



Aeon Investment Management Q1 2021 Proxy Voting Summary

Attached below is an explanation of company resolutions we voted against for Q1 2021. Aeon Investment Management (“Aeon IM”) uses the principles outlined in the UNPRI, CRISA and King IV 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	Holding	Type of Meeting	Total Resolutions	FOR	AGAINST	ABSTAIN	Reasons for resolutions voted against	AGM Results
05 Feb 2021	Netcare Ltd	AGM	12	10	2	-	<p><u>Non-binding advisory resolution 1 - Approval of the remuneration policy</u></p> <p>The remuneration packages is comprised of the guaranteed package, short- and long-term incentives. The CEO has a restraint of trade of six months and Executive Committee members have a three-month notice period.</p> <p>Short-term incentive: The performance parameter used to measure performance include EBITDA and executives' balanced scorecard. The scorecard consists of both financial and non-financial targets. Some of the non-financial targets incorporate transformation as a performance parameter however there is still an insufficient amount of ESG performance parameters implemented in the incentive plan.</p> <p>Long-term incentive: The performance parameters used to measure performance include return on capital employed (Target: weighted average cost of capital (WACC) +6%) and headline earnings per share (Target: compound annual growth rate of the average CPI index +4% for the performance period.). We find the use of just two parameters in determining LTI to be insufficient and request the application of more and relevant financial and non-financial targets. We would appreciate the disclosure of increased levels of ESG performance parameters.</p>	All the resolutions were duly passed by the requisite majority of shareholders.

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							<p>We would appreciate disclosure of the benchmark comparator group used when determining the guaranteed pay.</p> <p><u>Non-binding advisory resolution 2 - Approval of the implementation report</u></p> <p>We note that the CEO (RH Friedland) decided to forego his discretionary STIs awarded to him however given the shortfalls described in the remuneration report (non-binding resolution 1), we are against the report.</p>	
10 Feb 2021	Wilson Bayly Holmes-Ovcon Ltd	AGM	15	12	3	-	<p><u>Ordinary resolutions 1 - Re-appointment of the auditors</u></p> <p>As stated in our previous commentary, BDO has been the appointed auditor to Wilson Bayly Holmes - Ovcon for more than 30 years. This raises concerns of independence and contravenes our policy.</p> <p><u>Ordinary resolution 2.1 - Re-election of Ms SN Maziya as director</u></p> <p>Ms SN Maziya has been on the board for 15 years now. She sits on two other listed companies and three unlisted companies. She has a 75% board and committee meeting attendance. In 2019, Ms SN Maziya had a 88% board and committee meeting attendance. Given her board tenure, and the number of external boards that she is a member of, we do not think she is suitable for the role.</p> <p><u>Ordinary resolution 3.3 - Appointment of Ms SN Maziya as Audit committee member</u></p> <p>Ms SN Maziya has been on the board for 15 years now. She sits on two other listed companies and three unlisted companies. She has a 75% board and committee meeting attendance. In 2019, Ms SN Maziya had a 88% board and committee meeting attendance. Given her board tenure, and the number of external boards that she is a member of, we do not think she is suitable for the role.</p>	All the resolutions were duly passed by the requisite majority of shareholders.

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11 Feb 2021	Barloworld Ltd	AGM	30	28	2	-	<p><u>Special resolution 1.1 - Approval of the Chairman of the board's fees</u></p> <p>The Chairman's fee exceeds those of the resident non-executive directors' by more than three times; this contravenes our policy.</p> <p><u>Special resolution 3 - Approval of loans or other financial assistance to related or inter-related companies and corporations</u></p> <p>Given as Barloworld will be selling its motor retail unit to NMI Durban South Motors ("NMI"), we note that there lies an inherent risk of them financing NMI in the purchase of the motor retail business.</p> <p>In accordance with our internal policy, we generally vote in favour of granting financial assistance to subsidiaries that are 100%-owned. In other instances, we would appreciate further sufficient details as a means of ensuring that the assistance is fair. Further information could for example include reasoning as to why the relevant parties would require financial assistance, what the terms of the financial assistance are (pay-back terms), any conflict of interest, the Groups solvency and liquidity prior and after to providing the assistance and whether there are any conditions attached hereto.</p>	All the resolutions were duly passed by the requisite majority of shareholders.