

GEPF: Proxy Voting: October to December 2012

October 2012

Date of Meeting	Company Name	Share Code	Percentage Holding	Type of Meeting	Number of Resolutions	For	Against	Abstain	Explanation:
15 October 2012	Vunani Properties	VPF	7.55	AGM	13	13			
15 October 2012	Medi-Clinic	MDC	7.85	GM	2	2			This meeting dealt only with Medi-Clinic acquiring 100% of the Dubai operations of which they hold 50% already.
23 October 2012	Afgril Limited	AFR	6.08	AGM	12	11	1		Voted against the remuneration policy of the company as there are no performance conditions and targets set out in the policy with regards to both long and short term incentive schemes.
24 October 2012	Telkom Limited	TKG		AGM	19	4			The PIC does not want to publicly

discuss individual board members when it deals with personal issues, but we can state that issues such as the share price of Telkom (down by 44% in the last 12 months) and an apparent lack of strategic direction of the company, raised concerns about the oversight role of the board and the PIC voted against non-executives whom we deemed could create space in the board for the requisite skills given the challenges that Telkom is faced with at the moment.

PIC also did not support the proposed share scheme. In principle PIC prefers share schemes as it provides some alignment to executive management and shareholder objectives. However, in Telkom's case, the PIC is concerned about the low strike price and the transparency around choice of recipients and performance targets –

Telkom's rewarding value destruction is well documented and the concerns are vindicated by the remuneration/bonuses in the last financial year. We have given indication to management that we will like further discussion with them around the share scheme.

PIC also did not did not endorse the remuneration policy based on the grounds of what we believe to be excessive bonuses paid. There is also a lack of transparency in the remuneration report in that it mentioned another 32 employees who in total earned remuneration amounting to R55 865 645 during the 2012 financial year. There is no further details on these individual employees.

25 October 2012	Peregrine Holdings	PGR	3.80	AGM	15	11	4		<p>Voted against the re-election of the chairman of the board as well as the election of audit committee members. There is a lack of independence on the board and the non-executive directors have a deferred share incentive scheme. This is in direct violation of the principles of King III which are against any form of share payments for non-executive directors. Also voted against a resolution requesting the re-pricing of share options for participants in share incentive schemes. King III is against the re-pricing of shares and in this case it would have been a re-pricing on the upside. In line with this there was also a vote against the re-purchase of shares by the company as it might unnaturally cause an increase in the share price benefiting the participants in the share option schemes.</p>
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25 October 2012	Impala Platinum	IMP	11.20	AGM		10	10		
26 October 2012	Sentula Mining	SNU	4.98	AGM		12	11	1	Voted against the company's remuneration policy. The policy deals in detail with targets and weights related to BEE and safety, health and environmental issues, however, there is no disclosure on financial and performance KPI's.
29 October 2012	Shoprite Holdings	SHP	14.18	AGM		21	17	4	Voted against the re-election of Mr Fouche as we questioned his independence. He has been on the board for 21 years. Voted against the election of Mr Louw and Mr Malherbe for the audit committee as both of them have served on the board for more than 9 years in line with King III. Mr Louw has been a board member for 23 years and Mr Malherbe for 14 years. Voted against the remuneration policy. The remuneration policy does not specify any targets for the KPI's and we also

believe that, although the company performs very well financially, the CEO's basic salary of R40.6 million is excessive.

29 October 2012	Murray and Roberts	MUR	13.5912	AGM	15	15			
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November 2012

Date of Meeting	Company Name	Share	Percentage	Type of	Number of			Explanation:
		Code	Holding	Meeting	Resolutions	For	Against	
2 November 2012	Imperial Holdings	IPL	14.44	AGM	13	13		
2 November 2012	AVI Holdings	AVI	13.73	AGM	19	19		
5 November 2012	Northam Platinum	NHM	18.03	AGM	16	13	3	Voted against the re-election of Mr Becket as well as his election for the audit committee. His audit and risk committee meeting attendance has been only 60% including two meetings by teleconference. His attendance in previous years also varies between 60% and 80%. He is 77 years old and he has been on the board for 13 years. Voted against the remuneration policy there are no targets dealing with KPI's especially with regards to safety, health and the environment.
6 November 2012	Group Five	GRF	10.26	AGM	12	12		
7 November 2012	Wilson Baily Holmes Ovcon	WBO	12.26	AGM	16	14	2	Voted against the remuneration policy as it lacks clear performance targets

									and KPI's. Voted against the placing of unissued shares under the control of the directors as the number of shares was not limited and it was a general authority with no motivations.
8 November 2012	Truworths International	TRU	13.39	AGM	21	21			Voted against the general authority for the company to repurchase its own shares.
8 November 2012	Aveng	AEG	14.34	AGM	17	16	1		Voted against the remuneration policy as it does not have clearly defined targets.
13 November 2012	Growthpoint Properties	GRT	23.32	AGM	19	18		1	Abstained from the special resolution dealing with the remuneration of the non-executive directors. The chairman's fee was increased by 80% from R500k to R900k. Compared to its peers the board fees of GRT is significantly higher.
13 November 2012	Eqstra	EQS	12.29	AGM	18	17	1		Voted against the remuneration policy as it lacks performance targets.
14 November 2012	KAP International	KAP	3.09	AGM	29	26	3		Voted against the adoption of a new KAP Performance Share Rights

Scheme as it would allow only executive committee members to share in up to 10% of the current share capital of the company. Ten percent for only the executive committee is very high. Voted against the general authority to issue shares for cash. Voted against the remuneration policy as it lacks clear performance targets.

15 November 2012	City Lodge Hotels	CLH	5.3	AGM	26	25	1	Voted against the remuneration policy as it lacks clear performance targets.
15 November 2012	Woolworths	WHL	13.95	AGM	19	19		
19 November 2012	Cashbuild	CSB	5.89	AGM	13	13		
19 November 2012	Lonmin	LON	4.66	EGM	1	1		This resolution dealt with the Lonmin rights issue.
20 November 2012	Rainbow Chicken	RBW	1.66	AGM	19	14	5	Voted against the adoption of new conditional share plan as no performance conditions are stated. Thereafter voted against three other resolutions that dealt with the implementation of the conditional

								share plan (authority to issue the options, authority to render financial assistance to participants and authority to render financial assistance to “certain categories” of persons). Also voted against a general authority over unissued shares.
20 November 2012	Amalgamated Appliances	AMA	0.60	AGM	20	19	1	Voted against the remuneration policy as no clear performance targets are disclosed. The long term incentives are also not clearly stated.
21 November 2012	Massmart	MSM	5.61	AGM	16	14	2	Voted against Mr Seabrooke as audit committee member. Mr Seabrooke is the lead independent director, however, we question his independence as he has been on the board for 12 years. He also serves as chairman of a private company where the chairman of the Massmart board is the CEO. We also voted against the authority for Massmart to buy back its own shares as this will strengthen the

									voting power of Walmart, the controlling shareholder.
22 November 2012	Country Bird	CBH	0.05	AGM	14	12	2		Voted against the election of the members of the audit committee as it did not comprise of a majority of independent non-executive directors. Further to this, the chairman, in terms of King III should not be a member of the audit committee. Mr Kent who is chairman of the board is also a member of the audit committee. Voted against the remuneration policy as it has very little information disclosed and there are no performance targets.
23 November 2012	Ceramic Industries	CRM	0.85	AGM	20	20			
23 November 2012	Petmin	PET	3.13	AGM	14	14			
23 November 2012	Rand Merchant Insurance	RMI	7.34	AGM	15	13	2		Voted against placing unissued shares under the control of the directors as well as a general authority to issue shares for cash.
23 November 2012	RMB Holdings	RMH	10.43	AGM	15	11	4		Voted against placing of shares under

the directors' authority and a general authority to issue same for cash. Voted against Mr Dreyer and Mr Goss for election of members of the audit committee. We question both of these directors independence as they have served on the board for 25 years.

26 November 2012	MMI Holdings	MMI	7.39	AGM	41	39	2	Voted against the election of Mr Truter as member of the audit committee. We question his independence as he has been on the board as executive director (CFO) since 1998 – 2007. Since 2007 he is a non-executive director. Also voted against the remuneration policy. We regard the CEO's remuneration of more than R18 million as excessive for a company that is retrenching people due to the amalgamation of Momentum and Metropolitan. We also question the disclosure of his remuneration as some payments are
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									“bonus” payments and other “performance” payments.
26 November 2012	Metrofile	MFL	3.02	AGM	13	11	2		Voted against the remuneration policy as there are no clear performance targets. Voted against the non-executive directors’ fees as it was seen as high compared to other companies with the same market capitalisation.
27 November 2012	Supergroup	APG	13.40	AGM	15	14	1		Voted against the remuneration policy as there is no performance targets disclosed for the short term incentive plan.
27 November 2012	Bidvest Group	BVT	13.97	AGM	23	21	1	1	Voted against the election of Mr Mason as member of the audit committee. Mr Mason has been on the board for 20 years and we question his independence. Abstained from the re-election of the chairman. Mr Ramaphosa, as his board attendance is poor (on average attending only 60% of meetings).
27 November 2012	Remgro	REM	14.87	AGM	19	19			

28 November 2012	Harmony Gold	HAR	6.36	AGM	14	14			
29 November 2012	Firststrand	FSR	10.97	AGM	17	17			
29 November 2012	Blue Label Telecoms	BLU	1.87	AGM	17	14	3		Voted against the general authority of directors over the company's shares and the issuing thereof for cash. Also voted against the remuneration policy as no clear performance targets are disclosed.
30 November 2012	DRD Gold	DRD	2.64	AGM	14	10	4		Voted against the general authority to issue shares for cash. Voted against the remuneration policy as it does not have clearly stated targets. Also voted against the directors' authority to issue shares at a discount and the remuneration of the non-executive directors as DRD's remuneration is not in line with its peers.

December 2012

Date of Meeting	Company Name	Share	Percentage	Type of	Number of			Explanation:	
		Code	Holding	Meeting	Resolutions	For	Against		Abstain
3 December 2012	Steinhoff International	SHF	13.80	AGM	30	29	1		Voted against the remuneration policy as it does not have stated performance targets.
4 December 2012	Caxton and CTP Printers and Publishers	CAT	0.32	AGM	15	14	1		Voted against general authority to issue shares for cash.
4 December 2012	Discovery Holdings	DSY	7.97	GM	3	3			This meeting dealt with the adoption of the company's memorandum of incorporation.
4 December 2012	Discovery Holdings	DSY	7.97	AGM	14	12	2		Voted against the re-election of Mr Mufamadi. His board attendance is very poor (50% 2012 and 66% 2011). Voted against the remuneration policy as it does not state clear performance targets.
4 December 2012	Aspen Pharmacare	APN	10.53	AGM	17	16	1		Voted against placing the shares under the control of the directors and to issue same for cash.

4 December 2012	Synergy Income Fund	SGA	0.32	AGM	8	8			
4 December 2012	JD Group	JDG	6.25	AGM	28	27	1		Voted against the remuneration policy as it does not have clear KPI's and no specific performance targets are stated.
7 December 2012	African Rainbow Minerals	ARI	6.73	AGM	21	19	2		Voted against the retainer fees of the non-executive directors as well as the per meeting fees as it is significantly higher than that of its peers.
14 December 2012	Dawn Distribution and Warehousing	DAW	2.92	AGM	15	15			