

November 9, 2015

VIA EMAIL

Ms. Georgina Marshall
Head of Global Research
Institutional Shareholder Services, Inc.
2099 Gaither Road
Rockville, MD 20850-4045

RE: Center On Executive Compensation Comments in Response to 2016 Draft ISS Policy Changes

Dear Ms. Marshall:

The Center On Executive Compensation (“Center”) is pleased to submit its comments on Institutional Shareholder Services, Inc.’s (“ISS”) 2016 draft policies on behalf of its Subscribers. As you know, the Center is a research and advocacy organization that seeks to provide a principles-based approach to executive compensation policy from the perspective of the senior human resource officers of leading companies. The Center is a division of HR Policy Association, which represents the chief human resource officers of over 370 large companies, and the Center’s 120 subscribing companies are HR Policy members that represent a broad cross-section of industries. Because senior human resource officers play an important role in supporting the compensation committee, we believe that our Subscribers’ views are particularly helpful in better understanding how executive compensation plans are developed and executed, especially in the post say-on-pay era. Consistent with the Center’s mission, our comments are focused on ISS’s policy changes regarding executive compensation and related governance issues.

A. Director “Overboarding”

In its proposed 2016 policies, ISS asked how many board seats should be considered “overboarding” for directors in a variety of circumstances (directors who are active CEOs, who have a demanding full-time job such as CFO, or non-executive directors in general).

In the U.S., ISS already recommends a vote against directors who sit on more than six public company boards (or, if the director is a CEO, more than two outside boards). In addition, ISS monitors attendance at board and committee meetings and recommends against directors who attend fewer than 75% of their meetings without “acceptable” reasons such as illness or family emergency. Our concern with the proposed policies is that, like other ISS voting policies, they substitute bright line tests for careful evaluation and reasoned judgment regarding the individual directors or director candidates themselves.

As we stated in our comments on the 2016 policy survey, given the current ISS policies, it is hard to understand why further interference in the director selection process is warranted. The question of what constitutes “overboarding” is highly specific to the individual in question,

Ms. Georgina Marshall

November 9th, 2015

Page 2

his/her other personal or professional commitments, personal stamina and energy levels, not to mention the relative workload associated with each particular board on which the individual serves and other activities. Boards and companies are motivated to ensure that each member of the board is willing and qualified to provide sufficient time and resources to make a significant contribution. Most large companies already have limits on outside directorships for independent directors and sitting CEOs, and to the extent investors are unhappy with any individual director or with the board in general, they will not hesitate to make that known, whether through engagement and/or by withholding director votes.

Given that ISS already monitors one of the most obvious aspects of director service (*i.e.*, inability to attend the majority of required meetings), and that most large companies have already put appropriate limits in place, the Center believes that it is not in the best interests of shareholders or companies to impose an unnecessary and artificial standard on the market that does not take into account the specific circumstances of each company and each director.

The Center On Executive Compensation appreciates the opportunity to submit its views on the 2016 policy process and welcomes the chance to provide a corporate perspective on ISS's policies. Please do not hesitate to contact me at tbartl@execcomp.org or 202-789-8692, if you have any questions about our comments or would like to discuss them further.

Sincerely,

A handwritten signature in black ink that reads "Timothy J. Bartl". The signature is written in a cursive, flowing style.

Timothy J. Bartl

President