

2024 Calendar Year Proxy Voting Rationale [For the period 1 August 2024 to 30 August 2024]

Some rationales for voting against resolutions: Top 3 companies that released resolutions first during the period.

South African Portfolio

Company	Resolution	Voting instruction	Voter rationale
Mr. Price	Approve the remuneration policy and report.	Against	We acknowledge the given details on the STI's performance metric. We further acknowledge the inclusion of the ESG scorecard with a 20% weighting and the use of the return on net worth (RONW) with a 20% weighting in LTI. However, Benguela prefers variable pay performance targets which include a return metric (preferably return on invested capital (ROIC)) as the single largest weighting in the target mix, followed by a leverage metric as the second most important and then a growth metric, in that order.
	Place authorised but unissued shares under the control of directors.	Against	We voted against this resolution because the resolution does not specify any discount for the issuing of shares, particularly as it explicitly excludes issues for cash. The resolution focuses on giving the directors control over the unissued shares, with the authority to allot, issue, and dispose of them as they see fit, subject to the company's Memorandum of Incorporation (MOI), the Companies Act, and excluding cash issues as per the JSE listing requirements.
	Approve the remuneration of non-executive directors.	Against	We acknowledge the provision for a 20% deduction of NED's annual fees for non-performance. However, we do not support the fixed fees paid to non-executive directors, as we prefer that NEDs compensated based on meeting attendance rather than receiving a fixed annual fee. Therefore, we voted against fixed fees paid to the NEDs,
Vukile Property Fund	Approve financial assistance in terms of Sections 44 and 45 of the Companies Act.	Against	Benguela will not support financial assistance resolutions that include a general authority to provide financial assistance to directors (including preferential loans and financing participation in incentive schemes). For this reason, we voted against financial assistance.
	Approve the remuneration policy and report.	Against	We acknowledge the allocation of a 25% on the ESG variable and a 25% total return. However, our view is that ROIC should be allocated the highest single weightings, followed by a leverage metric as the second most important, and then a growth metric. This is not the case with Vukile, and as such, we recommend voting against the remuneration policy and report.
	Re-elect Renosi Mokate as chair of the audit and risk committee.	Against	We vote against the re-election of Dr. Renosi Mokate as chair of the audit committee due to her long tenure since her appointment on 11 December 2013. We advocate for pure independence on the board and support a nine-year rotation of directors.

South African Portfolio

Company	Resolution	Voting instruction	Voter rationale
Equites Property Fund	Approve non-executive directors' fees.	Against	Equites pays its non-executive directors a fixed fee. We do not support this approach, as we believe that remuneration should link the time, commitment, and expertise of the non-executive directors. These factors should define and measured objectively. The non-executive directors' fees expected to share their skills and knowledge as part of their duties. Furthermore, fees paid based on meeting attendance. Therefore, we voted against resolution 1.
	Approve financial assistance in terms of Sections 44 and 45 of the Companies Act.	Against	Benguela will not support financial assistance resolutions that include general authority to provide financial assistance to directors (including preferential loans and financing the participation in incentive schemes). For this reason, we voted against financial assistance resolutions.
	Authorise directors to issue shares pursuant to a reinvestment option.	Against	There are no clear limits provided specifically for this resolution, which gives directors blanker control over shares to be issued, creating excess dilution for existing shareholders. For this reason, we voted against ordinary resolution eight.
	Approve the remuneration policy and report.	Against	We acknowledge the allocation of ESG metrics with a 25% in the LTI and the use of a total return to exceed WACC with a 25% weighting in both in STI and LTI. However, Benguela prefers variable pay performance targets which include a return metric (preferably return on invested capital (ROIC)) as the single largest weighting in the target mix, followed by a leverage metric as the second most important and then a growth metric, in that order. For this reason, we voted against the remuneration policy and report.

Global Portfolio

Company	Resolution	Voting instruction	Voter rationale
Alibaba Group Holding	To grant a general mandate to the board to issue, allot, and/or otherwise deal with the additional ordinary shares (including in the form of ADSS) of the company.	Against	The board of directors recommends a vote in favour of a proposal to grant the share issuance mandate, allowing the company to issue or resell up to 10% of its issued ordinary shares (excluding treasury shares) as of the general meeting date. The issuance will be at a price not discounted more than 10% below the benchmarked price, defined as the higher closing price on the agreement date or the average closing price over the prior five trading days. Benguela is of the view that a maximum restriction of 5% of issued ordinary shares is more acceptable as it limits significant dilution to existing shareholder holdings, given the circumstances under which a proposal to issue shares for cash is made. In the event shares offered at a discount, a small discount of $\pm 5\%$ to the higher of the 30-day VWAP or the previous closing share price considered acceptable. For this reason, we voted against resolution number 2.
	To elect Joseph C. TSAI.	Against	Joseph C. Tsai joined the company in 1999 as a member of the Alibaba founding team and has served on the board of directors since its inception. Joe is currently the chair of the company. We vote against the election of Joe as chair of the board because we do not regard him as independent, given his 25 years with Alibaba and his status as a founding member of the Alibaba partnership.
	To elect J. Michael Evans.	Against	J. Michael Evans has been Alibaba's president since August 2015 and a director since September 2014. He also serves as co-chairman of the Alibaba International Digital Commerce Group. We vote against his election because we do not consider him to be independent, and the chair of the board is not independent either. Additionally, we prefer a nine-years rotation of the directors of the board.
	To ratify and approve the appointments of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers AS THE U.S. and Hong Kong independent registered public accounting firms.	Against	PWC has served as the company's auditor since 1999. This is against our policy which requires a maximum tenure of eight (08) consecutive years for audit firms; as such, we recommended voting against resolution 6.

For information on other periods of proxy voting, kindly email clientservices@benguelaglobal.com.

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