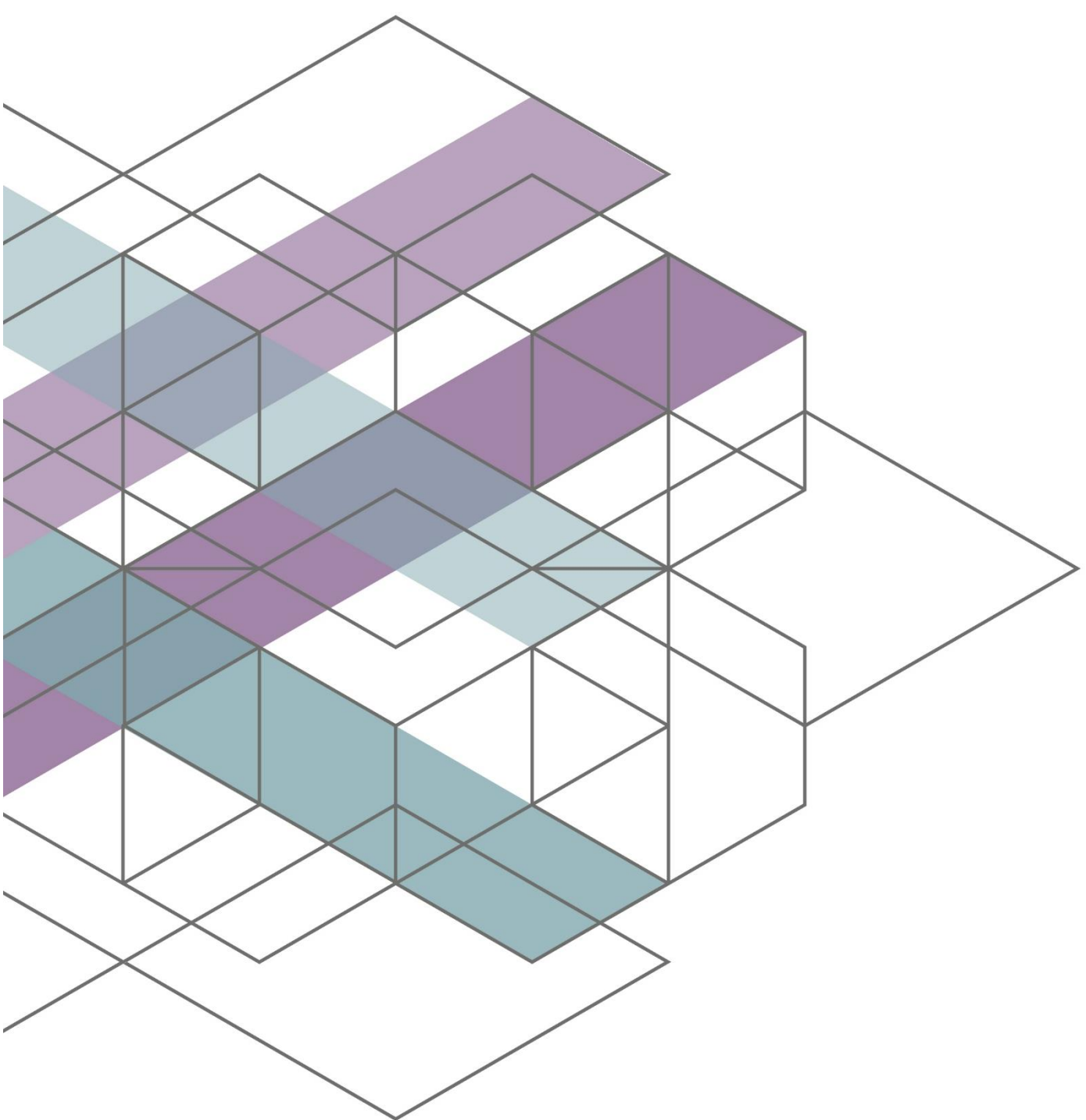




NEDBANK PRIVATE WEALTH ENGAGEMENT POLICY

JUNE 2021

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ENGAGEMENT POLICY

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1. OVERVIEW

This Nedbank Private Wealth Engagement Policy document outlines how Nedbank Private Wealth engages with investee companies and other stakeholders. This Engagement Policy document should be read in conjunction with our ESG Investing Policy and the Proxy Voting Policy documents, both of which are available on the Nedbank Private Wealth website.

As a responsible investment manager, our primary aim is to ensure the achievement of superior risk-adjusted returns in line with our client mandates. Aligned with this objective, our engagement activities are an integral part of our investment strategy aimed at enhancing long-term capital stewardship.

2. MONITORING INVESTEE COMPANIES

The investment team conducts detailed company analysis of investee companies as part of its investment process. The due diligence process includes industry analysis; detailed financial statement analysis; an assessment of environmental, social, and governance (ESG) risks, as well as, engagements with management teams and other stakeholders. Through dialogue, we clarify our expectations of companies regarding their governance practices, and their management of relevant environmental and social factors. We believe that addressing ESG matters can improve risk-adjusted returns by reducing risks associated with investing in our investee companies. Our ESG analysis focuses on areas that we believe are essential for a company to sustain its competitive advantage over the long term. Our investment process takes a “long-term, well considered approach” to investing. Please refer to our ESG Investing Policy document for further detail.

3. GUIDELINES ON MANAGEMENT ENGAGEMENT AND COLLABORATION

- Proxy votes: We vote on all proxies relating to companies under coverage and all companies held in client portfolios on a non-discretionary basis. We do not vote for those companies held in portfolios under discretionary mandates.
- Independence: We assess each proxy form resolution on its merits and vote in the best interest of clients without undue influence from our own staff, officers, directors or any associated companies within the Nedbank Group.

Clear Chinese Walls are in place so that voting and engagement is undertaken without cognisance of any potential ramifications within the Nedbank Group.

- Rights protected by the Companies Act of 2008: In certain scenarios it may be the case that more needs to be done to protect the interests of investors. In such instances the investment team may need to further engage with investee companies to address concerns. The Companies Act of 2008 affords shareholders, owning at least 10% of the voting rights of a company, the right to call a special general meeting of shareholders. Should the investment team assert this right on behalf of its investors, it can propose a variety of resolutions, including removing or appointing directors to manage the company in the best interests of stakeholders.

In addition, the Companies Act provides for Appraisal Right protection as set out under Section 164 of the Act. The investment team will consider the application of Section 164 based on the merits of each case.

- Management meetings and timing thereof: We believe that an open dialogue with executive and non-executive directors as well as other company representatives encourages better transparency and improves governance structures.

We generally engage with investee companies ahead of an AGM to ensure that there is clear understanding of the reasons for voting against resolutions. We will also engage on an ad hoc basis as required, examples of which are set out later in this document.

4. PUBLIC ENGAGEMENTS:

We prefer not to engage publicly when seeking to effect change at investee companies. Our preference is to work constructively with boards and management in a private setting to achieve positive change. However, where no progress is made over an extended time period, we may, as a last resort, consider public channels to drive change. We will normally notify a Company in advance of our changing tack from private engagement to a more public approach.

Public engagement relating to investee companies may take place through different channels. These might include written and oral commentary on; (i) entity financials, strategy and investment thesis, (ii) AGM and other proxy votes and, (iii) governance and other ESG matters.

4.1. TYPES OF PUBLIC OF ENGAGEMENT:

1. Letters signed jointly with other shareholders (refer to Collaborative efforts), and
2. Direct public engagement, including approved public statements

We prefer not to provide financial journalists with commentary relating to investee companies given the potential for our views to be quoted out of context. We may however make use of other digital platforms to communicate our views from time to time.

- Collaborative efforts with industry peers: Where we believe it will be in the best interests of our clients, and where we have exhausted our behind-the-scenes engagements with management, we will seek out opportunities to collaborate with other co-investors on material issues as a means to drive change. Where such collaborative efforts are undertaken, we will ensure that conflicts of interest and issues relating to “acting in concert” are appropriately addressed.

4.2. FURTHER EXAMPLES OF NON-PUBLIC ENGAGEMENT OPPORTUNITIES WITH INVESTEE COMPANIES

- Preparing for an AGM: When we are preparing to vote at the company’s shareholder meeting and need additional disclosure or clarification. Matters may include:
 - Election of directors: Before re-electing an independent non-executive director, who has served more than nine years, we will engage in writing with the board requesting access to the annual assessment undertaken on said director where this assessment is not adequately disclosed in sufficient detail.
 - Auditors and property valuers: We will encourage the rotation of auditors and valuers on a ten-year basis. While we do not vote for the appointment of valuers, we will actively engage with boards in cases where valuers have been in place for periods in excess of ten years.
 - Adverse AGM votes regarding remuneration policies: In respect of issues relating to remuneration, we will participate in shareholder meetings where dissenting shareholders have voted against related resolutions and shareholder meetings have been called.

Please refer to our Proxy Voting Policy document for further detail.

- Addressing identified risks: On an ongoing basis, we appraise risk in our portfolios where appropriate by seeking clarity from corporate managers on relevant issues. For example:
 - Should there have been an event at the Company which, in our opinion, impacts its performance or may impact long-term company value, or
 - The Company is in a sector where there is a ESG issue material to shareholder value, and/or our ESG risk analysis has identified the Company as lagging its peers on certain matters that may impact economic value.

5. REPORTING

5.1. FREQUENCY OF REPORTS:

Nedbank Private Wealth will keep records of engagements with investee companies, details of which can be made available when required.

These reports will include:

- Level of engagement: Basic engagement is generally a single conversation on a routine matter; moderate engagement is technically more complex and generally involves more than one meeting; extensive engagement is technically complex, high profile and involves numerous meetings over a longer time frame.
- Main topic covered: Although most engagement conversations might cover multiple topics. We will disclose the primary engagement topic for which the meeting was called - environmental, social or governance.

6. CONFLICTS OF INTEREST

We expect that there may be instances where there are conflicts of interest between Nedbank Private Wealth and the broader Nedbank Group in matters relating to investee companies. When such occasions arise, we will act in the best interest of our clients.