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ISS Issues 2012 Corporate Governance Policy Updates Relating to Compensation

January 19, 2012

Institutional Shareholder Services Inc. (?ÃÂ£ISS?ÃÂ¥) recently released its 2012 corporate governance policy update which includes changes to the way it evaluates executive pay-for-performance to ensure alignment between compensation and shareholder goals. The new ISS methodology includes measuring both peer group alignment and absolute alignment. Key factors that the ISS will evaluate include a company?ÃÃs one- and three-year total shareholder return (?ÃÂ£TSR?ÃÂ¥) relative to its industry group, and whether the CEO?ÃÃs total compensation is aligned with the company?ÃÃs TSR in both the short and long-term. ISS?ÃÃs 2012 policy can be found here.