We want to take a moment to comment on one issue raised by ISS in its policy, specifically Compensation at Externally-Managed Issuers.

We support ISS's proposed policy change to vote against advisory votes "in cases where a comprehensive pay analysis is impossible because the EMI provides insufficient disclosure about compensation practices and payments made to executives on the part of the external manager."

In too many cases, officers at EMIs -- including REITs -- are paid extraordinary sums, and shareholders have little insight into the rationale for such payments. Excessive payments, such as David Simon's $120 million special stock award at Simon Property Group in 2012, have rightly drawn shareholder's rebuke. In that case, and in the face of a lawsuit, the board made adjustments to the award. However, other cases of overpay may be less glaringly obvious. Absent disclosure the correct policy is a vote against.

There are any number of performance metrics that could be adopted and disclosed for EMIs. In particular, we would encourage REITS to include performance targets that would have the potential to improve the sustainability of the real estate they manage (for example, i.e. greenhouse gas reductions). For ISS's purpose, however, the issue is not what metrics are used but the fact that no disclosure is made at all.

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