

ISS Issues Reminder about Updating Peer Group Ahead of 2018 Proxy Season

Institutional Shareholder Services (“ISS”) is inviting companies to update their self-constructed compensation peer groups in connection with its review of their executive compensation program during the 2018 proxy season. ISS considers a company’s self-selected compensation peer group to be one of the key inputs in developing the peer group that it uses to evaluate the alignment of the company’s compensation package for its Chief Executive Officer and financial performance on both 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 current fiscal year 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 2018 proxy statement. Detailed information regarding ISS’ peer group selection methodology can be found in its FAQs on this subject, which are available [here](#).

Reminders

In considering 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 2017 pay decisions differs significantly from the peer group disclosed in your last filed proxy statement.
- Only companies in the Russell 3000 or Russell MicroCap Index with an Annual Meeting of Shareholders scheduled between February 1 and September 15, 2018 should consider updating their compensation peer group at this time. As in prior years, a separate submission process for companies with Annual Meetings of Shareholders scheduled on or after September 15, 2018 will be held later this year.

If you made no changes to your compensation peer group as disclosed in your last definitive proxy statement, did not use a compensation peer group to determine executive compensation for your most recently-ended fiscal year, are an emerging growth company (which does not need to disclose a compensation peer group in its definitive proxy statement, or if you would prefer not to provide this information in advance, you do not need to participate in the ISS process. For companies that do not submit changes, the compensation peer group companies disclosed

in your last definitive proxy statement filing will automatically be factored into ISS’ peer group construction process.

Updating Deadline and Procedure

To update your compensation peer group, you must submit your information to ISS beginning at 9:00 a.m. (EDT) on Monday, November 20, 2017 and ending at 8:00 p.m. (EDT) on Friday, December 8, 2017. To simplify updating, peer submissions flow through ISS Corporate Solutions’ (“ICS”). The peer submission form is available at [ISS Corporate Solutions](#) under the My Company menu item. As in past years, only companies may complete the submission process, not their outside advisors.

Contact Your Compensia Engagement Manager If You Have Questions

Please contact your Compensia engagement manager with any questions on the suitability of conducting this update for your company and for further assistance. ■

ISS Issues Reminder about Updating Peer Group Ahead of 2018 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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