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ISS Offers Issuers New Data Verification Portal for Equity Compensation Plans

August 14, 2014 | Client Update | 2-minute read

ISS has launched a new Equity Plan Data Verification **portal** to better reflect the most up-to-date data for investors voting on equity plans. While this process is optional for issuers and does not affect whether they receive ISS recommendations, given that issuers frequently criticize the proxy advisory firms for having errors in the voting reports, this portal represents a unique opportunity to ensure those errors are minimized, especially in the complex area of equity plan proposals. Favorable proxy advisory firm recommendations can be crucial to the passage of those plans.

This portal will be available to all U.S. companies with an equity plan proposal on the ballot after September 8, 2014. It does not apply unless a company has such a proposal on the upcoming meeting agenda.

Companies must take action to have the ability to confirm the accuracy of the information before ISS makes its voting recommendation on the equity plans. First, companies that will have an equity plan on the ballot at its next meeting should register **here** to receive a login to the verification portal. Only issuers (and not any advisers such as outside counsel or compensation consultants) can register. The individual who registers will receive login details within 5 to 7 business days.

Not surprisingly, the data verification cannot start until after a company has filed its proxy statement. After ISS has collected equity plan data from a company's proxy materials, an alert will be sent notifying the individual of the opening of the data verification window. ISS expects this to occur within 12 business days following the filing of the proxy.

There is only a short window period for a company to conduct the verification process. Once a company receives an alert, it will only have two business days to verify the data and/or request changes. Data will be available from 9:00 AM ET on the first business day after a company's data is collected and published to the portal, until 9:00 PM ET on the second business day. Companies will receive responses to their data verification submissions within five business days of when they submit requested changes.

Given the short window to ask for modifications, companies that know they will have equity plan proposals on their meeting agendas this year may want to not only go ahead and register now, but also study this list of questions in Appendix A of the **FAQ** to understand the aspects of the plans that ISS reviews and how they define key concepts that form their recommendations.

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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