Triodos Investment Management

VF CORPORATION

MEETING DATE	Tue, 27 Jul 2021 10:30 am	TYPE	AGM	ISSUE DATE	Tue, 20 Jul 2021
MEETING LOCATION	Virtual Meeting Only: www.proxydocs.com/VFC				
CURRENT INDICES	S&P500				
SECTOR	Mens and boys furnishings, work clothing, and allied garments				
FYE	03 Apr 2021				

	PROPOSALS	ADVICE
1.1	**Re-elect Richard T. Carucci - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board.	**For**
1.2	**Re-elect Juliana L. Chugg - Non-Executive Director** Non-Executive Director. Not considered independent as Ms Chugg, Clarence Otis, Jr. and PNC Bank, N. A., act as the Trustees under the Deeds of Trust dated August 21, 1951 and under the Will of John E. Barbey, which control 6.5% of V. F. Corp share capital. There is sufficient independent representation on the Board, however this director is a member of the compensation committee which is less than 50% independent. Triodos withholds on this resolution.	**Withhold**
1.3	**Re-elect Benno Dorer - Non-Executive Director** Independent Non-Executive Director.	**For**
1.4	**Re-elect Mark S. Hoplamazian - Non-Executive Director** Independent Non-Executive Director.	**For**
1.5	**Re-elect Laura W. Lang - Non-Executive Director** Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board, however this director is a member of the compensation committee which is less than 50% independent. Triodos withholds on this resolution.	**Withhold**
1.6	**Re-elect W. Alan McCollough - Senior Independent Director** Lead Independent Director. Not considered independent owing to a tenure of over nine years. It is considered that a Lead Independent Director should be independent, in order to fulfil the responsibilities assigned to that role. In addition, this director is a member of the compensation committee which is less than 50% independent. Triodos withholds on this resolution.	**Withhold**
1.7	**Re-elect W. Rodney McMullen - Non-Executive Director** Independent Non-Executive Director.	**For**
1.8	**Re-elect Clarence Otis, Jr. - Non-Executive Director** Non-Executive Director. Not considered independent as Ms Chugg, Clarence Otis, Jr. and PNC Bank, N. A., act as the Trustees under the Deeds of Trust dated August 21, 1951 and under the Will of John E. Barbey, which control 6.5% of V. F. Corp share capital. In addition, he has served on the Board for over nine years. There is sufficient independent representation on the Board.	**For**
1.9	**Re-elect Steven E. Rendle - Chair & Chief Executive** Chair and CEO. Combined roles at the head of the company. There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision. Combining the two roles in one person represents a concentration of power that is potentially detrimental to board balance, effective debate, and board appraisal. Triodos withholds on this resolution.	**Withhold**
1.10	**Re-elect Carol L. Roberts - Non-Executive Director** Independent Non-Executive Director.	**For**

1.11	**Re-elect Matthew J. Shattock - Non-Executive Director** Independent Non-Executive Director.		**For**
1.12	**Re-elect Veronica Wu - Non-Executive Director** Independent Non-Executive Director.		**For**
2	**Advisory Vote on Executive Compensation** The company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. The company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. The company also uses options as part of its long-term incentive plan which Triodos strongly opposes. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. Executive compensation is aligned with peer group averages. Triodos opposes this resolution.		**Oppose**
3	**Re-appoint the Auditor: PricewaterhouseCoopers LLP** PwC proposed. Non-audit fees represented 38.71% of audit fees during the year under review and 29.44% on a three-year aggregate basis. This level of non-audit fees raises some 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. Triodos opposes this resolution.		**Oppose**

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 2 - Advisory Vote on Executive Compensation

Disclosure: A - The company has failed to provide the fees it paid the Compensation Consultants. The disclosure of these fees is encouraged in the interests of greater transparency. The peer groups used for the purpose of pay comparison have been fully disclosed by the company. The grant of performance awards was based on the achievement of set levels of specific performance targets: Market Share of Total Revenue, Digital Revenue, Free Cash Flow and Net Revenues of acquired businesses. The performance-based long term incentive is subject to quantified performance targets for 3-Year Revenue CAGR vs Performance Peer Set and 3-Year TSR vs S&P 500 Consumer Discretionary.
Balance: D - The company uses adjusted performance metrics for most elements of compensation. The use of non-GAAP metrics prevents shareholders from being able to assess fully whether the performance targets are sufficiently challenging. The company does not consider non-financial metrics in its assessment of performance. For the year under review, annual bonus payouts are considered to be excessive as they represent more than 200% of base salary. Awards under the annual-incentive plans are tied to multiple performance conditions, which is considered best practice. Performance measures attached to long-term incentives do not duplicate those attached to other awards, which is considered acceptable practice. Maximum long-term award opportunities are not limited to 200% of base salary, which raises concerns over the potential excessiveness of the remuneration structure. Retention awards make up a significant portion of the long-term incentives and therefore the scheme does not link pay to performance. Performance shares have a three-year performance period, which is a market standard. However, a five-year performance period is considered best practice. Executive compensation is aligned with peer group averages.
Contract: B - The company maintains a supplemental executive retirement plan for the benefit of certain officers; which is not in line with best practice. Potential severance entitlements in a change of control scenario are considered excessive as they exceed three times the base salary. Change-in-control payments are subject to double-trigger provisions. 'Good

reason' is not defined appropriately, such that the Remuneration Committee is able to apply discretion when determining the status of a departing executive. Equity awards are subject to pro-rata vesting, which is line with best practice. The claw-back policy is considered appropriate as it applies to short- and long-term incentives, and is not limited to cases of financial misstatement.

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