

Result of AGM

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Ocado Group PLC
06 May 2020

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OCADO GROUP PLC
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Ocado Group plc Annual General Meeting 2020 Results

The Annual General Meeting of Ocado Group plc (the "Company") was held at Buildings One & Two Trident Place, Mosquito Way, Hatfield, Hertfordshire AL10 9UL on Wednesday, 6 May 2020 at 10.00am.

All resolutions were decided on a poll and all resolutions proposed at the Annual General Meeting were passed by shareholders. The full text of each resolution is contained in the notice of Annual General Meeting, which is available on the Company's website www.ocadogroup.com (with each resolution number below corresponding to the resolution number in the notice).

The number of votes for and against each of the resolutions put before the Annual General Meeting and the number of votes withheld were as follows:

Resolutions		For		Against		Total Votes	Votes Withheld
		Votes	%	Votes	%		
Ordinary Resolutions							
1.	To receive the Annual Report and Accounts	599,946,991	99.75%	1,504,598	0.25%	601,451,589	4,015,204
2.	To approve the Directors' Remuneration Report	407,632,068	70.24%	172,726,518	29.76%	580,358,586	25,108,206
3.	To re-appoint Lord Rose as a Director of the Company	579,584,775	95.85%	25,088,475	4.15%	604,673,250	793,543
4.	To re-appoint Tim Steiner as a Director of the Company	600,519,713	99.19%	4,930,868	0.81%	605,450,581	16,213
5.	To re-appoint Duncan Tatton-Brown as a Director of the Company	597,163,638	98.63%	8,279,275	1.37%	605,442,913	23,881

6.	To re-appoint Neill Abrams as a Director of the Company	596,771,790	98.80%	7,275,528	1.20%	604,047,318	1,419,476
7.	To re-appoint Mark Richardson as a Director of the Company	600,225,565	99.14%	5,217,408	0.86%	605,442,973	23,821
8.	To re-appoint Luke Jensen as a Director of the Company	600,022,056	99.10%	5,419,471	0.90%	605,441,527	25,267
9.	To re-appoint Jörn Rausing as a Director of the Company	570,278,061	94.19%	35,165,865	5.81%	605,443,926	22,867
10.	To re-appoint Andrew Harrison as a Director of the Company	486,476,791	80.35%	118,964,696	19.65%	605,441,487	25,305
11.	To re-appoint Emma Lloyd as a Director of the Company	601,974,410	99.43%	3,467,140	0.57%	605,441,550	25,244
12.	To re-appoint Julie Southern as a Director of the Company	575,595,265	95.07%	29,847,739	4.93%	605,443,004	23,790
13.	To appoint John Martin as a Director of the Company	604,109,347	99.78%	1,330,189	0.22%	605,439,536	25,458
14.	To appoint Claudia Arney as a Director of the Company	580,961,546	95.96%	24,480,204	4.04%	605,441,750	25,044
15.	To re-appoint Deloitte LLP as auditors of the Company	601,847,234	99.63%	2,217,288	0.37%	604,064,522	1,402,271
16.	To authorise the Directors to determine the auditors' Remuneration	603,551,044	99.69%	1,900,926	0.31%	605,451,970	14,823
17.	Authority for political donations and political expenditure	597,348,391	98.66%	8,104,001	1.34%	605,452,392	14,402
18.	To approve the amendment to the Ocado 2019 Executive Share Option Scheme	599,781,833	99.03%	5,863,273	0.97%	605,645,106	34,381

19.	To approve the Ocado Employee Share Purchase Plan	605,269,126	99.97%	182,039	0.03%	605,451,165	15,628
20.	To approve the Ocado Restricted Share Plan	588,683,007	97.23%	16,761,407	2.77%	605,444,414	22,379
21.	Authority to allot shares up to one-third of issued share capital	603,004,345	99.60%	2,443,145	0.40%	605,447,490	19,303
22.	Authority to allot shares in connection with a rights issue only	532,105,455	87.81%	73,876,313	12.19%	605,981,768	20,758
Special Resolutions							
23.	General authority to disapply pre-emption rights	605,382,935	99.99%	63,868	0.01%	605,446,803	19,991
24.	Additional authority to disapply pre-emption rights	603,933,438	99.75%	1,513,390	0.25%	605,446,828	19,965
25.	Authority to purchase own shares	602,943,320	99.59%	2,486,638	0.41%	605,429,958	36,834
26.	Amendment to the Articles	522,652,653	86.33%	82,793,136	13.67%	605,445,789	21,003
27.	Notice of general meetings	590,974,848	97.61%	14,483,536	2.39%	605,458,384	8,410

Where 20 per cent or more of the votes have been cast against a board recommendation for a resolution the UK Corporate Governance Code 2018 states that a company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result.

Resolution 2 (To approve the Directors' Remuneration Report) received 70.24% of votes in favour.

The following statement is from Andrew Harrison, Chair of the Remuneration Committee, and explains the Company's understanding of the reasons behind the vote on Resolution 2 and the action it intends to take as a result:

"I would like to thank shareholders for their continued support in this unprecedented time. I am pleased that all resolutions have been passed, however I would like to comment on Resolution 2 which received less than 80% of votes in favour.

In November 2019, I wrote to the Company's largest shareholders setting out the implementation of the Directors' Remuneration Policy for FY19 and FY20. In that letter and the subsequent consultations I discussed the approach to salary progression for the Executive Directors and the outcome of the 2014 Growth Incentive Plan ("GIP"). I understand from discussions with shareholders that these are the main two reasons why some shareholders voted against this Resolution.

In terms of the salary progression the Committee awarded salary increases which were above the average employee increase effective April 2019 in order to reflect the rapid growth rate and resulting increase in scale and complexity of the Executive Directors' roles. At the time this decision was made, the Company's share price had risen 440% over the previous two years as a result of a change in strategy that led to a series of successful deals with international partners. The Board notes that following the increases, the Executive Directors' salaries are positioned broadly around the lower quartile of the FTSE 100.

The GIP was a one-off five-year incentive plan which was granted in 2014 and vested in May 2019 based on relative share price performance against the FTSE 100. The incentive payment to the participants was accordingly also prescribed in a capped number of Ocado shares or shares-worth. In order for full vesting to be achieved, Ocado's share price growth had to exceed the growth of the FTSE 100 by 20% p.a. over the 5-year performance period. Over this period, Ocado's share price actually grew 31.02% p.a. compared to the FTSE 100 price index's performance of 1.79% p.a. and the GIP therefore paid out in full. The Committee recognises the continued scrutiny on executive pay, and was satisfied that the pay-out was commensurate with the strong Company performance and returns to shareholders over the period. Many Ocado colleagues were also able to share in this success through employee share schemes, such as the hugely successful Sharesave scheme that matured in November 2019, in which 15% of the workforce participated. Overall, the scheme paid out a total of over £34,000,000 to participant employees, of whom 163 participated at the maximum level and earned over £100,000 each.

The GIP was a one-off plan and there are no future awards to vest. The GIP has been replaced by the Value Creation Plan approved by shareholders at the 2019 AGM. The Committee feels that the value of awards vesting under the GIP, which was earned over a five year period, reflects the outstanding returns received by shareholders over this period and believes that these returns have arisen because of the extraordinary underlying growth and performance of the business; therefore, the Committee does not believe that there is a basis on which to seek to change the outcome. In addition, the Committee continues to believe that the salary rises to the Executive Directors were fair and reflected the substantial change in the complexity of their roles given the scale of the solutions business and its international nature both of which have materially changed the roles of all the Executive Directors.

I intend to continue regular correspondence with all shareholders, and will continue to take appropriate steps to continue to ensure that executive remuneration at Ocado is aligned to the shareholder and employee experience."

Andrew Harrison was re-elected and received the support of more than 80% of the votes cast (Resolution 10). It is the Company's understanding that the reason for those votes that were against his re-election is linked to the voting outcome of Resolution 2 and is as a result of him holding the position of Chair of the Remuneration Committee.

Notes:

- (i) Votes 'withheld' are not votes under English law and so have not been included in the calculation of whether a resolution is carried. Percentages have been rounded to two decimal places.
- (ii) As at 7.00am on 6 May 2020, the Company's issued share capital was 713,902,080 ordinary shares of 2p each admitted to trading. The Company does not hold any ordinary shares in treasury. Each ordinary share carries the right to one vote in relation to all circumstances at general meetings of the Company. Of these issued ordinary shares: (1) 1,780,997 shares are held by Yorkshire Building Society, the trustee for the Company's employee Share Incentive Plan, who must vote, at the request of a

participant, in respect of ordinary shares held by the trustee on behalf of that participant; (2) 800,675 shares are held by Wealth Nominees Limited, and 9,941,158 shares are held by Numis Nominees (Client) Ltd, both on behalf of Estera Trust (Jersey) Limited, the independent company which is the trustee of Ocado's Employee Benefit Trust (the "EBT Trustee"). The EBT Trustee has waived its right to exercise its voting rights and to receive dividends in respect of 9,941,158 ordinary shares, although it may vote in respect of 800,675 ordinary shares which have vested under the joint share ownership scheme and remain in the trust, at the request of a participant. The total of 10,741,833 ordinary shares held by the EBT Trustee are treated as treasury shares in the group's consolidated balance sheet in accordance with IAS 32 "Financial Instruments: Presentation". As such, calculations of earnings per share for Ocado exclude the 10,741,833 ordinary shares held by the EBT Trustee.

This announcement is made pursuant to the requirements of Listing Rules 9.6.2 and 9.6.18. In accordance with Listing Rule 9.6.2, a copy of resolutions 17 to 27 (as set out in the notice of Annual General Meeting), being the resolutions passed at the Annual General Meeting not concerning ordinary business, has been submitted today to the Financial Conduct Authority's national storage mechanism. This document will be available for viewing at <http://www.morningstar.co.uk/uk/NSM>.

A copy of the Annual General Meeting results will be available on Ocado's website: www.ocadogroup.com.

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