



ACTIVE SHAREHOLDER

VOTE YOUR SHARES SECURE YOUR FUTURE



Active Shareholder (Active) is a not for profit company that helps socially responsible shareholders to exercise their company rights. This is achieved by voting the shares at the general meetings of listed companies, interacting with companies around issues of concern and if necessary, raising issues in the public domain.

In this way, shareholders can express their views about the issues that concern them, whether it be corporate governance, executive remuneration, impact on the environment, or other matters.

The broad mission of Active Shareholder's client organisations is the development of a more people-centred society, a society that respects people, their culture and the environment.

Our client organisations do not just invest for financial gain – social and ethical factors are as important to their investment decisions.

ACTIVE MEMBERS

Active Shareholder was formed by a group of organisations that recognised the need to be active and responsible shareholders and to exercise their rights and responsibilities as shareholders.



X **CDT Foundation** (CDTF) is an ecumenical loan fund that provides loans at a low interest rate to Christian Churches and Organisations for property transactions within the borders of South Africa. The Foundation sees its role as supporting the ministry of its members, other Christian bodies and the like, with finance, and in providing help in other areas of its expertise.



X **The Ditikeni Trust** was formed in 1999 by a number of non-profit organisations seeking financial sustainability. Ditikeni has made 23 investments in the past ten years and retains seventeen. Our aim to build up a capital base has succeeded to the point that Ditikeni now pays an annual distribution to shareholders. Over R32 million has been distributed to shareholders to date.

X **Labour Research Service** (LRS) was established in response to the growing demand from trade unions for research and consulting services. The LRS remains a trade union-controlled institution and maintains its independence by providing services nationally to all progressive trade unions. LRS focuses largely on providing empirical research for trade unions to facilitate their struggle to win concrete achievements.



X **Social Change Assistance Trust** (SCAT) is a non-profit organisation that serves as a grant-maker, a capacity builder and mentoring organisation in direct service to smaller community-based organisations. Today, this Cape Town-based organisation maintains its original mandate and provides grants to organisations working in rural communities in the Free State, Northern, Western and Eastern Cape.



In addition to the board, Active has a broader advisory committee who assist with direction, technical matters and provide guidance. All Active reports are reviewed by a member of the advisory committee.



X The Right Reverend Dr Jo Seoka was appointed the tenth and first black bishop of the Anglican Diocese of Pretoria. Bishop Seoka worked with international church activists to establish the global network of churches for corporate responsibility that monitored how multinational companies behave and conduct their business in developing countries. He participated in the writing of the “Principles for Global Corporate Responsibility: Bench Marks for measuring Business Performance”. He subsequently founded the Bench Marks Foundation of Southern Africa, which was launched in 2001.



X Rod Bulman has served on numerous committees and Boards and currently serves on the boards of both Ditikeni and Church Land Programme. He is a former registrar of the Federal Theological Seminary of Southern Africa an ecumenical training institution in Imbali, and he served as Executive Governor of Epworth School, in Pietermaritzburg. Rod founded Phelamanga, a consultancy specialising in public participation and environmental policy, development and planning.



X Joanne Harding is Director and an ex-officio trustee of SCAT (Social Change Assistance Trust) an organisation which she has been associated with since 1998, starting as a field worker/trainer. She was executive director of SCAT from 2006 to 2010 when she left to complete her Master’s degree in Social Planning and Administration. Joanne is currently doing her PhD in Public Law at UCT. Having started her career as a paralegal in a Black Sash advice office in the Eastern Cape in 1992 she is passionate about the role of the advice office in ensuring access to justice.



X Trenton Elsley is Executive Director of the Labour Research Service (LRS), he has a long-standing interest in social dialogue and corporate governance, with a specific interest in South African multinational companies with footprints in Africa. He is preoccupied with efforts to deepen thinking and practices that assess the contribution made by multinationals to the value created across the whole of the economic, social and environmental context within which these companies operate.

Active Shareholder started voting in May 2017 and in the first three calendar years of operations, Active voted at 86 Annual General Meetings covering 1 824 resolutions.

Active has engaged with, or is engaging with a number of companies on a range of issues, including:

- ✘ Campaigned successfully against the practice of companies not presenting shareholders with the right to vote on the appointment of the auditors. The JSE's (Johannesburg Stock Exchange's) regulations now include the requirement for all listed companies to put the appointment of the auditors to the vote at the company's Annual General Meeting.
- ✘ Participating in remuneration consultations and has successfully ensured that ESG is included as remuneration measure. Active is currently campaigning for proper and open consultations and for consequences for the repeated failure of remuneration resolutions to be supported by the required number of shareholders.
- ✘ Campaigning for banks to put the election of the audit committee to shareholders, some banks have agreed to this and the matter is now with the SARB (South African Reserve Bank).
- ✘ Highlighted numerous instances of poor governance by companies and, if the company concerned does not address the matter then Active has ensured that the practices are as widely reported as possible.
- ✘ Pressured some companies into making changes to their audit committee to comply with the King Code.

Active continues to identify issues and to engage and campaign around such issues.

Bishop Jo Seoka, chairman of Active Shareholder, which advises non-governmental organisations how to vote their shares, said the Truworths board was dominated by white men who had been directors for a worryingly long time.

“They seem to treat these as life time appointments; it's amazing that they don't realise that this looks like the quintessential old boys' club”

BusinessDay

22 October 2018

*Our client organisations do not just invest for financial gain – social and ethical factors are as important to their investment decisions.
Our voting reflects those social and ethical considerations.*

Calendar Year 2020 Voting Statistics

Number of AGM's voted in person or by proxy	27
Total number of resolutions voted	583
Companies which did not table their Annual Financial Statements for approval	63%
Number of resolutions which were not approved	16
Companies' remuneration advisory votes that did not get the required support	33%

Companies voted in 2020:

ABSA/Barclays	BHP Billiton	Barloworld
Caxton	Coronation	Glencore
Hudaco	Investec Ltd/PLC	Kumba Iron Ore
Lewis Group	Life Healthcare	MTN
Nampak	Naspers	Nedbank
Old Mutual	Pick 'n Pay	PPC
PSG	Reunert	Sasol
Standard Bank	The Foschini Group	Tongaat Hulett
Truworths	Vodacom	Yebo Yethu

Most Common Resolutions

	Number of Resolutions	Active Voted in Favour of	Average support for resolutions	Lowest Support for any resolution
Appointment of Directors of the company	153	117	95.8%	67.3%
Appointment of the members of the Audit Committee	90	47	94.2%	57.8%
Appointment of the Auditors of the company	33	19	88.3%	68.0%
Directors' authority to issue shares (require 75% approval)	28	1	85.1%	56.7%
Approval of Remuneration Policy Report (75% approval required)	26	2	84.0%	52.0%
Approval of Remuneration Implementation Report (75% required)	26	1	78.9%	43.7%
Approval of Non-Executive Directors remuneration (75% required)	99	9	95.6%	76.3%
Authority to repurchase shares	27	2	97.8%	84.2%
Authority to provide financial assistance	34	4	95.4%	71.3%

To achieve the objective of a more people-centred society, a society that respects people, their culture and the environment, it is important that shareholders exercise their responsibility as owners of the companies in which they are invested.

Active Shareholder assists shareholders by:

- ✘ Researching companies and directors and providing a detailed motivation and recommendation on each resolution presented at the AGM.
- ✘ Completing and submitting a proxy form and/or attending AGMs.
- ✘ Attending company remuneration consultations and submitting detailed concerns regarding remuneration.
- ✘ Engaging with companies with the objective of achieving positive change.
- ✘ Reporting back twice a year on voting and voting statistics.



27 August 2021

... describes the chair's statement that the company is "committed to high standards of corporate governance" as problematic ... Remarkably one resolution was approved despite opposition from 88% of shareholders. "Despite this extraordinary level of opposition the board continues to present the same resolutions each year; it is very hard to understand the chairman's statement in light of this." said Active Shareholder.

Contact Details:

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Mike Martin a Chartered Accountant researches and writes company reports on behalf of Active Shareholder.

Active Membership

Active members are the owners of Active Shareholder and as such they are entitled to:

- ✗ Appoint a member to the board.
- ✗ Appoint a member to the Active Advisory Committee that guides and advises the researcher.
- ✗ Enjoy the full voting services of Active including detailed proxy advisory and proxy submission.
- ✗ Inform the choice of companies selected.

COST R 60 000 Per Annum

Active Voting Package

- ✗ Voting for 20 companies.
- ✗ Detailed proxy advisory and proxy completion for those companies.

COST R 30 000 Per Annum

Limited Voting Package

- ✗ Voting for 5 companies
- ✗ Detailed proxy advisory and proxy completion for those companies

COST R 10 000 Per Annum

Cost per additional company

R 2 000 Per Annum companies in the Top 40



23 August 2021

“Active has for some time been frustrated at what we perceive as a failure by some companies to engage effectively with shareholders, let alone other stakeholders”

“... there are no consequences for companies that fail to get the necessary 75% backing ...”

“... companies are adopting the approach that shareholders can raise their concerns at shareholder presentations, however only institutional and large shareholders are invited to such presentations.”