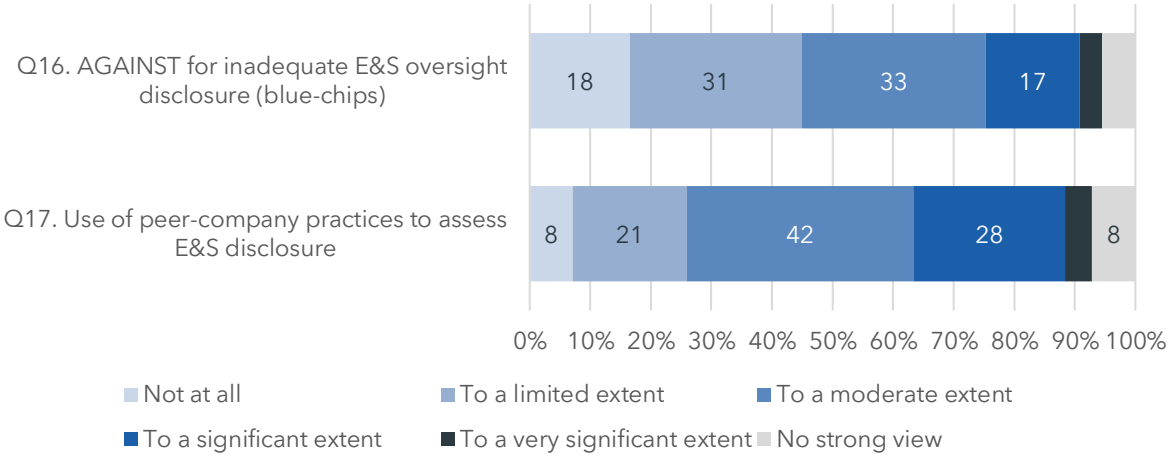
**All survey respondents. Respondents: n = 105 of 121 survey responses.*

Exhibit 14: Board Composition and the Evidentiary Bar for E&S Materiality under Foundational Governance (Q14–Q15)*



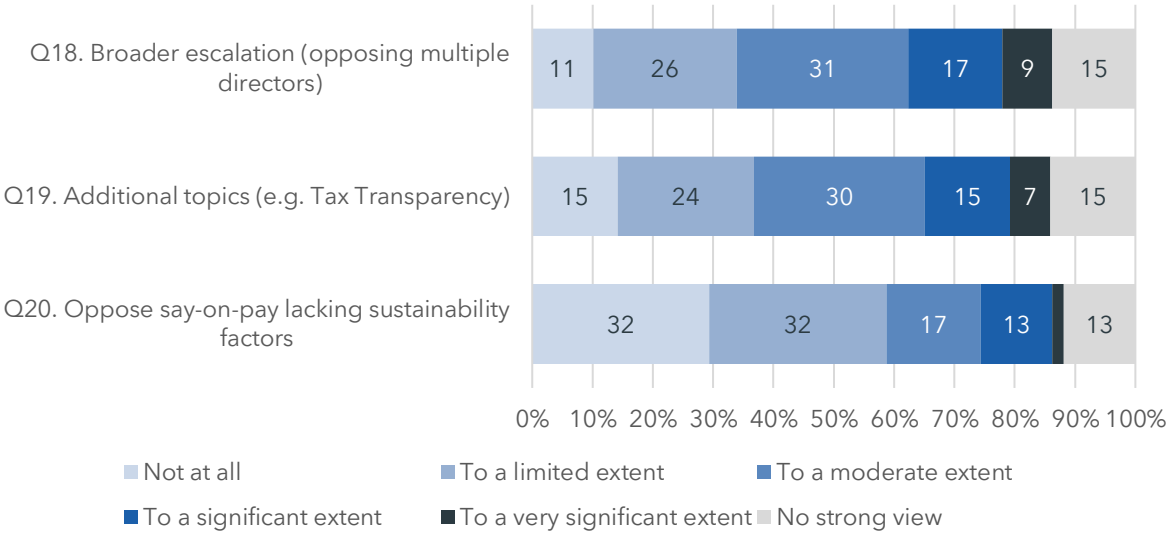
**All survey respondents. Share of responses by question; data labels show the number of respondents. Respondents: n = 107–108 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Exhibit 15: Board-Level E&S Oversight Disclosure and Use of Peer-Company Practices under Global Stewardship (Q16–Q17)*



**All survey respondents. Share of responses by question; data labels show the number of respondents. Respondents: n = 109–112 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Exhibit 16: Escalation, Additional Topics, and Sustainability Factors in Pay under Sustainability Focused (Q18–Q20)*



**All survey respondents. Share of responses by question; data labels show the number of respondents. Respondents: n = 106–109 of 121 survey responses (varies by question). Labels for fewer than seven respondents are omitted for legibility.*

Table 5: Support for Selected Features, by Stewardship Orientation*

Proposition	BF	FG	GS	SF	Hybrid
High-Performing flexibility on governance and pay (significant)	**72%**	23%	13%	0%	19%
Low relative TSR should formally influence BF (yes)	**94%**	64%	70%	71%	48%
Board assessed on skills and experience, without quantitative diversity expectations (agree)	**61%**	**77%**	38%	14%	39%
E&S matters material only where financial harm is plainly evident (agree)	**83%**	**69%**	33%	29%	30%
AGAINST for inadequate disclosure of board-level E&S oversight (significant)	11%	0%	**24%**	29%	48%
AGAINST on say-on-pay where variable pay has no sustainability factors (significant)	18%	8%	12%	**57%**	14%
Respondents (n)	*17–19*	*13–14*	*22–25*	*6–7*	*21–23*

**BF = Business Fundamentals; FG = Foundational Governance; GS = Global Stewardship; SF = Sustainability Focused; Hybrid = an approach that falls between two or more Perspectives. Share of investors in each orientation group giving the supportive answer indicated; percentages include "no strong view" in the base. Shaded cells mark the orientation group(s) whose Perspective the proposition primarily concerns. The SF group comprises seven investors; its results are indicative only.*

7.2. Survey Design, Methodology, and Respondent Classification

Responses were collected through a targeted online survey between September 15 and October 16, 2026; two responses received shortly after the survey closed have also been included. Respondents could answer anonymously and were free to skip questions, so the number of responses varies by question, from 95 to 112 of the 121 responses received. Most questions offered a five-point ordinal scale, supplemented by a "no strong view" or "not sure / not applicable" option; a smaller number offered categorical choices. Each question was accompanied by an optional comment field, and the survey closed with an open invitation to provide any other feedback. Table 6 summarizes the structure of the survey.

Table 6: Survey Structure and Response Base*

Question Block	Questions	Subject Matter	Responses (n)
Respondent Profile	—	Alignment of own stewardship approach with the four Perspectives	95
Overarching	Q1–Q6	Relevance, completeness, and differentiation of the Perspectives; three-tier materiality approach; role of relative shareholder returns; Judgment-Based Tests	97–110
Business Fundamentals	Q7–Q13	Relative TSR; "High-Performing" designation; NED award types; CEO succession; low performers; relationship to Foundational Governance	105–106
Foundational Governance	Q14–Q15	Board composition and diversity; evidentiary bar for environmental and social materiality	107–108
Global Stewardship	Q16–Q17	Disclosure of board-level environmental and social oversight; use of peer-company practices	109–112
Sustainability Focused	Q18–Q20	Broader escalation; additional director-election Topics; sustainability factors in variable pay	106–109
Special Situations	Q21–Q22	Differentiation across Perspectives; stakeholder impacts of transactions	107–108

**Source: Glass Lewis Request for Comment survey; 119 responses received between September 15 and October 16, 2026, and two received shortly after the survey closed (121 in total).*

Classification of respondents. The survey did not ask respondents to state their institution type, but it asked respondents that are not investors to skip the respondent profile question and Q1, both of which refer to the respondent's own stewardship approach and investment firm. Respondents that selected a Perspective or a hybrid approach in the profile question, or rated at least one Perspective in Q1, have therefore been treated as investors (94); the remaining 27 respondents have been treated as non-investors. Of these, 25 identified themselves as corporate issuers or, in the absence of identifying text, gave answers closely matching those of self-identified issuers; the remaining two are advisors or other market participants. Investors have been grouped by the alignment they selected in the profile question. The classification is based on respondents' answers to these two questions; comments were not used to reassign respondents (see footnote 2).

Caveats. The respondent base is self-selected, and percentages should be read as indications of the balance of opinion among engaged market participants rather than as statistically representative estimates. Percentages include respondents selecting "no strong view" in the base and may not sum to 100% due to rounding. The Sustainability Focused group comprises seven investors, and its results are indicative only. Responses received later in the consultation period, which included a higher proportion of corporate issuers, did not materially change the overall picture.

Written comments. All 826 written comments were reviewed in full, including a number submitted in Japanese, and grouped by theme. They are reported in aggregated form and without attribution, consistent with the anonymity of the survey and with the express request of several respondents.

Written submissions. Glass Lewis also received seven written submissions by letter or email. Two reproduce responses that the same organizations also submitted through the online survey and are therefore not counted a second time. The remaining five, summarized in Table 7, do not follow the survey's answer categories and are not included in the survey statistics; they are cited in the paper where they add a point that the survey responses do not already make.

Table 7: Written Submissions Received Outside the Survey*

Submitter	Corresponding Respondent Type	Form of Submission	Principal Themes
US issuer-side association	Corporate issuer (representative body)	Comment letter	Timeliness and economic basis of the empirical validation; materiality framework to be reworked around company-specific financial materiality; High-Performing designation too restrictive and not customizable; legal risk of demographic diversity expectations; undefined qualitative terms and bounds on analyst discretion; further consultation on market-specific guidelines
European association of institutional investors	Investor (representative body)	Position paper	Relative TSR as context, not exemption; non-waivable core governance baseline; forward-looking materiality; stakeholder-oriented legal systems and national governance codes; disclosure where High-Performing status affects a policy outcome
Asia-Pacific public asset owner	Asset owner	Responses to all 22 consultation questions	Under-representation of Asia-Pacific practice in the model's development and validation; no governance latitude for strong TSR; diversity expectations embedded in national codes; forward-looking materiality; targeted director accountability; common core for transactions
US public pension plan	Asset owner	Written comments on the consultation questions	Governance standards to have a demonstrated economic purpose; existing environmental, social, and diversity commitments to be assessed on their financial merits, including their reversal; documented analyst discretion that clients can override, with disclosure of overrides; practical customization, including for smaller investors
European association of asset managers	Asset manager (representative body)	Background materials on Italian slate voting and stewardship principles	Accommodation of the Italian slate-voting system (voto di lista), under which minority shareholders nominate independent directors and statutory auditors, and of collective investor engagement

**Source: Glass Lewis analysis of written submissions received during the consultation period. Submitters are described by type, consistent with the treatment of survey respondents.*

7.3. Summary of Results by Question

Table 8: Summary of Results by Question*

	Question (Abbreviated)	Key Result	n
Profile	Alignment of own stewardship approach	Global Stewardship 27%; between two or more 24%; Business Fundamentals 21%; Foundational Governance 15%; Sustainability Focused 7%; don't know 5%	95
Q1	Relevance of each Perspective to own firm	Significantly or very significantly relevant: Global Stewardship 53%, Business Fundamentals 49%, Foundational Governance 49%, Sustainability Focused 32%	97–99
Q2	Completeness of the four Perspectives	Well or very well 65%; moderately 20%	109
Q3	Clarity and meaningfulness of differentiation	Well or very well 58%; moderately 27%	110
Q4	Clarity and workability of the three-tier approach	Well or very well 55%; moderately 26%	106
Q5	Formal influence of relative shareholder returns	Significant or very significant: Business Fundamentals 72%, Foundational Governance 40%, Global Stewardship 31%, Sustainability Focused 13%	104–105
Q6	Necessity of Judgment-Based Tests	Significant or very significant 70%; at least moderate 92%	109
Q7	Relative TSR over CEO tenure to assess leadership	At least moderate 80%; significant or very significant 41%	105
Q8	High-Performing flexibility on governance and pay	Not at all or limited 40%; moderate 24%; significant or very significant 30%	105
Q9	High-Performing tolerance for above-market pay	Not at all or limited 33%; moderate 30%; significant or very significant 32%	106

	Question (Abbreviated)	Key Result	n
Q10	High-Performing exemption for NED award types	No 60%; yes 16%; other 3%; no strong view 21%	105
Q11	High-Performing status after an orderly CEO succession	Agree or strongly agree 51%; neither 25%; disagree or strongly disagree 12%	105
Q12	Formal influence of low relative TSR	Yes 66% (somewhat greater scrutiny 50%, significantly greater scrutiny 15%); no 19%	105
Q13	Shared Topics and Tests with Foundational Governance	Yes 38%; no 17%; other 18%; no strong view 27%	105
Q14	Board composition without quantitative diversity expectations	Agree or strongly agree 49%; disagree or strongly disagree 30%	107
Q15	E&S materiality only where financial harm is plainly evident	Agree or strongly agree 51%; disagree or strongly disagree 34%	108
Q16	AGAINST for inadequate E&S oversight disclosure	Not at all or limited 45%; moderate 30%; significant or very significant 19%	109
Q17	Peer-company practices to assess E&S disclosure	Not at all or limited 26%; moderate 38%; significant or very significant 29%	112
Q18	Broader escalation under Sustainability Focused	Not at all or limited 34%; moderate 28%; significant or very significant 24%	109
Q19	Additional Topics, such as tax transparency	Not at all or limited 37%; moderate 28%; significant or very significant 21%	106
Q20	AGAINST say-on-pay where pay contains no sustainability factors	Not at all or limited 59%; moderate 16%; significant or very significant 14%	109
Q21	Differentiated considerations in Special Situations	Not at all or limited 51%; moderate 25%; significant or very significant 8%	108
Q22	Stakeholder impacts of transactions under Sustainability Focused	Not at all or limited 32%; moderate 28%; significant or very significant 28%	107

**Source: Glass Lewis analysis of Request for Comment survey responses, all respondents. "Significant or very significant" combines the two highest categories of each scale, and "not at all or limited" the two lowest. Percentages are based on respondents who answered the question concerned.*

7.4. Summary of Planned Changes

Table 9 summarizes the changes set out in Section 4.8 and links each of them to the feedback on which it rests.

Table 9: Summary of Planned Changes*

Area	What We Heard	Planned Change	Type
Business Fundamentals: performance assessment	Relative TSR relevant but insufficient on its own; peer groups decisive (Q7)	Advisory Performance Scorecard informing a Judgment-Based assessment that determines whether a company qualifies for High-Performing latitude	Refinement
Business Fundamentals: underperformance	Among investors identifying with Business Fundamentals, 94% consider that low relative returns should formally influence the Perspective (Q12)	Sustained underperformance may inform the consideration of director elections; available for custom policies	Refinement
Business Fundamentals: CEO succession	Among investors identifying with Business Fundamentals, 67% agree with carry-over (Q11)	Prior conclusion may be carried forward for up to two years; lapses early; disclosed	Refinement
Global Stewardship: disclosure-based escalation	Only 24% of investors identifying with Global Stewardship support significant escalation (Q16)	Concern, not automatic AGAINST; new Judgment-Based Test on oversight	Refinement
Sustainability Focused: pay metrics	Of all investor respondents, 57% see little or no case for an AGAINST policy outcome on say-on-pay on this ground alone (Q20)	Concern, not automatic AGAINST; new Judgment-Based Test on sustainability management	Refinement
Terminology	Client conversations during the consultation	Performance Focused; Alignment Indicators; Tests answered Yes or No and formulated as questions	Terminology
Materiality approach (Business Fundamentals and Foundational Governance)	Supported by own constituency; criticized as backward-looking (Q15)	Extended to evident harm, whether or not yet fully realized, with examples of matters within and outside its scope	Clarification

Area	What We Heard	Planned Change	Type
Business Fundamentals: High-Performing latitude	Requests for clarity on which Topics are eligible and on how latitude is applied	Exemptions retained; clearer visibility of which Topics are eligible for High-Performing latitude; general approach to peer groups explained; concerns still highlighted where latitude leads to support	Clarification
Analyst discretion and defined terms	Requests for transparency of judgment (Q6)	Scope and limits of discretion set out; "meaningful dissent" defined as a percentage of votes cast against; "material" and "sufficient" not given fixed definitions	Clarification
Escalation and tax (Sustainability Focused)	Requests for proportionality (Q18–Q19)	Explanation for each additional director opposed; 15% tax rate a screen only	Clarification
Special Situations	Common core favored (Q21)	Common core confirmed; Sustainability Focused adds a stakeholder-impact Judgment-Based Test	Clarification
Market-specific guidelines	Regional and legal context	Regional calibration retained; market-specific points referred to market teams	Clarification
Shareholder proposals	Not covered by the consultation questions; possible changes to US rules (written submission)	Treatment kept under review; US market-specific guidelines updated as the legal framework evolves	Clarification

**Source: Glass Lewis analysis of Request for Comment survey responses and written submissions. Percentages refer to investors unless otherwise stated.*

7.5. Glossary of Terms

The following terms are used in this paper as defined in the Glossaries of Terms of the Consultation Paper (Section 6.4) and the Comparison Paper, with the exception of Performance Assessment and Performance Scorecard, which are defined here for the first time. The terminology changes set out in Section 4.8 will be reflected in the final guidelines.

Term	Definition
Analyst Discretion	The judgment applied where pro forma application of the guidelines does not achieve an appropriately nuanced consideration of salient context; used to override specific Tests or modify policy outcomes, including overruling High-Performing exemptions.
Breach Indicator	Under the RMF, an Indicator type, applicable to all Proposal Types, that determines whether a Principle has been breached with respect to a given Topic. There are up to four possible Outcomes: NO CONCERN, CONCERN, BREACH, or SEVERE BREACH. See Section 6.2 of the Consultation Paper.
Business Fundamentals (BF)	One of the four Perspectives. Believes that the track record of a company's leadership is the most relevant indicator of long-term shareholder value; the only Perspective to formalize a High-Performing exemption.
Cluster Analysis	An unsupervised statistical technique (here, the k-means approach) used to group fund series with similar voting behavior, without reference to any predefined taxonomy such as the Perspectives.
Foundational Governance (FG)	One of the four Perspectives. Treats core governance standards as essential to safeguard long-term shareholder value.
Four Perspectives	The four Voting Perspectives that are the subject of the Request for Comment, each configured on the shared Research Methodology Framework architecture. They comprise: Business Fundamentals (BF), Foundational Governance (FG), Global Stewardship (GS), and Sustainability Focused (SF).
Global Stewardship (GS)	One of the four Perspectives. Combines governance standards with oversight of financially material environmental and social risk, using an industry-specific materiality lens.
"High-Performing"	A mechanism unique to Business Fundamentals under which a company that qualifies through the Performance Assessment receives added latitude on certain governance issues. As proposed in the Consultation Paper, qualification rested solely on a top-quartile ranking on relative Total Shareholder Return.

Term	Definition
Impact Materiality	A materiality lens, applied under Sustainability Focused, that considers the material effects a company's activities have on the environment and society, whether or not those effects are financially material to the company itself. Established in the EU sustainability reporting framework (ESRS 1, section 3).
Judgment-Based Test (JB)	A Test resolved by qualitative assessment requiring analyst interpretation — for example, whether a rationale is justified or a response was appropriate.
Model-Based Test (MB)	A Test resolved by reference to the output of a proprietary model, such as the pay-for-performance model.
Performance Assessment	Under Business Fundamentals, the Judgment-Based assessment that replaces the High-Performing test as proposed in the Consultation Paper, which rested solely on relative Total Shareholder Return over the CEO's tenure. Informed by the Performance Scorecard, the analyst places a company's measured performance in context, takes account of additional, situational information, and weighs the nuances involved in defining an appropriate peer group. The outcome determines whether a company qualifies for High-Performing latitude; where the assessment identifies sustained underperformance, the analyst may take it into account in considering the election of directors. See Section 4.8.
Performance Scorecard	An advisory set of performance measures that informs the Performance Assessment under Business Fundamentals. It anchors on relative Total Shareholder Return and adds other financial and operating measures. The Scorecard informs, but does not determine, the analyst's judgment, and will be made available to clients so that they can reflect sustained underperformance in their custom policies. See Section 4.8.
Principle	Under the Research Methodology Framework (RMF), a universal policy objective, broadly accepted as a desirable standard across investor types, that is considered by one or more Topics (e.g., "the board must provide appropriate oversight of management performance and conduct"). The same Principles are shared by all four Perspectives and every custom policy derived from them. See Section 6.2 of the Consultation Paper.
Research Methodology Framework (RMF)	The common architecture underlying all four Perspectives and every custom client policy derived from them, comprising Proposal Classifications (Proposal Categories and Proposal Types), a universal Structural Layer (Topics and Principles), and a configurable Assessment Layer (Tests and Indicators). See Section 6.2 of the Consultation Paper.

Term	Definition
Rules-Based Test (RB)	A Test resolved by objective assessment, without the need for analyst interpretation.
Say-on-Pay	A non-binding shareholder vote on a company's executive compensation practices, typically held pursuant to Section 14A of the Securities Exchange Act.
Special Situations	One of the seven Proposal Categories, covering mergers, acquisitions, and contested meetings. All Special Situations Topics are common to the four Perspectives, except that Sustainability Focused adds a Judgment-Based Test of the social and environmental impacts of a transaction on other stakeholders. See Section 4.7.
Sustainability Focused (SF)	One of the four Perspectives. The broadest stewardship and stakeholder view among the four, incorporating both company-level and system-level sustainability considerations and never applying a performance-based exemption.
Test	Under the Research Methodology Framework (RMF), a simple logic assessment that informs an Indicator, producing a binary Test Signal (PASS or FAIL). Tests are assessed on one of three bases: Rules-Based (RB), Model-Based (MB), incorporating a model output, such as the pay-for-performance model, or Judgment-Based (JB). See Section 6.2 of the Consultation Paper.
Three-Tier Approach	The approach to environmental and social matters under which the Perspectives apply successively broader criteria for treating such a matter as relevant to a voting decision: Business Fundamentals and Foundational Governance only where financial harm is plainly evident (Tier 1); Global Stewardship where the matter is financially material for the company's industry (Tier 2); and Sustainability Focused additionally where the company has a material impact on the environment or society (Tier 3). See Sections 3.1 and 4.4.
Topic	Under the RMF, a specific governance, compensation, or stewardship subject assessed within a Proposal Type, which considers one or more Principles (e.g., "Board Diversity," "Pay-for-Performance Alignment"), assessed to determine whether the Principle has been breached. The Topic catalogue is universal across all four Perspectives. See Section 6.2 of the Consultation Paper.
Total Shareholder Return (TSR)	The total return to a shareholder over a given period, comprising share price appreciation and dividends (assumed reinvested). Measured on a relative basis against a peer group, it anchors the Performance Scorecard used in the Performance Assessment under Business Fundamentals and is a common input to pay-for-performance analysis under all four Perspectives.

Term	Definition
Vote Prediction Model	A large language model-based tool that predicts how a given fund, or a given Perspective, would vote on a specific ballot item, grounded in the applicable proxy voting guidelines and supporting data.

7.6. References

Glass Lewis Request for Comment Suite

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- Glass Lewis, 2026f, Vote Prediction Model – Methodology, Testing & Validation, Request for Comment – Companion Paper, September 2026.
- Glass Lewis, 2026g, The Four Perspectives: A Model for Differentiated Proxy Voting Guidelines, Request for Comment – Feedback & Response Paper, November 2026.

Connect with Glass Lewis

Corporate Website | www.glasslewis.com

Email | info@glasslewis.com

Social | @glasslewis Glass, Lewis & Co.

Global Locations

North America

United States
Headquarters
100 Pine Street, Suite 1250
San Francisco, CA 94111
+1 415 678 4110

New York, NY
+1 646 606 2345

2323 Grand Boulevard, Suite 1125
Kansas City, MO 64108
+1 816 945 4525

Canada
65 Front Street East, Suite 201
Toronto, ON M5E 1B5

Asia Pacific

Australia
CGI Glass Lewis
Suite 5.03, Level 5
255 George Street
Sydney NSW 2000
+61 2 9299 9266

Japan
Shinjuku Mitsui Building, 11th floor
2-1-1, Nishi-Shinjuku, Shinjuku-ku,
Tokyo 163-0411, Japan

Philippines
One Ayala East Tower, 1 Ayala Ave
Makati, Metro Manila

Europe

Ireland
15 Henry Street
Limerick V94 V9T4
+353 61 534 343

United Kingdom
80 Coleman Street
Suite 4.02
London EC2R 5BJ
+44 20 7653 8800

France
Proxinvest
6 Rue d'Uzès
75002 Paris
+33 1 45 51 50 43

Germany
IVOX Glass Lewis
Kaiserallee 23a
76133 Karlsruhe
+49 721 35 49622

Romania
Calea Aradului 11,
Timișoara 300254

Sweden
GL Sweden AB
Norrsken House
Birger Jarlsgatan 57C
113 56 Stockholm

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