

# LISTED ESG PROXY VOTING REPORT

Quarter Four: 31 March 2022



PUBLIC INVESTMENT  
CORPORATION®

Est. 1911

**Compiled by:**

**The PIC ESG Listed Team**

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# CONTENTS

Introduction .....	3
Resolutions voted against and abstention summary.....	4

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## INTRODUCTION

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The PIC Listed Investment thesis is underpinned by an unwavering commitment to Environmental, Social and Governance (ESG) demonstrated by signing up to the United Nations Principles of Responsible Investing (PRI), the United Nations Global Compact (UNGC), Code for Responsible Investing SA (CRISA), and Sustainable Development Goals (SDGs).

As part of a growing best practice drive to relate ESG management to the financial performance and growth of investor and investee companies, the PIC has embedded ESG in its investment processes, to monitor measure and report on the impact of its ESG activities.

The PIC further supports the country's developmental agenda by embracing transformation as an investment driver. As a result, the PIC requires that investments fulfill this mandate to drive the transformational strategy through the Broad Based Black Economic Amendment Act no. 46 of 2013.

In complying with Principles 2 and 6 of the PRI: *"we will be active owners and incorporate ESG issues into our ownership policies and practices"* and *"we will each report on our activities and progress towards implementing the principles."* This report was prepared to disclose our active ownership activities through proxy voting at AGMs/GMs and engagement held with investee companies.

## RESOLUTIONS VOTED AGAINST AND ABSTENTION SUMMARY:

Below is a guideline of resolutions tabled for voting at Company AGMs/GMs and reasons why the PIC did not endorse some of these resolutions:

### 1. Election of directors

The PIC does not endorse directors that have been members of the Board for a period exceeding 12 years, most particularly if the majority of the Board does not comprise majority of independent non-executive directors.

### 2. Election of audit committee members

The PIC view is that audit committee should only comprise independent non-executive members; therefore, PIC votes against audit committee members that have been on the Board for a period exceeding 12 years.

### 3. Re-appointment of auditors

The PIC supports external auditor rotation every ten years to ensure independence. The PIC is of the view that there is a need to replace auditors that have been auditors for more than ten years to uphold the principle of independence.

### 4. Approval of remuneration policy

The PIC does not support remuneration policies that are inconsistent with the PIC ESG Listed Policy. The PIC requires a comprehensive and sufficiently substantiated remuneration policy, with evidence of determination of weightings that provide measurability. Hence, the PIC will vote against remuneration policies that do not disclose strategic KPIs for STI's and LTIs lacking in the distribution of weightings with targets that are not stretching.

### 5. Approval of remuneration implementation report

The PIC votes against the implementation report as a result of not endorsing the Company's remuneration policy. Even though the implementation report does contain the details of the remuneration awarded during the reporting period, the remuneration was awarded based on principles that the PIC does not support as disclosed in the Company's remuneration policy.

## **6. Authority to issue shares for cash**

The PIC is opposed in principle to any such resolution where the limit is in excess of 5% and would instead recommend that a Company provides a fully motivated special resolution at the time the directors wish to issue new shares.

## **7. Allotment of shares**

The PIC is opposed in principle to any such resolution where the limit is in excess of 5% and would instead recommend that a Company provides a fully motivated special resolution at the time the directors wish to issue new shares.

## **8. Shares under the control of directors**

The PIC is opposed in principle to any such resolution where the limit is in excess of 5% and would instead recommend that a Company provides a fully motivated special resolution at the time the directors wish to issue new shares.

## **9. Approval of directors' fees**

The PIC does not support director's fees that are excessive relative to peers; the PIC also assesses the Company's performance relative to peers to justify the fees payable to non-executive directors.

## **10. Authority for market purchases**

The PIC is of the view that shareholders should retain the authority to decide whether to reinvest their dividends back into the company or use those dividends in other potential investment opportunities in the wider portfolio.

## **11. To renew the authority conferred on the Directors pursuant to Article 10.2 and 10.3 of the Company's Articles of the Association**

The PIC is opposed in principle to any such proposed resolution where the limit is in excess of 5% and would instead recommend that the company provide a fully motivated special resolution when the company wishes to issue shares.

## **12. Disapplication of pre-emptive rights**

The PIC is of the view that pre-emption rights should remain available to existing shareholders.

### **13. Approval of acquiring shares for incentive plans**

The PIC will not support incentive schemes that do not align management's interests with those of shareholders.

### **14. Political donations and incur political expenditure**

The PIC is of the view that there should be clear independence between companies and political parties to ensure that there is credibility in government decisions making processes with a direct impact on business to eliminate misperceptions of partiality or favour.

### **15. Abstention on proposal to adopt annual accounts**

The PIC is of the view that there is level of uncertainty as it relates to the annual accounts.

### **16. Director and non-executive director liability**

The PIC is of the view that directors should not be exempted from liability for serious reproachable conduct.

### **17. To provide financial assistance in terms of section 44 and/or 45 of the Companies Act**

The PIC is view that approval of financial assistance needs to be done so in a prudent manner taking into consideration how previous authority has been used and the financial position of the company.

### **18. Approval of B-BBEE transaction**

The PIC votes on B-BBEE transactions on a case-by-case basis taking into consideration overall dilutive impact, the structure of the transaction and the identity of the company's chosen B-BBEE partners.

### **19. Approval to actions resolutions/ General Authority**

As a result of not supporting resolutions that have been tabled.

### **20. Amendment of the Memorandum of Incorporation**

The proposed amendments to the Memorandum of Incorporation have not been sufficiently justified by the management team.



The table below provides a summary of companies where PIC voted against certain tabled resolutions, the reasons for the negative vote is reflected and explained above.

*\*The number appearing on top of certain resolutions voted against below refers to the number of the same resolutions voted against at the respective shareholders' meeting.*

Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain	Resolutions voted against
Thursday, January 20, 2022	<b>Distell Group Holdings Limited</b>	29.84	AGM	18	14	4	0	<ol style="list-style-type: none"> <li>1. Election of directors.</li> <li>2. Election of audit committee members<sup>2</sup></li> <li>3. Re-appointment of auditors.</li> </ol>
Friday, January 21, 2022	<b>EPP N.V.</b>	6.06	GM	6	0	2	4	<ol style="list-style-type: none"> <li>1. Authority to acquire shares.</li> <li>2. Cancellation of shares following the Group repurchase.</li> </ol>
Wednesday, January 26, 2022	<b>Clicks Group Limited</b>	15.79	AGM	14	10	4	0	<ol style="list-style-type: none"> <li>1. Election of directors.</li> <li>2. Election of audit committee member.</li> <li>3. Approval of remuneration policy.</li> <li>4. Approval of remuneration implementation report.</li> </ol>
Thursday, February 3, 2022	<b>Astral Foods Limited</b>	15.76	AGM	20	17	3	0	<ol style="list-style-type: none"> <li>1. Approval of remuneration policy.</li> <li>2. Approval of remuneration implementation report.</li> <li>3. Re-appointment of auditors.</li> </ol>
Friday, February 4, 2022	<b>Octodec Investments Limited</b>	4.09	AGM	19	16	3	0	<ol style="list-style-type: none"> <li>1. Approval of remuneration policy.</li> <li>2. Approval of remuneration implementation report.</li> <li>3. Shares under the control of directors.</li> </ol>
Tuesday, February 15, 2022	<b>Reunert Limited</b>	11.14	AGM	22	21	1	0	<ol style="list-style-type: none"> <li>1. Re-appointment of auditors.</li> </ol>

Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain	Resolutions voted against
Wednesday, February 16, 2022	<b>Tiger Brands Limited</b>	13.59	AGM	20	19	1	0	1. Re-appointment of auditors.
Wednesday, February 16, 2022	<b>Coronation Fund Managers Limited</b>	8.55	AGM	14	12	2	0	1. Approval of remuneration policy. 2. Approval of remuneration implementation report.
Wednesday, February 23, 2022	<b>Tharisa Plc</b>	1.54	AGM	13	7	6	0	1. Shares under the control of directors. 2. Dis-application of pre-emptive rights. 3. Issue shares for cash. 4. Approval of remuneration policy. 5. Approval of remuneration implementation report. 6. Authority to repurchase shares.
Wednesday, February 23, 2022	<b>Premier Fishing and Brands Limited</b>	18.52	AGM	20	8	12	0	1. Election of audit committee members <sup>6</sup> . 2. Shares under the control of directors. 3. Approval of remuneration policy. 4. Approval of remuneration implementation report. 5. Authority to issue shares for cash. 6. To approve inter-company financial assistance. 7. To approve financial assistance in a related or inter-related company.
Thursday, March 10, 2022	<b>Transaction Capital Limited</b>	13.09	AGM	18	17	1	0	1. Re-appointment of auditors.
Thursday, March 10, 2022	<b>Pepkor Holdings Limited</b>	4.04	AGM	34	32	2	0	1. Approval of remuneration policy. 2. Approval of remuneration implementation report.



Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain	Resolutions voted against
Thursday, March 10, 2022	<b>Ayo Technology Solutions Limited</b>	28.99	AGM	21	10	11	0	<ol style="list-style-type: none"> <li>1. Election of directors<sup>2</sup>.</li> <li>2. Election of audit committee members<sup>3</sup>.</li> <li>3. Shares under the control of directors.</li> <li>4. Authority to issue shares for cash.</li> <li>5. Approval of remuneration policy.</li> <li>6. Approval of remuneration implementation report.</li> <li>7. To approve inter-company financial assistance.</li> <li>8. To approve financial assistance in a related company.</li> </ol>
Thursday, March 17, 2022	<b>Hudaco Industries Limited</b>	9.28	AGM	15	13	2	0	<ol style="list-style-type: none"> <li>1. Approval of remuneration policy.</li> <li>2. Approval of remuneration implementation report.</li> </ol>
Friday, March 18, 2022	<b>Fortress Reit Limited A</b>	13.79	GM	2	0	2	0	<ol style="list-style-type: none"> <li>1. Amendment of the Memorandum of Incorporation.</li> <li>2. General Authority.</li> </ol>
Friday, March 18, 2022	<b>Fortress Reit Limited B</b>	11.55	GM	2	0	2	0	<ol style="list-style-type: none"> <li>1. Amendment of the Memorandum of Incorporation.</li> <li>2. General Authority.</li> </ol>
Friday, March 25, 2022	<b>Steinhoff N.V.</b>	7.78	AGM	18	9	9	0	<ol style="list-style-type: none"> <li>1. Release Managing Directors from liability.</li> <li>2. Releasing Supervisory Directors from liability.</li> <li>3. Approval of remuneration policy.</li> <li>4. Approval of remuneration implementation report.</li> <li>5. Amendment of share plan for Managing Directors.</li> <li>6. Exclude shareholders pre-emptive rights<sup>2</sup>.</li> <li>7. Issue shares with pre-emptive rights for shareholders.</li> <li>8. Acquiring shares for the long-term incentive plan.</li> </ol>
<b>Total</b>				<b>276</b>	<b>205</b>	<b>67</b>	<b>4</b>	

The table below provides a summary of companies where PIC voted in favour of all the tabled resolutions:

Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain
Tuesday, January 18, 2022	<b>Vodacom Group Limited</b>	5.01	GM	3	3	0	0
Tuesday, January 18, 2022	<b>Tongaat Hulett Limited</b>	13.78	GM	7	7	0	1
Thursday, January 20, 2022	<b>BHP Billiton Group Plc</b>	2.10	AGM	6	6	0	0
Thursday, January 20, 2022	<b>Redefine Properties Limited</b>	15.25	GM	1	1	0	1
Wednesday, January 26, 2022	<b>Life Healthcare Group Limited</b>	14.67	AGM	28	28	0	0
Monday, January 31, 2022	<b>Vukile Property Fund Limited</b>	11.51	GM	3	3	0	0
Friday, February 4, 2022	<b>Netcare Limited</b>	16.77	AGM	15	15	0	0
Wednesday, February 9, 2022	<b>Sappi Limited</b>	16.23	AGM	13	13	0	0
Thursday, February 10, 2022	<b>Barloworld Limited</b>	14.60	AGM	29	29	0	0

Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain
Wednesday, February 9, 2022	<b>Industrials Reit Limited</b>	4.36	GM	3	3	0	0
Tuesday, February 15, 2022	<b>Reunert Limited</b>	11.14	GM	3	3	0	0
Tuesday, February 15, 2022	<b>The Spar Group Limited</b>	15.71	AGM	18	18	0	0
Thursday, February 17, 2022	<b>Redefine Properties Limited</b>	15.23	AGM	20	20	0	0
Tuesday, February 15, 2022	<b>Distell Group Holdings Limited</b>	29.84	GM	5	5	0	0
Monday, February 21, 2022	<b>Dipula Income Fund Limited A</b>	20.25	AGM	21	21	0	0
Monday, February 21, 2022	<b>Dipula Income Fund Limited B</b>	14.39	AGM	21	21	0	0
Tuesday, February 22, 2022	<b>Capitec Bank Limited</b>	11.15	GM	2	2	0	0
Monday, February 28, 2022	<b>Long4Life Limited</b>	1.43	GM	2	2	0	0
Tuesday, March 15, 2022	<b>Zeder Investments Limited</b>	6.97	GM	2	2	0	0
Wednesday, March 16, 2022	<b>RFG Holdings Limited</b>	3.55	AGM	17	17	0	0
Friday, March 25, 2022	<b>Hyprop Investments Limited</b>	10.99	GM	1	1	0	0

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Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain
Total				218	218	0	0

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