

ISS QualityScore Data Verification Opens; New Factors Added

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ISS QualityScore Data Verification opened on Monday, November 5. Companies should be aware of the new [Board Diversity Subcategory](#), which consists of four new factors and five existing factors that will take effect on November 29, 2018. The four new factors are:

- How many women serve in leadership roles on the board? The factor evaluates the number of women serving as board chair, chair of key committees or lead director.
- How many women are named executive officers (NEOs) at the company? Companies without any women as NEOs will lose credit, and credit will be capped for companies having more than two.
- What is the standard deviation of director age? There is no indication of what standard deviation will receive better scoring, and it may depend on peer companies.
- What is the standard deviation of director tenure (in years)? This factor has no score in the first year, and there is no indication of what standard deviation will receive better scoring, and it may depend on peer companies.

The existing factors that will be in the Diversity subcategory include: the proportion of non-executive directors on the board that has lengthy tenure; the number of women on the board; the proportion of women on the board; whether the board has any mechanisms to encourage director refreshment; and the proportion of non-executive directors who have been on the board for fewer than 6 years.

Other changes include:

- Adding a factor on the lowest percentage of vote support received by a management-nominated director at the most recent election to the Board Structure category.
- Adding a factor on the percentage of vote support received on the most recent say-on-pay vote to the Compensation category.
- Adding to the Board Controversy subcategory two factors that examine the most recent level of support for the CEO, and the level of support for the Chairman.

Data verification closes 8pm ET on Friday, November 16, and new scores go live 7am ET on Thursday, November 29.

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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