

CLIENT ALERT
Navigating Compensation
Governance



Glass Lewis Maintains Policies on Board Diversity

Unlike Institutional Shareholder Services, Glass Lewis will maintain its U.S. policies related to board diversity.

However, Glass Lewis proxy reports will identify when it is recommending voting AGAINST a director due to insufficient board diversity.

On March 4, 2025, Glass Lewis announced that its proxy voting policy related to board diversity will remain unchanged. In contrast, ISS previously announced that it would no longer consider board diversity when issuing voting recommendations on corporate directors.

Under its current (and unchanged) policy, Glass Lewis will generally recommend AGAINST the chair of the nominating committee of a board that has (i) fewer than 30% female directors (for Russell 3000 companies) and/or (ii) no director from an underrepresented community (for Russell 1000 companies). However, contrary to prior practice, Glass Lewis will include a “for your attention” flag in its report when it recommends AGAINST a director is due to insufficient board diversity. The flag is intended to allow institutional investor clients to potentially override the Glass Lewis vote recommendation based on their policies on board diversity.

Glass Lewis explains that “[t]his approach allows [it] to deliver the vote recommendations expected by clients while also clearly flagging the potential risk that may result from an AGAINST vote decision and providing a clear path should some clients choose to vote FOR the proposal.”

In deciding to maintain its current policies, Glass Lewis also noted a policy change could cause “extensive internal disruption” that would likely require “extensive systems, workflow and operational modifications, causing a drain on resources and potentially missed or incorrect votes.”

* * * * *

The **Client Update** is prepared by Meridian Compensation Partners' Governance and Regulatory Team led by Donald Kalfen . Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-235-3605 or dkalfen@meridiancp.com.

This report is a publication of Meridian Compensation Partners, LLC, provides general information for reference purposes only, and should not be construed as legal or accounting advice or a legal or accounting opinion on any specific fact or circumstances. The information provided herein should be reviewed with appropriate advisors concerning your own situation and issues. www.meridiancp.com