

Engagement and Voting Issues

2016

Attached below is an explanation of company resolutions Aeon Investment Management voted against over the period. Aeon Investment Management uses the principles outlined in the UNPRI, CRISA and the King 3 as a voting guideline on proposed resolutions. Our Proxy Voting Policy procedure is also available on our website to further supplement our voting rationale:

Date	Stock	Resolutions	For	Against	Abstain	Reasons for voting against	AGM Results
03-Feb-16	Barloworld Ltd	26	25	1	-	Most resolutions were voted "FOR", but a resolution re-electing a director was voted "AGAINST" as the director only attended less than 60% of meetings without any reason supplied.	All resolutions passed.
27-Apr-16	British American Tobacco	24	19	5	-	Most resolutions were voted "FOR", but we voted "AGAINST" the director's remuneration policy as the CEO and Financial Director could earn up to 7.5x and 5.4x their salary respectively as incentives and "AGAINST" the authority to allow directors to make political donations.	All resolutions passed. But it should be noted that the resolution regarding the authorisation to issue shares by directors passed with 82% of the votes in favour.
04-May-16	AngloGold Ashanti Ltd	22	18	4	-	Most resolutions were voted "FOR", but we voted "AGAINST" the reappointment of Ernst & Young as auditors as they have exceeded the audit tenor of ten years and we voted "AGAINST" authorising the directors to issue shares as no detail was given for the motive or the maximum percentage for the year.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 87% of the votes in favour.
04-May-16	Intu Properties	20	19	1	-	Most resolutions were voted "FOR", but we voted "AGAINST" authorising the directors to issue shares equivalent up to one-third of existing issued shares. We consider it excessive. 10% would be acceptable.	All resolutions passed. But it should be noted that the resolution regarding the authorisation to issue shares by directors passed with 79% of the votes in favour.
12-May-16	Mondi Ltd	35	35	-	-	We voted in favour of all resolutions.	All resolutions passed. But it should be noted that the resolution regarding the authorisation to issue shares by directors passed with 84% of the votes in favour.

25-May-16	MTN Group Ltd	16	12	4	-	Most resolutions were voted "FOR", but we voted "AGAINST" the reappointment of the joint auditors PwC and Sizwee Ntsaluba Gobodo. Independence of both auditors are questioned and prefer that the approval of auditors be sought separately. We voted "AGAINST" the remuneration policy for awarding the former CEO of MTN a bonus for resigning after the company was fined from Nigerian Regulators for non-compliance. We also prefer that the director fees for the different committees be given as separate resolutions to be voted on. We voted "AGAINST" providing financial assistance to subsidiaries.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 68% of the votes in favour.
26-May-16	Standard Bank Group Ltd	31	27	4	-	Most resolutions were voted "FOR", but we voted "AGAINST" the reappointment of KPMG and PwC as joint auditors as they have exceeded the audit tenor of ten years. We voted "AGAINST" the remuneration policy Joint CEOs got a pay rise of 43% when EPS only increased by 27% and DPS up by 13%. We also voted "AGAINST" the international director fee as compared to local director's fee was found to be approximately 4 times higher.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 84% of the votes in favour.
01-Jun-16	Santam Ltd	18	16	2	-	Most resolutions were voted "FOR", but we voted "AGAINST" the re-election of a director due to poor meeting attendance of 25% without motive. We also voted "AGAINST" a director who has been serving on the board for more than 9 years, as such there is concerns of independence.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 87% of the votes in favour.
02-Jun-16	Mpact Ltd	27	27	-	-	We voted in favour of all resolutions.	All resolutions passed.
11-Jul-16	Eqstra Holdings Ltd (GM)	2	2	-	-	We voted in favour of all resolutions.	All resolutions passed.
25-Jul-16	Sovereign Food Investments Ltd (GM)	5	5	-	-	We voted in favour of all resolutions.	The GM was adjourned to 17 Oct. 2016 and then adjourned again to the 6 Jan. 2017.
01-Aug-16	PPC Ltd (GM)	5	5	-	-	We voted in favour of all resolutions.	All resolutions passed.
04-Aug-16	Sovereign Food Investments Ltd	10	8	2	-	Most resolutions were voted "FOR", but we voted "AGAINST" the re-election of C. Davies due to his tenure on the board and we voted against the remuneration policy as SOV stated they would not increase the basic salary but SOV did increase it and there were excessive performance bonuses proposed to be paid.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 66.8% of the votes in favour and the general authority to repurchase shares only passed with 73% of the votes in favour.
15-Aug-16	Aspen Pharmacare Holdings Ltd. (GM)	2	1	1	-	Most resolutions were voted "FOR", but we voted "AGAINST" a director as we are concerned with his independence. We also voted against the company remuneration policy.	All resolutions passed.

16-Aug-16	Remgro Ltd. (GM)	4	4	-	-	We voted in favour of all resolutions.	All resolutions passed. But it should be noted that the resolution regarding the general authority to directors to issue shares only passed with 70.1% of the votes in favour and the authority to issue B ordinary shares to Rupert Beleggings only passed with 72.3% of the votes in favour.
26-Aug-16	Naspers Ltd.	34	27	7	-	Most resolutions were voted "FOR", but we voted "AGAINST" a director as we are concerned with his independence. We also voted against the company auditors and the remuneration policy.	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 78.6% of the votes in favour, the placing of unissued shares in the control of a director only passed with 78.8% of the votes in favour and the issue of shares for cash only passed with 87.6% of the votes in favour.
14-Sep-16	Compagnie Financiere Richemont	30	17	13	-	Most resolutions were voted "FOR", but we voted "AGAINST" directors as we are concerned with their independence and/or age. We also voted against the company remuneration policy.	All resolutions passed.
22-Sep-16	Eqstra Holdings Ltd. (GM)	15	14	1	-	Most resolutions were voted "FOR", but we voted "AGAINST" EQS planning to issue more than 20% of the shares for cash. This is above the JSE requirements which limits issue of shares to 20%.	All resolutions passed. But it should be noted that the resolution regarding the issue of ordinary shares for cash only passed with 89.6% of the votes in favour.
07-Oct-16	MTN Group Ltd. (GM)	9	9	-	-	We voted in favour of all resolutions.	All resolutions passed.
20-Oct-16	BHP Billiton Plc	20	20	-	-	We voted in favour of all resolutions.	All resolutions passed.
26-Oct-16	Impala Platinum Holdings Ltd.	12	10	2	-	Most resolutions were voted "FOR" but voted "AGAINST" the remuneration policy and the approval of director's remuneration as the fee increases were not justified.	All resolutions passed. But it should be noted that the resolution regarding the appointment of external auditors only passed with 86.1% of the votes in favour and the endorsement of the remuneration policy only passed with 74.8% of the votes in favour.
31-Oct-16	PPC Ltd.	12	10	2	-	Most resolutions were voted "FOR", but we voted "AGAINST" the re-election of Deloitte & Touche as their external auditors. Deloitte & Touche have been auditing PPC since 2002. This is more than prescribed 10 years. We also voted "AGAINST" allowing directors to fix the remuneration of external auditors as the audit	All resolutions passed. But it should be noted that the resolution regarding the remuneration policy only passed with 85.4% of the votes in favour.

						fees and non-audit fees were not disclosed.	
11-Nov-16	Bid Corporation Ltd.	22	21	1	-	Most resolutions were voted "FOR" but voted "AGAINST" the non-executive director's remuneration due to international directors receiving approximately 3x more than the local directors. We prescribe at most 3x.	All resolutions passed. But it should be noted that the resolution regarding the endorsement of remuneration policy: Part 1 - Policy on long-term incentives only passed with 71.6% of the votes in favour.
16-Nov-16	Wilson Bayly Holmes - Ovcon Ltd.	13	12	1	-	Most resolutions were voted "FOR" but voted "AGAINST" placing unissued shares in the control of directors.	All resolutions passed. But it should be noted that the resolution regarding the placing of unissued shares under the control of the directors only passed with 61% of the votes in favour.
22-Nov-16	Super Group Ltd.	13	8	5	-	Most resolutions were voted "FOR" but voted "AGAINST" 2 directors whose age of 74 years is a concern especially since director rotation occurs every 3 years. We also voted both "AGAINST" reappointing KPMG as the external auditor. They have been auditing SPG for the past 13 years and the non-executive fees as the fee increases of 20% and 33% were unjustified.	All resolutions passed. But it should be noted that the resolution regarding the general authority to directors to issue shares for cash only passed with 71.1% of the votes in favour.
24-Nov-16	Eqstra Holdings Ltd. now eXtract Group Ltd.	13	13	-	-	We voted in favour of all resolutions.	All resolutions passed. But it should be noted that the resolution regarding an increase in non-executive fees only passed with 83.02% of the votes in favour.
24-Nov-16	RMB Holdings Ltd.	16	12	4	-	Most resolutions were voted "FOR" but voted "AGAINST" 3 directors who having been serving on the board since 1987. This is more than our 10-year rule. We also voted "AGAINST" the reappointment of PwC as the external auditors as PwC has been auditing RMH for the past 15 years.	All resolutions passed. But it should be noted that the resolution regarding the re-election of Patrick Goss only passed with 88.5% of the votes in favour, the advisory endorsement of remuneration policy only passed with 88.8% of the votes in favour and the adoption of revised MIO only passed with 87.4% of the votes in favour.
25-Nov-16	Sasol Ltd.	24	20	4	-	Most resolutions were voted "FOR" but voted "AGAINST" reappointing PwC as the external auditor since they have been auditing SOL for the past 15 years. We also voted "AGAINST" both the remuneration policy since SOL places a higher weighting on factors that are not under management control and the non-executive director's remuneration as SOL does not split the fee into a fixed fee and an	All resolutions passed.

						attendance fee. Lastly, we voted “AGAINST” the board proposing to remove the retirement age of 70 years from the MOI.	
28-Nov-16	The Bidvest Group Ltd.	20	18	2	-	Most resolutions were voted “FOR” but voted “AGAINST” BVT’s short-term incentives as there was a lack of disclosure around benchmarking of STIs. We also voted “AGAINST” the creation and issue of convertible debentures as management does not give reason for raising additional funds.	All resolutions passed. But it should be noted that the resolution regarding the endorsement of the remuneration policy: Part 1 - Section 3 Policy on long term incentives only passed with 68% of the votes in favour.
29-Nov-16	Discovery Ltd.	19	11	8	-	Most resolutions were voted “FOR” but voted “AGAINST” reappointing PwC as the external auditors since PwC has been auditing DSY for at least the past 10 years. We also voted “AGAINST” a director since she serves on more than 4 over boards. We are concerned with her overcommitment. Thirdly, we voted “AGAINST” the remuneration policy due to the limited disclosure of issues such as sign-on or severance payments. We also voted both “AGAINST” giving directors the authority to issue shares and to repurchase 15% of issued shares.	All resolutions passed. But it should be noted that the resolution regarding the election of Sindi Zilwa only passed with 68% of the votes in favour, the group remuneration policy only passed with 86.1% of the votes in favour and the authority to provide financial assistance to related and inter-related companies only passed with 89.3% of the votes in favour.
29-Nov-16	FirstRand Ltd.	17	13	4	-	Most resolutions were voted “FOR” but voted “AGAINST” a director as he has been serving on the board since 1998. We also voted “AGAINST” the reappointment of Deloitte & Touche and PwC as the external auditors as they both have been auditing FSR since 2002 and 1998 respectively. Lastly, we voted “AGAINST” the non-executive directors remuneration as chairman’s remuneration is 7.5x to 78x more than that of other directors.	All resolutions passed. But it should be noted that the resolution regarding the re-election of Bernard van der Ross only passed with 85.9% of the votes in favour, the placing of unissued ordinary shares under the control of the directors only passed with 81.9% of the votes in favour and the adoption of the new MIO only passed with 80.3% of the votes in favour.
30-Nov-16	Woolworths Holdings Ltd.	19	14	5	-	We voted against the reappointment of auditor (Ernst & Young has been auditing WHL for the past 14 years at least), the election of an audit committee member (the director serves on more than four other boards), the remuneration policy (there are shortcomings in terms of disclosures), the approval of non-executive directors remuneration (we would have preferred more details around the rationale for the difference in increase for the lead independent director versus other non-executive directors) and providing financial assistance to related or inter-related companies (No sufficient detail has been provided as to why the parties	All resolutions passed. But it should be noted that the resolution regarding the reappointment of Ernst & Young as external auditors only passed with 81.4% of the votes in favour and the approval of the remuneration policy only passed with 69.9% of the votes in favour.

						require financial assistance).	
01-Dec-16	Remgro Ltd.	17	15	2	-	Most resolutions were voted "FOR" but voted "AGAINST" the reappointment of PwC as the external auditors as they have been auditing REM since 1999. This is more than our 10-year rule. We also voted "AGAINST" a director as he serves on more than four other boards and he is the CEO of REM. We are concerned with overcommitment.	All resolutions passed. But it should be noted that the resolution regarding the election of Paul Harris only passed with 68.4% of the votes in favour and the appointment of Fred Robertson only passed with 77.9% of the votes in favour.
05-Dec-16	PPC Ltd. (2 nd GM)	5	5	-	-	We voted in favour of all resolutions.	All resolutions passed. But it should be noted that the resolution regarding the issue of CSG and SBP additional shares to the CSG and SBP Funding SPV only passed with 85.4% of the votes in favour.
06-Dec-16	Aspen Pharmacare Holdings Ltd.	27	23	4	-	Most resolutions were voted "FOR" but voted "AGAINST" a director whose age of 72 years is a concern and the fact that he is serving on the board since 2002. We also voted "AGAINST" the reappointment of PwC as the external auditors as they have been auditing APN since 2000. We voted "AGAINST" the board chairman's remuneration as his base fee is 6.9x more than that of other board members. In our view, this is excessive.	All resolutions passed. But it should be noted that the resolution regarding the re-election of John Buchanan only passed with 84.1% of the votes in favour and the re-appointment of PwC as external auditors only passed with 85.6% of the votes in favour.
30-Dec-16	Exxaro Resources Ltd.	3	3	-	-	We voted in favour of all resolutions.	All resolutions passed.