INDITEX (INDUSTRIA DE DISENO TEXTIL) SA

MEETING DATE  Tue, 17 Jul 2018 12:00
TYPE  AGM
ISSUE DATE  Fri, 29 Jun 2018

MEETING LOCATION  Avenida de la Diputación, Edificio Inditex, 15142 Arteixo, A Coruña, (Spain)

CURRENT INDICES  FTSE EuroFirst
SECTOR  Apparel Retailers

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PROPOSALS

1. Approve 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 Consolidated 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

3. Approve the Dividend
   The Board proposes a dividend of EUR 0.75 per share, corresponding to an ordinary dividend of EUR 0.54 per share and a bonus dividend of EUR 0.21 per share. The gross amount of EUR 0.375 per share having already been paid on 2 May 2018. The dividend is covered by earnings. Acceptable proposal.
   For

4.A Re-elect Rodrigo Echenique Gordillo
   Independent Non-Executive Director. There are concerns over the director’s potential aggregate time commitments.
   He is chair of the Remuneration committee which is not fully independent which Triodos does not support.
   Oppose

4.B Elect Pilar Lopez Alvarez
   Independent Non-Executive Director.
   For

5. Approve Remuneration Policy
   It is proposed to approve the remuneration policy for financial years 2019, 2020 and 2021 with a binding vote. Although variable remuneration appears to be consistently capped, there are excessiveness concerns as the total potential variable remuneration exceed 200% of the salary. In addition, the Company has not disclosed quantified targets or performance criteria for its variable remuneration component, which may lead to overpayment against underperformance. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. Triodos abstains this resolution.
   Abstain

6. Appoint the Auditors
   Deloitte proposed. Non-audit fees represented 2.42% of audit fees during the year under review and 7.54% 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

8. Approve the Remuneration Report
   It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors. The Company discloses all elements of remuneration for Executives and Non-Executives. The payout is in line with best practice, being under 200% of the fixed salary. There are claw back clauses in place over the entirety of the variable remuneration, which is welcomed. However, 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. Triodos abstains this resolution.
   Abstain

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9  Granting of powers to implement resolutions
   Standard resolution.