

Fidelity Proxy Voting Guidelines

March 2025 vs. January 2024: the board-diversity triggers came out, and a tighter independence test went in

Fidelity Investments

Full Proxy Voting Guidelines for Fidelity Funds advised by FMRCo or FDS

The edition dated January 2024 compared with the edition dated March 2025

Fidelity deleted the two rules that made a lack of board diversity a reason to vote against directors, and replaced them with a sentence that commits it to nothing. In the same rewrite it added a stricter definition of an independent director and a new committee-independence trigger - so this is a trade, not a simple retreat.

Source: the two published guideline documents, read in full. Every quotation below is verbatim.
proxyvotesnow.com

Read this first: what these two documents are

This site previously carried a "2026 vs. 2025" Fidelity comparison. That report has been withdrawn, because it was not comparing two editions. The file Fidelity publishes today at its guidelines URL is dated March 2025 on its own cover page, and it is the same document as the copy archived in March 2025 - the only differences between them are a reworded legal disclaimer and an internal document stamp that moves from 1120716.3.0 to 1120716.4.0. There is no 2026 edition.

The most recent genuine revision Fidelity made to these guidelines is the one from January 2024 to March 2025. That is what this report covers. Both documents are 15 pages of roughly 5,000 words and are titled "Proxy Voting Guidelines"; the March 2025 edition is the one currently in force.

Direction of travel

Mixed, and the mix is the point. Fidelity removed every reference to gender and racial or ethnic diversity from its director-voting rules - two hard triggers that could have produced votes against named directors. At the same time it tightened who counts as independent and added a new trigger on committee independence. The numbers did not move: the 75% attendance rule and the two-board / five-board overboarding limits are identical in both editions.

1. The two deleted diversity triggers

In January 2024, Fidelity listed five circumstances in which it would "generally oppose the election of certain or all directors" on grounds of board composition. Two of the five were about diversity. Neither survives in March 2025.

January 2024, deleted:

"There is no gender diversity on the board, or if a board of ten or more members has fewer than two gender diverse directors."

January 2024, deleted:

"There are no racially or ethnically diverse directors."

These were bright lines. A company with an all-male board, or with no director who identified as racially or ethnically diverse, met a stated test for a vote against directors. Nothing in the March 2025 edition replaces them with a different test.

What went in their place

March 2025, new:

"In addition, in determining whether to support director nominees, we consider factors that we believe are relevant to achieving effective governance practices, which may include the range of experience, perspectives, skills, and personal characteristics represented on the board."

Read it against what it replaced. "We consider factors" is not a rule. "May include" makes even the list optional. "Personal characteristics" is the only remaining trace of the deleted language, and it is not defined, not measured and not attached to any voting consequence. On the specific question a shareholder would want answered - under what circumstances will Fidelity vote against a director over board composition? - the March 2025 document gives no answer where the January 2024 document gave two.

Why this matters

Fidelity is one of the largest holders of most US large caps. Its 2024 guidelines meant that a board without gender diversity, or without any racially or ethnically diverse director, had a named, published reason to expect opposition from Fidelity. From March 2025 that reason does not exist in writing. This is the same deletion pattern seen across the 2025-26 policy cycle: not a change of view stated outright, but the removal of the link between a finding about a board and a vote against it.

2. What got tighter in the same rewrite

It would be wrong to read this revision as a one-way softening. Fidelity used the same edit to add an independence test it did not previously publish, and to broaden one of the triggers it kept.

A new trigger on committee independence

March 2025, new:

"The board's audit, compensation, and nominating/governance committees or their equivalents are not sufficiently independent."

January 2024 tested independence only at the level of the board as a whole. March 2025 adds the three key committees as a separate ground for opposing directors.

A stricter definition of "independent" than the exchanges require

March 2025, new:

"While Fidelity generally considers the requirements of the relevant listing standards in determining director, board, and committee independence, we may apply more stringent independence criteria and adapt such criteria for certain foreign markets, taking into consideration listing requirements as well as differing laws, regulation, and/or practices in the relevant market. For example, Fidelity generally will find non-independent:"

- Former CEOs.
- Company founders.
- Directors or director family members that were employed as senior executives by the company within the past five years.

March 2025, new:

"Fidelity also may evaluate financial relationships, equity ownership, and voting rights in assessing the independence of director nominees."

None of this appears in the January 2024 document. Treating founders and former CEOs as non-independent by default is materially stricter than NYSE and Nasdaq listing standards, and it bites at exactly the companies - founder-led technology firms, recent IPOs - where board independence is most often contested.

The majority-independence trigger got wider

When a non-majority-independent board triggers opposition

January 2024:

"Inside or affiliated directors serve on boards that are not composed of a majority of independent directors."

March 2025:

"The board is not composed of a majority of independent directors."

The 2024 wording attached the problem to specific people - the inside or affiliated directors sitting on such a board. The 2025 wording makes the state of the board itself the trigger, applied to a list that opens "generally will oppose the election of certain or all directors." That is a broader reach, not a narrower one.

3. Two new escape hatches in the introduction

Both are single sentences added to the introduction, and both are worth reading closely because they qualify everything that follows.

A new statement that Fidelity is not trying to influence control

March 2025, new:

"In this pursuit, Fidelity invests in the ordinary course of business and not with the intended effect of changing or influencing control of an issuer."

This is a regulatory sentence, not a governance one. It mirrors language that appeared across the industry after the SEC's February 2025 guidance on when stewardship activity can cost a large holder its passive Schedule 13G filing status. BlackRock added a footnote to the same effect in its 2026 guidelines. The practical consequence is a disincentive to escalate - to press a company hard enough that the pressing itself looks like an attempt to influence control.

A new right to depart from any guideline

Fidelity's discretion to vote off-policy

January 2024:

"Fidelity maintains the flexibility to vote individual proxies based on our assessment of each situation."

March 2025:

"Fidelity maintains the flexibility to vote individual proxies based on our assessment of each situation, and where following a specific guideline enumerated in this policy in a particular situation could cause a result that conflicts with the principles and philosophy stated above, Fidelity may vote differently than that specific guideline."

The 2024 sentence already reserved discretion. The 2025 addition goes further: it states in advance that the guidelines can be overridden by the principles they are supposed to express. Any specific rule in the document is now explicitly subordinate to Fidelity's own reading of its philosophy.

4. What did not change

This is as important as the deletions. Every numerical threshold in the document survived the rewrite untouched.

- Attendance. A director who "attended fewer than 75% of the total number of meetings of the board and its committees on which the director served during the company's prior fiscal year, absent extenuating circumstances" is still a ground for opposition. The wording is identical; only its position in the document changed, moving from the "board actions" list into the "board composition" list.
- Overboarding. A public company CEO who "sits on more than two unaffiliated public company boards" and any other director who "sits on more than five unaffiliated public company boards" remain triggers, with the same numbers.
- Contested elections. The case-by-case framework and its three named factors - management's track record and strategic plan, long-term performance against industry peers, and the qualifications of the competing nominees - are word-for-word unchanged, as is the statement that Fidelity "generally will vote in support of management."
- Cumulative voting, classified boards, independent chair, majority voting, compensation and anti-takeover provisions. The diff across these sections returns nothing substantive. Fidelity's positions on say-on-pay, equity plans, poison pills and supermajority requirements are the same in both editions.

Two smaller wording changes are worth logging but do not affect a vote. "Fidelity believes that through proxy voting, it can help ensure accountability of management teams and boards" became "can help promote accountability." And a company that "made a commitment to modify a proposal or practice to conform to these guidelines" now makes one "to modify a proposal or practice in a way that aligns with these guidelines and principles." Both soften the register without changing when Fidelity opposes a director.

5. What this means if you hold a Fidelity fund

The honest summary is that Fidelity changed what it will tell you in advance, more than it changed what it does on the day.

- If board diversity is why you chose a fund, the published basis for Fidelity acting on it is gone. Nothing in the March 2025 document says Fidelity has stopped caring; but nothing in it says what would cause a vote against a director on these grounds either.
- If board independence is your concern, you are better served than before. The founder and former-CEO rules, and the new committee-independence trigger, are real additions that can produce votes Fidelity would not previously have cast.
- The hard limits you can still hold Fidelity to are attendance below 75% and the two-board and five-board overboarding caps. Those are unchanged and remain the most predictable part of the policy.
- Treat the "may vote differently than that specific guideline" clause as a general caveat over the whole document. It is new, and it applies to every rule above it.

One caution about dating

Fidelity's guidelines carry a month and year on the cover but no revision history, and the firm republishes the same edition under a new internal stamp without changing the cover date. The comparison above is between the document dated January 2024 and the document dated March 2025. Anything published since is, as of this writing, the March 2025 text.