

Glass Lewis Publishes 2025 Policy Survey

Glass Lewis & Co. (“Glass Lewis”) recently announced the opening of its 2025 Policy Survey. Glass Lewis conducts its annual policy survey to inform its Benchmark Voting Policy Guidelines and to gather diverse perspectives on evolving governance and compensation practices. The 2025 survey covers a wide range of topics relevant to both proxy voting and broader stewardship efforts. While some questions are tailored to institutional respondents, Glass Lewis welcomes input from all market participants and notes where questions may be investor- or market-specific.

Historically, Glass Lewis’s survey has addressed a wider range of topics than [ISS’s](#). We have summarized the questions most relevant to compensation committees’ oversight responsibilities, as well as other themes likely to resonate with senior management. Notably, investor scrutiny around escalating executive pay levels remains a key theme across Glass Lewis’ compensation-related questions.

The deadline for completing the online survey is **Monday, September 15, 2025, at 5:00 p.m. PT/8:00 p.m. ET.**

Key Executive Compensation Topics Covered in the Survey:

Topic	Feedback Sought in 2025 Survey
Use of time-based equity	Identify specific circumstances where only time-based awards in LTIPs are reasonable.
“Make-Whole” Awards	Whether make-whole equity awards for new hires should be scrutinized similar to other sign-on awards.
Evaluating Equity Compensation Plans	Identify and rank factors used to assess proposals such as burn rate, overhang, cost, plan design, and share request size.
Executive Compensation Disclosure Priorities	Determine which compensation disclosures are most important if SEC reduces requirements (e.g., plan design, rationale for unusual practices, GAAP vs. non-GAAP reconciliation, standard tables, Pay vs. Performance, CEO pay ratio).
Thresholds for LTI Grant Size	Define thresholds where LTI award size warrants heightened scrutiny or justification.
Executive Perquisites	Gather opinions on how executive security costs should be disclosed.

Use of time-based equity: In 2024, when Glass Lewis solicited general views regarding time-based vs. performance-based incentive awards, over 85% of respondents expressed a preference for performance-based incentives but were open to time-based awards “in specific circumstances.”¹

With debates on the topic of time-based vs. performance-based equity awards still ongoing, Glass Lewis is seeking to better understand market views on how different circumstances impact the use of time-based awards. Specifically, Glass Lewis seeks insight into the circumstances in which respondents view the use of only time-based awards within long-term incentive plans as reasonable.

“Make-whole” awards: In 2025, Glass Lewis noted an increased use of “make-whole” equity awards for new hires —over half of all “sign-on” awards were identified as make-whole compensation in 2025 proxy statements for the S&P 500, compared to 38% in 2024. In light of this, Glass Lewis is evaluating whether respondents believe these awards should receive the same level of scrutiny as other “sign-on” awards.

Evaluating equity compensation plans: Glass Lewis seeks insight on how stakeholders rank, in terms of relative importance, different components when evaluating equity plans, such as burn rate, overhang, cost, plan design, and the size of the share request.

Executive compensation disclosure priorities: To prepare for the possibility of reduced disclosures from the SEC regarding executive compensation, Glass Lewis is identifying which compensation disclosures respondents consider most important.² In the survey, respondents are given the option to rank disclosures as either “very important,” “somewhat important,” or “not important” and include the following six elements:

1. Incentive plan design (metrics, weightings, performance goals, and vesting requirements)
2. Rationale for potentially concerning pay practices (upward discretion, “one-off” awards, etc.)
3. Reconciliation between GAAP and non-GAAP financial performance metrics
4. Standard compensation tables (Summary Compensation Table, Grants of Plan-Based Awards Table, Outstanding Equity Awards at Fiscal Year-End Table, Option Exercises and Stock Vested Table, etc.)

¹ See Compensia’s Thoughtful Pay Alert “[Policy Changes on the Horizon: Shifting Views on Performance-Based Equity Compensation](#)” for more details on policy survey responses related to time-based and performance-based equity from Glass Lewis and ISS 2024 policy surveys.

² Reduced SEC executive compensation disclosure requirements relate to potential outcomes from the June 2025 SEC Roundtable.

5. SEC-mandated Pay versus Performance disclosure (including Compensation Actually Paid)
6. CEO to median employee pay ratio (including median employee identification methodology disclosure)

Thresholds for Long-Term Incentive (LTI) grant size: Glass Lewis seeks to understand if respondents apply absolute thresholds to LTI award size (such as caps based on base salary or value) and at what point these awards warrant heightened scrutiny or justification.

Executive perquisites: Considering feedback related to SEC guidance on executive personal security perquisites disclosures (i.e. companies have raised concerns that this guidance is confusing and does not reflect the increased security threats faced by executives), Glass Lewis is gathering opinions on how executive security costs should be reported.

Other compensation topics:

- **Ad-hoc severance adjustments:** The survey asks respondents to weigh in on when, if ever, ad-hoc adjustments to existing severance arrangements are acceptable (such as in exchange for stronger covenants or recognition of long tenure)
- **Director “fee” increases:** Considering recent outlier proposals seeking to implement significant fee increases for non-employee directors (including cash and equity compensation), Glass Lewis seeks feedback on how respondents evaluate significant increases in non-employee director fees, assuming standard fee structures are in place
- **Impact on tariffs:** Glass Lewis is exploring views on expectations of boards’ responsiveness when executive pay outcomes are materially impacted by trade tariffs
- **Pay adjustments post-divestiture or spin-off:** Glass Lewis seeks feedback on whether executive compensation should be adjusted downward when a company’s size or scope decreases due to strategic transactions (e.g., divestitures, spin-offs) initiated by management

Other notable topics covered:

- **Multi-class share structures:** Glass Lewis seeks updated market perspectives on the disclosure practices for multi-class share structures with unequal voting rights (e.g., dual class structures). The survey asks under what circumstances, if any, respondents that generally consider multi-class share structures not to be in the best interests of all shareholders *may* support such structures (response options include company performance, company maintains overall good governance profile, company has

engagement program, etc.). At the same time, Glass Lewis is also revisiting concerns raised in prior surveys that multi-class share structures may obscure the views of non-controlling shareholders. To that end, it is gauging whether companies should be expected to disclose vote results on a “one share, one vote” basis, to provide a clearer picture of unaffiliated shareholder sentiment

- **Financial performance:** Glass Lewis seeks feedback on whether financial performance *alone* should drive voting decisions on all agenda items, such as director elections or bylaw amendments (i.e. beyond M&A and executive compensation). The survey asks whether respondents voting decisions are based solely on financial outcomes. Additionally, Glass Lewis asks how financial performance is measured and incorporated into proxy voting decisions when it is considered a factor
- **Board diversity:** Glass Lewis seeks feedback on board diversity expectations from survey respondents. Noting that due to recent events companies have made changes to how they disclose information related to board diversity-related policies, Glass Lewis seeks feedback on:
 - 1) Board diversity *category* disclosure expectations (age, tenure, gender, racial/ethnic, skills, etc.) and
 - 2) Board diversity *disclosure level* expectations (percentages, information on approach to diversity, adoption of a “Rooney Rule” policy, board skill set, other, etc.)
 - Notably in 2025, Glass Lewis issued a supplemental statement noting that it would be maintaining its board diversity expectation, but that any directors subject to a negative vote in light of diversity issues would include a flag “For Your Attention.” This approach differed from ISS, which indefinitely suspended the application of its board diversity policy in February 2025
- **“Significant” level of support:** Last year, Glass Lewis asked respondents to provide their views on what level of dissent would be significant enough to warrant a response (ranging from 5% – 50%). This year, noting their previous question did not specify whether the expectation applied for all agenda items, or only for certain proposal types, Glass Lewis seeks feedback on expectations for companies to publicly disclose their response to material voting dissent for other types of management-initiated proposals unrelated to executive pay

- **ESG:** Glass Lewis asks respondent how they are responding to heightened scrutiny of ESG practices amid a shifting regulatory landscape and the rise of anti-ESG sentiment. The survey includes questions on whether firms are maintaining, “stepping back,” or strengthening their ESG-related efforts, and probes which areas have prompted reevaluation. Glass Lewis also seeks views on:
 - Expectations for company disclosure of workforce diversity policies
 - Assessing ESG risks across differing local market regulations and norms (take the same approach across all markets, take different approaches in different markets)
 - Considerations for issues related to biodiversity
 - Important factors considered for voting on Say-on-Climate proposals
- **Reincorporations:** In light of recent developments related to companies changing their state of incorporation, Glass Lewis seeks feedback on how this has changed respondents’ approach to evaluating reincorporations
- **Changes to engagement programs:** In light of the SEC’s Compliance and Disclosure Interpretations concerning the filing of Schedules 13D/G, Glass Lewis seeks to understand if respondent have made (or are considering making) changes to voting and engagement policies and practices in response to the revised guidance
- **Artificial intelligence (“AI”) benchmarks and standards:** Similar to last year, Glass Lewis is seeking feedback on expectations related to AI. This year, Glass Lewis asks that, given significant disparity in the level of public company AI adoption and disclosure on the topic, if respondents are using the same AI benchmarks and standards for all markets and industries

Need Assistance?

Compensia has extensive experience in helping companies establish executive compensation programs and practices and developing disclosure of such practices in their proxy materials taking into consideration SEC disclosure requirements, proxy advisor policies and investor expectations. If you would like assistance with or if you have any questions on the subjects addressed in this Thoughtful Disclosure Alert, please contact your regular Compensia team members or the authors of this Alert:

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About Compensia

Compensia is the leading independent compensation advisor to technology and life sciences companies. For more than two decades, Compensation Committees and C-Suites have looked to us to develop customized solutions that balance the interests of a company, its shareholders and its executives.

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