

MAYER | BROWN

# Hot Topics for the 2026 Proxy Season

November 19, 2025

# Presenters

**Ryan Liebl**

Partner, *Mayer Brown LLP*

**Jennifer Zepralka**

Partner, *Mayer Brown LLP*

**Ali Perry**

Counsel, *Mayer Brown LLP*

**Edward Greene**

Managing Director, *Georgeson*

**Liz Walsh**

Counsel, *Mayer Brown LLP*

**Henrique Canarim**

Vice President, Senior  
Assistant General Counsel, &  
Assistant Corporate Secretary,  
*Leidos*

# Agenda

- New Administration and SEC Priorities
- Emerging Issues in 2025: Artificial Intelligence, Tariffs and Impact on Disclosure
- Human Capital Management
- Beneficial Ownership Reporting / Shareholder Engagement
- Say on Pay
- Executive Compensation Disclosure Issues
- Pay vs. Performance
- 2025 Shareholder Proposals and Proxy Voting Results
- D&O Questionnaires

# New Administration and SEC Priorities

# The SEC is Open for Business



The SEC, under Chairman Paul Atkins, has signaled a different approach to disclosure and different priorities than the previous administration



Commissioner Hester Peirce spoke about the need for materiality-based disclosure that relates directly a company's business, and disclosure for the purpose of informing investors, rather than providing information for other purposes



SEC's spring 2025 regulatory agenda matches this "deregulatory" approach, including the "Rationalization of Disclosure Practices" and "Shareholder Proposal Modernization"

# Shareholder Proposals – 2025 Changes to Process

- Staff Legal Bulletin 14M, published in February 2025, rescinded Staff Legal Bulletin 14L and clarified the Staff's views on the scope and application of the “economic relevance exclusion” pursuant to Rule 14a-8(i)(5) and the “ordinary business exclusion” pursuant to Rule 14a-8(i)(7)
  - Rule 14a-8(i)(5): a company can exclude a shareholder proposal if it “relates to operations which account for less than 5% of the company’s total assets at the end of its most recent fiscal year, and for less than 5% of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company’s business.” A proponent must tie social or ethical issues raised in support of its proposal directly to matters that have a “significant effect” on the company’s business
  - Rule 14a-8(i)(7): a company can exclude a proposal that “deals with a matter relating to the company's ordinary business operations,” which should be the jurisdiction of the board and management
    - The central considerations underlying this exclusion are (a) the subject matter of the proposal and (b) the degree to which the proposal “micromanages” the company. While the SEC has long recognized an exception to this exclusion for proposals that focus on significant policy issues with a broad societal impact, “significance” is evaluated on a company-specific basis, based on the nature of the proposal and circumstances of the company
    - Micro-management is also considered on a case-by-case basis, based on the nature and detail of the proposal, the specific circumstances of the company, and the manner in which a proposal is raised

## Shareholder Proposals – More Change to Come?

- In October, Chairman Paul Atkins addressed precatory shareholder proposals under Rule 14a-8(i)
- Chairman Atkins focused on the increasing “politicization” of shareholder meetings through precatory, or non-binding, shareholder proposals. He questioned whether Exchange Act Rule 14a-8(i)(1) actually permits companies to exclude such proposals, concluding that this is likely the case, at least for companies incorporated in Delaware
- Chairman Atkins suggested that a company could, with counsel’s opinion that a proposal is not a “proper subject” under state law, seek to rely on Rule 14a-8(i)(1) to exclude such a proposal, expressing his “high confidence” that the SEC Staff would “honor” this position, at least for that specific company
- However, this would not prohibit a proposal proponent from submitting an opposite opinion; Chairman Atkins raised an open question as to whether the SEC would take the issue to the Delaware Supreme Court
- Chairman Atkins concluded his remarks on Rule 14a-8 by calling for a “fundamental reassessment” of the rule’s premise

## Shareholder Proposals – More Change to Come? *(cont'd)*

- On November 17, the SEC's Divisions of Corporation Finance and Investment Management announced that they will only respond to or express views on no-action requests to exclude shareholder proposals pursuant to Rule 14a-8(i)(1) during the 2026 proxy season
- The decision to continue to review requests to exclude proposals under Rule 14a-8(i)(1) seems to be temporary, based on “uncertainty in the application of state law and Rule 14a-8(i)(1) to precatory proposals,” such that these reviews may stop when “there is sufficient guidance available to assist companies and proponents in their decision-making process”
- If a company provides notice to the SEC and a proponent of its intent to exclude a proposal (Rule 14a-8(j)), the company or its counsel must include, as part of its notification, “an unqualified representation that the company has a reasonable basis to exclude the proposal based on the provisions of Rule 14a-8, prior published guidance, and/or judicial decisions.” The relevant Division will respond with a statement that, based solely on the aforementioned opinion, it will not object if the company omits the proposal from its proxy materials. However, no substantive views or opinions will be expressed



# Emerging Issues in 2025: Artificial Intelligence, Tariffs and Impact on Disclosure

# Emerging Issues: Artificial Intelligence

- While the use of AI continues to increase, it is important to consider the ongoing human role in analyzing output and maintaining appropriate related disclosure controls and procedures
- Boards are increasingly focused on AI:



How does the board monitor and consider the company's AI-related risks and strategy? How involved is the board in evaluating the company's deployment of AI products, and is there any oversight by the board of AI output?



Should AI be monitored by the whole board, an existing board committee, or a new specifically-focused committee? How should directors ensure that AI receives sufficient attention?



Does the board have the knowledge and expertise necessary to evaluate AI technology and risks, and, if not, how can it gain these skills (i.e., new directors, education)?



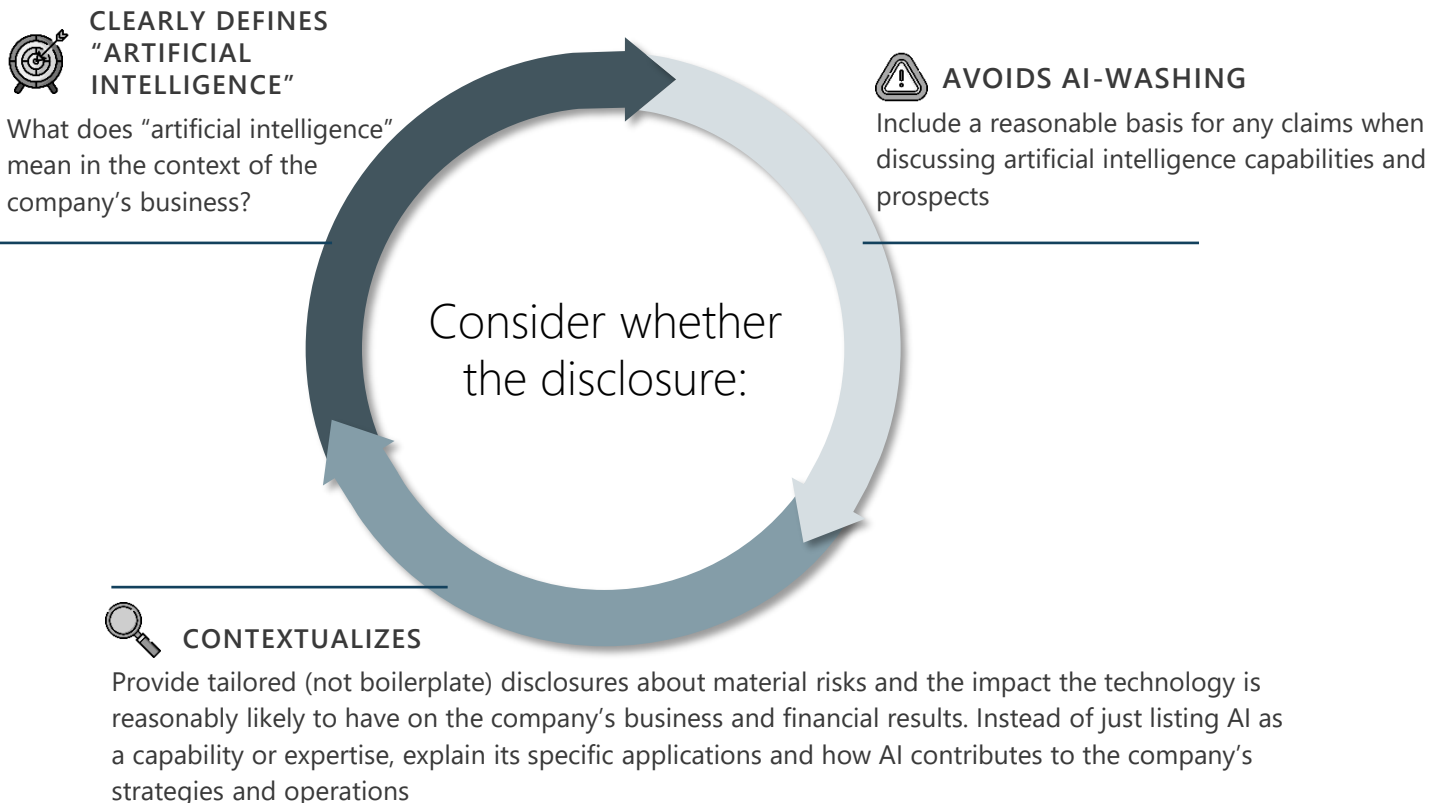
Does disclosure accurately convey the board's expertise and consideration of AI?

## Emerging Issues: Artificial Intelligence (*cont'd*)

- Based on a recent survey reported by Ernst & Young:
  - Almost half of companies surveyed specifically cited AI risk as part of the board's oversight of risk, as compared to 16% in 2024
    - Some mention it as one of many risks overseen by the board, while others offer more detailed insights into the board's AI risk oversight practices, such as dedicated proxy subsections addressing AI governance
  - A similar number of companies included AI in the description of director qualifications, as compared to 26% in 2024
    - Most companies that updated biographies to include AI experience did so for existing directors as well as for new directors
  - Slightly less than half of companies charge at least one board-level committee (usually the audit committee) with AI oversight responsibilities, as compared to 11% in 2024

See <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-us/campaigns/board-matters/documents/ey-cbm-cyber-and-ai-oversight-disclosures-2025-3.pdf>

## Emerging Issues: Artificial Intelligence (*cont'd*)



# Emerging Issues: Artificial Intelligence (cont'd)

## Fortune 100 Company AI Disclosures, 2024-2025

Topic	Disclosure	2025	2024
<b>Category: Risk management</b>			
<b>Responsible use</b>	Disclosed the use of AI frameworks, principles or guidelines	25%	11%
<b>Shareholder engagement</b>	Included AI under shareholder engagement topics	21%	11%
<b>Compensation</b>	Included AI in executive compensation considerations	31%	25%
<b>Education and training</b>	Disclosed use of education and training efforts on AI matters	13%	5%

Percentages are based on total disclosures by companies. Data based on the 80 companies on the 2025 Fortune 100 list that filed Form 10-Ks and proxy statements for this year through July 31, 2025.

\*Some companies delegate AI oversight matters to more than one board-level committee.

Topic	Disclosure	2025	2024
<b>Category: Board oversight</b>			
<b>Risk oversight approach</b>	Disclosed a focus on AI in the risk oversight section of the proxy statement	48%	16%
<b>Board-level committee oversight</b>	Disclosed that at least one board-level committee was charged with oversight of AI matters*	40%	11%
	■ Disclosed AI oversight by the audit committee	21%	8%
	■ Disclosed AI oversight by a non-audit committee	25%	8%
<b>Director skills and expertise</b>	AI disclosed as an area of expertise sought on the board or cited in at least one director biography	44%	26%
	■ AI disclosed as an area of expertise sought on the board	15%	8%
	■ AI cited in at least one director biography	35%	23%
	Board-level education and training efforts on AI	11%	8%
<b>Management reporting structure</b>	Provided insights into management reporting to the board and/or committee(s) overseeing AI matters	16%	6%
	■ Identified at least one management role providing AI insights to the board (e.g., the CISO or CTO)	8%	4%
	■ Included language on frequency of management reporting to the board or committee(s)	9%	5%
<b>Category: Statements on AI risk</b>			
<b>Risk factors</b>	Included AI as a stand-alone risk factor	36%	14%
	Included AI as a risk factor	89%	69%

See <https://www.ey.com/content/dam/ey-unified-site/ey-com/en-us/campaigns/board-matters/documents/ey-cbm-cyber-and-ai-oversight-disclosures-2025-3.pdf>

## Emerging Issues: Tariffs

- During 2025, global tariffs with frequent adjustments and changes have impacted market volatility, and companies need to consider their impact not just on risk factors and business disclosure (in an annual report on Form 10-K) but also in their governance and executive compensation decisions and proxy statement disclosure thereof
- Committees and the board need to be flexible to respond to rapidly changing conditions, ensure that decisions are aligned with the current market conditions, and provide disclosure that clearly informs investors about the decision-making process and basis for decisions
- Tariffs impact all companies and industries differently, so disclosure should be tailored to a company's specific facts and circumstances

## Emerging Issues: Tariffs (*cont'd*)

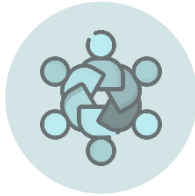
- With regard to tariffs and executive comp or governance-related actions, companies should:
  - Ensure that any changes in approach should be in direct proportion to the impact of tariffs on business and operations, and that the duration of changes is appropriate given the impact
  - Provide clear, concise and transparent disclosure, especially if any discretion is used to increase payouts or make other changes that are favorable to management. Be vigilant about the timing of option grants in regard to market volatility
  - Consider investors views, including the risk of any reputational harm, as well as the views of other stakeholders. For example, increasing the CEO's pay while closing stores, cutting jobs and increasing prices could lead to negative media attention and public backlash. Decisions may also face political scrutiny or backlash, especially in today's highly politicized environment
  - Proactively engage with investors on any changes, including providing meeting agendas and specific topics on which the company would like investor feedback, especially in light of the SEC's 2025 Schedule 13D/13G guidance

# Human Capital Management



# Human Capital Management Disclosure

- 2020 – Human Capital added as a line item to Regulation S-K (Item 101(c))
- Wide variation in disclosure, with some common themes:



Diversity, equity and inclusion



Geographic location of employees



Recruitment, turnover, retention, training and engagement

- Assess existing disclosures to avoid them becoming boilerplate; update for objectives that are focus of board or management, and consider industry trends
- Use of AI in human capital management: consider how the use of AI impacts a company's view of the workforce, and use of AI in any oversight roles

## DEI Disclosure (or Lack of Disclosure)

- Proxy statement and annual reports filed in 2025 overall show movement away from DEI disclosure that was prominent in previous recent years
- Companies are instead focusing on “diversity of thought,” with disclosure about experience and skills, with a clear lack of quantitative DEI metrics (and, in many cases, without using the phrase “DEI”)
- Need to balance risk of disclosure with all stakeholder interests

## DEI Disclosure (or Lack of Disclosure) (*cont'd*)

- This issue continues to be important to investors: in its summer 2025 annual global benchmark policy survey, ISS found that:

**29%**  
of investors

*"We remain focused on the importance of board, executive and workforce diversity, including diversity targets where applicable, and expect that most U.S. companies will disclose their approach to the diversity demographics of their boards as well as other DEI matters"*

**24%**  
of investors

*"Corporate DEI-related practices have evolved in the U.S., and disclosure on how companies assess risks or opportunities associated with DEI, whether they are scaling back or maintaining corporate DEI programs, is generally helpful for shareholders"*

**34%**  
of non-investors

*"We no longer (or never did) consider numerical board or executive diversity targets but expect that U.S. company boards will continue to have a mix of professional and personal characteristics that is comparable to market norms and to each company's business needs"*

# Beneficial Ownership Reporting / Shareholder Engagement

## SEC Guidance on Schedules 13D and 13G

- In February 2025, the SEC revised two Compliance and Disclosure Interpretations (“C&DIs”) relating to beneficial ownership disclosure on Schedules 13D and 13G
- Caused asset managers and other investors to carefully weigh, and, in many cases, change their approach to engagement with SEC reporting companies
- C&DI 103.11 states that The Hart-Scott-Rodino (“HSR”) Act provides an exemption from certain HSR Act provisions for an acquisition of securities made “solely for the purpose of investment,” where the acquiror has “no intention of participating in the formulation, determination, or direction of the basic business decisions of the issuer”
- Clarifies that an acquiror who is unable to rely on this HSR Act exemption is not necessarily required to file a Schedule 13D, but should determine its eligibility to file a Schedule 13G based on a facts-and-circumstances analysis

## SEC Guidance on Schedules 13D and 13G (*cont'd*)

- C&DI 103.12 addresses the circumstances under which a shareholder's engagement with an issuer's management could disqualify a shareholder from certifying that the subject securities were not acquired and are not held "for the purpose of or with the effect of changing or influencing the control of the issuer," such that the shareholder would be required to report on Schedule 13D
  - This determination must be made via a facts-and circumstances analysis. However, it goes on to draw a line between a shareholder who discusses their views on an issue with management and one who "exerts pressure on management to implement specific measures or changes to a policy," which is more likely to result in an obligation to file a Schedule 13D
- Following the posting of these new C&DIs, many passive institutional investors paused their communications with issuers in order to evaluate the guidance

## SEC Guidance on Schedules 13D and 13G (*cont'd*)

- After evaluating the guidance, passive institutional investors are now generally again willing to engage with issuers, generally in accordance with the following:

Investors **may wait** to issuers to reach out, rather than affirmatively scheduling meetings or setting agendas. They may also be **cautious** about discussing contentious or controversial topics



Investors may provide **disclaimers** at the beginning of meetings to ensure that all parties are aware that they do not intend to influence or control the issuer. While this does not guarantee that investors will not be required to file a Schedule 13D, it does clarify the intentions and goals of the parties



Investors may ask **more open-ended**, rather than targeted, questions. Issuers should affirmatively address topics on which they would like investors views, and affirmatively ensure that investors have enough information on which to make informed voting decisions



# Say on Pay



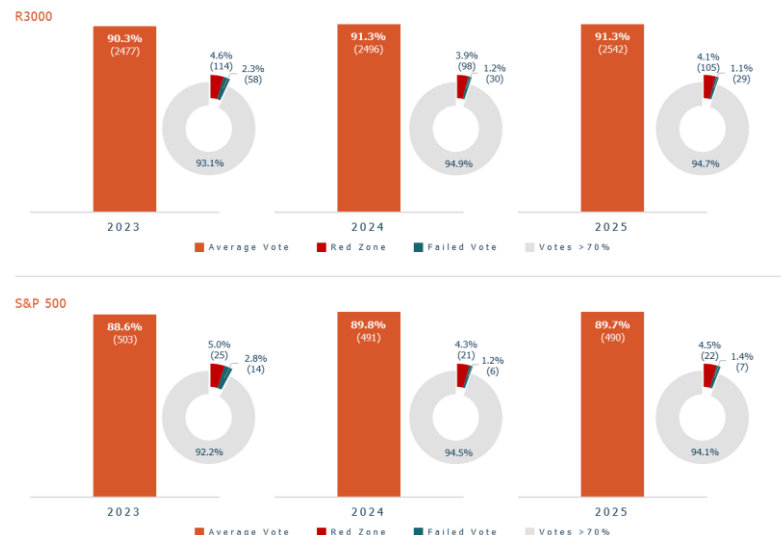
# Say on Pay

## Similar year-over-year support for Say-on-Pay

- SOP vote results for the 2025 proxy season **remained consistent** with the prior year for Russell 3000 companies, with approximately 91.3% of votes cast in favor (excluding abstentions)
- S&P 500 companies received slightly lower support than Russell 3000 companies, with approximately 89.7% of votes cast in favor, **largely unchanged** from the 2024 proxy season
- 29 Russell 3000 companies failed to receive majority support for their SOP proposals in the 2025 proxy season, including seven companies that are also listed on the S&P 500: Warner Bros., Thermo Fisher Scientific, Simon Property Group, Molina Healthcare, Viatris, Otis, and Conagra Brands
- 4.1% of Russell 3000 companies had SOP vote results fall within the “red zone” in 2025, signaling **potential misalignment** with shareholder expectations
- By comparison, 4.5% of S&P 500 companies had SOP vote results in the red zone during the 2025 proxy season

Please see Georgeson’s [Proxy Season Report](#) for a list of companies that failed to receive majority support for their say-on-pay.

## SAY-ON-PAY SUPPORT 2023 - 2025



## Say on Pay (*cont'd*)

### Changes to proxy advisor recommendations

- ISS issued negative recommendations for 11% of SOP proposals at Russell 3000 companies in 2025, **consistent** with the level seen in 2024, and these recommendations may have **reduced** shareholder support by up to 22%
- For S&P 500 companies, ISS recommended against 9% of SOP proposals in 2025, a **slight increase** from 8% in 2024, with such recommendations likely lowering shareholder support to 26% in 2025 compared to 28% in the prior year
- ISS placed greater emphasis in 2025 on **disclosure quality** and the structure of **long-term equity awards**, as outlined in its compensation FAQs
- ISS was more likely to recommend **against** SOP proposals when it identified a quantitative **misalignment** between pay and performance, particularly when companies **failed** to clearly disclose forward-looking goals, provided **insufficient detail** on vesting outcomes, or used **overly complex** performance equity structures
- ISS also frequently issued negative recommendations in response to unusually large pay packages, including maximum vesting opportunities, granted to continuing or newly-hired CEOs

# Executive Compensation Disclosure Issues

# Executive Compensation Disclosure Issues

- SEC Roundtable in June of 2025 highlighted potential for changes on executive compensation related disclosure. No rulemaking proposals yet, but discussion noted a few areas that may be considered for change:
  - Dodd-Frank compensation rules, including CEO Pay Ratio and Pay for Performance
  - Overall focus on reducing length and complexity of disclosures
- Executive compensation may be impacted by outside factors (such as tariffs):
  - Not clear yet whether companies will consider modification of objective performance goals for short-term and long-term awards based on such factors for new awards in the next year
  - For existing awards, if a company and its compensation committee consider making adjustments to performance goals for existing short-term and long-term awards, consider:
    - Distinction between a discretionary change and an adjustment permitted in original written goal
      - Requirement for disclosure on use of discretion in CD&A
      - Consider whether use of discretion triggers payment to be listed in bonus column of SCT rather than non-equity incentive compensation
      - If accounting concepts were used in a goal, consider whether a reconciliation of any discretion or adjustment needs to be disclosed

## Executive Compensation Disclosure Issues (*cont'd*)

- Continued:
  - Also, consider distinction between goals that are company-specific compared to goals that relate to market performance
    - For relative TSR, for example, it is not clear that investors would accept the argument that any market conditions should require a change to such goal if the factor is impacting all competitive companies in the comparison group
    - However, even some relative TSR performance goals have a modifier, if overall TSR is down, for example, a company may consider if it is performing really well relative to comparison group but entire market is down
  - With all of that said, there is a clear tension between giving executives the benefit of discretion or adjustment when shareholders do not get the same benefit on their investment
- For companies that added ESG or DEI related performance goals to short-term and long-term incentive awards, consider whether such goals will be retained for new grants. Prior to Trump administration, such goals were gaining in popularity among companies
- For existing awards, if such goals are removed or modified, consider the disclosure required with respect to any such change, similar to what was described above

# Pay vs. Performance

## Pay vs. Performance

- Pay versus performance required by Item 402(v) of Regulation S-K
- Pay versus performance required for first time during 2023 proxy season
  - Three years of precedents and staff comments
- Applies to all SEC reporting companies, *except*
  - Foreign private issuers,
  - Registered investment companies and
  - Emerging growth companies.
- Smaller reporting companies and business development companies are subject to the rule

## Pay vs. Performance (*cont'd*)

Year	Summary Compensation Total for PEO	Compensation Actually Paid to PEO	Average Summary Compensation Table Total for non-PEO Named Executive Officers	Average Compensation Actually Paid to non-PEO Named Executive Officers	Value of Initial Fixed \$100 Investment Based on:		Net Income*	[Company-Selected Measure]*
					Total Shareholder Return	Peer Group Total Shareholder Return*		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Y1								
Y2								
Y3								
Y4*								
Y5*								



## Pay vs. Performance (*cont'd*)

**Description of Pay Versus Performance Relationship.** The required tabular disclosure must be accompanied by a clear description of the relationship between:

- Both executive compensation actually paid to the CEO and the average compensation actually paid to the Remaining NEOs, and each of the following:
  1. company TSR and the peer group TSR,
  2. company net income, and
  3. the company-selected measure
- SEC Staff comments have indicated a preference for graphic presentation of the relationships where possible

## Pay vs. Performance (*cont'd*)



Tabular list – Companies (other than SRCs) must provide an unranked list of the three to seven most important financial performance measures used to link executive compensation actually paid to NEOs during the last fiscal year with the company's performance

*Must include the Company Selected Measure*



Companies are permitted to include non-financial measures in the list if they consider such measure to be among their three to seven most important measures



If a company uses less than three measures to link NEOs compensation to the company performance, only measures actually used must be included

## Pay vs. Performance (*cont'd*)

- Provide clear description between compensation actually paid and performance measure
  - Not sufficient to say no relationship exists
  - Relationship disclosure must be separate from the table; consider graphic presentation
- Disclose all deductions from summary compensation totals to compensation actually paid
- Headings should accurately reflect amounts used to calculate compensation actually paid
- Reconciliation for non-GAAP performance measures used must be in the proxy statement
- Voluntary supplemental measures must be identified as supplemental, not be misleading, and not be presented with greater prominence than required disclosure

# 2025 Shareholder Proposals and Proxy Voting Results

# Directors Elections

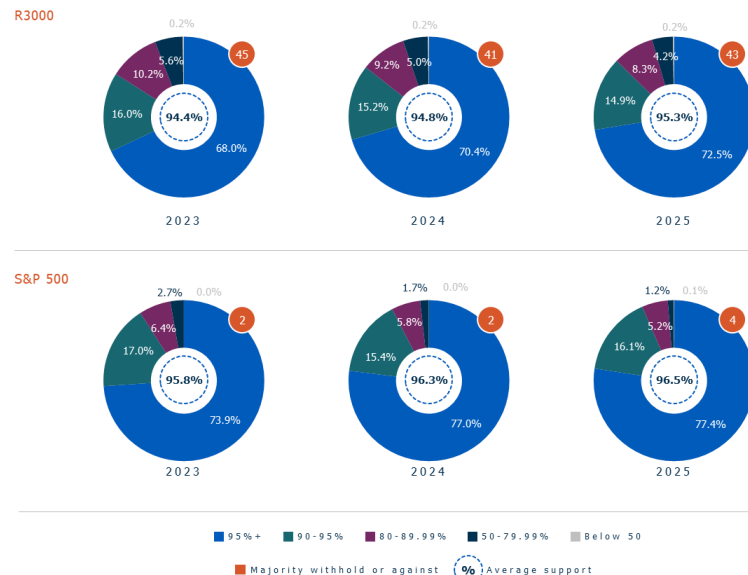
## Consistent Year-over-Year Director Election Support

- Director election support at R3000 companies **continues to be strong**. The average support for proxy year 2025 (95.3%) is slightly higher than the average support for the 2024 proxy year (94.8%). Directors at S&P 500 companies — who **generally** receive stronger backing — have averaged 96.5% support for the proxy year 2025, compared to 96.3% for the 2024 proxy year
- For the 2025 proxy year, **43** director nominees **failed** to receive at least 50% shareholder support. **Only four** of the directors were from **S&P 500** companies. Nine were not elected owing to the existence of a majority vote standard at their companies. The remaining 34 directors were elected under plurality vote standards

Please see Georgeson's [Proxy Season Report](#) for a list of companies that had failed director nominees.

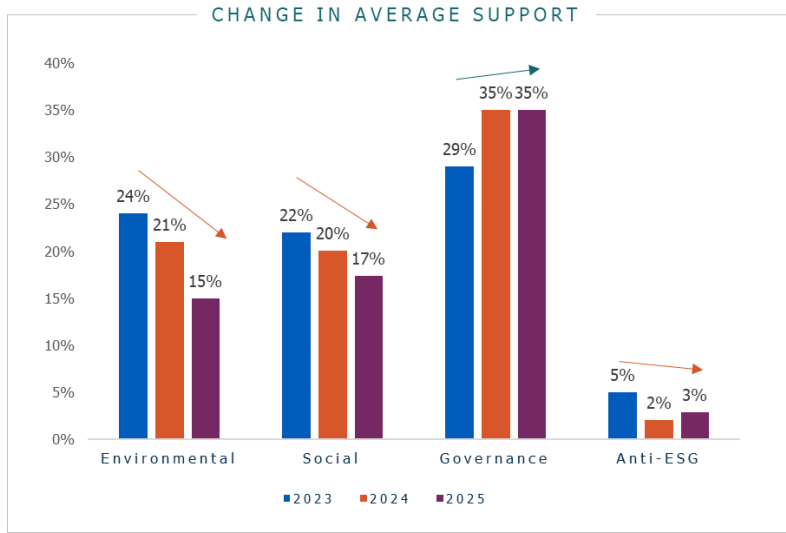
## Policy Changes on Board Diversity

- In 2025, many proxy advisors and institutional investors revised their board diversity policies, with ISS pausing its consideration of gender and ethnic diversity in director election recommendations
- Glass Lewis continued to factor in board diversity but introduced alternative recommendations for investors who prefer not to consider gender or underrepresented community diversity in their voting decisions
- While these changes may slightly increase support for some directors, the overall impact is expected to be limited, as most companies have already met prior diversity requirements

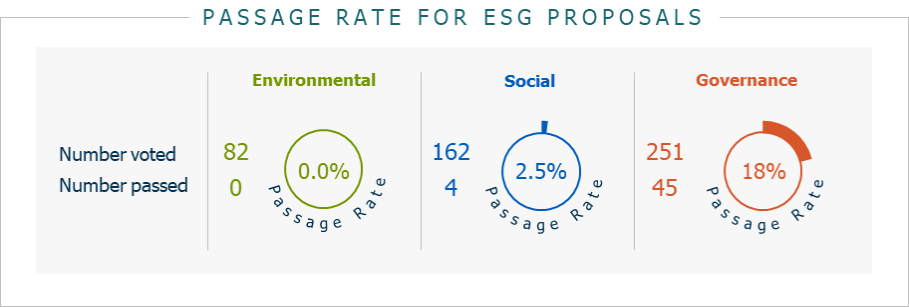


# Shareholder Proposals

Average shareholder support in 2025 stayed fairly consistent with the previous year. Support for **governance proposals** stayed the same **while environmental and social declined slightly for the third consecutive year**. Support for anti-ESG proposals saw a slight increase but remained in the low single digits



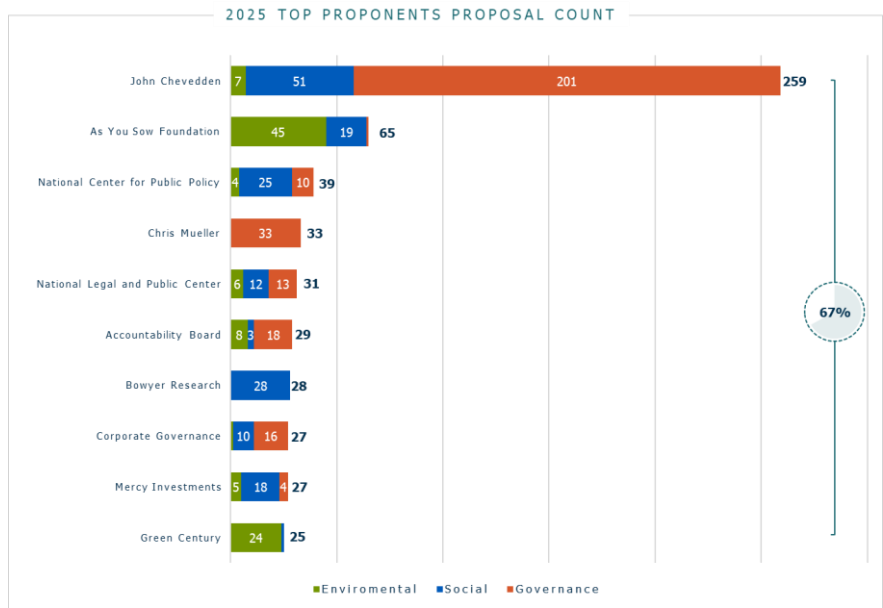
During the 2025 proxy season, **none of the 82 environmental proposals passed**, while four out of 162 social proposals and 45 out of 251 governance proposals passed. **Passage rates for ESG proposals in the 2025 season remain consistent with the year before**



# Shareholder Proposals

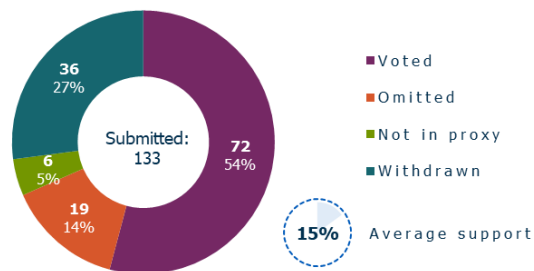
As in previous years, a significant majority, or 67% of proposals (563 out of 840), were filed by 10 proponents

One notable trend this season is the sharp decline in submissions from several historically-active filers. There has also been a steady rise in anti-ESG proponents in the past two years. We have also **observed a 146% increase (13 in 2023 to 32 in 2025) in the number of anti-ESG proponents making submissions**, most of whom are individual shareholders filing multiple proposals. These shifts have contributed to the decline in the volume of environmental and social proposals and an increase in anti-ESG proposal submissions



## Environmental

ENVIRONMENTAL PROPOSAL STATUS 2025



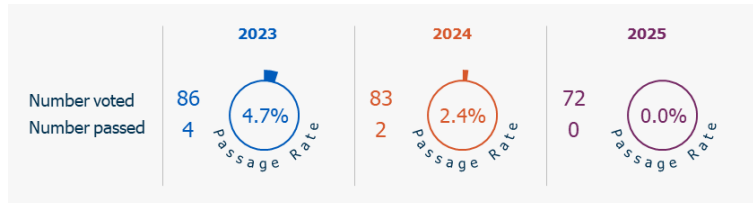
A total of 133 environmental proposals have been submitted in 2025 (excluding 14 anti-ESG proposals focused on environmental issues), representing a 23% drop when compared to 173 for the 2024 proxy season. Even with the decline in environmentally-focused proposals, the share of total proposals remains largely unchanged: environmental proposals represent 16% of all submissions this season compared to 17% during the 2024 proxy season.

- Overall, the steady level of relative submissions each year suggests that, despite broader shifts in ESG priorities, shareholders continue to view environmental issues as a key area of concern.

Of the environmental proposals submitted this year and went to a vote (72), none received majority support. This marks a 13% decline from the number of proposals that went to a vote this season compared to last and continues a multi-year trend of falling support and passage rates for environmental proposals.

As in past proxy seasons, the most frequently submitted environmental proposals in 2025 were focused on greenhouse gas (GHG) reduction, including Scope 3, plastic/sustainable packaging and emissions financing.

ENVIRONMENTAL PROPOSALS WITH MAJORITY SUPPORT YOY



### The highest supported environmental proposals of the season included:

#### 40% support

A plastic/sustainable packaging proposal related to reporting efforts on reducing the use of plastic packaging at General Mills, which received 40% shareholder support - the highest overall.

#### 38% support

A GHG reduction proposal at Cracker Barrel (without mention of Scope 3), which received 38% shareholder support.

#### 35% support

A water reduction proposal at Constellation Brands, which received 35% shareholder support (the only water-focused proposal to go to a vote).



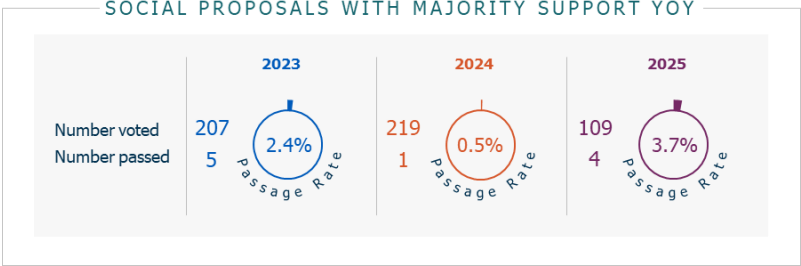
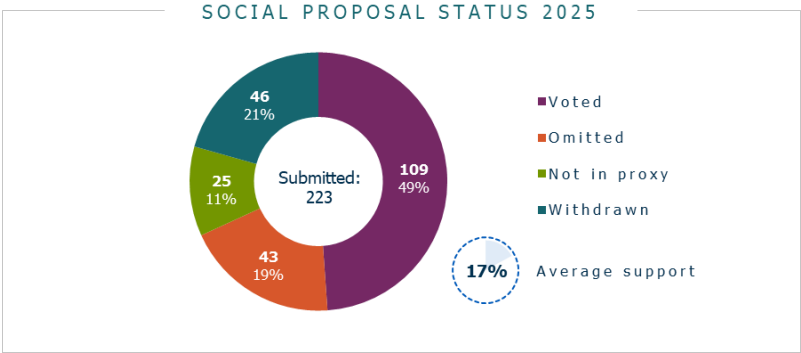
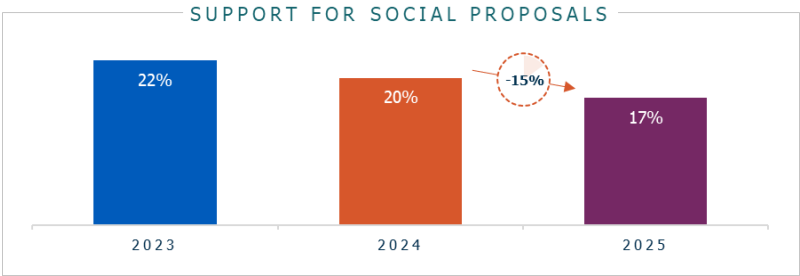
Social

There were 223 social proposals submitted in the 2025 proxy season, accounting for 27% of all submissions. 109 social proposals were voted, and four passed (all political contributions proposals). Submissions are down by 33% compared to the 2024 proxy season (223 in 2025 compared to 335 during the 2024 proxy season)

Proponents appeared to continue a shift away from the kinds of diversity-related proposals we saw peak in 2022. The number of DEI-related proposals (13 submitted) dropped significantly, with less than half the volume of submissions compared to the last two years (31 submitted in 2024 and 37 submitted in 2023)

The highest volume (63) of social proposals submitted related to political lobbying (37 proposals) and political contributions (26 proposals), which, combined, were still lower by about 21% compared to the 2024 season (80 proposals) and 23% lower than the 2023 season (82 proposals)

Support for social proposals has again slightly declined — from nearly 20% average support in 2024 to 17% in 2025 — following the same trend we saw between the 2023 and 2024 seasons



## Spotlight

12 AI related proposals submitted this season.

- Nine at tech companies (3xMSFT, 3xGOOGL, 1xMETA, LYFT, APPL), two consumer cyclical (2xAMZN), and one financial service (BRK)

All 12 went to a vote, with an avg support of 12.6%

Anti-ESG proponents filed six of the 12 AI-related proposals, with five proposals coming from National Legal and Policy Center (NLPC)

The top supported AI proposal was from anti-ESG proponent NLPC, with 36% support at Microsoft. The second highest was also at Microsoft with 18.7% support (not anti-ESG)

Most anti-ESG proposals had similar resolved language around risks related to data ethics and improper use. Note that this is to be expected because NLPC submitted the vast majority of anti-ESG AI proposals

The non-anti-ESG shareholder proposals had resolved language that were human rights centric or focused on assessing the business risks related to implementing AI

### The highest supported AI proposals of the season included:

**36%**  
support

An anti-ESG proposal at Microsoft on publishing an annual report on assessing the risks related to unethical or improper usage of external data in developing AI.

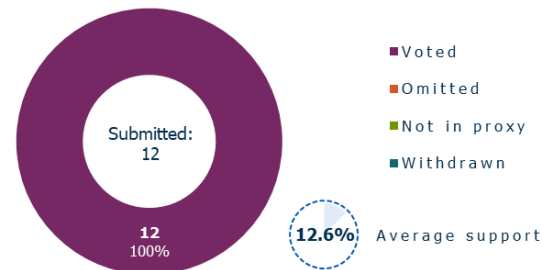
**19%**  
support

A proposals submitted to Microsoft on reporting the risks to the company associated with facilitating misinformation and disinformation being disseminated or generated by AI.

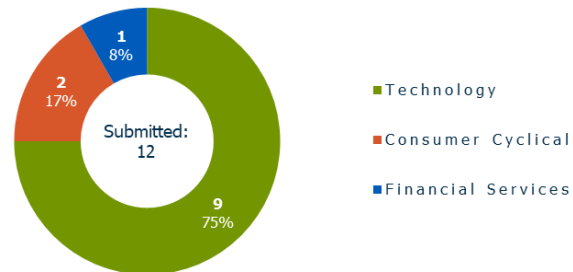
**14%**  
support

A human rights impact assessment proposal at Google to report on the human rights impacts of AI being used for targeted advertising.

### AI PROPOSAL STATUS 2025



### SECTORS THAT RECEIVED AI PROPOSALS 2025



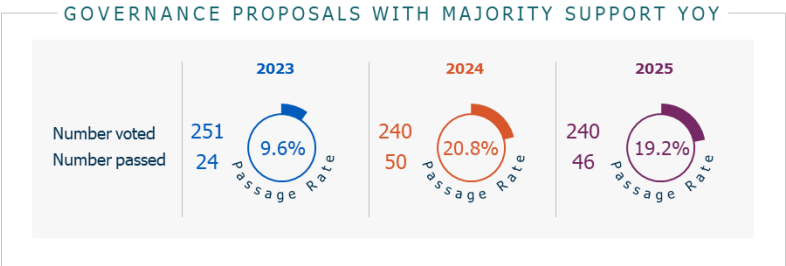
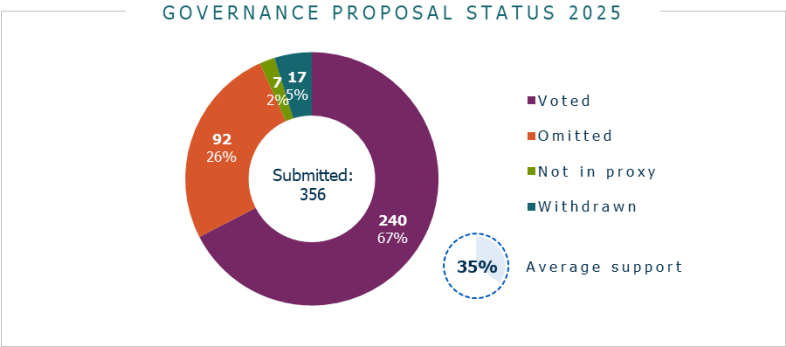
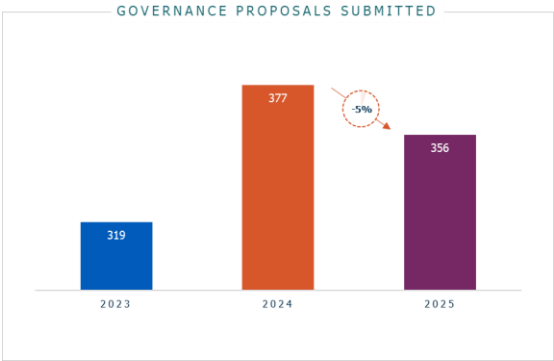
# SHAREHOLDER PROPOSALS

## Governance

The volume of governance-focused proposals remained strong in 2025, with 356 proposals filed (excluding anti-ESG proposals), an overall steady figure in comparison to the full 2024 proxy year with 377 filed proposals (excluding anti-ESG proposals).

Amongst the broader universe of governance-focused proposals submitted, we also noticed an increased level of shareholder support across multiple governance-focused proposals, including most notably: board declassification (+16% from 2024), severance pay (+7% from 2024) and majority voting – director elections (+6% from 2024).

Many institutional investors, including [BlackRock](#), [Vanguard](#) and [State Street Global Advisors](#), have revised their 2025 policies, softening or removing previously strong language on ESG-related matters. These updates reflect a more generalized approach, particularly as it relates to environmental and social topics such as board diversity and climate risk oversight.

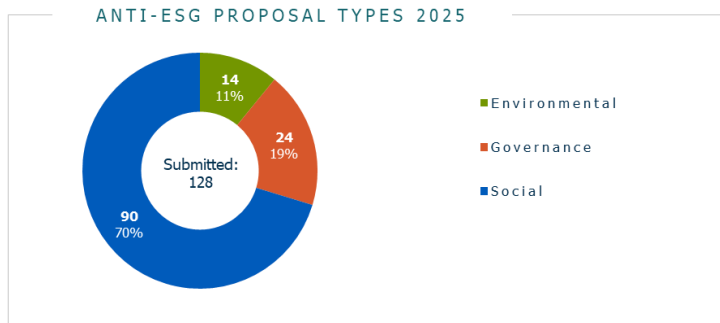
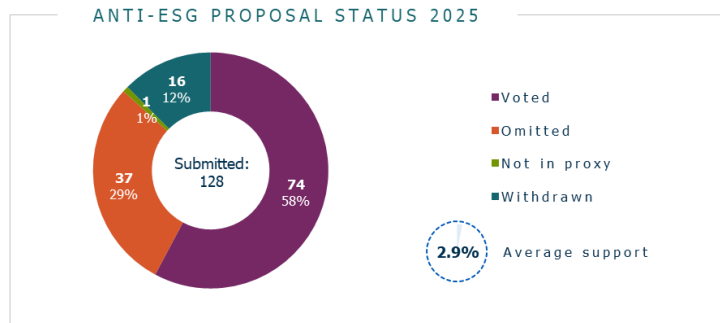
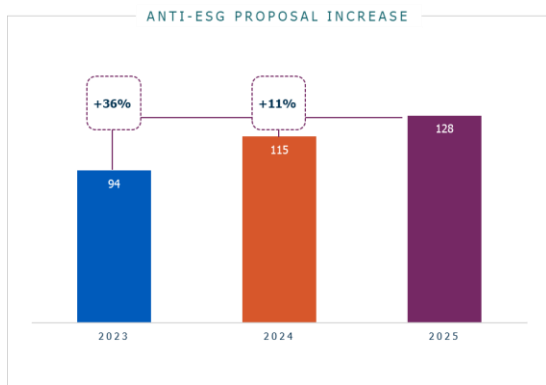


## Anti-ESG

In the 2025 season, anti-ESG proposal submissions increased by 11% (128 proposals in 2025), compared to the full 2024 season (115 proposals) and by 36% compared to the 2023 season (94 proposals). Average shareholder support was 2.9% for all anti-ESG proposals.

29% (37 proposals) have been omitted this year, the highest number of omissions since the volume of anti-ESG proposals began to increase significantly. This increase in omissions may be a byproduct of the SEC's Staff Legal Bulletin No. 14M (see the 'no action' relief section on slide 46 for more information).

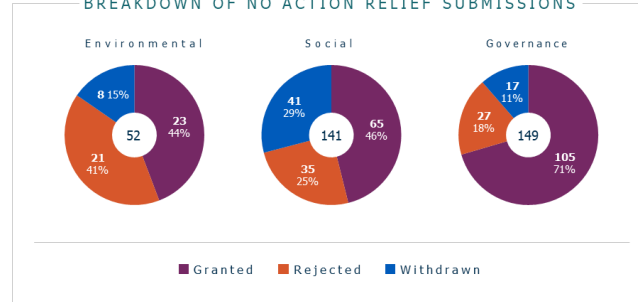
As in previous seasons, approximately 70% (90 of 128) of anti-ESG proposals have been associated with social topics. Governance topics accounted for more than 18% (24 proposals) of anti-ESG proposals and environmental proposals represented approximately 11% (14 proposals).



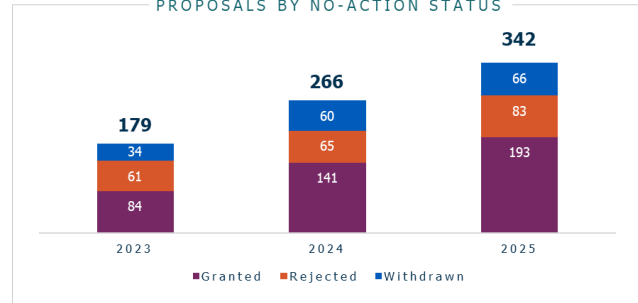
## ‘No-Action’ Relief

- 342 ‘no action’ relief requests have been filed: an approximate 29% increase from 2024 (266 requests) and nearly double the number submitted in 2023 (179). Additionally, the 2025 season has the highest volume of ‘no action’ relief granted (193) since the 2022 proxy season
- Issuers have a stronger basis for exclusion under Rule 14a-8(i)(7) (“ordinary business”) and Rule 14a-8(i)(5) (“economic relevance”) because they are no longer required to include a board analysis when filing for relief, leading to an increase in both those exclusion reasonings
- Governance proposals have the highest rate of being granted ‘no action’ relief from the SEC, with 70% (105 out of 149) successfully omitted from proxy materials. In comparison, social and environmental proposals face lower successful exclusion rates, with 46% (65 out of 141) and 44% (23 out of 52), respectively
- Anti-ESG proposals represent 15% of all shareholder proposals submitted (128 out of 840) but account for 22% of ‘no action’ filings (75 out of 342). This suggests that companies are aggressively seeking to remove such proposals from their proxies

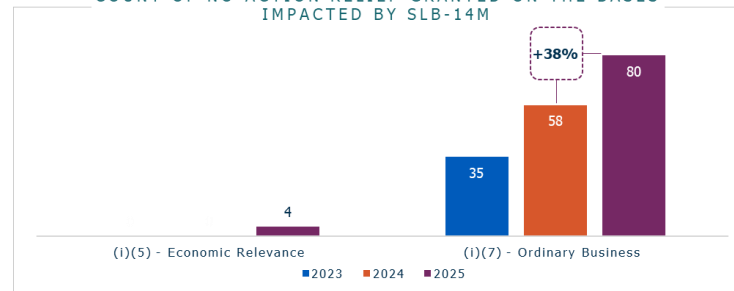
BREAKDOWN OF NO ACTION RELIEF SUBMISSIONS



PROPOSALS BY NO-ACTION STATUS



COUNT OF NO-ACTION RELIEF GRANTED ON THE BASES IMPACTED BY SLB-14M



## Shift towards multi-track, client driven stewardship approach

While the Big 3 maintain outsized influence for issuers, increasing diversity in fund-level strategies is driving greater complexity and opacity

Manager	Client Directed Offering	Stewardship Tracks	Delegation of Voting Authority
<b>BlackRock</b>	<p>Broad client customization via <b>Voting Choice</b> program and modular engagement policies</p> <ul style="list-style-type: none"> <li>Most comprehensive and global offering; ~25% of eligible AUM opted-in by 2025; now piloting retail options with up to 7 policy menus.</li> </ul>	<p>In 2025, BlackRock split stewardship into two independent teams: <b>BlackRock Investment Stewardship (BIS)</b> for index portfolios and <b>BlackRock Active Investment Stewardship (BAIS)</b> embedded within active investment teams.</p>	<p>Clients can: (i) delegate to BIS/BAIS, (ii) select external policy, or (iii) directly vote (where operationally feasible).</p>
<b>Vanguard</b>	<p><b>Investor Choice</b> pilot for retail investors and plan sponsors</p> <ul style="list-style-type: none"> <li>Largest potential eligible pool (~\$1 T), but low current adoption (~2%); positioned to scale as operational infrastructure matures.</li> </ul>	<p>Beginning in 2026, Vanguard will maintain two Investment Stewardship teams, one each aligned to its two new advisors, <b>Vanguard Capital Management (VCM)</b> and <b>Vanguard Portfolio Management (VPM)</b> as well as continuing its <b>investor-choice</b> program (for client-directed votes).</p>	<p>Vanguard's funds vote under centralized policy unless clients opt into Investor Choice; those clients' votes are executed via their selected third-party policy.</p>
<b>STATE STREET</b>	<p><b>Proxy Voting Choice</b> program with thematic policy menus</p> <ul style="list-style-type: none"> <li>Combines menu-based flexibility with continued SSGA oversight; uptake growing rapidly (+63% YoY in Q1 2025).</li> </ul>	<p>SSGA split its governance work into a core <b>Asset Stewardship Team</b> and a new <b>Sustainability Stewardship Service</b> for ESG-oriented clients.</p>	<p>Clients may retain SSGA's default stewardship or elect a third-party policy through Proxy Voting Choice; votes executed accordingly.</p>

# Insights from Georgeson's Fall 2025 Investor outreach



## Engagement approach changes

- › Revisions to SEC 13D/G guidance **have not reduced engagement overall** but have changed its tone and format, especially among large U.S. institutions above the 5% threshold.
- › **Expect more cautious communication** during proxy season; companies should lead discussions with clear agendas.
- › **Investors are less likely to share voting intentions**, often pointing to published voting policies instead.



## Shareholder rights

- › Most investors are taking a **wait-and-see approach regarding the Exxon Mobil Retail Voting program** and have not adopted any official policy position.
- › Most of the investors **continue to evaluate reincorporation proposals case-by-case basis**, with some still expressing preference for Delaware as the most desirable jurisdiction.



## Vote Disclosure Practices

- › Institutions that do not currently provide vote rationales are unlikely to begin doing so.
- › Certain investors that have historically provided vote rationales (e.g., BlackRock, Principal, LGIM) intend to continue doing so.
- › Advance notice of voting decisions will be even less likely, though investors may share high-level perspectives during engagement in a non-committal manner.

## Insights from Georgeson's Fall 2025 Investor outreach (*cont'd*)



### Share Lending

- › Stewardship staff are aware their firm engages in share lending, but **recall decisions aren't handled at the stewardship level.**
- › Firms may **hesitate to recall shares due to the economic implications** of lending.
- › Recalls occur primarily in **contested situations** (proxy fights, M&A).
- › Investors are open to communication of **publicly disclosed record dates** for consideration of recalling shares



### 2025–2026 Proxy Trends

- › **Say-on-Pay remains a key investor focus**, with scrutiny of pay-for-performance alignment and use of one-off or special awards.
- › **Shareholder proposal volume and support remain low** due to overly prescriptive or weak proposals.
- › **Expect rising proposals and engagement on AI oversight**, governance frameworks, and board readiness to manage AI impacts.



### Passive vs Active Reorganization

- › Several large investors are **formalizing separate stewardship tracks for passive vs. active funds** (e.g., Vanguard, BlackRock, BNY), resulting in:
- › **Distinct engagement teams** and contacts. Issuers may have to start engaging with the two engagement teams individually.
- › **Potentially different voting decisions across fund families.**



# Director and Officer Questionnaires

## Director and Officer Questionnaires

- **Director independence:** Include close friendships or other close social ties with management among the material relationships about which information is gathered
- **Director expertise:** Gather information related to the board's skills in cybersecurity and/or artificial intelligence
- **Beneficial ownership:** Clarify the need to disclose margin loans or other pledges of issuer securities
  - Request confirmation that insiders have either not entered into or terminated any 10b5-1 or non-10b5-1 trading arrangements during the preceding fiscal year
  - Remind of the importance of filing Forms 3 and 4, as well as reporting late or missed transactions and to timely notify the company of changes in beneficial ownership

## Resources

Access our presentation:

- [Preparing for the 2026 US Proxy & Annual Reporting Season: 10-K and Disclosure Trends](#) (November 10, 2025)

### ACROSS — THE BOARD

Keeping companies and  
their boards a step ahead

[Across the Board blog](#)  
provides private and public  
companies and their boards  
with the latest updates,  
alerts, and resources in one  
convenient place.

**VISIT OUR BLOG**



SCAN HERE!



OUR FREE WRITINGS & PERSPECTIVES BLOG  
PROVIDES NEWS AND VIEWS ON SECURITIES  
REGULATION AND CAPITAL FORMATION.

The blog provides up-to-the-minute information regarding securities law developments and commentary on developments relating to private placements, IPOs, and other securities related topics.

# MAYER | BROWN

Mayer Brown is a global legal services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England & Wales), Mayer Brown Hong Kong LLP (a Hong Kong limited liability partnership) and Tauil & Chequer Advogados (a Brazilian law partnership) (collectively, the "Mayer Brown Practices"). The Mayer Brown Practices are established in various jurisdictions and may be a legal person or a partnership. PK Wong & Nair LLC ("PKWN") is the constituent Singapore law practice of our licensed joint law venture in Singapore, Mayer Brown PK Wong & Nair Pte. Ltd. More information about the individual Mayer Brown Practices and PKWN can be found in the Legal Notices section of our website.

"Mayer Brown" and the Mayer Brown logo are the trademarks of Mayer Brown.