



ISS

2018 Proxy Voting Guidelines for UK and Ireland

18th January 2018

Institutional Shareholder Services (ISS) has published its full proxy voting guidelines for UK and Ireland, effective for meetings on or after 1 February 2018. Only minor changes have been made to the guidelines. Changes which are relevant to remuneration are summarised below:

Guideline changes related to remuneration

Long term incentive plans (LTIPs)

- The wording on threshold vesting levels for LTIPs has been expanded to state that these will be looked at in the context of the stretch of threshold targets and the positioning of remuneration levels more generally.
 - ISS continues to look for threshold vesting levels of generally no more than 25% of maximum, unless there are special reasons such as low positioning of salaries and LTIP awards and relatively stretching targets at threshold.
 - However, vesting levels of 25% may be considered inappropriate if LTIP grants represent large multiples of salary. The stretch of threshold targets and the positioning of remuneration levels in general will also be taken into account.

Relocation benefits

- In line with the Investment Association's Principles of Remuneration, the guidelines now note that any relocation benefits should be disclosed at the time of the appointment of the executive. Any relocation benefits should be in place for a limited period, which is disclosed to shareholders. Each element of any relocation benefits should be detailed in the Remuneration Report.

Remuneration committee composition

- The guidelines have been clarified to state that all members of the audit and remuneration committees should be independent.

Other guideline changes

- The guidance on overboarding has been restructured to work as a points-based system, whereby any person who holds more than five mandates at listed companies will be classified as overboarded.

- A non-executive directorship will count as one mandate
- A non-executive chairmanship will count as two mandates
- An executive director role (or comparable) will count as three mandates
- In addition, any person holding an executive director role at one company and a non-executive chairmanship at another company will be classified as overboarded.

The 2018 Proxy Voting Guidelines for the UK and Ireland can be found [here](#).

People to contact

Stephen Cahill
Vice Chairman
020 7303 8801
scahill@deloitte.co.uk

Helen Beck
Partner
020 7007 8055
hebeck@deloitte.co.uk

William Cohen
Partner
020 7007 2952
wacohen@deloitte.co.uk

Sally Cooper
Partner
020 7007 2809
sgcooper@deloitte.co.uk

John Cotton
Partner
020 7007 2345
jdcotton@deloitte.co.uk

Nicki Demby
Partner
020 7303 0083
ndemby@deloitte.co.uk

Anita Grant
Partner
011 8322 2861
anigrant@deloitte.co.uk

Juliet Halfhead
Partner
0121 695 5684
jhalfhead@deloitte.co.uk

Nick Hipwell
Partner
020 7007 8647
nhipwell@deloitte.co.uk

Rob Miller
Partner
020 7007 9631
robemiller@deloitte.co.uk

Mitul Shah
Partner
020 7007 2368
mitulshah@deloitte.co.uk

Anne-Sophie Blouin
Director
020 7007 1669
ablouin@deloitte.co.uk

David Cullington
Director
020 7007 0899
dcullington@deloitte.co.uk

Clare Edwards
Director
020 7007 1997
clareedwards@deloitte.co.uk

James Harris
Director
020 7007 8818
jamesharris@deloitte.co.uk

Sonia Jenkins
Director
020 7007 2115
sojenkins@deloitte.co.uk

Katie Kenny
Director
020 7007 2162
katkenny@deloitte.co.uk

Dennis Patrickson
Director
020 7007 1996
dpatrickson@deloitte.co.uk

Ali Sidat
Director
020 7007 2818
asidat@deloitte.co.uk

Julie Swann
Director
012 1695 5081
jswann@deloitte.co.uk

Shona Thomson
Director
020 7303 4965
shthomson@deloitte.co.uk



© 2018 Deloitte LLP. All rights reserved.

This communication is from Deloitte LLP, a limited liability partnership registered in England and Wales with registered number OC303675. Its registered office is 2, New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

This communication is for the exclusive use of the intended recipient(s). If you are not the intended recipient(s), please (1) notify it.security.uk@deloitte.co.uk by forwarding this email and delete all copies from your system and (2) note that disclosure, distribution, copying or use of this communication is strictly prohibited. Email communications cannot be guaranteed to be secure or free from error or viruses.

Other than as stated below, this document is confidential and prepared solely for your information. Therefore you should not, refer to or use our name or this communication for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. If this communication contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities). In any event, no other party is entitled to rely on our communication for any purpose whatsoever and to the extent permitted by law, Deloitte LLP does not accept any liability for use of or reliance on the contents of this email by any person save by the intended recipient(s) to the extent agreed in a Deloitte LLP engagement contract.

Opinions, conclusions and other information in this email which have not been delivered by way of the business of Deloitte LLP are neither given nor endorsed by it.
