Investec
Wealth & Investment

Proxy Voting Guidelines

OUT OF THE ORDINARY

Introduction:

Investec Wealth & Investment International (Investec W&I) invests in companies on behalf of our clients. We exercise the right to vote at shareholder meetings of these companies. The voting rights are exercised with the aim to influence company's corporate governance in the best long-term interest of the company and our clients. The Investec W&I Voting Guidelines consists of principles and guidance to assist the investment team's voting decisions. The Proxy Voting Guidelines rely on the International Corporate Governance Network (ICGN) Global Governance Principles and apply globally for all investment holdings. Generally, Investec W&I votes against management recommendations in case of poor corporate governance practice or when resolutions are not in the best long-term interest of the company and our clients.

The International Corporate Governance Network (ICGN) have developed global governance and stewardship principles. These principles comprehensively incorporate the PRI and CRISA requirements. The principles are developed by global investors, companies, academics and individuals and continuously updated. They are globally appropriate and can be used to guide Investec W&I's Responsible Investment Framework and Voting Guidelines. The regular revision and updating of the principles add to their practical guidance and application.

The Voting Guidelines communicate Investec W&I's general approach to voting issues. The Guidelines are not intended to be exhaustive and are applied on a case-by-case basis, taking into account the specific company circumstances.

The Voting Guidelines forms an integral element of the overall Investec W&I responsible investment system. Where PRI or local CRISA requirements materially differ, Investec W&I will adapt their Responsible Investment Framework to ensure the PRI and or CRISA requirements are met. There are currently no material differences between the requirements of the PRI/CRISA and the ICGN Global Stewardship Principles.

ICGN Global Stewardship principles include:

Principle 1:	Internal governance: the foundation of effective stewardship.
Principle 2:	Developing and implementing stewardship policies.
Principle 3:	Monitoring and assessing investee companies.
Principle 4:	Engaging companies and investor collaboration.
Principle 5:	Exercising and protecting voting rights.
Principle 6:	Promoting long-term value creation and integration of environmental, social and governance (ESG) factors.
Principle 7:	Meaningful transparency, disclosure and reporting.

Our voting system:

ICGN Global Stewardship Principle 5 (Exercising and protecting voting rights).

Investors with voting rights should seek to vote shares held and make informed and independent voting decisions, applying due care, diligence, and judgement across their entire portfolio in the interests of beneficiaries or clients.

Our discretionary investment mandates authorise us to exercise voting rights in respect of our segregated and unitised portfolio holdings. However, where clients within our bespoke, segregated managed accounts have their own requirements, which require them to be formally excluded, we will not vote on their underlying holdings. These clients are formally required to opt out which will be recorded within the investment system to ensure their holdings are excluded from the wider voting process.

Our commitment:

Implement an effective global voting system, anchored by the Voting Guidelines, that considers analyst and portfolio manager views, while ensuring the voting decision is made in the long-term interest of the company and clients.

Our approach:

- Institutional Shareholder Services (ISS) resolution recommendations (third party voting research) is considered as a starting point.
- The ISS research is analysed by the stewardship team.
- The stewardship team, and the analyst responsible for the company, agree with or dissent with ISS recommendations.
- The stewardship team will consult with portfolio managers and other analysts where the resolution is material or controversial.
- The reason for voting against or abstaining on any resolution is fully discussed and documented (rationale).
- A rationale library (to record reasons for voting against) has been developed on the ISS platform to improve the efficiency of the voting process.
- The rationale library includes a free text option to record reasons/rationale that do not fit with the standard library options.
- All voting decisions are recorded on the ISS voting platform. The platform has been upgraded to ensure appropriate rationale are selected to support votes against or abstentions.
- Voting decisions are reported monthly on the Investec W&I website, including the reasons for voting against or abstaining on a resolution.
- Quarterly reporting on voting is to be introduced. The reporting, as a minimum, to meet the requirements of PRI and CRISA.

Our expected outcome:

Resolutions are voted timeously in the long-term interest of clients.

Voting Guidelines:

The Investec W&I Voting Guidelines rely on the internationally accepted International Corporate Governance Network (ICGN) Global Governance Principles. Where this materially differs from King IV, Investec W&I will carefully consider the context and follow what they view to be in the best long-term interest of the company and clients.

The Voting Guidelines are not intended to be exhaustive and are applied on a case-by-case basis. The Guidelines reflect our view about corporate governance issues generally and provide insight into how we typically approach general meeting resolutions put before shareholders.

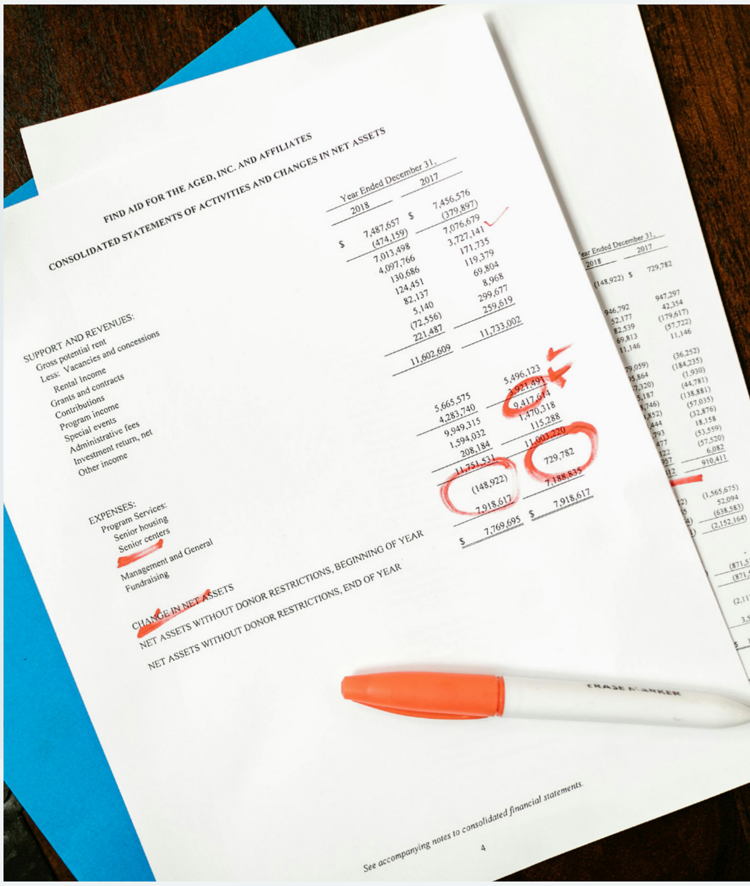
Annual Financial Statements

Where Annual Financial Statements are required to be approved by shareholder vote:

General recommendation: Vote in line with management.

Exceptions:

- Concerns on the accuracy and reliability of the Annual Financial Statements presented.
- Concerns on audit procedures followed.
- Controversy surrounding the auditors.
- Lack of responsiveness to shareholder questions about specific items that should be disclosed.
- Shareholders do not have the opportunity to express their dissatisfaction through voting against appropriate proposals as they are not included on the agenda.



Auditors' Reappointment and Remuneration

An auditor is appointed by the company at each Annual General Meeting (AGM). Companies will also detail auditor remuneration and fees at the AGM.

General recommendation: Vote for auditors and fees.

Exceptions:

- Concerns on effectiveness of auditors.
- Change of auditors without sufficient explanation.
- Excessive or non-standard audit fees.
- Issues regarding tenure and independence of the auditor.
- The company is unresponsive to requests for information.
- Controversy surrounding the audit firm proposed.

Election of Directors

Shareholders are required to approve the appointment and re-election of directors at each AGM.

Analyst and Portfolio Manager knowledge of the company are important in the determination of the suitability of the director and whether this is in in the best interests of the company. Independence, competence, experience and the skills required by the company, are important considerations as to the overall suitability of the director for the role.

General recommendation: Vote in line with management.

Exceptions:

- The board is not sufficiently independent.
- The skills and experience of the director are not appropriate for the director role.
- Material overall diversity and gender diversity concerns.
- The director is over committed.
- The board is unwilling to implement good governance standards.
- The board is not holding executives accountable for performance.
- Unacceptable compensation practices.
- Lack of performance by the director, including unexplained absence at board meetings.
- Breach of fiduciary responsibilities.
- Unmanaged material risk, including environmental and social risks which have resulted, or may result, in the destruction of enterprise value.
- Appropriate board refreshment and succession plans are not in place.
- No detailed disclosure on the directors' experience and background.
- The Board appoints a previous CEO as Chair with ineligible motivation for the appointment.
- Shareholder rights have been impaired.
- A combined chair and CEO board structure (Before voting against, Investec W&I will consider the specific circumstances, including the concentration of power).
- Bundled director elections.

Audit Committee

The audit committee has a crucial role in safeguarding investor and other stakeholder interest.

General recommendation: Vote in line with management.

Exceptions:

- The committee does not comprise of independent non-executive directors only as required by the South African Companies Act.
- The company does not have a minimum of three independent members with at least one with recent and relevant financial expertise.
- The director/directors have a poor director track record.
- The balance of skills, knowledge and experience of the directors is considered inadequate.
- There is concern about the quality of the external audit.
- The Chairperson is a member of the committee.

Nomination committee

The nomination committee is responsible for ensuring that the board comprises a balance of directors with relevant skills, knowledge, and experience.

General recommendation: Vote in line with management.

Exceptions:

- Effective board evaluation and succession planning policies are not in place and implemented.
- Diversity has not been considered.
- The board is ineffective.
- The board does not have an appropriate balance of skills and experience (including sustainability).
- The board is not appropriately independent on an overall basis.
- The board is unwilling to implement good governance standards.
- The board is not holding executives accountable for performance.

Remuneration Committee

The remuneration committee is responsible for the remuneration system covering executive directors and senior management. It is also required to consider the overall remuneration system, including whether it is fair and responsible. Environmental and social impact should be integrated into the remuneration system.

The Board must hold executives accountable for the implementation of company strategy. Remuneration is an important tool to encourage and align strategy implementation, including sustainable performance of the company. The Remuneration Committee has the responsibility to develop and implement an effective remuneration system.

General recommendation: Vote in line with management after careful consideration of the remuneration system.

Exceptions:

- The Remuneration Committee is not appropriately independent on an overall basis.
- Remuneration committee members do not have appropriate experience and skills to serve on the committee.
- The Chair of the committee is not independent.
- The system of remuneration is not aligned with company strategy, including long-term sustainable performance.
- The remuneration system is ineffective.
- The system does not align with the long-term interest of shareholders.
- The company remuneration report must disclose how the system is aligned with strategy implementation and executive performance.
- The remuneration reporting does not demonstrate clear Board and Remuneration Committee accountability to all stakeholders.
- There is material amendment of the remuneration system without requesting shareholder approval.
- Dilution from the implementation of variable remuneration is excessive.
- Executives are known to inappropriately influence the remuneration system.

Non-executive director fees

General recommendation: Vote for proposed director fees.

Exceptions:

- Excessive when benchmarked to peers.
- Excessive in relation to board members responsibilities as a non-executive director.
- Poor director performance.
- Directors are not holding executives accountable.
- Directors are not acting in the best interest of the company and not exercising reasonable care, skill, and diligence in carrying out their duties (fiduciary duty).
- Fees paid to directors for consultancy services to the company. We expect fees to be paid for directing and controlling the company.

Capital Management

Investec W&I has a duty to protect client capital. Capital management should create long-term value and benefit all stakeholders. The distribution of shareholder net income through share repurchases, sometimes referred to as buybacks, and the issue of shares, are important board decisions and material to shareholders. It is therefore important that investors carefully consider the long-term impact of resolutions covering capital management.

Corporate actions are required from time to time. Each resolution put forward to shareholders requires careful consideration. The voting decision must support the long-term interest of the company, shareholders and clients. It is essential there is sufficient transparency to make an informed decision and there should be no conflict of interest.

Any transaction with related parties must be undertaken on a market related basis and be in the interest of all shareholders.

Vote for share repurchases unless:

- The company has inadequate liquidity and balance-sheet strength.
- The share price, at the time of the request, is greater than its intrinsic value.
- There is a conflict of interest with management long-term or short-term incentive schemes.
- Management has a track record of reissuing treasury shares rather than cancelling them.
- There are clear reasons why a cash dividend, investment in the company or settlement of debt is a superior option.

Vote for the authority to issue shares unless:

- Management has a track record of destroying shareholder value.
- The share price is materially below its intrinsic value.
- A general authority is put before shareholders to issue shares for cash above 5%.
- Issuing shares for cash where the discount limit is greater than 5%
- A general authority to issue more than 10% of the share capital of the company without attached rights of pre-emption.
- A share issuance that does not treat all shareholders fairly.

Vote against resolutions that:

- Create new classes of shares with disproportional voting rights to economic interest (higher voting rights than existing share classes).
- Reduce shareholder rights.
- Create company anti-takeover mechanisms.
- Related-party transactions where the disclosure is insufficient to assess the transaction and its impact on shareholders.
- Related-party transactions if the transactions are not in the interest of all shareholders.

Financial Assistance

Certain provisions under the Companies Act require Where financial assistance must be approved by shareholders:

- Financial assistance to directors or prescribed officers.
- For subscription to company shares.
- For subscription to related company shares.
- For subscription to inter-related company shares.

Vote for the provision of financial assistance unless:

- Inadequate disclosure of detail – such as the rate, amount and recipient.
- The terms are not fair and reasonable to shareholders.
- Evidence of previous abuse of this authority by directors.

New or amended Memorandum of Incorporation (MOI)

To implement a new MOI or amend an existing one, shareholder approval is required. Amendments to the MOI may materially change shareholder rights and will be assessed on a case-by-case basis.

Vote for the authority to amend an MOI unless:

- The resolution impacts the rights or interests of shareholders.
- The resolution adversely alters terms such as preferences or limitations.

Shareholder Resolutions

We assess shareholder resolutions on a case-by-case basis. The merit of the resolution is carefully considered to ensure it is in the long-term interest of the company.

The following assist our voting decision:

- The purpose of the resolution is to increase disclosure transparency, including material ESG factors.
- The resolution focuses on long-term shareholder value.
- The proposal addresses risk mitigation, including material ESG factors.
- The resolution focuses on improving shareholder rights.
- The resolution is reasonable, does not constrain management and is not unduly prescriptive.

Shareholder appraisal rights

S164 of the South African companies act allows for such rights to be triggered when a minority shareholder:

- Wishes to exit the company as they are unable to prevent a transaction they disagree with, such as an amendment to their rights in the MOI or a disposal of a greater portion of the company's assets.
- Believes they are receiving an unfair value for their holding but is unable to prevent approval.

If such situation arises, we will assess the feasibility from a qualitative and financial perspective of pursuing these rights, on a case-by-case basis, and if believed to be in the best interests of our clients:

- Provide the company with a written notice of objection before the resolution is put to the vote.
- Vote against the resolution.
- If the resolution is adopted, deliver a written demand to the company within 20 business days after receipt of a notice of adoption for the fair value of shares (fair value as determined immediately before the company adopted the resolution that triggered the appraisal right) and enter negotiations to settle with the company.

Systemic Risk

Well-managed companies identify, evaluate, manage and disclose material sustainability related risks and opportunities. Governance that is supportive of long-term value creation must include oversight of these material sustainability factors.

Disclosure of the material sustainability-related risks and opportunities, including continuous improvement in company reporting, is crucial for investors. These issues could have a present or future impact on companies' value creation, including their impact on society and the environment. Disclosure of the information enables investors to integrate material sustainability (ESG) factors into their investment analysis and decision making. It also helps position investors to understand whether sustainability is adequately integrated into the overall strategy of the company.

The Task Force on Climate Related Financial Disclosure (TCFD) framework was developed to support disclosure of climate risk and opportunity. The four pillars of the TCFD Framework (governance, strategy, risk management, and metrics and targets) help companies to communicate their climate risks and opportunities. The Framework can be applied more widely, including encouraging a better understanding of a company's integrated sustainability strategy.

Where general systemic risk disclosure is insufficient, Investec W&I will consider voting against:

- Audit Committee directors
- Other directors
- The Annual Financial Statements

Climate risk

As a long-term investor on behalf of our clients, we are interested in understanding how companies may be impacted by material climate-related risks and opportunities and how these factors are considered within strategy. We make better informed investment decisions on behalf of our clients when companies transparently disclose their approach to ensuring they have a business model resilient to climate risk.

We expect companies to disclose short, medium and long-term targets, ideally science-based targets, for Scope 1 and 2 greenhouse gas emissions (GHG), aligned with the targets of the Paris Agreement. Scope 3 emissions are more complex with regulatory uncertainty and lack of direct control by companies. We encourage disclosure and commitment to action that improves the accuracy and completeness of Scope 3 data.

The International Sustainability Standards Board (ISSB) standards, IFRS S1 and S2 guide companies to develop disclosure that supports claims of climate resilience. IFRS S1 and S2 have been developed based on the TCFD framework. Disclosure aligned with the ISSB standards can help investors to identify company-specific climate-related risks and opportunities, including capital required to support and implement strategy.

We expect a clear governance structure for managing climate-related risks and opportunities. Climate expertise and experience on the board is essential where climate risks and opportunities are material to a company's business model.

Companies that do not take action to align strategy with the goals of the Paris Agreement create risks for the client capital we manage.

- Vote against the Annual Financial Statements of companies faced with material climate risk where the company has not disclosed their approach to ensure the business model is resilient to climate risk.
- In addition, we will consider voting against the board chair and appropriate directors if the company has not taken sufficient climate related action to support the resilience of their business model.
- Say-on-Climate resolutions are considered on a case-by-case basis. The overall quality of the transition strategy determines whether we are supportive of the climate resolution.

Broad Based Black Economic Empowerment (BBBEE):

We support the transformation of the South African environment and will vote in line with BBBEE transactions, providing there are no material issues with the proposal, and the transaction is aligned with company strategy. Transactions will be assessed on a case-by-case basis.

Vote for the authority to implement a BBBEE transaction unless:

- The transaction is excessively dilutive.
- The transaction is not appropriately inclusive.
- Advisor fees are excessive.
- There are legitimacy issues with the proposed beneficiaries.
- The transaction is not considered to be broad-based.
- The structure of the transaction is unnecessarily complicated.
- Linked legal requirements, such as the requirements for financial assistance and issuance of new shares, are not supported.
- Fronting concerns with the transaction.

Human Rights:

We expect companies to identify and understand human rights risk. Conducting supply chain due diligence is an important action to understand this risk. Where companies are linked with material social and human rights controversies, we may identify the director or directors responsible and vote against their appointment or reappointment.