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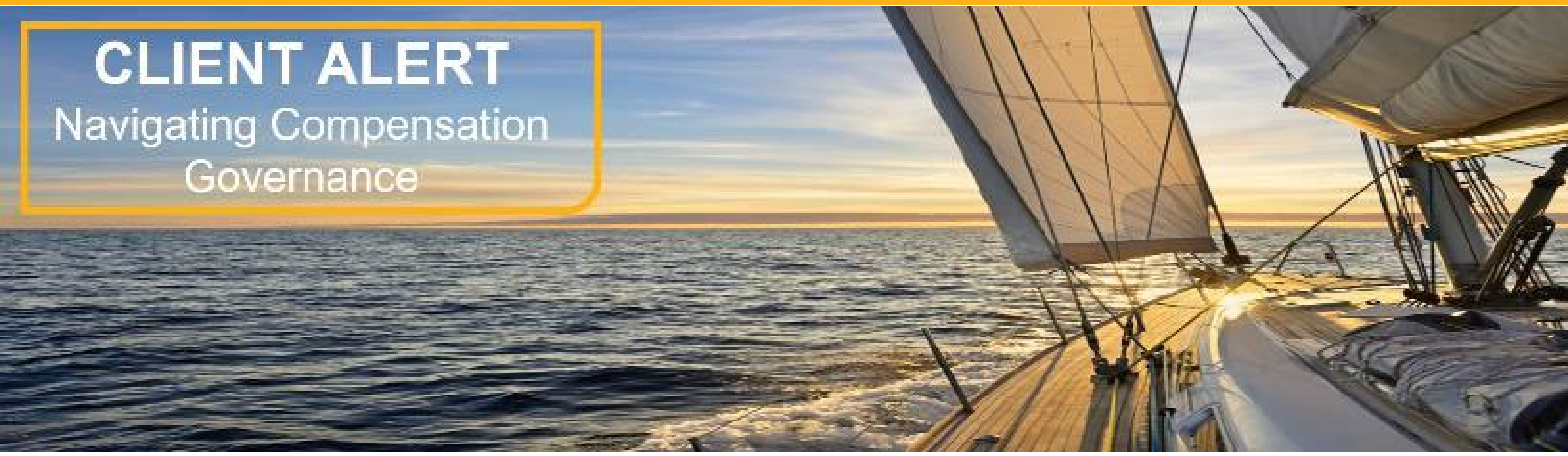


# ISS and Glass Lewis Issues Policy Updates for 2026

**Proxy advisors have issued final policy updates, which will go into effect for the 2026 proxy season.**

**The Institutional Shareholder Services (ISS) policy updates are consistent with its proposed updates on compensation-related matters. Glass Lewis's policy updates (i) implement previously announced revisions to its quantitative pay-for-performance evaluation methodology and (ii) clarify the application of its qualitative assessment of executive compensation.**

**The ISS policy updates cover five compensation-related topics, while the Glass Lewis policy updates cover a single compensation-related topic.**

## Institutional Shareholder Services 2026 Policy Updates

The ISS policy updates on compensation-related matters are consistent with its proposed updates. These updates include changes to the following compensation-related topics (all of which were described in detail in our Meridian Client Alert dated November 7, 2025):

- ISS quantitative Pay-for-Performance assessment
- Proportion of time-based and performance-based equity awards
- Board responsiveness to a prior year low Say on Pay vote
- High non-executive director pay
- Equity plan/share request proposals

## Glass Lewis 2026 Policy Updates

The Glass Lewis policy updates include the previously announced revisions to its pay-for-performance evaluation methodology, which were summarized in our Meridian Client Alert dated August 4, 2025.

As part of its final updates, Glass Lewis provided additional clarity on the changes to its executive compensation evaluation.

- Qualitative pay-for-performance assessment. Glass Lewis will consider the following qualitative factors in determining whether to issue adverse vote recommendations due to a "severe" or "high" concern on the quantitative pay-for-performance analysis:
  - — The overall incentive structure;
  - — The trajectory of the program and any disclosed future changes;

— The operational, economic and business context for the most recently completed fiscal year;

— The relevance of selected performance metrics; and

— The reasonableness of long-term payout levels.

- Long-term incentive award mix. As in prior years, Glass Lewis expects long-term incentive awards to include performance-based awards as at least 50% of the overall award mix. However, Glass Lewis is unlikely to issue a negative vote recommendation due to a company's long-term incentive award mix being less than 50% performance-based unless Glass Lewis identifies other significant issues with program design or operation.

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The ***Client Alert*** 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 847-347-2524 or dkalfen@meridiancp.com.