



North America



GLASS LEWIS

Proxy Season Preview - United States and Canada

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2026

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# Key Trends

## Governance

### Board Oversight of Artificial Intelligence (AI)

In recent years, technology powered by artificial intelligence (AI) has rapidly proliferated in the U.S. market, with companies increasingly integrating AI technologies into their operations, products and services. While AI technology presents significant opportunities in many areas, its widespread implementation is accompanied by an increasing number of related material risks, underscoring the importance of AI governance practices. As such, investors expect boards to ensure they have the tools and frameworks necessary to maintain effective oversight and risk management. It is important that these issues are overseen at the board level and that shareholders are afforded meaningful disclosure of these oversight responsibilities.

In the upcoming proxy season, AI governance and related disclosures will likely be top of mind for issuers and investors as companies navigate the challenges of balancing innovation with responsible integration. With varying levels of guidance from governing bodies, market expectations and best practices continue to emerge for AI governance and board oversight. However, with AI-incidents on the rise, coupled with shareholder pressure, companies may begin to implement more robust governance frameworks to effectively address these concerns. In addition, to ensure directors are best equipped to engage and oversee this issue, boards may provide for continued director education programs and/or appoint directors with AI expertise. More disclosure in this area is expected in 2026.

### Reincorporation Proposals

Reincorporation proposals continue to be an area of shareholder interest following certain court decisions in Delaware that were viewed as unfavorable toward controlling shareholders, creating speculation that companies would reincorporate in other states. In response, Delaware, Nevada, and Texas each adopted legislation in 2025 intended to attract or retain companies.

Generally, reincorporations have been limited to a small number of companies and have been more common for companies with significant or controlling shareholders. The choice of jurisdiction remains a question for some companies and boards as they continue to evaluate the protections that various states provide, while weighing what is in the long-term best interests of the company and shareholders.

The Benchmark Policy analyzed 29 reincorporation proposals during the 2025 proxy season (up from 17 in the 2024 proxy season, and 20 in the 2023 proxy season). Thus far in 2026, the Benchmark Policy has evaluated 6 reincorporation proposals, including two companies proposing a move to Delaware, and one each proposing a move to Nevada and Texas.

Expectations are that issuers and investors will continue to closely monitor reincorporation activity throughout the upcoming proxy season.

## Diversity Policies and Disclosure in the United States

The prevalence of diversity-related initiatives and disclosures experienced a pronounced shift last proxy season as a result of a number of regulatory outcomes, including the 2023 Supreme Court decision in *Students for Fair Admissions v. Harvard*, the U.S. Administration's stance on diversity, equity and inclusion ("DEI") programs, and the Fifth Circuit's December 2024 Nasdaq board-diversity ruling. These decisions led many issuers to revise or eliminate their diversity-related disclosures and initiatives, and institutional investors to recalibrate their related voting guidelines. Despite the notable decrease in the number of companies providing diversity-related disclosures, disclosure and reporting of board diversity-related information still remain widespread.

For the 2026 proxy season, the U.S. market will likely continue to see varying levels of disclosure pertaining to this area. While elements of legal and regulatory uncertainty remain, companies will need to balance potential litigation risk with shareholder-maintained market expectations for board diversity and related disclosures. As such, this issue is anticipated to be a significant area of interest for shareholders during the 2026 proxy season.

*For information on Glass Lewis' consideration of diversity factors at US companies under the Benchmark Policy effective March 10, 2025, and our thematic policies, please see the [2025 Supplemental Statement on Diversity Considerations at US Companies](#).*

## Diversity Reporting in Canada

On April 23, 2025, the Canadian Securities Administration (CSA) paused certain amendments to existing diversity-related disclosure requirements that were previously proposed in April 2023. These amendments proposed two models for how companies could approach reporting the diversity of their board and executive officers. One approach required companies to disclose their approach to the gender diversity of the board and executive officers but would not require disclosure of any other group. The second approach would have required mandatory disclosure on the representation of five designated groups: women, indigenous peoples, racialized persons, persons with disabilities and LGBT2SI+ individuals on the board and in executive officer positions.

Non-venture issuers are still required to provide certain disclosures regarding the representation of women on the board and in executive officer positions. In addition, under the *Canadian Business Corporations Act*, certain companies are required to provide disclosure regarding the representation of designated groups on the board and in executive officer positions.

While shifting expectations on diversity disclosure in the United States may affect disclosure practices in Canada, given current disclosure requirements, it is unlikely that the pausing of these amendments will lead to a deterioration in disclosure practices surrounding board diversity and representation. Rather, issuers will likely continue to meet current requirements and disclose demographic information that investors expect.

## Increased Auditor Scrutiny in Canada

Accounting for liabilities at oil and gas companies tied to decommissioned wells and oil sands mines may cause some auditors and audit committees to be in the spotlight this season, following concerns raised by Investors for Paris Compliance, a Canadian advocacy organization focused on holding publicly traded Canadian companies accountable to net-zero promises. The organization recently raised concerns about potentially material gaps in

companies' financial statements and auditor reports related to certain oil and gas liabilities and sent letters to the 14 largest publicly listed Canadian oil and gas producers seeking improved disclosures. While the impact of these liabilities remains to be seen, auditors and audit committees at oil and gas companies may expect increased scrutiny from shareholders relating to the disclosure of their oil and gas liabilities.

## Executive Compensation

### Upward Discretion

Towards the end of the 2025 calendar year, there was a slight uptick in the number of companies exercising upward discretion, mainly under their short-term incentive plans. This largely stemmed from the unanticipated impact of tariffs. There are a couple of methods that companies have in their arsenal when trying to determine the best approach in addressing such material, unanticipated disruptions.

- First, some companies may adjust performance goals or outcomes to mitigate any undue impact tariffs had on financial outcomes for the year in review. Generally, this is achieved by amending targets after original goals had been set, or adjusting outcomes to account for unanticipated impacts on financials.
- Second, some companies may opt to increase payouts to a level that is more reflective of the board's assessment of executive performance despite what the financials may indicate.
- The last option is to reduce performance periods (and thus, goals, proportionally) to ignore the portion of the year in which tariffs started impacting financials.

It is almost certain that exercises of upward discretion will increase in frequency. Thus far, companies that have done so have provided meaningful rationale and safeguards to their actions. Often this includes outlining what options were discussed and why one was picked above the rest, providing relevant and unique context to the situation, and limiting how much these exercises can impact the final payout (capping payouts at 100% of target, most often). Increased scrutiny will occur when pay outcomes are not explained, or appear disconnected from the shareholder experience over the same time frame.

### ESG Metrics

After relative stability in the use of ESG metric usage in incentive plans over the last few years, the 2025 year saw an anticipated decline. In the S&P 500, 72% of companies used some form of ESG consideration under an incentive plan in 2024. This figure dropped to 68% in 2025. While that year-to-year decline was relatively small, this figure is anticipated to be larger in the 2026 season.

Ad hoc adjustments in 2025 due to the U.S. political climate and ESG backlash, particularly as it related to DE&I, were relatively muted on the whole. Substantial decreases were largely seen in connection with the use of diversity metrics. Of the S&P 500 companies that used any ESG metric in 2024, 73% used a diversity metric. This dropped to approximately 30% in 2025. This figure is likely to continue to fall, with similar decreases in overall ESG metric usage as well. An example of this is Starbucks, who disclosed that fiscal year 2023 and fiscal year 2024 PSUs were amended to assume a multiplier of 0.9x for its representation, talent and sustainability modifiers, which is below threshold performance, so that payouts for these previously granted PSUs would reflect operational, financial and stock price performance only.

Similar to sentiments last year though, the impact of this regression will likely not be as material for safety metrics. Companies that opt to keep their ESG metrics may provide additional rationale and implement more quantitative measures, ensuring that shareholders are clear on the materiality of such considerations.

## CEO Succession Planning and Retention

CEO retention and succession planning was a key trend in 2025, and will continue to be so in the 2026 season. Although Disney's updated CEO succession plan is the most recent to make headlines, there are also some other notable transitions to review for 2025 pay programs.

- One example is UnitedHealth Group's CEO succession, following Andrew Witty's retirement in May 2025 and the re-appointment of Stephen Hemsley to the CEO position for a minimum of three years.
- Paramount Global also went through a notable transition when an interim "Office of the CEO" was created, splitting the CEO role into three, after Bob Bakish resigned in April 2024. Following the company's merger with Skydance Media, David Ellison took over the CEO and chair role in August 2025.

These are just two examples of executive transitions that highlight the continued importance of thoughtful succession planning at the board level. The resulting pay packages will be of particular focus, along with the disclosure provided to explain exceptional arrangements. While investor lenience on "make-whole" awards (awards meant to replace those forfeited from a previous employer) will continue, they do expect companies to rationalize the need for these awards and highlight that the structures used are "like-for-like" compared to forfeited awards.

## Continued Increase in Canadian Compensation Levels

Another trend that will likely continue into the 2026 season is the steady increase in Canadian pay levels. Average reported compensation for companies in the S&P/TSX 60 increased approximately 40% in 2025 compared to 2024 (\$18.2 million in 2025 compared to \$13.0 million in 2024). This was due largely to exceptionally large pay packages, such as Shopify's \$225.4 million granted to its CEO (based on Glass Lewis valuations). When looking at median pay, the increase is more reasonable at 4.7% year-over-year (\$12.4 million in 2025 and \$11.8 million in 2024). Similar increases were present when expanding the scope to the S&P/TSX Composite.

While many of these increases may be due to benchmarking practices against U.S., which generally have the tendency to pay more, foreign exchange is also a factor. As the Canadian dollar has weakened against the U.S. dollar, companies paying executives in Canadian dollars and benchmarking against U.S. peers will likely see increases stemming from this.

## ESG Trends & Upcoming Shareholder Proposal Topics

### SEC No-Action Requests

In 2021, the SEC broadened the scope of proposals that it would allow to go to a vote at companies' AGMs, stating that it would not block proposals that dealt with issues of social policy significance. Arguably, this was

one of the most significant factors in the dramatic increase in environmental and social shareholder proposals that went to a vote in the succeeding years.

However, prior to the 2025 proxy season, the SEC reversed course on this decision, stating it would provide no-action relief for companies if a proposal only deals with issues of social policy significance. It also appeared that the Commission was more willing to allow no-action relief for proposals on the basis that they deal with “ordinary business matters.” Ultimately, this was one of the factors that led to a notable reduction in the number of shareholder proposals going to a vote in 2025.

Following the U.S. government shutdown in the fall of 2025, the SEC made another announcement regarding its treatment of shareholder proposals for the 2026 proxy season. The SEC stated in November 2025 that, as a result of resource and timing constraints, it would not be responding to no-action requests for, and express no views on, companies’ intended reliance on any basis for the exclusion of shareholder proposals. Although companies will still need to provide information concerning their intent to omit shareholder resolutions and the basis for omitting these proposals, the SEC will not object to any such request.

The change in process has sparked some confusion for investors and companies. Although some speculated that this could have the potential to shut down the shareholder proposal process, early indications are that most companies are using this process to omit proposals on technical bases (e.g., proponent failed to provide proof of ownership or proposals were submitted after the submission deadline). However, a number of companies have chosen to exclude proposals on more substantive bases, which has prompted some investors to pursue legal avenues to get their proposals on company ballots. In addition, some proponents have floated the idea of launching vote-no campaigns.

Investors’ ability to communicate these vote-no campaigns, however, could be hampered by other recent changes at the SEC. Typically, investors will file exempt solicitations on the SEC’s website as a means to express concerns and provide details concerning their recommendations in support of or against resolutions brought to a shareholder vote. While many investors use these notices to provide additional information concerning the rationale for their shareholder proposals, others have used them to advance vote-no campaigns against director elections or other management-sponsored proposals. However, in January 2026, the SEC stated that it would now be objecting to the filing of exempt solicitations by investors who hold less than \$5 million in company shares. Because many of the groups and individuals that frequently utilize this process are smaller shareholders, this could place some constraints on investors’ use of this communication tool.

## ESG/DEI Initiatives

Beginning in 2024, there have been several high-profile instances of companies rolling back their diversity and ESG initiatives. Since this time, a growing number of companies have eliminated certain DEI programs or rolled back diversity-related targets. Similarly, many companies have determined to scale back or fully eliminate their broader ESG-related disclosures in response to political pressures. Although some shareholders have submitted proposals aimed at restoring some of these disclosures and initiatives, others have sought to further scale back companies’ ESG and DEI efforts. These conflicting messages were echoed at a number of these companies’ AGMs in 2025, and this will likely continue to be a key feature of many shareholder proposals in 2026.

## Environmental Disclosures in Canada

On June 20, 2024, Bill C-59, introducing significant amendments to the Competition Act, received royal assent and came into effect. Most notable (and controversial) among the proposed amendments were the provisions to address greenwashing. The new provisions explicitly require businesses to substantiate claims made to Canadian consumers relating to the benefits of a business, business activity, product or service for protecting or restoring the environment or mitigating the environmental, social and ecological causes or effects of climate change. Moreover, from June 20, 2025, private parties will be able to seek leave from the Competition Tribunal to commence actions under the Act's civil misleading representation provisions, including the new greenwashing provisions.

Following passage of Bill C-59, the Competition Bureau launched an initial public consultation to inform its development of enforcement guidance relating to environmental claims after receiving many requests for additional guidance. On December 23, 2024, the Bureau released for public consultation a new draft guidance on its approach to assessing environmental claims under the Act, which was open for comment until February 28, 2025.

For companies, the potential monetary penalties for misleading representations include a maximum fine of C\$10 million for a first offense (C\$15 million for subsequent infractions) or three times the value of the benefit derived from the deceptive conduct, or, if that amount cannot be determined, up to 3% of the company's annual global revenue — whichever amount is higher.

Critics of the Bill's greenwashing provisions have noted the potentially "chilling" impact it may have on companies making climate disclosures, while proponents have hailed the need for disclosures that are more rigorously vetted and substantive. Either way, given the likely increased scrutiny of environmental claims and potentially significant penalties available for contraventions of the greenwashing provisions, companies will have to implement appropriate oversight and governance to ensure all public environmental statements, commitments and objectives are reasonable and substantiated.

In June 2025, the Competition Bureau released its final guidelines on environmental claims following two rounds of public consultation. The final guidelines address false or misleading representations, product performance claims, claims about the environmental benefits of a product, and claims about the environmental benefits of a business or business activity. For each of those issues, the guidelines review key concepts (for instance, what constitutes "internationally recognized methodology"), implications for environmental claims, and examples. Further, the guidelines cover principles for compliance and frequently asked questions, among other topics. Around the same time, the Competition Bureau also provided additional information and resources regarding environmental claims and greenwashing, discussing the Competition Bureau's role and how the laws apply.

In November 2025, a bill was introduced in the House of Commons that amended the greenwashing provisions in the Competition Act as part of the Federal Budget. These amendments removed the requirements for businesses to substantiate environmental claims about their businesses or business activities based on internationally recognized methodology standards and also removed the ability for third parties to bring cases under the greenwashing provisions concerning environmental claims made about the benefits of a business or business activity. These changes could result in improved climate-related disclosures at Canadian companies in the next year.

# Benchmark Policy Voting Guidelines

## United States Policy: Summary of Updates

### Mandatory Arbitration Provisions

The Benchmark Policy guidelines now include a discussion on its approach to mandatory arbitration provisions. Specifically, when evaluating companies' governing documents following completion of a company's IPO, spin-off, or direct listing, the Benchmark Policy will review whether a company has adopted a mandatory arbitration provision or other potentially negative governance provisions. In such cases, it may lead the Benchmark Policy to issue a recommendation that shareholders oppose the election of the chair of the governance committee, or, in certain circumstances, the entire committee. In addition, the Benchmark Policy will generally recommend that shareholders vote against any bylaw or charter amendment seeking to adopt a mandatory arbitration provision unless the company provides sufficient rationale and disclosure.

### Pay-for-Performance Methodology

The "Pay for Performance" section of these guidelines has been updated to reflect enhancements and modifications to Glass Lewis's proprietary pay-for-performance model. Rather than a single letter grade of "A" through "F", the model will use a scorecard-based approach, consisting of up to six tests. Each test will receive a rating, which will be aggregated on a weighted basis to determine an overall score ranging from 0 to 100. To better understand the model, please see the [Pay-for-Performance Methodology Overview](#).

## Clarifying Amendments

The following sections of the Benchmark Policy have been clarified:

### Shareholder Rights

The Benchmark Policy's discussion on cases where the board has amended the company's governing documents to reduce or remove important shareholder rights has been updated to reflect additional considerations that may lead the Benchmark Policy to recommend that shareholders vote against the chair of the governance committee, or the entire committee. Examples of amendments that could lead to such recommendations include those that: (i) limit the ability of shareholders to submit shareholder proposals; (ii) limit the ability of shareholders to file derivative lawsuits; and (iii) implement plurality voting in lieu of majority voting.

### Majority Vote for Election of Directors

The Benchmark Policy's discussion on voting standards for the election of directors has been updated to make certain clarifying changes and update outdated references. There have been no changes in policy or approach as a result of these updates.

## Amendments to the Certificate of Incorporation and/or Bylaws

The Benchmark Policy's approach to amendments to the certificate of incorporation and/or bylaws has been consolidated into a single section. The Benchmark Policy guidelines now stipulate that it evaluates proposed amendments to a company's certificate of incorporation and/or bylaws on a case-by-case basis. The Benchmark Policy is strongly opposed to the practice of bundling several amendments under a single proposal because it prevents shareholders from reviewing each amendment on its own merit. In general, the Benchmark Policy will recommend voting for amendments that are unlikely to have a material negative impact on shareholders' interests.

## Supermajority Vote Requirements

The Benchmark Policy's discussion on supermajority vote requirements has been updated to clarify that, in cases where a company seeks to abolish supermajority voting requirements, the Benchmark Policy will evaluate such proposals on a case-by-case basis. The Benchmark Policy has also been updated to reflect that when companies have a large or controlling shareholder, supermajority vote requirements may be appropriate to protect the interests of minority shareholders and that, in such cases, the Benchmark Policy may oppose the elimination of these requirements.

# Canadian Policy: Summary of Updates

## Financial Restatements

The Benchmark Policy's approach to financial restatements in the section "Standards for Assessing the Audit Committee" has been updated to include certain financial criteria for evaluating restatements. Specifically, when annual and/or multiple interim financial statements have been restated, the Benchmark Policy will generally recommend that shareholders withhold votes from all members of the audit committee who served at the time when financial statements had to be restated, and any of the following factors apply: (i) the restatement results in a greater than 5% adjustment to cost of goods sold, operating expense, or operating cash flows; or (ii) the restatement results in a greater than 5% adjustment to net income, 10% adjustment to assets or shareholders equity, or cash flows from financing or investing activities. In addition, the Benchmark Policy will generally recommend shareholders oppose the election of all members of the audit committee when the restatement involves revenue recognition, fraud or manipulation by insiders, or is accompanied by an investigation by a provincial securities commission or a federal investigation.

# Shareholder Proposals & ESG-Related Issues: Summary of Updates

## General Approach to Shareholder Proposals

Noting the dynamic nature of, and impending changes to, the shareholder proposal process in the United States, the Benchmark Policy has adjusted some of its language regarding the general approach to shareholder proposals, including guidance around companies' treatment of the SEC's former no-action process. While this specific guidance has been removed, the Benchmark Policy will generally approach these matters with the basic premise that shareholders should be afforded the opportunity to vote on matters of material importance. Given ongoing changes and the prospect of additional changes to the shareholder proposal process, the Benchmark Policy may be updated prior to or during the 2026 proxy season should its approach to these matters change or regulatory developments warrant such an update.

# Meetings to Watch

## Broadcom Inc. (NASDAQ: AVGO)

In fiscal 2023, Broadcom's CEO, Hock Tan, received a front-loaded PSU award with a target value of approximately \$313 million (based on Glass Lewis' valuation), meant to cover all incentive compensation for the following five fiscal years (through FY2027). The award is based on the achievement of stock price hurdles and compound annual growth rate targets. One of the concerns highlighted for front-loaded awards is the inflexibility inherent to them as they are unable to be modified or adjusted on a yearly basis to accommodate changing business and macroeconomic landscapes.

In September 2025, the board granted Mr. Tan 610,521 PSUs contingent on attainment of challenging AI-related revenue targets from FY2028 to FY2030. As part of this agreement, Mr. Tan also agreed to certain post-vesting holding requirements for the FY2023 front-loaded award. Although it was granted while the FY2023 award remains outstanding, the new grant is not a modification to the front-loaded award. Instead, the new grant measures performance in a different area over the three years following completion of the initial award's performance period. The context and rationale for this grant will be paramount in how this action will be evaluated.

## Cloudflare, Inc. (NYSE: NET)

In November and December 2025, Cloudflare reported its most significant network outages since 2019. In both instances, the outages were the result of internal technical failures at Cloudflare that resulted in multiple major online services slowing down or going down completely. Cloudflare responded quickly to the outages and was able to investigate and fix the issues within hours of the incidents first being reported. Nonetheless, thousands of customers across a broad range of platforms were ultimately impacted, with services like Zoom, ChatGPT, Spotify, X (formerly Twitter) and Uber experiencing disruptions. The widespread effects of these outages underscore the interconnectedness of global internet services and the outsized impact that some technology companies can have on the broader market. Going forward, shareholders may place heavier scrutiny on how Cloudflare addresses service outages and the oversight structures that are in place to prevent future outages.

## Exxon Mobil Corporation (NYSE: XOM)

On September 15, 2025, the U.S. Securities and Exchange Commission ("SEC") issued a no-action response letter stating that the SEC would not recommend enforcement actions against Exxon's proposed retail voting program. Under the program, retail investors may opt in to a standing instruction for their shares to be voted according to the board's recommendations at each shareholder meeting. Participating shareholders can later opt out by revoking their standing vote instructions or by casting their vote at a shareholder meeting. The program is intended to increase the number of retail investors voting at shareholder meetings by making it more accessible for them to participate in the proxy process. While retail investors hold approximately 40% of Exxon's shares, on average, only about a quarter of these shares are voted at the company's shareholder meetings. The SEC's no-action response effectively gives the program a green light for the 2026 proxy season. It remains to be seen if the program will have the intended impact at Exxon and if other companies will choose to adopt similar programs in the future.

### Meta Platforms, Inc. (Nasdaq: META) and Alphabet, Inc. (Nasdaq: GOOGL)

In September 2025, the Federal Trade Commission ("FTC") launched investigations into six major technology companies with consumer facing AI-powered chatbots, including Meta and Google's parent company, Alphabet. AI chatbots, which have become increasingly popular in recent years, use AI technology to simulate human-like conversations with users in real-time. The FTC's investigations come amid growing concerns about the potential negative effects of AI technology on younger individuals. The goal of the investigations is to understand how these companies measure, monitor and mitigate the negative impacts of AI technology on children and teens. Notably, in December 2025, the European Commission also opened two separate investigations into Meta and Google, seeking to understand the implications of both companies' AI chatbots on competition in the market. These companies' responses and steps taken to address such concerns will likely be closely monitored by shareholders.

### Wells Fargo & Company (NYSE: WFC)

In 2025, Wells Fargo achieved key regulatory milestones, including the removal of limits on growth in total assets. CEO Charles Scharf received a special equity award, consisting of restricted share rights (approximate value of \$30 million) and 1.046 million stock options, in recognition of the achievement of this regulatory milestone, as well as his leadership and drive for financial and strategic growth. Restricted share rights vest and options become exercisable on the fourth, fifth and sixth anniversaries of the grant date.

The context for the awards is unique and will be paramount in how it is received by investors. Additionally, the overall quantum, its impact on the company's ability to align pay with performance, and the long time-horizon of the award structure, will be key considerations.

### Air Canada (TSE: AC)

In August 2025, approximately 10,000 flight attendants represented by the Canadian Union of Public Employees (CUPE) went on strike. The strike disrupted airline services and resulted in over 3,200 cancelled flights. Further, the financial impact was estimated to be \$375 million in operating income and adjusted EBITDA. While a tentative agreement was reached on August 19, 2025, according to CUPE, the agreement was not ratified by union members.

As of September 2025, Air Canada and CUPE have agreed to mediation and arbitration. While the disruptions have ended, the reputational danger and potential impact of extended arbitration and disruptions may influence how shareholders vote at the forthcoming meeting.

### Shopify Inc. (TSE: SHOP)

CEO compensation remains a significant area of focus. According to a new report by the Canadian Center for Policy Alternatives, in 2024 the average pay of the 100 highest-paid CEOs rose to a new record of \$16.2 million, and the CEO of Shopify Inc., Tobias Lütke, became the highest-paid CEO in Canadian history. Mr. Lütke received equity awards worth an aggregate \$150 million as disclosed by the company (valued at \$225 million based on Glass Lewis' methodology), with no clear disclosure regarding how many years' worth of compensation, if any, these equity awards were meant to cover. At Shopify's 2025 annual meeting, the non-binding advisory vote on executive compensation received support from 62.3% of the votes cast. When accounting for the company's multi-class share structure, which ensures Mr. Lütke and his affiliates hold at least 40% of the aggregate voting

power, the resolution only received support from 35% of the votes cast on a one-for-one basis. Unaffiliated shareholders will likely be closely monitoring the board's response to this significant level of opposition.

#### Toronto-Dominion Bank (TSE: TD)

In October 2024, The Toronto-Dominion Bank (TD Bank) reached a settlement with the U.S. Department of Justice, in which the company plead guilty to gaps in its anti-money laundering ("AML") program and conspiracy to commit money laundering over a ten-year period between January 2014 and October 2024. TD Bank ultimately paid approximately US\$3.09 billion, is required to remediate its U.S. AML program, and is subject to certain asset caps placed on its U.S. businesses.

TD bank continues to remediate its AML program and is still subject to certain asset caps. The forthcoming meeting is also the first meeting under the stewardship of a renewed board, management team, and a new board chair in John MacIntyre, who has served on the board since 2023. While it appears that the bank is progressing in its remediation efforts, shareholders should remain aware that the company is still subject to certain sanctions and monitoring efforts. Further, the aftershocks of the initial settlement continue to reverberate, as [former employees](#) continue to plead guilty to certain laundering schemes.

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

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[info@glasslewis.com](mailto:info@glasslewis.com) | [www.glasslewis.com](http://www.glasslewis.com)

# Connect with Glass Lewis

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

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

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

## Global Locations

### North America

#### United States

*Headquarters*  
100 Pine Street, Suite 1250  
San Francisco, CA 94111  
+1 415 678 4110

New York, NY  
+1 646 606 2345

2323 Grand Boulevard, Suite 1125  
Kansas City, MO 64108  
+1 816 945 4525

#### Canada

65 Front Street East, Suite 201  
Toronto, ON M5E 1B5

### Asia Pacific

#### Australia

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

#### Japan

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

#### Philippines

One Ayala East Tower, 1 Ayala Ave  
Makati, Metro Manila

### Europe

#### Ireland

15 Henry Street  
Limerick V94 V9T4  
+353 61 534 343

#### United Kingdom

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

#### France

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

#### Germany

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

#### Romania

Calea Aradului 11  
Timișoara 300254

#### Sweden

Norrskan House  
Birger Jarlsgatan 57C  
113 56 Stockholm

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