

Dear Sir or Madam,

Thank you for the opportunity to provide feedback on ISS' proposed policy changes for 2025.

In relation to Section 12 of the proposed policy changes for the U.K. and Ireland (Remuneration – Dilution limits), we note that ISS is proposing to:

- retain the 5% discretionary plan limit, albeit that explanations by issuers for divergence from this policy element will be considered by ISS; and
- remove the 5% discretionary plan limit from the list of factors ISS will pay particular attention to when assessing new or amended LTIPs.

Given this represents a divergence of approach compared with the Investment Association's (IA) Principles of Remuneration – from which this proposed change has derived – and with Glass Lewis' recently published 2025 policy, we wish to provide the following comments:

- we are unclear on the practical implications of (1) being expected to explain divergences from the 5% discretionary plan limit (noting that the IA is no longer expecting issuers to comply with this guidance) and yet at the same time (2) not needing to consider including the 5% limit when submitting new/amended LTIP rules for approval by shareholders; and
- in our view, while respecting the individual views of each firm, recognise the administrative simplification it would afford issuers, for the positions of the IA, Glass Lewis and ISS on this matter to align.

We would be happy to discuss our feedback with ISS in more detail.

**BP**