TELEFONICA   AGM Date: 2013-05-30

1 Approve the individual and consolidated annual accounts and the management report, and the proposed allocation of profits and discharge the board	**For**
2.1 Re-elect José María Abril Pérez Non-Executive Vice Chairman. Not independent by the company, not considered to be independent as he represents Banco Bilbao Vizcaya Argentaria, S.A., which holds 5.8% of the issued share capital. There is insufficient independent representation on the Board.	**Oppose**
2.2 Re-elect José Fernando de Almansa Moreno-Barreda Non-Executive Director. Not independent by the company, not considered to be independent as he is a director of Grupo Financiero BBVA Bancomer, S.A. de C.V. (controlling company of BBVA Group related to financial services in Mexico) and of BBVA Bancomer, S.A., which holds 5.8% of the Company's issued share capital. There is insufficient independent representation on the Board.	**Oppose**
2.3 Re-elect Eva Castillo Sanz	**For**
2.4 Re-elect Luiz Fernando Furlán	**For**
2.5 Re-elect Francisco Javier de Paz Mancho	**For**
2.6 Elect Santiago Fernández Valbuena	**For**
3 Appoint the auditors	**For**
4.1 Amend Articles Re: regulations of the governing bodies	**For**
4.2 Amend Articles Re: latest legislative changes	**For**
4.3 Amend Articles Re: approve consolidated text of the By-Laws	**For**
5 Amend and approve the Consolidated Regulations for the General Shareholders' Meeting	**For**
6 Approve the dividend	**For**
7 Issue convertible bonds, debentures, warrants, and other debt securities without pre-emptive rights The Board seeks authorisation for the issuance of convertible bonds, debentures, warrants, and other debt securities without pre-emptive rights up to a nominal amount of EUR 25bn. The authority will be valid for a period of five years. The proposed amount corresponds to 549% of the Company's issued share capital which Triodos considers excessive	**Oppose**

8 Delegation of powers	**For**
9 Consultative vote on the Report on Director Compensation Policy Executive compensation consists of a fixed salary and both short and long term variable remuneration. There is no disclosure of quantifiable performance targets for the short-term bonus. Long-term incentives are only based on one criterion, TSR, in comparison with a peer group. This is considered to be contrary to best practice. An addition, there are nine golden parachute clauses in place. Directors can receive up to 300% of their annual salary as well as an undefined additional payment according to their length of service. The level of payments is considered excessive. Due to these concerns, Triodos opposes.	**Oppose**