Triodos Investment Management

AMADEUS IT GROUP

MEETING DATE	Wed, 20 Jun 2018 11:00 am	TYPE	AGM	ISSUE DATE	Fri, 01 Jun 2018
MEETING LOCATION	Paseo de Eduardo Dato 20, Edificio Mutua Madrilena, Auditorio Torre Cristal, Madrid, Spain				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Travel & Tourism				

	PROPOSALS	ADVICE
1	**Approve Consolidated and Standalone Financial Statements** 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
2	**Approve the Dividend** The Board proposes a dividend of EUR 1.135 per share. The dividend is covered by earnings. Acceptable proposal.	For
3	**Discharge the Board** Standard proposal. No serious governance concerns have been identified.	For
4	**Renew Appointment of Deloitte as Auditor for FY 2018** Deloitte proposed. Non-audit fees represented 50.44% of audit fees during the year under review and 48.39% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. The current auditor has been in place for more than ten years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor.	Oppose
5	**Appoint the new Auditor** EY proposed as new auditor for the FY 2019, 2020 and 2021. The proposed term for the new auditor is under five years. Auditor rotation is considered a positive factor.	For
6*	**Amend Article 42 Re: Audit Committee** The Board proposes to amend the Article 42 (Audit Committee) of the Corporate Bylaws of the Company. The purpose of the amendment is to update its content to the new wording of article 529 quaterdecies of the Spanish Capital Companies Act (LSC), related to the Audit Committee, as amended by final provision number four of the Audit Act 22/2015, of July 20. The proposed reform envisages the adaptation of the composition, changing from the current drafting which requires a composition of exclusively non-executive Directors, of whom at least two of them must be independent, to a composition of exclusively non-executive Directors, of whom at least the majority of them must be independent. The proposed amendments do not have any adverse effect on shareholder rights and it is in line with applicable regulation. Triodos supports this resolution.	For
7.1	**Elect Pilar Garcia Ceballos-Zuniga** Independent Non-Executive Director.	For
7.2	**Elect Stephan Gemkow** Non-Executive Director. Not considered to be independent as he formed part of the Amadeus Board of Directors from May 2006 to July 2013, as proprietary Director, representing Lufthansa. There is sufficient independent representation on the Board. There are concerns over the director's potential aggregate time commitments. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not suppor	Oppose

7.3	**Elect Peter Kurpick** Independent Non-Executive Director.There are concerns over the director's potential aggregate time commitments. He is newly appointed to the Board and his appointment does not improve the gender balance on the Board which Triodos does not suppor	**Oppose**
7.4	**Re-elect Jose Antonio Tazon Garcia** Non-Executive Director, not considered to be independent as he has been on the Board more than nine years. However, there is sufficient independent representation on the Board.	**For**
7.5	**Re-elect Luis Maroto Camino** President and Chief Executive Officer. Support recommended.	**For**
7.6	**Re-elect David Webster** Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	**Oppose**
7.7	**Re-elect Guillermo de la Dehesa Romero** Independent Non-Executive Director. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	**Oppose**
7.8	**Re-elect Clara Furse** Independent Non-Executive Director.	**For**
7.9	**Re-elect Pierre-Henri Gourgeon** Non-Executive Director, not considered to be independent as he has been on the Board more than nine years. However, there is sufficient independent representation on the Board.	**For**
7.10	**Re-elect Francesco Loredan** Non-Executive Director. Not considered to be independent as he has been on the Board more than nine years. There is sufficient independent representation on the Board. However, as there are concerns over the director's potential aggregate time commitments, Triodos abstains this resolution.	**Abstain**
8	**Approve the Remuneration Report** 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. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component, which makes is unlikely that shareholders reclaim any variable remuneration unfairly paid out. On these bases, opposition is recommended. Triodos opposes this resolution.	**Oppose**
9	**Approve Remuneration Policy** It is proposed to approve the remuneration policy. Variable remuneration does not seem to be consistently capped and as such there are excessiveness concerns as the total potential variable remuneration may exceed 200% of the salary. In addition, the Company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which may lead to overpayment against underperformance. There are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. Triodos opposes this resolution.	**Oppose**
10	**Approve Fees Payable to the Board of Directors** It is proposed to establish the remuneration of the Board of Directors at the maximum aggregate amount of EUR 1,426,000. No increase has been proposed. Triodos supports this resolution.	**For**

11.1 Approve Performance Share Plan **Oppose**

The Board proposes the approval of the Performance Share Plan, which comprises three independent three-year cycles, with a new cycle commencing every year. Under the plan, the CEO and other executives will be awarded rights to shares, which will vest depending on the achievement of some performance criteria. Performance targets are not quantified, which makes an informed assessment impossible and may lead to (partial) payment against (partial) failure.

Shares will start vesting after three years, which is not considered sufficiently long term. It is considered best practice to base long term incentives on at least two sets of criteria, of which at least one non-financial indicator, which should work interdependently.

LTIP based schemes are inherently flawed. There is the risk that they are rewarding volatility rather than the performance of the company (creating capital and - lawful - dividends). They act as a complex and opaque hedge against absolute company underperformance and long-term share price falls. They are also a significant factor in reward for failure.

11.2 Approve Restricted Share Plan **For**

The Board proposes the approval of a new Restricted Share Plan. The beneficiaries of this Plan may include any Amadeus Group employee, except for members of the Executive Committee and second-tier senior management. Under the plan, the employees of the Company will be awarded rights to shares, which will vest depending on the achievement of some performance criteria. The vesting period will have a duration of between a minimum of three (3) and a maximum of five (5) years.To be entitled to this Plan, employees must be employed by one of the Amadeus Group companies during the vesting period and, in exceptional cases, meet the performance targets that may have been established for a specific award.

The maximum number of shares to be granted to an individual will be equivalent to 50% of his/her gross base salary multiplied by the number of years of duration of the vesting period, divided by the Reference Share Price.

No serious governance concerns. The proposal promotes ownership among employees and its access has been restricted to executives.

Triodos supports this resolution.

11.3 Approve Share Matching Plan **Oppose**

The Board is seeking approval for a new Company's Share Match Plan. The Plan is offered to all employees who decide to join the Plan, except members of the Board of Directors. The Share Match Plan is divided into three independent two-year cycles. The start date of the 2019 cycle is July 2019 and the end date will be June 2021. The shares purchased by the participants will be acquired at their market value in the Spanish stock exchange. The Company will grant one Matching Share for every two shares purchased by the participants who meet holding requirements. Dilution in aggregate with authorizations mentioned in proposals 11.1 through 11.3 corresponds to 2.0% of the Company's share capital.

The proposed Plan is open to all employees and the dilution is not considered material. However, a discount considered excessive (33%) would derive from matching shares.

Triodos opposes this resolution.

11.4 Authorize Board to Ratify and Execute Approved Resolutions Re: Remuneration Plans **For**

Standard resolution.

12 Authorise Share Repurchase **Oppose**

Authority sought to allow the Board to repurchase and use capital stock within legal boundaries. The authority exceeds 5% of the share capital. The Company has not duly provided an explanation regarding the rationale behind the proposal, Triodos opposes this resolution.

13 Authorize Issuance of Convertible Bonds, Debentures, Warrants, and Other Debt Securities without Preemptive Rights **Oppose**

Proposal to issue convertible debt for up to EUR 5 billion. Allocation of such instruments can take place without pre-emptive rights. As such, the cap to the authorized issuance (20% of the share capital) is considered to be excessive.

Triodos opposes this resolution.

14 Authorize Board to Ratify and Execute Approved Resolutions **For**

Standard resolution.

**** = Special resolution***

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 11.1 - Approve Performance Share Plan

Shares will start vesting after three years, which is not considered sufficiently long term. It is considered best practice to base long term incentives on at least two sets of criteria, of which at least one non-financial indicator, which should work interdependently.

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Researcher: Paula Trujillo
Email: pircresearch@pirc.co.uk

PIRC

Pensions & Investment Research Consultants Limited
8th Floor, Suite 8.02, Exchange Tower
2 Harbour Exchange Square
E14 9GE

Tel: 020 7247 2323
Fax: 020 7247 2457
http://www.pirc.co.uk

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