

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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INTRODUCTION

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	Distell Group Holdings Limited	29.84	AGM	18	14	4	0	<ol style="list-style-type: none"> 1. Election of directors. 2. Election of audit committee members² 3. Re-appointment of auditors.
Friday, January 21, 2022	EPP N.V.	6.06	GM	6	0	2	4	<ol style="list-style-type: none"> 1. Authority to acquire shares. 2. Cancellation of shares following the Group repurchase.
Wednesday, January 26, 2022	Clicks Group Limited	15.79	AGM	14	10	4	0	<ol style="list-style-type: none"> 1. Election of directors. 2. Election of audit committee member. 3. Approval of remuneration policy. 4. Approval of remuneration implementation report.
Thursday, February 3, 2022	Astral Foods Limited	15.76	AGM	20	17	3	0	<ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Re-appointment of auditors.
Friday, February 4, 2022	Octodec Investments Limited	4.09	AGM	19	16	3	0	<ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Shares under the control of directors.
Tuesday, February 15, 2022	Reunert Limited	11.14	AGM	22	21	1	0	<ol style="list-style-type: none"> 1. Re-appointment of auditors.

Meeting Date	Company	% Shareholding	Meeting Type	Total Resolutions	For	Against	Abstain	Resolutions voted against
Wednesday, February 16, 2022	Tiger Brands Limited	13.59	AGM	20	19	1	0	1. Re-appointment of auditors.
Wednesday, February 16, 2022	Coronation Fund Managers Limited	8.55	AGM	14	12	2	0	1. Approval of remuneration policy. 2. Approval of remuneration implementation report.
Wednesday, February 23, 2022	Tharisa Plc	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	Premier Fishing and Brands Limited	18.52	AGM	20	8	12	0	1. Election of audit committee members ⁶ . 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	Transaction Capital Limited	13.09	AGM	18	17	1	0	1. Re-appointment of auditors.
Thursday, March 10, 2022	Pepkor Holdings Limited	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	Ayo Technology Solutions Limited	28.99	AGM	21	10	11	0	<ol style="list-style-type: none"> 1. Election of directors². 2. Election of audit committee members³. 3. Shares under the control of directors. 4. Authority to issue shares for cash. 5. Approval of remuneration policy. 6. Approval of remuneration implementation report. 7. To approve inter-company financial assistance. 8. To approve financial assistance in a related company.
Thursday, March 17, 2022	Hudaco Industries Limited	9.28	AGM	15	13	2	0	<ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report.
Friday, March 18, 2022	Fortress Reit Limited A	13.79	GM	2	0	2	0	<ol style="list-style-type: none"> 1. Amendment of the Memorandum of Incorporation. 2. General Authority.
Friday, March 18, 2022	Fortress Reit Limited B	11.55	GM	2	0	2	0	<ol style="list-style-type: none"> 1. Amendment of the Memorandum of Incorporation. 2. General Authority.
Friday, March 25, 2022	Steinhoff N.V.	7.78	AGM	18	9	9	0	<ol style="list-style-type: none"> 1. Release Managing Directors from liability. 2. Releasing Supervisory Directors from liability. 3. Approval of remuneration policy. 4. Approval of remuneration implementation report. 5. Amendment of share plan for Managing Directors. 6. Exclude shareholders pre-emptive rights². 7. Issue shares with pre-emptive rights for shareholders. 8. Acquiring shares for the long-term incentive plan.
Total				276	205	67	4	

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	Vodacom Group Limited	5.01	GM	3	3	0	0
Tuesday, January 18, 2022	Tongaat Hulett Limited	13.78	GM	7	7	0	1
Thursday, January 20, 2022	BHP Billiton Group Plc	2.10	AGM	6	6	0	0
Thursday, January 20, 2022	Redefine Properties Limited	15.25	GM	1	1	0	1
Wednesday, January 26, 2022	Life Healthcare Group Limited	14.67	AGM	28	28	0	0
Monday, January 31, 2022	Vukile Property Fund Limited	11.51	GM	3	3	0	0
Friday, February 4, 2022	Netcare Limited	16.77	AGM	15	15	0	0
Wednesday, February 9, 2022	Sappi Limited	16.23	AGM	13	13	0	0
Thursday, February 10, 2022	Barloworld Limited	14.60	AGM	29	29	0	0

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

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

The End

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