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Companies Can Access Their ISS QuickScore

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Companies can now obtain their ISS QuickScore via the ISS data verification **site**. The QuickScores will also be provided on companies' ISS proxy research reports, and beginning the second week of March, on companies' Yahoo! Finance page.

We previously explained QuickScore **here**. QuickScore is ISS' new governance rating product that essentially replaces GRID (governance risk indicator) and prior to that, CGQ (corporate governance quotient). Companies receive scores from 1 (lowest risk) to 10 (highest risk) on 4 components (board structure, shareholder rights; compensation and audit) in addition to an overall score. While the ISS white paper and the data verification site provides the questions and answers that were used to derive the scores, it is generally not possible to determine any one question's weight. Companies with a premium membership rather than the free login have the ability to obtain peer data and other information.

A key point to remember is that the score is based off the most recent proxy statement, which for most companies will be the 2012 proxy statement. It will be updated after a company files the proxy for the 2013 annual meeting. While many of structural governance provisions may not change year-to-year, such as whether a company has a poison pill, the compensation section is the most variable in that it has a pay-for-performance analysis that is derived directly from actual pay data and includes several of ISS' calculations of CEO pay and TSR relative to peers. Companies with poor ISS recommendations in 2012 will likely see a low compensation score at the moment. The corollary is true as well, in that it also means that companies' compensation scores may decrease after ISS reviews the data for the 2013 meeting.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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