



# ISS Peer Group Submission Process for 2018 Annual Meetings

November 21, 2017

Each year, Institutional Shareholder Services (ISS) constructs its own peer groups to analyze companies' executive pay and relative company performance. In doing so, it takes into account each company's self-selected peer companies and gives priority to including those companies when they fit within certain industry and size parameters. Read more about the ISS peer group selection methodology [here](#).

## What is the ISS peer submission process?

During December 2017 and early January 2018, ISS will be constructing peer groups for Russell 3000 and Russell MicroCap member companies with annual meetings scheduled to be held between February 1, 2018 and September 15, 2018. ISS will use these peer groups to analyze 2017 executive pay decisions and company performance.

ISS considers each company's most recently disclosed peer group unless more recent updates are submitted through the ISS peer submission process. For many companies with December 31 fiscal year ends and annual meetings scheduled between February 1, 2018 and September 15, 2018, the most recently disclosed peer groups will be the ones used to make 2016 executive pay decisions that were disclosed in proxy statements filed in 2017. The peer submission process allows companies to submit the peer groups used for 2017 executive pay decisions.

Peer submissions are handled through the ISS Corporation Solutions' (ICS) Governance Analytics platform (the same location companies visit to download their complimentary ISS proxy research analysis and to verify data underlying their equity plans and QualityScore). From the [login page](#), the peer submission form is available under the "My Company" menu item. If you do not already have a login to ICS Governance Analytics, you may request one by emailing [contactus@isscorporatesolutions.com](mailto:contactus@isscorporatesolutions.com). There is no charge for the peer submission process.

## Should we participate in the ISS peer submission process?

Yes. We generally encourage companies to participate in the ISS peer submission process because doing so may result in greater overlap between the company's self-selected peer group and the ISS-selected peer group. Compensation committees take great care in selecting appropriate peer groups and we think it is appropriate for ISS to analyze pay decisions and company performance compared to that carefully-chosen peer group. Participating in the peer submission process increases the likelihood that ISS will do so.

Companies that have already disclosed the peer groups used for making 2017 executive compensation decisions or companies that made no changes to their most recent proxy-disclosed peer groups do not need to participate. However, we encourage these companies to participate even if only to make sure that ISS accurately captures their self-selected peer groups.

## When can we participate in the ISS peer submission process?

The process started at 9 am EST on Monday, November 20, 2017 and the deadline is 8 pm EST on Friday, December 8, 2017.

## **Which peer group do we submit?**

The relevant peer group is the one used when making executive pay decisions for the most recent fiscal year ending prior to the annual meeting being held between February 1, 2018 and September 15, 2018.

In most cases, changes to peer groups made for purposes of 2018 compensation decisions are not relevant; however, if there was a major business event (e.g., significant business change, merger, spinoff or bankruptcy) that made the companies in the previous peer group irrelevant, ISS may consider the updated peer group and will expect to see that updated peer group disclosed in the upcoming proxy statement.

## **Is there a public disclosure requirement?**

There is no special public disclosure required at the time the peer group is submitted to ISS. However, ISS expects that the peers submitted will match the peers disclosed in the next proxy statement. If the peer group disclosed in a company's next proxy statement is different from what was submitted, ISS may apply additional scrutiny to this variance as part of its pay-for-performance analysis.

## **What about emerging growth companies?**

An emerging growth company that is subject to scaled proxy disclosure rules may participate in the peer submission process but should be prepared to voluntarily disclose the same peer group in its next proxy filing.

## **How will ISS use the peer group information submitted?**

ISS will use the peer group information submitted solely for purposes of constructing peer groups to analyze companies' executive pay and company performance, and will not share this information with any other party prior to the publication of the ISS proxy research report. The list of company peers that ISS used as an input to its peer group construction will be included in its proxy research report.

This content is provided for general informational purposes only, and your access or use of the content does not create an attorney-client relationship between you or your organization and Cooley LLP, Cooley (UK) LLP, or any other affiliated practice or entity (collectively referred to as "Cooley"). By accessing this content, you agree that the information provided does not constitute legal or other professional advice. This content is not a substitute for obtaining legal advice from a qualified attorney licensed in your jurisdiction and you should not act or refrain from acting based on this content. This content may be changed without notice. It is not guaranteed to be complete, correct or up to date, and it may not reflect the most current legal developments. Prior results do not guarantee a similar outcome. Do not send any confidential information to Cooley, as we do not have any duty to keep any information you provide to us confidential. This content may be considered **Attorney Advertising** and is subject to our [legal notices](#).

---

## **Key Contacts**

Barbara Mirza Los Angeles Santa Monica	bmirza@cooley.com +1 310 883 6465
Dani Nazemian San Diego	dnazemian@cooley.com +1 858 550 6158
Megan Arthur Schilling San Diego	marthur@cooley.com +1 858 550 6195
Thomas Welk San Diego	twelk@cooley.com +1 858 550 6016

---

This information is a general description of the law; it is not intended to provide specific legal advice nor is it intended to create an attorney-client relationship with Cooley LLP. Before taking any action on this information you should seek professional counsel.

Copyright © 2023 Cooley LLP, 3175 Hanover Street, Palo Alto, CA 94304; Cooley (UK) LLP, 22 Bishopsgate, London, UK EC2N 4BQ. Permission is granted to make and redistribute, without charge, copies of this entire document provided that such copies are complete and unaltered and identify Cooley LLP as the author. All other rights reserved.