

Client Update

ISS 2016 Annual Policy Survey Open Until September 4

NEW YORK

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Proxy advisory firm ISS has opened its 2016 proxy voting policy survey to solicit feedback that will inform ISS's 2016 policy updates for seven primary global markets. The survey highlights a continuing focus by ISS on certain key governance issues for U.S. public companies, including questions relating to:

- Unilateral charter and bylaw amendments: How long should incumbent directors be held accountable from a voting perspective after a board unilaterally adopts bylaw/charter amendments that materially diminish shareholder rights? What approach to accountability should be taken in the IPO context?
- Proxy access: In the event that a shareholder proxy access proposal receives majority support, and the board adopts proxy access with material restrictions not contained in the proposal, which types of restrictions implicate the board's responsiveness enough to potentially warrant "withhold" or "against" votes for directors?
- Overboarding: What are appropriate limits on "overboarding," both for directors generally and non-executive directors, as well as directors who are active CEOs?
- Share buybacks and effective capital allocation: Given concerns surrounding the magnitude, timing and motivations of recent share buybacks, which five-year historical metrics (such as share buybacks, dividends, capital expenditures and cash balances), if included in ISS reports, would be helpful in assessing capital allocation decisions, share buybacks and the efficacy of board stewardship?

The survey will close on September 4, 2015 at 5 p.m. E.T. and is available through ISS's website at <http://www.issgovernance.com/iss-releases-annual-policy-survey/>.

In addition to the survey, ISS will hold a variety of roundtables and conference calls on specific topics and regional issues to help shape the final proposed changes to its 2016 voting policies. ISS intends to hold an open comment period on the final proposed changes when they are released in late September or early October.

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Please do not hesitate to contact us with any questions.