

LISTED ESG PROXY VOTING REPORT

Quarter Two: 30 September 2021



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 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

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

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 |
|-------------------------|---|----------------|--------------|-------------------|-----|---------|---------|---|
| Friday, 9 July 2021 | PSG Group Limited | 9.20 | AGM | 15 | 12 | 3 | 0 | 1. Election of directors. 2. Election of audit committee members ² . |
| Monday, 12 July 2021 | PSG Konsult | 2.23 | AGM | 16 | 12 | 4 | 0 | 1. Election of audit committee members ² . 2. Approval of remuneration policy. 3. Approval of remuneration implementation report. |
| Wednesday, 14 July 2021 | Zeder Investments Limited | 6.97 | AGM | 15 | 13 | 2 | 0 | 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. |
| Thursday, 22 July 2021 | Bytes Technology Group PLC | 2.99 | AGM | 17 | 11 | 6 | 0 | 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Allotment of shares. 4. Disapplication of pre-emptive rights ² . 5. Political donations and incur political expenditure. |
| Tuesday, 27 July 2021 | Mediclinic International PLC | 8.89 | AGM | 21 | 17 | 4 | 0 | 1. Political donations and incur political expenditure. 2. Allotment of shares. 3. Disapplication of pre-emptive rights ² . |
| Wednesday, 28 July 2021 | Allied Electronics Corporation Limited | 3.46 | AGM | 32 | 30 | 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 |
|--------------------------|---------------------------------------|----------------|--------------|-------------------|-----|---------|---------|--|
| Friday, 30 July 2021 | Efora Energy Limited | 86.34 | AGM | 15 | 10 | 5 | 0 | <ol style="list-style-type: none"> Allotment of shares. Authority to issue shares for cash. Authority for market repurchases. Financial assistance². |
| Friday, 30 July 2021 | Sirius Real Estate Limited | 4.45 | AGM | 20 | 15 | 5 | 0 | <ol style="list-style-type: none"> Approval of remuneration policy. Approval of remuneration implementation report. Allotment of shares. Disapplication of pre-emptive rights². |
| Friday, 30 July 2021 | Raubex Group Limited | 9.10 | AGM | 16 | 12 | 4 | 0 | <ol style="list-style-type: none"> Re-appointment of auditors. Election of directors². Election of audit committee members. |
| Friday, 30 July 2021 | Dis-Chem Pharmacies Limited | 4.38 | AGM | 15 | 12 | 3 | 0 | <ol style="list-style-type: none"> Approval of remuneration policy. Approval of remuneration implementation report. Approval of directors' fees. |
| Monday, 2 August 2021 | Investec Property Fund Limited | 5.85 | AGM | 15 | 13 | 2 | 0 | <ol style="list-style-type: none"> Allotment of shares. Re-appointment of auditors. |
| Wednesday, 4 August 2021 | Afrimat Limited | 11.28 | AGM | 31 | 29 | 2 | 0 | <ol style="list-style-type: none"> Shares under the control of directors. Authority to issue shares for cash. |
| Thursday, 5 August 2021 | Investec Limited | 11.96 | AGM | 42 | 37 | 5 | 0 | <ol style="list-style-type: none"> Approval of remuneration implementation report. Re-appointment of auditors³. Political donations and incur political expenditure. |
| Thursday, 5 August 2021 | Investec PLC | 9.95 | AGM | 42 | 37 | 5 | 0 | <ol style="list-style-type: none"> Approval of remuneration implementation report. |

| Meeting Date | Company | % Shareholding | Meeting Type | Total Resolutions | For | Against | Abstain | Resolutions voted against |
|---------------------------|----------------------------------|----------------|--------------|-------------------|-----|---------|---------|--|
| | | | | | | | | <ol style="list-style-type: none"> 2. Re-appointment of auditors³. 3. Political donations and incur political expenditure. |
| Thursday, 17 August 2021 | Balwin Properties | 1.93 | AGM | 16 | 13 | 3 | 0 | <ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Authority to issue shares for cash. |
| Tuesday, 24 August 2021 | Prosus NV | 3.02 | AGM | 17 | 12 | 5 | 0 | <ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Director and Non-Executive Directors Liability². 4. Authority to issue shares for cash. |
| Wednesday, 25 August 2021 | Telkom SA SOC Limited | 10.69 | AGM | 22 | 19 | 3 | 0 | <ol style="list-style-type: none"> 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Allotment of shares. |
| Wednesday, 25 August 2021 | Mr Price Group Limited | 14.83 | AGM | 29 | 24 | 5 | 0 | <ol style="list-style-type: none"> 1. Re-appointment of auditors. 2. Approval of remuneration policy. 3. Approval of remuneration implementation report. 4. Shares under the control of directors. 5. Authority to issue shares for cash. |
| Thursday, 26 August 2021 | Multichoice Group Limited | 13.73 | AGM | 18 | 15 | 3 | 0 | <ol style="list-style-type: none"> 1. Re-appointment of auditors. 2. Approval of remuneration policy. 3. Approval of remuneration implementation report. |
| Monday, 30 August 2021 | Karoo Limited | 0.56 | AGM | 14 | 13 | 1 | 0 | <ol style="list-style-type: none"> 1. Allotment of shares. |
| Tuesday, 31 August 2021 | Mahube Infrastructure | 36.26 | AGM | 10 | 8 | 2 | 0 | <ol style="list-style-type: none"> 1. Approval of remuneration policy. |

| Meeting Date | Company | % Shareholding | Meeting Type | Total Resolutions | For | Against | Abstain | Resolutions voted against |
|----------------------------|--|----------------|--------------|-------------------|-----|---------|---------|---|
| | | | | | | | | 2. Approval of remuneration implementation report. |
| Tuesday, 31 August 2021 | Irongate Group | 8.10 | AGM | 6 | 3 | 3 | 0 | 1. Election of directors ² . 2. Authority to issue shares for cash. |
| Tuesday, 31 August 2021 | Vukile Property Fund Limited | 11.37 | AGM | 25 | 22 | 3 | 0 | 1. Election of directors. 2. Shares under the control of directors. 3. Authority to issue shares for cash. |
| Thursday, 2 September 2021 | The Foschini Group Limited | 15.72 | AGM | 15 | 13 | 2 | 0 | 1. Election of audit committee members ² . |
| Friday, 3 September 2021 | Alexander Forbes Group Limited | 3.85 | AGM | 17 | 16 | 1 | 0 | 1. Re-appointment of auditors. |
| Monday, 6 September 2021 | Balwin Properties Limited | 1.93 | GM | 4 | 0 | 4 | 0 | 1. Authority to issue shares for cash. 2. Authority to action resolutions. 3. Approval of transaction. 4. Financial assistance. |
| Friday, 10 September 2021 | Compagnie Financiere RicheMont SA | 1.87 | AGM | 30 | 28 | 2 | 0 | 1. Director and Non-Executive Directors Liability. 2. Re-appointment of auditors. |
| Friday, 10 September 2021 | Stenprop Limited | 3.91 | AGM | 19 | 15 | 4 | 0 | 1. Approval of remuneration policy. 2. Approval of remuneration implementation report. 3. Authority to issue shares for cash ² . |
| Friday, 17 September 2021 | RMB Holdings Limited | 3.82 | AGM | 15 | 12 | 3 | 0 | 1. Election of audit committee members. 2. Approval of remuneration policy. 3. Approval of remuneration implementation report. |

| Meeting Date | Company | % Shareholding | Meeting Type | Total Resolutions | For | Against | Abstain | Resolutions voted against |
|--------------|---------|----------------|--------------|-------------------|------------|-----------|----------|---------------------------|
| Total | | | | 569 | 473 | 96 | 0 | |

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 |
|--------------------------|--------------------------------------|----------------|--------------|-------------------|-----|---------|---------|
| Thursday, 8 July 2021 | PSG Group Limited | 9.20 | GM | 4 | 4 | 0 | 0 |
| Friday, 9 July 2021 | Prosus NV | 3.02 | GM | 1 | 1 | 0 | 0 |
| Thursday, 20 July 2021 | Zambezi Platinum RF Limited | 9.82 | GM | 10 | 10 | 0 | 0 |
| Monday, 26 July 2021 | Imperial Logistics | 10.99 | GM | 3 | 3 | 0 | 0 |
| Tuesday, 27 July 2021 | Texton Property Fund | 14.18 | GM | 2 | 2 | 0 | 0 |
| Thursday, 29 July 2021 | Equites Property Fund Limited | 10.99 | AGM | 19 | 19 | 0 | 0 |
| Thursday, 29 July 2021 | Datatec Limited | 13.46 | AGM | 13 | 13 | 0 | 0 |
| Monday, 2 August 2021 | RH Bophelo Limited | 63.22 | AGM | 22 | 22 | 0 | 0 |
| Wednesday, 4 August 2021 | Ninety-One PLC | 2.85 | AGM | 32 | 32 | 0 | 0 |
| Wednesday, 4 August 2021 | Ninety-One Limited | 4.98 | AGM | 32 | 32 | 0 | 0 |

| Meeting Date | Company | % Shareholding | Meeting Type | Total Resolutions | For | Against | Abstain |
|----------------------------|--|----------------|--------------|-------------------|-----|---------|---------|
| Wednesday, 4 August 2021 | Fortress Reit Limited (FFA) | 13.31 | GM | 2 | 2 | 0 | 0 |
| Wednesday, 4 August 2021 | Fortress Reit Limited (FFB) | 11.19 | GM | 2 | 2 | 0 | 0 |
| Wednesday, 4 August 2021 | Fortress Reit Limited (FFA & FFB) | 22.28 | GM | 2 | 2 | 0 | 0 |
| Wednesday, 18 August 2021 | Nepi Rockcastle PLC | 9.73 | AGM | 17 | 17 | 0 | 0 |
| Thursday, 26 August 2021 | Delta Property Fund Limited | 9.49 | AGM | 13 | 13 | 0 | 0 |
| Thursday, 2 September 2021 | Capital Appreciation Limited | 25.45 | AGM | 16 | 16 | 0 | 0 |
| Thursday, 9 September 2021 | Storage Prop Reit Limited | 12.63 | AGM | 15 | 15 | 0 | 0 |
| Friday, 10 September 2021 | Tongaat Hullet Limited | 13.78 | AGM | 15 | 15 | 0 | 0 |
| Friday, 10 September 2021 | Imperial Logistics Limited | 10.99 | GM | 3 | 3 | 0 | 0 |

| Meeting Date | Company | % Shareholding | Meeting Type | Total Resolutions | For | Against | Abstain |
|------------------------------|---------------------------|----------------|--------------|-------------------|------------|----------|----------|
| Wednesday, 22 September 2021 | Omnia Holdings | 15.63 | AGM | 18 | 18 | 0 | 0 |
| Wednesday, 29 September 2021 | Lighthouse Capital | 1.58 | GM | 6 | 6 | 0 | 0 |
| Total | | | | 247 | 247 | 0 | 0 |

The End

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