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STANDARD BANK GROUP LIMITED

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Annual General Meeting
31st May 2022
Financial Year End: 31st December 2021

Proxies voted
Labour Research Services
The Ditikeni Trust
The Lewis Foundation

We are very pleased to note that the Standard Bank Group (SBG) has tabled shareholder resolutions on climate change action, has tabled resolutions empowering shareholders to vote on the appointment of audit committee members and that the Chairman steps down at the AGM after 19 years' service. The Chairman, Mr Gcabashe's experience and service were outstanding, but after nearly 2 decades it was inappropriate for the company to classify him as an independent director. We trust that these actions signal a change in stakeholder engagement by SBG. The Report does state that *the board adopts a stakeholder inclusive approach*, but goes on to say this applies to *material stakeholders*, it is disappointing that the board has chosen to limit inclusivity. The company made a public statement regarding the right of shareholders to propose resolutions which was quite unnecessary and flies in the face of *a stakeholder inclusive approach*.

The auditors will not be rotated until 2024 despite the fact that both audit firms have served for 59 years already. This may comply with the regulatory requirement for audit firm rotation but certainly is not best practice. Similarly, the practice of only presenting Non-Executive Directors fees for Approval every second year does comply with the law but does not represent best practice. It is concerning that the company is not adopting best practice in all instances.

We are told that the Group Risk and Capital Management Committee *has oversight of risk management, including climate-related financial risk and climate risk associated with our own operations*. We would like dedicated resources allocated to the risks associated with climate change.

Support for the remuneration reports has been declining for a number of years and at the 2021 AGM the remuneration policy did not get the requisite support and the remuneration implementation only just passed muster. We are surprised therefore that changes to the policy are so slight that the Remco chair states *there were no significant changes in policy*. The company needs to engage in a serious manner with shareholders.

The Report is cross-referenced with hyperlinks all of which worked, making it easy to navigate. It is laid in landscape format best suited for use on a computer screen limiting the need to print the Report. Well done SBG, this is one of the best reports we have seen in terms of ease of navigation, unfortunately it is very dense and packed with jargon making it very difficult to read.

	Resolution	Rationale	Vote	Outcome of AGM
	Submission of audited Annual Financial Statements (AFSs)	It is not a requirement for companies to present the AFSs to shareholders for their approval. However, we consider it best practice to do so, and we are disappointed that SBG has not done so. The auditors have expressed the opinion that the AFSs fairly present the financial results and financial position of the group.		
	Submission of the report of the group Social and Ethics Committee	It is far from clear what report will be tabled to the members under this agenda item. The Social and Ethics Committee report in the *Governance and Remuneration Report* only provides details of committee members, their attendance and a very brief overview of the activities of the committee. There is a *Report to Society* which would cover some of the areas of responsibility of this committee. This report does provide some good information but it is well buried in very wordy and fine sentiments and we were concerned that SBG at times dressed up its business interests as its societal responsibilities and goals. We note that SBG is not alone in dressing up business interests as societal goals and this is not necessarily a bad thing, but the company needs to be clearer on its goals and why those are its goals. The Climate Related Financial Disclosures report does include GHG (Green House Gas) emissions for Scope 1, 2 and 3 for 4 years as well as water, energy consumption and waste. This is what we expect from all major companies but not all provide this detail so well done to SBG. What we don't have is a sense of how the company intends to address these and what its milestones and timelines are to achieve its target of net zero. The report also includes details for 2 years of total loans to renewable energy companies and to fossil fuel companies which is pleasing. However, the Report does not give a clear sense of the plan to manage this risk.		

	Resolution	Rationale	Vote	Outcome of AGM
	Ordinary Resolution			
1	Re-election of directors	In considering the appointment of individual directors to the board, it is necessary to first consider the overall composition of the board. The key factors which we consider in this regard are: Independence; Continuity; Skills and Diversity. Full details of the board are not included in the Report but are available on the separate Governance and Remuneration Report which was not particularly easy to find. The board shrinks from 18 members to 15 with the retirement of 3 directors, in addition 1 of the ICBC board representatives is replaced. It remains a large board. There are 2 executive directors which is as it should be, these together with the 2 ICBC representatives and 1 director who is not classified as independent leave 10 directors classified by the company as independent. We take a stricter view on independence and consider 2 other directors' independence to be questionable: Mr Maree is the former CEO and whilst he did have a cooling off period, he has a very long association with the company; Mr Ruck is a former executive director and has served on the board for an uninterrupted 19 years and as such cannot be considered independent. That leaves the board with 7 non-independent directors and 8 independent directors. This does comply with the King Code of independence and with Mr Gcabashe stepping down as Chairman and a director, independence improves. However, we would like to see a greater level of independence, and a more coherent plan for rotation of non-executive directors. Both the CEO and CFO have served in their current positions for a number of years and average tenure of directors is quite high at just under 6 years. There is an improving spread of length of tenure and the former CEO serves on the board providing a wealth of institutional knowledge. Mr Gcabashe will be a loss but we have no concerns regarding continuity. The Governance Report does say his successor		

	Resolution	Rationale	Vote	Outcome of AGM
		will be announced before the reports are published and it would be proper for the shareholders to know who the incoming chairman will be. However, at the time of writing, no successor has been named. The board has a good spread of skills and experience and diversity at board level is satisfactory. We would like to see more women represented in the senior management team, 80% of which are men.		
1.1	Geraldine Fraser-Moleketi	Ms Fraser-Moleketi, 61, is suitably skilled and experienced and has served on the board for 5 years. Her attendance record was impeccable and she is a director of 2 other listed companies. However, Ms Fraser-Moleketi is Board Chairman of a listed company (Tiger Brands), and we do not consider it appropriate for the chairman of any board to serve on the board of other companies.	AGAINST	FOR 99.7%
1.2	Trix Kennealy	Ms Kennealy, 63, is suitably skilled and experienced and has served on the board for 5 years. She is the Lead Independent Director, Chair of the Audit Committee, and Chair of the Remuneration Committee. Her attendance record was impeccable. She serves on the board of 1 other listed company, Sasol, and also chairs the audit committee of that company. Ms Matyumza also serves on the SBG board and audit committee and on the Sasol board and audit committee. We note that both SBG and Sasol have audit committees which, based on our engagement and their reports, believe in minimum compliance with the letter of the law rather than best practice. It is not desirable to have such an approach to governance nor to have directors serving on boards and committees together and we oppose the appointment of both these directors to the audit committee. However, this is insufficient to oppose their reappointment to the board.	FOR	FOR 99.8%
1.3	Li Li	Mr Li, 44, is a nominee of the single largest shareholder (ICBC) who hold 20% of the shares in SBG. He replaces Mr Wang who served on the board for 4 years. Mr Li is suitably skilled and experienced and his attendance record was impeccable for the period since his appointment.	FOR	FOR 99.5%

	Resolution	Rationale	Vote	Outcome of AGM
1.4	Martin Oduor-Otieno	Mr Oduor-Otieno, 65, has been a director for 5 years and is suitably skilled and experienced. His attendance record was impeccable. He serves on the boards of 3 other companies one of which he chairs, as noted we do not support the chairman of a listed company serving on the board of other companies.	AGAINST	FOR 99.8%
1.5	John Vice	Mr Vice, 69, has been a director for 5 years and he is suitably skilled and experienced to serve on this board. His attendance record at board meetings was good and at committee meetings it was impeccable. He is a director of 1 other listed company and as such we do not consider him to be overcommitted. In terms of the SBG conditions of service, Mr Vice will be due to retire next year as he will have passed his 70th birthday. The company may provide notice that it would like him to stay on – we look to SBG to follow best practice and, in the event of Mr Vice staying on, putting his appointment to shareholders every year.	FOR	FOR 99.4%
2	Re-election of Group Audit Committee (GAC) members	We commend SBG for putting the Audit Committee members to shareholders for election. SBG notes, whilst other listed companies are required to put the audit committee to shareholders, banks are not required to do so in terms of the Banks Act – an older piece of legislation. We have raised the appointment of the audit committee with: SBG and other banks; the Banking Association; and the SA Reserve Bank. Some banks agreed to put this committee to shareholders but SBG's response until now was that this was not a legal requirement and as such, they would not put this committee to the vote. We are very pleased with their change in approach on this matter, and trust that this is a change of approach rather than a result of pressure from the SA Reserve Bank. The approach of this committee to audit firm rotation is that they will do the minimum to comply with the letter of the law. This does not represent best practice and we would like to see this company moving on audit firm rotation given that both the audit firms have 59 years' service which is far beyond what is considered appropriate.		

	Resolution	Rationale	Vote	Outcome of AGM
		We have some concerns regarding the independence of the board and as such, this committee's independence is viewed with especial concern. The Chairman of the board may not serve on this committee and this prohibition is for good reasons. It is therefore, with concern that we note that the SBG Chairman attends all Audit Committee meetings by standing invitation. It is hard to imagine the Chairman of the board not exerting a strong influence at committee deliberations even if, as an invitee, he is not allowed to vote at such meetings. We note with concern that Ms Kennealy and Ms Matyumza both serve on this board and committee and both serve on the board and audit committee of Sasol. We do not favour this as it can lead to familiarity and a perceived loss of independence.		
2.1	Trix Kennealy	Ms Kennealy is the chair of this committee and we do not favour this committee's approach to audit firm rotation, and governance in general. She is also the chair of Sasol's audit committee and we have for some years noted that company and its audit committee have a policy of minimum compliance. We further note that Ms Matyumza serves on the Sasol board and audit committee alongside Ms Kennealy. We oppose Ms Kennealy's appointment to this committee.	AGAINST	FOR 99.4%
2.2	Martin Oduor-Otieno	We oppose Mr Oduor-Otieno's appointment to the board on the grounds of overcommitment as he is the chairman of a listed company.	AGAINST	FOR 99.4%
2.3	John Vice	Mr Vice's suitability as a director has been evaluated under 1.5 above. In terms of this committee, we do not like the fact that he was Senior Partner of KPMG who are one of SBGs auditors. However, given that there are joint auditors and that we oppose a number of other members of this committee, we support his reappointment in the interests of continuity.	FOR	FOR 97.7%
2.4	Nomgando Matyumza	See 2.1 above. We oppose Ms Matyuza's reappointment.	AGAINST	FOR 99.5%

	Resolution	Rationale	Vote	Outcome of AGM
2.5	Atedo Peterside	Mr Peterside, 66, has been a director for 8 years. As such he is approaching the point at which we question his independence in terms of the King Code, this is of especial concern for members of the audit committee. His attendance record was impeccable. He is suitably skilled and experienced and although he is the chairman of another company, that and all his other directorships are of unlisted companies. As such we do not consider him overcommitted.	FOR	FOR 98.7%
3	Re-appointment of independent external auditors	Both KPMG and PwC have served SBG for 59 years, this is most loyal but such long service is considered likely to impair the independence of the auditors. We have previously noted that we do not expect a company such as SBG to merely comply with regulations and laws, but expect them to follow best practice. They stated last year that they would comply with mandatory audit firm rotation. They have again stated that they will follow the mandatory rotation and will not rotate the auditors before they are legally required to do so. We are sorry to see this given the change in attitude towards audit committee appointment, shareholder resolutions and the tenure of the Chairman noted in the introduction to these recommendations. The committee has announced the selection of the audit firm to replace KPMG in financial year 2024, we would like to see the rotation before then to allow a longer overlap between the 2 audit firms. We do not like the fact that the former senior partner of KPMG serves on the audit committee. At the 2021 AGM 30% and 23% of shareholders opposed the reappointment of KPMG and PwC respectively, a fact which the Audit Committee clearly does not find of concern. We favour a staggered rotation of audit firms but oppose both the firms given the recalcitrance of the Audit Committee on this matter.		
3.1	Resolved that KPMG Inc. be appointed as the company's auditor	See above.	AGAINST	FOR 71.8%

	Resolution	Rationale	Vote	Outcome of AGM
3.2	Resolved that Pricewaterhouse Coopers Inc. (PwC) be appointed as the company's auditor	See above.	AGAINST	FOR 77.2%
4	Placing the authorised but unissued ordinary shares under the control of the directors	This resolution provides little information other than that the shares may be issued at the discretion of the directors and shall be limited to 2.5% of the issued share capital unless the issue is in term of the acquisition of an asset or the issue is pro-rata to existing shares issued. We find the information insufficient with no reasons or effect of the resolution provided. The same resolution was opposed by 10% of shareholders at the last AGM and we would expect the board to respond to this and for more details to be provided. The Report states that *the board adopts a stakeholder inclusive approach*, this does not seem to be so in the case of this resolution.	AGAINST	FOR 88.1%
5	Placing the authorised but unissued non-redeemable preference shares under the control of the directors	This resolution provides even fewer details than resolution number 4 above.	AGAINST	FOR 97.9%
6	Non-binding advisory vote on remuneration policy and remuneration implementation report	**We look to improvements in both the policy and implementation in the current reports, given the decline in shareholder support for these resolutions over the last 3 years.** Support for the resolutions has been declining with support for the remuneration policy in 2021 at 68% which resulted in the company having to consult shareholders. The previous 2 years had seen support of 88% and 92% so a clear downward trend. The implementation resolution faired a bit better with support in 2021 at 79% down from 86% and 94%. **It is, therefore, most extraordinary that the Remco Chair states *there were no significant changes in policy*** surely there should be some change to accommodate the concerns of shareholders. Some minor changes were in fact made but the fact that the Remco Chair feels no changes are necessary does not reflect well on her.		

	Resolution	Rationale	Vote	Outcome of AGM
		We would like to see a greater level of independence in the Remuneration Committee. We previously noted our concern at the size of the Remuneration Committee (Remco) with 7 directors. We are pleased that it has been reduced to 5 directors. The Report states that all 5 directors are independent – we have expressed our concern that the chairman of this committee Ms Kennealy and Ms Matyumza sit on the same boards and committees as this casts a doubt on their ability to act independently. Mr Gcabashe who serves on this committee has been a director for 19 years and as such his independence is questioned. Mr Maree is the former CEO, he did serve a cooling off period which is commendable, but his association with the company is such that his independence is questioned. This leaves 1 director of unquestioned independence. **This is not as it should be.** We do not favour the attendance at Remco of the Group CEO and the South African CEO by standing invitation. **Executives should attend the meeting as and when required and not by standing invitation**.		
6.1	Resolved to support Standard Bank Group's remuneration policy	Executive remuneration must be clearly linked to company strategy and outcomes. SBG links pay to what it calls its *six strategic value drivers*. These are: *client focus, employee engagement, risk and conduct, operational excellence, financial outcome and SEE impact* (Social Economic and Environmental). This is not immediately clear as a company strategy and is not linked to any vision, but it is clear and understandable. Executive remuneration consists of Fixed Pay, STIs (Short Term Incentives) and LTIs (Long Term Incentives). STIs and LTIs are linked to Fixed Pay and are subject to the achievement of objectives. The Report clearly states that executive remuneration is benchmarked, primarily against local and international banks. What is less clear is whether such benchmarking is done independently. We are not told whether such benchmarking looks to the mid quartile or upper quartile. **Benchmarking is not as clear as we would like to see it.**	AGAINST	FOR 75.5%

	Resolution	Rationale	Vote	Outcome of AGM
		It is pleasing that, as a result of shareholder consultations, STI (Short Term Incentive) rewards are now capped, given that this is the most notable change made in the policy as a result of the failure to have the policy approved at the last AGM, the caps at 300% for the CEO and 275% for the CFO are very high. Setting such high caps after shareholders requested that caps be set may lead some readers to conclude that Remco is going through the motions of setting caps rather than recognising the real concern of shareholders.. Given the statement that the main focus of senior executives is on long-term growth, **the size of the STIs is inappropriate**. It is of some comfort that a portion of the STI is deferred and linked to the SBG share performance which does link to the statement above. The portion of STI which is subject to deferral is based on a sliding scale. The deferred bonus amount is linked to the SBG share price and accrues an amount equal to the dividends which would be payable on the shares. The deferred bonus is then paid out at the ruling share price in 3 equal tranches after 18, 30 and 42 months. This is purely a deferred bonus linked to the share price and is not subject to any performance conditions. Higher paid employees may opt to have their deferred bonus paid out as part of a Share Appreciation Rights Programme which is subject to a longer vesting period. **The difference between the deferred bonus and the Share Appreciation Rights Programme is not clear.** We are told *the group's incentive pool* [is] *based on performance assessed against the group's strategic value drivers on a through-the-cycle basis. Remco analyses the historical ratio of incentive pools and profit measures and assesses the relative returns to shareholders and employees in the year of award and cumulatively over time.* **Actual targets and measures for the STI are not transparent and appear to involve a high level of discretion.** LTIs are made up of PRPs (it is not easy to find the definition of PRPs which are in fact Performance Reward Plans). The value of the awards, the conditions applicable to the awards and to the vesting thereof are		

	Resolution	Rationale	Vote	Outcome of AGM
		not clear at all. We are told the awards are delivered when *certain performance conditions aligned to long-term strategic objectives are met* and that they vest over 3 years and that dividends accrue and are awarded on vesting. Performance conditions and targets are *set annually by remco* but what those targets and conditions are is not clear. From a graphic provided we concluded that the LTIs as a percentage of basic pay for the CEO and CFO were 200% if target was achieved with a maximum of 370% and 390% respectively. These are very high and together with the STI provide for variable pay of up to 670% and 665% for the CEO and CFO respectively. **We found the policy was not transparent nor were targets and conditions disclosed. Further we think that a 3-year time horizon for the LTI is not sufficiently long term. We are not told what the maximum reward amount is relative to an executive or employees basic pay.** Malus and clawback provisions apply which is as it should be. **A poor remuneration policy report littered with acronyms some of which are specific to the company. The policy and targets are not transparent and we have no hesitation in opposing this policy report.**		
6.2	Resolved to endorse Standard Bank Group's remuneration implementation report relating to the payment of remuneration for the 2020 financial year	The Report states that no increases in basic salary increases were awarded to executives, this after increases in 2020 of 0%, 2019 2.4% (as a result of changes in benefits) and in 2018 between 9% and 13%. We did find the increases in 2018 to be excessive and now we see a number of years with no increases. Non-executive director fees have increased. **This is not as it should be.** It is pleasing to see the company attempting to close the wage gap with higher increases for junior staff although the wage gap remains excessive. This is of great concern given that the level of inequality in South African cannot lead to social stability.	AGAINST	FOR 75.9%

	Resolution	Rationale	Vote	Outcome of AGM
		The minimum wage increased to R 215 700pa from R 204 200pa an increase of 10.5%. **This is commendable.** The STI awards to executive directors were based 70% on financial criteria and 30% on *non-financial priorities*. The sole financial criteria used is ROE (Return on Equity) relative to COE (Cost of Equity). The non-financial criteria used are Client experience, Employee experience, Risk and conduct, Operational excellence, and SEE impact (Social, Economic and Environmental). We are pleased to note the inclusion of Client experience but do have reservations on how such experience is measured. We would like to see greater weighting attached to Environmental factors and specifically to see a link to the measurable environmental factors introduced as separate resolutions below. It is disappointing that Governance does not feature as any measure. Despite the statement in the Report that ROE is still below COE, the CEO and CFO received substantial STIs of 170% and 240% of basic pay respectively. The STI awards are round amounts of R 18m and R 16.75m which gives the impression that these amounts were not calculated according to any formula. The LTI awards to the CEO and CFO amounted to R20m (189% of basic) and R 14m (200% of basic). Again these are perfectly round amounts. **The Report provides a great deal of information but it is far from clear how the STI or LTI are actually arrived at and given the fact that these are round amounts it leaves this reader with impression that the rewards are discretionary.**		

	Resolution	Rationale	Vote	Outcome of AGM

	Special Resolutions			
7	Approval of non-executive directors' fees	We do not favour the payment of a flat fee to directors and would like to see an attendance component as a minimum measure of performance. The Chairman's fee is 24 times that of the Directors fee which is inappropriate. This is offset to some extent by the high committee fees paid to board members but we remain opposed to such a high differential. We also oppose the high differential between committee chair fees and committee member fees which are mostly above the upper acceptable differential of 2.5 times. We do appreciate that a premium should be paid to international directors but this should be appropriate and should take into account the cost of living in their countries of residence. The international directors appointed by the largest single shareholder ICBC, are Chinese nationals and the other international directors are resident in other African countries. These countries do not have a significantly higher cost of living than South Africa. We find the premium of 280% to be excessive. Non-executive directors fee increases are higher than those for executive directors and as such we expect to see a motivation for the increases, no reasons are provided. We do not like the fact that SBG does not present the Non-executive directors fees for approval every year, this may comply with the law but is not best practice. We have noted elsewhere that SBG has a tendency to do the minimum to comply with the letter of the law rather than follow best governance practices which in this case would see these fees presented annually.		
7.1	Chairman	The fee increases 3% to R 7.161m pa. A high fee in terms of other listed companies but the banks do pay higher fees. The differential to directors' fees is excessive.	AGAINST	FOR 99.0%

	Resolution	Rationale	Vote	Outcome of AGM
7.2	Directors	The fee increases 3% to R 299k pa. A modest fee and not in step with the chairman's fees. No attendance component.	AGAINST	FOR 98.4%
7.3	International Directors	The fee remains at £ 53.193k pa which was approximately R 1.143m at 31 December. A startling difference to 7.2 above.	AGAINST	FOR 92.8%
7.4.1	Audit Committee – chairman	The fee increases 3% to R 912k pa. This is at the upper acceptable limit of 250% of member fees. The fee is significantly above norms.	AGAINST	FOR 99.8%
7.4.2	Audit Committee – members	The fee increases 8% to R 369k pa. No attendance component.	AGAINST	FOR 95.3%
7.5.1	Directors' Affairs Committee – chairman	The fee remains flat R 428k pa. This is more than 3 times a committee member fee fees which is not appropriate.	AGAINST	FOR 98.2%
7.5.2	Directors' Affairs Committee – members	The fee increases 3% to R 135k pa. No attendance component.	AGAINST	FOR 99.9%
7.6.1	Remuneration Committee – chairman	The fee increases 3% to R 630k pa. This is more than 3 x a committee member fee fees which is not appropriate, it is above norms.	AGAINST	FOR 98.2%
7.6.2	Remuneration Committee – members	The fee increases 8% to R 199k pa. No attendance component.	AGAINST	FOR 95.3%
7.7.1	Risk and Capital Management Comm. chairman	The fee increases 3% to R 912k pa. This is at the upper acceptable limit of 250% of member fees, it is however above norms.	AGAINST	FOR 99.9%
7.7.2	Risk and Capital Management Comm. members	The fee increases 8% to R 369k pa. No attendance component.	AGAINST	FOR 95.4%
7.8.1	Social and Ethics Committee – chairman	The fee increases 3% to R 441k pa. This is more than 3 times a committee member fee fees which is not appropriate.	AGAINST	FOR 98.3%
7.8.2	Social and Ethics Committee – members	The fee increases 8% to R 142k pa. No attendance component.	AGAINST	FOR 95.4%
7.9.1	Engineering Committee – chairman	The fee fee remains flat R 597k pa. This is 3 times a committee member fee fees which is not appropriate, and is above norms.	AGAINST	FOR 98.3%
7.9.2	Engineering Committee – members	The fee increases 8% to R 199k pa. No attendance component.	AGAINST	FOR 95.3%
7.10.1	Model Approval Committee – chairman	The fee increases 3% to R 441k pa. This is more than 3 times a committee member fee fees which is not appropriate.	AGAINST	FOR 98.6%
7.10.2	Model Approval Committee – Members	The fee increases 8% to R 142k pa. No attendance component.	AGAINST	FOR 95.3%

	Resolution	Rationale	Vote	Outcome of AGM
7.11	Large Exposure Credit Committee – members	The fee increases 4.5% to R 30.5k per meeting	FOR	FOR 99.8%
7.12	Ad Hoc Committee – Members	The fee increases 4.5% to R 30.5k per meeting	FOR	FOR 99.1%
8	General authority to acquire the company's ordinary shares	Our policy is that we do not support general authorities for the company to purchase its own shares. We do appreciate that this resolution is for a fixed period (until the next AGM), is for a maximum number of shares (10% of the issued shares) and has a limitation on the price (no more than 10% above the average price). However, no proper reasons or effects are provided for the resolution and specifically there is no information on the circumstances which would trigger such a repurchase. As such we find no reason to deviate from our policy.	AGAINST	FOR 98.8%
9	General authority to acquire the company's preference shares	The preference shares are trading at a discount and are not redeemable. It is therefore in the interest of these shareholders that the company repurchase them.	FOR	FOR 99.4%
10	Loans or other financial assistance to related or inter-related companies	We support the need for the company to provide financial assistance to subsidiary or related companies. We note that this resolution states that such loans must be *on the terms and conditions which the directors of the company may determine*. We do not support this wording and note that there is a requirement that such loans must be on terms and conditions which are fair to the company. We do not support this resolution.	AGAINST	FOR 98.9%
11	Non-binding advisory resolution requisitioned by Aeon Investment Management and Just Share NPC	We commend the company, Aeon and Just Share for reaching agreement on these resolutions. Climate change is real, it's here, and it's now, we cannot continue with a business-as-usual approach. We would like to see a greater sense of urgency in addressing climate change and as major provider of finance SBG clearly is in a powerful position to influence a Just Transition. The existing SBG climate change policy does not set any targets for absolute emission reductions in the bank's financed emissions, therefore it is right that a new policy be developed including targets and that the bank report on progress in achieving those targets.		

	Resolution	Rationale	Vote	Outcome of AGM
11.1	By 31 March 2023, report on the progress in calculating financed greenhouse gas emissions from exposure to oil and gas	We support the need for the company to report on this progress.	FOR	FOR 99.8%
11.2	By 31 March 2024, disclosure of baseline financed greenhouse gas emissions from exposure to oil and gas	We support the need for the company do disclose this information.	FOR	FOR 99.7%
11.3	By 31 March 2025 update the Company's Climate Policy to include short, medium, and long-term targets for the Company's financed Greenhouse gas emissions from oil and gas, aligned with the Paris Agreement	We support the need for the policy to include such targets and for reporting on them.	FOR	FOR 99.7%

OUTCOME OF THE AGM

The AGM was fairly well attended with 80% of shares voted in person or by proxy. All resolutions were passed, however there was strong opposition to a number of resolutions and this will be a test of SBGs stated *stakeholder inclusive approach*.

Remuneration advisory resolutions require 75% approval and despite the required consultation in 2021, support for both of these resolutions was very poor at 75.5% and 75.9%.

The less than enthusiastic response by the audit committee for audit firm rotation was reflected in 71.8% and 77.2% support for the incumbent audit firms.

All 3 shareholder requested resolutions received over 99% support each, this does not reflect well on the company view *on shareholders' rights to file resolutions is that shareholders cannot propose a shareholder resolution which binds the board of the company even if the resolution is passed by shareholders and that there are no requirements of South African law for a company to put a non- binding advisory opinion to its shareholders on request or demand*.