
December 8, 2025

Glass Lewis Releases 2026 Benchmark Policy Guidelines

Glass Lewis last week released its [2026 U.S. Benchmark Policy Guidelines](#). They address the SEC's recent policy changes to its no-action procedures on Rule 14a-8 shareholder proposals and mandatory arbitration provisions. They also provide that bylaw amendments limiting the ability of shareholders to submit shareholder proposals or file derivative lawsuits may trigger a vote recommendation against members of the governance committee, and provide for a case-by-case approach to reviewing charter and bylaw amendments and company proposals to eliminate supermajority voting.

The just-announced 2026 Benchmark Policy applies to shareholder meetings held on or after January 1, 2026. Beginning in 2027, Glass Lewis will no longer issue "one size fits all" voting policies. Instead, Glass Lewis will issue four voting recommendations for each company, which the firm has indicated will fall within its view of investor types. Specifically, it will make recommendations that may be different for each of active owners, management-aligned investors, investors focused on governance and investors focused on sustainability issues. ISS released its 2026 Benchmark Policy Updates last month (see our related [alert](#)).

Key U.S. Benchmark Policy updates are summarized below:

- **Shareholder proposals** – In light of the changing landscape surrounding shareholder proposals, notably the SEC's recent policy changes on the no-action process (see our related [alert](#)), Glass Lewis will no longer recommend against members of the governance committee of a company that excludes a shareholder proposal without obtaining no-action relief from the SEC. However, Glass Lewis stated that it expects "shareholders should be afforded the opportunity to vote on matters of material importance." Glass Lewis has also indicated that its policies may be further updated during the 2026 proxy season if warranted due to regulatory developments or otherwise.
- **Mandatory arbitration provisions** – Glass Lewis added a policy that it may recommend against members of the governance committee of a newly listed company that has adopted highly restrictive governing documents containing mandatory arbitration provisions. Glass Lewis will also generally recommend shareholders to vote against any bylaw or charter amendment that adopts a mandatory arbitration provision unless the company (i) provides a compelling argument on why the provision would directly benefit shareholders, (ii) provides evidence of abuse of non-arbitration legal processes, (iii) narrowly tailors such provisions to the risks involved and (iv) maintains a strong record of good corporate governance practices.
- **Shareholder rights** – Glass Lewis has updated its policy on shareholder rights to provide that it may recommend voting against members of the governance committee if the board amends a company's governing documents to limit the ability of shareholders to submit shareholder proposals or file derivative lawsuits (actions that are permitted under the Texas Business Corporation Law), or to implement plurality voting in lieu of majority voting.
- **Supermajority vote requirements** – Where a company seeks to eliminate supermajority vote requirements, Glass Lewis will evaluate such proposals on a case-by-case basis. If the company has a large or controlling shareholder, Glass Lewis may recommend against the removal of supermajority vote requirements to protect the interests of minority shareholders.

- Charter or bylaw amendments – Glass Lewis will now review charter and bylaw amendments on a case-by-case basis and will recommend voting for amendments that are unlikely to have a material negative impact on shareholders' interests. Glass Lewis states that it is strongly opposed to the bundling of amendments because doing so prevents the evaluation of each amendment and will recommend for the bundled amendments only when the balance of changes is in the best interests of shareholders.
- Pay-for-performance methodology – As previewed in September, Glass Lewis has made enhancements to its pay-for-performance model, shifting from a single A to F letter grade to a score-card approach. The score card includes six tests, which will be aggregated on a weighted basis to determine an overall score of 0 to 100. See the enhanced [methodology](#) for more detail.

* * *

This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

Carmen X. Lu
+1-212-373-3619
clu@paulweiss.com

Frances F. Mi
+1-212-373-3185
fmi@paulweiss.com