Global

GLASS LEWIS

The Four Perspectives

A Model for Differentiated Proxy Voting Guidelines

Request for Comment – Consultation Paper

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The Four Perspectives – Consultation Paper

This document is circulated for consultation purposes only. It does not represent a final policy position and remains subject to revision. It is being shared alongside Glass Lewis' Request for Comment Comparison Paper to provide an understanding of the four voting Perspectives as a basis for providing feedback. Readers should also review the Important Notice and Disclaimer at the end of the paper.

1. An Introduction to the Consultation

As announced in October 2025, Glass Lewis is proposing to replace its single benchmark policy with four distinct proxy voting Perspectives following the 2027 Proxy Season. The proposal recognizes that investors weigh governance standards, financial performance and sustainability considerations differently. Each Perspective represents a recognizable stewardship approach and would inform future Glass Lewis research and policy outcomes. Investors could also use the Perspective that most closely reflects their approach as a starting point for developing a customized voting policy. The proposed **Four Perspectives** Model makes these differences explicit while maintaining a common governance foundation and methodology structure.

This Consultation Paper sets out the proposal and its supporting rationale in full. As you review it, we invite you to consider three central questions:

- Are the distinctions between the Perspectives clear and recognizable?
- Is the Four Perspectives Model workable in practice?
- Does the model reflect how institutional investors approach stewardship today?

Glass Lewis invites feedback from institutional investors, corporate issuers, governance professionals, and other market participants. Comments must be submitted via a targeted online survey, which is available at: www.glasslewis.com. The full set of consultation questions can be found in Section 6.1 in the Appendix of this paper.

1.1. What is Being Proposed

Glass Lewis has historically based its proxy voting research on a single benchmark policy shaped by client input. While this has served the market well, a single policy necessarily reflects a consolidated view and cannot fully capture the range of approaches investors take to their stewardship programs.

The proposal would replace that single policy lens with four distinct Perspectives, each representing a coherent stewardship approach already observable in the market. This model acknowledges multiple views on stewardship, makes legitimate differences between investor approaches clear and provides a practical starting point for policy selection and customization.

The Perspectives differ primarily on issues where investor views diverge most, including the role of sustainability considerations in voting decisions, the approach to board diversity and the weight given to demonstrated financial performance. Together, they are intended to reflect the range of stewardship approaches present in the market, clarify the distinctions between them and help investors develop policies aligned with their own priorities.

1.2. The Four Perspectives

The four Perspectives were not designed in the abstract. Each is an archetype of a voting philosophy already observable in the market today, distilled from a systematic review of the publicly disclosed voting policies and stewardship disclosures of a broad, representative sample of institutional investors, and subsequently confirmed against the actual voting records of more than 2,000 registered funds. How the Perspectives were developed and tested is described in more detail in the sections that follow; the table below summarizes the key defining characteristics of each Perspective. Read from top to bottom, the Perspectives form a continuum, from the greatest weight on demonstrated financial performance to the greatest weight on portfolio-wide sustainability outcomes.

Table 1: Defining Characteristics of the Four Perspectives

Perspective	Defining Characteristics
Business Fundamentals	Takes a flexible view of governance standards when boards and management teams have demonstrated a strong record of generating shareholder returns.
Foundational Governance	Treats core governance standards as essential to safeguard long-term shareholder value.
Global Stewardship	Pairs core governance standards with rigorous oversight of financially material sustainability risks to protect long-term shareholder value.
Sustainability Focused	Pairs core governance standards with rigorous oversight of sustainability risks that are or could become financially material over extended time horizons and across portfolios. Recognizes that asset owners have a fiduciary interest in the stability and integrity of the markets in which they invest.

Indicative guidelines that sit behind these Perspectives are described in the accompanying Request for Comment Comparison Paper.[1] They indicate the general direction of our current thinking and are non-market specific. Market-specific guidelines, which will contain the specific policy thresholds absent from the global guidelines, are under development and will incorporate feedback received through this consultation; once published, they will be the operative guidelines used to produce policy outcomes.

[1] Glass Lewis, 2026c, The Four Perspectives: A Side-by-Side Comparison of Differentiated Proxy Voting Guidelines, Request for Comment – Comparison Paper, September 2026.

1.3. How the Model was Developed

The development of the Model proceeded in four steps. First, recurring stewardship orientations were identified across a broad, representative sample of institutional investors' publicly disclosed voting policies and stewardship disclosures. Second, these orientations were translated into four representative **Investor Personas**, or archetypes, drawing also on informal conversations with investors and other feedback we have received over years in the industry. Third, an independent, data-driven cluster analysis of real-world proxy voting behavior, drawn from more than 2,000 registered funds and over 10,000 ballot proposals, was conducted to test whether these four archetypes reflect statistically distinguishable patterns in the market.[2] Fourth, the expected impact of the four Perspectives on policy outcomes was assessed using a purpose-built **Vote Prediction Model**.[3]

All four Perspectives, and every custom policy a client builds from them, are operationalized through a single common architecture, the **Research Methodology Framework** (RMF): a shared catalogue of Proposal Categories and **Proposal Types**, a universal **Structural Layer** of **Topics** and **Principles**, and a configurable **Assessment Layer** of **Tests** and **Indicators**. The RMF is described in Section 6.2.[4]

2. Background and Strategic Rationale

The Four Perspectives Model has been developed in response to increasing diversity in investor stewardship expectations,[5] growing demand for customization, and increasing complexity in sustainability integration and governance oversight. It moves beyond a one-size-fits-all approach to provide differentiated perspectives aligned with varying investor priorities.

2.1. Market and Stewardship Developments

Over recent years, institutional investors have increasingly adopted differentiated stewardship philosophies and voting approaches reflecting varying investment objectives, fiduciary interpretations, sustainability priorities, and portfolio construction approaches. At the same time, governance and sustainability expectations have continued to evolve across markets, often in diverging directions, including:

- Increased focus on board accountability and governance quality;
- Divergence on the role of environmental and social factors, with some investors deepening their attention to financially material sustainability risks and others narrowing their voting analysis to financial factors alone;

[2] See the Companion Paper, A Cluster Analysis of Fund Voting Profiles – Methodology & Empirical Results (Glass Lewis, 2026e), summarized in Section 5.2. of this paper.
[3] See the Companion Paper, Vote Prediction Model - Methodology, Testing & Validation (Glass Lewis, 2026f), which sets out the model's specification, testing and validation in full.
[4] The RMF is set out in full in the Companion Paper; Glass Lewis, 2026d, Research Methodology Framework: Introducing a New Proxy Voting Research Architecture, Request for Comment – Companion Paper, September 2026.
[5] Direct analysis of mutual funds' own published proxy voting guidelines confirms this diversity empirically: fund families' stated positions on governance and sustainability topics vary widely and change substantially over time, with more than 400 distinct guideline changes recorded across just 29 large U.S. fund families between 2006 and 2018. See Couvert, Maxime, 2025, "What Is the Impact of Mutual Funds' ESG Preferences on Portfolio Firms?" Working paper, University of Hong Kong (SSRN Working Paper No. 3738666).

- Broader incorporation of stewardship considerations into investment processes among some investors, alongside a renewed emphasis elsewhere on management execution and shareholder returns;
- Increasing investor demand for transparency and customization;
- Divergent expectations regarding sustainability-related disclosure and oversight, ranging from heightened scrutiny in some markets to a preference for reporting confined to financial materiality in others.

The Four Perspectives Model responds to these developments with a structured set of clearly differentiated governance and stewardship perspectives, while maintaining methodological consistency and transparency.

The objective is *not* to advocate a particular stewardship philosophy, but to provide a transparent model that reflects differing investor approaches in a structured, scalable way.

2.2. Market Practice is Already Moving

The shift toward differentiated, investor-directed stewardship is already visible in market practice. Asset managers' pass-through voting programs provide the clearest example: eligible clients select from a menu of third-party proxy voting policies rather than defaulting to a single house view. These programs began to appear in 2022 and have expanded across institutional account types and, more recently, to individual retail investors, and now cover a substantial portion of these managers' eligible equity assets. The Four Perspectives Model responds to the same underlying demand for choice, applied directly within Glass Lewis' own proxy voting guidance rather than through a third-party pass-through.

2.3. Regional Stewardship Developments

The stance of regulators and standard-setters across major markets similarly reflects this direction of movement, with approaches tending towards flexible, principles-based frameworks capable of accommodating a range of legitimate stewardship approaches:

- **United States:** Recent U.S. federal and state actions addressing DEI, stewardship, proxy voting and proxy advisory services are contributing to an evolving environment for investor stewardship and proxy voting.[6] Beyond reinforcing existing differences among investors, these developments are prompting some investors to reexamine, and potentially adjust, their approaches to sustainability considerations, board diversity, financial materiality, and the use of third-party research in voting decisions. As investors reassess their policies in light of these developments, alongside their investment objectives, fiduciary responsibilities, and stewardship philosophies, proxy voting approaches may increasingly diverge.
- **United Kingdom:** the UK Stewardship Code, most recently revised as the UK Stewardship Code 2026 following a 2024–2025 consultation, moves toward outcomes-based reporting on stewardship activity and away from more prescriptive, compliance-focused disclosure;[7]

[6] Morningstar, 2026, Proxy-Voting Trends in 2025: Widening Gaps in Asset Manager Voting Preferences, January 2026.
[7] Financial Reporting Council (FRC), 2020, UK Stewardship Code 2020; FRC, 2025, UK Stewardship Code 2026 (following the consultation launched 11 November 2024), to apply from the 2026 reporting cycle.

- **European Union:** the Shareholder Rights Directive II (SRD II) requires institutional investors and asset managers to develop and publicly disclose an engagement policy, on a "comply or explain" basis, describing how they exercise stewardship rights;[8]
- **Japan:** the revised Stewardship Code (third revised version, 2025) explicitly moves "from form to substance," adopting a more principles-based approach that empowers institutional investors to tailor their stewardship activities to individual portfolio companies rather than follow detailed, form-based requirements;[9]
- **G20 / OECD:** the G20/OECD Principles of Corporate Governance, revised in 2023 and endorsed by G20 leaders, continue to serve as the leading international reference point for both company governance and investor stewardship expectations across more than 50 jurisdictions. Framed as high-level principles rather than prescriptive rules, they set a common reference point for what credible stewardship requires while leaving the substance of voting policy to investors themselves.[10]

Beyond formal regulatory codes, investor-led frameworks such as the ICGN Global Governance Principles and the ICGN Global Stewardship Principles (fourth edition, 2024) continue to provide a widely referenced international benchmark for both company governance and investor stewardship practice. Like the codes above, they are drafted as principles rather than prescriptions, defining what credible stewardship looks like without specifying how any individual investor should vote, and accommodating a range of legitimate approaches.[11]

3. Development of the Four Perspectives Model

The Four Perspectives Model reflects an observation visible in market practice and documented in academic literature: institutional investors, i.e. large, minority shareholders who typically want to exercise shareholder rights because they see value in doing so and want objective advice to help them in doing so, apply materially different stewardship philosophies and voting approaches, shaped by varying investment objectives, governance priorities, sustainability considerations, and interpretations of fiduciary responsibility.

The development process sought to identify recurring patterns in investor stewardship approaches, observable across publicly disclosed voting policies, stewardship reports, governance principles, sustainability frameworks, and broader market practice. Rather than replicate individual investor policies, the objective was to identify a limited number of coherent, scalable archetypes reflecting differing approaches to governance oversight, board accountability, sustainability integration, shareholder rights, and long-term value creation.

The model aims for conceptual clarity, methodological consistency, and practical usability, recognizing that stewardship approaches exist on a spectrum rather than in rigid categories.

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[8] European Parliament and Council of the European Union, 2017, Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (Shareholder Rights Directive II).
[9] Financial Services Agency (Japan), 2025, Principles for Responsible Institutional Investors (Japan's Stewardship Code), Third revised version (26 June 2025).
[10] OECD, 2023, G20/OECD Principles of Corporate Governance 2023, adopted by the OECD Council at Ministerial level, June 2023, endorsed by the G20 Finance Ministers and Central Bank Governors' Meeting and the G20 New Delhi Summit in 2023.
[11] International Corporate Governance Network (ICGN), 2021, Global Governance Principles; ICGN, 2024, Global Stewardship Principles, 4th edition.

3.1. Scope of Observation

Our analysis drew principally on publicly available material. For each investor in the sample, we reviewed its proxy voting guidelines, stewardship reports, responsible investment policies, and engagement principles. Alongside that documentary review, we held conversations with a selected group of clients, which allowed us to test our reading of their published policies against how they describe their own voting philosophy and stewardship priorities in practice.

A Representative Sample of the Global Universe of Institutional Investors

The review covered a cross-section of investor types across markets, countries, regions and US states, including:

- Asset managers, spanning index and passive, active fundamental and sustainability-focused mandates;
- Public pension funds and other public asset owners;
- Superannuation and provident funds;
- Sovereign wealth funds;
- Insurers and insurance-affiliated managers;
- Pension asset managers and public financial institutions.

The review covered 73 policy documents published by 70 distinct institutions. Geographically the sample is anchored in the United States, which accounts for 38 institutions, or 54% of the total. Europe contributes a further 21 (30%) once the United Kingdom is counted alongside the Continent, while Canada, the Middle East and Asia-Pacific are represented by 11 institutions between them.

Table 2: Sample Composition by High-Level Region (n = 70 Institutions)*

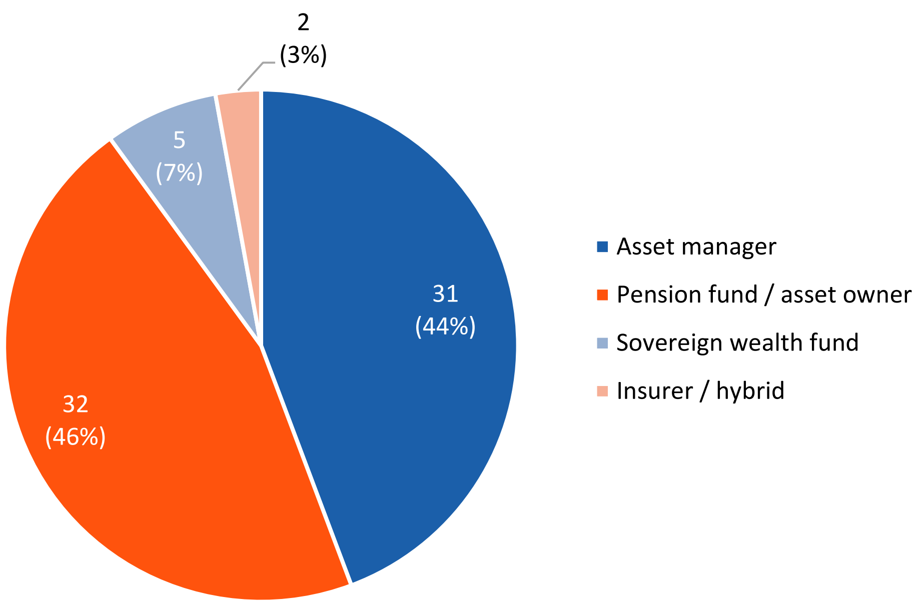
Region	Institutions	% of sample	Sourced AUM (US$bn)
United States	38	54%	44,778
Europe (ex-UK)	13	19%	8,444
United Kingdom	8	11%	3,098
North America (ex-US)	4	6%	346
Asia-Pacific	4	6%	1,207
Middle East	3	4%	908
Total	**70**	**100%**	**58,779**

**Source: Third-party policy review, sample overview. Regional shares are of 70 distinct institutions; AUM covers only the 29 institutions with a sourced first-party figure and therefore understates the sample's true aggregate assets.*

Where assets under management could be sourced from a first-party disclosure (29 of the 70 institutions), the reported figures aggregate to some US$58.8trn, of which 15 institutions manage or own more than US$1trn each.

By institution type the sample is close to evenly balanced between the two dominant groups: 31 asset managers and 32 pension funds and other asset owners, complemented by five sovereign wealth funds and two insurer-hybrids. That balance is deliberate. Managers and owners sit at different points in the investment chain and disclose their voting expectations in different registers, so a sample tilted towards either would risk building the Perspectives around one group's drafting conventions rather than around genuine differences in voting philosophy.

Exhibit 1: Institutions by Type (n = 70)*



**Source: Third-party policy review, sample overview.*

Detailed region-by-type and institution-type breakdowns, together with the definitional and sourcing notes that apply to the figures above, are set out in Section 6.3 in the Appendix.

3.2. Identifying the Relevant Differentiation Dimensions

This is the most important analytical step in the model's development. In it, the dimensions along which stewardship philosophies meaningfully differ were identified. These dimensions emerge from observation of actual market practice, rather than being ideologically predetermined. They are of two kinds: The first cuts across every **Proposal Category**, irrespective of the matter being voted on; Table 3 sets out each of these orientations and the spectrum it spans. The second kind is category-specific: the same underlying disagreements, expressed in the terms of an individual Proposal Category. Table 4 maps them to the Categories in which they surface.

Table 3: Universal Dimensions (Apply Across All Proposal Categories)*

Dimension	Spectrum
Degree of Prescription	Quantified bright lines versus case-by-case judgment
Deference to Management	Readiness to vote against management versus a requirement of high conviction before doing so
Acceptance of Regional Standards	Accepting a local market practice where it sits below the investor's home-market or global expectations versus applying one standard uniformly across markets
Policy and Disclosure Prescription	Voting AGAINST on the basis of non-adoption of a voluntary policy or disclosure, absent evidence of an actual failure, versus requiring evidence of a failure
Sustainability Integration	Limited, moderate, or extensive integration of sustainability considerations into the guidelines
Risk Perspective	Financial materiality only versus broader externalities and system-level effects

**Source: Glass Lewis analysis of the third-party policy review described in Section 3.1.*

Table 4: Category-Specific Dimensions*

Proposal Category	Dimension	Spectrum
Election of Directors	Board Accountability Philosophy	Strict independence thresholds versus contextual flexibility
Compensation	Compensation Architecture	Structural requirements on quantum, severance, vesting horizons, shareholding, and dilution versus outcome-based pay-for-performance assessment
Governance Structure; Capital Management	Shareholder Rights and Capital Structure	Tolerance of unequal voting rights, takeover defenses, and pre-emption limits
Governance Structure	Procedural Rights at General Meetings	Prescriptive expectations on special meetings, written consent, supermajority, and forum provisions versus silence on them
Shareholder Proposals	Shareholder Proposal Philosophy	Restrictive versus supportive
Special Situations	Special Situations Lens	Financial rationale alone versus financial rationale together with social and environmental impact

**Source: Glass Lewis analysis of the third-party policy review described in Section 3.1.*

3.3. Observable Patterns and the Development of Investor Personas

In the next step, the investors in our sample were analyzed for how they cluster across the dimensions identified above. Based on the recurrent patterns identified, a set of representative "Investor Personas" was developed to provide a conceptual foundation for the Four Perspectives Model. For example, based off observations such as **(1)** a strong focus on management execution; **(2)** pragmatic governance flexibility; and **(3)** limited sustainability emphasis, the corresponding "**Business Fundamentals**" Perspective was developed. It believes that the track record of a company's leadership is the most relevant indicator of long-term shareholder value. It focuses on governance that supports and evaluates management's success, with added weight given to demonstrated financial performance, grounded in the belief that strong and effective leadership can create long-term sustainable shareholder value.

The Investor Personas we identified are not intended to represent specific institutions or investor groups. Instead, they are designed as generalized archetypes reflecting differing perspectives regarding the role of corporate governance, the importance of sustainability considerations, the balance between shareholder and stakeholder outcomes, and the mechanisms most likely to support long-term value creation. They form the conceptual basis for the corresponding four Perspectives, which operationalize differing governance and stewardship philosophies within a structured proxy voting framework. Section 5.2 turns from this qualitative exercise to a data-driven test of whether the four Perspectives are representative of real-world voting behaviors.

4. The Four Perspectives Model

Having established the conceptual foundation for the Four Perspectives in Sections 3.1 to 3.3, this section turns to how they are operationalized into differentiated proxy voting guidelines.[12]

4.1. A Shared Foundation

All four Perspectives are built on the same underlying analytical architecture, the Research Methodology Framework (RMF),[13] a common structure of Principles, Proposal Categories and Topics, assessed through a configurable Assessment Layer of Tests and Indicators. Policy outcomes differ across the Perspectives through two levers: which Topics each Perspective brings into scope, and how the Tests and Indicators within them are configured. For many Topics, however, the underlying Tests, thresholds, and applicability rules are identical. This is most evident in board-related governance matters: all four Perspectives assess director independence, board and committee structure, overcommitment, attendance, conflicts of interest, and the board's governance track record. All four also apply the same core requirements for auditor independence and performance.

The Principles are a key conceptual component of the RMF: they form the common foundational layer against which every Topic is assessed, and they are identical across all four Perspectives. In substance, all four therefore start from the same premises. For example, they agree:

- that shareholders need timely, sufficient disclosure to cast an informed vote;
- that boards must be independent enough, and committees structured well enough, to genuinely oversee management;
- that directors must remain accountable through regular elections and be responsive when shareholders register meaningful dissent;
- that fixed and variable pay must be reasonable, justified, and not divorced from performance, with the same guardrails on excessive salaries, unjustified increases, and unearned windfalls applying across all four;
- that auditors and other independent experts must be independent, competent, and sufficiently disclosed, and that transactions must be conducted with integrity and protect unaffiliated shareholders from unfair treatment.

The full set of the 18 Principles, together with the Proposal Categories to which they are applied, is shown in Table 5.

[12] For the complete, provision-by-provision comparison underlying this section, including the full text of each Perspective's policy across every Proposal Category, Principle, and Topic, see the companion document, The Four Perspectives: A Side-by-Side Comparison of Differentiated Proxy Voting Guidelines (Glass Lewis, 2026c).

[13] For a more detailed description, see Section 6.2.2. in this paper as well as the full Methodology Paper: Glass Lewis, 2026d, Research Methodology Framework: Introducing a New Proxy Voting Research Architecture, Request for Comment – Companion Paper, September 2026.

Table 5: Corresponding Principles and Proposal Categories

Principle	Proposal Categories
Shareholders require sufficient and timely disclosure.	Election of Directors; Financial and Non-Financial Reporting
Appropriate board and governance structures.	Election of Directors; Special Situations
Director accountability through election or equivalent mechanisms.	Election of Directors
Appropriate consideration of material shareholder feedback.	Election of Directors
Accurate and complete reporting.	Financial and Non-Financial Reporting
Auditor independence in fact and appearance.	Financial and Non-Financial Reporting
Auditor quality and competence.	Financial and Non-Financial Reporting
Credible management-sponsored proposals.	Financial and Non-Financial Reporting
Capital decisions consider existing shareholder rights.	Financial and Non-Financial Reporting; Capital Management
Justifiable compensation arrangements.	Compensation
Long-term alignment of compensation.	Compensation
Protection of shareholder rights in governance amendments.	Governance Structure
Protection of shareholder interests in meetings.	Governance Structure
Justified capital expenditure or contentious spending.	Capital Management
Shareholder proposals address material issues.	Shareholder Proposals
Well-defined shareholder proposals.	Shareholder Proposals
Fairness to unaffiliated shareholders.	Special Situations
Fair terms in related-party transactions.	Special Situations

4.2. Where the Perspectives Diverge

The differences between the four Perspectives are deliberate and targeted. They are not a rewrite of what good governance means; they run along two dimensions: which Topics each Perspective brings into scope, and how the Tests and Indicators in the RMF's Assessment Layer are configured within them.

Before going into the details of what is actually determining the differences in policy outcomes across the four Perspectives, Table 6 provides a high-level overview: read top to bottom, the Perspectives form a continuum, from a view that gives the most weight to demonstrated financial performance, to a view that gives the most weight to broad stakeholder and sustainability outcomes.

Table 6: The Four Perspectives – The Differences at a Glance

Perspective	Core Orientation	Stance on Company Performance	Stance on Sustainability Topics
Business Fundamentals	Governance judged in the context of demonstrated returns	Strong relative shareholder returns can earn added latitude on governance expectations (the "High-Performing" designation)	High bar for proposals related to environmental and social topics: demonstrated financial harm required
Foundational Governance	Performance-agnostic, governance-first view	May inform analyst judgment, but never formalized into the Tests	Same high, harm-based bar as Business Fundamentals
Global Stewardship	Governance plus oversight of financially material sustainability risk	Not formalized; case-by-case only	Industry-based materiality lens; oversight and disclosure expected where exposure is material
Sustainability Focused	Governance plus the broadest stewardship and stakeholder view	Not used; financial performance is not a mitigating factor to non-financial issues	Industry lens plus Impact Materiality (Double Materiality); widest stakeholder duty of care; tax-transparency expectations

Selection of Topics and Associated Tests

Business Fundamentals and **Foundational Governance** apply the narrowest set of Topics: the traditional governance, audit, capital, and compensation subject matter, assessed without reference to sustainability considerations. **Global Stewardship** brings further Topics into scope, including certain sustainability Topics where a company is materially exposed, among them board diversity, the governance of non-financial risks, sustainability performance, and the completeness and quality of non-financial reporting. **Sustainability Focused** applies not only the widest set of Topics but also the widest set of associated Tests, adding system-level sustainability considerations, the company's impact on the environment and society, board-level environmental and social expertise, responsible tax practice, assurance over non-financial reporting, the intended use of proceeds at emission-intensive issuers, the environmental and social implications of a proposed transaction, and a wider **Stakeholder Alignment** Test in compensation.

Six Fault Lines That Set Them Apart

Differences in the selection of Topics are one driver of divergent policy outcomes across the Perspectives. But even where a Topic is in scope for more than one Perspective, the expectations against which a company is assessed may still differ. For example, on a voluntary climate or nature transition plan, **Business Fundamentals** and **Foundational Governance** support the proposal, **Global Stewardship** tests the plan's targets, coverage, and credibility, and **Sustainability Focused** applies a stricter standard that expects independent verification.

Six fault lines account for most of that divergence. Each is a question that recurs in several places in the voting guidelines, and each is answered differently by the four Perspectives.

Does strong performance earn governance leeway?

Business Fundamentals is the only Perspective that treats a company's relative financial performance as a formal input into its policy guidelines, and it does so across a broad range of proposals, including director elections and executive compensation.[14]

A "**High-Performing**" determination reflects the view that a strong, sustained track record is informative about the quality of a company's leadership and governance. The determination is based on Total Shareholder Return (TSR) measured against an appropriate peer group: a company must rank in the top quartile of that group to qualify. The primary measurement period runs from the start of the incumbent CEO's tenure; additional periods are tested to confirm that outperformance is durable rather than an artifact of the specific window chosen.

The effect of a "High-Performing" assessment is generally either an exemption from a specific governance best-practice expectation or greater tolerance for higher executive remuneration. Where a High-Performing company has engaged in egregious conduct detrimental to minority shareholders, Analyst Discretion overrides the exemption.

How is "materiality" defined for sustainability topics?

Business Fundamentals and **Foundational Governance** take a skeptical, evidence-based approach: an environmental or social matter is financially material only where harm to the company is demonstrable through regulatory costs, penalties, or comparable sanctions, regardless of industry. **Global Stewardship** applies an industry-by-industry differentiated materiality view, informed by sustainability disclosure standards such as

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[14] Empirical work supports treating performance as a voting input. Ng, Wang and Zaiats (2009) examine mutual fund proxy voting records and find that voting on selected management and shareholder proposals is related to prior firm performance, framing performance as part of funds' monitoring function. Cai, Garner and Walkling (2009) study a large sample of director elections and find that shareholder votes are significantly related to firm performance, governance, director performance and voting mechanisms, although even directors at poorly performing firms still receive very high support.

SASB,[15] setting higher expectations in sectors where an issue is more likely to be financially material, among them mining, oil and gas, utilities, apparel, agriculture, and food.

Sustainability Focused uses that same lens and adds a second: whether a matter has a material impact on the environment or society ("**Impact Materiality**"). This combination, known as the **Double Materiality** approach,[16] also aligns with the **Universal Ownership** concept, which recognizes that, for a broadly diversified investor, returns depend more on the health of the market and the economy than on the performance of any single holding.[17] Environmental and social costs externalized by one company can therefore erode returns elsewhere in the portfolio; such impacts are accordingly treated as relevant to total portfolio value even where they are not financially material to the individual company.

What must boards proactively disclose and oversee?

Under **Business Fundamentals** and **Foundational Governance**, board-level environmental and social oversight and climate accountability are not director-election Topics; governance concerns run through the traditional levers of independence and committee composition. **Global Stewardship** expects clear disclosure of board-level environmental and social oversight where a company is materially exposed or sits on a major blue-chip index, and climate oversight aligned with TCFD, IFRS S2, or an equivalent framework at large-caps with material climate exposure.[18] **Sustainability Focused** judges that oversight additionally against the company's impact on the environment and society, and adds workforce and human capital disclosure expectations. It also looks for board-level environmental and social expertise where industry exposure warrants it, and it alone tests responsible tax practice against the 15% minimum rate of the OECD/G20 Pillar Two framework. Oversight of cyber and AI risk, by contrast, is assessed identically across all four.

How is board diversity approached?

Business Fundamentals and **Foundational Governance** look to the diversity of skills, experience, and perspective a board brings, irrespective of demographic attributes, and do not apply quantitative minimum diversity expectations. **Global Stewardship** and **Sustainability Focused** retain those quantitative expectations, for example, at least one gender-diverse director at main-market companies, a 30% threshold on blue-chip and mid-cap indices in Europe and North America, and clear disclosure of ethnicity-related diversity performance for large companies in markets where law or best practice calls for it.

How far does "pay must reflect performance" extend?

All four Perspectives apply the same core guardrails on fixed pay, variable pay, and non-executive director compensation, and all run the same pay-for-performance model. What differs is the definition of performance that model is allowed to reflect. **Business Fundamentals** extends the "High-Performing" logic into pay, tolerating

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[15] The Sustainability Accounting Standards Board (SASB) began in 2011 as a US-based nonprofit that developed industry-specific standards for what sustainability information companies should disclose. The SASB Standards are now maintained by the International Sustainability Standards Board (ISSB) of the IFRS Foundation, which assumed responsibility for them in August 2022. See International Sustainability Standards Board (ISSB), SASB Standards, IFRS Foundation.

[16] Double Materiality is defined in ESRS 1 General Requirements, section 3, adopted as Annex I to Commission Delegated Regulation (EU) 2023/2772; accompanying implementation guidance is provided in EFRAG (2024).

[17] Hawley, James P., and Andrew T. Williams, 2000, The Rise of Fiduciary Capitalism: How Institutional Investors Can Make Corporate America More Democratic, University of Pennsylvania Press, Philadelphia.

[18] TCFD, IFRS S2: Reporting frameworks for climate-related financial disclosure (the Task Force on Climate-related Financial Disclosures, and its successor standard, IFRS S2 Climate-related Disclosures), referenced as acceptable frameworks for board-level climate accountability disclosure.

greater skew in quantum where relative returns have been strong. **Foundational Governance** and **Global Stewardship** hold the standard financial definition without that latitude. **Sustainability Focused** widens the definition itself, asking whether material sustainability factors have been built into performance measurement, and extends the Stakeholder Alignment Topic from direct stakeholders to all stakeholders — a Topic **Business Fundamentals** and **Foundational Governance** do not apply at all. The practical consequence is that the same compensation plan can clear the pay-for-performance test under one Perspective and fail it under another, without any disagreement about the guardrails on quantum or structure.

What is the approach to shareholder proposals?

All four Perspectives assess shareholder proposals under the same Topics, spanning governance, environmental, social, human-capital, and human-rights subject matter; this is the category in which they diverge most visibly, and the divergence is entirely one of the evidentiary bar each sets before it will support a proposal. All else equal, each Perspective is more likely to support proposals seeking additional disclosure or reporting, which impose limited constraints on the company, than proposals seeking targets or commitments that reduce the board's strategic flexibility.

Business Fundamentals and **Foundational Governance** presume that environmental, social, human-capital, and human-rights proposals are not financially material unless demonstrable harm can be shown. That presumption narrows the supportable set considerably, and it carries into director accountability: neither Perspective treats environmentally or socially motivated dissent as a reason to hold directors to account, and majority-supported proposals on matters treated as non-material do not trigger a responsiveness concern.

Global Stewardship considers industry risk exposure and industry practices, and tests whether a company's disclosure, targets, and practices leave a material gap. **Sustainability Focused** sets the lowest bar to support: at companies with material industry exposure, a well-crafted, risk-mitigating proposal is supported unless the company can show that the risk is already adequately managed.

The divide is sharpest on pay-related proposals: **Business Fundamentals** and **Foundational Governance** generally oppose requests to tie executive compensation to sustainability measures, whereas **Global Stewardship** and **Sustainability Focused** may support such a request where existing plans are inadequate and adoption would demonstrably mitigate a material risk.

5. Empirical Validation and Impact Testing

In this section we describe how we tested and validated the real-world alignment of the four Perspectives by applying them to a common set of ballots to assess how these choices translate into different policy outcomes and how those compare to the actual voting behavior of institutional investors.

5.1. Expectations

As set out in Section 1, the proposed model is intended to make differing stewardship and governance approaches more transparent, to help investors articulate distinct voting philosophies and align them with their stewardship orientation, and to apply governance and stewardship principles more consistently across topics.

Consistent with these objectives, the model is expected to produce greater differentiation in policy outcomes across Perspectives, varying approaches to sustainability-related matters, and differing assessments of governance, compensation and shareholder proposal topics according to the underlying stewardship orientation.

5.2. Confirming the Four Archetypes in the Data

The Investor Personas were developed through qualitative observation of institutional investors' policies and market practice as described in Section 3. To test whether they also correspond to genuine, statistically distinguishable patterns in how institutional investors actually vote, an independent empirical analysis of real-world proxy voting behavior was conducted.[19],[20]

The underlying data is drawn from SEC Form **N-PX**, the annual filing in which every SEC-registered fund discloses how it voted on each ballot item over the prior year.[21]

The sample comprised 2,357 fund series and 4,379 shareholder meetings held between July 2023 and June 2024, covering 10,334 management-sponsored and 805 shareholder-sponsored proposals. Two treatments —

[19] The full methodology, the technical specification, and the complete findings are set out in the companion working paper, A Cluster Analysis of Fund Voting Profiles – Methodology & Empirical Results (Glass Lewis, 2026e).

[20] This "votes-based approach" is corroborated by separate research we conducted analyzing mutual funds' own published guidelines directly, finding similarly persistent, heterogeneous stewardship ideologies across large fund families. This "preferences-based approach" has been inspired by Couvert (2025). The existence of stable, persistent voting blocs among mutual funds is documented independently by Bubb and Catan (2022).

[21] One feature of the estimation sample should be stated plainly. Form N-PX is a US disclosure obligation, so the observable funds are SEC-registered fund series voting ballots weighted towards US issuers, and asset owners — public pension funds in particular — are under-represented relative to asset managers; no comparable item-level voting panel exists outside the United States. The Perspectives themselves, however, were derived not from this data but from the globally distributed policy review in Section 3, which is close to evenly balanced between asset managers and asset owners; the voting data serves only to test whether the four archetypes are separable and ordered as expected. If anything, the skew understates the weight of the Sustainability Focused Perspective, so a broader global panel would be expected to reinforce rather than weaken the conclusion drawn here.

the handling of votes a fund did not cast, and the exclusion of uninformative proposals and thinly voting fund series — were applied to arrive at a clean estimation sample.[22]

Real-world voting reduces cleanly to two dimensions, which together capture 90.2% of the variation and jointly describe a fund's overall posture: how much it dissents, and where that dissent lands.

- **Dimension 1 ("Scale of Dissent", 58.9% of variance):** At one end, funds vote with management on routine items — compensation, capital authorities, governance — and against environmental and social shareholder proposals. At the other end, they withhold support from those routine items and back the environmental and social proposals. The four Perspectives fall along this axis in exactly the expected order: Business Fundamentals at the least dissenting end, then Foundational Governance, Global Stewardship, and Sustainability Focused at the most escalating end.
- **Dimension 2 ("Focus of Dissent", 31.3% of variance):** This axis separates funds by where their dissent lands. At one end, funds express their stance chiefly through environmental and social shareholder proposals, say-on-pay, and deal-related items — the small, high-escalation cluster (177 series) stretches far along this direction, with the Sustainability Focused Perspective at its edge — while funds at the other end are comparatively more willing to oppose management's director and auditor nominations while engaging less with proposals related to environmental and social issues.

Independent cluster analysis, conducted without reference to the proposed Perspective, indicated that four groups provided the clearest representation of observed voting patterns.[23]

5.3. Confirming the Fit: How the Four Perspectives Relate to Actual Voting Behavior

Showing what the four Perspectives would mean in practice requires simulating how a fund would actually vote under each one, ballot by ballot. That simulation is performed by a proprietary Vote Prediction Model we developed,[24] based off which each Perspective was translated into a hypothetical voting record across the same 11,139 proposals in our sample reflecting how a fund fully embodying Business Fundamentals, Foundational Governance, Global Stewardship or Sustainability Focused would have voted on each item. Each resulting record was then projected onto the identical two-dimensional map used to build the clusters, so that Perspectives and observed fund series are measured on the same axes.

[22] The construction of the vote matrix, the treatment of uncast votes, and the exclusion criteria applied to proposals and fund series are documented in the companion working paper, A Cluster Analysis of Fund Voting Profiles – Methodology & Empirical Results (Glass Lewis, 2026e).

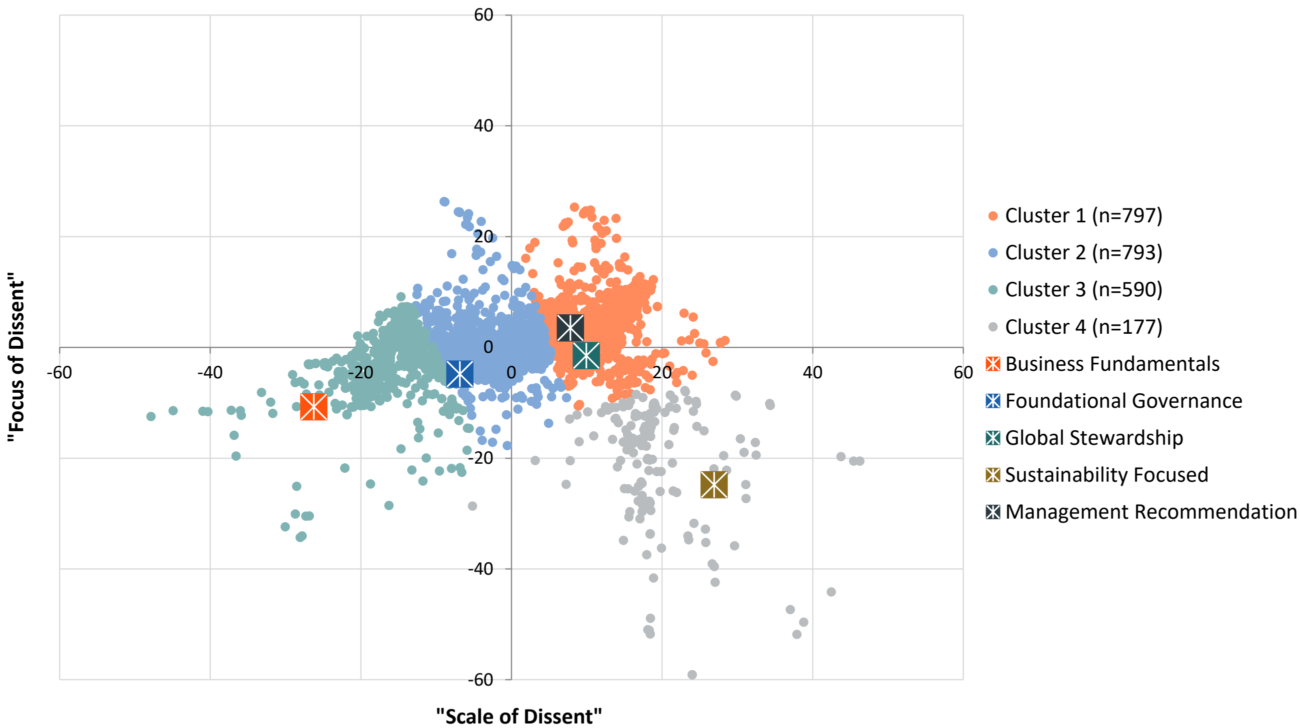
[23] Within-cluster variance drops steeply from two clusters to four and then flattens, the signature of a genuine four-group structure rather than an artefact of over-fitting. The dimension-reduction step and the selection of the number of clusters, including the variance-reduction evidence and the robustness checks supporting a four-group solution, are set out in Glass Lewis, 2026e.

[24] Full methodology, benchmark specification, and validation results are set out in the companion working paper, Vote Prediction Model - Methodology, Testing & Validation (Glass Lewis, 2026f).

The outcome

The modeled Perspectives aligned closely with the four observed voting groups and appeared in the expected order from the least dissenting end to greater escalation ("Scale of Dissent" axis). In other words, the number of distinct voting philosophies the data supports, and the number of Perspectives already defined, are the same, and they occupy the same territory. The same ordering appeared when the analysis was limited to shareholder proposals.

Exhibit 2: Fund Series in the Two-Dimensional Voting Space, with the Predicted Four Perspectives' Voting Outcomes Overlaid*



**Management and shareholder proposals combined; Source: 2024 N-PX corpus (2,357 Fund Series; 11,139 proposals); EM-PCA scores with K-means clusters. See the companion Cluster Analysis paper (Glass Lewis, 2026e) for the management-only and shareholder-only views.*

Distribution Across the Four Perspectives

Table 7 reports, for each Perspective, the number and share of fund series whose voting record sits closest to it, measured by proximity to that Perspective's position in the governance space.

Table 7: Distribution of Fund Series Across the Four Perspectives*

Perspective	Fund Series (n)	Share of Corpus
Global Stewardship	1,041	44.2%
Foundational Governance	965	40.9%
Business Fundamentals	227	9.6%
Sustainability Focused	124	5.3%

**Source: 2024 N-PX corpus; n = 2,357 fund series.*

Two Perspectives dominate the sample: Global Stewardship and Foundational Governance together cover roughly 85% of fund series, while Business Fundamentals and Sustainability Focused account for 9.6% and 5.3% respectively.

Distinguishing the Perspectives by Topic - Different in the Places That Matter

A more granular test asks whether the Perspectives vote differently on specific Proposal Categories, rather than merely occupying different positions in an abstract statistical sense.[25] The result is that there is consistent and plausible differentiation between the Perspectives and that it is concentrated exactly where the respective policy guidelines predicted it to be: On auditor ratification and human capital proposals, where good practice is broadly uncontroversial, all four support the item at similarly high rates. On categories that directly implicate each Perspective's distinguishing philosophy (say-on-pay, executive compensation, capital structure, diversity, social) they diverge by 60 percentage points or more. This is consistent with the qualitative differentiation dimensions identified in Section 3.2.[26]

5.4. Conclusion: The Four Perspectives Span a Wide Range of Voting Behaviors

Two conclusions follow: First, the four Perspectives are not an arbitrary segmentation imposed on the market; they correspond to voting behaviors that institutional investors already show, in observable, statistically distinguishable numbers.

[25] Throughout this section, the names of the four Perspectives are used as labels for the four data-driven clusters only. No one-to-one correspondence between a cluster and a Perspective is implied; each label denotes the Perspective whose modelled voting profile lies closest to that cluster.

[26] Note: The results for the four Perspectives are simulated rather than observed: each Perspective's support rate is derived by predicting, ballot by ballot, how a fund fully applying that Perspective would vote across the 11,139 proposals in the corpus, using the vote prediction model described in the companion Vote Prediction Model paper (Glass Lewis, 2026f). Because the four Perspectives vote identically on a large share of routine ballots, the divergences shown here concentrate in the categories where their policies genuinely differ.

Second, because the four Perspectives, taken together, span a wide range of positions the market actually takes, from the most performance-driven to the most stakeholder-oriented, they form a strong starting point for any investor seeking to articulate its own stewardship policy: in the large majority of cases, identifying the Perspective closest to one's own philosophy and adjusting a small number of specific thresholds or emphases, within the Research Methodology Framework described in Section 6.2, is usually sufficient to arrive at a policy that is genuinely one's own.

Together, Sections 3 to 5 establish the conceptual foundation for the four Perspectives, the model through which they are operationalized, and the empirical evidence that the four archetypes are already present in real voting behavior.

6. Appendix

6.1. Consultation Questions

Glass Lewis invites written comments from institutional investors, corporate issuers, governance professionals, and other market participants. The proposed Four Perspectives Model remains subject to refinement based on consultation feedback regarding conceptual clarity, differentiation, practical usability, and alignment with observable stewardship approaches.

General observations, dissenting views, and issues we have not thought to ask about are equally welcome. Every response will be read and considered before the model is finalized. Detailed guidance for how to submit comments most effectively is provided together with the online survey on the consultation landing page. Please note that we provide the consultation questions here without the pre-defined answer categories that you will find in the online survey.

Overarching Questions

1. How well does each Perspective represent stewardship orientations that are relevant to your investment firm?
2. How well do the four Perspectives represent a complete picture of major stewardship orientations in the market?
3. How clearly and meaningfully differentiated are the four Perspectives?
4. How clear and workable is our three-tier approach to differentiating how the Perspectives consider non-financial issues: (1) plainly evident financial harm, (2) industry-based financial materiality, and (3) Double Materiality (company/industry-based financial materiality plus broader societal or environmental impact)?
5. To what extent should relative shareholder returns formally influence each Perspective? For reference: Business Fundamentals is the only Perspective that is currently proposed to have formal influence from relative shareholder returns.
6. To what extent are Judgment-Based Tests necessary to capture nuances that cannot be adequately addressed through Rules-Based Tests, both within the Perspectives and in investor-specific voting policies?

Business Fundamentals

7. How appropriate is it to base an assessment of a company's leadership on the company's relative Total Shareholder Return across the CEO's tenure?
8. To what extent should a "High-Performing" designation provide greater flexibility to deviate from certain governance best practices and executive compensation expectations?
9. To what extent should a "High-Performing" designation justify greater tolerance for well above-market executive compensation, including exceptionally large awards intended to retain high-performing executives?
10. Business Fundamentals makes no "High-Performing" allowance for the Topic Non-Executive Director (NED) Award Types, in that performance-based awards are not tolerated for NEDs. Should this Topic be considered for a "High-Performing" exemption?
11. Should a company temporarily retain its "High-Performing" status following an orderly CEO succession until the successor has sufficient tenure to be evaluated by a Performance Model?

12. Should low relative Total Shareholder Returns formally influence the Business Fundamentals policy?
13. Is it appropriate that Business Fundamentals shares the same Topics and Tests with Foundational Governance, with the only difference being the use of the "High-Performing" designation to exempt certain governance and compensation expectations?

Foundational Governance

14. To what extent do you agree that Foundational Governance should assess board composition primarily based on relevant skills and experience, without quantitative diversity expectations?
15. To what extent do you agree that Foundational Governance should consider environmental and social matters financially material only where financial harm is plainly evident, such as through regulatory costs, penalties, or other sanctions?

Global Stewardship

16. To what extent should inadequate disclosure of board-level environmental and social risk oversight, absent evidence of an actual risk incident, warrant an AGAINST vote for relevant directors at blue-chip companies?
17. Where no widely accepted industry framework exists, to what extent should peer-company practices be used to assess the sufficiency of environmental and social disclosures?

Sustainability Focused

18. To what extent should Sustainability Focused apply broader escalation for significant sustainability concerns, including opposing multiple directors rather than only the director considered most accountable?
19. To what extent should Sustainability Focused incorporate additional sustainability-specific topics, such as Tax Transparency, for the Election of Directors beyond those considered under Global Stewardship?
20. To what extent should the absence of material sustainability factors in variable compensation warrant opposition to say-on-pay when there are no concerns regarding the company's sustainability outcomes?

Special Situations (Mergers, Acquisitions, Contested Meetings)

21. To what extent should the four Perspectives apply meaningfully different considerations when assessing Special Situations?
22. To what extent should the Sustainability Focused Perspective consider the social and environmental impacts of a transaction on other stakeholders when assessing Special Situations?

6.2. Our New Research Methodology Framework (RMF)

The Research Methodology Framework (RMF) is the common architecture that makes the four Perspectives, and every custom policy a client builds from them, operational. It supplies the foundation, structure, and assessment logic within which each Perspective, and each client-specific variation, is expressed. The RMF has three components: **Proposal Classifications**, which identify what is being voted on; a Structural Layer of Topics and Principles, which is universal across all policy configurations; and an Assessment Layer of Tests and Indicators, which is where Perspectives and custom policies diverge.

The Structural Layer: Topics and Principles

The RMF is built on a shared catalogue of Principles: universal governance concepts broadly accepted as desirable standards by investors of every stripe, whether passive managers, sustainability-focused funds, or contrarian value investors. Because all market participants share this common ground, every policy configuration across every market (each of the four Perspectives, and every custom policy derived from them) draws on the same catalogue of Principles.

Every item put to a shareholder vote is a Proposal, identified by a Proposal Category and a Proposal Type. That classification determines which Topics apply: specific policy subjects assessed within each Proposal Type, such as Board Independence or Pay-for-Performance Alignment. Each Topic in turn considers one or more Principles and is assessed to determine whether an associated Principle has been breached. As with the Principles themselves, the Topic catalogue is universal: the same set of Topics accommodates every policy configuration, in every market, though the catalogue is expected to expand over time as policies are updated and client customizations are added.

The Assessment Layer: Tests and Indicators

While every policy configuration shares the same Topic catalogue and the same Principles, how a given configuration assesses whether a Principle has been breached can, and does, differ. This is where the four Perspectives, and any client's custom policy, are differentiated: through the specific combinations of Tests and Indicators applied to each Topic.

- **Tests** are simple logic assessments that inform an Indicator. Each Test produces a binary Test Signal (PASS or FAIL) and is assessed on one of three bases: Rules-Based (RB), an objective assessment against a defined, fact-based condition or threshold, or of the presence or absence of a characteristic; Model-Based (MB), incorporating the output of a model, such as the Pay-for-Performance Model, as a Test input; and Judgment-Based (JB), a qualitative assessment requiring analyst interpretation, applied case by case where rules- or model-based approaches are not possible or not sufficient.

- **Indicators** are algorithmic assessments that combine Test Signals into a defined Outcome. Two Indicator types apply across all Proposal Types: the **Breach Indicator**, which determines whether the associated Principle has been breached with respect to a given Topic, with up to four possible Outcomes (NO CONCERN, CONCERN, BREACH, or SEVERE BREACH); and the **Policy Outcome Indicator**, which translates Breach Indicator outcomes into an actionable policy outcome (commonly FOR or AGAINST). A SEVERE BREACH outcome can also escalate into related Election of Directors results. Two further Indicator types apply specifically to Election of Directors proposals: the **Independence Indicator**, which classifies an individual director's independence status (e.g., INDEPENDENT, INSIDER, AFFILIATED); and the **Targeting Indicator**, which identifies whether matters giving rise to a BREACH or SEVERE BREACH Outcome apply to voting on that specific nominee, as opposed to other directors (Outcomes: TARGETED or NOT TARGETED).

Judgment-Based (JB) Tests are not a fallback for cases the other two forms cannot handle; they are a first-class part of the framework. This reflects direct evidence that funds relying more heavily on stated exceptions to a general policy are, appropriately, less likely to apply that general policy mechanically; tailored, case-by-case judgment is how funds actually govern at the margin, not a deviation from governance.[27]

Why This Matters for the Four Perspectives

The RMF is what makes the "shared foundation" described in Section 4.1 precise rather than approximate: because all four Perspectives draw on the same 18 Principles and the same Topic catalogue, a BREACH finding under one Perspective addresses exactly the same underlying concern as a BREACH finding under another. What differs is concentrated entirely in the Assessment Layer: the specific Tests, thresholds, and Indicator logic applied to a given Topic, where the six fault lines described in Section 4.2 are located.

The same architecture also lets a client build a custom policy without starting from a blank page: adjusting a small number of Tests, thresholds, or Indicator configurations is generally enough to tailor a Perspective to a client's house view, because the underlying Principles and Topics do not need to change.

Illustrative Example

Table 8 illustrates how the framework applies to a single **Say-on-Pay** proposal. The proposal is assessed against two Principles: that compensation arrangements must be justifiable, and that compensation must be aligned with long-term performance. Four Topics apply. Fixed Pay, Variable Pay, and Severance Provisions each consider the first Principle; Pay-for-Performance Alignment considers the second. Each Topic is assessed through its own Tests and Breach Indicator. In this simplified example, every Test passes, each Topic's Breach Indicator returns NO CONCERN, and the overall Policy Outcome Indicator returns FOR.[28]

[27] Couvert (2025).

[28] Throughout this paper, Test Signals and Indicator Outcomes (e.g., PASS, NO CONCERN, FOR) are reported as plain, named labels rather than in bracketed notation. Internal RMF working documents sometimes render an Outcome in brackets after the relevant Indicator or Test, for example, "Policy Outcome Indicator [FOR]", as a drafting convention; that notation is not needed for, and is not carried into, this consultation paper.

Table 8: Illustrative Application of the RMF to a Say-on-Pay Proposal*

Topic	Illustrative Tests Applied	Test Signals	Breach Indicator
Fixed Pay	Fixed pay does not exceed a defined percentage of total pay	PASS	NO CONCERN
Fixed Pay	The fixed pay increase does not exceed a defined percentage	PASS	NO CONCERN
Variable Pay	Variable pay includes a performance condition	PASS	NO CONCERN
Variable Pay	The vesting period is at least three years	PASS	NO CONCERN
Severance Provisions	Severance does not exceed a defined multiple of salary	PASS	NO CONCERN
Severance Provisions	Severance is not paid irrespective of poor performance	PASS	NO CONCERN
Pay-for-Performance Alignment	The pay-for-performance model does not indicate a severe misalignment	PASS	NO CONCERN

**Overall Policy Outcome Indicator: FOR. Tests shown are simplified for illustrative purposes; actual Tests specify exact thresholds.*

6.3. Sample Composition: Supplementary Detail

This appendix sets out the supporting detail behind the sample described in Section 3.1: the region-by-type composition of the 70 institutions, the breakdown by reported institution type, and the definitional and sourcing notes that apply to both.[29] AUM could not be sourced from an official first-party disclosure for 41 of the 70 institutions, mainly US state pension systems and smaller European managers. Those institutions are excluded from the AUM sub-totals, which therefore understate the sample's true aggregate assets.

[29] Four organizations whose policies form part of the review are excluded from the tables and charts above because they are not investors in their own right and hold no assets. Three firms contribute two policy documents each to the review, so that region, type and size counts reflect 70 distinct institutions rather than 73 policy documents.

Table 9: Institution Type by Region (n = 70 Institutions)*

Region	Asset manager	Pension fund / asset owner	Sovereign wealth fund	Insurer / hybrid	Total
United States	13	25	0	0	38
Europe (ex-UK)	9	2	1	1	13
United Kingdom	6	1	0	1	8
North America (ex-US)	2	2	0	0	4
Asia-Pacific	1	2	1	0	4
Middle East	0	0	3	0	3
Total	**31**	**32**	**5**	**2**	**70**

**Type groups consolidate the reported institution types shown in Table 10.*

Table 10: Sample Composition by Reported Institution Type (n = 70 Institutions)*

Institution type	Institutions	% of sample	Sourced AUM (US$bn)
Asset manager	31	44%	50,897
Public pension fund	27	39%	1,584
Sovereign wealth fund	5	7%	3,972
Asset manager / insurer	1	1%	1,616
Pension asset manager	1	1%	297
Superannuation fund	1	1%	271
Public pension / investment manager	1	1%	142
Insurer / asset manager	1	1%	n/a
Provident / pension fund	1	1%	n/a
Public financial institution / asset owner	1	1%	n/a
Total	**70**	**–**	**58,779**

**"n/a" indicates that no assets-under-management figure could be sourced for the institutions in that category. Shares are rounded and may not sum to 100%. AUM is the latest figure disclosed by each institution and is not measured on a common date. Non-US figures are converted to US dollars using indicative spot rates.*

6.4. Glossary of Terms

Term	Definition
Assessment Layer	The layer of the Research Methodology Framework (RMF) in which policy configurations are differentiated from one another, through the specific Tests and Indicators applied to each Topic. See Section 6.2.
Breach Indicator	Under the RMF, an Indicator type, applicable to all Proposal Types, that determines whether a Principle has been breached with respect to a given Topic. There are up to four possible Outcomes: NO CONCERN, CONCERN, BREACH, or SEVERE BREACH. See Section 6.2.
Business Fundamentals (BF)	One of the four Perspectives. Believes that the track record of a company's leadership is the most relevant indicator of long-term shareholder value; the only Perspective to formalize a High-Performing exemption.
Cluster Analysis	An unsupervised statistical technique (here, the k-means approach) used to group fund series with similar voting behavior, without reference to any predefined taxonomy such as the Perspectives.
Double Materiality	The combination of financial materiality and Impact Materiality, as set out in ESRS 1 under the EU Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464). Applied by Sustainability Focused, which considers both lenses; the other three Perspectives apply a financial materiality lens only.
Foundational Governance (FG)	One of the four Perspectives. Treats core governance standards as essential to safeguard long-term shareholder value.
Four Perspectives	The four Voting Perspectives that are the subject of the Request for Comment, each configured on the shared Research Methodology Framework architecture. They comprise: Business Fundamentals (BF), Foundational Governance (FG), Global Stewardship (GS) and Sustainability Focused (SF).
Global Stewardship (GS)	One of the four Perspectives. Combines governance standards with oversight of financially material environmental and social risk, using an industry-specific materiality lens.

"High-Performing"	A mechanism unique to Business Fundamentals under which a company whose leadership ranks in the top quartile of its peer group on relative Total Shareholder Return receives added latitude on certain governance issues.
Impact Materiality	A materiality lens, applied under Sustainability Focused, that considers the material effects a company's activities have on the environment and society, whether or not those effects are financially material to the company itself. Established in the EU sustainability reporting framework (ESRS 1, section 3).
Independence Indicator	Under the RMF, an Indicator type specific to Election of Directors proposals that classifies an individual director's independence status (e.g., INDEPENDENT, INSIDER, or AFFILIATED). See Section 6.2.
Indicator	Under the RMF, an algorithmic logic assessment that combines Test Signals to produce an Indicator Outcome from a defined set of options. Breach and Policy Outcome Indicators apply to all Proposal Types; Independence and Targeting Indicators apply only to Election of Directors Proposal Types. See Section 6.2.
Indicator Outcome	The result produced by an Indicator, selected from the defined outcome options available to that Indicator.
Industry Materiality Standard	A materiality lens, informed by SASB guidance, that applies a heightened sustainability-disclosure standard to companies in industries where a given issue is more likely to be financially material. Used by Global Stewardship and Sustainability Focused.
Investor Persona / Archetype	A generalized, illustrative profile of a stewardship orientation, developed through qualitative observation of market practice and used as the conceptual basis for a Perspective.
N-PX (SEC Form N-PX)	The annual form on which SEC-registered investment management companies disclose how they voted on every proxy item for every portfolio holding during the reporting period.
Policy Outcome Indicator	Under the RMF, an Indicator type, applicable to all Proposal Types, that translates Breach Indicator outcomes (among other Tests) into an actionable policy outcome, such as FOR, AGAINST, ABSTAIN, WITHHOLD, VOTE MANUAL, or a specified term length. See Section 6.2.

Principle	Under the Research Methodology Framework (RMF), a universal policy objective, broadly accepted as a desirable standard across investor types, that is considered by one or more Topics (e.g., "the board must provide appropriate oversight of management performance and conduct"). The same Principles are shared by all four Perspectives and every custom policy derived from them. See Section 6.2.
Proposal Category	One of seven broad groupings of related Proposals sharing a common subject matter: Election of Directors, Financial and Non-Financial Reporting, Compensation, Governance Structure, Capital Management, Shareholder Proposals, and Special Situations. Together with the Proposal Type, it identifies a Proposal and determines which Topics and Principles apply.
Proposal Classification	The identification of a Proposal by its Proposal Category and Proposal Type, which determines which Topics and Principles apply and, in turn, which Tests and Indicators are used to reach an implied vote outcome. See Section 6.2.
Proposal Type	The specific kind of Proposal within a Proposal Category, for example, Appointment of Auditors within Financial and Non-Financial Reporting, or Say-on-Pay within Compensation. See Section 6.2.
Proxy Voting Guidelines	The written policies that SEC-registered investment advisers are required to adopt and publish, specifying the conditions under which they will vote proxies on behalf of their clients.
Research Methodology Framework (RMF)	The common architecture underlying all four Perspectives and every custom client policy derived from them, comprising Proposal Classifications (Proposal Categories and Proposal Types), a universal Structural Layer (Topics and Principles) and a configurable Assessment Layer (Tests and Indicators). See Section 6.2.
Say-on-Pay	A non-binding shareholder vote on a company's executive compensation practices, typically held pursuant to Section 14A of the Securities Exchange Act.
Stakeholder Alignment	A compensation-related Topic assessing whether pay outcomes are aligned with the experience of a company's key stakeholders; Sustainability Focused alone extends this to external stakeholders beyond the workforce.

Structural Layer	The layer of the Research Methodology Framework (RMF) that is universal across all policy configurations, comprising the Topics and Principles shared by all four Perspectives and every custom client policy. See Section 6.2.
Sustainability Focused (SF)	One of the four Perspectives. The broadest stewardship and stakeholder view among the four, incorporating both company-level and system-level sustainability considerations and never applying a performance-based exemption.
Targeting Indicator	Under the RMF, an Indicator type specific to Election of Directors proposals that determines which specific nominee or nominees a Breach finding should apply to. See Section 6.2.
Test	Under the Research Methodology Framework (RMF), a simple logic assessment that informs an Indicator, producing a binary Test Signal (PASS or FAIL). Tests are assessed on one of three bases: Rules-Based (RB), Model-Based (MB), incorporating a model output, such as the Pay-for-Performance Model, or Judgment-Based (JB). See Section 6.2.
Topic	Under the RMF, a specific governance, compensation, or stewardship subject assessed within a Proposal Type, which considers one or more Principles (e.g., "Board Diversity," "Pay-for-Performance Alignment"), assessed to determine whether the Principle has been breached. The Topic catalogue is universal across all four Perspectives. See Section 6.2.
Universal Ownership	The systemic view, applied under Sustainability Focused, that a broadly diversified investor's long-term returns depend more on the health of the market and the wider economy than on the performance of any single holding. Environmental and social costs externalized by one company can therefore erode value elsewhere in the portfolio, so such impacts are treated as relevant to overall portfolio value even where they are not financially material to the company in question.
Vote Prediction Model	A large language model-based tool that predicts how a given fund, or a given Perspective, would vote on a specific ballot item, grounded in the applicable proxy voting guidelines and supporting data.

6.5. References

Glass Lewis Request for Comment Suite

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