aeon investment management
long term wealth creation

Aeon Investment Management Q3 2021 Proxy Voting Summary

Attached below is an explanation of company resolutions we voted against for Q3 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
09 Jul 2021	Prosus N. V	GM	1	-	1	-	Special resolution 1 - *Approve Proposed Transaction* The proposed deal does not make financial sense for Naspers shareholders to swap their shares for Prosus shares due to the "crystallization loss" effect associated with the proposed deal. It is for this reason that we oppose the proposed transaction. In addition, the proposed deal will result in a further complex shareholding structure. Complex structures and crossholdings result in additional opaqueness and obscurity that lend themselves to potential cases of poor governance, misalignment of interests, low visibility, and increased risk of poor related-party transactions that could result in the destruction of shareholder interests.	Special resolution one was duly passed by the requisite majority of shareholders.
27 Jul 2021	Mediclinic International Plc	AGM	21	18	3	-	Ordinary resolutions 2 - *To approve the Directors' Remuneration Report* Mediclinic's executive directors' remuneration package is comprised of fixed pay and variable pay. Fixed pay is further comprised of a base salary, benefits, and pension. The variable pay is comprised of the short-term and long-term incentive scheme (STI and LTI).	All the resolutions were duly passed by the requisite majority of shareholders.

Date	Holding	Type of Meeting	Total Resolutions	FOR	AGAINST	ABSTAIN	Reasons for resolutions voted against	AGM Results
							STI: - The STI are awarded based on the Group adjusted EBIT. The maximum STI that can be awarded to the Group CEO and CFO are 150% and 133% respectively. - The 2021 threshold and stretch-adjusted EBIT were set at £ 194m and £ 230m, respectively. - The 2020 threshold and maximum-adjusted EBIT were set at £484m and £553m, respectively. - The STI scheme is only awarded based on one performance indicator (Group adjusted EBIT) - a single performance indicator is insufficient. We recommend the addition of more performance indicators (e.g., ROIC, free cash flow metrics, liquidity metrics, debt metrics) and ESG metrics. LTI: - LTI scheme are awarded based on the adjusted EPS growth (40% weighting), relative TSR (25% weighting), ROIC (25% weighting) and client satisfaction (10% weighting). Threshold, target, and maximum figures for LTIs have been disclosed. Non-executive directors' fees: There have been no fee changes to the non-executive directors' fees besides the following: - A 20% increase in the Clinical Performance and Sustainability Committee Chair's fees. - There has been a 14 % increase in the Clinical Performance and Sustainability Committee members' fees	

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							- There has been a 40% reduction in the Senior Independent Director's fees. <u>Ordinary resolutions 17</u> – *To authorise political donations* As per Aeon Investment Management's internal policy, we discourage the authority of a company to make donations to political organisations and to incur political party expenditure and influence. Awe thus vote against the resolution to authorise UK political donations and expenditure. <u>Ordinary resolution 18</u> - *To authorise the directors to allot ordinary shares* According to the resolution, "The authority in paragraph (b) of the resolution will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a nominal value of £48 658 091.40 (representing 486 580 914 ordinary shares), which is equivalent to approximately 66% of the total issued ordinary share capital of the Company as at 26 May 2021, which is the latest practicable date prior to publication of this Notice (such amount to be reduced by the amount of any relevant securities issued under the authority conferred by paragraph [a] of this resolution 18)." The limit of 66% is excessive and contravenes our policy.	

18 Aug 2021	Nepi Rockcastle Plc	AGM	19	16	3	-	<u>Ordinary resolution 6</u> – *Authorising Directors to determine Non-Executive Directors' remuneration* - The board of directors and the Chairmen's fee increased by 37% and 2.9% respectively. Committee members and chairmen's fee increases ranging from 10% to 50%. - Nepi Rockcastle used an external remuneration consultant, Korn Ferry, in determining the non-executive directors' remuneration. The proposed changes for the non-executive directors' fees include the following: - The elimination of the additional meeting fees. -Non-executive director pay is only related to role. - Other costs (travel, accommodation, and logistic costs) will continue to be covered by the Company. - Pay will be aligned to international standards. - The social and ethics committee has been removed and a Sustainability committee has been introduced. Moreover, the resolution seeks to provide executive directors with the authority to determine non-executive directors' remuneration. We are of the belief that this practice provides executive directors with an inappropriate degree of leverage, disables the separation of duties, and undermines the role of the non-executive directors. We are therefore compelled to vote against the resolution. <u>Non-binding advisory resolution 1</u> – *Endorsement of Remuneration Policy*	All the resolutions were duly passed by the requisite majority of shareholders.

							The executive directors' remuneration policy is comprised of fixed pay, short-term incentive plan (STIP), the long-term incentive plan (LTIP) and benefits. Fixed Pay: Fixed pay has now been set above the market median (up to 75%) in specific areas of the business to ensure that "the Group is able to attract and retain the needed resources for delivering results". STIP: STIP is awarded based on financial performance, operational performance, debt risk management and qualitative factors. - The financial performance is measured using the growth in distributable EPS and maintaining an investment grade. - The operational performance is measured using the NOI organic growth, increase in retail trading densities over CPI, maximum accepted vacancies, maximum tenant arrears written odd and maximum net property expenses to cost ratio. - Debt risk management is measured using debt to maturity. - Qualitative factors are measured based on timing of financial results publication and discretion of the board (10% weighting). - The targets (minimum, target and maximum) have remained constant from the previous year, however, the results for these performance measures 2020 have not been disclosed. The Annual Report only disclosed the weightings of these measures. LTIP:	

							- The internal performance indicators used in the awarding of the LTIP is a three-year compound annual growth rate of distributable earnings per share relative to inflation- linked benchmark and the yield on cost of the Executive Director. The growth rate and yield figures have not been disclosed. - The external measure used to determine the awarding of the LTIP is the total shareholder return compared to peers. The peers that are used as a comparative have not been disclosed. - We would appreciate disclosure of the prescribed officers STIP and LTIP performance indicators with targets and weightings. Non-binding resolution 2 – *Endorsement of Remuneration Implementation Report* The single figure remuneration for the Alex Morar, Mirela Covasa and Marek Noetzel have been disclosed. The STIP and LTIP figures have declined from 2019. - The target key performance indicators were not adjusted and thus were not met. The STI was awarded in the context of the remuneration committee's 10% discretionary component. We would appreciate disclosure of the prescribed officers STIP and LTIP performance indicators with targets and weightings. Given the inadequate disclosure of the remuneration policy, we are compelled to vote against the Implementation Report.	

24 Aug 2021	*Prosus N. V	AGM	16	1	7	-	<u>Ordinary resolution 2</u> – *Approve Remuneration Report* The executive directors' remuneration structure is comprised of a base salary, short-term incentives (STI) and long-term incentives (LTI). Base salary: - Base salary increases are effective from 1 April annually. - Benefits include pension, medical insurance, life, and disability insurance. - The CEO and CFO will be receiving a 5% increase in base salary for FY22. STI: - 50% of the bonus opportunity is based on financial indicators. - The CEO and the CFO's bonus opportunity is capped at 100%. NO bonus is paid if above-target performance is achieved. - Bob van Dijk's financial performance indicators (50% weighting) include revenue, core headline earnings (including Tencent), core headline earnings (excluding Tencent) and free cash flow. His strategic, operational and ESG indicators (50% weighting) is based on the growth of the Classifieds, Food delivery, Payments and Fintech business, holding the company discount to NAV and business sustainability (Machien learning and AI, Diversity & Inclusion and Data privacy & security). With regards to the financial performance indicators, we believe the inclusion of two Core HEPS metrics (including and excluding Tencent) is a duplicate income-based performance indicator and therefore inappropriate. The non-financial performance indicators	The resolution was duly passed by the requisite majority of shareholders.

							is based on the revenue growth of the Classifieds, Food Delivery and Payments and Fintech's revenue growth - this metric is already encompassed in the Revenue financial performance indicator, and thus the inclusion of these metrics is a duplication and inappropriate. Given the high gender pay gap and pay ratio global trends, we would appreciate a higher weighting to be allocated to the Diversity and Inclusion metric. - Basil's Shourdos' STI is awarded based on financial performance indicators (50%) and non-financial performance indicators (50%). The financial performance indicators include Core HEPS (including Tencent), Core HEPS (excluding Tencent) and Free Cash Flow. Non-financial performance indicators include holding the company discount, taxation, investor relations, Group finance, Governance, and business sustainability. As with Bob's STI structure, we believe the inclusion of two Core HEPS metrics (including and excluding Tencent) is a duplicate income-based performance indicator and therefore inappropriate. We note that for the FY22, the Investor relations performance indicator weighting has been increased from 5% to 10% and the Group Finance performance indicator has been decreased from 10% to 5%. The Business sustainability has also been altered to include Diversity & Inclusion and Climate Sustainability. The Core HEPS (including Tencent) performance indicator's weighting has decreased from 12.5% to 8% and the Core HEPS (excluding Tencent) has increased from 12.5% to 17%. No reasoning was provided for this change. - The CEO's company performance outcomes have been disclosed, but the threshold, baseline and maximum target figures for the performance indicators have not been disclosed. This disables from assessing whether the	

							Naspers' target-setting practices for the purposes of remuneration are indeed fair and appropriate. - We would also appreciate disclosure of the prescribed officers' STI remuneration outcomes. LTI: - The LTI plan is comprised of the Performance Share Units (PSUs), Share Appreciation Rights Scheme (SARS)< and the Share Options (SO). - The PSUs are awarded based on the performance of the internet business (excluding Tencent). They have a three-year vesting period and are awarded based on the performance of the Company's CAGR of the Global Ecommerce SAR Scheme relative to industry peers. The awards are settled in shares. The Group of industry peers have not been disclosed. - The SARs is awarded based on the "growth in value of the business units or an aggregation of underlying assets". Measurement of the performance indicator is based on a four-year period and all awards are settled in cash. - The SOs are awarded based on the performance and growth of the share price over a four-year period. The awards are settled in cash. - Each share scheme is assessed on one performance indicator, PSU (CAGR), SAR (growth in business value), SO (growth in Share price). We would have preferred more metrics to be included in determining the awarding all three share schemes. E.g., income, debt-related and cash metrics. - The FY22 LTI awards for the CEO and CFO will be at similar levels as in FY21. - The threshold, baseline, and maximum target figures for the LTI performance indicators have not been	

							disclosed; this disables us from conducting a complete analysis into the The remuneration policy and Implementation is detailed and provides adequate explanation on the methodology as to how the incentives are awarded. However, there is still a significant gap in disclosure of the STI and LTI targets, there was no reasoning provided for the changes in STI weights and we find some of the performance indicators incorporated in the incentives to be inappropriate and essentially are duplicates. We are also of the belief that the CEO's remuneration is excessive and thus given the shortcomings of the report, we are compelled to vote against the resolution. <u>Ordinary resolution 9</u> – *Elect Angelien Kemna as Non-Executive Director* Angelien Kemna is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for election/re-election.	

							<u>Ordinary resolution 10.1</u>- *Re-elect Hendrik du Toit as Non-Executive Director* Hendrik du Toit is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for election/re-election. <u>Ordinary resolution 10.2</u>- *Re-elect Craig Enenstein as Non-Executive Director* Craig Enenstein is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are	

							compelled to vote against the board of directors that are up for election/re-election. <u>Ordinary resolution 10.3</u>- *Re-elect Nolo Letele as Non-Executive Director* Nolo Letele is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for election/re-election <u>Ordinary resolution 10.4</u>- *Re-elect Roberto Oliveira de Lima as Non-Executive Director* Oliveira de Lima is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its	

							shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for election/re-election. <u>Ordinary resolution 14</u>– *Approve Reduction in Share Capital through Cancellation of Shares* Shares that are not used to cover obligations under the employee equity option plans have been proposed to be cancelled. These are held or repurchased by the Company under the authorisation adopted in the EGM of 9 July 2021. The number of shares that will be cancelled will be limited to 20% of the issued share capital. Aeon Investment Management voted against this resolution proposed in the EGM based on the following reasons: The proposed deal does not make financial sense for Naspers shareholders to swap their shares for Prosus shares due to the "crystallization loss" effect associated with the proposed deal. It is for this reason that we oppose the proposed transaction. In addition, the proposed deal will result in a further complex shareholding structure. Complex structures and crossholdings result in additional opaqueness and obscurity that lend themselves to potential cases of poor governance, misalignment of interests, low visibility, and increased risk of poor related-party transactions that could result in the destruction of shareholder interests.	

25 Aug 2021	Naspers Ltd	AGM	35	21	14	-	<u>Ordinary resolution 4</u> – *To confirm the appointment of AGZ Kemna as a nonexecutive director* AGZ Kemna is suitably skilled and qualified. She was appointed as a non-executive director for Prosus in April 2021.Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for (re-) election. <u>Ordinary resolution 5.1</u> – *To re-elect HJ du Toit* HJ du Toit is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are	All the resolutions were duly passed by the requisite majority of shareholders.

							compelled to vote against the board of directors that are up for (re-) election. <u>Ordinary resolution 5.2</u> – *To re-elect CL Enenstein* CL Enenstein is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for (re-) election. <u>Ordinary resolution 5.3</u> – *To re-elect FLN Letele* FLN Letele is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are	

							compelled to vote against the board of directors that are up for (re-) election. **<u>Ordinary resolution 5.4</u> – *To re-elect R Oliveira de Lima*** **R Oliveira de Lima is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for (re-) election.** **<u>Ordinary resolution 5.5</u> – *To re-elect BJ van der Ross*** **BJ van der Ross is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are**	

							compelled to vote against the board of directors that are up for (re-) election. **<u>Ordinary resolution 6.1</u>** – ***To appoint M Girotra*** M Girotra is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for (re-) election. **<u>Ordinary resolution 6.2</u>** – ***To appoint AGZ Kemna*** AGZ Kemna is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are	

							compelled to vote against the board of directors that are up for (re-) election. <u>Ordinary resolution 6.3</u> – *To appoint SJZ Pacak* SJZ Pacak is suitably skilled and qualified. However, Aeon Investment Management recently participated in a collaborative engagement with 35 other asset managers and submitted a letter to the board stating our disapproval of the share swap transactions and management's misalignment with shareholder's interest. Naspers/Prosus responded, and we believe further clarity could have been provided on the matter and a one-on-one engagement meeting with its shareholders, including Aeon Investment Management. Given our dissatisfaction with Naspers/Prosus response to our engagement, as a form of protest vote, we are compelled to vote against the board of directors that are up for (re-) election. <u>Ordinary resolution 7</u>– *To endorse the company's remuneration policy* The executive directors' salary is comprised of a base salary, short-term incentive, and long-term incentive. Base Salary The base salary is comprised of fixed pay and is paid monthly. No fee increase was provided to the CEO and "his direct reports" due to the economic implications of COVID-19. STI:	

							- Short-term incentive is comprised of discretionary and performance-related incentives. 50% of the STI is awarded based on the delivery of financial performance. - The target and maximum bonus opportunity are the same and are set at 100% base salary for the CEO and the CFO. - The STI pay-out is made in cash. LTI: - The long-term incentives are comprised of Performance Share Units (PSUs), Shareholder Appreciation Rights Scheme (SARS) and Share Options (SOs). The actual targets (historical and current) of the performance conditions for the LTI scheme have not been disclosed; limited disclosure disables us from assessing whether the set targets are indeed in line with fair remuneration practices. - PSU: The awarding of PSUs are based on the value increase of the internet businesses (excl. Tencent and Mail.ru). They have a three-year vesting period; we prefer a longer vesting period (5-10 years) to ensure long-term alignment with shareholder interests. The performance conditions for the PSUs is the three-year compound annual growth rate (CAGR) of the Global Ecommerce SAR Scheme, relative to a group of industry peers; this is too few performance conditions to base the awarding of a LTI scheme on. - SARS: The awarding of SARS is based on the growth in value of the business units or an aggregation of the underlying assets. The change in value is measured over a four-year period to ensure focus on long-term delivery of shareholder value. All gains are settled in cash.	

							- SO: Share options are based on any gains based on the growth in share price over a four-year period. All gains are settled in cash. - Bob van Dijk's financial performance indicators (50% weighting) include revenue, core headline earnings (including Tencent), core headline earnings (excluding Tencent) and free cash flow. His strategic, operational and ESG indicators (50% weighting) is based on the growth of the Classifieds, Food delivery, Payments and Fintech business, holding the company discount to NAV and business sustainability (Machien learning and AI, Diversity & Inclusion and Data privacy & security). With regards to the financial performance indicators, we believe the inclusion of two Core HEPS metrics (including and excluding Tencent) is a duplicate income-based performance indicator and therefore inappropriate. The non-financial performance indicators is based on the revenue growth of the Classifieds, Food Delivery and Payments and Fintech's revenue growth - this metric is already encompassed in the Revenue financial performance indicator, and thus the inclusion of these metrics is a duplication and inappropriate. Given the high gender pay gap and pay ratio global trends, we would appreciate a higher weighting to be allocated to the Diversity and Inclusion metric. We note that there have been changes to some of the weightings of the performance conditions however, no reasoning was provided for this change. - Basil's Shourdos' STI is awarded based on financial performance indicators (50%) and non-financial performance indicators (50%). The financial performance indicators include Core HEPS (including Tencent), Core HEPS (excluding Tencent) and Free Cash	

							Flow. Non-financial performance indicators include holding the company discount, taxation, investor relations, Group finance, Governance, and business sustainability. As with Bob's STI structure, we believe the inclusion of two Core HEPS metrics (including and excluding Tencent) is a duplicate income-based performance indicator and therefore inappropriate. We note that for the FY22, the Investor relations performance indicator weighting has been increased from 5% to 10% and the Group Finance performance indicator has been decreased from 10% to 5%. The Business sustainability has also been altered to include Diversity & Inclusion and Climate Sustainability. The Core HEPS (including Tencent) performance indicator's weighting has decreased from 12.5% to 8% and the Core HEPS (excluding Tencent) has increased from 12.5% to 17%. No reasoning was provided for this change. - The CEO's company performance outcomes have been disclosed, but the threshold, baseline and maximum target figures for the performance indicators have not been disclosed. This disables from assessing whether the Naspers' target-setting practices for the purposes of remuneration are indeed fair and appropriate. - We would also appreciate disclosure of the prescribed officers' STI remuneration outcomes. Ordinary resolution 8 – *To endorse the implementation report of the remuneration report* Given the shortcomings highlighted in the remuneration report (ordinary resolution 7), we are compelled to vote against the Implementation Report 8.	

							<u>Ordinary resolution 9</u> – *To endorse the company's remuneration policy* As previously stated in our commentary for the Naspers 2020 AGM, we will usually vote against placing unissued shares into the directors' control when no specific reason(s) or limit has been provided by management for raising additional funds. No limit or further information has been provided with the resolution. <u>Ordinary resolution 10</u> – *Approval of general issue of shares for cash* The issuance of shares is limited to 5% of the issued class of shares. We ordinarily would vote for this resolution given the low limit. However, given Naspers' shareholding structure (N and A shares), the issuing of shares would result in further share dilution for minority shareholders. In addition, we would prefer that Naspers focus on unlocking value in their current operations before raising capital by issuing shares for potential projects. <u>Special resolution 2</u> – *Approve generally the provision of financial assistance in terms of section 44 of the Act* According to the Notice, " the reason for and effect of special resolution number 2 is to authorise the directors generally to approve the provision of financial assistance by the company to the potential participants and/or recipients as set out in the resolution and in particular to facilitate participation under the Naspers share-based	

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							incentive schemes and other Naspers group share-based incentive schemes". Given the shortcomings and reasoning provided for voting against Naspers' Remuneration Policy, we are compelled to vote against the resolution.	

26 Aug 2021	MultiChoice Group Ltd	AGM	18	14	4	-	<u>Ordinary resolution 4</u> - *Reappointment of independent external auditor – PwC* PWC has been the official appointed auditor for MultiChoice for more than 10 years; this contravenes our policy. <u>Non-binding advisory resolution 1</u> - *Endorsement of the company's remuneration policy* MultiChoice's remuneration policy is comprised of guaranteed pay, benefits, STI and LTI. Remuneration is benchmarked using the Old Mutual Remchannel Survey in South Africa and the Mercer Total Remuneration Surveys in the Rest of Africa. For the executive directors, the LMO Executive Survey and Willis Towers Watson Executive Survey is sued. Remuneration is tar Guaranteed pay: A local market-related cost-to-company remuneration is set. Guaranteed pay is reviewed annually, and personal performance is the main drier for pay increases. The guaranteed salary is based on the median market levels. Benefits: All employees are eligible for benefits and includes bursaries for employees, wellness benefits, work-life balance leave, medical aid scheme and retirement scheme benefits and discounts on DSTV subscriptions STI: - Performance measures include revenue, core headline earning, free cash flow and subscriber growth all at equal weights.	All the resolutions, except ordinary resolution 6 and non-binding advisory resolution 1 and 2, were duly passed by the requisite majority of shareholders.

							- The actual targets (threshold, target and stretch) for the STI plan have not been disclosed. We note that the weightings and target parameters have been disclosed, but without the actual historical targets, we are unable to determine whether the targets set are indeed fair and in line with appropriate remuneration practices. LTI: - MultiChoice's LTI plan is comprised of the Group Restricted Share Units (RSU), the Performance Share Units (PSU), new Irdeto RSUs and a new Phantom Performance Share (PPS) plan - LTI awards are based on the following performance measures: core HEPS (25%), Cumulative free cash flow (50%) and return on capital employed (25%). - The new PPS plan that has been introduced has minimum and maximum targets are set at 12.5% and 25% respectively of the portfolio returns. MultiChoice's Group cost of capital is currently 12.5%. - The PPS award vest over a period of four years and will "replace the 25% RSUs that did not have performance conditions attached to them". - The actual LTI plan targets (threshold, target and stretch), which are used over a number of years, have not been disclosed. We note that the weightings and target parameters have been disclosed, but without the actual historical targets, we are unable to determine whether MultiChoice's remuneration practices are indeed fair. Changes:	

							- The LTI awards will be 100% linked to the performance targets. All RSUs awarded in the future will be attached to performance measures. - LTI on-targets and stretch LTI awards were increased to better align with long-term shareholder interests. In addition, we would appreciate disclosure of the peers used in the benchmarks for determining remuneration. Non-binding advisory resolution 2 - *Endorsement of the company's implementation of the remuneration policy* The CEO and CFO's base salary increased by 13% and 21% respectively. We note the increase of the CFO's STI to R6.6 million, however without disclosure of the historical targets, we are unable to conduct a complete analysis of the report. We also note that the CFO received R14.8 million in RSUs that were exercised in FY21. We note that Calvo Mawela's salary is based in US dollars as according to the Integrated Report it is " aligned with the MultiChoice Group Dubai-based contracts and considers Dubai's cost of living and typical expatriate benefits for Dubai. This allows Calvo to focus significant time on the Rest of Africa segment...". We acknowledge that MultiChoice is operational in multiple African countries, however, we find no acceptable justification for basing Calvo's salary in USD terms. We require further clarification from MultiChoice on this practice. In addition, Mohamed Imtiaz Patel, Chair of MultiChoice Group, has a service level agreement with MultiChoice but is classified as a non-executive director. We find this	

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							classification to be incorrect given his agreement and should instead be classified as an executive director. Given the shortcomings of the remuneration policy, illustrated in the commentary for non-binding resolution 1, we are compelled to vote against the Implementation report. <u>Special resolution 1</u> - *Approve Remuneration of non-executive directors* Directors' fees have decreased from R1 051 000 to R807 00. Committee fees have been group together, thus disabling us from determining what each member of the committee earns and comparing it to previous years' fees. We note the Chairman did not earn any non-executive directors' fees but did earn service agreement fees of R58 289 000; this amount made up the bulk of the total non-executive directors' fees. As stated in our commentary for non-binding advisory resolution 2, we find the Chairman's classification as a "non-executive director" to be incorrect given his service agreement and should instead be classified as an executive director.	

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27 Aug 2021	PPC Ltd	AGM	28	26	2	-	Ordinary resolutions 4 – *Re-appointment of external Auditor Deloitte & Touche* Deloitte & Touche has been the official appointed auditor to PPC for more than 10 years (since 2002). This contravenes our policy. Special resolutions 2.1 – *Remuneration - Board Chairman* The Board Chairman's base fees are 4 times that of the other non-executive directors' fees. This differential contravenes our internal policy. A 4% increase has been applied for the FY22 fees.	All the resolutions were duly passed by the requisite majority of shareholders.

27 Aug 2021	Hulisani Ltd	AGM	14	11	3	-	<u>Ordinary resolutions 8</u> – *Non-binding endorsement of the Company's remuneration policy* The executive remuneration structure is comprised of the guaranteed package base pay, short- and the long-term incentive plan. Total Guaranteed Package (TGP): - "TGP salary levels are positioned between the median and upper 75% percentile of benchmarking surveys." - TGP salary increases are applied in March every year. Short-term Incentive: - Bonus incentives payable to eligible employees' range between 10% and 45% of the total annual TGP. - Bonus' are payable are "purely discretionally" and there are no performance indicators attached to their awarding. We oppose this practice as we believe it is inappropriate and not aligned with fair remuneration practices - bonuses should be awarded when relevant and appropriate financial and non-financial targets have been met and/or exceeded by the eligible employees. Long-term Inventive: - The LTI plan is comprised of the Conditional Share Appreciation Rights Scheme (SARS). - The aim of the SARS plan is to drive long-term strategic and sustainable company performance. - Participation in the LTIP is at the discretion of the remuneration committee. - There are no performance conditions attached to the awarding of this plan. We believe any incentive should	All the resolutions were duly passed by the requisite majority of shareholders.

							be based on disclosed performance metrics and their subsequent targets. **- There is no disclosure of benchmark and peers used in determining the remuneration structure.** **- There is no disclosure of the malus and clawback provisions.** **Overall, there are significant shortcomings to the remuneration policy and thus we are compelled to vote against the resolution.** **Ordinary resolutions 9 – *Non-binding endorsement of the Company's implementation report on the remuneration policy*** **- The Implementation Report has disclosed The Base pay and The STI paid to The CEO and CFO.** **- We would also appreciate disclosure of The Prescribed officers' remuneration structure.** **- LTI's have been awarded to management, however the employees eligible for these awards have not been disclosed. Performance targets and the reasoning for this award has not been disclosed.** **- Given The significant shortcomings of the remuneration policy. We are compelled to vote against The Implementation report.** **- In addition, we are of the belief that The CEO & CFO remuneration is excessive. Underlying investments managed by partners.** **Ordinary resolutions 10 – *Non-binding endorsement of the Company's implementation report on the remuneration policy***	

							The issue of shares is limited to 15% of the Company's issued share capital. **We require more information detailing what the issue of shares of finance would be indented to finance and the return structure of such investments.** **<u>Special resolutions 2</u> – *Special resolution to authorise financial assistance for the subscription of securities*.** **We usually vote against the resolution to approve financial assistance if the resolution applies every two or more years and not every year at the annual general meeting. The authority granted in terms of this resolution has been stated to be valid until a new similar resolution is passed at the next AGM or after the expiry of a period of 24 months, whichever is the latter. This contravenes our policy.** **<u>Non-binding resolutions 1</u> – *Resolution through non-binding advisory vote to approve the remuneration policy*.** **The remuneration package includes total guaranteed remuneration and variable pay (short- and long-term incentive schemes).** **Total Guaranteed Package:**	

							- The total guaranteed remuneration is composed of a basic salary, benefits, and retirement funding. - The bargaining unit, non-management and specialists at the corporate centre received a basic salary increase of 5.5%. There was no fee increase applied for executive directors. - Benefits consist of a retirement fund, medical health schemes, Group personal accident cover and other support services. Short-term incentives (STI): - The STI plan is composed of two schemes, the SPR scheme and the STI scheme. - The SPR scheme rewards employees based on individual performance. All permanent employees are eligible for the SPR scheme. Strategic objectives and accompanying performance targets for this scheme have not been disclosed. - The STI scheme rewards employees based in business not, commodity and Group-level financial performance. Awarding of the STI scheme is divided into two tiers: tier one and tier two. - The performance targets for tier one include the business units net operating profit versus target, the average of business units, and the consolidated group core net operating profit. - *Weightings for these measures have been disclosed but actual targets have not been disclosed*. - *In Exxaro's 2020 ESG Report (page 146), it states that the STI scheme metrics include*	

							measures for the business unit, coal commodity business and Corporate Centre. According to the ESG Report, the measure used to assess the coal commodity business is the "average of business units" however no further elaboration or explanation has been disclosed. Long-term incentives (LTI): - The LTI scheme is comprised of the long-term incentive plan (LTIP), the (Deferred Bonus Plan (DBP) plan the newly introduced Employee S hare Option plan (ESOP) for individuals who are not eligible for the LTIP or DBP plan. - The LTIP performance measures include ROCE, TSR and "ESG as peer FTSE Russell Index" all with a weighting of 33.3%. - The DBP is eligible to executive management and senior management. The award enables participants to use their after-tax STI payments to "acquire Exxaro shares at the prevailing market price". There are no performance vesting conditions attached to this scheme. - The ESOP scheme is awarded to individuals who do not qualify for the LTIP or DBP scheme. The scheme provides non-transferable dividends to qualifying employees. There are no capital appreciation rights attached to this scheme and participants "will receive a cash payment equal in value to 560 Exxaro shares minus dividend tax". There are no performance conditions attached to the scheme. - The performance measure targets for have been included.	

Date	Holding	Type of Meeting	Total Resolutions	FOR	AGAINST	ABSTAIN	Reasons for resolutions voted against	AGM Results
							Other: - **Exxaro received remuneration advisory services from Vasdex and Associates, PWC and SULT, with PWC being appointed as the independent advisor to the remuneration committee. PWC's 2020 non-audit fees constituted 21% of the total auditor's remuneration.** **<u>Non-binding resolutions 2</u> – *Resolution through non-binding advisory note to endorse the implementation of the remuneration policy*.** **Given the shortcomings found in the Remuneration Report, we are compelled to vote against their Implementation Report.**	

08 Sep 2021	Compagnie Financiere Richemont	AGM	31	18	13	-	<u>Ordinary resolutions 3</u> – ***Approve Discharge of Board and Senior Management***. **We request further information as to the different categories of responsibility that non-executive directors would potentially be discharged from. As a means of ensuring that these directors are held liable and/or accountable for their actions, we oppose the resolution to relieve executive directors from liability.** <u>Ordinary resolutions 4.1</u> – ***Re-elect Johann Rupert as Director and Board Chairman***. **Johann Rupert has been a member of the Board for 32 years. He is currently the Chairman of the Nominations Committee and the Senior Executive Committee. He also holds majority shareholding at Compagnie Financiere Rupert. Given his lack of independence and board tenure, we are against his re-election to the board.** <u>Ordinary resolutions 4.2</u>- ***Re-elect Josua Malherbe as Director*** **As indicated in the previous AGM, Josua Malherbe is the Chairman of the Audit Committee and should be independent in accordance with KING IV and subsequently our policy. He is affiliated to CFR by way of directorships on a number of Richemont's subsidiaries and thus raise concerns of his independence.** <u>Ordinary resolutions 4.5</u>- ***Re-elect Jean-Blaise Eckert as Director***	All the resolutions were duly passed by the requisite majority of shareholders.

							As indicated in the previous AGM, Jean-Blaise Eckert is a Partner at Lenz & Staehelin. During the year under review, Lenz & Staehelin received fees totalling CHF 1.3 million from Group companies for advice on legal and taxation matters. He is a member of the audit committee member. He is also a related party to CFR and as a result is not independent. This contravenes KING IV principles and subsequently our policy. <u>Ordinary resolutions 4.10</u>- *Re-elect Ruggero Magnoni as Director*. - Ruggero Magnoni is a Partner at Compagnie Financière Rupert (a Swiss partnership that holds shares within CFR). - In the prior year, M&M Capital Limited, a company in which Mr Ruggero Magnoni is Chairman and shareholder, received a fee o CHF 2.5 million. No such transactions took place in the current year. - During the year, the Group gave donations of CHF 0.2 million to the Fondazione Giuliano e Maria Carmen Magnoni, a charitable organisation supporting initiatives for young people in disadvantaged conditions. Mr Ruggero Magnoni is Vice-Chairman of the Foundation. - We note that he has formally waived his entitlement to receive any fees or compensation in respect of his duties as a non-executive director. - Given his related party transactions, we believe that he should classified as an executive director.	

							- In addition, he is a member of the audit committee. This contravenes KING IV principles and subsequently our policy. <u>Ordinary resolutions 4.13</u>- *Re-elect Guillaume Pictet as Director*. Guillaume Pictet is suitably skilled and qualified; however, it should be noted that he has been a director on the board since July 2010. He is a member of the Governance and Sustainability, Audit, Compensation and Nominations Committees. Ina addition has 94% board meeting attendance. Given his board tenure, we request for Guillaume Pictet's Independence Assessment Report, especially considering he is a member of the Audit Committee. <u>Ordinary resolutions 4.15</u>- *Re-elect Anton Rupert as Director*. In the 2021 Annual Report, it is stated that he has formally waived his entitlement to receive any fees or compensation in respect of their duties as non-executive directors. We note his role a board member of the Strategic Security and Nominations Committee and Partnership in Compagnie Financière Rupert. He is suitably skilled however there has been no disclosure of his qualifications and his official role to the board. We request more disclosure regarding his official role and qualifications. <u>Ordinary resolutions 4.16</u>- *Re-elect Jan Rupert as Director*.	

							As mentioned in last year's AGM, we are concerned about his degree of non-independence. "Mr Jan Rupert, a non-executive director, and members of his family are beneficiaries of certain companies and trusts that have acquired and currently hold 1 226 628 ‘A’ shares. In addition, Mr Rupert is also a director of companies and a trustee of trusts that collectively hold 1 581 943 ‘A’ shares but he is not in a position to control the investment decisions or to control the exercise of voting rights". In addition, Jan Rupert has been a board member for 15 years; this contravenes our policy. We note that he does however have 100% board and sub-committee meeting attendance. We request for Richemont's to disclose Jan's Independence Assessment Report. <u>Ordinary resolutions 5.3 </u>– *Re-appoint Guillaume Pictet as Member of the Compensation Committee*. Guillaume Pictet is suitably skilled and qualified; however it should be noted that he has been a director on the board since July 2010. He is a member of the Governance and Sustainability, Audit, Compensation and Nominations Committees. Ina addition has 94% board meeting attendance. Given his board tenure, we question his independence especially given that he is a member of the audit committee (King IV). We request for Guillaume Pictet's Independence Assessment Report,	

							especially considering he is a member of the Audit Committee. **Ordinary resolutions 6** – ***Ratify PricewaterhouseCoopers SA as Auditors.*** **As mentioned in the previous AGM, PricewaterhouseCoopers has been the official auditor for Richemont for more than 10 years. This raises issues of independence.** **Ordinary resolutions 8.1** – ***Approve Remuneration of Directors in the Amount of CHF 8.1 million.*** **- Non-executive directors are entitled to receive an annual base retainer of CHF 100 000 (2020: CHF 100 000) plus a fee of CHF 25000 (2020: CHF 25 000). This fee is reduced to CHF 6 000 for participation by telephone.** **- Executive member who are also board members do not receive any compensation for their role on the board.** **- "During the period under review, the fixed remuneration of the Chairman was reduced by 50%. No variable compensation** **was awarded."** **- Mr Gary Saage and Mr Nikesh Arora (both board members) provided consultancy services to the Group.** **- Johann Rupert's base/fixed board fee far exceeds that of the other non-executive directors (greater than three times). This differential contravenes our policy.** **- During the year the Group gave donations of CHF 0.2 million to the Fondazione Giuliano e Maria Carmen Magnoni, a charitable**	

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							organisation supporting initiatives for young people in disadvantaged conditions. Mr Ruggero Magnoni is Vice-Chairman of the Foundation." Given that Mr Magnoni is a board member at Richemont, we find this transaction to be a potential conflict of interest. <u>Ordinary resolutions 8.3</u> – *Approve Variable Remuneration of Executive Committee in the Amount of CHF 14.9 million*. Variable remuneration of the Senior Executive Committee is comprised of the short- and long-term variable components (STI and LTI). STI - "The determination of the level of short-term cash incentive comprises both quantitative and qualitative components, each with a pre-set target and a maximum percentage of base salary." - The STI target is set at 75% of the base salary with a maximum cap of 150%. - Financial targets used in determining the awarding of the STI include the Group or Maison turnover, operating profit, and cash generation. - Non-financial targets are based on individual and collective strategic targets that measure brand equity growth, client journey enhancement, driving ESG initiative and enhancing the people experience in the organisation. - The target weightings and actual weightings achieved have been grouped and disclosed. However, the individual set target and achieved figures have not been achieved. We require disclosure of these figures to	

							conduct a complete assessment of the remuneration policy. - The total STI awards comprised 81% of the base salary. LTI - The target LTI is set at 112.5% of the base salary, with a maximum cap of 1505 of the base salary. - LTI incentives are awarded under the Group share option (SO) and PSU plan. The cost to the Group is equivalent to the fair value of the SO or PSU awards over the vesting period. - The SO and PSU (or RSU) vest after year three, four and five. The strike price is based on the market value of share on grant date. The vesting conditions are based on continued employment with the Group. The OSs granted between 2008 and 2015 include a performance condition correlated to other luxury goods companies upon which vesting is conditional; those granted from 2016 onwards do not have performance conditions. We find this to be inappropriate as we believe the vesting of any award should be linked to performance measures. - The RSU vesting conditions are dependent on continue employment with the Group. For PSU only, vesting is based pm achievement of quantitative performance conditions. - Gains made on the SO plan depend on changes in the shar price since awarding date. - LTI performance metrics include account sales, (8% of total value), EBITDA (40%) and cash contribution (52%) with the vesting value being an average of the preceding two years' valuation. - The actual target figures have not been disclosed. Insufficient disclosure prohibits us from assessing	

Date	Holding	Type of Meeting	Total Resolutions	FOR	AGAINST	ABSTAIN	Reasons for resolutions voted against	AGM Results
							whether the set LTIP and targets are indeed in line with fair remuneration practices. **<u>Ordinary resolutions 9</u> - *Transact Other Business (Voting)*.** **No further information was provided for this resolution.**	
08 Sep 2021	Compagnie Financiere Richemont	**GM**	**1**	**-**	**-**	**1**	**-**	**All the resolutions were duly passed by the requisite majority of shareholders.**

*Prosus N.V AGM voting deadline was unfortunately missed, and thus 16 votes were not submitted. However, the proxy vote analysis was conducted for completeness purposes and thus included in the votes for and against resolution.