



July 15, 2026

To: Secretary, Securities and Exchange Commission

Submitted electronically via rule-comments@sec.gov

Re: File Number S7-2026-18 - Enhancement of Emerging Growth Company Accommodations and Simplification of Filer Status for Reporting Companies

Glass, Lewis & Co. ("Glass Lewis") appreciates the opportunity to comment on the Commission's proposed amendments to the public company reporting requirement framework. We acknowledge the Commission's stated objective of streamlining and simplifying reporting requirements and recognize the importance of reducing avoidable compliance burdens on issuers.

We respectfully submit, however, that the proposals as currently drafted would materially diminish shareholders' ability to understand executive compensation practices and to express approval or disapproval of those practices through a required say-on-pay vote. As such, and for the reasons outlined herein, we believe that the Commission should reconsider the proposed reduction in reporting requirements.

About Glass Lewis

Glass Lewis is the leading global provider of research and corporate governance solutions with a client base of more than 1,300 clients, including the majority of the world's largest pension plans, mutual funds and asset managers, who collectively manage more than \$40 trillion in assets. Glass Lewis empowers institutional investors to make sound voting decisions at more than 30,000 meetings each year by analyzing and assessing corporate governance and material risks at public companies domiciled in approximately 100 global markets. We provide comprehensive research for all listed companies held in our clients' portfolios.

Investors also use Glass Lewis' research when engaging with companies before and after shareholder meetings. This includes research on executive compensation practices for thousands of companies subject to SEC reporting requirements, a topic that draws significant interest from investor clients, issuers and the market more broadly. Accordingly, Glass Lewis has extensive practical experience with the current disclosure regime and its adequacy in providing shareholders with the information necessary to discharge their stewardship responsibilities. More information available at www.glasslewis.com.

Glass Lewis is submitting this comment as an interested industry advisor and not on behalf of any of its clients.



Glass Lewis's Views on the Proposed Amendments

Summary

In summary, our response makes the following principal points:

- The executive compensation framework introduced by the Dodd-Frank Act has, on balance, been a net positive for U.S. companies and investors, and any reform should build on rather than unwind those gains.
- Effective compensation disclosure can be comprehensive without being complex. Applicability across companies permits relative comparison, and provides multi-year consistency such that changes in compensation value can be tracked over time.
- The proposed reductions would limit shareholders' ability to evaluate the relationship between performance and pay and, at many of the companies they invest in, their ability to cast a vote on a dedicated say-on-pay proposal.
- In cases where shareholders have compensation-related concerns, limiting their ability to cast a dedicated say-on-pay vote has the potential to increase the number of escalation votes against director (re)elections.
- Under the current framework, no single compensation table is sufficient on its own; the tables operate in tandem, and removing any of them in its entirety degrades the overall quality of information available to shareholders.
- We would instead encourage the Commission to refine the existing requirements to improve consistency and comparability while easing the burden on issuers.

The Existing Framework Has Improved Transparency and Pay Practices

The passage of the Dodd-Frank Act in 2010 has been a net positive to the U.S. governance landscape. Since the introduction of enhanced executive compensation disclosure requirements and the implementation of mandatory say-on-pay votes, executive compensation at public U.S. companies has become significantly more transparent and increasingly linked to long-term shareholder value, with shareholder-friendly practices and policies becoming more commonplace. In our view, any evolution on executive compensation disclosure requirements should build on these successes to increase transparency, consistency and breadth around executive compensation while seeking to minimize the burden of disclosure.

Clarity as to the structure of incentive compensation programs and the ability to weigh in on those programs is essential for shareholders, and also benefits issuers and the wider market. Poorly structured pay programs can drive a wedge between executive and shareholder interests and, ultimately, cause long-term harm to company performance. Indeed, the structure of incentives for top executives may have significant ramifications across the broader macroeconomic environment. Safeguarding against such problems was a central rationale behind the initial passage of the Dodd-Frank Act in 2010.



Considerations That Should Guide Any Reform

Boards and committees dedicate substantial amounts of time and resources into compensation decisions and disclosures, a factor which is undoubtedly central to the Commission's rationale for the proposed framework changes. We respectfully submit, however, that the goal of the disclosure process should be to ensure that any amendments enhance transparency and reporting consistency without placing unnecessary burdens on companies.

Changes to compensation disclosure, therefore, should bear in mind the goal of preserving and increasing shareholder insight. Three key factors ensure that disclosure serves these ends:

- Disclosure should be comprehensive but not complex;
- Disclosure should be consistent across companies to allow for relative comparison; and
- Disclosure should be longitudinal and track changes in compensation value over time.

Potential Consequences of the Proposed Amendments

If the proposed amendments were adopted, shareholders would potentially lose their ability to regularly voice their opinion on company pay practices for a majority of public U.S. companies through a dedicated vote. Where shareholders have compensation-related concerns, the absence of a say-on-pay vote could potentially lead to increased instances of escalation to director elections.

More broadly, the proposed amendments to disclosure requirements could severely limit shareholders' ability to understand and evaluate the relationship between company performance and governance. Even for those non-accelerated filers that continue to voluntarily provide a regular say-on-pay vote, shareholders lose several important tools to assess both granted compensation and realized compensation due to the ability to exclude the Grants of Plan-Based Awards Table, the Options Exercised and Stock Vested Table, the Compensation Discussion and Analysis section, and the Pay versus Performance disclosure.

Tabular Disclosure: Awards Tables

In most cases any one table is insufficient in fully assessing compensation, in our experience. Useful starting points are the Summary Compensation Table and Grants of Plan-Based Awards Table which, when combined, provide the bulk of tabular disclosure with respect to present-year granted compensation. Similarly, the tandem of the Options Exercised and Stock Vested and Outstanding Equity Awards tables provide the bulk of information on previously granted awards (both the realizable value of outstanding long-term awards and the realized value of long-term awards vesting during the year in review). Removing any of these tables in their entirety significantly reduces the quality of information that shareholders are able to glean about a company's overall compensation practices. While we recognize that the process of disclosing this information imposes some burden on boards and committees, from the point of view of issuers as well as investors being able to access this data is an unavoidable necessity for understanding and monitoring compensation across the market.

The elimination of a Grants of Plan-Based Awards Table and Option Exercises and Stock Vested Table in particular poses a substantial risk in materially reducing shareholders' ability to evaluate granted pay



levels, particularly as share-based data on performance-based equity awards can often only be found in this table. Additionally, threshold, target and maximum payout levels would not have to be disclosed elsewhere, limiting the ability of shareholders to evaluate payout opportunities.ⁱ

An apples-to-apples comparison of pay levels requires a consistent valuation methodology across all companies. This necessitates disclosures regarding the shares granted at threshold, target and maximum for performance-based equity award and actual granted shares for time-based equity awards. Without disclosure on such awards, the ability for shareholders to compare pay practices across multiple companies is hindered greatly, as is their ability to reference data longitudinally.

Additionally, the Option Exercises and Stock Vested Table provides the only consistent approach to measuring realized outcomes of equity-based compensation, which can often act as a mitigator for granted pay levels that may appear misaligned. This too impacts longitudinal and cross-company analyses and comparisons. A reduction in Compensation Discussion and Analysis sections does not impart confidence that companies will choose to disclose such information in narrative form either, as already it is not mandated that companies disclose the outcomes of long-term performance periods.

Tabular Disclosure: Pay Versus Performance Table

The potential elimination of the Option Exercises and Stock Vested Table increases the importance of Pay Versus Performance tabular data, which reflects a different, and valuable view of compensation. This is because it provides longitudinal information on how the value of CEO and NEO compensation has evolved since awards were initially granted, and because the calculations used by companies are relatively consistent and hence comparable across companies. Without the Pay Versus Performance Table and the Option Exercises and Stock Vested Table, shareholders are left without a way to evaluate realized and realizable pay outcomes uniformly.

Given the importance that investors place on company-to-company and market-wide comparisons of pay practices and outcomes, it is worth exploring whether modifications could be made to the calculation to allow similar information to be presented without imposing an undue burden on companies. In addition, it is worth considering whether an alternate title for this disclosure would more clearly communicate the combination of realized and realizable pay it represents.

Tabular Disclosure: Potential Improvements

Certainly, it is possible that information currently presented in these tables could be disclosed more clearly and consistently through improvements to disclosure requirements. For example, the present treatment of long-term cash awards, pension payouts, and perquisites may lead to reported compensation levels that are misleading and inflated.

To improve consistency and simplicity in synthesizing tabular information regarding total direct compensation:

1. Granted awards could be included in the year for which they were intended to compensate executives, rather than always based on grant date.
2. Long-term cash awards could be included in the year of grant with the granted value, instead of based on ultimate payouts, which may take place years after the initial granting decision.



3. Equity awards could be included as compensation for the year in which they were intended to represent compensation, even if they are ultimately granted in a subsequent year.

Disclosure of payout levels from awards granted in past years separate from disclosures related to the current year would allow for comparison of total vested or realized amounts, greatly increasing the utility of disclosures without significantly adding to the burden of compensation disclosure; such disclosures, though common in the marketplace, are not currently mandatory. Requirements for disclosure of target compensation levels would likewise provide useful information for understanding executive pay settings.

Conclusion

While the cost of the current regulatory environment is not negligible for issuers, both in terms of time and resources, there is a strong argument that the benefit to shareholders and the health of the public markets more than outweighs this. That is not to suggest that there is no room for improvement or refinement of the existing rules; rather, any such updates should appropriately balance the regulatory burden on issuers against the need of shareholders, as fiduciaries and stewards of their clients' capital, to monitor the allocation of that capital to executive compensation. The rules as proposed, however, while potentially offering some cost savings to issuers, would in our view materially hamper shareholders' ability to evaluate and monitor the alignment of executive pay with company performance and, where necessary, to hold accountable the companies entrusted with their capital for substantial performance shortfalls and lapses of leadership.

We therefore respectfully submit that shareholder interests would be best served by a refinement of the existing requirement — one that builds on and preserves the progress already made — while making the process easier for companies, investors and regulators alike. We would welcome the opportunity to discuss any of the matters raised in this response with the Commission.

Respectfully submitted,

Glass, Lewis & Co.

ⁱ Figures reported in the Summary Compensation Table alone are insufficient due to quirks in reporting dollar values, including: (i) for certain performance-based equity awards, the use of Monte-Carlo model calculations can result in greatly varied valuations depending on assumptions used by the issuer, (ii) stock option valuation can also vary greatly based on assumptions used by the issuer, and (iii) long-term cash awards are reported in the year paid and at value paid, rather than year the year granted and at grant date fair value (which is the opposite of how long-term equity awards are reported).