

Alert

SEC Disclosure and Corporate Governance

Heads Up for 2016 Proxy Season: ISS Announces Window to Update Compensation Peer Group – December 11, 2015 Deadline

ISS announced today that companies with annual meetings between February 1, 2016 and September 15, 2016 may notify ISS of any updates to their self-selected compensation benchmarking peers **between 9:00am EST on November 24, 2015 and 8:00pm EST on December 11, 2015.**

ISS considers a company's self-selected peers when constructing the peer group that it uses to evaluate pay-for-performance. ISS will conduct a separate peer submission process in mid-2016 for companies with annual meetings after September 15, 2015.

The relevant peer group is that used for 2015 compensation decisions. ISS has stated that only companies that have made changes to their peer group between the 2015 and 2016 proxy statements should make a submission. If no changes are submitted, the disclosed peer group from the company's 2015 proxy filing will automatically be factored into the ISS peer selection process.

If a company anticipates making changes to its peer group for 2016 compensation decisions, ISS has indicated that submitting an updated peer group within the current window would be helpful "if the anticipated 2016 changes are due to business events that have made companies in the 2015 peer group no longer relevant (e.g., significant business changes, mergers, spinoffs, or bankruptcies)."

ISS also announced that, for the first time, companies in the Russell MicroCap Index (R3KE) will be included in the ISS peer submission process.

Note that even though ISS has said that it will take into consideration a company's self-selected peers, its FAQs clarify that a company's self-selected peers may not always appear in the ISS peer group, even if they meet ISS's size constraints (for example, they may be omitted if inclusion would lead to over-representation of a particular industry in the ISS peer group). The FAQs are available at

http://www.issgovernance.com/file/faq/uspeergroupfaq_20151118final.pdf.

Updated peer group information should be provided to ISS via its web form, available at <http://www.issgovernance.com/u-s-company-peer-group-feedback/>. Companies must then confirm the submission by sending an electronic copy of the full list of peers submitted on the company's letterhead, in PDF, to peerfeedback@issgovernance.com. ISS has indicated that without this verification, updated peers will not be factored into a company's new ISS peer group.

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If you have any questions on these matters, please do not hesitate to speak to your regular contact at Weil, Gotshal & Manges LLP or to any member of Weil's Public Company Advisory Group:

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We thank our colleague Megan Pendleton for her contribution to this alert.

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