

Glass Lewis Is Currently Accepting Peer Group Submissions

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Glass Lewis is currently accepting peer group submissions on its [website](#) until **next Friday, January 31, 2020**, from public companies making proxy filings through July 31, 2020. For all other companies making proxy filings through January 31, 2021, the deadline for submissions is July 31, 2020.

Glass Lewis utilizes its Pay-for-Performance Model with its A-F grading system (the “P4P Methodology”) to assess the degree to which a company’s executive compensation aligns with the company’s performance. In turn, these assessments inform the quantitative input for Glass Lewis’ Say-on-Pay voting recommendations. Glass Lewis advises that its new proprietary peer group methodology now drives the P4P Methodology and is critical to its Say-on-Pay recommendations. At a market-wide level, Glass Lewis does not expect a material change in the distribution of grades awarded or the number of against recommendations. For some companies, though, the new peer group methodology may influence Glass Lewis’ Say-on-Pay recommendation.

According to Glass Lewis, the new methodology will result in a company having significantly different peers in 2020 than its peers in 2019 using the old methodology. The new method includes an eightfold increase in the number of independent tests applied to a company’s self-disclosed peers. In addition to the company’s self-disclosed peers, the new method includes other factors, such as investor views of industry, country and company size. Moreover, the new method introduces additional screens such as corporate revenue, market capitalization and assets. Glass Lewis states that the new method reduces the overlap by 14% between a company’s self-disclosed peers and the peers that Glass Lewis uses to assess pay-for-performance and award grades.

A company can request its peer group at any time during the year from CGLytics, which is now the exclusive global partner for Glass Lewis’ P4P Methodology.

More information on Glass Lewis’ approach to peer groups can be found on the proxy advisor’s [website](#).

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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