

Monthly controversial ESG themes

July 2021

In July, 27four voted on 54 resolutions, 37 in favour and 17 against. We will briefly discuss some of the most controversial resolutions which we voted against below:

1

Vodacom Group Limited

Resolution:

Increase in non-executive directors' fees

Our view:

We voted against this resolution for two reasons. Firstly, is the fact that Vodacom continues to remunerate its board members on a fixed fee basis instead of an attendance-based structure. While an attendance-based fee structure which we prefer does not guarantee that board members will be effective in fulfilling their duties, it creates an objective baseline for rewarding board members. The second reason is that the resolution was not clear in terms of how the requested increase in the budget for the board remuneration will be distributed across different role players on the board.

2

Mediclinic International Plc

Resolution:

To re-elect Mr Trevor Petersen as a director

Our view:

Mr Trevor Petersen is suitably skilled and qualified. He has a background in finance. However, we think he lacks independence as he was a partner at PwC when PwC was Mediclinic's auditor.

3

Mediclinic International Plc

Resolution:

To reappoint PwC LLP as the Company's auditor

Our view:

We believe PricewaterhouseCoopers has the resources and capacity to handle this task. However, we are concerned about its lack of independence as it has been auditing Mediclinic International Plc for 15 years.

4

Mediclinic International Plc

Resolution:

To re-elect Mr Jannie Durand as a director

Our view:

We voted against the election of Mr Durand because we feel that he has a lot on his plate as he sits on the boards of Distell Group, RCL Foods and RMI Holdings in addition to his CEO role at Remgro.

5

Dis-chem Pharmacies Limited

Resolution:

Appointment of the auditors and designated auditor

Our view:

Ernst and Young is a reputable firm and has the resources and capacity to carry out this mandate. However, we feel it lacks independence since it has been auditing Dis-chem for 15 years.

