**PROPOSALS**

1. **Receive the Annual Report**
   - 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.

2. **To elect Michel Demaré as a Director**
   - Newly-appointed independent Non-Executive Director.
   - For

3. **To elect Margherita Della Valle as a Director**
   - Chief Financial Officer with effect from 27 July 2018. 12 months rolling contract.
   - For

4. **To re-elect Gerard Kleisterlee as a Director**
   - Chairman. Independent upon appointment.
   - For

5. **To re-elect Vittorio Colao as a Director**
   - Chief Executive Officer. 12 months rolling contract.
   - For

6. **To re-elect Nick Read as a Director**
   - Chief Executive Officer with effect from 27 July 2018. 12 months rolling contract.
   - For

7. **To re-elect Sir Crispin Davis as a Director**
   - Independent Non-Executive Director.
   - For

8. **To re-elect Dame Clara Furse as a Director**
   - Independent Non-Executive Director.
   - For

9. **To re-elect Valerie Gooding as a Director**
   - Senior Independent Director. Considered independent.
   - She is chair of the Remuneration committee which is not fully independent which Triodos does not support.
   - Oppose

10. **To re-elect Renee James as a Director**
    - Independent Non-Executive Director.
    - For

11. **To re-elect Samuel Jonah as a Director.**
    - Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. This director is also a member of the remuneration committee. As a matter of best practice, this committee should be entirely composed of independent non-executive directors.
    - Oppose

12. **To re-elect Maria Amparo Moraleda Martinez as a Director.**
    - Independent Non-Executive Director.
    - For

13. **To re-elect David Nish as a Director**
    - Independent Non-Executive Director.
    - For

14. **Approve the Dividend**
    - A final dividend of 10.23 Euro Cents per share is proposed, which brings the total dividend for the year under review to 15.07 Euro Cents per share. This payment is covered by earnings.
    - For
15 Approve the Remuneration Report

**Disclosure:** Whilst a clear breakdown between each element of the annual bonus scheme is evident, specific targets have not been disclosed for the non-financial performance measures. However, Cash remuneration, share incentive rewards and pension contributions are adequately disclosed in the Single Total Remuneration Figure table, next year’s fees and salaries are clearly stated and dividend accrual is separately categorised which is welcome.

**Balance:** The CEO’s salary is in the upper quartile of the Company’s comparator group. This raises concerns over potential excessiveness of variable incentive schemes as the base salary determines the overall quantum on the remuneration structure. Also, the CEO’s total realised variable pay is considered excessive at 501.46% of salary (Annual Bonus: 127.9%, LTIP: 373.56%). Furthermore, the ratio of CEO to average employee pay has been estimated and is found unacceptable at 87:1. The balance of CEO realised pay with financial performance is not considered acceptable as the change in CEO total pay over the last five years is not aligned to the change in TSR over the same period. Over the five year period average annual increase in CEO pay has been approximately 17% whereas, on average, TSR has increased by 6%.

There are further concerns regarding the composition of both the Annual Bonus and Global Long Term Incentive Plan, the EBITDA figure used as the performance condition for the Annual Bonus is ‘adjusted’. We consider that adjustments to EBITDA for remuneration purposes are inappropriate as in this case the adjustments excludes depreciation, amortisation, impairment loss, restructuring costs and loss on disposal of fixed asset. These are real costs which are born by shareholders but which, in the case of executive remuneration, management are not held responsible for. It is further noted that ‘Adjusted free cash flow’ is used as a performance metric for both the bonus and Global Long Term Incentive Plan which results in directors being rewarded twice for the same achievement.

**Rating:** AE

Triodos opposes this resolution.

16 Appoint the Auditors

PwC proposed. Non-audit fees represented 23.81% of audit fees during the year under review and 10.20% 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 interest. It is further noted that during the 2017 financial year a company, for which a number of PwC partners were acting as administrators, was considering litigation against the Group. This raises further concerns over audit independence.

**Rating:** Oppose

Triodos opposes this resolution.

17 Allow the Board to Determine the Auditor’s Remuneration

Standard proposal.

**Rating:** For

Triodos supports this resolution.

18 Issue Shares with Pre-emption Rights

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.

**Rating:** For

Triodos supports this resolution.

19* Issue Shares for Cash

Authority is limited to 5% of the Company’s issued share capital and will expire at the next AGM.

**Rating:** For

Triodos supports this resolution.

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

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.

**Rating:** Oppose
21* Authorise Share Repurchase
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.

22 Approve Political Donations
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.

23* Meeting Notification-related Proposal
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.

24 Update to the Vodafone Group 2008 Sharesave Plan
The Board is seeking authority to update the Vodafone Group 2008 Sharesave Plan. The Plan is a tax-advantaged plan under Schedule 3 of the Income Tax Act 2003 (“ITEPA”), administered by the board of directors of the Company, which may delegate its operation to a duly authorised committee or any other duly authorised person. Any employee who applies for an Option must enter into an HMRC approved “save as you earn” contract for a period of three or five years, and must agree to make monthly savings contributions of a fixed amount. On the day before any Option is granted, the number of Shares in respect of which Options may be granted may not exceed 10% of the Company’s ordinary share capital in issue when added to the number of shares which have been issued or committed to be issued to satisfy other Options, or options or awards granted in the previous ten years under any other Company employee share plan. Participation in the Plan is limited to UK-based employees and executive directors of the Company. As the proposed plan is not open to all employees on an equal basis, Triodos opposes this resolution.

25* Adopt New Articles of Association
The Company is seeking authority to adopt new Articles of Association. The key changes are: (i) provide for the automatic retirement of all directors at each AGM in accordance with the recommendations of the UK Corporate Governance Code; (ii) remove the provisions relating to the issue of share warrants to bearer as companies are no longer permitted to issue share; (iii) remove the provisions relating to the issue of share warrants to bearer as companies are no longer permitted to issue share warrants to bearer; (iv) clarify the circumstances in which a dividend or other sum payable by electronic transfer will be treated as unclaimed; (v) reduce the maximum period for scrip dividend authority from five years to three years following guidance from The Investment Association; (vi) provide the Company with greater flexibility, and reduce its administrative obligations, in relation to shares held by shareholders who have been untraced for 12 years or more; (vii) extend the provisions on the forfeiture of unclaimed dividends to other amounts payable in relation to the Company’s shares. No major governance concerns have been identified with the proposed amendments. Triodos supports this resolution.

* = Special resolution

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.