

**BT GROUP PLC AGM Date: 2013-07-17**

**1 Receive the Annual Report**

Business Review meets guidelines. Adequate environmental and employment policies are in place and quantitative environmental reporting is disclosed. Gender proportions are disclosed and the Company made a statement with regards to Davies' recommendation to have 25% women on Board by 2015. BT Group has exceeded this target.

**For**

**2 Approve the Remuneration Report**

Disclosure has improved from last year, although there is still room for significant improvement. Except for the TSR metrics, the performance targets of the ISP are not disclosed. As performance targets for cash flow and revenue growth are not disclosed for the ISP, it is only possible to assess the challenging nature of the TSR performance conditions which account for 40% of the award.

Both the upper and lower TSR targets are insufficiently challenging and the vesting scale is too narrow. There are concerns over the company's history of cash flow metrics used in performance measures. Again, for 2013 bonus awards and 2012 ISP awards, the company changed the cash flow figure to "normalised" free cash flow, which offsets restructuring costs with pension tax credits. As the company does not disclose its cash flow targets for 2012 awards, it is impossible to say what impact these changes will have on the final incentive award outcome. The Company however disclosed the targets achieved with respect to awards which have vested in 2013. Additionally it disclosed performance targets to be used for awards made in 2013, which is welcomed.

The overall remuneration package, including short and long term incentive awards worth a maximum of 650% of base salary, is excessive. The CEO's take-home remuneration amounted to some £6.5m, more than seven times his salary and being an amount considered excessive.

Contracts are 12 months rolling and does not contain predetermined bonus payments on termination.

**Oppose**

**3 Approve the dividend**

**For**

**4 Re-elect Sir Michael Rake**

**For**

**5 Re-elect Ian Livingston**

**For**

**6 Re-elect Tony Chanmugam**

**For**

**7 Re-elect Gavin Patterson**

**For**

**8 Re-elect Tony Ball**

Independent Non-Executive Director. However, he missed two board meetings which he was eligible to attend. There has been no mitigating statement made.

**Abstain**

<b>9 Re-elect the Rt Hon Patricia Hewitt</b>	<b>For</b>
<b>10 Re-elect Phil Hodgkinson</b> Independent Non-Executive Director. However, he missed two board meetings which he was eligible to attend. There has been no mitigating statement made.	<b>Abstain</b>
<b>11 Re-elect Karen Richardson</b>	<b>For</b>
<b>12 Re-elect Nick Rose</b>	<b>For</b>
<b>13 Re-elect Jasmine Whitbread</b> Independent Non-Executive Director. However, she missed two board meetings which she was eligible to attend. There has been no mitigating statement.	<b>Abstain</b>
<b>14 Appoint the auditors</b>	<b>For</b>
<b>15 Allow the board to determine the auditors remuneration</b>	<b>For</b>
<b>16 Issue shares with pre-emption rights</b>	<b>For</b>
<b>17* Issue shares for cash</b>	<b>For</b>
<b>18* Authorise Share Repurchase</b>	<b>For</b>
<b>19* Meeting notification related proposal</b> The proposed resolution reflects the implementation of the EU Shareholder Rights Directive into English law, which took place on 3 August 2009 as implemented by the company in its Articles of Association. Under the regulations, the minimum notice period for general meetings (other than Annual General Meetings) will increase to 21 days unless shareholders agree on a shorter notice period, in which case it may be 14 days. Shareholder approval is sought to call general meetings on 14 clear days notice. All companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues. Although the proposed change is permissible by the Companies Act. Triodos votes against this resolution.	<b>Oppose</b>
<b>20 Approve Political Donations</b> Authority is sought for British Telecommunications plc, a wholly owned subsidiary of the Company, to make donations to parties and/or independent election candidates not exceeding £75,000 in total; and organisations other than political parties not exceeding £25,000 in total. The level of authority sought is acceptable. During the 2012 financial year, the Company's wholly owned subsidiary, British Telecommunications plc, spent £739 on political activities. Although the proposed amount is acceptable and the company only made one minor contribution of £793 last year, Triodos abstains from this resolution as the company insufficiently explains the targets proposed and the purpose of the political contributions.	<b>Abstain</b>