Triodos Investment Management

DELPHI AUTOMOTIVE PLC

MEETING DATE	Thu, 27 Apr 2017 9:00 am	TYPE	AGM	ISSUE DATE	Tue, 11 Apr 2017
MEETING LOCATION	Four Seasons Hotel London at Park Lane, Hamilton Place, Park Lane London, England W1J 7DR				
CURRENT INDICES	S&P500				
SECTOR	Motor vehicle parts and accessories				

	PROPOSALS	ADVICE
1	**Re-elect Joseph S. Cantie** Independent Non-Executive Director.	**For**
2	**Re-elect Kevin P. Clark** President and Chief Executive Officer.	**For**
3	**Re-elect Gary L. Cowger** Independent Non-Executive Director.	**For**
4	**Re-elect Nicholas M. Donofrio** Independent Non-Executive Director.	**For**
5	**Re-elect Mark P. Frissora** Independent Non-Executive Director.	**For**
6	**Re-elect Rajiv L. Gupta** Non-Executive Chairman. Not considered independent as he serves on the board of The Vanguard Group Inc., which holds 7.67% of the Company's common stock. However, there is sufficient independent representation on the Board. He is chair of the Nomination Committee and less than 20% of the Board are women which Triodos does not suppor	**Oppose**
7	**Re-elect Sean O. Mahoney** Independent Non-Executive Director.	**For**
8	**Elect Timothy M. Manganello** Independent Non-Executive Director.	**For**
9	**Elect Ana G. Pinczuk** Independent Non-Executive Director.	**For**
10	**Re-elect Thomas W. Sidlik** Independent Non-Executive Director.	**For**
11	**Re-elect Bernd Wiedemann** Independent Non-Executive Director.	**For**
12	**Re-elect Lawrence A. Zimmerman** Independent Non-Executive Director.	**For**
13	**Appoint the Auditors** EY proposed. Non-audit fees represented 29.46% of audit fees during the year under review and 30.99% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. Triodos opposes this resolution.	**Oppose**

14 Advisory Vote on Executive Compensation **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The compensation rating is: DCB.

There is a concern over the Committee's use of discretion when awarding annual bonuses. With respect to 2014-2016 performance-based RSUs, the TSR vesting scale is insufficiently broad to ensure superior awards reflect superior performance as executives may receive payouts for below median performance. Essentially rewarding the executives for performing below average. The time-based RSUs vest ratably over three years, beginning on the first anniversary of the grant date which is not considered sufficiently long-term. Also, the use of time-vesting equity is not considered acceptable in linking pay with performance.

Based on these concerns, Triodos opposes this resolution.

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 14 - Advisory Vote on Executive Compensation

The Company has achieved: a below average level of disclosure; an average balance for rewards; and a market best practice approach to contracts with executives.

Disclosure: D- Annual cash incentives are based on corporate/division performance metrics. In addition, the Compensation Committee assessed Named Executive Officer's (NEO's) performance with respect to the Strategic Results Modifiers (SRM) and individual qualitative performance. The Company has disclosed financial targets for its short-term incentives but has not provided information with respect to individual performance factors. The Company granted long-term incentives in the form of performance-based restricted stock units (RSUs) (75%) and the time-based RSUs (25%). Specific targets are disclosed for the 2014-2016 performance-based RSUs. The Company failed to provide the fees it paid to its external compensation consultant during the year under review. Also, the use of "adjusted" targets is complex and not clearly understandable in our view.

Balance: C- For fiscal 2016, annual cash awards were not excessive, with overall pay below above peer group averages. However, there is a concern over the Committee's use of discretion when awarding annual bonuses. With respect to 2014-2016 performance-based RSUs, the TSR vesting scale is insufficiently broad to ensure superior awards reflect superior performance as executives may receive payouts for below median performance. Essentially rewarding the executives for performing below average. The time-based RSUs vest ratably over three years, beginning on the first anniversary of the grant date which is not considered sufficiently long-term. Also, the use of time-vesting equity is not considered acceptable in linking pay with performance.

Contract: B- The Company has a compensation claw back policy in place and "double-trigger" vesting provisions for equity awards upon a change in control.

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