PROXY VOTING POLICY

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INTRODUCTION

The purpose of the Proxy Voting Policy is to ensure that Visio Fund Management (Pty) Ltd ("Visio") votes in the best economic and long-term interest of its clients and in accordance with Visio principles of Responsible Investing.

The guidelines, as contained in this policy, do not supersede business principles and the application of one's minds.

KEY PRINCIPLES

1. Consider any specific terms or conditions contained in the fund mandate in relation to a client's preferred manner of voting. In the event, that no specific instruction has been received from a client on how to vote on a specific resolution the guidelines, as contained in this policy, will serve as a guide for the Portfolio Manager on how to vote whilst considering the UNPRI principles of responsible investing.

2. Read the Annual Financial Statements and supporting documentation along with the resolutions attached to the proxy form prior to voting. Should there be any uncertainty on a specific resolution, the Portfolio Manager is encouraged to engage with the board and/or management of the respective company to seek the necessary clarity in order to make an informed decision when voting. This will include considering Visio's past engagement with the board and/or management addressing governance, operational or other issues.

3. Consider the appropriateness of engaging with other fund managers holding a position in the positions in the funds whilst being cognisant of the takeover rules relating to concert parties.

4. Portfolio Managers, with the necessary authority to vote on behalf of clients, and duly authorised to sign the proxy forms, are free to act independently and actively vote all proxies for all positions and if necessary, debate the matter with another analyst or Portfolio Manager.

5. In special circumstances when Portfolio Managers deviate from these guidelines or abstain from voting, a detailed explanation must be provided.

6. Visio shall maintain a record of each vote detailing reasons behind any votes against resolutions or abstentions. The Visio proxy voting register is available on the Visio website one month in arrears.

ANNUAL FINANCIAL STATEMENTS

Although not mandated by law for South African companies to submit the Annual Financial Statements, including the auditors and director report, to the shareholders for approval, some companies may opt to seek this approval whilst others will present the AFS for adoption.

Guiding Principle: Vote for the approval / adoption of the Annual Financial Statements, including the auditors and director report unless:

- There is insufficient financial disclosure;
- Significant off balance-sheet transactions; or
- The company is not willing to disclose specific public related information.

DECLARATION OF DIVIDENDS

The solvency and liquidity test must be applied prior to the proposed distribution to shareholders i.e. whether the assets of the company, fairly valued, are equal to or exceed the liabilities of the company, fairly valued AND whether the company will be able to pay its debts as they become due in the ordinary course of business for a period of twelve months after the test is considered.

Guiding Principle: Vote for the approval of a declaration of dividends only if the Portfolio Manager is satisfied that the board of the company applied the solvency and liquidity test as per the Companies Act, 2008.

APPOINTMENT OF EXTERNAL AUDITORS

All public and state-owned companies are required to appoint an auditor annually at its annual general meeting as per the Companies Act, 2008.

Guiding Principle: Vote for the appointment or re-election of auditors in line with the Mandatory Audit Firm Rotation rule (in effect since April 2023) rule unless:

- No reason has been provided for the change in auditors;
- Concerns relating to audit procedures or independence;
- The Portfolio Manager is not satisfied that:
  - The audit firm a large reputable firm;
  - Investigated any complex audit issues that need to be considered such as going concern doubts; non-compliance with IFRS or pending material litigation;
  - Investigated if the audit firm has undergone any recent complex corporate restructurings (e.g. rights issues; disposals); or
  - Non-audit fees do not exceed approved audit-related fees.

SHARE BUYBACKS

Share buybacks will require a special resolution and a statement by the directors that, after considering the effect of such repurchase, the provisions of Section 48 of the Companies Act, 2008 and the specific conditions in the JSE Listing Requirements have been met.

Prior to the special resolution tabled to the shareholders for approval, the Portfolio Manager must be satisfied that a Board resolution was passed authorising the repurchase, that the company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of any company of the group.

Guiding Principle: Vote for a general share buyback unless:

- The company proposes to repurchase more than 20% of that company's issued share capital of that class in any one financial year
- The Portfolio Manager is satisfied that the following factors have been considered:
    - if there is a holding company structure in place then the buyback may indirectly increase the shareholding of the holding company in the underlying listed subsidiary;
    - strength of the balance sheet;
    - the potential that the buybacks might have on reducing liquidity on the tradability of the share;
    - the other potential uses for the cash that is being deployed in buybacks, e.g. acquisitions;
    - whether the buyback is likely to be earnings enhancing at the current share price;
    - management's past success in executing buybacks.

DIRECTOR ELECTIONS

At least one-third of the non-executive directors must retire by rotation at every Annual General Meeting, categorised as either Independent, Non-Executive or Executive. A brief CV of each director, standing for election or re-election, should accompany the notice of the annual general meeting.

Independent directors should be determined holistically, and on a substance over form basis in accordance with the indicators as provided in the Companies Act and the King Code.

The Board of Directors are allowed to apply their judgement to determine whether a member is to be regarded as an independent director. This will require that the board of directors are objective and effective. Visio retains the right to its own determination of independence of specific directors without reliance on company provided independence affirmation.

The Portfolio Managers will also make reference to the application of the policy on the promotion of diversity as contained in the annual report when deciding on how to vote on this matter. Diverse boards are a critical factor when considering votes in favour of those board members up for re-election. Diversity refers to inter alia demographics, tenure, qualifications, experience and relevant industry and geographic exposure.

Additional scrutiny is encouraged when different share classes exist and when listed entities have controlling shareholders.

Guiding Principle: Vote for the election or re-election of directors unless:

- The board composition fails to comply with governance standards such as King IV which then hinders rigorous debate;
- The independence of a director/s is questionable;
- There has been no transparent recruitment process for the appointment of a director or C-suite executives ;
- There are specific concerns about directors i.e.breach of fiduciary duties;
- There are specific concerns that one director has unfettered powers of decision-making or influence;
- The director holds the position of Chairman and Chief Executive without a valid explanation;
- Portfolio Managers are aware of details of any bankruptcies, insolvencies or individual voluntary compromise arrangements of any one director;
- Details of any public criticisms of such person by statutory, regulatory authorities, including recognised professional bodies and the investment community, and whether such person has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- After establishing how many other board positions the proposed non-executive director/re-elected director holds and considering how this could this negatively influence his/her performance;i.e. Visio views directors as overcapacitated when holding more than five (5) listed company board positions. More than one Chair position on any large listed entity is also considered overcapacitated.
- The Chief Executive Officer serves on more than two Boards;
- A non-executive director who has served on the board for an extended period of time (more than 9 years) and his/her objectivity and independence are likely to be impaired to exercise objective and unfettered judgement;
- Authority is granted to Management to appoint Directors;
- The MoI does not reference the retirement and rotation of non-executive directors;
- Lack of attendance at board and board committee meetings which has not been explained
- Consider also director independence by association.

NON-EXECUTIVE DIRECTORS REMUNERATION

The fees of non-executive directors of companies must be submitted to a special resolution approved by shareholders within the previous two years.

Guiding Principle: A vote in favour of non-executive director remuneration needs to consider:

- The composition of the Remuneration Committee does not meet the requirements of a majority of independent non-executive members;
- In comparison to a similar size company in the same sector and/or with similar complexity, the proposed fees are excessive;
- Non-executive chairpersons and other non-executive directors receive material financial compensation or hold large personal positions in shares or share options in the company under consideration as this has the potential to impair their independence and objectivity.
- Non-executive directors should be remunerated on an attendance basis rather than paid a flat fee.

ELECTION OF AUDIT COMMITTEE MEMBERS

Companies required to establish an Audit Committee as per the Companies Act, must elect a minimum of three members.

Guiding Principle: Vote for election / re-election of audit committee members unless:

- The elections are stated as one resolution rather than separate resolutions;
- The majority of the committee members are non-independent non-executive directors;
- Repeated absences at audit committee members have not been explained;
- Concerns surrounding the functions of the audit committee should there be serious concerns of the Annual Financial Statements as requested.

SOCIAL AND ETHICS COMMITTEE ELECTIONS AND REPORT

It is not a legal requirement to elect members of the Social and Ethics Committee at an Annual General. In the event that a Company does wish to do so, the guiding principle is listed below.
As per the Companies Regulations 2011, the Social and Ethics Report must be tabled at the AGM and there is no requirement to vote on the report.

Guiding Principle: Vote for election / re-election of social and ethics committee members unless:

- The members of the Committee do not meet the minimum guidelines for membership as per the Companies Act, 2008 and its regulations and/or the JSE Listing Requirements.

FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

A special resolution, approved by shareholders, is required for providing financial assistance as per the Companies Act.

Guiding Principle: Vote for general authority to provide financial assistance unless:

- There is a concern that the solvency and liquidity test has not been satisfied;
- The proposed financial assistance is not fair and reasonable to the company;
- The company is seeking authority for persons other than those stated in the Companies Act.

AUTHORITY TO EXECUTE APPROVED RESOLUTIONS AT A GENERAL MEETING

Some companies may seek a formal resolution granting the directors and/or the company secretary authority to sign all the necessary resolutions and do everything required to put into effect resolutions approved at a general meeting.

Guiding Principle: Vote for the directors and/or the company secretary authority to implement the resolutions set out in the notice and approved at a general meeting.

APPROVAL OF REMUNERATION POLICY

A company's remuneration policy and implementation report must be tabled annually to shareholders for a non-binding advisory vote at the annual general meeting. The purpose of the Remuneration Policy, as per King IV, should be to:

- Attract, motivate, reward, and retain human capital;
- Promote the achievement of strategic objectives within the organisation's risk appetite;
- Promote positive outcomes;
- Promote an ethical culture and responsible corporate citizenship.

Guiding Principle: Vote on a company's remuneration policy on a case by case basis:

- There is insufficient disclosure of the policy and the application of the policy;
- The policy is not aligned to the interest of the shareholders;
- There is an inappropriate mix of guaranteed vs variable remuneration components;
- Deviations from and/or Director discretion per the policy not adequately explained;
- Basis for executive salary increases has not been clearly defined and/or excessive;
- Abnormally large increases in executive salaries or discretionary rewards have not been explained;
- No reasons have been provided for executive directors' ex gratia payments, severance payments or bonus payments which are not clearly linked to performance;
- The long-term and share incentive schemes are not aligned with shareholder long-term interests with specified and measurable targets in place which include relevant financial, return and ESG metrics
- The long-term and share incentive schemes performance conditions are not adequate nor current;
- The long-term and share incentive schemes performance is set for a period less than 3 years;
- The number of shares issued for purposes of long-term and share incentive schemes will cause excessive dilution.
- No malus and clawback provision is in place

NEW MEMORANDUM OF INCORPORATION (MOI) / AMENDMENTS TO THE MOI

Schedule 10 of the JSE Listing Requirements sets out guidance on the requirements of the MoI. All new or amended MoI must be submitted to the JSE for approval prior to shareholder approval. Shareholder approval is required as per the Companies Act, 2008.

Guiding Principle: Vote on a new MoI/Amendments to a MoI on a case-by-case basis:

BLACK ECONOMIC EMPOWERMENT (BEE) TRANSACTIONS

A BEE transaction may entail issuing new shares or a provision for financial assistance. Factors to consider will include the creation of sustainable long-term shareholder value and the overall dilutive impact.

Guiding Principle: Vote on BEE Transactions on a case by case basis.

SHARE INCENTIVE SCHEMES AND OTHER LONG-TERM INCENTIVES

Visio generally supports appropriately structured incentive plans for both the retention and attraction of skilled executives and for the creation of sustainable long-term shareholder value.

The proposed share incentives schemes, including amendments to existing schemes, must be approved by an ordinary resolution requiring a 75% majority of the votes cast in favour of such resolution.

Guiding Principle: Vote for share incentive schemes and other long-term incentives on a case by case basis unless:

- Executive directors are appointed as trustees of schemes;
- Trustees / Non-Executive Directors are participants under the scheme;
- The necessary comfort has not been satisfied after applying one's mind to the content of the share incentive scheme and the following questions:
    a. compare terms of the scheme document to schemes of other companies that we think are good examples?
    b. does the share incentive scheme encourage long term holdings of shares by executive management?
    c. Is there a minimum shareholding and a minimum holding period in place?
    d. does the scheme cover a sufficiently large number of key executives?
    e. does the share scheme provide a sufficiently large financial incentive for management to perform ahead of the benchmarks set in the share scheme documentation while not encouraging unnecessary risks to the business?
    f. what are the targets against which management are to be measured? (these need to be relevant, preferably show a base and stretch targets, incorporate key return measures and TSR. If TSR is a measure used, is the group of companies used as a benchmark appropriate?);
    g. if the scheme is a phantom scheme/cash settled scheme does it align the interests of our funds with management?

STANDARD RESOLUTIONS NORMALLY REQUIRING AN “AGAINST”VOTE

1. Issue of ordinary shares for cash.
2. Placing the unissued shares under the authority of management, i.e., allowing management to issue shares other than for cash.

Guiding principle: In the absence of specific corporate transactions already contemplated by management or publicly disclosed by management, a vote against is preferred so that our clients’ economic interest is not diluted every year.

UNPRI

The UNPRI principles encompass “ESG” issues, namely Environment, Social and Governance.

Our proxy voting principles already cover the Governance issues. In addition, we should consider the impact that “Social and Environmental” issues have on the sustainability of each company our clients’ funds are invested in.