



LISTED INVESTMENTS

ENVIRONMENTAL SOCIAL AND GOVERNANCE QUARTERLY REPORT

31 MARCH 2017

INTRODUCTION

The PIC Listed Investment thesis is underpinned by a commitment to Environmental, Social and Governance (ESG) demonstrated by signing up to the United Nations Principles of Responsible Investing (“PRI”) and the United Nations Global Compact (“UNGC”).

As the PIC believes a strong commitment to the highest standards of business practices and ethics is essential while introducing ESG considerations in business decisions it is without a doubt important in creating value for its clients and to developing a more sustainable long-term strategy. In this way, long-term returns for both investors and investee companies may be improved. This is 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 investment approval processes, to 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. The purpose of this report is to outline the anticipated social impact and ESG measurements for the investments that have been concluded on behalf of the PIC Clients with specific emphasis on the proxy voting undertaken for the period encompassing January 2017 to March 2017.

PROXY VOTING

The following table lists all the company meetings held during the months of January 2017 to March 2017 where the PIC exercised voting rights on behalf of the Clients. The table below gives a detailed illustration of the voting for the reporting period.

PROXY VOTING RESULTS REPORT

The below table provides a detailed explanation of all the Votes where the PIC exercised its clients rights with reasons for voting against and abstentions.

DATE OF MEETING	COMPANY NAME	SHARE CODE	% HOLDING	TYPE OF MEETING	TOTAL RESOLUTIONS	FOR	AGAINST	ABSTAIN	REASONS FOR VOTING AGAINST RESOLUTIONS	MEETING OUTCOME
1. Friday, 20 January 2017	Alexander Forbes Group Holdings Limited	AFH	6.04	GM	4	4	0	0		All resolutions were passed by the requisite majority of shareholders
2. Monday, 23 January 2017	Emira Property Fund Limited	EMI	9.82	GM	1	1	0	0		The special resolution was passed by the requisite majority of shareholders
3. Monday, 23 January 2017	Redefine International P.L.C.	RPL	2.38	AGM	20	19	1	0	1. To authorise Directors to allot Ordinary Shares up to the limits set out in the notice of AGM - The Company's general authority to allot shares is more than PIC's general limit of 5%	All resolutions were duly passed by the requisite majority of shareholders.
4. Tuesday, 24 January 2017	Super Group Limited	SPG	13.68	GM	2	2	0	0		All resolutions were duly

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										passed by the requisite majority of shareholders.
5. Wednesday, 25 January 2017	Arrowhead Properties	AWA	10.09	AGM	18	16	1	1	<p>1. Re-election of G. Leissner as director - The Director passed on before the AGM.</p> <p>2. Non-binding advisory vote on remuneration policy - The information provided is not sufficient to assess the full structure and components of the policy. There are no KPIs, targets, measures and weightings.</p>	All resolutions were duly passed by the requisite majority of shareholders.
6. Wednesday, 25 January 2017	Life Healthcare Group Holdings	LHC	11.61	AGM	18	18	0	0		All resolutions were duly passed by the requisite majority of shareholders
7. Thursday, 26 January 2017	Clicks Group Limited	CLS	15.03	AGM	11	10	1	0	<p>1. Election of member of Audit and Risk Committee: David Nurek- PIC questions</p>	All resolutions were passed by the

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									the independence of the director since he has been on the board for more than 12 years	requisite majority of shareholders
8. Friday, 26 January 2017	Lonmin PLC	LON	9.38	AGM	16	14	2	0	<p>1. To appoint KPMG LLP as the Company's auditors - PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. To authorise Directors to allot shares- The Company's general authority to allot shares is more than PIC's general limit of 5%</p>	All the ordinary resolutions as set out in the notice of the AGM were duly passed.
9. Friday, 27 January 2017	Octodec Investments Limited	OCT	5.85	AGM	18	15	3	0	<p>1. To approve the re-appointment of the audit committee member: Myron Pollack - PIC questions the independence of the director since he has been on the board for more than 12 years.</p> <p>2. To approve the re-appointment of auditors -</p>	All resolutions were duly passed by the requisite majority of shareholders

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									PIC questions the independence of the audit firm which has been with the Company for more than 10 years. 3. To approve the remuneration philosophy by way of a non-binding advisory vote - The information provided is not sufficient to assess the full structure and components of the policy. There are no KPIs, targets, measures and weightings.	
10. Wednesday, 1 February 2017	Nampak Limited	NPK	9.43	AGM	12	11	1	0	1. To appoint the external auditors - PIC questions the independence of the audit firm which has been with the Company for more than 10 years.	All resolutions were duly passed by the requisite majority of shareholders
11. Friday, 3 February 2017	Netcare Limited	NTC	14.06	AGM	14	11	3	0	1. Re-appointment of auditors - PIC questions the independence of the audit firm which has been with the Company for more than 10 years.	All the resolutions were duly passed by the requisite

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									<p>2. Re-appointment of retiring director: APH Jammie - PIC questions the independence of the director since he has been on the board for more than 12 years.</p> <p>3. Appointment of Audit Committee members: APH member - PIC questions the independence of the director since he has been on the board for more than 12 years.</p>	majority of votes.
12. Tuesday, 7 February 2017	The Spar Group Limited	SPP	12.52	AGM	12	12	0	0		<p>All the resolutions set out were approved by the requisite majority of Shareholders present or represented by proxy.</p>
13. Wednesday, 8 February 2017	Barloworld Limited	BAW	13.10	AGM	24	21	3	0	1. Re-election of Adv DB Ntsebeza SC - PIC questions the independence	All the resolutions proposed

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									<p>of the director since he has been on the board for more than 12 years</p> <p>2. To appoint the external auditors - PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>3. Non-binding advisory vote on remuneration policy – The remuneration policy is inconsistent with best practice. There are no changes in the current policy, although last year PIC mentioned that the key performance indicators (KPIs) for the LTI should be strengthened and both the STI and LTI KPI's should be weighted.</p>	were approved by the requisite majority of votes
14. Wednesday, 8 February 2017	Sappi Limited	SAP	12.67	AGM	17	13	4	0	<p>1. Re-election of Dr Deenadaylen Konar (Len) – PIC questions the independence of the director since he has been on the board for more than 12 years</p> <p>2. Election of Dr D Konar as chairman of the Audit Committee - PIC questions</p>	All the resolutions tabled thereat were passed by the requisite majority of shareholders.

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									<p>the independence of the director since he has been on the board for more than 12 years</p> <p>3. The placing of all ordinary shares required for the purpose of carrying out the terms of The Sappi Limited Performance Share Incentive Plan under the control of directors to allot and issue in terms of the Plan – The Company’s general authority to issue and allot shares is more than PIC’s general limit of 5%</p> <p>4. The authority of any subsidiary of Sappi to sell and transfer to Sappi Limited Share Incentive Scheme and The Sappi Limited Performance Incentive (collectively the Schemes such as may be required for the purposes of the Schemes - The Company’s general authority to sell and transfer shares is more than PIC’s general limit of 5%</p>	

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15. Thursday, 9 February 2017	Astral Foods Limited	ARL	12.40	AGM	18	16	2	0	<p>1. To reappoint PWC Inc. as auditors for the 2017 financial year – PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. To endorse the Company's remuneration's policy and its implementation – The remuneration policy is inconsistent with best practice. The Company's KPI's are financial in nature lacking non-financial indicators.</p>	All the ordinary and special resolutions as set out in the notice of annual general meeting to shareholders were approved by the requisite majority of shareholders
16. Thursday, 9 February 2017	Pan African Resources PLC	PAN	2.71	GM	3	3	0	0		All resolutions were duly passed by the requisite majority of votes
17. Thursday, 9 February 2017	Redefine Properties Limited	RDF	11.91	AGM	17	17	0	0		All resolutions were duly passed by the requisite

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										majority of votes
18. Thursday, 9 February 2017	Rhodes Food Group Holdings Limited	RFG	7.35	AGM	14	10	4	0	<p>1. Re-appointment of the independent registered auditor – PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. Endorsement of the remuneration policy – The remuneration policy is inconsistent with best practice. There are no weightings and sustainability indicators.</p> <p>3. Control of authorised but unissued ordinary shares – No details were provided on the number of shares to be put under the control of the Directors. The PIC's general limit is 5%.</p> <p>4. Approval to issue ordinary shares – The percentage of the ordinary shares to be issued is more than PIC's general limit of 5%.</p>	All the resolutions as set out in the notice of the annual general meeting were approved by the requisite majority of votes.

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19. Friday, 9 February 2017	Pioneer Foods	PFG	7.94	AGM	16	14	2	0	<p>1. To confirm the re-appointment of PWC Inc. as auditor for the ensuing year on the recommendation of the Audit Committee: PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. Non-binding endorsement of Pioneer Food's remuneration policy – The remuneration policy is inconsistent with the best practice. There is no disclosure of weightings on financial indicators. Furthermore, the LTI comprises HEPS only. PIC requires Companies to disclose multiple performance indicators to avoid manipulation of results and poor business decisions.</p>	All resolutions were duly passed by the requisite majority of votes.
20. Monday, 13 February 2017	Reunert Limited	RLO	11.04	AGM	19	17	2	0	<p>1. Re-appointment of the external Auditors: Deloitte and JAR Welch – PIC</p>	All resolutions were duly

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									<p>questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. Endorsement of Reunert's remuneration policy – The remuneration policy is inconsistent with best practice. There is lack of disclosure of specific weightings for the KPI's.</p>	passed by the requisite majority of votes.
21. Thursday, 14 February 2017	Coronation Fund Managers	CML	9.53	AGM	15	13	2	0	<p>1. Non-binding advisory vote to endorse the Company's remuneration policy – The remuneration policy is inconsistent with best practice. There is lack of disclosure of KPI's, targets and weightings</p> <p>2. To adopt a new MOI for the Company in replacement of the current MOI – The PIC is of the view that the amendment goes against the principle of transparency. The proposed addition may be prejudicial</p>	All resolutions were duly passed by the requisite majority of votes

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									even to persons who hold beneficial interests as by excluding the rest of the provisions of section 26, the rights of access set out in sections 26 (7) to obtain access in accordance with the Constitution, PAIA and any other law are excluded. We would therefore prefer that the Company should strive for the application of the entire provisions of section 26.	
22. Tuesday, 14 February 2017	Trustco Group Holdings Limited	TTO	0.44	GM	2	0	2	0	<p>1. Approval of the specific repurchase – The shares are currently priced at R4.15 and the Company wants to repurchase them at R4.80</p> <p>2. Authority granted to directors – As we have voted against the above resolution we don't give directors authority to sign above.</p>	All the resolutions were duly approved by the requisite majority of Shareholders present and voting, in person or represented by proxy.
23. Thursday, 16 February 2017	Dipula Income Fund Limited	DIA	16.45	AGM	14	14	0	0		All resolutions proposed at the AGM were duly passed.

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24. Thursday, 16 February 2017	Dipula Income Fund Limited	DIB	22.99	AGM	14	14	0	0		All resolutions proposed at the AGM were passed.
25. Thursday, 16 February 2017	Oceana Group Limited	OCE	3.97	AGM	15	12	3	0	<p>1. Re-appointment of Deloitte & Touch as auditor – PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. Election of S Panther as Audit Committee member - PIC questions the independence of the director since he has been on the board for more than 12 years</p> <p>3. Non-binding advisory vote: Approval of remuneration policy – The remuneration policy is inconsistent with best practice. There is no clear disclosure on the STI weightings distribution. Furthermore, there is only one performance indicator (TSR) for LTI. PIC requires</p>	All resolutions were passed by the requisite majority of Shareholders present in person or represented by proxy.

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									companies to disclose multiple indicators to avoid manipulation of the results and poor business decision making	
26. Thursday, 17 February 2017	MAS Real Estate INC	MSP	0.62	AGM	9	5	4	0	<p>1. Authorization for the implementation of a share incentive scheme – The Company’s authorization of the implementation of the Share Incentive Scheme is inconsistent with best practice.</p> <p>2. General Authority to issue shares for cash pursuant Article 3.12.1(e) of the new articles of association - Percentage of shares proposed exceeds PIC’s general limit of 5%.</p> <p>3. General Authority to issue shares for cash pursuant Article 3.10.2.3(e) of the new articles of association - Percentage of shares proposed exceeds PIC limit of 5%.</p> <p>4. General Authority to issue shares for cash pursuant Article 3.10.2.4(e)</p>	All resolutions were passed by the requisite majority of Shareholders present in person or represented by proxy.

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									of the new articles of association - Percentage of shares proposed exceeds PIC limit of 5%.	
27. Tuesday, 21 February 2017	Tiger Brands Limited	TBS	10.95	AGM	20	18	2	0	<p>1. To reappoint Ernst & Young Inc, as external auditors of the Company – PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. To consider and approve, by way of non-binding advisory vote, the Company's remuneration policy – The remuneration policy is inconsistent with best practice. There is lack of alignment of the strategic component to the STI.</p>	All the ordinary and special resolutions as set out in the notice of the AGM were duly passed
28. Wednesday, 22 February 2017	EOH Holdings Limited	EOH	10.31	AGM	17	17	0	0		All the resolutions as set out in the notice of Annual General Meeting were

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										passed by the requisite majority
29. Thursday, 2 March 2017	Transactional Capital Limited	TCP	2.87	AGM	18	17	1	0	1. Non-binding advisory vote on remuneration policy – The remuneration policy is inconsistent with best practice. The KPI's for STI are not clearly stipulated. There are also no weightings and targets. Furthermore, LTI has only one indicator and the target is not stretching.	All resolutions were duly passed by the requisite majority of shareholders
30. Thursday, 9 March 2017	Brimstone Investment Corporation Limited	BRN	1.65	GM	2	2	0	0		All resolutions were duly passed by the requisite majority of shareholders
31. Friday, 10 March 2017	Echo Polska Properties N.V	EPP	0.23	GM	3	0	3	0	1. Delegation of authority to the board to issue ordinary shares and/or grant rights to subscribe for ordinary shares - Percentage of shares	All resolutions were duly passed by the requisite majority of shareholders

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									<p>proposed exceeds PIC limit of 5%.</p> <p>2. Delegation of authority to the board to restrict and/or exclude pre-emption rights in respect of an issue of ordinary shares and/or grant of rights to subscribe for ordinary share - Percentage of shares proposed exceeds PIC limit of 5%.</p> <p>3. Delegation of authority to the board to issue ordinary shares for cash - Percentage of shares proposed exceeds PIC limit of 5%.</p>	
32. Tuesday, 14 March 2017	Steinhoff International Holdings N.V	SNH	8.11	AGM	13	11	2	0	<p>1. Authorization of Management Board to issue shares - Percentage of shares proposed exceeds PIC limit of 5%.</p> <p>2. Authorization of Management Board to limit or exclude pre-emption rights - Percentage of shares proposed exceeds PIC limit of 5%.</p>	All resolutions were duly passed by the requisite majority of shareholders

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33. Thursday, 16 March 2017	Ascension Properties Limited	AIA	1.77	GM	3	3	0	0		All resolutions were duly passed by the requisite majority of shareholders
34. Monday, 27 March 2017	Alexander Forbes Group Holdings Limited	AFH	4.31	GM	2	2	0	0		All resolutions were duly passed by the requisite majority of shareholders
35. Wednesday, 29 March 2017	Aveng Limited	AEG	8.29	GM	2	2	0	0		All resolutions were duly passed by the requisite majority of shareholders
36. Wednesday, 29 March 2017	Consolidated Infrastructure Group Limited	CIL	0.26	AGM	18	14	4	0	1. Control over unissued shares for cash – Percentage of shares proposed exceeds PIC limit of 5%.	All resolutions were duly passed by the requisite

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									<p>2. General authority to issue shares for cash - Percentage of shares proposed exceeds PIC limit of 5%.</p> <p>3. Approval of the remuneration policy – The remuneration policy is inconsistent with best practice. The STI lacks disclosure of KPI's as well as weightings for both financial and non-financial indicators. There is also lack of weightings and stretched targets</p> <p>4. Allotment and issue of shares or options to directors and prescribed officers pursuant to the Consolidated Infrastructure Group Limited 2014 Share Plan – The Share Plan has performance conditions but there are no weightings.</p>	majority of shareholders.
37. Wednesday, 29 March 2017	ENX Group Limited	ENX	0.96	AGM	23	21	2	0	1. Approval of the non-executive director's remuneration for their	All resolutions were duly

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									<p>services – The Chairman’s fee has been significantly increased from R397 799 to R1 300 000 which is above peers</p> <p>2. Non-binding approval of the Remuneration Policy – The remuneration policy is inconsistent with best practice. Although it has KPI’s, there are no performance targets and weightings for STI. The LTI is not well articulated, it lacks KPI’s, measures, weightings and targets</p>	passed by the requisite majority of shareholders
38. Wednesday, 29 March 2017	Hudaco Industries Limited	HDC	8.56	AGM	14	12	2	0	<p>1. To approve re-appointment of external auditors - PIC questions the independence of the audit firm which has been with the Company for more than 10 years</p> <p>2. Endorsement of Hudaco’s remuneration policy – The remuneration policy is inconsistent with</p>	All resolutions were duly passed by the requisite majority of shareholders

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									best practice. There is lack of disclosure of non-financial indicators	
TOTAL VOTES					478	421	56	1		