

## ISS Peer Group Submission Window Is Currently Open

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Each proxy season, Institutional Shareholder Services Inc. (“ISS”) constructs a peer group for each company prior to the company’s next proxy disclosure. ISS’ methodology for constructing the peer group is based in part on the company’s self-selected peer group. ISS recently [invited](#) submissions from certain U.S. and Canadian companies with annual meetings scheduled between September 16, 2020 and January 31, 2021. The submission deadline is **next Friday at 8:00 PM EDT, July 17, 2020**.

As one input in its peer group selection methodology, ISS will generally look to the peer group disclosed in the company’s last proxy and utilized by the company in determining CEO pay. However, ISS will also consider modifications or changes the company has made to the peer group since the last proxy disclosure or if the company anticipates making changes to the group in connection with the next proxy disclosure. Particularly given the COVID-19 pandemic and the ensuing stock market dislocation, companies may be considering changes to their self-selected peer groups and, if so, these companies should consider submitting any appropriate peer group updates prior to the July 17 deadline.

ISS specifically advises that “[s]ubmissions should reflect peer companies used (or to be used) by the submitting company for pay-setting for the fiscal year ending prior to the company’s next upcoming annual meeting.” ISS cautions against a company’s having significant differences between the peer group it submits to ISS and the one the same company actually uses in connection with its next proxy disclosure. ISS warns that such differences could require ISS to re-construct the peer group and potentially result in a future ban against the company submitting self-selected peer groups for ISS’ consideration.

Companies with “no changes to their previous proxy-disclosed executive compensation benchmarking peers, or ... that do not wish to provide this information in advance” of their upcoming proxies are not required to make a submission. ISS nonetheless encourages these companies to verify with ISS that the proxy advisor has the correct peer group information on file.

An overview of the submission process is provided on ISS’ [website](#). More details on the proxy advisor’s methodology and submission process can be found in the proxy advisor’s FAQs for [U.S.](#) and [Canadian](#) companies.

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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