

LENS ON:

2024 ISS UK & Ireland Proxy Voting Guidelines

January 2024

ISS has issued its UK & Ireland Proxy Voting Guidelines for 2024 ([link](#)). There has been no change this year to the remuneration section of the Guidelines, which apply for general meetings occurring on or after 1 February 2024.

As a reminder, key expectations (and areas of focus) for ISS remain as follows:

- **Base salary:** Executive Director salary increases are expected ideally to be lower than increases awarded across the broader workforce more generally. ISS expects any increases to be justified. Post-freeze 'catch-up' – and/or benchmarking-related – increases are generally not supported.
- **Annual bonus:** target opportunities should not exceed 50% of maximum, unless supported by sufficiently robust explanation. Targets should be set to be appropriately stretching for the opportunity on offer and are generally expected to be made more challenging if an increase in the award opportunity is proposed.
- **Long-term incentives:** ISS guidelines align with generally-accepted good practice in this area; its preference is for companies to operate a single scheme with a total horizon of at least five years. Threshold should be representative of at least median performance, and result in no more than 25% of maximum vesting (lower if the opportunity is significant as a multiple of salary). Uncapped schemes typically are not supported.

Ellason commentary

The absence of revisions to the remuneration element of this year's ISS Guidelines will likely be welcomed by those UK and Irish companies that are within scope. We will keep you informed about any further developments in remuneration governance, as well as provide periodic updates and insights to the AGM season, in the coming months.

Please do not hesitate to contact any of the Ellason team should you wish to discuss this issue further.