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ISS Announces Equity Plan Data Verification Portal for Issuer Review

On August 14th, Institutional Shareholder Services (ISS) announced the release of a new portal for companies to review and verify the accuracy of data used by ISS in its evaluation of equity compensation plan proposals submitted to shareholders after September 8, 2014.

ISS previously announced that it intends to adopt a “balanced scorecard” approach to evaluate equity compensation plan proposals beginning in 2015. Unlike the current evaluation approach that focuses primarily on Plan Cost, the new approach will evaluate equity compensation plans on three factors: Plan Cost, Plan Features, and Company Practices. In conjunction with this policy change, ISS will release a new data verification portal that offers U.S. companies the opportunity to ensure ISS has accurately captured key aspects of its new or amended equity plan prior to the release of ISS’s vote recommendation. Equity plan data verification items cover equity plan provisions, outstanding stock and convertibles, equity grant activity, and shares reserved and outstanding under the equity compensation program.

Companies must register for the new equity plan data verification portal in order to participate. Login credentials may be requested from ISS at <http://www.issgovernance.com/equity-plan-data-verification-webform/>. A company’s data verification window will open following the filing of its definitive proxy materials, generally within 12 business days. Companies will then have approximately two business days from the opening to verify the equity plan data.

Note that the equity plan data verification portal is distinctly separate from the previously released governance risk model data verification portal.

Further detail regarding the data verification process, including the full list of data verification items, can be found in ISS’s published Frequently Asked Questions (FAQs) at <http://www.issgovernance.com/file/faq/equity-plan-data-verification.pdf>.

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