

M&G Investments (Managers) (Pty) Ltd (“M&G”) Voting Guidelines

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Introduction

Introduction

M&G is entrusted with the stewardship of our clients' assets, and this is a responsibility that we take very seriously.

The following guidelines reflect M&G's default voting positions on assets under its direct management and where it has voting discretion.

These guidelines do not impact the Fund Manager or Analyst's ability to instruct, based on company, Fund and other specific knowledge, a variation from the default position. M&G's Operations team is responsible for implementing, reporting and reconciling voting decisions.

These guidelines will only be deviated from on contrary instruction from the Fund Manager or Analyst, or if the client has an opposing instruction or position, or if the default position will potentially result in a loss in value for our clients.

Securities under any securities lending program shall be recalled for voting purposes, and fall under the ambit of these guidelines.

Oversight and Accountability

Oversight

This Guidance document is subject to oversight by the respective investment team department heads in Southern Africa, assisted on implementation by the ESG Specialist and the relevant staff at the Compliance Function, with the latter as the instructing party to implementation team in administration.

Accountability

For certainty, "staff" includes full-time employees, fixed-term contractors, temporary staff and executive directors.

Staff are accountable for reading, understanding and complying with the standards and processes contained in this document.

Investment, Compliance and Administrative Management are accountable for ensuring that, where applicable, relevant staff are aware of and act in terms of this guidance document, particularly within the investment teams and those members of the compliance and administrative teams responsible for executing proxy voting.

Investment Analysts are accountable for the voting decisions on their stocks or issues where applicable, and where they are the lead analyst on that entity or issuer.

Investment Administration Operations are accountable for the processing and reconciling of voting instructions as issued by the investment analysts.

Investment Team Department Heads & Chief Investment Officer are accountable for ensuring the relevant stock analysts under their supervision take these guidelines into account when considering voting on stocks and issuance under M&G's management.

Governance, Risk and Compliance department and where relevant the ESG Specialist is accountable for supporting the investment analysts with action in line with this document where requested.

Executive Management are accountable for approving this guidance document, more specifically the Chief Investment Officer and the Heads of Equity and Fixed Income.

Training and Awareness of this guidance document and the obligations in it are provided to staff as required. Such training may be directly or in writing. This document is available on the M&G intranet and easily accessible through the front-page portal along with all other key policy and guidelines documents.

Approach

M&G's approach to stewardship is set out in our 'Stewardship Report' document. An active and informed voting guideline is an integral part of our investment philosophy. In our view, voting should never be divorced from the underlying investment management activity. By exercising our votes, we seek both to add value to our clients and to protect our interests as shareholders. We consider the issues, meet the management if necessary, and vote accordingly.

We aim to vote on all resolutions at general meetings of companies held in M&G's actively managed portfolios, and where applicable, those on issue documents of debt. Typically, M&G votes by proxy at general meetings, but on very rare occasions we may vote at a shareholder meeting where our clients' interests are best served by us doing so.

When considering resolutions, we look to support management, but the ultimate decision will be determined by an assessment of the impact on our investments and the long-term interests of our clients. In determining our vote, a number of factors will be taken into consideration, including our voting guidelines, company-specific information and the extent to which we have been able to obtain any additional information required to make an informed decision.

We will vote against proposals that compromise our clients' interests. We may not vote in favour of resolutions where we are unable to make an informed decision on the resolution because of poor quality disclosure, or due to an unsatisfactory response to questions raised on specific issues. Where possible and pragmatic, we seek to discuss any contentious resolutions with company managements before casting our votes, in order to ensure that our objectives are understood.

Any shares on loan may be recalled whenever there is a vote on any issue affecting the value of shares held, or any issue deemed to be material to the interests of our clients.

We disclose our voting records on our website on a quarterly basis, as well as the rationale for any opposing or abstaining votes on any given resolution.

Voting Guidelines

These voting guidelines set out our expectations across the range of shareholder issues and indicate our voting stance on them. Our approach is founded in corporate governance best practice and investment stewardship.

Ultimately, every proposal will be evaluated on its merits, based on circumstances relevant to each individual company. High-level principles guide our voting guidelines, but company-specific factors are always considered.

For assets managed by third parties, we endeavour to seek and ascertain that the third parties have voting guidelines or policies that align with our voting principles.

Voting Implementation

Our preference is to either vote 'For' a resolution or 'Against' it.

On some occasions, where we have concerns and/or information is lacking, we may 'Abstain'.

Investee company policies, arrangements and disclosures that fall short of our voting guidelines and the standards of the local market will typically be voted against.

¹ However, a fund may refrain from voting some or all of its shares if doing so is in the interest of the fund, e.g., if exercising the vote would result in the imposition of trading restrictions ('blocking').

Remuneration

M&G's voting guidelines on remuneration are contained within a separate document on Remuneration Guidelines⁴. This is not shared publicly at this point in time.

Shareholder Meetings/Articles/Constitution/By-Laws

Shareholder meetings provide an important opportunity for shareholders to hold directors to account; and for shareholders to express their views on strategy, corporate governance and corporate social responsibility matters.

Changes to the Articles/Constitution of a company should be examined regarding the need for the company to continue operating efficiently and effectively, while respecting and maintaining rights and protections provided to shareholders. The powers granted to directors should not be excessive, and the ability of shareholders to hold directors to account should be sufficient. In principle, all shareholders are equal, and companies should not issue share classes enshrining differing rights.

Issue	Comment	Voting
Shareholder meetings	Shareholder meeting attendance is a basic shareholder right and requirements for entry should not be overly burdensome, although with due regard to necessary security.	We will oppose changes to the Articles/Constitution which unnecessarily restrict shareholder participation in shareholder meetings.
Virtual Meetings	In our view, the use of a virtual channel, alongside a physical meeting, to increase participation, would be positive. We have reservations with regard to virtual-only meetings; and companies should set out clearly how full and proper participation would be ensured.	We will support amendments to a company's constitution/articles that provide for hybrid meetings and oppose provision for virtual-only meetings, unless an appropriate annual authority is obtained from shareholders.
Right to call meetings	We support shareholders' rights to call special meetings of the company where an appropriate minimum ownership threshold is in place.	We will generally support proposals to grant these rights to shareholders and against proposals to limit them.
Restricted voting rights shares	We are not in favour of share classes with differing rights.	We will oppose the creation of differential voting shares.
Supermajority vote requirements/Special resolutions	In principle, voting by a simple majority is the most appropriate basis for shareholders to pass resolutions. However, resolutions requiring a super-majority (e.g., special resolutions) often serve to protect shareholder rights and are enshrined in law. We also recognise that a super-majority requirement may also serve to entrench the status quo and obstruct change that would be in shareholders' interests.	In principle, we are supportive of protecting shareholder rights; and opposed to use of super-majority requirements that are not in shareholders' interests.

Issue	Comment	Voting
Shareholder resolutions (including Proxy Access requests)	Shareholders should have the right to propose resolutions at general meetings with an appropriate shareholding hurdle specified. The hurdle may be specified in company law.	We will support proposals that ensure shareholders are able to propose resolutions appropriately.
Bundled resolutions	Proposals seeking authority for more than one action or authority lack proper accountability, denying shareholder the opportunity to consider issues separately.	We will consider opposing bundled resolutions, taking into account any potential detrimental effect on the company's ability to operate. Local legal requirements and practices will be considered.
Requirement for directors to be re-elected by shareholders	<p>Methods and standards for electing directors can vary throughout the world. In our view, directors should seek re- election regularly and preferably annually. Election should require support from greater than 50% of the votes cast.</p> <p>Accountability to shareholders through re- election will influence our deliberations of other management proposals.</p>	<p>We will support proposals that ensure all directors stand for election every year (or proposals that move towards this position); and oppose proposals that reduce accountability to shareholders.</p> <p>Standard practice in local markets will be taken into consideration.</p>
Takeovers/schemes of arrangement	Investment analysis will determine the voting decision.	We consider each resolution on its merits.
Shareholder rights plans	These supposedly aim to protect the company for a limited period of time when a new significant shareholder has objectives that may or may not benefit all shareholders on the register. While purporting to be in shareholders' interests, in our view they are often designed to entrench management.	<p>We will oppose arrangements that significantly disadvantage shareholders.</p> <p>Proposals are analysed on a case-by- case basis from a sceptical point of view. We are generally unsupportive unless convincing arguments are provided.</p>
Written consent powers	<p>Shareholders in companies in certain geographical regions / jurisdictions may have the power to act by written consent; or may seek the power to act by written consent.</p> <p>The managements of such companies may use powers previously granted by written consent instead of seeking shareholder approval at a shareholder meeting.</p> <p>We believe that written consent undermines shareholder democracy, and our preference is for proposals to be considered and decided through general shareholder meetings.</p>	We will generally oppose adoption of written consent powers.
Borrowing Limits contained with Articles/Constitution	Companies should have an appropriate borrowing limit set out in their Articles/Constitution.	We will consider opposing a change that would exceed two times shareholders capital and reserves.

<p>Adopting the jurisdiction of incorporation as the exclusive forum for certain disputes</p>	<p>The aim is to reduce the cost and/or distraction of protecting the company from lawsuits across multiple territories, which are typically triggered after M&A. This is typically in shareholders' interests but does modestly reduce shareholder rights.</p>	<p>We will support proposals where the company has a history of improving shareholder rights.</p> <p>Proposals will be analysed on a case- by-case basis while considering the company's history of lawsuits and other changes to shareholder rights.</p>
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Agenda Issues at Special/Extraordinary Meetings

These meetings are typically called when shareholders need to approve amendments to memorandum and articles of association as a result of specific corporate actions (e.g., BEE deal approval) and approval of such corporate actions.

M&G's procedure is to any resolution decisions on Extraordinary meetings must be approved by the Head of Equity for equity stocks, or Head of Fixed Income, for fixed income issuers, or in the absence or the head of that asset class is the analyst, then the Chief Investment Officer, and in his absence then the relevant portfolio management team for that asset class.

In general M&G is in favour of black economic empowerment, provided it is broad-based empowerment and the economic cost is not too high for the shareholder.

Other corporate actions, such as mergers, takeovers, acquisitions, etc, will be decided on a case-by-case basis and will only be approved if it seen to be adding value to the clients' investment and that it will aid in the long-term goal of growing the client's portfolio and diversifying risk.

Share Capital and Listing Status

In our view, corporate equity structures should consist only of voting shares with equivalent rights. Potential dilution resulting from share issuance is closely monitored. In principle, M&G expects all shareholders to be given pre-emption rights as a matter of fairness and preventing the potential transfer of wealth to third parties.

Issue	Comment	Voting
Placing unissued ordinary shares under the control of the directors & providing the directors the authority to issue shares for cash	M&G is not in favour of providing general authority to directors for the above transactions.	These will only be voted in favour of, if the authority is very specific and the director's detail what the aim of the issue or proposed issue of shares is for, and that we agree with the contents.
Share issuance (pro-rata)	Authorities to issue pro rata share issuance are generally opposed.	We will typically oppose share issuance unless there are exceptional circumstances.
Share issuance without pre-emption rights	We consider the right of first refusal in respect of new share issuance to be essential for existing shareholders. However, it is recognised that companies may need some flexibility to issuance with those shares first being offered to shareholders pro-rata under special circumstances.	In only special circumstances, authority in terms of resolution should be limited.
Issuing shares from Treasury	Issuance of treasury shares should be treated as new shares and resolutions allowing authority to issue such shares will be viewed in terms of guidance as such.	Resolutions permitting shares be issued from Treasury typically be opposed without exceptional justification.

Issue	Comment	Voting
Return of capital	All shareholders must be treated equally.	<p>We will typically support authorities to make share repurchases.</p> <p>Typically, shareholder authority should be obtained through passing a resolution; and the duration should not exceed one year.</p> <p>We would consider opposing if the number of shares held in Treasury is excessive and the company has a history of issuing Treasury shares in contravention of pre-emption rights.</p>

Approval of granting of Financial Assistance

M&G is generally supportive of resolutions in line with Section 44 & 45 of the South African Companies Act (where the investee company needs to seek shareholder approval for it to grant financial assistance to any company within its group and directors in those companies), provided that:

- The limits in Section 44 & 45 are adhered to;
- Assistance is limited to inter-company loans in the general operations of the business; and
- The financial assistance to directors is part of the directors exercising a right under the relevant remuneration policy.

Directors and Board Structure

Directors are responsible for controlling and directing the company in the interests of all shareholders. Boards are expected to be effective and accountable. Directors should not be beholden to any other director for their position on the Board and should be able to freely express their opinions. Boards should be comprised of an appropriate balance of executives and independent directors. The roles of Chairperson and CEO should be separate. When the roles are combined there must be strong independent non-executive representation.

Executive Directors should have meaningful shareholdings to promote alignment with shareholders generally.

Boards should regularly consider the issue of gender and ethnic diversity in respect of Board composition and the employee population.

It is important when considering the Board and individual directors for re-election that full and complete biographical information to be disclosed to shareholders.

We take cognisance of any potential significant negative effects on the company by removing a director at a shareholder meeting.

Issue	Comment	Voting
Board structure	<p>Board structures vary significantly across the World and between larger and smaller companies. Whilst we respect differing approaches to corporate governance in different markets, we shall use our influence as shareholders to encourage Boards to function effectively with appropriate accountability to shareholder and other stakeholders.</p> <p>In our view, strong leadership is required to further a company's success and independent directors are needed both to oversee and advise corporate leaders; and to protect the interests of shareholders and other stakeholders.</p> <p>The responsibility for ensuring the effectiveness of the Board in its multi-faceted collective role lies with the Chairperson who should ensure that diversity in knowledge, background and gender is harnessed for a Board's efficacy.</p> <p>Board evaluations, succession planning and director training are all vital aspects of an effective Board and should be demonstrated through appropriate disclosure to shareholders</p>	<p>We may consider it appropriate to oppose the re- election of the Board Chairperson or the nomination committee Chairperson where we have concerns over Board composition, succession planning or any other aspect of corporate governance. In particular, when a non- executive has not been appointed within the last five years.</p> <p>We may oppose the re-election of a non-executive director who is not regarded as independent if there are insufficient independent directors in the Board.</p>
Board Diversity	<p>M&G recognises that diversity on boards in terms of gender, race, culture and age is evidenced as being beneficial to board culture, integration and representation, and statistically such entities outperform their peers.</p>	<p>We may oppose the re-election of non-executive directors who bring no further required skills to the board, and who do not further the interests of diversity and adequate representation. In the event of multiple and excess candidates with adequate expertise and skills, we may vote in preference for candidates who further diversity.</p> <p>We may also support votes on policies that encourage appropriate diversity in the context of the entity, and oppose those which do not.</p> <p>It should however be noted that all candidates will naturally be evaluated based on their skills, expertise, experience and lack of available alternative directors, and we may approve appointments where the above is an imperative and imminently required, even if this does not further board diversity.</p>
Placing unissued ordinary shares under the control of the directors & providing the directors the authority to issue shares for cash	<p>M&G is not in favour of providing general authority to directors for the above transactions.</p>	<p>These will only be voted in favour of, if the authority is very specific and the director's detail what the aim of the issue or proposed issue of shares is for, and that we agree with the contents.</p>

Issue	Comment	Voting
Share issuance (pro-rata)	Authorities to issue pro rata share issuance are generally opposed.	We will typically oppose share issuance unless there are exceptional circumstances.
Share issuance without pre-emption rights	We consider the right of first refusal in respect of new share issuance to be essential for existing shareholders. However, it is recognised that companies may need some flexibility to issuance with those shares first being offered to shareholders pro-rata under special circumstances.	In only special circumstances, authority in terms of resolution should be limited.
Issuing shares from Treasury	Issuance of treasury shares should be treated as new shares and resolutions allowing authority to issue such shares will be viewed in terms of guidance as such.	Resolutions permitting shares be issued from Treasury typically be opposed without exceptional justification.
Return of capital	All shareholders must be treated equally.	<p>We will typically support authorities to make share repurchases.</p> <p>Typically, shareholder authority should be obtained through passing a resolution; and the duration should not exceed one year.</p> <p>We would consider opposing if the number of shares held in Treasury is excessive and the company has a history of issuing Treasury shares in contravention of pre-emption rights.</p>
Chairperson	<p>The Chairperson is responsible for the effective and efficient functioning of the Board. Our strong preference is that the CEO does not become Chairperson of the company.</p> <p>A CEO who becomes chairperson of the company will not be deemed independent, irrespective of subsequent time spent outside of the entity prior to being appointed.</p> <p>No more than two large company Chairpersonships should be held, or one Chairpersonship and one listed entity, without sufficient justification.</p>	<p>Concerns about the Chairperson would usually be discussed with the senior independent director.</p> <p>We will consider opposing the vote for a CEO to become Chairperson without justification.</p>
Chief Executive	<p>The chief executive's focus should be on developing the corporate strategy for Board approval and implementing it.</p> <p>CEOs should sit on no more than one external Board.</p>	Concerns about the chief executive, corporate strategy or performance would typically be expressed in discussions with the Chairperson rather than through voting, depending on the size of our holding.

Issue	Comment	Voting
Combined Chairperson and Chief Executive	<p>Our strong preference is for the positions of Chairperson and chief executive to be separate.</p> <p>When the roles are combined, we expect the power of the position to be counterbalanced on the Board by a number of strong independent directors with one of their number designated as a senior or lead independent director. The composition and remit of the nomination committee should reflect the importance of ensuring the power is not concentrated on one individual.</p>	<p>Our voting will reflect our desire for the composition of the Board to be appropriate with the presence of sufficient independence, taking cognisance of entity specific relevant factors.</p>
Chief Financial Officer	<p>The chief financial officer should be a Board member; and should not have formerly been the company's auditor, unless there has been a suitable 'cleansing' period.</p>	<p>We will consider opposing or abstaining on re-election when connected with a company's auditor.</p>
Executive directors	<p>Certain executive directors, in particular the chief financial officer, should have a place on the Board to balance the views of the chief executive.</p> <p>This is not always the case in international markets but should be encouraged.</p>	<p>Unless we have specific concerns, we will typically vote in favour of executive director election/re-election.</p>
Non-executive directors (NEDs)/ Outside directors	<p>Along with the Chairperson, non-executives are expected to provide oversight of companies' management together with advice and support. The majority of non-executive directors should be independent (see below)</p> <p>If non-executive directors hold more than four non-executive directorships, then they need to justify that they have sufficient time to fulfil their fiduciary duties (see multiple directorships above).</p> <p>It is particularly important that sufficient biographical information is disclosed to shareholders.</p> <p>Board refreshment should be under regular review.</p> <p>We do not concur with the South African practise and interpretation that a non-executive director who becomes a Chairperson has their tenure re-set to null years in terms of measuring tenure for independence in terms of the King Code.</p>	<p>We will consider opposing the election/re-election where we have concerns over independence or meeting attendance.</p> <p>We will consider abstaining if insufficient biographical information is provided.</p> <p>We may consider it appropriate to oppose the re-election of the Board Chairperson or the nomination committee Chairperson where a non-executive has not been appointed within the last five years.</p>

Independence Criteria	We consider a non-executive's independence to be impacted if he/she:
<i>Former employee</i>	Has been an employee of the company or group within the last eight years;
<i>Business/financial relationship</i>	Has, or has had within the last three years, a material business or financial relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
<i>Remuneration</i>	Has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;
<i>Family</i>	Has close family ties with any advisers, directors or senior employees of the company or its customers, suppliers, major shareholders, or other organisations that have received payments from the company.
<i>Cross-relationships</i>	Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
<i>Significant shareholder</i>	Represents, personally owns or is a member of a concert party that controls 3% or more of the voting capital; or
<i>Tenure</i>	Has served on the Board for more than nine years from the date of their first election as a starting guidance point. Whilst this is not an absolute rule, our strong preference is that the director either resign from the board or no longer be classified as independent should they serve more than 9 years unless there are extenuating circumstances, and we have assurances on imminent succession plans.

Issue	Comment	Voting
Board Committee Chairperson	<p>The chairs of the Board committees should be independent non-executive directors, with the exception of the nomination committee where it is usually appropriate for the Board Chairperson to hold the position.</p> <p>Committee chairpersons should ideally have served on the Board for a minimum of two year before becoming a committee chair</p>	Where we have concerns over issues for which a Board committee has responsibility, we will consider opposing or abstaining on the re-election of the respective committee's Chairperson.
Board Committees	Board committees, in particular audit and remuneration committees, should be established with clear terms of reference, the ability to obtain the information and advice as necessary and membership that allows them to properly fulfil their duties independently of management.	Where we have concerns over the ability of a Board committee to function in the best interests of shareholders, we will consider opposing the re-election of committee member.
Honorary presidents and Senior Advisors	<p>Positions within a corporate governance structure should be through merit with appropriate accountability and oversight.</p> <p>In our view, it is inappropriate for former executives to retain unaccountable positions of influence and power.</p>	We will not support the creation of positions of influence and power that are free from proper accountability.
Meeting attendance	Attendance at Board and committee meetings is central to the role of a director. Companies are encouraged to disclose attendance information.	We will consider opposing or abstaining on a director's re-election if meeting attendance is poor.
Multiple directorships	Directors should have sufficient time to devote to their responsibilities, taking into account potential periods of time of unexpected corporate difficulty. In the absence of explanation, participation in more than four directorships or significant roles at organisations would be cause for concern as to a directors' capacity.	We will consider opposing or abstaining on directors who do not appear able to devote sufficient time to the role, indicated by, for example, poor attendance at Board meetings, or who attempt to be directors on excessive numbers of Boards or organisations
Director Shareholdings	All executive directors should build a meaningful shareholding in the company in order to help align directors' and shareholders' interests.	In jurisdictions of exchanges were executive directors stand for election, we will consider opposing or abstaining on the election/re-election of executive directors who do not have meaningful shareholdings after a reasonable time on the Board.
Pledging	<p>We do not support the pledging of company stock by directors or executives as collateral for a loan where the shares involved form a portion of their minimum shareholding requirement.</p> <p>The practice of significant pledging of company stock will be considered as a factor when assessing the re- election of relevant directors.</p>	We will consider opposing or abstaining on the election/re-election of directors who pledge or hedge shareholdings.
Hedging	Potential falls in the value of vested or unvested shareholdings should not be hedged through the use of put options or any other instrument.	

Issue	Comment	Voting
Early crystallisation of unvested incentive awards	Early crystallisation of unvested incentive awards through third-party agreements is not acceptable.	

Audit and Accountability

Company auditors should in principle be independent of company Boards and directors. Independence may be compromised by the fees they receive.

Companies should demonstrate through disclosures to shareholder and other stakeholders that all the risks facing the company have been identified and assessed; and that effective governance and management structures are in place in relation to them.

Issue	Comment	Voting
Auditor Appointment	The audit process must be objective, rigorous and independent to maintain confidence of the market.	We will only endorse a change in auditor if valid reasons are provided for the change. We will oppose reappointment if it feels that the audit was not adequately performed or if the auditors are not objective or independent enough.
Auditor Rotation	Audit firm and partner rotation is required in order to keep sufficiently independent oversight of the entity, its financials and its controls, and to prevent familiarity leading to complacency in audits and reviews.	We will consider opposing auditor firm appointment where audit rotation has been not executed within in reasonable time periods, and without sufficiently valid explanation or rationale.
Auditor remuneration	The cost of statutory audit will also be weighed against remuneration paid to auditors for “other” services to assess reasonability of the charge in relation to work performed and the principles of objectivity and independence. Full disclosure of the auditor’s remuneration including a breakdown of non-audit fees should be provided in the annual report.	We will consider opposing the re-appointment of the auditor when independence is compromised by the level of non-audit fees.
Risk Identification and management	Risks, and in particular cyber risks, should be identified and effectively managed. When incidents occur, companies should look to be transparent and report to shareholders relevant facts and actions taken.	We will consider not supporting the approval of the annual report and accounts when disclosures to shareholders are inadequate.

Issue	Comment	Voting
Audit Committee Members and independence.	The Audit Committee members must be sufficiently independent and free from conflicts of interest, and should not have been senior audit partners or staff at the incumbent audit firm for a very significant period of time. Former country heads / senior partners cannot be a chair of an audit committee with oversight of that former audit firm as they cannot be deemed sufficiently independent.	We will consider opposing audit Committee members who are not sufficiently independent of the entity, each other, or in relation to the incumbent audit partner or audit firm.

Environmental and Social Issues

Companies are expected to demonstrate that their operations take proper account of all applicable laws and regulations. Environmental and social issues should form an integral part in long-term planning and decision-making to ensure that non-financial risks are identified and contingencies are put in place.

We encourage companies to regularly publish sustainability or corporate social responsibility reports.

Shareholder resolutions relating to environmental and social issues that seek greater disclosure, operational reviews, changes in strategy, etc. will be considered on their merits, taking into account companies' existing practices and Boards' recommendations.

Issue	Comment	Voting
Disclosures	Companies should demonstrate consideration and management of environmental and social issues by making appropriate disclosures.	We will consider abstaining on the annual report or appropriate Board committee member when inadequate disclosures have been made.
Proposed changes in corporate strategy	Shareholder resolutions relating to changes in strategy are usually inappropriate as it is for the chief executive to determine strategy with Board approval.	We will usually oppose resolutions forcing changes in strategy.
Testing of corporate strategy against a scenario of climate change, including two-degree Paris alignment	Better disclosure would be positive for shareholders; undertaking this process would also improve the company's understanding and management of climate change risks.	We will generally vote in favour of these resolutions, while taking into account the Board's recommendation.
Sustainability reports	Better disclosure would be positive for shareholders.	We will generally vote in favour of these resolutions.
Lobbying activities report	Better disclosure would help shareholders understand the company's use of shareholder funds.	We will generally vote in favour of these resolutions.
Appointment of director with particular environmental expertise	It is the responsibility of the nomination committee to ensure that requisite environmental experience is represented on a Board. All directors should have an appropriate awareness of the material social and environmental risks facing the company. Specialist expertise may be appropriate	We will consider the Boards range of skills and expertise and may vote in favour if we believe it to be in shareholders' interests.

Issue	Comment	Voting
Environment targets	Companies are expected to set appropriate targets, in particular GHG emissions reduction targets, to manage environmental impacts and risks.	We will consider resolutions to set environmental targets on a case-by- case basis.
Charitable donations	Within the South African context, many entities have stepped in to support communities where national and local governments are unable to provide funding, resources or expertise. This can assist with local communities providing employment to these entities, and the general socio-economic factors of country, though caution should be exercised not create unbalanced dependence relationships, or usurp local or national governance.	We will consider resolutions authorising charitable donations on a case-by-case basis within their relevant contexts.
Political donations	All political donations should be subject to a specific vote by shareholders; and when donations are made, full disclosure should be provided.	We will typically oppose resolutions authorising political donations.
Employee issues	Companies should be able and willing to demonstrate that issues such as inclusion; gender and disability pay-gaps; diversity etc are pro-actively considered.	We will support resolutions that positively impact employment policies and practices for the benefit of stakeholders when our expectations have not been met.
Business practices and social impacts	We expect companies to foster beneficial relationships with suppliers and conduct business in the long-term interests of the company. Companies should fully consider the impact that their operations, products and services will have on societies.	We will consider resolutions relating to various business practice issues and social impacts on a case-by-case basis.

Voting Debt Issuance

Proposals for voting are largely unique and pertain to amendment to contractual or covenant debt provisions. Votes will be analysed on a case- by-case basis, but the ultimate decision will be determined by an assessment of the impact on our investments and the long-term interests of our clients.

Amendment log

Date	Materiality	Page	Description
July 2022	Material	All	Initial draft of fully revised guidance document to more closely align with that of the broader group of M&G plc, with relevant geographic and jurisdictional amendments. Drafted by ESG Specialist.
September & November 2022	Additions and formatting	All	Addition of aspect on audit remuneration by ESG Specialist, tenure, and incorporation of requests from the investment teams.

Date	Materiality	Page	Description
August 2023	Additions		Confirmation of application of his policy to any securities that are part of a securities lending program.