


Meeting Date:	Wed, 16 Jul 2014 11:00am	Type:	AGM	Issue date:	Tue, 01 Jul 2014
Meeting Location:	Old Billingsgate, 1 Old Billingsgate Walk, London EC3R 6DX				
Current Indices:	FTSE EuroFirst FTSE 100				
Sector:	Fixed Line Telecommunications				

PROPOSALS		ADVICE
1	<p>Receive the Annual Report Strategic Report meets guidelines. Adequate environmental and employment policies are in place and relevant, up-to-date, quantified environmental reporting is disclosed. The Company also disclosed the proportion of women on the Board, in Executive Management positions and within the whole organisation. Acceptable proposal.</p>	For
2	<p>Approve the Remuneration Report The rewarded CEO pay over the last five years is considered in line with Company's financial performance over same period. All elements of each director's cash remuneration and pension entitlements are disclosed. All share incentive awards are fully disclosed with award dates and prices. Compensation payments, made to Mr Livingston, and changes in policy are clearly disclosed and explained by the Committee. Rating: B. Based on the adequate disclosure and alignment of CEO pay with performance, Triodos supports this resolution.</p>	For
3	<p>Approve Remuneration Policy Disclosure is in line with best practice. The overall remuneration package, including short and long term incentive awards worth a maximum of 740% of base salary (normal maximum opportunity is 640% of salary), is considered highly excessive. No ratio of CEO pay to average employee pay is disclosed. It has been estimated and is considered excessive. There is no time limit for Executive Directors to reach the shareholding requirements, which is not considered adequate. The targets under the different incentive plans are not operating concurrently. In addition, the three year performance period for the Incentive Share Plan (ISP) is not considered sufficiently long-term, despite the introduction of a two year holding period. The Company's recruitment policy allows for the replication of new appointees' forfeited schemes at their previous employers, which is an inappropriate practice. Such buy-out awards can be made on top of the 740% of salary limit on variable pay, which is considered unacceptable. Upside discretion can be used by the Committee when determining severance payments. Malus provisions are disclosed for the deferred share awards and the ISP awards. It is considered best practice for the Company to operate clawback provisions under all incentive plans, where by the Company can recover money already paid or shares already vested under certain circumstances. Rating: ADC. Based on the potentially excessive awards available, Triodos opposes this resolution.</p>	Oppose
4	<p>Approve the dividend The Board recommends to pay a final dividend of 7.5p per share, which will bring the total dividend for the year under review to 10.9p per share. Covered by earnings. Acceptable proposal.</p>	For
5	<p>Re-elect Sir Michael Rake Incumbent Chairman. Independent upon appointment.</p>	For
6	<p>Re-elect Gavin Patterson Chief Executive Officer. 12 months rolling contract.</p>	For
7	<p>Re-elect Tony Chanmugam Group Finance Director. 12 months rolling contract.</p>	For

8	Re-elect Tony Ball Independent Non-Executive Director.	For
9	Re-elect Phil Hodgkinson Independent Non-Executive Director.	For
10	Re-elect Karen Richardson Independent Non-Executive Director.	For
11	Re-elect Nick Rose Senior Independent Director. Considered independent.	For
12	Re-elect Jasmine Whitbread Independent Non-Executive Director.	For
13	Elect Iain Conn Newly appointed Independent Non-Executive Director.	For
14	Elect Warren East Newly appointed Independent Non-Executive Director.	For
15	Appoint the auditors PricewaterhouseCoopers LLP proposed for re-election. Non-audit fees represent approximately 17% of audit fees during the year under review and approximately 18% of audit fees over a three-year aggregate basis. Acceptable proposal.	For
16	Allow the board to determine the auditors remuneration Standard proposal.	For
17	Issue shares with pre-emption rights The authority is limited to 33% of the share capital and another 33% in connection with a Rights Issue. This is in line with normal market practice and expires at the next AGM. All directors are standing for annual re-election. Acceptable proposal.	For
18*	Issue shares for cash Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Acceptable proposal.	For
19*	Authorise Share Repurchase Authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. Acceptable proposal.	For
20*	Meeting notification related proposal 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.	Oppose
21	Approve Political Donations 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 Company's policy is that no company in the group will make contributions in cash or kind to any political party, whether by gift or loan. During the 2013/14 financial year, the Company's wholly owned subsidiary, British Telecommunications plc, spent £3,000 on political activities (to cover the cost of a briefing meeting with MPs, MSPs and councillors of the Scottish National Party). Triodos does not support donations for political events and specific political parties as such contributions could be viewed as encouraging preferential treatment and interfering with the democratic process.	Oppose

* = *Special resolution*

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