



# GLASS LEWIS

## 2022 UK Stewardship Report

---

Reporting against the UK Stewardship Code 2020

April 2023

[www.glasslewis.com](http://www.glasslewis.com)

# Table of Contents

About Glass Lewis .....	4
<b>Principle 1 .....</b>	<b>5</b>
Introduction to Glass Lewis.....	5
Responsibilities to Customers.....	6
Actions to Enhance Effective Stewardship .....	6
Controversy Alerts.....	10
<b>Principle 2 .....</b>	<b>12</b>
Introduction .....	12
Governance .....	12
Quality of Research .....	14
Issuer Data Report (IDR).....	15
Report Feedback Statement (RFS).....	15
Innovation and Improvement.....	17
Timeliness .....	18
Research Methodologies.....	18
Voting Policies and Guidelines.....	19
Employee Qualifications & Training .....	22
Commitment to Diversity, Equity, and Inclusion .....	24
Complaints & Feedback Management .....	25
Customer Fees.....	25
<b>Principle 3 .....</b>	<b>27</b>
Introduction .....	27
Conflicts of Interest Policy.....	27
Possible Conflicts for Consideration.....	27
Conflict Management & Mitigation.....	28
Conflict Disclosure .....	29
Engagement Transparency .....	30

Principle 4 .....	32
Responding to Market-Wide and Systemic Risks .....	32
Environmental .....	33
Social .....	33
Governance .....	34
Risk Oversight .....	34
Stakeholder Collaboration .....	35
Knowledge Sharing .....	36
Engagement with Regulatory Authorities .....	37
Dialogue with Public Companies, Shareholder Proponents and Other Stakeholders .....	37
Engagement with Public Companies .....	37
Principle 5 .....	39
Glass Lewis' Customers .....	39
Customer Views and Feedback .....	40
Customer Disclosure Facilitation .....	40
Principle 6 .....	42
Policy Reviews .....	42
Supporting Customer Voting and Engagement .....	43
Audit and Assurance .....	43
Best Practices Principles Reporting .....	44
Stewardship Reporting .....	44
Feedback .....	45
Connect with Glass Lewis .....	46

# About Glass Lewis

Glass Lewis<sup>1</sup> is the world's choice for governance solutions. We enable institutional investors and publicly listed companies to make informed decisions based on research and data. We cover some 30,000 meetings each year, across approximately 100 global markets. Our team has been providing in-depth analysis of companies since 2003, relying solely on publicly available information to inform its policies, research, and voting recommendations.

Our customers include many of the world's largest pension plans, mutual funds, and asset managers, collectively managing over \$40 trillion in assets. We have teams located across the United States, Europe, and Asia-Pacific giving us global reach with a local perspective on the important governance issues.

Investors around the world depend on Glass Lewis' [Viewpoint](#) platform to manage their proxy voting, policy implementation, recordkeeping, and reporting. Our industry leading [Proxy Paper](#) product provides comprehensive environmental, social, and governance research and voting recommendations weeks ahead of voting deadlines. Public companies can also use our innovative [Report Feedback Statement](#) to deliver their opinion on our proxy research directly to the voting decision makers at every investor customer in time for voting decisions to be made or changed.

The research team engages extensively with public companies, investors, regulators, and other industry stakeholders to gain relevant context into the realities surrounding companies, sectors, and the market in general. This enables us to provide the most comprehensive and pragmatic insights to our customers.

---

<sup>1</sup> For purposes of this Report, Glass Lewis includes Glass, Lewis & Co., LLC (U.S.) and its affiliates: Glass Lewis Europe Limited (Ireland), GL&M UK Limited (U.K.), IVOX Glass Lewis GmbH (Germany), CGI Glass Lewis Pty Ltd. (Australia), Glass Lewis Japan GK, and Proxinvest SAS (France).

# Principle 1: Signatories' purpose, strategy and culture enable them to promote effective stewardship.

*Signatories should explain the purpose of the organisation, what services it offers, and an outline of its culture, values, business model and strategy. Signatories should explain what actions they have taken to ensure their strategy and culture enable them to promote effective stewardship. Signatories should disclose an assessment of how effective they have been in serving the best interests of clients.*

## Introduction to Glass Lewis

Glass Lewis believes that proxy advisors play an important support role, helping institutional investors meet their fiduciary responsibility to vote thousands of securities on behalf of their participants and beneficiaries in an informed manner, often in a very compressed timeframe.

Glass Lewis supports proxy voting, as well as engagement and compliance processes, of institutional investors globally. Specifically, governance research and vote management services are offered on the basis of established standards relating to Glass Lewis' research methodologies and voting policies as outlined below. While institutional investors may use Glass Lewis research and recommendations in their decision-making processes, Glass Lewis is neither an investment research firm nor does it have the authority to make voting decisions on institutional investor customers' behalf.

Glass Lewis' mission is to partner with our customers in driving value creation through solutions that promote good governance and stewardship.

Our culture and business strategy are aligned to promote effective stewardship through our focus on sustainability and meeting the needs of our clients. We use "sustainability" to refer to the environmental, social, and governance (ESG) dimensions of a company's operations and performance. This includes both the management of material environmental and social impacts, as well as the management of related environmental and social capitals required to create long-term value.

Glass Lewis has an entrepreneurial and collaborative mission-driven culture that emphasizes the values of transparency, integrity, and accountability. Our employees are an integral part of the value proposition for our customers, so we prioritize employee development and empowerment which enables us to promote from within and retain our most valuable employees.

### 2022 Glass Lewis Research Statistics

Markets covered\*: 103

Public companies covered: 22,863

Reports written by region:

- EMEA: 6,054
- LATIN AMERICA: 664
- ASIA PACIFIC: 14,477
- NORTH AMERICA: 7,990
- OCEANA: 981

Total Reports Written: 30,166

\* Reflects jurisdictions in which companies Glass Lewis covers are based or trade.

We incorporate ESG best practices internally through our own workforce, governance, data security, privacy, professional integrity, and environmental activities. Professional integrity is made part of our daily work by our Code of Ethics, to which each employee attests and completes training on annually. In addition, we have a commitment to fostering a diverse and inclusive environment across our global workforce. To this end, we perform an annual Diversity Report to assess gender and, where data is disclosed, racial diversity trends, among our job candidates and employees across regions.

Aligned with our culture, our business strategy is focused on providing customers with a range of environmental, social and governance solutions and market-leading thought leadership, including research, proxy vote execution, engagement, and share recall services for institutional investors as well as research and advisory services for public companies. This enables effective stewardship based in research and data.

Integral to our strategy, is our view of our relationship with customers as a partnership where we work closely to find new solutions to help enable their stewardship activities. Accordingly, customer and stakeholder feedback, through formal client surveys and less structured interactions, is always a key input in our product development and continuous improvement processes.

We assess our effectiveness in serving clients by tracking performance metrics against benchmarks, including the timeliness and accuracy of our research, as well as client service issue tracking, custom policy audit, onboarding timeliness and other client service metrics. In 2022, we were proud to continue to meet or exceed key targets for these metrics, including a 99% accuracy rate for our research. In addition, we believe that our high client retention rates reflect a high rate of client satisfaction.

## Responsibilities to Customers

Glass Lewis, like other proxy advisors, is hired by institutional investors to assist them in voting their shares in public companies in a thoughtful, timely, and accurate manner. This is accomplished through the research, recommendations, data, and operational support that are core aspects of our services.

Glass Lewis provides contextual, accurate, and timely research, recommendations, and data to our customers, based on the analysis of information culled from public disclosure. The effectiveness of these deliverables is best measured through the timeliness and accuracy metrics provided to customers as part of regular service level reporting.

Glass Lewis also provides operational support in the form of systems and service team members. The systems provide the infrastructure required to support the complexities of global voting and custom voting guidelines, as well as auditing, workflow, and reporting requirements. The service team provides oversight and support to customers. The effectiveness of these deliverables is best measured through KPI metrics provided as part of regular service level reporting and customer survey scores.

## Actions to Enhance Effective Stewardship

Glass Lewis endeavors to constantly innovate in order to provide the best possible support of our customers' stewardship activities. In 2022, Glass Lewis enhanced its existing services and launched several new services to help our investor customers be more effective stewards.

First, Glass Lewis launched the [ESG Profile Page](#) in its Proxy Paper research reports in 2022. While ESG themes have long been covered in Glass Lewis research, the ESG Profile provides Glass Lewis clients with a snapshot view of key ESG data points, such as a Board Accountability Score, an ESG Transparency Score, an ESG Targets and Alignments Score, and, for certain companies, a Climate Risk Mitigation Score. Importantly, the data is collected near a public company's annual general meeting date, providing institutional investors the timeliest data of its kind in the marketplace. Glass Lewis has a clear and publicly-available methodology for compiling the ESG Profile Page, giving both investors and companies a transparent understanding of how the scores are compiled. Covered public companies also have the opportunity to verify their ESG data through Glass Lewis' Issuer Data Report program.

Based on client demand, Glass Lewis expanded this offering later in 2022 by introducing an ESG Data Feed. This new solution gives investors access to the same ESG data that Glass Lewis uses in its Proxy Paper ESG Profile Page, allowing them to conduct their own internal analysis, including the creation of ESG models, scoring, and proxy voting decisions.

Also in 2022, Glass Lewis launched the [Engagement Management Platform](#), a software solution that enables institutional investors' stewardship teams to record, track, and report on their engagement activities. Through the platform, Glass Lewis clients can prioritize ESG issues, optimize their engagement processes, and automatically report on the progress and efficacy of their engagement programs. With the new platform, investors will be able to, among other things, centralize all engagement meetings, dates, participants, and notes, as well as link proxy voting and engagement records to consolidate reporting efforts. The platform is powered by Esgaia and built specifically for the management of institutional investors' engagement programs. Clients can customize the platform to meet their engagement needs through system integrations, custom fields, user-managed roles and permissions, including the ability to invite external parties to collaborate.

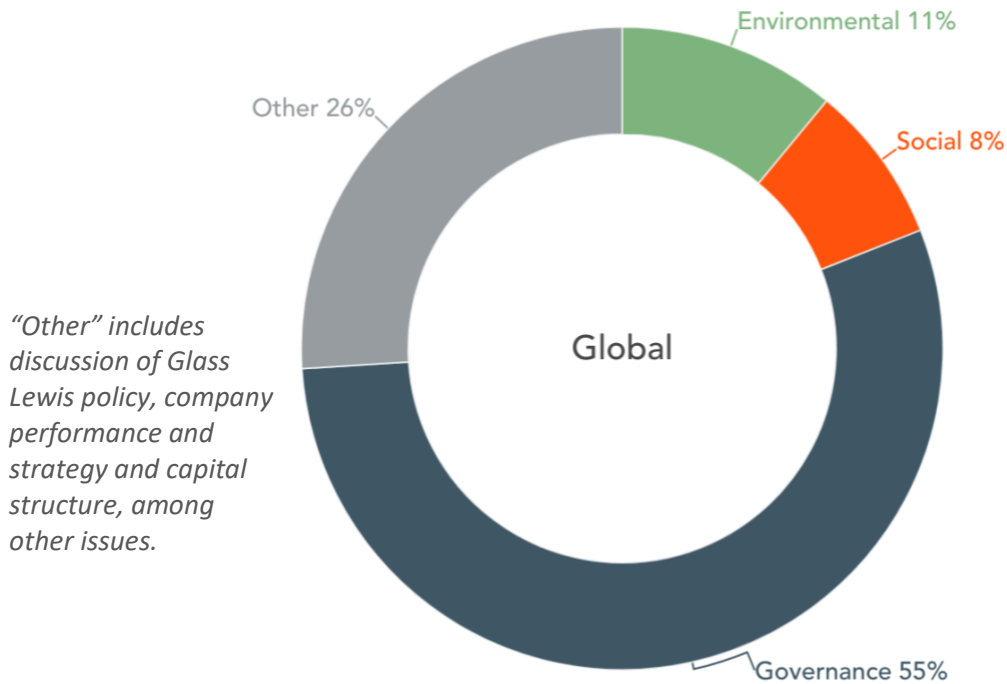
These new offerings complement other improvements, based on feedback we received on our customers' stewardship priorities, that Glass Lewis has added to its ESG solution set over the past several years. These new offerings include:

- A Climate Action 100+ watchlist function in Viewpoint,
- An ESG-focused Controversy Alert service,
- A Climate Policy aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) framework, and
- An Active Ownership Engagement Solution, including an engagement letter writing service.

This past year was the first full year of operation for our Active Ownership Engagement Solution. Through this service, institutional investors that are seeking to expand their stewardship activities beyond proxy voting can leverage Glass Lewis' extensive global engagement program to have their voice heard on material ESG issues at the companies in which they invest.

Glass Lewis produces periodic reports on its engagement activities, through which participants in this service can track progress on ESG and other material topics, including those that have received significant dissenting votes at shareholder meetings. Investors can also use the underlying data to support and scale their own engagement programs, including to meet reporting expectations stemming from the EU's Shareholder Rights Directive (SRD II) and Sustainable Finance Disclosure Regulation (SFDR), the UN PRI, and other regulatory requirements and voluntary initiatives.

During the 2021/2022 engagement plan year,<sup>2</sup> Glass Lewis engaged with over 1,000 companies on 2,853 ESG issues and other material topics. At each engagement, Glass Lewis analysts may touch on multiple topics and issues, depending on each company’s situation. Topics generally break down as follows:



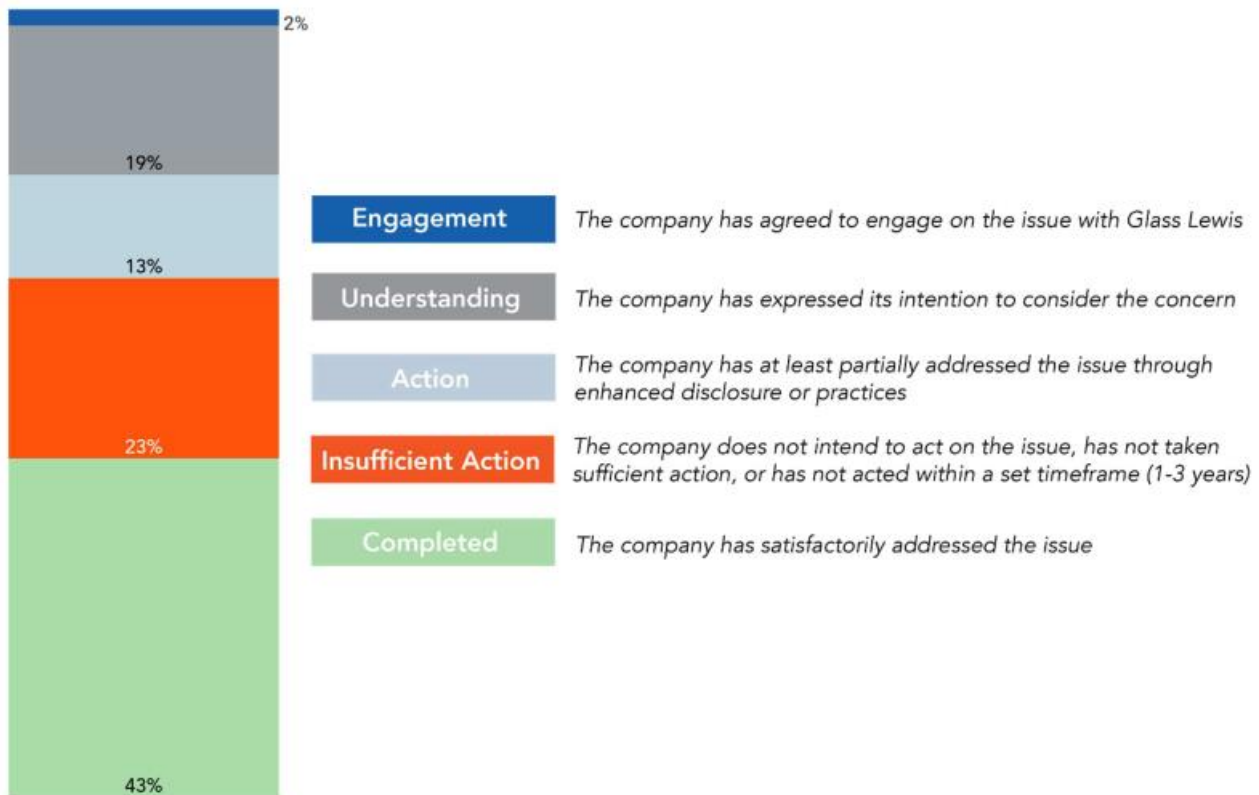
As part of its Active Ownership Engagement solution, Glass Lewis identifies certain companies each year for focused engagement based on a materiality screening for key ESG issues. Thematic focus list companies are selected based on the materiality of the ESG issue affecting the company, including evaluations of shareholder opposition at the annual general meeting and current ESG controversies highlighted by Glass Lewis Controversy Alerts. Our materiality assessment leverages the expertise of our local research teams and our global ESG team and prioritizes issues that are material in terms of impact on the environment, society, and the good governance of the companies included in the list.

The issues we track are specific to each company, and for each we aim for a positive resolution. Company progress on these issues is tracked and reviewed after each engagement, follow-up contact with the company, and production of Glass Lewis Proxy Paper research on the company. We may track progress against multiple issues for each company. In the 2021/2022 program year, we identified 450 companies and 726 issues and, during that same period, we had meetings with 268 of those companies and tracked progress against 436 issues.

<sup>2</sup> The Active Ownership Engagement Program reporting year runs from October 1 to September 30 of the following year. The numbers and charts for the 2021/2022 program year are, therefore, for the period October 1, 2021 - September 30, 2022.



We were pleased to find meaningful progress subsequent to these engagements. Companies satisfactorily addressed 43% of the issues raised and, for 98% of the issues raised, management either took some action or at least understood the issue and was willing to consider the concern.




---

### Case Study on Engagement 1: Michelin

---

**Background:** *Meetings in 2016, 2017 and 2022*

**Participants:** *Head of Investor Relations, Chair of the Supervisory Board, Group General Counsel*

**Issue:** *Oversight of Cybersecurity* – The company’s public documents did not disclose whether the board is charged with oversight of cybersecurity, and, if so, where that responsibility lies. As cyber risk management is an area of growing importance for listed companies, information as to where such responsibility lies within the board is an important disclosure that investors could reasonably expect.

**Progress:** The company acknowledged that its disclosure was potentially lacking on the audit committee’s supervision regarding cybersecurity matters and responded positively to the idea of increased disclosure on cybersecurity oversight at board-level.

**Outcome:** The company was responsive to our concern and seemed willing to improve the disclosure in its annual report regarding board level oversight of cybersecurity matters.

**Issue:** *Oversight of Cybersecurity set at UNDERSTANDING*

---

## Case Study on Engagement 2: T&D Holdings, Inc.

---

**Background:** *Regular meetings since 2019*

**Participants:** *Senior Managing Officer; Head of General Affairs Department; General Manager, Sustainability Promotion Department; Manager, Sustainability Promotion Division; Executive Officer, IR Promotion Division; General Manager, General Affairs Department; Executive Officer, General Affairs Department*

**Relevant Proposal:** *Election of non-audit committee members*

**Issues:** *Excessive cross-shareholding* - According to the company's annual securities report for the year ended March 31, 2021, the company held approximately ¥504,549 million in shares of other public companies as investment securities, representing approximately 32.48% of the company's net assets as of March 31, 2021. Some of the companies in which the company holds a stake in turn own shares of T&D Holdings, Inc. We are troubled by the size and extent of the company's investments in other public companies and by the presence of an established cross-shareholding relationship.

**Progress:** The company was open to dialogue on these issues.

**Outcome:** The company was responsive to our engagement regarding extensive strategic shareholdings. The company stated that it had reduced its shareholdings of 15 companies to zero and, together with partial sales of five other issues, reduced its balance by about ¥43 billion on a market value basis in the fiscal year ended March 2022. In addition, the company stated that it will first reduce the balance of its strategic shareholding shares to about 20% of the Group's net assets, and then further reduce it by the end of the fiscal year 2025. We considered the downward trend in the size of the company's strategic shareholdings as positive.

**Issue:** *Excessive cross-shareholding set at ACTION*

\* \* \*

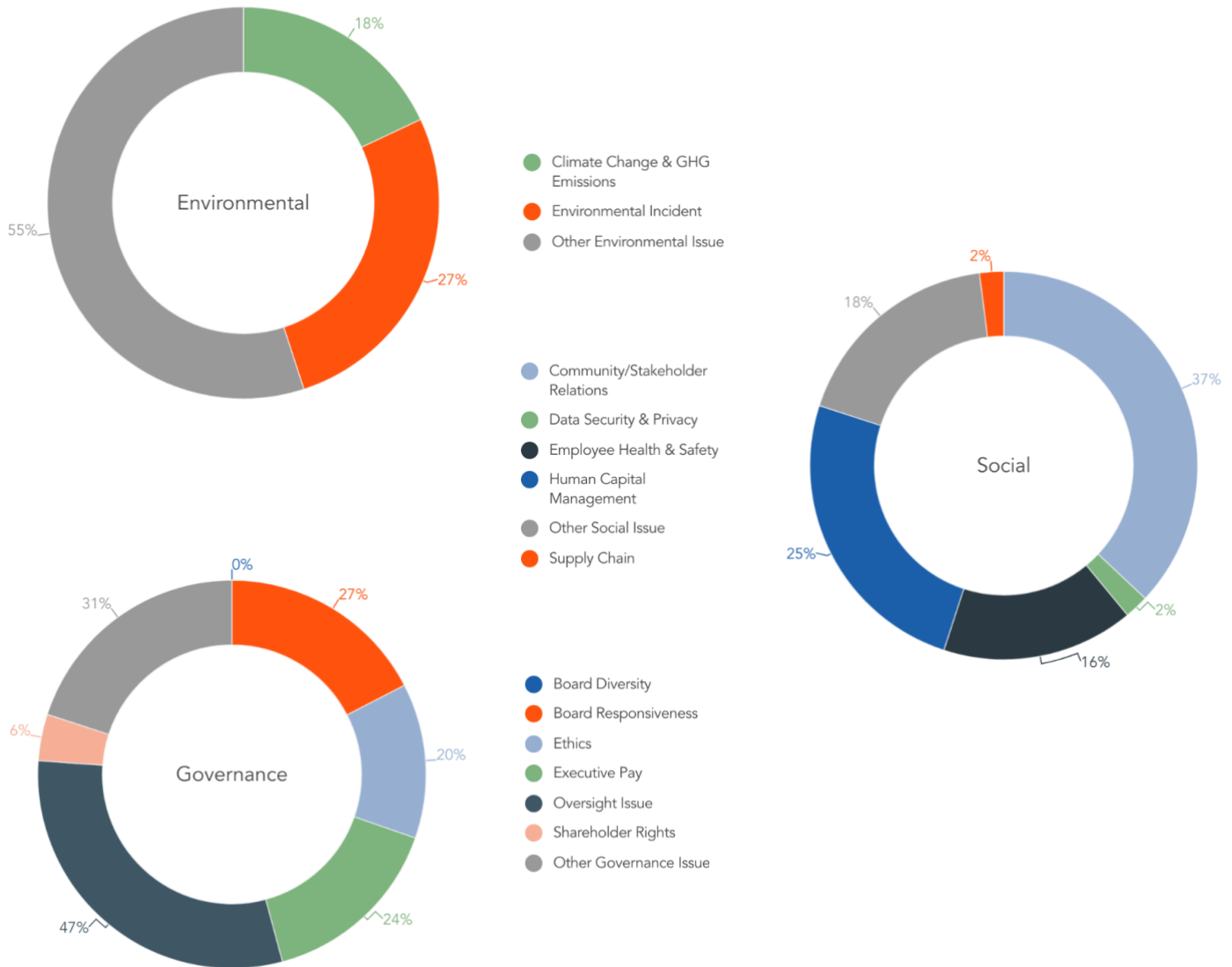
The Active Ownership Engagement focus list was also updated on October 1, 2022. This was the first yearly refreshment of the focus list, which saw it grow from 450 to 615 companies. Likewise, issues tracked increased from 726 to 1,136. The engagement focus areas for 2022/2023 are listed as part of our discussion of Principle 4 below.

## Controversy Alerts

Glass Lewis also enhances effective stewardship through its Controversy Alert service. Glass Lewis Controversy Alerts are generally published shortly after the publication of the relevant Proxy Paper to help our customers identify the most controversial issues at shareholder meetings across the globe, allowing them to focus on these issues and make better-informed voting decisions. Each alert provides a brief summary of the relevant issues covered in our Proxy Paper, a categorization of the relevant ESG issues, and an overview of the management or shareholder proposals that relate to the issue on the current or future meeting agenda. Glass Lewis Controversy Alerts are also helpful for prioritizing engagement on relevant issues with public companies. After issuing an

alert, we may, through our engagements, follow up with companies about their responses to the issue. Moreover, we believe it is important for companies to communicate their responses, particularly any new policies or practices, clearly to shareholders.

In 2022, Glass Lewis published 85 controversy alerts on over 217 material ESG issues (each alert may cover more than one issue). See below for a breakdown of controversy alerts by topic.



We believe the services we offer are effective and serve the best interests of our investor customers. The most comprehensive measure of the effectiveness of our services, however, is through the high renewal rates of our customers, who have a choice of service providers.

## Principle 2: Signatories' governance, workforce, resources and incentives enable them to promote effective stewardship.

*Signatories should explain how: their governance structures and processes have enabled oversight and accountability for promoting effective stewardship and the rationale for their chosen approach; the quality and accuracy of their services have promoted effective stewardship; they have appropriately resourced stewardship, including:*

- *their chosen organisational and workforce structure(s);*
- *their seniority, experience, qualification(s), training and diversity;*
- *their investment in systems, processes, research and analysis; and*
- *how the workforce is incentivised appropriately to deliver services;*
- *they have ensured that fees are appropriate for the services provided.*

*Signatories should disclose: how effective their chosen governance structures and processes have been in supporting their clients stewardship; and how they may be improved.*

## Introduction

Glass Lewis is dedicated to supporting the creation and preservation of long-term shareholder value through best-in-class proxy voting solutions and high quality, independent analysis of governance, environmental, social, finance, accounting, legal, and reputational risks at public companies worldwide. Glass Lewis' governance, workforce, resources, internal and external processes, and incentives are all aligned to meet this objective.

## Governance

Glass Lewis is structured to meet its clients' needs across the globe.

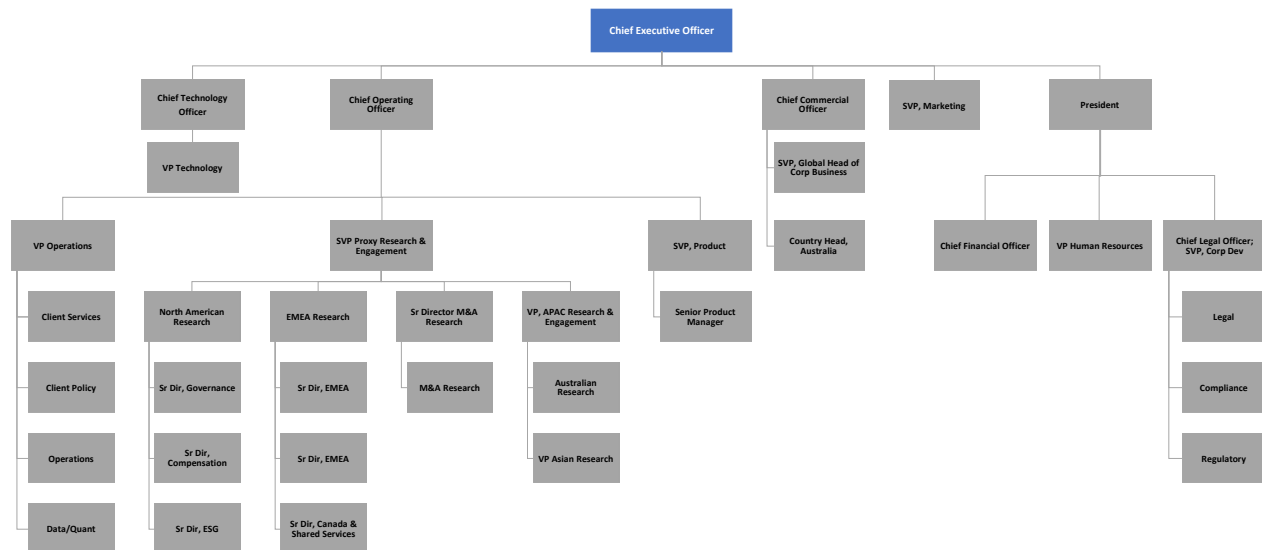
Glass Lewis was acquired in 2021 by Peloton Capital Management ("PCM") and Stephen Smith. Glass Lewis operates as an independent company separate from PCM and Mr. Smith. Neither PCM nor Mr. Smith is involved in the day-to-day management of Glass Lewis' business. Moreover, Glass Lewis excludes PCM and Mr. Smith from any involvement in the formulation and implementation of its proxy voting policies and guidelines, and in the determination of voting recommendations for specific shareholder meetings.

The Glass Lewis Board of Directors comprises members of Glass Lewis' ownership, executive team, and an independent industry expert. The Board meets quarterly and is charged with overseeing the strategic direction and management of Glass Lewis.

Our governance is structured to ensure that our research and recommendations are independent and unbiased. Our owners do not review or provide input on our policies, research reports or voting recommendations. Our proxy voting policies and guidelines are reviewed annually by our SVP of Research and Engagement and our Research Advisory Council (RAC), which consists of several industry experts. In 2022, the Research Advisory Council was composed of:

- David Nierenberg (Chair),
- Jesse Fried,
- Bonnie Hill,
- Annalisa Barrett, and
- Katherine Rabin.

The biographies of Glass Lewis’ management and senior executives, along with the Research Advisory Council, are available via the Glass Lewis public website at <https://www.glasslewis.com/leadership-2/>. Our organizational chart, as of the end of the reporting period, appears below.



As reflected in the organization chart, we structure our organization by department. Within each department, we have established various supervisory roles based on responsibility and experience to ensure effective management and oversight. As discussed further below, our Research teams are led by regional experts who also oversee training of new employees and ensure that every research report is subject to the required levels of review.

Glass Lewis aligns its compensation and benefits practices to meet competitive pay practices in the regions in which it operates. This enables us to attract and retain highly qualified employees across our organization to serve our clients’ evolving needs for stewardship solutions. In addition, employees at senior levels participate in our bonus plan, which promotes performance based on quantifiable objectives. While these objectives vary across departments, they are designed to ensure we successfully support clients in meeting their stewardship responsibilities.

For our Research teams, these include accuracy and timeliness of research to ensure that our clients have sufficient time and accurate data to vote their proxies. For our Client Service teams, these include timely and accurate reporting. And for our Product and Technology teams, these include improvements to our current solutions and the development of new solutions.

## Quality of Research

Glass Lewis employs robust processes and procedures to meet the highest standards for accuracy, quality, and timeliness in its research. These include but are not limited to:

- Employee hiring and training procedures,
- Management review of research services,
- Internal audits and reporting on data integrity and quality,
- Application of the four-eyes principle,
- Vote recommendation audits,
- Procedures for responding to the disclosure of supplemental material information following the publication of a Proxy Paper research report, and
- Online, auditable process for receiving, tracking, and responding to alleged errors or omissions in reports that are brought to Glass Lewis' attention (see below for further discussion of Glass Lewis' error correction and notification procedures).

Glass Lewis' experienced, multi-disciplinary research team leverages formal training and commercial experience in finance, accounting, law, business management, public policy, and international relations. The research department comprises multiple research practices: Annual General Meeting (AGM), Remuneration, Mergers & Acquisitions, Quantitative Analysis, and ESG. The AGM team is divided into regional teams, each of which is led by an analyst with relevant, specialized experience. Glass Lewis has a detailed research process requiring several levels of review and approval prior to publication of research and recommendations. The authority to publish Glass Lewis Proxy Paper research reports, thereby providing them to customers, is limited based on the issues covered in the report as well as the analyst's specialty, seniority, and expertise.

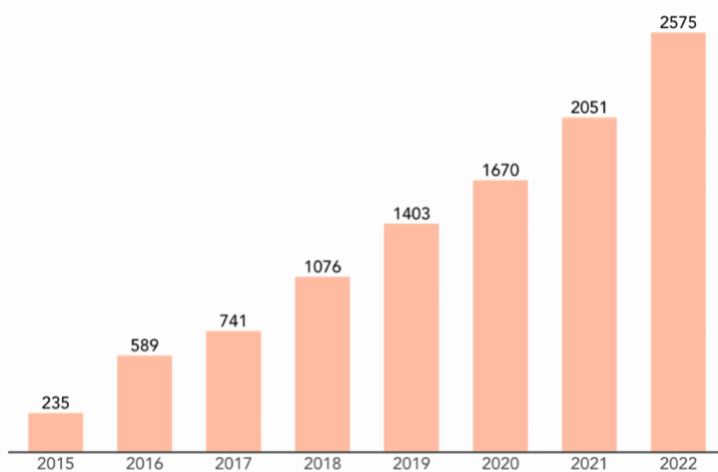
Glass Lewis' proprietary databases allow the firm to maintain detailed audit tracking of analysts' work, as well as to keep records of company disclosures used in the preparation of Proxy Paper research reports. No private information is used by Glass Lewis research staff, while external information (e.g. newspaper articles, summary of regulations, etc.) used in the analysis is referenced in the relevant report. Additionally, the sources of third-party data or information used in developing Glass Lewis services are identified in the relevant sections of reports.

Internal notes summarizing information and/or clarifications gathered through exchanges with public companies and shareholder proponents are stored in Glass Lewis' databases for review by the research staff. Glass Lewis tracks exchanges with public companies, including error/correction rates, and provides such information to customers upon request.

## Issuer Data Report (IDR)

Glass Lewis provides the subjects of our research with our Issuer Data Report (IDR), which details the key facts underlying the relevant Proxy Paper research report for public companies to review before the report is finalized. This practice is deliberately limited to data. Glass Lewis finds that by providing the facts underlying the report, it can gain any benefit of company review without: (i) inviting time consuming and unproductive debates about Glass Lewis’ methodology, including what result that methodology should lead to in the context of a particular recommendation; or (ii) creating additional conflicts of interest.

This free service has been available for several years and is now offered to companies in over 75 countries. Glass Lewis is pleased to report that more than 2500 companies participated in the Issuer Data Report program in 2022. The number of submissions in 2022 reflects a 25% year-over-year increase in Issuer Data Report submissions compared to 2021.



## Report Feedback Statement (RFS)

In 2019, Glass Lewis introduced the Report Feedback Statement (RFS), through which companies, shareholder proponents, dissident shareholders and parties to an M&A transaction that purchase our research reports can opt to have a statement responding to Glass Lewis’ research transmitted to Glass Lewis customers through our customer and voting platforms. In 2020, the RFS was expanded to all eligible participants globally and has seen significant uptake in the United States, Canada, Europe, Australia, and Japan.

The RFS provides a unique opportunity for public companies and shareholder proposal proponents – the subjects of Glass Lewis’ Proxy Paper research reports – to submit feedback about the analysis of their proposals, and have comments delivered directly to Glass Lewis’ institutional investor customers. Public companies and shareholder proponents alike are eligible to participate in this service and provide their statements directly to Glass Lewis’ research and engagement team, which in turn distribute them to customers within the firm’s research and voting platforms. Glass Lewis’ institutional investor customers benefit by conveniently receiving unfiltered commentary on the firm’s analysis from subject companies and shareholder proponents. The real-

time perspective provides an additional dimension for their consideration and is easily accessible, with reasonable time to review, even within the peak of proxy season.

Glass Lewis has found, as it expected, that most companies and other parties that are eligible for its Report Feedback Statement program do not decide to submit one after seeing Glass Lewis' research report. We were pleased, however, that 152 companies and other parties took advantage of their opportunity to make such a statement and have it provided to Glass Lewis clients in 2022. The number of RFS's submitted in 2022 was a slight decrease from the number of RFS's in 2021, which itself was a 37% increase over the number of RFS's published in 2020.

---

### Case Study on the Report Feedback Statement: Wizz Air Holdings

---

In August 2022, Glass Lewis provided its customers research and voting recommendations in connection with the September 2022 annual general meeting of Wizz Air Holdings plc, a UK company that provides passenger air transportation services to points in Europe and the Middle East. As is required of most listed UK companies, the meeting included an agenda item seeking shareholder approval of implementation of the company's remuneration policy. After reviewing the company's performance and executive pay throughout the period the company's business was affected by Covid, Glass Lewis noted its concern with the level of bonus payout, particularly in light of the company's receipt of government furlough support. In addition, noting that roughly a third of the company's shareholders voted against the Company's remuneration policy and adoption of a Value Creation Plan ("VCP") at the prior annual meeting, we also questioned the decision to implement the proposed VCP with no significant changes despite the concerns raised by shareholders. Glass Lewis also recommended against election of the Board Chair, noting that, as the founder and managing partner of the company's largest shareholder, he did not meet the independence criteria of the UK Corporate Governance Code, as well as having exceeded the nine-year limit on being considered an independent director under that Code.

After reviewing our report, Wizz Air took the opportunity to submit an RFS (see over). In their RFS, Wizz Air expanded on why they felt their remuneration policy and VCP were justified in light of the company's targets and need to retain executive talent. The Remuneration Committee Chair also elaborated on why they felt a departure from the Corporate Governance Code was justified, under that code's comply or explain approach, to retain the skills and experience of the Board Chair. Wizz Air also provided more color on its overall decision-making process. While the RFS did not cause Glass Lewis to change its voting recommendations, it provided more context to existing filings and allowed shareholders to better understand the board's perspective and rationale.





Glass Lewis Europe Ltd  
15 Henry Street  
Limerick, V94 V09T  
Ireland

31 August 2022

**Wizz Air Holdings plc Report Feedback Statement on the Glass Lewis Proxy Paper on 2022 AGM**

Dear Madam/Sir

In advance of our upcoming AGM, Wizz Air Holdings Plc ("Wizz Air") wanted to take this opportunity to respond to the analysis of Glass Lewis and provide important context for shareholders as they vote on several resolutions.

Approval of Remuneration Report

Following the approval of resolutions in 2021 AGM I, as, Chairman of Remuneration Committee, engaged in follow-up discussions with key shareholders, including those who opposed resolutions on Remuneration Policy and VCP. Whilst recognising the stretch nature of targets and the role of the plans in retaining and incentivising the senior leadership team, some shareholders reiterated that they considered the maximum potential payout to be excessive. At the same time, most of the shareholders I and broader management team have spoken to acknowledged that targets within the plan are sufficiently steep and that it is of critical importance for the company to have the plan that adequately retains and incentivizes the senior management team. As the majority of shareholders supported the Remuneration Policy and VCP it was a strong signal to the Company that the proposed plans are aligned with its ambitious growth and stand to reward investors with tremendous shareholder value creation in the event of vesting.

While we respect Glass Lewis scrutinizes levels of voter opposition, we believe that in this instance the interests of majority of shareholders should set the guideline for the Company to proceed with granting of awards under the VCP as was completed earlier this summer.

In relation to the payout of the variable portion of compensation we were conscious of the wider stakeholder experience when assessing the variable pay elements at the end of the performance period. We considered it reasonable to approve the achieved results as management had delivered on the stretched performance indicators on cash preservation especially in the context of the drawn-out challenges of the COVID-19 pandemic.

Therefore, we fully acknowledge that Glass Lewis may hold a different view on the level of variable compensation paid,

\* \* \*

## Innovation and Improvement

Glass Lewis' IDR and RFS are two of many examples of governance processes we have recently developed to continuously improve our service to our customers. As discussed above, Glass Lewis made significant enhancements to its ESG solution set in the last two years to better meet its clients' needs and, in particular, their need to meet their stewardship responsibilities and objectives. Glass Lewis also made substantial investments in its global research capacity in 2022.

On November 30, 2022, Glass Lewis announced the further enhancement of its research capacities in Europe through its acquisition of Proxinvest. Founded in 1995, Proxinvest was the only French voting advisory agency offering coverage of French and European companies to investors. Proxinvest's proxy voting policy has been developed in alignment with the unique perspectives of their French clients. Glass Lewis is committed to maintaining this policy and will continue to offer it in French to serve the needs of its customers in the region. Glass Lewis has completed several successful geographically focused transactions in the past, such as the absorption of the Spanish firm Alembeeks and the acquisition of the German firm IVOX, with a demonstrated track record of meeting the needs of local clients.

Glass Lewis also expanded its research capacity in the APAC region through the hiring of research staff in the Philippines, Manila as a pilot in 2022. In addition to supplementing Glass Lewis' global research team capacity,

Research team members based there will continue to focus on covering APAC region markets to help Glass Lewis enhance its focus in that region.

Glass Lewis endeavors to constantly innovate in order to provide the best possible support of our customers' stewardship activities.

## Timeliness

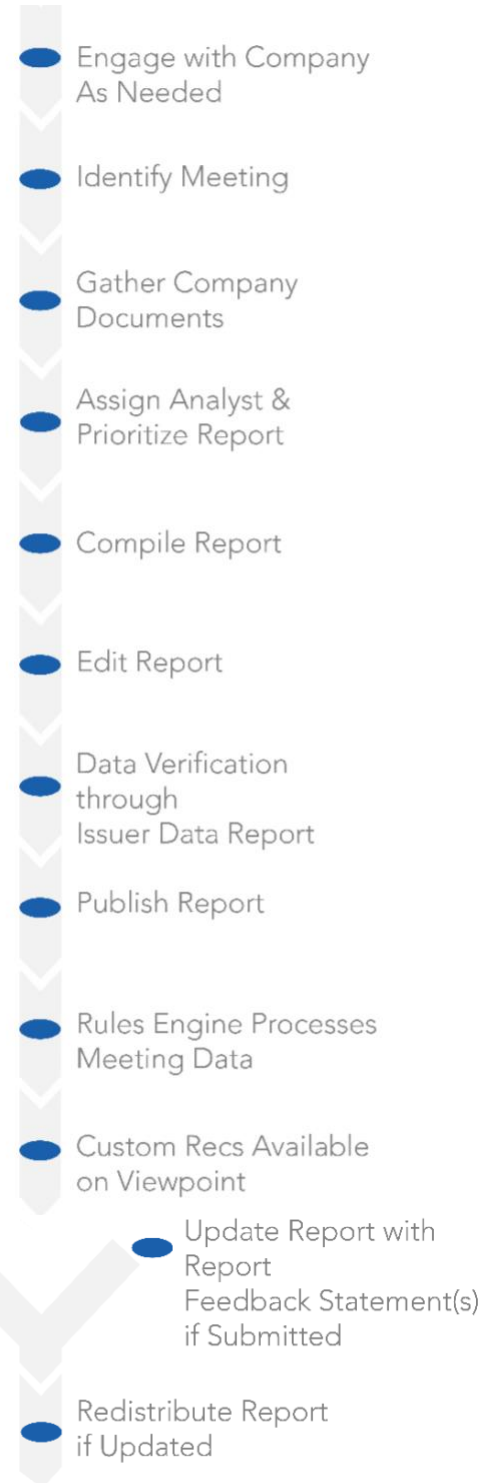
Glass Lewis Proxy Paper research reports are typically available at least two (2) to three (3) weeks prior to the meeting date, which provides sufficient time for Glass Lewis to receive and respond to notifications of supplemental filings and potential factual errors. On a global basis, Glass Lewis' average publication date was at least 19 days prior to the meeting date in 2022.

Nevertheless, for many emerging markets with less robust regulatory regimes, proxy materials may be released in a less timely fashion, which can directly impact publishing times. Furthermore, in the case of mergers or proxy contests, where the situation is more fluid due to potential negotiations and additional disclosure by the parties involved, Glass Lewis often publishes its reports closer to the meeting date as it attempts to balance the need to give customers sufficient time to review the analysis with the need to ensure that customers have the complete, up-to-date analysis to support their informed decision-making.

## Research Methodologies

Glass Lewis has policy approaches for each of the markets where it provides research on public companies that recognize national and supranational regulations, codes of best practice, and established governance practices, among other considerations. Glass Lewis' policy approaches are intended to provide a consistent framework for analyzing corporate governance issues at each company in each market. Nevertheless, they are designed to be applied in a flexible manner, allowing analysts to exercise bounded judgment when assessing each issue on the ballot in order to make a recommendation that serves the best interests of shareholders. This approach provides consistency, while still allowing for consideration of the unique circumstances of a company, including performance, size, maturity, governance structure, responsiveness to shareholders, and place of listing and incorporation.

While Glass Lewis has proprietary models for evaluating the link between compensation and performance and for assessing stock-based compensation plans, the firm also reviews these types of issues on a qualitative basis, taking into consideration the specific facts and circumstances of each company, including any rationale provided by the board for its decisions. For example, in addition to quantitative tests, stock-based compensation plans are



evaluated for qualitative features that are relevant to our customers' assessment of the plan, such as reload, repricing or evergreen provisions, single-trigger change in control arrangements, award limits, performance criteria, and the independence of the plan administrators.

Glass Lewis research and recommendations are based exclusively on publicly available information. Accordingly, Glass Lewis encourages companies to provide comprehensive and clear disclosure about the relevant issues for consideration by shareholders. Glass Lewis does not incorporate into our research information that is not available to all other market participants.

When Glass Lewis analysts require clarification on a particular issue they will reach out to companies, but otherwise generally refrain from meeting privately with companies during the solicitation period. Please refer to the Communication Policy section of this Statement of Compliance for information regarding Glass Lewis' policy for communication with public companies.

Glass Lewis directly sources annual and special meeting information from stock exchanges, regulators, companies (via direct mailings and company websites), custodians, transfer agents, and other forms of direct procurement. Proxy materials are stored in Glass Lewis' research databases, made available to customers for their review, and duly referenced in Glass Lewis Proxy Paper research reports whenever appropriate.

## Voting Policies and Guidelines

### Shareholder Policies

Most Glass Lewis institutional investor customers, which include many of the world's largest public pension funds, asset managers and mutual funds, vote according to a custom policy or via a custom process for reaching vote decisions, in line with what is becoming the standard practice among institutional investors. Glass Lewis supports institutional investor customers in the development and implementation of custom policies. A customer's existing voting policy is initially reviewed both by research staff and a dedicated custom policy team in order to identify areas that require further discussion with the customer before the custom policy is implemented. During the implementation process, the Glass Lewis custom policy team discusses the options that can be used to accommodate the customer's specific approaches to various issues. Once the policy is fully developed, the customer reviews a final implementation document to ensure that its policy is being implemented by Glass Lewis in a manner that is in line with the customer's instructions. Throughout the year, custom policy managers monitor trends and developments in corporate governance and proxy voting and will consult with customers to implement new approaches that are consistent with their policies. In addition, Glass Lewis conducts annual policy reviews with each custom policy customer to further analyze the customer's policy and discuss any developments that might result in modifications to the policy.

Custom policy customers receive vote recommendations based on customer custom policies, as well as the rationales for each recommendation. Custom policy customers also have access to Glass Lewis Proxy Paper reports, which feature analysis and recommendations based on the Glass Lewis benchmark policy. IVOX Glass Lewis custom research customers may also receive research reports that are based on the [BVI](#) policy or their own custom policy. Similarly, Proxinvest customers may also elect to receive research reports that are based on the [Proxinvest Policy](#). Glass Lewis Proxy Papers, as well as Proxinvest and IVOX Glass Lewis custom research reports, all contain extensive data, information, and analysis for relevant agenda items.

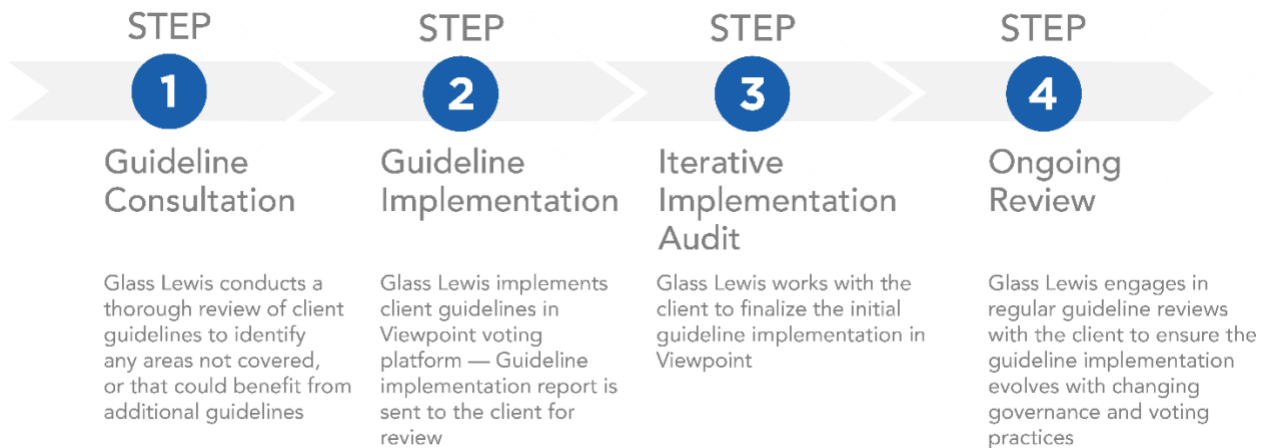
All institutional investor customers, with the exception of Proxinvest and IVOX Glass Lewis custom research customers as previously mentioned, receive the same Glass Lewis Proxy Paper report, in the same format, at the

same time and with the same recommendations. The Proxy Paper reports are not customized for any customer or customer investment strategy. In conjunction with the publication of the Proxy Paper report, Glass Lewis also generates and displays customer custom recommendations through our web-based voting platform, Viewpoint.

Viewpoint applies customer custom policies to each meeting using a proprietary rules engine developed by Glass Lewis. The logic-based rules engine technology and agnostic data collection process used by Glass Lewis ensure that custom policies are applied in an objective and consistent manner that is fully logged and auditable. As upcoming meetings are identified, each proposal is categorized by Glass Lewis research analysts. The rules engine then references the relevant customer policies for those proposals, determines the data points that are required to apply the policies, and prompts the research analysts working on that meeting to furnish the data points. Once all of the necessary information has been gathered and reviewed for accuracy, the rules engine processes the relevant rules and generates the custom recommendations for customers.

Many customers employ hybrid policies. Vote decisions of hybrid policy customers may be based on a combination of recommendations generated by the customer custom policy, the Glass Lewis benchmark policy, and issues that were “referred” for case-by-case analysis by the customer.

Whether customers elect to receive vote recommendations according to a custom policy, a hybrid policy, or the Glass Lewis benchmark policy, they control when and how votes are cast. Viewpoint provides customers with the ability to override recommendations triggered by their selected policy or policies, which they often elect to do. Customers are responsible for designing and managing their vote management preferences, assigning review and voting rights to users, etc. Glass Lewis is responsible for ensuring that voting is conducted in accordance with customer instructions.



### Glass Lewis Benchmark Policies

Glass Lewis’ Senior Vice President of Research & Engagement oversees the development and implementation of the Glass Lewis benchmark voting policies, in consultation with the Glass Lewis Research Advisory Council, an independent external group of prominent industry experts. Please refer to [www.glasslewis.com/leadership-2/](http://www.glasslewis.com/leadership-2/) for more details about the Glass Lewis Research Advisory Council.

While Glass Lewis applies global general principles, including promoting director accountability, fostering close alignment of remuneration and performance, and protecting shareholder rights across all of these policies, Glass

Lewis closely tailors our approach to each country's relevant regulations, practices, corporate governance codes, and stewardship codes. Guidelines are revised and enhanced at least annually in response to regulatory developments, market practices, and public company trends, which are closely monitored and assessed throughout the year. Policy updates are usually made publicly available in November and December.

Glass Lewis policies are formulated via a bottom-up approach that involves extensive discussions with a wide range of market participants, including institutional investor customers, public companies, public company organizations, academics, and subject matter experts, among others. Ongoing dialogue with the various industry players and active participation in panels, working groups, and industry conferences allow Glass Lewis to keep abreast of and respond to industry developments. In addition, Glass Lewis accepts feedback about our policies throughout the year via a dedicated mechanism on our public website.

Policy changes and report enhancements are driven by such engagement, as well as by in-depth internal discussions involving the various research teams and focusing on any gap between existing guidelines and market developments. Changes may also be made in response to voting outcomes of the previous proxy season and review of academic literature and regulatory body reports, among other sources.

When Glass Lewis policy guidelines deviate from local standards on that same topic and apply stricter principles as a way to promote better governance practices, market standards are nevertheless clearly identified in the voting guidelines and the Glass Lewis Proxy Paper research reports to allow customers to make an informed decision.

Most customers that choose to adopt Glass Lewis' policy toward one or more voting issues do so after a thorough review of Glass Lewis guidelines, methodologies, and research samples, in conjunction with an assessment of the experience and qualifications of Glass Lewis' management and analysts. Such evaluation often involves presentations by Glass Lewis to various members of the investor organization, including members of investment management, compliance, or risk management groups, as well as proxy committees and fund trustees, among others. Customers that adopt some or all of Glass Lewis' policies as their own generally do so after determining that the Glass Lewis approach closely reflects their own view; they will review the policy at least annually and, over time, often choose to customize some of their approaches as their views on issues evolve.

Customers that decide not to receive recommendations based on Glass Lewis' benchmark policy can, as noted above, work with Glass Lewis to develop a custom policy that reflects the customer's unique views of proxy voting issues. Customers can also choose from a menu of thematic custom policies that range from a Climate Policy for investors focused on mitigating risks associated with climate change to a Catholic Policy that reflects the unique fiduciary responsibility of Catholic institutions and that is informed by the voting guidelines of the Conference of Catholic Bishops. In 2022, responding to customer need, Glass Lewis also introduced an updated and enhanced version of our Corporate Governance-Focused Policy. The Corporate Governance-Focused Policy is designed for our clients that want recommendations that focus on the most commonly-accepted components of corporate governance without taking strong positions on other issues, such as environmental and social considerations.

More information regarding Glass Lewis' policies and research methodologies is available on Glass Lewis' public website at [www.glasslewis.com/guidelines](http://www.glasslewis.com/guidelines).



## Employee Qualifications & Training

Glass Lewis' proxy research efforts are led by the Senior Vice President of Research and Engagement. Glass Lewis employs a team of some 301 professionals with diverse, relevant experience and education. The largest group of these permanent employees are our dedicated Research Analysts, many of whom have been with Glass Lewis for a decade or more. Their work is supported and complemented by our Client Service and Operations teams, as well as Glass Lewis management and other administrative professionals. In addition, as discussed further below, the Research team is supplemented during proxy seasons through the use of Research Associates.

All Glass Lewis analysts have at least a bachelor's degree in a relevant field while many Glass Lewis executives, senior managers, and senior analysts have advanced degrees and/or professional experience in relevant disciplines such as investment banking, law, remuneration, corporate governance, mergers and acquisitions, regulatory compliance, public policy, finance, and accounting. Most of the permanent team has worked at Glass Lewis for several years, including some who have been with the firm since its founding in 2003. As previously noted, depending on the size and complexity of the company being analyzed, the report will be edited by several additional analysts, up to and including the Senior Vice President of Research and Engagement, Vice Presidents, and Senior Directors of Research. Specialized teams devoted to analyzing remuneration, ESG, mergers and acquisitions, and other financial transactions also contribute to and review reports, as necessary. Proxy Papers may only be published by research staff at the position of Research Analyst or higher; reports on large, widely-held companies may only be published by Senior Analysts or higher.

The Glass Lewis Research team is focused on meeting our clients' needs for objective, timely and high-quality proxy voting research and recommendations. They are compensated in a manner that incentivizes them to do just that. Glass Lewis also closely manages the training and professional development of its Research staff.

**Temporary Employees ("Research Associates").** Glass Lewis employs some staff on a temporary contract basis. These staff have the title "associate" and are responsible for assisting in the preparation of data collection and preliminary drafts of research reports. Research Associates, however, have no authority to publish Glass Lewis reports, which remains the responsibility of our Research Analysts.

All Research Associates participate in an approximately three-week intensive training period at the beginning of their employment. Depending on which market, team, or topic the Research Associate will be focused on, detailed training will be received on some or all of the following:

- Governance – General concepts of corporate governance; analyzing public company filings; analysis of board elections, committee memberships, director qualifications, and skills matrices, etc.; and an introduction to the Glass Lewis proprietary systems and models,
- Compensation – Analysis of executive pay practices; incentive plans; pay program disclosure; pay-for-performance; analysis of equity plans, etc.,
- ESG – Training on how to perform long-form qualitative written analysis of topical issues including climate change, board diversity, and human rights, among others.

The training conducted during this period includes live sessions with an experienced analyst where prepared training materials are presented, breakout sessions to work on test reports using historic company filings, and Q&A sessions to resolve any questions or challenges new employees may face at any point during the training program.

**Permanent Employees (“Research Analysts”).** The entry-level position for permanent research staff is that of junior research analyst (“Junior Analyst”). The Junior Analyst will often have completed a proxy season as a Research Associate, though if they have not, they will still receive the same training afforded to Research Associates. This training includes weeks spent assisting more experienced analysts in the preliminary preparation of research reports before gaining the authority to publish Glass Lewis reports.

Onboarding of Junior Analysts, whether or not they are from the Research Associate pool, includes a detailed mentorship program with a senior member of the research team. The mentorship program focuses on providing Junior Analysts with a deeper dive into the Junior Analyst’s area of expertise, ongoing feedback on the Junior Analyst’s reports from senior publishers of the research team, along with weekly 1:1 check-ins with the Junior Analyst’s manager. Each employee will be given personal goals (typically at the beginning of each calendar year) by their supervisor and receives ongoing feedback of their progression throughout the year. These goals generally include mastery of additional concepts, analysis of complex issues, and the ability to incorporate a case-by-case assessment when applying Glass Lewis policy, completion of which would then enable them to act as final reviewers of Glass Lewis reports. Junior Analysts generally progress to the title of Research Analyst within six months to one year after their completion of this mentorship program.

Prior to gaining full rights to publish Glass Lewis reports, Research Analysts participate in a “peer editing” program, whereby they are no longer in an assisting role with respect to the preparation of the research reports, but instead are able to prepare reports that are subject to review from a more experienced analyst before publishing.

Research Analysts also receive training on how to engage with public companies, which includes understanding Glass Lewis’ engagement policy and learning how to address common subject matter questions that may arise during an engagement meeting. Research Analysts are trained on company engagement via “mock” engagements where members of the research staff role-play common engagement scenarios with new analysts and provide detailed feedback of their responses and etiquette. Research Analysts then participate as observers in real engagement meetings, before eventually becoming full participants in the conversations.

Glass Lewis’ research department has several committees where senior staff can collaborate with junior- to medium-level staff on a range of subjects including policy, product, recruitment, and professional development. Members of each committee will meet on a bi-weekly basis to discuss the relevant topics, how to develop Glass Lewis’ focus in each area, and how to deliver training sessions to the rest of the research team on the relevant subject matter. The professional development committee in particular focuses on exploring new, and developing existing, opportunities to upskill employees on a wide range of research-related skills.

Finally, Glass Lewis’ thought leadership publications, including blog posts and white papers, offer our research team the opportunity to conduct deep dive research on governance voting trends and best practices. More senior research staff members also participate in customer meetings and engagements with companies, which offer the users and subjects of Glass Lewis’ research additional transparency into our thought processes and practices, while increasing our employees’ understanding of institutional investor and corporate perspectives.

**Hiring Process.** Our entry level positions require a minimum of a bachelor’s level degree equivalent or higher. All teams require successful candidates to have strong English writing and editing skills; should the hiring team require a non-English language candidate, the level of proficiency in that language must be business-level

standard at minimum, with a preference for native-level in reading, writing, and verbal. All successful candidates must also have proficiency in computer and typing skills.

**Compliance.** In order to ensure all employees, as well as all independent contractors, temporary workers, and agents that are subject to the supervision and control of Glass Lewis (“Supervised Persons”) understand and comply with all of Glass Lewis’ policies and procedures, all Supervised Persons receive formal trainings assigned or delivered by Glass Lewis’ Compliance Department on Glass Lewis’ policies and procedures. This includes, but is not limited to, Glass Lewis’ policies and procedures on workplace conduct, conflicts of interest, confidential information, data protection and privacy, material non-public information, and personal securities trading, etc. In addition, certain documents require that Supervised Persons return an acknowledgment form that attests they have read and understand the policies and procedures included therein, and that they agree to abide by them while they are performing work on behalf of Glass Lewis. These include Glass Lewis’ Employee Handbook, Glass Lewis’ Third-Party Worker Policies and Procedures, and Glass Lewis’ Code of Ethics.

Supervised Persons are required to complete the trainings and acknowledgment forms as a condition of their employment/engagement with Glass Lewis and are further required to retake the trainings and re-sign the acknowledgment forms on an annual basis.

The Glass Lewis Compliance Department, comprising the Senior Director of Compliance, Compliance Manager, and the Chief Legal Officer and Senior Vice President, Corporate Development, is responsible for overseeing and enforcing compliance of all Glass Lewis policies and procedures by all Supervised Persons, with the ongoing support of the Glass Lewis Compliance Committee.

## Commitment to Diversity, Equity, and Inclusion

Glass Lewis recognizes the importance of diversity, equity, and inclusion (DE&I). Glass Lewis’ workforce, including its management and executive team, as more fully described under the Employee Qualifications and Training section above, is comprised of a diverse group of individuals. Glass Lewis is committed to promoting DE&I not only within the workplace – to ensure Glass Lewis maintains an inclusive environment that can attract and retain diverse talent – but also to ensure DE&I is present in the way we conduct our business and interact with the outside world.

Glass Lewis strongly believes that having a diverse and inclusive workforce helps provide a broader and more representative range of perspectives and insights. In addition, companies with a workforce that exemplifies their customer base are in a much better position to be able to understand, service, and support their customers. This has proved true at Glass Lewis, both as it relates to the development of our policies and the production of our research, as well as our ability to provide services to institutional investors across the globe and engage with companies and stakeholders in over 80 markets.

Glass Lewis treats all individuals, irrespective of their level at the organization, in a respectful way, including with regard to compensation and benefits, continuing education and training, as well as career advancement. All managers are encouraged to

### Glass Lewis Diversity Report Card\*

#### Gender

- 42% Female
- 58% Male

#### Ethnicity

- 72% White
- 17% Asian
- 7% Hispanic or Latino
- 2% Black or African American
- 2% Two or more races

*\* all permanent employees as of 12/31/2022*



maintain open and constructive dialogue with their team members and colleagues. Glass Lewis also makes sure that working conditions for all of its employees are safe and healthy, which include providing access to wellness programs, opportunities for employees to maintain a work-life balance and requiring all employees to undergo in-depth training on the topics of Diversity & Inclusion, Anti-Harassment, and Managing Bias, at the time of hire and on an annual basis. This also guarantees everyone at Glass Lewis is aware of Glass Lewis' commitment to DE&I, and the importance of DE&I in the workplace.

Finally, Glass Lewis is strongly committed to continuing to increase diversity throughout all levels of the organization and has launched several other DE&I initiatives, globally.

## Complaints & Feedback Management

When Glass Lewis is notified of a purported error or omission, it immediately reviews the Proxy Paper report and, if there is a reasonable likelihood the report will require revision, removes the report from its published status so no additional customers can access it. If a report is updated to reflect new disclosure or the correction of an error, Glass Lewis notifies all customers that have accessed the report or have corresponding ballots, whether or not the update affected any recommendations. Additionally, the exact nature of the report's updates and revisions are clearly described in the republished report.

Public companies or their representatives that notify Glass Lewis of a purported factual error or omission in a Proxy Paper report, that is relevant, will receive a response from the research team addressing their comments and/or questions. However, Glass Lewis does not debate matters of opinion or policy during the solicitation period.

Glass Lewis encourages public companies and shareholder proponents to contact Glass Lewis via our website [www.glasslewis.com/issuer-overview/](http://www.glasslewis.com/issuer-overview/), which is designed to facilitate and track communication with companies, including arranging calls and meetings or submitting complaints. The website also provides a means for public companies and shareholder proponents to comment on and provide feedback on Glass Lewis' Proxy Paper research reports and to notify Glass Lewis of subsequent proxy materials and press releases, as well as perceived errors or omissions in Glass Lewis Proxy Paper reports.

Glass Lewis also notes that the Oversight Committee of the Best Practices Principles Group has established a procedure for any stakeholder concerned about a signatory's response to its concerns to communicate their concerns or feedback directly to the Oversight Committee.

## Customer Fees

Glass Lewis generally provides its services pursuant to a written contract through which it and its client agree on an appropriate fee for the service. Glass Lewis believes its fees are appropriate and that its services provide commensurate value to its clients. Moreover, we operate in a competitive marketplace and only serve sophisticated institutions. (Glass Lewis does not provide services to retail investors.) Because our customers have a variety of options for governance solutions, we understand that to succeed we have to offer cost-effective solutions that deliver value.

\* \* \*

Glass Lewis believes that its governance, workforce, resources, internal and external processes, and incentives are properly aligned in furtherance of its mission to provide best-in-class support of its clients' stewardship activities. That said, Glass Lewis will continually seek to innovate new services and enhance its existing services in order to maintain and enhance its role as the world's choice for governance solutions.

# Principle 3: Signatories identify and manage conflicts of interest and put the best interests of clients first.

*Signatories should disclose their conflicts policy, which seeks to put the interests of clients first and minimises or avoids conflicts of interest when client interests diverge from each other. Signatories should explain how they have identified and managed any instances in which conflicts have arisen as a result of client interests. Signatories should disclose examples of how they have addressed actual or potential conflicts. Conflicts of interest may arise from, but are not limited to: ownership structure; business relationships; cross-directorships; and client interests diverging from each other.*

## Introduction

Glass Lewis understands and takes seriously the potential for conflicts of interest to affect the independence and integrity of our research and analysis. Accordingly, Glass Lewis has always taken a rigorous approach to identifying and seeking to prevent conflicts. At the same time, possible conflicts can arise in all businesses and, where conflicts cannot be eliminated, they must be managed and mitigated. Glass Lewis believes that, in such circumstances, proxy advisors must proactively and explicitly disclose those conflicts in a manner that is transparent and readily accessible to customers.

## Conflicts of Interest Policy

Glass Lewis maintains strict policies and procedures governing personal, business, and organizational relationships that may present a conflict in independently evaluating companies. Glass Lewis' Policies and Procedures for Managing and Disclosing Conflicts of Interest, which also contain a Conflict of Interest Statement, are available on Glass Lewis' public website at <https://www.glasslewis.com/wp-content/uploads/2022/04/GL-Policies-and-Procedures-for-Managing-and-Disclosing-Conflicts-of-Interest-3-31-22.pdf>. These policies are reviewed and revised annually by Glass Lewis' Compliance Committee and describe in detail how Glass Lewis avoids, manages, and discloses potential conflicts of interest, such as those arising from the ownership of Glass Lewis, as well as other individual and firm conflicts. With the help of Glass Lewis' independent Research Advisory Council, Glass Lewis ensures our policies and guidelines reflect current and developing trends, including regulatory changes and market practices, and that our research meets the highest standards of quality, objectivity, and independence.

## Possible Conflicts for Consideration

Proxy research providers, like many companies, may face conflicts in conducting their business. In the case of proxy advisors, potential conflicts generally fall into three categories: (i) business, such as consulting for public companies or consulting for shareholder proponents and dissident shareholders on meeting-specific initiatives; (ii) personal, such as an employee, an employee's relative(s) or a director to the proxy advisor serving on a public company board; or (iii) organizational, such as being a public company itself or being owned by an institutional investor.

To manage and mitigate potential conflicts, Glass Lewis employs rigorous conflict avoidance safeguards. Glass Lewis maintains its independence from its owners by excluding them from any involvement in the making of Glass Lewis' proxy voting policies and voting recommendations. Glass Lewis also relies exclusively on publicly-available information for the purpose of developing our proxy analysis and vote recommendations. Glass Lewis avoids off-the-record discussions with companies, directors, shareholder proponents, and dissident shareholders during the proxy solicitation period to ensure the independence of our research and advice and to avoid receiving information, including material non-public information, not otherwise available to shareholders.

Due to its avoidance safeguards, as well as its business model, Glass Lewis has few potential conflicts relative to the number of reports it issues each year. When such potential conflicts do arise, however, Glass Lewis manages them through mitigation measures and robust disclosures, as further discussed below.

## Conflict Management & Mitigation

As noted above, Glass Lewis maintains a Conflict of Interest Policy and Policies and Procedures for Managing and Disclosing Conflicts of Interest ("Conflict Documents") and a Code of Ethics.

The Glass Lewis Compliance Committee is the main body responsible for overseeing and implementing Glass Lewis' Conflict Documents and the Code of Ethics. This includes drafting, analyzing, discussing, and monitoring these policy documents. The Compliance Committee meets quarterly and on an *ad hoc* basis as necessary. It is composed of Glass Lewis' President; Chief Operating Officer; Senior Vice President of Research and Engagement; Chief Legal Officer and Senior Vice President, Corporate Development; Vice President of Human Resources; and Senior Director of Compliance.

If an unforeseen conflict requires treatment in a manner different than under the established Conflict Documents, the Compliance Committee will develop and implement appropriate alternate measures up to and including having Glass Lewis refrain from writing a Proxy Paper research report on a particular company (with the understanding, in such case, that Glass Lewis would procure a substitute research report for customers from an alternative, qualified provider). For instance, where any employee or relative of an employee is an executive or director of a public company, that employee plays no role in the development of analysis or voting recommendations for that company, and that fact and the nature of that relationship are prominently disclosed in the relevant report.

Moreover, as a condition of employment or engagement, all Supervised Persons receive the Code of Ethics within their first week at Glass Lewis, and are required to: (i) read its contents and acknowledge and agree to comply with the policies and procedures contained therein by signing an acknowledgment form; (ii) disclose any outside activities, as well as any ownership interests or personal relationships the Supervised Person may have with a public company that may be deemed a conflict of interest for Glass Lewis; and (iii) disclose all personal accounts in which any securities are held, regardless of whether or not the Supervised Person has direct or indirect influence or control (i.e. investment discretion) over the management of the account. All Supervised Persons are required to re-sign the acknowledgment form and fill out the disclosure forms annually.

All Supervised Persons are strictly prohibited from trading on the basis of material non-public inside information in violation of applicable securities laws.

Additionally, in order to limit the potential for conflicts of interest, Glass Lewis requires that all Supervised Persons request pre-approval from the Glass Lewis Compliance Department prior to buying or selling any publicly-traded security for a personal account, including taking advantage of an IPO or a limited trading opportunity. Once approved, all pre-approved trades must be executed by the end of the trading day on the date the approval is granted. If the trade is not executed by the end of such trading day, a new request must be submitted, and a new authorization must be obtained prior to the trade being executed. Supervised Persons will only be authorized to buy or sell a publicly-traded security for a personal account and/or participate in an IPO or a limited trading opportunity if it does not create a conflict of interest. Moreover, as a general rule, Supervised Persons are prohibited from buying or selling any security of a company that is the subject of a Glass Lewis Proxy Paper research report, thirty (30) days before, and until one (1) day after, the date of such company's shareholder meeting.

Within thirty (30) days after the end of each quarter, Supervised Persons are required to submit a Quarterly Personal Trading Report, regardless of whether they have any personal accounts, with the purpose of reporting any trading activity during the preceding quarter. In addition, quarterly account statements for each personal account, as well as transaction confirmations for all personal trading activities that took place in each such personal account during the preceding quarter, must be attached to each Quarterly Personal Trading Report regardless of any trading activity.

In 2021, Glass Lewis enhanced its mechanisms to monitor compliance with the Code of Ethics. Specifically, Glass Lewis retained a third-party service to electronically monitor employee personal trading accounts. Through use of this service, Glass Lewis can now automatically monitor over 70% of its employee accounts across the globe, making its compliance monitoring efforts more efficient and reliable. For the remaining accounts where this service is not yet available, the Glass Lewis Compliance Department continues to review each Quarterly Personal Trading Report submitted by a Supervised Person, in conjunction with the attachments, and compare the transactions reported therein against any pre-authorization(s) requested and approved during the quarter.

In addition, to further prevent Supervised Persons from trading on the basis of customer information, access to customer holdings files, custom policies, and/or voting activity is strictly limited to the client services and operations team members directly responsible for supporting each customer.

## Conflict Disclosure

When actual or potential conflicts cannot be avoided, Glass Lewis discloses, on a case-by-case basis, any potential conflict that could be perceived to affect the independence and integrity of our advice. Consistent with our commitment to transparency and conflict avoidance and mitigation, Glass Lewis takes an expansive approach to such disclosure in the interests of fully disclosing any such issues to our customers. Specifically, Glass Lewis will include a specific and prominent "Conflict Note" in our research product when:

- A Glass Lewis owner has a significant, reportable stake in a public company,
- A Glass Lewis owner is a dissident shareholder in a proxy contest or is a shareholder proposal proponent,
- A Glass Lewis employee, or relative of an employee of Glass Lewis, or any of its subsidiaries, a member of the Research Advisory Council, a member of Glass Lewis' board of directors, or a Glass Lewis owner, serves as an executive or director of a public company,
- Glass Lewis has a material customer relationship with a public company,

- Glass Lewis has a material customer relationship with a shareholder proposal proponent, a dissident shareholder in a proxy contest, or party publicly soliciting shareholder support for or against a director or proposal, or
- Glass Lewis has a material business relationship with a public company, such as a partner or vendor relationship.

In addition, when a Glass Lewis owner is one of the 20 largest shareholders of the subject company, the Proxy Paper research report will flag their status as a Glass Lewis owner in connection with reporting their interest in the company.

---

### Case Study on Conflict Mitigation & Disclosure

---

On October 20, 2022, Glass Lewis provided its clients research and voting recommendations in connection with the November 10, 2022 annual general meeting of Valens Semiconductor, Ltd., an Israel-based company listed on the New York Stock Exchange that provides semiconductor products with a focus on enabling high-speed video and data transmission for the audio-video and automotive industries. The company's co-founder and Chief Technology Officer at the time was a relative of a member of the Glass Lewis Research team.

Under Glass Lewis's policies and procedures, the conflicted research analyst was not involved in any manner in the analysis or voting recommendations made in Glass Lewis's Proxy Paper. In addition, Glass Lewis's research report disclosed this relationship, along with the company's eligibility to receive Equity Plan Advisory services, in the following potential conflict of interest disclosure on its first page:

#### POTENTIAL CONFLICTS

As of October 2021, U.S. and Canadian companies are eligible to purchase and receive Equity Plan Advisory services from Glass Lewis Corporate, LLC ("GLC"), a Glass Lewis affiliated company. More information, including whether the company that is the subject of this report used GLC's services with respect to any equity plan discussed in this report, is available to Glass Lewis' institutional clients on Viewpoint or by contacting [compliance@glasslewis.com](mailto:compliance@glasslewis.com). Glass Lewis maintains a strict separation between GLC and its research analysts. GLC and its personnel did not participate in any way in the preparation of this report.

Mr. Eyran Lida, Chief Technology Officer and Co-Founder of Valens Semiconductors has a familial relationship to a Research Analyst of Glass Lewis. The Research Analyst was not involved in any manner in the analysis or recommendations of this report.

\* \* \*

## Engagement Transparency

Even beyond its conflict disclosure, Glass Lewis is committed to being transparent about its activities. As discussed in more detail elsewhere in this report, Glass Lewis actively engages with the companies and shareholders that are the subjects of its research. In 2022, Glass Lewis conducted approximately 1,300 engagement meetings and calls with public companies, dissident shareholders, and shareholder proponents globally. These meetings are in addition to the opportunities provided the subjects of our research to engage with that research through the IDR and RFS programs discussed above.



Glass Lewis has deliberately structured all of its engagement programs to enhance its ability to produce robust, informed research and analyses for its customers, while safeguarding the independence and integrity of its work. Glass Lewis believes in being transparent about such activities and makes prominent disclosure, on the cover page of our Proxy Paper research reports, of our relevant engagement activities as follows:

## Engagement-Related Disclosure Notes

Type of Engagement	Description
<b>Engagement Meeting</b>	A Glass Lewis Research Analyst had an engagement meeting with a public company.
<b>Issuer Data Report (IDR)</b>	A public company participated in the IDR program for one of its shareholder meetings.
<b>Report Feedback Statement (RFS)</b>	A public company, dissident shareholder, or shareholder proposal proponent participated in the RFS service for one of its shareholder meetings.

---

### Case Study on Engagement Transparency

---

On April 11, 2022, Glass Lewis provided its clients research and voting recommendations in connection with the May 5, 2022 annual general meeting of BAE Systems, PLC, a company based in the United Kingdom that provides defense, aerospace, and security solutions worldwide. Glass Lewis had held engagement meetings with BAE Systems in December 2021 and January 2022. BAE Systems had also participated in Glass Lewis’ Issuer Data Report (IDR) program. In the interests of transparency, Glass Lewis’ Proxy Paper research report contained the following Disclosure Note on its first page:

#### **ENGAGEMENT ACTIVITIES**

Glass Lewis held the following engagement meetings within the past year:

ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Issuer	02 December 2021	Issuer	Teleconference/Web-Meeting	Board Composition and Performance, Executive Pay
Issuer	12 January 2022	Issuer	Teleconference/Web-Meeting	Board Composition and Performance, Executive Pay

For further information regarding our engagement policy, please visit <http://www.glasslewis.com/engagement-policy/>.

**ISSUER DATA REPORT:** BAE Systems plc participated in Glass Lewis’ Issuer Data Report program (IDR) for this meeting. The IDR program enables companies to preview the key data points used by Glass Lewis’ research team, and address any factual errors with Glass Lewis prior to the publication of the Proxy Paper to Glass Lewis’ clients. No voting recommendations or analyses are provided as part of the IDR. For more information on the IDR program, please visit <https://www.glasslewis.com/issuer-data-report/>

# Principle 4: Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

*Signatories should explain: how they have identified and responded to market-wide and systemic risk(s) as appropriate; how they have worked with other stakeholders to promote continued improvement of the functioning of financial markets; and the role they played in any relevant industry initiatives they have participated in. Signatories should disclose the extent of their contribution and an assessment of their effectiveness in identifying and responding to systemic risks and promoting well-functioning financial markets.*

## Responding to Market-Wide and Systemic Risks

Glass Lewis continually monitors market developments and corporate governance best practices in order to stay on top of market-wide and systemic risks and reflect them in our work. At Glass Lewis, this is not a discrete task assigned to a committee or that is only undertaken at a periodic meeting. It is a core focus of our work. Glass Lewis professionals remain in continuous contact with our investor clients to understand their stewardship concerns and monitor market developments on an ongoing basis.

This is reflected in key aspects of our work. For example, as described above, Glass Lewis engages in an annual process of updating its country-by-country voting guidelines to ensure they reflect emerging risks. As part of this process, specific focus is paid to recent and pending changes to rules, requirements and market practices, along with any other factors that could materially affect shareholder rights or stewardship more generally (such as the impact of the pandemic on governance and stewardship practices in recent years).

For example, in 2022, Glass Lewis made key changes to its voting guidelines for UK companies, including –

- *External Commitments*

Glass Lewis amended and extended the "External Commitments" section of its voting guidelines to outline cases where we believe a director may be potentially overcommitted and to better clarify how our policies are applied. Specifically, we will consider a director to have a potentially excessive commitment level when they:

- Serve as an executive officer of any public company while serving on more than one additional external public company board; or
- Serve as a non-executive director on more than five public company boards in total.

We will continue to count non-executive board chair positions at UK companies as two board seats given the increased time commitment generally associated with these roles.



- *Cyber Risk Oversight*  
In a new section of the guidelines, Glass Lewis outlined its belief that cyber risk is material for all companies and that a company's stakeholders would benefit from clear disclosure regarding the role of the board in overseeing issues related to cybersecurity. We also clarified that, while we will generally not make recommendations on the basis of a company's oversight or disclosure concerning cyber-related issues, we may recommend against appropriate directors in instances where cyber-attacks have caused material risk to shareholders and we find the company's disclosure or oversight to be insufficient.
- *Specific Authority to Issue Shares*  
Glass Lewis updated its guidelines to clarify the approach it takes when analysing proposals to issue shares for a specific purpose outside of routine authorities normally seen proposed on an annual basis. That being, Glass Lewis will take a case-by-case basis in such instances, considering the total number of shares to be issued and the dilutive impact on shareholders; the issuance price and discount/premium; and the intended uses of proceeds from the issuance in the context of the company's financial position and business strategy.

Glass Lewis makes its policy guidelines publicly available on its website at <https://www.glasslewis.com/voting-policies-current/> and publishes summaries of key changes each year.

Glass Lewis also monitors the effectiveness of our engagements, as previously noted in our discussion of our Active Ownership Engagement program. Last reporting period, companies satisfactorily addressed 43% of the issues raised and, for 98% of the issues raised, management either took some action or at least understood the issue and was willing to consider the concern.

Glass Lewis also uses its in-depth knowledge of ESG risks and investors' evolving concerns to choose the focus areas for its active ownership engagement program. Each year, we identify certain companies for focused engagement based on a materiality screening for key ESG issues. Thematic focus list companies are selected based on a materiality of the ESG issue affecting the company, including evaluations of shareholder opposition at the annual general meeting and current ESG controversies highlighted by Glass Lewis Controversy Alerts. Our materiality assessment leverages the expertise of our local research teams and our global ESG team and prioritizes key ESG issues. Based on such developments, the engagement themes chosen for Glass Lewis's 2022/2023 engagement plan include --

## Environmental

- Climate change and greenhouse gas (GHG) emissions
- Reporting on material ESG issues
- Company-specific environmental topic

## Social

- Human capital management
- Reporting on material ESG issues
- Company-specific social topic

## Governance

- Board composition and performance
- Shareholder rights
- Executive pay
- Ethics and oversight

## Risk Oversight

- Board oversight of ESG
- Board oversight of cybersecurity

In addition to these annual processes, Glass Lewis also continually monitors for market-wide and systemic risks that may affect its clients' stewardship activities in a more immediate way. For example, in 2022, in the wake of Russia's invasion of Ukraine, we modified our research approach to both Russian companies and non-Russian companies with material operations in that country.

- To help our customers navigate the rapidly-changing situation in the early months of 2022 after the invasion, we actively monitored the changing environment and the sanctions being levied against Russian companies and individuals.
- We also issued a lengthy blog post detailing our approach to research on Russian companies and sanctioned individuals for the upcoming Russian proxy season.<sup>3</sup>
- As the situation unfolded, we ceased our research coverage of companies and individuals sanctioned by a range of jurisdictions, including the United Kingdom, the European Union, the United States, Australia, and Japan.
- We also began to include a Disclosure Note in any research reports on companies that are incorporated in Russia, or that have a primary listing on a Russian market and that have not been the subject of any sanctions to date to draw our customers' attention to the company's Russian affiliation and current sanctions status.
- We also modified our approach to companies that have material operations in Russia. As to these, we closely monitored their disclosure on the decision to continue business operations in Russia, the risks of continuing operations, and an approach to mitigating such risks.

Through formal and less structured communications channels, we received feedback from our institutional clients that our transparent and real-time shift in research approach on this issue helped them manage their stewardship programs through this challenging situation.

---

<sup>3</sup> See "Glass Lewis' Research Approach in the Context of Russia's Invasion of Ukraine," available at <https://www.glasslewis.com/glass-lewis-research-approach-in-the-context-of-russias-invasion-of-ukraine/>.

## Stakeholder Collaboration

Glass Lewis engages with relevant stakeholders on a regular basis to improve the effectiveness of our customers' stewardship programs. Glass Lewis also advocates for transparency and continued improvement in financial markets, where appropriate. Selected examples of these activities in 2022 include:

- Participating in a Roundtable held by the European Securities and Markets Authority (ESMA) and making a formal submission in response to ESMA's Call for Evidence on the implementation of aspects of the Shareholder Rights Directive II (SRD II),
- Hosting our 16th Annual Remuneration & Governance Forum in Sydney, Australia, in conjunction with Guerdon Associates, with numerous directors, clients, and other stakeholders participating,
- Hosting formal roundtables and informal briefings with institutional investors and relevant stakeholders to review and discuss emerging governance practices and ESG issues in Europe and the United States,
- Making a written submission in response to the Singapore Exchange Regulation (SGX RegCo) consultation on the topic of board renewal and remuneration disclosures; and
- Hosting a series of informative and free webinars throughout the year to inform interested stakeholders on our global policy and proxy season developments, among other topics.

As part of its stakeholder collaboration, Glass Lewis maintains affiliations with a number of NGOs involved in corporate governance and ESG issues.

## Affiliations

### Signatory



### Organizational Member



### Founding Member & Signatory



### Member



---

## Case Study on Affiliation: Best Practice Principles Group

---

In 2014, Glass Lewis was pleased to join four other proxy advisors in establishing the Best Practices Principles Group for Shareholder Voting Research and Analysis Providers and voluntarily adopting the [Best Practice Principles for Providers of Shareholder Voting Research & Analysis](#). Through this initiative, Glass Lewis and the other signatories have committed to hold themselves accountable to a set of Best Practice Principles, as well as to promote greater understanding of the corporate governance or ESG research and support services provided to professional investors and other capital markets participants. The BPPG implemented a new independent oversight structure, the Oversight Committee (“OC”), in 2020 to oversee proxy advisors’ reporting against the Principles. Regulatory authorities around the world, including the United States Securities and Exchange Commission and France’s Autorité des Marchés Financiers, are increasingly recognizing the roles of the BPPG and its OC and leveraging their work in their regulatory approaches.

Glass Lewis regularly participates in the Best Practice Principles Group’s activities and, like the other signatories, annually reports on its compliance with the Principles, which focus on service quality, conflict management, and communications. In particular, Glass Lewis has supported the Oversight Committee’s efforts in multiple ways. For example, in 2022, Glass Lewis seconded an experienced, professional employee to serve as the OC’s secretariat. Glass Lewis was also pleased to attend and participate in the Oversight Committee’s second, annual open Stakeholder Forum in Rome, Italy in October 2022.

\* \* \*

## Knowledge Sharing

Glass Lewis’ research team actively engages throughout the year by joining conferences and webinars held across the world. Our teams attend and participate at conferences annually to develop their expertise, share their perspectives with audiences, and increase their understanding of emerging trends.

Glass Lewis also publishes frequent communications to our clients and the public on emerging governance trends, regulatory developments and other topics of interest to corporate governance and stewardship professionals. For example, in 2022, Glass Lewis published discussions of –

- ShareAction’s high profile [shareholder resolution](#) at Sainsbury’s July 7 AGM requesting that the company accredit as a Living Wage Employer;
- Amendments to the UAE Governance Guide of Public Joint-Stock Companies on key topics, including the representation of women on PJSCs boards, the appointment of shareholder representatives to attend general meetings, and the ratio of independent members on PJSCs boards; and
- The UK Financial Conduct Authority’s new diversity targets and associated disclosure requirements for UK companies and an update to Glass Lewis’s report on gender diversity in the FTSE 350.

These publications are freely available to the public on Glass Lewis’ website at <https://www.glasslewis.com/blog/>.

Glass Lewis also hosts periodic webinars to share knowledge and explain its approaches to proxy voting issues. For example, in 2022, as in most years, Glass Lewis hosted “previews” of the proxy season in a number of jurisdictions, including Glass Lewis’ views on the key trends, policy updates, and meetings to watch for. Glass Lewis also hosts “proxy season reviews” in which it recaps key trends and takeaways after the proxy season has concluded. These webinars are available on Glass Lewis’ website at <https://www.glasslewis.com/webinars/>.

## Engagement with Regulatory Authorities

Glass Lewis maintains regular contact with relevant regulatory authorities. These contacts consist of both monitoring regulatory developments in the context of updating Glass Lewis benchmark policy guidelines and keeping aware of proposed and new regulations that might affect the work of proxy advisory firms and their clients. Glass Lewis does not actively engage regulators on behalf of institutional investors. Glass Lewis responds to relevant regulatory consultations on corporate governance and stewardship matters insofar as it can provide relevant perspective or insight. Such submissions can be found on our website at <https://www.glasslewis.com/regulatory-matters/>.

## Dialogue with Public Companies, Shareholder Proponents and Other Stakeholders

Glass Lewis also believes that dialogue with public companies, shareholder proponents, and other stakeholders can foster mutual understanding, transparency, and feedback with respect to Glass Lewis’ policies, methodologies, and analysis. To that end, Glass Lewis has developed an Engagement Policy to guide its interactions with these parties and makes this policy available on its website at <https://www.glasslewis.com/engagement-policy/>. Through our engagement efforts, Glass Lewis advocates for transparency for all market participants.

## Engagement with Public Companies

Glass Lewis is open to engaging with public companies outside of the peak-season periods. The peak proxy season for North America, Asia, and Europe is March through June; the peak Australia season runs from September through November. As noted above, in 2022, Glass Lewis conducted approximately 1,300 engagement meetings and calls with public companies, dissident shareholders, and shareholder proponents globally.

Glass Lewis recognizes that discussions with public companies can benefit both parties. In addition to providing an opportunity for Glass Lewis to better understand the company’s governance practices, these engagement meetings often focus on Glass Lewis’ research policies and methodologies and the public companies’ views on governance practices. In addition to public companies, Glass Lewis engages with a broad group of relevant stakeholders, including shareholder proponents and governance, investor, and public company industry associations, as part of our policy development and review procedures.

Importantly, Glass Lewis is not a shareholder nor is the firm empowered by customers to negotiate on their behalf for specific changes to governance practices or structures at companies through meetings with company representatives. Furthermore, although Glass Lewis is open to participating in constructive engagement, our research and recommendations are based only on publicly-available information.

Depending on the nature of the issues subject to discussion and to ensure a constructive discussion, Glass Lewis will ensure that the analysts who meet with company executives and directors have the requisite experience and responsibilities for the specific topics to be discussed, such as remuneration or ESG risks. Glass Lewis encourages companies to also include appropriate personnel in such engagements. Indeed, since non-executive directors are the elected shareholder representatives, Glass Lewis has found engagement is often more productive when independent directors play an active part in the discussion.

\* \* \*

Through all these activities, and as confirmed by our client feedback and external events, such as regulatory authorities' increasing reliance on the work of the Best Practice Principles Group and its Oversight Committee, Glass Lewis believes that it contributes in an effective way to identifying and responding to market-wide and systemic risks and promoting well-functioning financial markets.

# Principle 5: Signatories support clients' integration of stewardship and investment, taking into account material environmental, social and governance issues, and communicating what activities they have undertaken.

*Signatories should disclose client base breakdown, for example, institutional versus retail, and geographic distribution. Signatories should explain: how their services best support clients' stewardship as appropriate to the nature of service providers' business; whether they have sought clients' views and feedback and the rationale for their chosen approach; and the methods and frequency of communication with clients. Signatories should explain: how they have taken account of clients' views and feedback in the provision of their services; and the effectiveness of their chosen methods for communicating with clients and understanding their needs, and how they evaluated their effectiveness.*

## Glass Lewis' Customers

Glass Lewis serves institutional investor customers across the globe, most of whom are based in North America, Europe, Australia, and Asia. Glass Lewis does not directly serve retail investors.

A breakdown of Glass Lewis' institutional business by client type and region follows:

Client Type	Share of Business (approximate)
<b>Asset managers/mutual funds</b>	71%
<b>Pension funds</b>	12%
<b>Hedge funds</b>	9%
<b>Solicitors, consultants, law firms</b>	8%

Client Region	Share of Business (approximate)
<b>Americas</b>	73%
<b>EMEA</b>	18%
<b>Asia Pacific</b>	9%

Glass Lewis' primary duty is to develop high quality research and analysis regarding proposals subject to shareholder vote at public company meetings, in accordance with customer specifications, for timely delivery to institutional investors. Glass Lewis has developed a detailed [policy](#) to guide our engagement with public companies, shareholder proponents, other stakeholders, media and the public in furtherance of this primary mission.

As discussed throughout this report, Glass Lewis has designed its services and programs to best serve its institutional investor customers' stewardship needs.

## Customer Views and Feedback

Glass Lewis employs a number of methods to foster continuous, proactive communications with our customers. Customers have access to Glass Lewis research staff members and regularly conduct on-site visits.

Moreover, each customer is assigned a client service manager who is responsible for maintaining the relationship with the customer and servicing the customer's proxy voting needs. Through their dedicated client service managers, and information included in various Glass Lewis publications, customers are continuously kept aware of impediments affecting the provision of services by Glass Lewis, such as incomplete or late disclosure by public companies or shareholder proponents, as well as inconsistencies of information provided by other intermediaries, among others.

Glass Lewis continuously solicits and acts on feedback from our institutional investor customers. In addition to soliciting customer input on proxy voting policies and methodologies, at least once a year, Glass Lewis formally surveys our customers to assess:

- Their general satisfaction with Glass Lewis services,
- Specific suggestions for improvement in Glass Lewis services, and
- Input on new features or functions that Glass Lewis might develop to further our institutional investor customers' stewardship activities.

The results of this survey, along with continuous feedback received throughout the year, inform Glass Lewis' priorities for development and improvement in the following year. Glass Lewis also conducts more formal due diligence engagements with customers, providing the opportunity to better understand evolving stewardship needs, and an opportunity to refine our processes.

## Customer Disclosure Facilitation

As each customer's proxy voting processes and procedures are different, the amount of information provided to any particular customer depends on its unique requirements. Glass Lewis client service managers work with each customer to determine the nature and amount of information the customer requires, as well as the schedule for delivery of this information.

Glass Lewis' Viewpoint voting platform features a unique regulatory reporting module that enables compliance with SEC Form N-PX, SEDAR National Instrument 81-106, and other regulatory reporting. In 2022, Glass Lewis initiated development and client outreach initiatives to enable our affected clients to be in a position to implement significant revisions the U.S. Securities and Exchange Commission made to Form N-PX in November



2022. These changes will affect current Glass Lewis customers who file the form, as well as a number of other investment managers that will be required to disclose their Say-on-Pay votes on Form N-PX beginning with the 2023-2024 reporting cycle.

\* \* \*

Based on its survey results and other feedback, Glass Lewis believes its current methods for communicating with clients and understanding their needs are effective. That said, Glass Lewis continually seeks to improve its communication to best serve its clients.

## Principle 6: Signatories review their policies and assure their processes.

*Signatories should explain: how they have reviewed their policies and activities to ensure they support clients' effective stewardship; what internal or external assurance they have received in relation to activities that support their clients' stewardship (undertaken directly or on their behalf) and the rationale for their chosen approach; and how they have ensured their stewardship reporting is fair, balanced and understandable. Signatories should explain how the feedback from their review and assurance has led to continuous improvement of stewardship practices.*

Glass Lewis engages in annual internal and external review processes and uses its customer feedback and these processes to continually improve its policies and the stewardship services it offers.

Glass Lewis' approach to assurance has been developed to support our mission to partner with our customers in driving value creation through solutions that promote good governance and stewardship. We have multiple, robust processes in place to seek our customers' feedback and ensure that we are incorporating it into our stewardship products and services. Likewise, we carry out our own assurance processes, some utilizing an independent third-party, in order to provide those who depend on us for stewardship services confidence that we are delivering those services in a sound and reliable manner. Many of our clients, as a matter of compliance and/or business practice, carry out annual due diligence reviews of our operations, including our policies and procedures over critical aspects of our operations, including information security, privacy, and other areas. We recognize the importance of maintaining a secure and reliable infrastructure of operations in order to support our clients' stewardship activities. Our extensive, detailed internal policies and procedures, combined with our assurance processes, provide a foundation for the trust these clients place in Glass Lewis.

We have also put in place processes to ensure our stewardship reporting is fair, balanced and understandable. We believe the benefits and effectiveness of these review processes is evidenced by the operational improvements, as well as the annual updates to our policy guidelines and the new and enhanced service offerings, discussed below.

### Policy Reviews

Glass Lewis analyzes companies and issues on a case-by-case basis through balancing global corporate governance standards (such as enhancing board accountability and independence), evaluating remuneration in the context of performance relative to peers and promoting shareholder rights in consideration of local market and supranational practices, regulations and codes (such as the UK Corporate Governance Code).

Just as our customers do, we begin our analysis by reviewing issues in the context of a set of policy guidelines designed for a given market. We have a different set of benchmark policies for each market and conduct yearly, formal reviews of these guidelines, a process that involves consultations with our customers, as well as with our independent Research Advisory Council. Our market-specific policy guidelines, including a summary of all relevant annual updates, are available for public review on our website.

It should be noted, however, that the majority of Glass Lewis' customers vote according to their own custom policies, which may or may not align with Glass Lewis' benchmark policies on a particular issue. As part of our annual review process, we assist customers with the drafting, refining and updating of their custom voting policies, which are often displayed on our customers' websites. We also review and update the suite of thematic policies we offer our clients on an annual basis. These updates include both evaluating how those policies should address emerging issues, as well as developing new thematic policies, as needed to respond to our customers' needs. For example, as noted above, in 2022, Glass Lewis introduced an updated and enhanced version of our Corporate Governance-Focused Policy for our clients that want recommendations that focus on the most commonly-accepted components of corporate governance without taking strong positions on other issues, such as environmental and social considerations.

Continuously throughout the year, we monitor broad market and regulatory trends as well as developments both industry-wide and at individual public companies. We incorporate and address such trends and developments in our policy guidelines and reports.

## Supporting Customer Voting and Engagement

Glass Lewis supports engagement efforts of institutional investors with a suite of web-based products allowing customers to manage and track meetings with corporations. Glass Lewis' Viewpoint voting platform provides investors with the means to receive, vote, reconcile and report on proxy ballots as well as to memorialize engagement efforts on an individual company basis. Investor customers refer to Glass Lewis' research reports to not only help them make informed voting decisions but also to provide information for discussion in engagement meetings with public companies. Our reports provide extensive, detailed information on companies' performance, remuneration and ESG practices, among other issues. We also draft several specialized reports and reviews of our efforts annually, including reviews and previews of various countries' proxy seasons, shareholder proposals, remuneration practices and board diversity. To assist investors in meeting their own reporting obligations, Glass Lewis can support reporting on voting and engagement activities via the Viewpoint platform.

## Audit and Assurance

Glass Lewis conducts periodic audits of our voting systems to ensure the accuracy and reliability of the voting information received and sent on behalf of customers. Additionally, Glass Lewis employs an external auditor, Grant Thornton, to evaluate the controls in place for our proxy research and voting services as part of our annual SSAE 18 System and Organization Controls (SOC) 1 Type II audit. This audit also measures the effectiveness of Glass Lewis' operating controls, and results from the audit are leveraged for continuous improvement.

Glass Lewis also engages an external auditor to perform an SSAE 18 SOC 2 audit focused on security, including Glass Lewis' controls related to cybersecurity. A SOC 2 audit examines and provides assurance on a service organization's controls relevant to security, availability, and processing integrity of the systems the service organization uses to process user's data and the confidentiality and privacy of the information processed by these systems. Glass Lewis's SOC audit provides assurance over significant elements of Glass Lewis's internal and client-facing operations, such as its hiring processes, user credentials, client data confidentiality, research publication authorization, and more. The results of the SOC 2 audit provide further assurance to Glass Lewis

clients and are also leveraged internally for continuous improvement. For example, through the process of undergoing its SOC audits, Glass Lewis has:

- Developed more detailed risk categorization related to operational risks and vendor risks,
- Employed more robust access reviews and auditing procedures to ensure proper access across the organization, and
- Enhanced its disaster recovery and backup testing.

## Best Practices Principles Reporting

As discussed above, Glass Lewis is also a member of the Best Practices Principles Group for Shareholder Voting Research and Analysis Providers. As a signatory, Glass Lewis has agreed to hold itself to a set of Best Practice Principles and annually reports on its compliance with the principles, which focus on service quality, conflict management, and communications with companies and other stakeholders. Since 2021, the Best Practices Principles Group's Oversight Committee has provided an independent review of signatories' compliance statements. Glass Lewis' 2022 Compliance Statement is available to the public on our website.

Based on its experience, Glass Lewis has found this process to be a useful mechanism for reflecting on and continually improving our practices. For example, based on comments from its first review, Glass Lewis established a [Feedback and Complaints Center](#). While Glass Lewis has long had specific processes in place for hearing from our clients and public companies affected by our work, the Feedback and Complaints Center now provides a dedicated mechanism on our website through which Glass Lewis invites any stakeholder - whether a client, public company or anyone else - to submit feedback, comments or complaints to us.

## Stewardship Reporting

Glass Lewis leverages the expertise of its Research Team and its established compliance processes to ensure that its stewardship reporting is fair, balanced and understandable. The Glass Lewis Legal Department had principal responsibility for drafting this Stewardship Report. In drafting the report, the Legal Department draws on the numerous other publications its Research Team and other staff produce on relevant topics in the regular course of Glass Lewis' business. The Stewardship Report is then reviewed and approved by the Glass Lewis Compliance Committee. After this review and approval, the Stewardship Report is subject to final review by Glass Lewis' senior management and is signed by its Chief Executive Officer.

# Feedback

Engagement and feedback are integral to understanding the role and work of shareholder voting research providers.

Feedback regarding this report can be provided via email to: [info@glasslewis.com](mailto:info@glasslewis.com).

Glass Lewis' Statements of Compliance with the Best Practice Principles for Shareholder Voting Research and Analysis and other global stewardship codes are available at <https://www.glasslewis.com/best-practices-principles/>.



Kevin Cameron  
Chief Executive Officer  
Glass Lewis & Co. LLC

# Connect with Glass Lewis

Corporate Website | [www.glasslewis.com](http://www.glasslewis.com)

Email | [info@glasslewis.com](mailto:info@glasslewis.com)

Social |  [@glasslewis](https://twitter.com/glasslewis)  [Glass, Lewis & Co.](https://www.linkedin.com/company/glass-lewis-&-co)

## Global Locations

### North America

#### United States

*Headquarters*  
255 California Street  
Suite 1100  
San Francisco, CA 94111  
+1 415 678 4110

New York, NY  
+1 646 606 2345  
2323 Grand Boulevard  
Suite 1125  
Kansas City, MO 64108  
+1 816 945 4525

### Asia Pacific

#### Australia

*CGI Glass Lewis*  
Suite 5.03, Level 5  
255 George Street  
Sydney NSW 2000  
+61 2 9299 9266

#### Japan

Shinjuku Mitsui Building  
11th floor  
2-1-1, Nishi-Shinjuku, Shinjuku-ku,  
Tokyo 163-0411, Japan

### Europe

#### Ireland

15 Henry Street  
Limerick V94 V9T4  
+353 61 534 343

#### United Kingdom

80 Coleman Street  
Suite 4.02  
London EC2R 5BJ  
+44 20 7653 8800

#### France

*Proxinvest*  
6 Rue d'Uzès  
75002 Paris  
+33 (0)1 45 51 50 43

#### Germany

*IVOX Glass Lewis*  
Kaiserallee 23a  
76133 Karlsruhe  
+49 721 35 49622

## DISCLAIMER

© 2023 Glass, Lewis & Co., and/or its affiliates. All Rights Reserved.

This document is intended to provide an overview of Glass Lewis' approach to stewardship activities. It is not intended to be exhaustive and does not address all potential voting issues. Moreover, this document should be read and understood in the context of other information Glass Lewis makes available concerning, among other things, its research philosophy, approach, [methodologies](#), sources of information, and [conflict management, avoidance and disclosure policies and procedures](#), which information is incorporated herein by reference. Glass Lewis recommends all clients and any other consumer of this report carefully and periodically evaluate such information, which is available at: <http://www.glasslewis.com>.

None of the information included herein has been set or approved by the U.S. Securities and Exchange Commission or any other regulatory body nor should it be relied upon as investment advice. The content of this document has been developed based on Glass Lewis' experience with proxy voting and corporate governance issues, engagement with clients and issuers, and review of relevant studies and surveys, and has not been tailored to any specific person or entity. Moreover, it is grounded in corporate governance best practices, which often exceed minimum legal requirements. Accordingly, unless specifically noted otherwise, a failure to meet certain guidelines set forth herein should not be understood to mean that the company or individual involved has failed to meet applicable legal requirements.

No representations or warranties express or implied, are made as to the accuracy or completeness of any information included herein. In addition, Glass Lewis shall not be liable for any losses or damages arising from or in connection with the information contained herein or the use, reliance on or inability to use any such information. Glass Lewis expects its subscribers to possess sufficient experience and knowledge to make their own decisions entirely independent of any information contained in this document.

All information contained in this document is protected by law, including but not limited to, copyright law, and none of such information may be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any such purpose, in whole or in part, in any form or manner or by any means whatsoever, by any person without Glass Lewis' prior written consent.