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### BlackRock's US Proxy Voting Guidelines Updates



BlackRock recently published its updated “[Proxy Voting Guidelines for Benchmark Policies - U.S. Securities](#)” for the 2025 proxy season, along with its 2025 “[Global Principles for Benchmark Policies](#)” and “[Engagement Priorities Summary for Benchmark Policies](#).” While many of its policies remain unchanged from last year, there are some notable revisions and additions that companies should be aware of:

- **Board composition:** BlackRock has revised its guidelines relating to board “diversity,” now focusing instead on “composition” and aligning board composition with the company’s strategy, addressing gaps in skills and experience, and ensuring effective oversight of business risks and opportunities. The updated guidelines no longer include the recommendation that boards aspire to 30% diversity of membership or have at least two women directors and one director from an underrepresented group. However, BlackRock has indicated that to the extent an S&P 500 company board is an outlier and does not have a mix of professional and personal characteristics (which may include, but are not limited to, gender, race/ethnicity, disability, veteran status, LGBTQ+, and national, Indigenous, religious, or cultural identity) that is comparable to market norms, BlackRock may vote against members of the nominating and governance committee on a case-by-case basis.
- **Board oversight:** The guidelines emphasize the need for disclosures to demonstrate the board’s oversight role relating to corporate governance and risk oversight. The updated guidelines include a new discussion regarding changes to milestones against which the implementation of management’s long-term strategy should be assessed. In particular, if strategic targets are significantly missed or materially restated, BlackRock notes that it would find it helpful for company disclosures to provide a detailed explanation of the changes and an indication of the board’s role in reviewing the revised targets. Further, BlackRock will also look for the board to articulate the effectiveness of such milestones in overseeing the management of business risks and opportunities and the fulfillment of the company’s strategy.
- **Director tenure:** BlackRock has updated the policy to clarify that it would oppose “certain directors” on boards that appear to have an insufficient mix of short-, medium-, and long-tenured directors, where the prior year’s policy referred to opposing boards with such characteristics.

- ***Equity compensation plans:*** BlackRock added a new paragraph encouraging companies to submit their equity compensation plans for shareholder approval more frequently, accompanied by guidance on how BlackRock will evaluate such requests:

We find it helpful when companies submit their equity compensation plans for shareholder approval more frequently than required by listing exchange standards to facilitate the timely consideration of evolving plan governance practices. Particularly when share reserve requests grow significantly versus prior plans, boards should clearly explain any material factors that may potentially contribute to changes from the company's past equity usage. We may support an equity plan share request if we determine that support for such plan is in the best interests of shareholders; however, we may also vote against members of the compensation committee to signal our concerns about the structure or design of the equity compensation plan or the company's equity grant practices and the imprudent use of equity.

- ***Option repricings and exchanges:*** For option repricings and exchanges, BlackRock may vote against members of the compensation committee where a board implements or approves a repricing or option exchange without shareholder approval. BlackRock may also vote against a company's annual advisory vote on executive compensation where such a repricing or option exchange includes named executive officers.
- ***Clawback proposals:*** BlackRock clarified that it expects boards to exercise limited discretion in forgoing, releasing, or settling amounts subject to recovery under a company recoupment policy for executives and not to indemnify or insure executives for losses they incur.

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