

Thank you for inviting us to submit our views on this consultation. We would like to submit the following:

1- Minimum Vesting Periods for LTIP - France

Do you consider that the proposed change to align the minimum vesting period for long-term incentive plans in France with that considered in other major European markets is justified? If no, please explain.

Yes, ISS should align its policy to that of the other major European markets because it corresponds to AFG recommendation of granting stock options or performance shares subject to meeting performance criteria over a long period of at least 3 years.

. Do you consider that an additional holding period requirement could be taken to compensate for a shorter vesting period than is considered long-term? If so, please explain.

As AFG recommendation are based on meeting performance criteria over at least 3 years, it makes sense to request a minimum vesting period of 3 years for CAC40 companies. Flexibility via a compensating holding period could be considered for smaller companies.

If wished, please also provide comments on the potential impact on future ISS voting recommendations, if companies do not adopt 3 year minimum vesting periods in future plans proposed to shareholders.

We are supportive of vote against recommendations for companies that do not meet a three year vesting period, unless duly justified (smooth transitioning towards extended vesting period).

2- Equity Plan Scorecard – Canada

Are there certain factors outlined above in our proposed scorecard approach that should be more heavily weighted when evaluating equity plan proposals? Please specify and explain.

Do you see any unintended consequences from shifting to a scorecard approach for TSX equity plans? If yes, please specify.

Under "Key features of the proposed Canadian EPSC ... 2) Plan Features", w suggest for alignment with long-term shareholder interests:

- whether the plan provisions effects the accumulation by company executives of a substantial holding of common shares. (minimum shareholding requirements are one thing, but having a plan that builds equity instead of paying out in cash is a plus)

- problematic change in control provisions should not only look at treatment of vesting, but also whether the definition of change in control is too broad or gives the board too much discretion to decide a CIC has happened.

Under Grant Practices:

- availability of supplemental executive retirement pension plans (SERP). (a more entrepreneurial culture, such as Canadian Natural Resources which does not offer SERPs, may understandably rely more heavily on equity awards than one with large retirement packages.)

3- Remuneration – Brazil

Is a 30-percent increase of the remuneration cap on a year-over-year basis an appropriate threshold to be considered a significant increase and, therefore, to trigger further scrutiny of the company's remuneration proposal and practices?

We agree that the analysis on remuneration proposals should not be based on compliance only. We have been concerned with significant increases in remuneration for senior management without a compelling rationale and with the poor disclosure. Therefore, we support that increases above a threshold should trigger a detailed scrutiny of the proposal.

If not, would you suggest a different threshold? If so, which one and why?

We believe that first of all there should be a compelling rationale . In setting a threshold, we believe that 20% is high enough to justify a detailed analysis.

Are the factors below appropriate parameters for analysis of significant remuneration cap increases?

- Whether there is a clearly stated and compelling rationale for the proposed increase;
- Whether the proposed remuneration increase is aligned with the company's long-term performance and/or if the company has disclosed operational performance targets consistent with the proposed remuneration increase;
- Whether the company has had positive TSR performance for the most recent one- and three-year periods;
- Whether the relation between fixed and variable executive pay is likely to adequately align compensation with the company's future performance.

The parameters presented, used jointly, are appropriate.

Best regards.



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