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ISS Issues New Equity Plan Scorecard FAQs

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Institutional Shareholder Services ("***ISS***") has issued its U.S. Equity Plan Scorecard ("***EPSC***") frequently asked questions for 2015, effective for meetings on or after February 1, 2015. For the 2015 proxy season, ISS intends to take a "more nuanced consideration of equity incentive programs" instead of applying a rigid pass/fail methodology, that will consider a range of positive and negative factors based on three "pillars" of plan cost, plan features, and grant practices. However, the new methodology will continue to result in "Against" recommendations for plan proposals that feature certain "egregious characteristics" (such as authority to reprice stock options without shareholder approval, single trigger change of control vesting, and tax gross-ups). Proposals related to the adoption or amendment of stock option plans, restricted stock plans, omnibus stock plans, and stock appreciation rights plans (stock-settled) will be evaluated under the EPSC policy. A copy of the FAQs may be found **here**.