

# Glass Lewis Will Incorporate “Unedited” Company Feedback into Proxy Voting Reports

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*Glass Lewis gives companies the last word with its latest update permitting unedited company feedback in voting reports.*

Over the last few weeks, Glass Lewis has been busy modifying its policies and practices in response to the rapidly evolving COVID-19 pandemic and its impact on people and the workplace. The proxy advisor’s latest update came on April 2, 2020, with the announcement that “unedited company feedback on its research will now be included with all proxy research papers and delivered directly to voting decision makers at every investor client.”

To submit feedback to Glass Lewis for inclusion, a company will have up to seven days following the initial publication of the proxy advisor’s research report and no later than 14 days prior to a company’s annual meeting. The feedback will be noted on the front page of each report and linked to the section of the report containing the feedback statement. Investors will be notified immediately, allowing them to review and consider the information in a timely manner to make any necessary changes to their voting decisions ahead of the scheduled meeting date.

Glass Lewis confirms that it will not edit a company’s feedback or add competing statements at any time. SVP and Head of Research and Engagement at Glass Lewis, Aaron Bertinetti, describes the change as a win-win, where “companies get their say and investors get the most complete, consistent, timely and independent information for their voting decisions.”

## Required Criteria

In order to be considered eligible to deliver your company’s unfiltered opinion on Glass Lewis’ proxy research reports, you must satisfy the following criteria:

- Serve as a company or shareholder proposal proponent at an annual or general meeting of a company covered by Glass Lewis,
- Offer disclosed meeting materials at least 21 days prior to the relevant meeting,
- Ensure you have purchased the relevant research report directly from Glass Lewis (shareholder proponents can also provide a “report feedback statement,” permitted that the proponent purchases a copy of the report directly from Glass Lewis),

- Clearly identify the names of shareholder proponents in the company proxy for any shareholder proposals that are discussed in their Report Feedback Statement (RFS) for the relevant meeting, and
- Accept the terms and conditions of the RFS.

For additional details, Glass Lewis has developed a “Report Feedback Statement” [webpage](#) with Q&As about the process.

## Impact and Next Steps

This service provides another outlet for issuers to reach their investors and refute a proxy advisor recommendation and analysis. That, of course, is a positive; however, there are other considerations that we recommend companies think about before immediately putting in the time and effort of providing this feedback statement to Glass Lewis.

The first consideration is the cost. Although Glass Lewis has framed this as being “free,” the service is only provided to issuers who have purchased a copy of the Glass Lewis research paper directly from the proxy advisor. The price of this ranges from \$1,250 to \$6,000, depending on market capitalization. Secondly, it’s important to note that this feedback statement will only reach Glass Lewis clients, which will only be appropriate and useful for certain circumstances.

Our clients should also consider the following alternative routes for effectively reaching their investors:

- Filing supplemental proxy materials – The advantage to this is the breadth of the audience, which includes all investors and not just Glass Lewis clients. However, this can be time intensive to draft and may unnecessarily draw attention to an adverse Glass Lewis recommendation or analysis that otherwise certain investors may not have seen.
- Targeted shareholder outreach – We regularly assist clients with shareholder outreach, helping to identify key issues and craft messaging to effectively engage shareholders. We feel this is typically the most effective option, as direct discussions with investors are always more fruitful than reaching out via third party channels.
- Stay the course and do nothing – We don’t usually recommend this option when a client is faced with a negative vote recommendation from a proxy advisor, though it may be the prudent choice at times. The potential downside risk of low shareholder support should be weighed against the potential influence of a negative Glass Lewis recommendation. Our governance team helps companies quantify that impact.

To learn more about Glass Lewis’ policy change or other corporate governance questions, please reach out to one of the authors or write to [rewards-solutions@aon.com](mailto:rewards-solutions@aon.com).

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