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ISS Thinks Only Those Who Vote “No” Have A View

By Keith Paul Bishop on November 2, 2011

The ISS Global Policy Board is inviting comments on its benchmark proxy voting guidelines. The comment period has been extended to November 7, 2011. [Here](#) is a listing of the policies changes put out for comment.

Today, I want to comment on ISS' approach to Board responses to management say-on-pay (MSOP) votes. ISS is proposing to clarify that “ISS will recommend CASE-BY-CASE on Compensation Committee members (or in rare cases where the full board is deemed responsible, all directors) and the current MSOP proposal if the company’s prior say-on-pay proposal received significant opposition from *votes cast*, taking into account” various factors. You can read the complete proposal [here](#).

As I discussed in this earlier [post](#), there is a fundamental logical flaw in focusing on votes cast. The true measure of opposition is the percentage of the shares outstanding and entitled to vote. Those who do not vote are not objecting.

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