


## INDITEX (INDUSTRIAS DE DISEÑO TEXTIL) SA

MEETING DATE	Tue, 18 Jul 2017 12:00 pm	TYPE	AGM	ISSUE DATE	Fri, 07 Jul 2017
MEETING LOCATION	Avenida de la Diputación, Edificio Inditex, 15142 Arteixo, A Coruña, Spain				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Apparel Retailers				

PROPOSALS		ADVICE
<b>1 Approve Financial Statements</b>	Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
<b>2 Approve Consolidated Financial Statements</b>	Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
<b>3 Approve the Dividend</b>	The Board proposes a dividend of EUR 0.68 per share. The dividend is covered by earnings. Acceptable proposal.	For
<b>4 Re-elect Mr José Arnau Sierra</b>	Non-Executive Director, not considered to be independent as he is a physical representative and Vice-Chairman of Pontegadea Inversiones, S.L., the majority shareholder. There is insufficient independent representation on the Board.	Oppose
<b>5 Appoint the Auditors</b>	Deloitte proposed. Non-audit fees represented 2.97% of audit fees during the year under review and 12.42% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.	For
<b>6 Approve the Remuneration Report</b>	It is proposed to approve the annual report on remuneration of executive and non-executive directors with an advisory vote. There are excessiveness concerns as the total variable remuneration exceeded 200% of the salary. In addition, the Company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. There are claw back clauses in place, which is welcomed. Triodos supports this resolution.	For
<b>7 Granting of powers to implement resolutions</b>	Standard Resolution	For

### SUPPORTING INFORMATION FOR RESOLUTIONS

#### Proposal 1 - Approve Financial Statements

In November 2014, the Directive 2014/95/EU was published and Member States will have until end of 2016 to transpose the Directive into national legislation and companies will start reporting as of their financial year 2017. The Directive has legislative relevance for all the European Economic Area and as such should be implemented also by members of the European Free Trade Association. Under the Directive, companies should provide disclosure of non-financial information (policy and practice) in the annual report or on a separate report, made available at the latest 6 months after the date

of the balance sheet. The European Commission has been tasked with publishing non-binding reporting guidelines by December 2016. Although the provisions contained in the Directive are not yet binding, they are considered to set the bar of best practice. PIRC maintains that corporations should not passively abide by minimum standards set in regulation, but actively exceed minimum thresholds and seek best practice. PIRC will accurately monitor the presence and the quality of non-financial information.

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