

CLIENT UPDATE

ISS RELEASES DETAILS OF QUICKSCORE 3.0; COMPANY DATA VERIFICATION PERIOD NOVEMBER 3-14

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ISS has published the details of QuickScore 3.0, an update to its QuickScore corporate governance rating system. During the period beginning 9 a.m. EST on November 3 through 8 p.m. EST on November 14, companies will be able to access the underlying data that ISS will use to update the scores. Companies should take this opportunity to assess the accuracy of the information on which ISS will base updated scores. The updated scores and data, which will apply during the 2015 proxy season, will be released on November 24. As companies are well aware, ISS corporate governance scores may be one factor in the voting and investment decisions of institutional shareholders.

ISS posts information on QuickScore, including technical documentation and information on data verification, on its website at <http://www.issgovernance.com/>.

QuickScore 3.0 will add several new factors for U.S. companies, including:

- whether the company discloses a policy requiring annual performance evaluations of the board;
- whether, in ISS's view, the board "recently took action that materially reduces shareholder rights";
- if applicable, whether there is a sunset provision for unequal voting rights; and

- whether a company has a controlling shareholder.

In addition, QuickScore 3.0 will encompass updates to several existing factors for U.S. companies. These include:

- a more in-depth review of investigations and enforcement actions, with scores potentially impacted by the type of investigation and materiality of penalties or resolutions; and
- gender diversity on the board and whether or not there is a financial expert on the audit committee will no longer be provided for information purposes only and will become weighted factors which can impact a company's score.

QuickScore 3.0 will impact non-U.S. companies as well. ISS has introduced new corporate governance categories to analyze emerging market companies and has expanded the criteria applicable to European companies in the Stoxx600.

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Please do not hesitate to contact us with any questions.

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