TELECITY GROUP PLC

MEETING DATE	Tue, 21 Apr 2015 15:00 pm	TYPE	AGM	ISSUE DATE	Mon, 13 Apr 2015
MEETING LOCATION	Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London, EC1A 2FG				
CURRENT INDICES	FTSE MidCap				
SECTOR	Computer Services				

	PROPOSALS	ADVICE
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.	**For**
2	**Approve the dividend** The Board proposes a final dividend of 9.0p per share, making a total ordinary dividend for the period 28.6p per share. The dividend is covered by earnings.	**For**
3	**Approve Remuneration Policy** Disclosure is considered acceptable. The Company does not consult employees on executive pay. Maximum pension contributions are considered excessive. It is commended that a maximum limit has been provided for the benefits. The Company operates a Long Term Incentive Plan (LTIP) under which awards vest subject to only one performance condition (relative TSR). The TSR vesting scale is not considered sufficiently broad. At three years, the performance period is not considered sufficiently long term and no holding period applies. Total potential awards that can be made under all incentive schemes are considered excessive. A dividend accrual may apply on vesting share awards from the date of grant. There is no evidence schemes are available to enable all employees to benefit from business success without subscription. Directors are employed on a 12-month rolling basis. Upside discretion may be applied on termination of employment as the Committee has discretion to disapply pro rata for actual time in service. A clawback policy is in place. Rating: AEC As total potential awards that can be made under all incentive schemes are considered excessive,Triodos opposes this resolution.	**Oppose**
4	**Approve the Remuneration Report** The Remuneration Committee has provided next year's salaries and fees figures. The CEO's total remuneration over the last five-year period is in line with the Company's financial performance over the same period. Variable rewards which vested in the year under review are considered acceptable. Awards granted in the year are not deemed excessive. However, the annual executive salary and fee payable to Executive Chairman are considered excessive. The new CFO's annual salary is 15% higher than the salary of the previous CFO. Termination payments made in the year under review are in line with guidelines. However, all elements of the departed Director's cash remuneration are not adequately included in the Single Total Remuneration Table. Loss of office payments made to Michael Tobin are poorly disclosed. It is not clear why only the annual bonus is included in the Single Total Figure table and not other loss of office payments. Also, awards that have vested in February and April 2015 for both Michael Tobin and Brian McArthur-Muscroft should have been provided. Rating: CB As the company's disclosure of fixed remuneration elements is moderate, Triodos abstains	**Abstain**

5	**Re-elect John Hughes** Incumbent Executive Chairman. He is chair of the Nomination committee which is not fully independent which Triodos does not support.	**Oppose**
6	**Re-elect Eric Hageman** Newly appointed Chief Financial Officer. 12 months rolling contract.	**For**
7	**Re-elect Claudia Arney** Senior Independent Director. Considered independent.	**For**
8	**Re-elect Simon Batey** Independent Non-Executive Director.	**For**
9	**Re-elect Maurizio Carli** Independent Non-Executive Director.	**For**
10	**Re-elect Nancy Cruickshank** Independent Non-Executive Director.	**For**
11	**Re-elect John O'Reilly** Independent Non-Executive Director.	**For**
12	**Re-appoint the auditors: PricewaterhouseCoopers LLP** Non-audit fees represent 31.31% of audit fees during the year under review and 32.21% over a three-year aggregate basis. This level of audit fees raises significant concerns over the Auditor's independence.	**Oppose**
13	**Allow the board to determine the auditors remuneration** Standard proposal.	**For**
14	**Issue shares with pre-emption rights** The authority is limited to 33% of the share capital. This is in line with normal market practice and expires at the next AGM. Acceptable proposal.	**For**
15*	**Issue shares for cash** 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.	**For**
16*	**Authorise Share Repurchase** The authority is limited to 15% of the share capital. This is in line with normal market practice and expires at the next AGM. Acceptable proposal.	**For**
17	**Amend existing long term incentive plan** Approval is sought for the amendment of the existing Long-Term Incentive Plan 2012. Directors are proposing awards to be made under the Plan be categorised under one type of awards as currently there are two categories, the "basic awards" and the "enhanced awards". It is noted enhanced awards have only been granted in 2012, and the Remuneration Policy approved at the 2014 AGM indicated that the Committee did not intend to grant enhanced awards in 2014. In connection with the proposed revisions, the Board proposes that the Plan rule be also amended to permit awards in any one year up to an annual grant maximum of 200% of basic salary. Currently, basic awards are subject to an annual grant maximum of 100% of basic salary; and enhanced awards to 150% of base salary. Whilst categorising awards under one class simplifies the structure of executive pay, the Board fails to justify the proposed increase in the level of maximum potential awards that can be made under the Plan. As the company has failed to justify the increase in maximum awards, Triodos opposes this resolution.	**Oppose**

18* **Meeting notification related proposal** **Oppose**

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 does not support this resolution.

**** = Special resolution***

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 1 - Receive the Annual Report

It is noted that on engagement with the Company, they have emphasised that the business which the Company run in the geographies which they operate, has never come up against any human rights issues.

Proposal 3 - Approve Remuneration Policy

Upon engagement with the Company, they have commented that they are reviewing the performance conditions for 2016 LTIP awards. This is in relation to our concerns of using TSR as a single performance indicator for the plan.

Proposal 5 - Re-elect John Hughes

Chair of more than one large public company cannot effectively represent corporate cultures which are potentially diverse and the possibility of having to commit additional time to the role in times of crisis if ever present.

Proposal 17 - Amend existing long term incentive plan

The Company has stated that the proposed increase in the maximum limit is to align the company with peers. However, this could be seen as misleading. The Company ranks 1st of 10 in PIRC's comparator group for salary. Therefore, quantum of pay is already at the high end of the scale in comparison. A doubling of the LTIP opportunity is unnecessary.

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