On behalf of T. Rowe Price Associates, we appreciate the opportunity to comment on proposed changes to the ISS Benchmark policy for 2025. We organized our comments into three sections.

A) Substantive potential policy change

Item 8. Executive compensation (U.S.)

We sincerely appreciate the responsiveness shown by the ISS compensation team when presented with evidence that your approach is not aligned with the views of many of the largest investors in the U.S. market on the question of whether the advantages of PSUs outweigh their disadvantages.

In the explanatory note seeking comments, you characterize such investors as having "changing viewpoints." That's not entirely accurate. A number of institutions including TRPA have never supported the stringent expectations that PSUs should be present in all cases and should account for a majority of long-term awards. In some cases, investors have re-assessed their positions on PSUs as the empirical evidence has demonstrated that they do not work as intended and/or as their own experience over time has made it clear that PSUs are often problematic. In other words, to the extent there are "changing viewpoints," ISS should appreciate that they are in response to clear evidence.

The application of the ISS Benchmark policy itself is one of the causes of the problems we observe, in that many issuers have come to believe they do not have sufficient flexibility to design programs suitable for their company's circumstances without running afoul of the uniform ISS preference for a predominance of PSUs. For this reason, the proposal to consider additional context (focusing on "design or disclosure concerns") as soon as the 2025 season is most welcome.

With regard to the specific questions raised, we assume ISS means to include both options and RSUs in its definition of "time-vesting equity awards." (We disagree with this definition and consider options to be inherently performance-based vehicles, but in any case we would advise ISS to be precise on this point.) We agree with ISS's identification of the highest priority areas to explore if there is to be a pivot in the future Benchmark policy on PSUs:

- vesting and holding periods
- award magnitude (in the context of performance)

At this point, it is hard to identify a consensus on the specific parameters the U.S. market would apply to these terms, but we encourage ISS to continue engaging with investment clients and issuers to explore the areas of agreement. Our impression is there is some appetite to (a) extend the current dominant PSU-driven time frame of three years to something closer to 5-7 years, and (b) to accommodate a gradual rolling out of this extension in how we define "long term" compensation.

The second question in the proposal addresses off-cycle awards. Our view is no significant change is needed at this time in the way the ISS Benchmark policy assesses these awards. The concerns raised by investors in the roundtables and the ISS policy survey are attached to the regular annual awards cycle, not special awards.

B) Items where we disagree with Benchmark policy and apply a custom guideline. Therefore, these proposed changes do not apply to us.

Item 1. Virtual meetings (Canada)

As a general matter we believe the Benchmark policy's inclination to oppose virtual shareholder meetings reflects an outdated view.

Item 7. Biodiversity/natural capital shareholder proposals (U.S.)

We disagree with ISS's overall approach to shareholder proposals, and will continue to apply our custom guidelines across this whole category.

Item 14. Board diversity (UK/Ireland)

We agree the Benchmark policy should reflect the specific parameters of the applicable listing standard or common market standard. However, we will continue to apply our custom policy on board diversity.

Item 16. Virtual meetings (Continental Europe)

As a general matter we believe the Benchmark policy's inclination to oppose virtual shareholder meetings reflects an outdated view.

Item 18. Capital issue requests (France)

In general we find the ISS Benchmark policy too inflexible, and we will continue to assess these requests on a company-by-company basis.

Item 19. Tenure and director independence (Japan)

We do not apply tenure considerations in our analysis of director independence. ISS has not provided sufficient evidence that doing so in this case reflects market practice. “Concerns have been raised” is not sufficient evidence, particularly given the fact that the local governance code does not set out a time-based expectation.

C) Items where we generally agree with ISS benchmark policy and we support the changes as proposed and/or the proposals are only clarifications of policy

All others

T. Rowe Price