


## INDITEX (INDUSTRIA DE DISEÑO TEXTIL) SA

MEETING DATE	Tue, 14 Jul 2020 12:00	TYPE	AGM	ISSUE DATE	Fri, 03 Jul 2020
MEETING LOCATION	Avenida de la Diputacion, Edificio Inditex, Arteixo, La Coruna, Spain				
CURRENT INDICES	FTSE EuroFirst				
SECTOR	Apparel Retailers				
FYE	31 Jan 2020				

	PROPOSALS	ADVICE
1	<p><b>Approve Standalone Financial Statements</b></p> <p>Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. The company's Sustainability programme is considered to be adequate in order to minimize the impact from material non-financial risks and aiming at better performance.</p> <p>Triodos supports this resolution.</p>	For
2	<p><b>Approve Financial Statements and Discharge</b></p> <p>Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. The company's Sustainability programme is considered to be adequate in order to minimize the impact from material non-financial risks and aiming at better performance.</p> <p>Triodos supports this resolution.</p>	For
3	<p><b>Approve Non-Financial Statements</b></p> <p>The non-financial statements were made available sufficiently before the meeting and include the auditor's independent verification report. No serious governance concerns have been identified. The EU Non-Financial Reporting Directive stipulates that member states are required to disclose a non-financial statement containing relevant information as prescribed in the directive. Although companies are allowed to publish such statement until six months after the end of the financial year, it is considered that it should be disclosed to all shareholders in occasion of the annual general meeting.</p> <p>Triodos supports this resolution.</p>	For
4	<p><b>Approve Allocation of Income</b></p> <p>It is proposed to carry forward the profit for the year. Acceptable proposal.</p>	For
5	<p><b>Approve Dividends Charged Against Unrestricted Reserves</b></p> <p>Authority to approve a capital increase against voluntary reserves to issue bonus shares, which will be distributed to shareholders instead of cash, as dividend. Shareholders will receive one free allotment right for every share they own, which may be traded on the stock exchange for a period of 15 days at the end of which time they will be converted into shares. The company commits to acquire the rights from all holders at a fixed price, which guarantees that shareholders can receive the dividend in cash.</p> <p>Shareholders who elect to receive the dividend in cash will experience dilution of their holdings. Nevertheless, the proposal is considered acceptable.</p> <p>Triodos supports this resolution.</p>	For

<b>6.a</b>	<b>Reelect Pontegadea Inversiones SL as Director</b> Represented by Flora Pérez Marcote. Non-Executive Director. Not considered to be independent as she is representative of Pontegadea Inversiones, S.L., the majority shareholder. Until 9 December 2015 Ms. Marcote was the representative of Gartler, S.L. on the Board, company which merged with Pontegadea Inversiones, S.L. Ms Flora Pérez Marcote has spent a long career within the Inditex Group, where she held different positions in areas relating to both design and purchase of products in the Zara brand. There is sufficient independent representation on the Board. Triodos supports this resolution.	<b>For</b>
<b>6.b</b>	<b>Reelect Denise Patricia Kingsmill as Director</b> Independent Non-Executive Director.	<b>For</b>
<b>6.c</b>	<b>Ratify Appointment of and Elect Anne Lange as Director</b> Independent Non-Executive Director.	<b>For</b>
<b>7</b>	<b>Appoint the Auditors</b> Deloitte proposed. Non-audit fees represented 1.33% of audit fees during the year under review and 1.74% on a three-year aggregate basis. This level of non-audit fees does not raise serious concerns about the independence of the statutory auditor.	<b>For</b>
<b>8.a*</b>	<b>Amend Articles Re: Remote Attendance to General Meetings</b> It is proposed to include a provision in the Articles permitting the use of electronic absentee ballots for the vote at general meetings. The use of electronic means of voting is considered to be beneficial for all shareholders. Support is recommended.	<b>For</b>
<b>8.b*</b>	<b>Approve Restated Articles of Association</b> This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Triodos supports this resolution.	<b>For</b>
<b>9.a</b>	<b>Amend Article 6 of General Meeting Regulations Re: Competences of General Meetings</b> It is proposed to add approval of the Statement on Non-Financial Information among the Powers of the General Meeting of Shareholders, which is welcomed.	<b>For</b>
<b>9.b</b>	<b>Amend Articles of General Meeting Regulations Re: Remote Attendance</b> It is proposed to include a provision in the General Meeting Regulations in order to implement the amendment to the Articles, permitting the use of electronic absentee ballots for the vote at general meetings. The use of electronic means of voting is considered to be beneficial for all shareholders. Triodos supports this resolution.	<b>For</b>
<b>9.c</b>	<b>Approve Restated General Meeting Regulations</b> This proposal is considered to be a technical item in order to publish a new version of the General Meeting Regulations, including the proposed amendments. Triodos supports this resolution.	<b>For</b>
<b>10</b>	<b>Advisory Vote on Remuneration Report</b> It is proposed to approve the annual report on remuneration of Executive and Non-Executive Directors with an advisory vote. 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. Triodos supports this resolution.	<b>For</b>
<b>11</b>	<b>Authorize Board to Ratify and Execute Approved Resolutions</b> Standard resolution.	<b>For</b>
<b>12</b>	<b>Receive Amendments to Board of Directors Regulations</b> Disclosure is considered adequate and the report was made available sufficiently before the meeting. Triodos supports this resolution.	<b>For</b>

**\* = Special resolution**

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## SUPPORTING INFORMATION FOR RESOLUTIONS

### **Proposal 3 - Approve Non-Financial Statements**

On 6th December 2014, the European Non-Financial Reporting Directive was implemented for the purpose of improving transparency. The deadline for transposition into national legislation by Member States was 6th December 2016. The Companies concerned must apply the directive as soon as 2018, on information relating to the 2017 financial year. According to the European Commission, the content of the non-financial statements should include the business model, policies and due diligence, outcome of the policies, principal risks and their management, and key performance indicators.

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