

Glass Lewis Will Make Changes to Peer Groups and Pay-for-Performance Methodology

Glass Lewis announced it is replacing Equilar as its provider of pay data used to evaluate peer groups and pay-for-performance alignment. Changes go into effect at the start of the new year.

Glass Lewis recently announced that it will change its provider of peer group and pay-for-performance information from Equilar to CGLytics. Beginning January 1, 2020, Glass Lewis' peer group construction will be performed by CGLytics, a governance data analytics firm based in Amsterdam. As a result, the makeup of each company's peer group is expected to change.

It is not clear yet how this change will impact any individual company, but it is an important development for issuers to be aware of as it could impact how a company is evaluated by Glass Lewis for purposes of Say-on-Pay voting.

More details about the new partnership can be found [here](#).

As part of this transition, Glass Lewis says it is considering a series of changes to its pay-for-performance methodology, and in an apparent break from past practices, intends to engage with clients, companies and unspecified "other stakeholders" on proposed changes, including:

- Scoring: Whether the A-F grades are the preferred way to communicate pay-for-performance outcomes
- Peers: The most appropriate methodology for assessing investor peer groups
- Metrics: The most appropriate metrics from both investor and company perspectives
- Valuation: The most appropriate methodology for valuing incentives from an investor perspective

The Rewards Solutions team is actively monitoring the impact of this announcement and will provide updates as additional details emerge. To speak with a member of our rewards consulting group about this topic or other governance-related issues, please write to rewards-solutions@aon.com.

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