

ISS Issues Reminder about Updating Peer Group Ahead of 2016 Proxy Season

Institutional Shareholder Services is inviting companies to update their self-constructed compensation peer groups in connection with its review of their executive compensation program during the 2016 proxy season. ISS uses a company's self-selected compensation peer group as a key input in developing the peer group that it uses to evaluate the alignment of the company's CEO pay and financial performance on relative and absolute bases.

If you believe that it may be helpful to provide ISS with the compensation peer group that was used in your 2015 executive compensation deliberations, you can use this process to ensure that ISS has an up-to-date list of your peer group companies in advance of the filing of your 2016 proxy statement. For more information on the ISS peer selection methodology, see ISS' U.S. 2016 Peer Group Methodology "Frequently Asked Questions."

Should You Update?

In deciding whether to take advantage of this updating opportunity, you should note the following:

- Updating may be desirable if the compensation peer group that you used in making your 2015 pay decisions differs significantly from the peer group disclosed in your last filed proxy statement.
- At this time, updating is only relevant for companies in the Russell 3000 or Russell MicroCap Index with an Annual Meeting of Shareholders scheduled between February 1 and September 15, 2016. A separate submission process for companies with Annual Meetings of Shareholders scheduled after September 15th will be held later this year.

Only companies that have made changes to their compensation peer groups need to consider submitting their new peers.

Updating Procedure

If you conclude that it may be helpful to provide ISS with updated compensation peer group information, you must

submit this information to ISS using a form that identifies the constituent companies in the peer group that you used in setting the compensation of your chief executive officer for the fiscal year that will be the subject of your next proxy statement filing. Detailed instructions about this form and the submission process can be found on the [ISS Governance website](#).

Updating Deadline

To update your compensation peer group, you may submit your information beginning 9:00 a.m. (EST) on Tuesday, November 24, 2015. You must submit your information to ISS by 8:00 p.m. (EST) on Thursday, December 11, 2015. Following submission, you will need to provide a PDF copy of the full peer group that you submitted online on your company's letterhead. Without this verification, your updated compensation peer group will not be factored into your new ISS peer group. You may submit your verification letter to peerfeedback@issgovernance.com.

Similar Glass Lewis Process

In addition, Equilar's company-selected peer group update portal has also opened. In recent years, Glass Lewis & Co. has been using peer groups constructed by Equilar in its "pay-for-performance" analysis. If you are a U.S. company in the Russell 3000 Index that intends to file your definitive proxy statement between January 15 and July 14, 2016 and would like to update your peer group for consideration by Equilar, you must submit your information by December 11, 2015. You may access the Equilar peer group update portal [here](#).

Information regarding Equilar's peer group updates can be found in its "Frequently Asked Questions," which are available [here](#).

If you have questions about the suitability of conducting this update for your company or on the updating process itself, please contact your Compensia engagement manager. ■

ISS Issues Reminder about Updating Peer Group Ahead of 2016 Proxy Season (continued)

About Compensia

Compensia, Inc. is a management consulting firm that provides executive compensation advisory services to Compensation Committees and senior management.

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