

Telefónica's General Shareholders' Meeting approves the company's management with a historic support in the year of its Centenary



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BY [TELEFÓNICA](#)

All the proposals of the company's Board of Directors were approved by the AGM with a favorable historic majority of over 99% in almost all points.

- Shareholder remuneration in 2024 will amount to €0.30 per share, with two cash payments of €0.15 in June and December. The AGM also approved the cancellation of around 1.4% of the company's treasury shares.

- Telefónica has announced the creation of an Artificial Intelligence Ethics Monitoring Committee, which will include all the company's stakeholders.

- José María Álvarez-Pallete, Chairman of Telefónica, recalled the relevance of the operator's Centenary to the company's shareholders and pledged to

continue building a Telefónica that, when we look back in 100 years' time, we can feel a similar pride to the one we feel today

Madrid, 12 April 2024. Telefónica's General Shareholders' Meeting held today in Madrid has approved all the resolutions proposed by the Board of Directors with a historic support of over 99% in almost all proposals. This includes the company's management and the shareholder remuneration policy for 2024. More specifically, the AGM gave the green light to the second tranche of the 2023 dividend, amounting to €0.15 per share in cash and to be paid next June; and to the first tranche of the 2024 dividend, also amounting to €0.15 per share in cash and payable in December. The company also has the

authorization of the AGM to cancel around 1.4% of share capital through the cancellation of own shares.

A week ahead of the company's Centenary celebrations, José María Álvarez-Pallete thanked shareholders for the trust they have placed in Telefónica. He recalled that in the last eight years alone, 19,000 million euros have been allocated to shareholder remuneration, and he pledged

to continue building a Telefónica that, when we look back in 100 years' time, we can feel a similar pride to the one we feel today

In addition, the Chairman of Telefónica expressed his gratitude to Isidro Fainé, member of the Board of Directors and re-elected at this AGM, for his valuable and permanent contribution to the company.

The other items on the agenda, also approved today, include the re-election of five directors for an additional four-year term. This is the case of Isidro Fainé, José Javier Echenique, Peter Löscher, Verónica Pascual and Claudia Sender. Also, the ratification of the appointments by co-option of Solange Sobral and Alejandro Reynal, both announced last December.

In addition, the Board approved the long-term incentive plan proposed by the Board of Directors. The plan, which is aimed to senior executives of Telefónica Group, will have a total duration of five years divided in three separate cycles. It also approved the re-election of PricewaterhouseCoopers as auditor for the 2024 fiscal year and the 2023 Annual Report on Directors' Remuneration, the latter in a consultative vote.

A better and more prepared Telefónica

Telefónica's Chairman, José María Álvarez-Pallete, detailed in his speech to the Shareholders' Meeting how the company's vision and the fulfilment of its objectives have resulted in a better and more prepared Telefónica.

Only companies that serve a purpose and feel the need to innovate, earn the right to continue serving. Telefónica is that kind of company

Álvarez-Pallete reviewed the changes undertaken since 2015 and focused on how the company has gone from 320 million to 388 million

customers, who are now more satisfied; on how revenue streams have been transformed, from 46% coming from next generation connectivity and digital products to 76% today; and on how the network has been transformed and improved to be able to cope with exponential data growth, dismantling simultaneously more than 126,000 tonnes of copper, closing 4,000 exchanges and shutting down 44% of 2G and 3G. 126,000 tonnes of copper, shutting down 4,000 exchanges or switching off 44% of 2G and 3G networks.

From a financial point of view, and also during the last eight years, Telefónica has carried out a deep capital reallocation, with a cumulative CapEx of more than 71.5 billion euros, a debt reduction of over 22 billion, an accumulated net income of more than 21 billion and a cash generation of almost 40 billion euros.

We envisioned a stronger and better prepared company for the next 100 years. We are Telefónica, we are proud of it and we are ready

, the Group Chairman stressed.

The best way to anticipate the future is by building it

José María Álvarez-Pallete reminded the Board:

The world that I anticipated eight years ago is already here today". He referred to the arrival of Artificial Intelligence and Machine Learning, the need to turn Telefónica into a platform company and the need for state-of-the-art connectivity. "I spoke to you about a fourth platform linked to customer knowledge and Artificial Intelligence, and I committed myself to building something that nobody was seeing at the time, but which we believed in,

In this context, at a time of the greatest technological change in the history of humanity, Álvarez-Pallete stressed that

Telefónica is key because it has always been part of the solution to problems through technology and through the commitment of our people

. He also talked about the importance of values, about how a world full of opportunities like today's requires new rules that, in the lack of precedents, must be governed by firm convictions.

We at Telefónica believe that the best way to anticipate that future is by building it, and this is what we are doing”, he emphasized. José María Álvarez-Pallete is referring to having made connectivity possible, so that networks are not an obstacle but an enabler; and to Artificial Intelligence and to the cognitive capacity that has been built, precisely on connectivity, to be able to offer cutting-edge services and products that will give customers the ability to improve their lives. He is also referring to the battle to achieve fair rules between all players in the world of technology, so that everyone makes their fair contribution, avoiding abusive situations. “We believe data sovereignty is part of the dignity of the individual and cannot be expropriated without fair and conscious compensation,

AI Ethics Monitoring Committee

In his speech, he also stressed the need to work together to draft a new social contract.

This is not the time of technology. It is the time of people”, he said. “We believe technology is at the service of people and not the other way around. And, for this reason, we want to be part of this new social contract and we are committed to it

, he claimed. Accordingly, he announced the forthcoming creation of an Artificial Intelligence Ethics Monitoring Committee, which will involve all the company’s stakeholders.

Telefónica’s Chairman has committed to keep the company at the forefront of technology at the service of the customer, to grow and generate value for shareholders, customers, employees and stakeholders. He extended that commitment to fight for “a fair regulation” that allows Telefónica to

compete on a level playing field, because the world that gave meaning to that regulation no longer exists”; and he also assured that the Group will keep “advancing in corporate governance best practices while maintaining Telefónica as a leader in sustainability and diversity

We understand the interest that Telefónica arouses in the investment community, we understand all the parties that want to be in Telefónica, because Telefónica is part of the future, a

future for which it has made a commitment”, he said. And he added: “We welcome those who have decided to participate in that future and, of course, we thank those who have walked the path with us, big and small, because they were able to see where they needed to be

We are entering the future. We are entering it with the peace of mind that comes from having met the financial targets we set ourselves at the beginning of 2023 and which we increased halfway through the year,” he said. And he closed his speech by referring once again to the Centenary and expressing his gratitude to employees, customers, suppliers, shareholders and to “all those who have been part of Telefónica during this incredible journey

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