


Meeting Date:	Tue, 29 Jul 2014 11:00am	Type:	AGM	Issue date:	Fri, 18 Jul 2014
Meeting Location:	Hilton London Metropole Hotel, 225 Edgware Road, London W2 1JU				
Current Indices:	FTSE EuroFirst FTSE 100				
Sector:	Mobile Telecommunications				

PROPOSALS	ADVICE
<p>1 Receive the Annual Report Strategic Report meets guidelines. The objectives for the Company are clearly stated and an adequate group-wide environmental policy has been published and some quantitative data is provided. A breakdown of gender is provided at board, senior management and on an organisational level.</p>	For
<p>2 To re-elect Gerard Kleisterlee Incumbent Chairman. Independent on appointment as Chairman.</p>	For
<p>3 To re-elect Vittorio Colao Chief Executive. 12 months rolling contract.</p>	For
<p>4 To elect Nick Read Newly appointed Chief Financial Officer. 12 months rolling contract.</p>	For
<p>5 To re-elect Stephen Pusey Executive Director. 12 months rolling contract.</p>	For
<p>6 To elect Sir Crispin Davis Newly appointed Independent Non-Executive Director.</p>	For
<p>7 To elect Dame Clara Furse Newly appointed Independent Non-Executive Director. It is noted she is to be appointed on 1 September 2014.</p>	For
<p>8 To elect Valerie Gooding Newly appointed Independent Non-Executive Director.</p>	For
<p>9 To re-elect Renee James Independent Non-Executive Director. There are concerns over her aggregate time commitments. Triodos abstains on this resolution.</p>	Abstain
<p>10 To re-elect Samuel Jonah Independent Non-Executive Director. There are concerns over his aggregate time commitments. Triodos abstains of this resolution.</p>	Abstain
<p>11 To re-elect Omid Kordestani Independent Non-Executive Director.</p>	For
<p>12 To re-elect Nick Land Independent Non-Executive Director.</p>	For
<p>13 To re-elect Luc Vandavelde Senior Independent Director. Not considered independent as he has been on the Board for more than nine years. However, there is sufficient independent representation on the Board.</p>	For
<p>14 To re-elect Philip Yea Independent Non-Executive Director. Not considered independent as until January 2014 he was on the advisory board of PwC which has been appointed as the Company's Auditor. Whilst there is sufficient independent representation on the Board, Triodos opposes his re-election as he is to be appointed to the Audit committee and PWC is being appointed as the auditor. This raises concerns about potential conflicts of interest.</p>	Oppose

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| 15 | <p>Approve the dividend</p> <p>The Board proposes a final dividend of 7.47p per share, making a total dividend for the year 11.0p per share. The dividend is covered by earnings.</p> | For |
| 16 | <p>Approve Remuneration Policy</p> <p>Disclosure is considered acceptable.</p> <p>The Company operates one long term incentive plan (the GLTI). Awards vest subject to conditions which operate concurrently of each other, which is welcomed. However no non-financial KPI is used. At three years, the performance period is not considered sufficiently long term. It is noted that an additional holding period has been introduced for 50% of the awards. The CEO's and other Executive Directors' total potential awards under all incentive schemes are considered to be excessive. The ratio of CEO pay to employee average pay is not disclosed, however it has been estimated and it is also considered excessive at 58 to 1. Directors are entitled to a dividend income which is accrued on share awards from the date of grant, once awards vest. This policy is not considered in line with shareholders best interests. Shareholding requirements by Directors in the Company are proposed, however no adequate time-frame is in place. Schemes are not available to enable all employees to benefit from business success without subscription.</p> <p>The Company's recruitment policy allows for the replication of new appointees' forfeited schemes at their previous employers. This is considered an inappropriate practice as it undermines the rationale behind the remuneration policy to retain Executive Directors. Upside discretion may be used while determining severance. Mitigation arrangements exist. A clawback policy is also in place.</p> <p>Rating: ADD</p> <p>Based upon the potentially excessive remuneration, Triodos opposes this resolution.</p> | Oppose |
| 17 | <p>Approve the Remuneration Report</p> <p>Rewards made to the Executive Directors for the year are considered excessive in comparison with their base salaries. Realised variable remuneration for the CEO in the year, is almost seven times his base salary. Also, the balance of CEO realised pay with financial performance is not considered acceptable. The change in CEO total pay over the last five years is not commensurate with the change in TSR over the same period. All elements of each director's cash remuneration are disclosed. All share incentive awards are stated with award dates and prices. Pension contributions and entitlements are disclosed.</p> <p>Rating: C</p> <p>Based on the excessive CEO remuneration and excessive rewards, Triodos opposes this resolution.</p> | Oppose |
| 18 | <p>To approve the Vodafone Global Incentive Plan rules</p> <p>Vodafone Global Incentive Plan is proposed to replace the existing one which is due to expire in 2015. The new scheme expires in 10 years. The amount of awards that may be granted under the scheme shall not exceed 10% of the Company's issued ordinary share capital. The grants are individually capped at 400% of base salary. Awards are subject to a performance period of three years. Awards vest subject to performance conditions. Performance targets are not disclosed. The performance period is not considered sufficiently long-term.</p> <p>The LTIP is considered excessive particularly when aggregated with other variable schemes and can lead to generous payouts. Vesting of awards may be accelerated in the event of cessation of employment, which is considered inappropriate as executives may be rewarded for performance not obtained. The directors have the ability to amend or waive any performance conditions without shareholders approval. Such a high level of discretion negates the purpose of safeguards.</p> <p>Rating: DB</p> <p>Based on the excessive awards available under the Plan, Triodos does not support this resolution.</p> | Oppose |

19	<p>Appoint the auditors</p> <p>PricewaterhouseCoopers LLP proposed to replace Deloitte LLP. Following a competitive tender process, the Company has decided to appoint PricewaterhouseCoopers LLP as the Company's new auditors the financial year ending 31 March 2015.</p> <p>There are concerns over the independence of the PwC; Non-Executive Philip Yea has been on the advisory Board of PwC until January 2014, which compromises the independence of both parties. The move of Mr Yea from the Remuneration Committee to the Audit Committee further aggravates the issue. The independence of the auditor is of paramount importance to ensure objectivity of the Auditor and confidence in financial reporting. PwC has been acting as the Company's Remuneration Consultant until they stepped down to be appointed Auditor of the Company. For a number of years, PwC has also provided the Group with a wide range of consulting and assurance services. This long association with the Company creates potential for conflicts of interests. As PwC is not considered independent, Triodos does not support this resolution.</p>	Oppose
20	<p>Allow the board to determine the auditors remuneration</p> <p>Standard proposal.</p>	For
21	<p>Issue shares with pre-emption rights</p> <p>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.</p>	For
22*	<p>Issue shares for cash</p> <p>The authority is limited to 5% of the share capital. This is in line with normal market practice and expires at the next AGM. Acceptable proposal.</p>	For
23*	<p>Authorise Share Repurchase</p> <p>The authority is limited to 10% of the share capital. This is in line with normal market practice and expires at the next AGM. Acceptable proposal.</p>	For
24	<p>Approve Political Donations</p> <p>Proposal to make political donations to political parties and/or independent election candidates, political organisations other than political parties, and to incur political expenditure to total up to £100,000. The aggregate total is within recommended limits and the authority expires at the next AGM. The Company made no political donations during the year in line with its policy.</p> <p>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.</p>	Oppose
25*	<p>Meeting notification related proposal</p> <p>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.</p> <p>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.</p> <p>Although the proposed change is permissible by the Companies Act, Triodos votes against this resolution.</p> <p>* = Special resolution</p>	Oppose

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