


INDITEX (INDUSTRIA DE DISEÑO 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				

PROPOSALS		ADVICE
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

For Private Circulation only

©Copyright 2018 PIRC Ltd

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

Information is believed to be correct but cannot be guaranteed. Opinions and recommendations constitute our judgement as of this date and are subject to change without notice. The document is not intended as an offer, solicitation or advice to buy or sell securities. Clients of Pensions & Investment Research Consultants Ltd may have a position or engage in transaction in any of the securities mentioned.



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>

Regulated by the Financial Conduct Authority