CATALYST
FUND MANAGERS

CATALYST FUND MANAGERS

PROXY VOTING POLICY

THE IMPORTANCE OF CORPORATE GOVERNANCE TO INVESTORS

Corporate Governance is the system of internal controls and procedures by which companies are managed. It provides a framework that defines the rights, roles, and responsibilities of different groups within the company including the management team, board of directors, shareholders, and other stakeholders.

In general, good corporate governance practice seeks to ensure that the board of directors acts in the best interest of the company's stakeholders, notably the shareholders. How well a company achieves its goals depends largely on the adequacy of the company's corporate governance structures and the strength of the shareholders voice in corporate governance matters, through shareholders' voting rights. As such, the onus rests on the shareholders to be proactive and prudent in the use of their rights.

Catalyst Fund Managers Global (CFM) supports and promotes sound governance and sustainable corporate practices. To that end, proxy voting forms an integral part of CFM's Responsible Ownership strategy which is underpinned by established guidelines (outlined below) to ensure that all proxy votes cast are aligned with the best interests of our clients.

PROXY VOTING

CFM has partnered with Robeco, a third-party ESG and proxy voting advisory specialist. Through this partnership, CFM leverages off Robeco's best practices, including its proxy voting guidelines. Robeco has adopted written procedures designed to ensure that they vote in the best interest of their clients (including CFM). The Robeco policy on corporate governance relies on the International Corporate Governance Network (ICGN) Global Governance Principles. These are internationally considered and accepted as the Global standard. The ICGN's mission is to "promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide" (ICGN, 2024).

Robeco makes all voting decisions for pooled funds (comprised of Robeco's internally managed funds and externally managed funds including CFM) using a single policy, and this inherently amplifies investors' (of varying sizes and voting rights) input towards driving and influencing their investee companies' corporate governance practices and processes.

Robeco's proxy voting advisor (Glass, Lewis & Co.) provides voting recommendations based upon Robeco's custom voting policy. The merit of each agenda item voted upon as recommended by the proxy advisor is analyzed against Robeco's voting policy, and consequently Robeco's voting decisions may deviate from the proxy advisor's recommendations. As part of Robeco's control framework, the proxy advisor is evaluated annually on the quality of governance research and the alignment of voting recommendations to Robeco's voting policy. This annual review is externally evaluated.

CFM currently adopts Robeco's voting policy, however CFM can use its discretion to override Robeco's proposed voting decisions or recommendations. The overriding process is explained in the following section.

OVERRIDE CONTROL

Each Investment Analyst in the CFM Investment Team reviews and determines whether Robeco's recommendation agrees with their views. In cases where the Investment Analysts' views deviate from Robeco's recommendations, the Investment Analysts present their analyses and the results thereof to the Investment Managers where the Investment Analysts' theses are reviewed. Subject to the outcome of the review, a final decision is then taken. In instances where CFM's final decision deviates from Robeco's recommendation, an overriding vote is cast.

CFM GENERAL GUIDELINES FOR VOTING

The directors of Catalyst Fund Managers have approved a list of signatory arrangements for various day-to-day activities (including voting activity across the listed companies in which CFM is invested) to ensure that only staff and directors with the appropriate qualifications, experience and knowledge are authorized to act on behalf of the company and in the best interest of shareholders.

The following signatory arrangements have been approved:
- A signatory can sign alone.
- B signatory must be accompanied by an A signatory.

#	Person	Level	Designation	Qualifications
1	Jamie Boyes	A signatory	Investment Manager	B.Bus.Sc. CA (SA)
2	Ryan Cloete	A signatory	Investment Manager	B.Com. (Hons), CA (SA)
3	Theodore Freysen	B signatory	Investment Analyst	B.Compt (Hons), CA (SA), CFA
4	Lance Bezuidenhout	B signatory	Investment Analyst	BSc., Bcom (Hons), CFA
5	Zamafuya Nkabinde	B signatory	Investment Analyst	BAccSci, HDipACC, CA (SA)
6	Gugu Ndlangisa	B signatory	Investment Analyst	BEconSci, BSc (Hons), MCom

The general voting guidelines are outlined below.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Approval of financial statements is usually interpreted to mean that the financial statements have been approved by the companies' board of directors and (where applicable) shareholders as required by the relevant overseeing agency or regulatory body or country specific regulatory requirements.

A negative vote on a resolution that is related to the approval of annual financial statements is a symbolic vote which is aimed at sending a strong message to a company noting significant omissions from the financial statements that have been presented to shareholders or financial statements that have been compiled in a manner that renders the quality thereof inadequate.

The following scenarios may warrant a negative vote:

a) Any audit qualification
b) Material non-disclosure in prior financial periods without corrective measures being implemented.
c) Insufficient financial and/or non-financial disclosure deemed material:
    a. See disclosure guidelines of EPRA NAREIT Best Practices Policy Recommendations (section 5).

BOARD OF DIRECTORS

The board is the focal point of the corporate governance system. It is ultimately accountable and responsible for the performance and affairs of the company.

1) Board composition:
    a The capacity of the board should be categorised as follows:
        i. The Executive director is an individual who is a full-time employee and involved in the day-to-day management of the company (and its subsidiaries) and is a full-time salary employee.
        ii. Non-Executive is involved in day to day running of the company but is not a full-time salaried employee of the company. Non-executive directors should be individuals of caliber and credibility with the necessary skills and experience.
        iii. Independent director is a non-Executive director who meets the following conditions:
            1. Is not a representative of a shareholder who can significantly control and influence management.
            2. Has not previously been employed by the company (or group) in an executive capacity for the preceding 3 years.
            3. Is not a member of the immediate family of someone who has been employed by the company (or group) in an executive capacity in the past three years.
            4. Is not a professional advisor to the company (or group).
            5. Is not a significant supplier (including banks) to the company (or group).
            6. Does not have a significant contractual relationship with the company or group.
            7. Is not involved in any business or relationship that can be seen to have a material influence on the individual's capacity to act independently.
            8. Has no relationship with the members of the Management Committee.
    b. Balance of executive and non-executive directors – we recommend that the majority of non-executive directors be independent from management so that shareholder interests can be protected. Additional guideline outlined below:
        i. More than 50% of the board should be non-executive and more than 50% independent.
        ii. The board should endeavor to have a sufficiently diversified board in terms of transformation objectives as well as female representation.
        iii. There should be an appropriate balance of power and authority such that no individual or block of individuals can dominate the board's decision-making process.
    c. Appointments should be made by a nomination committee.
    d. Board continuity is imperative (staggered rotation of directors).
        i. We encourage Board refreshment; we support a non-executive director (NED) tenure of 9 years – 3 terms of 3 years each, however we would allow a further 3 years if it is used to facilitate succession and is communicated appropriately.
    e. Directors are obliged to disclose full fees received from the company.
        i. Directors' fees should be in line with industry standards and should be defined by role.
    f. Directors' attendance registers should be checked.
        i. We should vote against the re-election of directors who have poor attendance records.
    g. Excessive board representations are discouraged, and a director should serve on no more than 5 significant boards (excluding subsidiary companies).

2) Board Meetings
    a. The board should at least meet quarterly.
    b. The number of meetings held, and an attendance register should be disclosed in the annual financial statements (AFS);
        i. Reasons for non-attendance should be provided if possible.
3) Board Committee
    a. At a minimum each board should have an audit, risk and remuneration committee.
4) Board and Director Evaluation
    a. Regular review of the required mix of skills and experience for directors
5) Dealing and Securities
    a. The practice of prohibiting dealing in "close" periods should be upheld.
6) Company Secretary
    a. The company secretary through the board has a pivotal role to play in the corporate governance of a company.

REMUNERATION

1. Levels of remuneration should be sufficient to attract, retain and motivate executives:
   - a. There must be an appropriate balance between the targeted mix of guaranteed pay, short- and long-term incentives.
   - b. Limitations on the size of the overall incentives (5% shares in issue, 0.5% per person) in any given financial year.
   - c. We discourage the use of awards purely for retention without any other significant performance-based hurdles.
   - d. Performance hurdles should be used in short- and long-term incentive schemes:
     - i. The performance hurdles should be challenging while being attainable to allow for sufficient motivation for employees.
     - ii. Performance hurdles should be clearly defined, the measurement thereof and what was historically achieved disclosed in the AFS.
     - iii. We encourage the use of performance hurdles that include like for like net property income, net asset value (NAV), distributable income growth relative to inflation and comparison against an appropriate peer group.
     - iv. We believe that share ownership by the executive management and staff provides alignment with shareholder interests.
   - e. General staff Incentive Schemes:
     - i. Share options as a long-term incentive scheme to staff can be considered, but should be reviewed on a case-by-case basis and the following requirements should be fulfilled:
     - ii. Full scheme details should be disclosed and transparent.
     - iii. Performance Related (for the staff as well as overall performance of the company)
     - iv. The cost of the scheme should be considered.
     - v. Maximum levels of awards should be determined.
   - f. Companies should appoint a remuneration committee:
     - i. All members of the Remuneration committee should be NED's with the majority being independent. The Chairman of the subcommittee should also be independent.
     - ii. Membership of remuneration committee should be disclosed in the AFS with the attendance during the financial year.
   - g. Full disclosure of executive and directors' remuneration on an individual basis and the components thereof in the AFS.
   - h Share options may not be granted to non-executive directors – we encourage fixed remuneration to maintain director independence.
   - i. The fixed term for service contracts for directors should not be longer than 3 years.

ISSUING SHARES

Directors must seek permission from shareholders to issue shares and renew this permission at the general meeting of the company.

1) Issuance of shares for cash and disapplying pre-emption rights:
   - a. This would be considered on a case-by-case basis considering the current rating of the company and its historical track record of capital allocation.
   - b. Consider voting in favor of proposals by the company to limit control over unissued shares to 10% of the issued share capital and/or issue up to 5% of those shares for cash, if the directors have a strong track record of enhancing shareholder value and the rating justifies an equity raise:
     - i. The price at which shares are issued should be fairly determined with a maximum discount of 5% to the volume weighted average price (VWAP)
   - c. Should a company have a weak capital allocation track record and/or poor rating we would require a separate resolution at the time of any share issue detailing the reasoning behind the issue and appropriate motivation for the issuance, rather than providing directors with a general authority to issue shares.

DIVIDEND REINVESTMENT PLAN

This would be considered on a case-by-case basis considering the current rating of the company and the liquidity of the company. This authority affords all existing shareholders the opportunity to elect, at their discretion, a cash or scrip dividend.

BUYBACK OF SHARES

Directors may request from time-to-time authority to repurchase the companies shares subject to meeting liquidity and solvency conditions.

Share buybacks are an essential capital allocation consideration for the board and management if the circumstances warrant the execution. We would limit the authority to 20% of shares in issue and maximum price would be 5% premium to the VWAP.

ACCOUNTING AND AUDIT

The audit committee should draw up a recommendation to the board for consideration and acceptance by the shareholders for the appointment of external auditors.

The Audit committee should consist of only independent directors and the Chairman of the board should not serve on the Audit committee.

We require the auditors to be from a reputable, capable, and competent company and preferably a well-known audit firm. If we do not know the firm, we would have to establish who they are via due diligence. The designated auditor should be rotated every 5 years and due consideration should be given to audit firm rotation after 10 financial years in accordance with best industry practice.

COMMUNICATION

It is the board's duty to present a balanced and understandable assessment of the company's position in reporting to stakeholders. The quality of the information must be based on a principle of openness and substance over form. Reporting should address material matters that are of significant interest and concern to all stakeholders. Companies should make every effort to ensure that information is distributed via a broad range of communication channels.

INTERNAL AUDIT

Companies should have an effective internal audit function which assures that effective internal control, processes, and systems are in place. If the board decides not to establish an internal audit function, full reasons must be disclosed in the company's annual report. The board must have an audit committee responsible for oversight of internal controls and risk management, among other committee competencies.

RISK MANAGEMENT

The board is responsible for the overall process of risk management as well as for forming its own opinion on the effectiveness of the process. Management is accountable to the board for designing, implementing, and monitoring the process of risk management and integrating it into the day-to-day activities of the company.

The board must decide the company's appetite or tolerance for risk, risks it will take and risks it will not take in the pursuit of its goals and objectives. The company should have designated NED's responsible for assessing the risk faced by the company. This oversight function can be performed through a separate risk sub-committee or combined with audit to form a Risk and Audit subcommittee.

INTEGRATED SUSTAINABILITY REPORTING

Companies should report annually on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies and practices where applicable. Sustainability reporting must meet the needs of material stakeholders and further provide a holistic view of all elements of the value creation process.

CODE OF ETHICS

Companies should engage their stakeholders in determining the company's standards of ethical behaviour. The company's ethics performance should be assessed, monitored, reported, and disclosed.

RELATIONS WITH SHAREHOLDERS

Companies should be ready, where practicable, to dialogue with institutional investors based on constructive engagement and mutual understanding of the objectives of the company. Engagements will be initiated through the board Chairperson, Chairperson of the relevant sub-committee and/or executive management. Engagements will be conducted on a confidential basis. We will advise clients and will publicise an engagement issue if it is deemed to further the interest of clients and/or upon request.

SPECIAL RESOLUTIONS

Approval of Special Resolutions requires input by shareholders, including debenture holders. Special Resolutions should be considered on a case-by-case basis, provided adequate information and motivation is supplied.