

Proxy Voting Policy

1. INTRODUCTION

This Policy sets out Lima Mbeu's guidelines for the voting of shareholder resolutions as they pertain to listed equity. Stakeholders should read the Policy within the broader context of Lima Mbeu's Responsible Investment Guidelines. Our Policy is to disclose proxy voting records to clients or prospective clients upon request. Further to this, we will manage potential conflicts of interest through our existing conflict of interest management processes.

2. APPLICABILITY

This Policy applies to all mandates that include equity as a component and will be used as a risk management tool to protect client interests.

3. RESPONSIBILITY

The person responsible for the execution of this Policy shall be the Chief Investment Officer.

4. PROXY VOTING GUIDELINES

This Policy provides an overview of the general principles and guidelines that Lima Mbeu will apply when voting on listed equity proxies. These proxy voting guidelines draw on The King IV Code on Corporate Governance, the governance provisions in the South African Companies Act 71 of 2008, and the listing requirements of the JSE. Lima Mbeu will exercise each proxy on the merits of the case for each such proxy and without regard to any interests of Lima Mbeu, its staff, officers, directors, or its associated companies.

5. APPOINTMENT OF BOARD MEMBERS

The following section sets the general principles that Lima Mbeu will apply when voting on resolutions about the appointment of board members:

5.1. Board Independence

- 5.1.1. An independent, non-executive director must not be a substantial shareholder (ownership higher than 5%) of the company.
- 5.1.2. An independent, non-executive director with tenure on the Board greater than nine years should undergo an independence assessment which should be presented in the company annual report.
- 5.1.3. The role of the chief executive officer (CEO) and chairperson of the Board should be separated.
- 5.1.4. The chairpersons of the Audit, Remuneration, and Nominations committees should be an independent, non-executive director.
- 5.1.5. All members of the remuneration committee must be non-executive directors.

5.2. Board composition

- 5.2.1. The Board of directors must comprise of a majority (at least 50,1%) of independent non-executive directors.
- 5.2.2. The Board of directors must reflect a level of racial diversity (at least 50% of board members must be from previously disadvantaged groups) representative of the social transformation agenda of the country.
- 5.2.3. The Board of directors must reflect a level of gender diversity (at least 50% of board members must be female) representative of the social transformation agenda of the country.

5.3. Board fiduciary duties

- 5.3.1. A director must have attended more than 75% of Board and committee meetings to qualify for re-election.
- 5.3.2. A director should have a maximum of 5 other board memberships to qualify for election or re-election.

6. REMUNERATION

The following section sets the general principles that Lima Mbeu will apply when voting on resolutions about remuneration:

- 6.1. The majority of executive remuneration (at least 50%) should be “at-risk” and be linked to both business targets as a whole, and the performance targets of the executive concerned.
- 6.2. The group aggregated dilution from a new issue of shares related to remuneration should be limited to 10% of issued share capital in any rolling ten-year period.

7. GENERAL

The following section sets the principles that Lima Mbeu will apply when voting on resolutions about general items:

- 7.1. Directors should control a portion of the unissued shares in the share capital of a company up to a maximum of 5% of the issued shares in the share capital of the company, cumulatively in any financial year. Lima Mbeu considers a maximum threshold of 5% as acceptable to protect its clients' interests and to allow the company sufficient flexibility in executing its strategy concerning the share capital of the company.
- 7.2. Scrip dividend schemes are preferred over cash.
- 7.3. Share repurchases are preferred as they are efficient and effective means of returning wealth to shareholders.
- 7.4. Broad-based black economic empowerment (BBBEE) transactions will be supported in line with the social transformation agenda of the country.
- 7.5. Odd-lot offers will be supported as this results in a lower administrative burden.
- 7.6. Resolutions for financial assistance as defined under Section 45 of the Companies Act will be supported, provided that they are worded in a manner that does not provide blanket powers to the directors, are limited in terms of scope of application, and the form, nature, and extent of such financial assistance is clearly defined.
- 7.7. Auditors should have a maximum tenure of up to 5 years to qualify for re-appointment.

8. ISSUES THAT REQUIRE ENGAGEMENT WITH THE BOARD

The following section sets the principles that Lima Mbeu will apply on items that need to be addressed through board engagement, as opposed to proxy voting:

- 8.1. **Board composition:** The Board of directors does not reflect the appropriate level of skills, qualifications, and experience relevant for the particular industry.
- 8.2. **Board composition:** The nomination of members who have had a history of enacting or sanctioning poor corporate governance practices or policies.
- 8.3. **Board independence:** a proposal that the CEO moves into the position of chairperson following his/her retirement.

Lima Mbeu will communicate its concerns to the Board of directors through a formal letter. If the issue of concern is not resolved in a satisfactory manner, only then will Lima Mbeu exercise its dissatisfaction through proxy voting.

9. PROXY VOTING GUIDELINES FROM A CLIENT

Clients may choose to vote in a manner that is contrary to what is presented in this Policy. In such instances, the client's preferences will take priority, and any deviations from the guidelines, as mentioned above, will be recorded.

10. PROXY VOTING SUBMISSION

Lima Mbeu will send the voting instructions through to Curo Fund Services (Pty) Ltd, who will instruct the custodian to vote on our behalf.

11. APPROVAL

The Management Committee has approved this Policy.