



RESPONSIBLE INVESTMENT SUMMARY

Proxy Voting Summary Q3 2021

DOMESTIC COMPONENT	TOTAL COUNT	FOR %	AGAINST %	ABSTAIN %
Adopt financials	10	100%	0%	0%
Auditor/risk/social/ethics related	50	90%	10%	0%
Buy back shares	13	92%	8%	0%
Director remuneration	49	96%	4%	0%
Dis-apply pre-emptive rights	2	0%	100%	0%
Dividend related	1	100%	0%	0%
Issue shares	7	14%	86%	0%
Loan/financial assistance	14	36%	64%	0%
Other	12	75%	25%	0%
Political expenditure/donation	1	0%	100%	0%
Re/elect director	73	96%	4%	0%
Remuneration policy	17	44%	56%	0%
Share option scheme	1	100%	0%	0%
Shares under director control	5	0%	100%	0%
Signature of documents	2	100%	0%	0%

FOREIGN COMPONENT (FOORD INTERNATIONAL FUND)	TOTAL COUNT	FOR %	AGAINST %	ABSTAIN %
Adopt financials	2	100%	0%	0%
Auditor/risk/social/ethics related	5	100%	0%	0%
Buy back shares	3	100%	0%	0%
Dividend related	4	50%	50%	0%
Issue shares	5	20%	80%	0%
Other	6	83%	17%	0%
Political expenditure/donation	1	100%	0%	0%
Re/elect director or members of supervisory board	26	100%	0%	0%
Remuneration policy including directors' remuneration	2	0%	100%	0%

FOREIGN COMPONENT (FOORD GLOBAL EQUITY FUND)	TOTAL COUNT	FOR %	AGAINST %	ABSTAIN %
Adopt financials	4%	100%	0%	0%
Auditor/risk/social/ethics related	6	100%	0%	0%
Buy back shares	2	100%	0%	0%
Dividend related	3	100%	0%	0%
Issue shares	5	20%	80%	0%
Other	11	100%	0%	0%
Political expenditure/donation	1	100%	0%	0%
Re/elect director or members of supervisory board	26	100%	0%	0%
Remuneration policy including directors' remuneration	6	0%	100%	0%

General comments:

- There are few abstentions. We apply our minds to every single resolution put to shareholders. When there is an abstention it would typically be intentional or for strategic reasons.
- We typically vote against any resolution that could dilute the interests of existing shareholders. Examples include placing shares under the blanket control of Directors, providing loans and financial assistance to associate companies or subsidiaries and blanket authority to issue shares. On the rare occasion we have voted in favour of such resolutions, we were able to gain the required conviction in the specifics of the strategic rationale for such activities and could gain comfort that such activities are indeed to be used to the reasons stated.
- The firm also has a strong philosophy regarding management remuneration models. We believe in rewarding good managers with appropriate cash remuneration on achievement of relevant performance metrics that enhance long-term shareholder value. We are generally not in favour of share option schemes given the inherent asymmetry between risk and reward typical of such schemes. In addition, we do not believe that existing shareholders should be diluted by the issuing of new shares to management as is the case with most option schemes. We are in favour of the alignment created between management and shareholders when management has acquired its stake in the company through open market share trading and paid for out of management's own cash earnings.

Notable Engagements

(Note: reporting at investment house level, specific fund might not be invested in all these companies)

Tsogo Sun Hotels	Concern raised whether two of the Audit & Risk Committee members had the requisite skills, experience and independence to be on the committee.
Spur Corp	<p>Raised a concern that the proposed remuneration scheme allows for potential dilution of shareholders and is ambiguous on certain performance conditions. The board's response was that it looks to buy shares in the market but leaves scope to issue shares to a certain limit if necessary.</p> <p>Food then wrote to the chairperson of the remuneration committee detailing its concerns. No response was received. Recommended action is to vote against the remuneration policy based on potential dilution of shareholders and ambiguity around some of the performance metrics, unless the scheme is amended to address these concerns.</p>
Santam	<p>Engaged Santam on media reports that Insurance Claims Africa (ICA) is accusing the company of not paying claims and that ICA will look to sue Santam on behalf of policyholders for additional damages resulting in reputational and financial damage for Santam.</p> <p>Management response:</p> <ol style="list-style-type: none"> ICA claims factually incorrect; Santam has been following policy wording and court verdicts and paying claims and making interim payments except where court verdicts outstanding; ICA incentivised on size of claim so trying to increase claim size but cannot pay out more because principal is no policyholder "better off". Unconcerned about US style litigation threat as have not delayed payments and ICA must prove that policyholder submitted docs but SNT delayed. <p>Food is investigating the threat of US style litigation and is monitoring local situation (media reports and court verdicts) but see risk of material losses from litigation as unlikely. Santam primarily dealt with reputational damage last year and lost no business due to scale and scope of operations.</p>
EOH	<p>Engaged EOH over media reports that SITA will recommend EOH be blacklisted by public sector (~20% of revenue) due to legacy fraud, overcharging & non-delivery on contracts.</p> <p>Management response:</p> <ol style="list-style-type: none"> Have conducted extensive investigations using independent law firm; have been transparent in process & findings Have taken legal action against responsible ex-directors & employees If recommended to be blacklisted, can appeal to National Treasury and go to court. Confident will not be blacklisted. <p>Management have acted appropriately and have a strong case. Company also has unmatched scope and scale for government to blacklist easily; existing contracts still to run; thus mitigates risk.</p>
Vodacom	<p>Discussed the independence of one of the board members, given that tenure will exceed 10 years. Remuneration policy should include return metrics such as Return on Invested Capital (ROIC) and Return on Equity (ROE).</p>
Spur Group	<p>Food concern over food safety given growing private label exposure.</p> <p>Management response:</p> <ul style="list-style-type: none"> SPAR has a Food Safety Supplier Policy which lays out the requirements for suppliers in this regard All SPAR House Brand and National Suppliers have the SPAR minimum standard (GFSI Intermediate level) whilst many have progressed towards GFSI recognised food safety certification eg: FSSC 22000 and BRC All suppliers have SPAR Supplier Agreements in place They have rapid testing methods for micro detection into Africa countries (Botswana, Namibia, Swaziland and Mozambique) with the store Food Safety Audits. This has been welcomed by the retailers. SPAR South Africa retail audits and 8 SPAR Distribution Centres audits remain in place and are achieving very pleasing results

Shoprite	Engaged Shoprite management on cyber threat, which is a growing risk especially given the amount of data that Shoprite now has. Shoprite response was that it is outsourced and not done internally given their expertise. There is also external validation and assurance. Foord response is that while they have measures it still poses a risk that needs to be closely monitored.
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