

ISS Opens “Governance QuickScore” Web Portal with February 15 Deadline for Issuer Data Review

ISS Governance QuickScore System

Institutional Shareholder Services Inc. (“ISS”) recently announced that it would be replacing its system of rating issuers on governance-related matters, the Governance Risk Indicators database (“GRId”) system, with its “Governance QuickScore” system at the end of February 2013. In large part, the governance factors that ISS will be relying on to calculate issuers’ Governance QuickScore ratings are substantially identical to the factors utilized in calculating issuers’ ratings under GRId. ISS stated that it revised its weighting methodology for the Governance QuickScore system to emphasize factors that correlate based on historical data with specific financial performance measures selected by ISS, with a secondary policy-based overlay to align the qualitative aspect of governance with ISS policy. Once the weightings are applied, individual issuers’ Governance QuickScore ratings will be based on the issuers’ decile rankings and expressed on a scale of 1 to 10. A description of the specific factors that will be used by ISS and an overview of the Governance QuickScore methodology can be found on the ISS website at <http://www.issgovernance.com/files/ISSGovernanceQuickScoreTechDoc.pdf>.

February 15 Deadline for Submitting Data Corrections

Issuers¹ that are to be assigned a Governance QuickScore rating may access, free of charge, the data verification portal on ISS’s website to review and submit corrections to the issuer-specific information that will be used in applying the governance factors selected by ISS. ISS announced that an issuer’s submission must be made **no later than February 15, 2013** in order for the submission to be taken into consideration by ISS for the issuer’s rating when the Governance QuickScore system is launched. In addition, ISS has stated that it will provide feedback to the issuer, prior to February 15, 2013, with respect to corrections that are submitted by the issuer prior to February 8, 2013. The data verification portal will be unavailable after February 15, 2013, until after the Governance QuickScore system is launched. Instructions for accessing the data verification portal may be found on the ISS website at <http://www.issgovernance.com/quickscore/dataverification>.

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If you have any questions about the issues addressed in this memorandum or if you would like a copy of any of the materials mentioned, please do not hesitate to call or email Charles A. Gilman at 212.701.3403 or cgilman@cahill.com; Jon Mark at 212.701.3100 or jmark@cahill.com; John Schuster at 212.701.3323 or jschuster@cahill.com; Glenn Waldrip at 212.701.3110 or gwaldrip@cahill.com; or Mark Gelman at 212.701.3061 or mgelman@cahill.com.

¹ In the United States, ISS intends to rate the top 3,000 issuers by market cap with the largest 500 issuers compared separately from the remaining U.S. coverage.