

## VODAFONE GROUP PLC

<b>MEETING DATE</b>	Fri, 28 Jul 2017 11:00 am	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Thu, 20 Jul 2017
<b>MEETING LOCATION</b>	Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE				
<b>CURRENT INDICES</b>	FTSE 100, FTSE EuroFirst				
<b>SECTOR</b>	Mobile Telecommunications				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1</b>	<b>Receive the Annual Report</b> Strategic report meets guidelines. Adequate employment and environmental 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. Triodos supports this resolution.	<b>For</b>
<b>2</b>	<b>Re-elect Gerard Kleisterlee</b> Chairman. Independent upon appointment.	<b>For</b>
<b>3</b>	<b>Re-elect Vittorio Colao</b> Chief Executive Officer. 12 months rolling contract.	<b>For</b>
<b>4</b>	<b>Re-elect Nick Read</b> Executive Director. 12 months rolling contract.	<b>For</b>
<b>5</b>	<b>Re-elect Sir Crispin Davis</b> Independent Non-Executive Director.	<b>For</b>
<b>6</b>	<b>Re-elect Dr Mathias Döpfner</b> Independent Non-Executive Director.	<b>For</b>
<b>7</b>	<b>Re-elect Dame Clara Furse</b> Independent Non-Executive Director.	<b>For</b>
<b>8</b>	<b>Re-elect Valerie Gooding</b> Senior Independent Director. Considered independent.	<b>For</b>
<b>9</b>	<b>Re-elect Renee James</b> Independent Non-Executive Director.	<b>For</b>
<b>10</b>	<b>Re-elect Samuel Jonah</b> Independent Non-Executive Director.	<b>For</b>
<b>11</b>	<b>Elect Maria Amparo Moraleda Martinez</b> Independent Non-Executive Director.	<b>For</b>
<b>12</b>	<b>Re-elect David Nish</b> Independent Non-Executive Director.	<b>For</b>
<b>13</b>	<b>Approve the Dividend</b> A final dividend of 10.03 pence per share is proposed, which brings the total dividend for the year under review to 14.77 pence per share. This payment is covered by earnings.	<b>For</b>

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|------------|---|----------------|
| <b>14</b>  | <p><b>Approve Remuneration Policy</b></p> <p>Overall changes to the policy to increase shareholding guidelines, simplify the long-term incentive (GLTI) and introduce clawback to incentive schemes are welcomed. However, these changes are not considered sufficient to support the proposal as concerns remain over certain aspects of the policy, in particular the size of the incentive awards.</p> <p>The maximum potential award for the CEO under all the incentive schemes is 775% of salary which is highly excessive. There is no share scheme available to the employees to benefit from business success, without subscription. There are also concerns about some features of the GLTI. No non-financial metrics are used when assessing the performance of directors under the GLTI. The performance period is three years without a holding period which is not considered sufficiently long-term. Payment of dividend equivalents on vested shares is also not supported. The Company should also seek to implement a deferral period for the Annual Bonus, ideally for at least half the bonus over two years.</p> <p>Finally, issues remain over the Company's policy on Executive Director contracts. The notice period of two years reducing to one year, which can be offered to new recruits, is considered excessive. Also, the upside discretion given to the Committee to determine the vesting of outstanding share awards is not considered appropriate.</p> <p>Rating: ADC.</p> <p>Triodos opposes this resolution.</p> | <b>Oppose</b>  |
| <b>15</b>  | <p><b>Approve the Remuneration Report</b></p> <p><b>Disclosure:</b> Overall disclosure is considered in line with best practice.</p> <p><b>Balance:</b> The CEO's total realised variable pay is considered excessive at 396.5% of salary (Annual Bonus: 94.5%, LTIP: 302%). The ratio of CEO to average employee pay has been estimated and is found unacceptable at 92:1. The CEO's salary is above upper quartile in</p>   | <b>Oppose</b>  |
| <b>16</b>  | <p><b>Appoint the Auditors</b></p> <p>PwC proposed. No non-audit fees were paid during the year under review and non-audit fees 12.12% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor. However, PwC has acted 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. Triodos recommends to abstain.</p>  | <b>Abstain</b> |
| <b>17</b>  | <p><b>Allow the Board to Determine the Auditor's Remuneration</b></p> <p>Standard proposal.</p>   | <b>For</b>     |
| <b>18</b>  | <p><b>Issue Shares with Pre-emption Rights</b></p> <p>The authority is limited to one third of the Company's issued share capital. This cap can increase to two-third of the issued share capital if shares are issued in connection with an offer by way of a rights issue. All directors are standing for annual re-election. This resolution is in line with normal market practice and expires at the next AGM.</p> <p>Triodos supports this resolution.</p>  | <b>For</b>     |
| <b>19*</b> | <p><b>Issue Shares for Cash</b></p> <p>Authority is limited to 5% of the Company's issued share capital and will expire at the next AGM. Within acceptable limits.</p>  | <b>For</b>     |
| <b>20*</b> | <p><b>Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment</b></p> <p>The Board is seeking approval to issue up to an additional 5% of the Company's issued share capital for cash for use only in connection with an acquisition or a specified capital investment. Such proposal is not supported as it is considered that the 5% limit sought under the general authority above is sufficient. Best practice would be to seek a specific authority from shareholders in relation to a specific transactions if such situation arises. As this is not the case, Triodos opposes this resolution.</p>   | <b>Oppose</b>  |
| <b>21*</b> | <p><b>Authorise Share Repurchase</b></p> <p>The authority is limited to 10% of the Company's issued share capital and will expire at the next AGM. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, Triodos opposes this resolution.</p>   | <b>Oppose</b>  |

<b>22</b>	<b>Approve Political Donations</b> The proposed authority is subject to an overall aggregate limit on political donations and expenditure of £100,000. The Company did not make any political donations or incur any political expenditure and has no intention either now or in the future of doing so. Triodos considers political donations as an inappropriate use of shareholder funds.	<b>Oppose</b>
<b>23*</b>	<b>Meeting Notification-related Proposal</b> 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.  <i>* = Special resolution</i>	<b>Oppose</b>

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## SUPPORTING INFORMATION FOR RESOLUTIONS

### **Proposal 20 - Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment**

The Company has stated that this additional authority will only be used to fund one or more acquisitions or specified capital investments, in line with the Pre-Emption Group Guidelines. This recommendation is not supported by PIRC.

### **Proposal 23 - 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.

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