



TANTALUM CAPITAL'S PROXY VOTING POLICY

Introduction

Tantalum Capital's Proxy Voting Policy outlines the corporate governance principles we apply and our guidelines for voting on company resolutions on behalf of our clients. This Policy is underpinned by our investment philosophy, and must be read with our Environmental, Social and Governance (ESG) Policy.

We seek to engage with companies we invest in where we feel it is necessary and where we believe we can be effective and promote change. Our primary concern is the potential impact of any issues on a company's long term valuation. We are not activist investors and we do not wish to actively interfere with a company if possible, as we believe that management of the company is best placed to manage the company's affairs. However, we will discuss issues where we have concerns or require greater clarity. Where we are unhappy with company management and don't feel they are addressing issues appropriately, we may do one of the following:

- Enter into active dialogue (verbal or written) with company management
- Vote against company management
- Not invest with the company
- Sell our holding

In terms of being a responsible custodian of assets, we will effectively exercise our shareholder rights on behalf of our clients. Our guiding principle is to make proxy voting decisions which favour proposals designed to maximise a company's shareholder value and are free from the influence of conflicts of interest. We will cast votes in a manner other than in line with recommendations, where we have good reason to believe it is in the best interest of the shareholders to do so.

Tantalum does not consider it feasible or desirable to prescribe in advance comprehensive guidelines as to how it will exercise proxy voting authority in all circumstances. The approach to corporate governance is to encourage a culture of performance among the companies in which we invest to add value to our clients' portfolios, rather than one of mere conformance with a prescriptive set of rules and constraints.

As a general rule, Tantalum will vote against any actions that will reduce the rights or options of shareholders, reduce shareholder influence over the board of directors and management, reduce the alignment of interests between management and shareholders, or reduce the value of shareholders' investments, unless balanced by reasonable increase in net worth of the shareholding. Where appropriate, Tantalum will also use voting powers to influence companies to adopt generally accepted best corporate governance practices in areas such as board composition, disclosure policies and the other areas of recommended corporate governance practice. Administrative constraints are highlighted by the fact that many issues on which shareholders are in practice asked to vote are routine matters relating to the ongoing administration of the company – e.g. approval of financial accounts or housekeeping amendments to the Memorandum of Incorporation. Generally in such cases, Tantalum will be in favour of the motion as most companies take seriously their duties and are acting in the best interests of shareholders.

Tantalum Capital votes proxies in the following circumstances:

1. The size of the shareholding is considered to be material in fund terms and/or in company terms; and/or
2. The issue or principle being considered is significant in our judgement regardless of the size of our holding.

Tantalum Capital will not be able to vote when we manage segregated mandate Funds on behalf of clients and such clients have agreements in place with the custodian to lend securities out on loan. The voting rights for shares out on loan are transferred to the borrower and therefore, the lender (i.e., Tantalum client) is not entitled to vote the lent voting rights at the company meeting. Recalling voting rights from the lender for the purpose of voting proxies is considered in the agreements between the custodian and the client.

Corporate Governance Principles

We believe that good corporate governance enhances long-term shareholder value, and we have a fiduciary duty to our clients to ensure, as far as possible, that the companies in which we invest are committed to adhering to sound corporate governance principles. In keeping with this commitment, Tantalum endorses the King IV Corporate Governance Code. We support the United Nations supported Principles for Responsible Investment (PRI) and the South African Code for Responsible Investing (CRISA).

Board Composition & Directorship

- Independent Directors Board membership should comprise a balance of executive and non- executive directors who have broad experience and are in a position to act independently. We support resolutions that lead to an increase in the number of independent non-executive directors, preferably leading to a majority of independent directors.
- Separate CEO and Chair positions. We support the election of an independent non-executive Chairman so that the Board represents the interests of shareholders, not executive management.

With respect to the election/re-election of directors, Tantalum must consider:

- Effectiveness of the board as a whole
- Relevant experience of new directors proposed
- Past attendance record of directors.

Tantalum believes that it should preserve the independence and flexibility of its investment team and process. Therefore, representation on the Boards of listed investee companies by employees is not encouraged and will only be considered in exceptional circumstances.

Share Capital

- Placing unissued ordinary shares under the control of the directors.
Generally, Tantalum would consider opposing resolutions that place unissued ordinary shares under the control of the directors, as any further issues would dilute existing shareholders. Any such actions should thus be specifically motivated to shareholders through calling a general meeting on an ongoing basis.
- Providing the directors the authority to issue shares for cash.

Generally, Tantalum would consider opposing resolutions that provide directors the authority to issue shares for cash, as any further issues would dilute existing shareholders. Tantalum would want a separate resolution at the time of any further issue with the appropriate motivation provided by management, rather than providing management with a general control over the unissued shares.

- **Authority to repurchase shares**

Tantalum would consider opposing resolutions that allow share repurchases to impact on the “free float” of the company and where the share repurchase could have a material negative impact on liquidity. We do however acknowledge that share repurchases may result in earnings enhancements for a company and there may be instances in which shares may not be voted in strict adherence to this guideline.

- **Dual Capitalisation, Preferential Voting Rights**

Tantalum would consider opposing proposals to divide share capital into two or more classes or to otherwise create classes with unequal voting and/or dividend rights. Tantalum is concerned that the effect of these proposals, over time, is to consolidate voting power in the hands of relatively few insiders disproportionate to their percentage ownership of the company’s share capital as a whole.

- **Repricing or issuing of options at a discount**

Tantalum would consider opposing proposals that allow for the repricing or issuing of options at a discount. We do however acknowledge that not re-pricing certain share options may not align the interests of management and shareholders and there may be instances in which shares may not be voted in strict adherence to this guideline.

Remuneration

Levels of remuneration should attract, retain and incentivise directors. Given that remuneration has implications for corporate performance and shareholder returns, this is an area in which shareholders have a valid role to play in approving remuneration policies that have been set by formal and independent procedures.

Items that Tantalum would consider include:

- Detailed disclosure of director and employee compensation, particularly where the company does not have a majority independent board
- The independence of the Remuneration Committee and its recommendations
- Whether compensation is reasonable especially with respect to
 - a. total compensation to CEO per annum;
 - b. ‘golden parachutes’ for early termination of service or if triggered by a takeover
 - c. executive severance pay (particularly where the company performance was poor during said executives tenure).

Appointment of Auditors

The audit process must be objective, rigorous and independent to maintain the confidence of the market. Tantalum will consider any issues that may have compromised the audit firm’s independence and objectivity with respect to the company over the past year.

Empowerment/Equality

Tantalum will encourage development of an employment equity plan and reporting on empowerment with specific focus on:

- Shareholder
- Board of Directors
- Executive and senior management
- Staff/labour force
- Suppliers/Contractors

Environmental, Social and Governance

Tantalum's proxy voting procedures will endeavour to maximize long-term shareholder value within the mandate of the client. This mandate would incorporate the non-financial issues such as the "ESG" parameters required to be taken account of. Specifically, that authority and accountability for setting and executing corporate policies, goals and compensation should generally rest with the board of directors and those charged with governance of companies. Tantalum considers how to vote on the proposals on a case-by-case basis to determine likely impacts on shareholder value. Tantalum seeks to balance concerns on reputational and other risks that lie behind a proposal against costs of implementation, while considering appropriate shareholder and management strategic objectives.

Tantalum keeps records of its proxy voting activities. Upon client request, Tantalum will report quarterly or annually to the client on proxy voting activities for investments owned by the client. A record will be kept of the voting decision in each case.