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Caxton and CTP Publishers and Printers Limited

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Annual General Meeting

3 December 2024

Financial Year End: 30 June 2024

Proxies voted
Ditikeni

Caxton and CTP Publishers and Printers has experienced challenges due to shifts in traditional media and economic conditions. Caxton has faced revenue pressures as print media consumption declines in favour of digital platforms, leading to a gradual shift in focus toward diversification and cost management. The company's resilience has been tested by fluctuating advertising revenue, as well as rising input costs related to paper and distribution.

In terms of corporate governance, Caxton has aimed to align with the King IV corporate governance framework. Caxton's adoption of King IV principles is reflected in their transparent reporting and risk management practices, though some investors have raised concerns about the effectiveness of the board's oversight, particularly in navigating a pivot to digital media. Caxton's Audit and Risk Committee have engaged with the issues of environmental stewardship and climate change resulting in processes to reduce carbon footprint, initiatives to reduce energy consumption and the associated Scope 1 and 2 CO₂ emissions. 8 MW of solar installation projects are already installed with plans to complete a further 4 MW. **It is regrettable that the Sustainability Report is not an agenda item for AGM. We regard the presentation of the ESG, or Sustainability, Report to the AGM as best practice.**

Uncertainty due to the overall economic volatility in South Africa, which affects consumer spending and, consequently, advertising revenue is a concern. These external challenges, combined with internal hurdles in adapting business models, raise caution regarding Caxton's ability to achieve consistent growth. The company's future health will largely depend on how effectively it manages these strategic transitions while adhering to King IV's principles, especially in driving innovation and protecting shareholder interests.

The age of Caxton and CTP's directorate is a concern. Many directors have held their roles for long periods, leading to an older leadership profile. While this substantial institutional knowledge is beneficial in terms of industry expertise, it may also pose challenges in adapting swiftly to the evolving digital landscape and the shifting demands of modern media. A mix of directors is required who can bring fresh viewpoints and adaptability, essential for a company undergoing transformation in a rapidly digitizing industry. In Caxton's case, the relative age and long tenure of the board could potentially limit agility and openness to digital innovation. This raises concerns that the board may not be as responsive to new market trends, a critical factor as traditional print media continues to face structural decline. Caxton's future resilience may therefore benefit from a more diversified board composition, bringing in younger, tech-savvy directors who can contribute forward-looking strategies while still upholding the company's established values.

	Resolution	Rationale	Vote	Outcome of AGM
Ordinary Resolutions				
1.	To adopt the annual financial statements for the year ended 30 June 2024	Active considers it best practice to allow shareholders the opportunity to adopt the AFSs. However, it is not a requirement to do so, and few companies do this. Caxton does and we commend them for that. The auditors have expressed the opinion that the AFSs fairly present the results and financial position of the company.	FOR	FOR 100%
2.	To place the unissued ordinary shares of the Company under the control of the Directors.	We are told that the directors have no current plans to make use of this authority but wish to renew this annually. We are not told what the minimum price is that such shares may be issued at. We are in principle opposed to a general authority to issue shares as this will water down existing shareholder interests and reduce minority interests. We are provided with no reasons which would alter this view and therefore oppose this resolution.	AGAINST	FOR 69.02%
3.1	To re-elect Mr PM Jenkins as a director of the Company	Mr Jenkins has the skills and experience to fulfil his role. He serves on the Remuneration and Social and Ethics Committees and he has an impeccable attendance record. We are not given any idea as to his length of service on the Board which makes us cautious.	AGAINST	FOR 91.44%
3.2	To re-elect Mr NA Nemukula as a director of the Company	Mr Nemukula is qualified as a teacher and has a marketing sales diploma. He is a member of the Audit and Risk Committee. His attendance record is perfect. However, we have no record of his length of service on the Board which makes us cautious.	AGAINST	FOR 91.52%
4.	To appoint Forvis Mazars as the independent auditors and to register Mr Miles Fisher as the designated auditor	Forvis Mazars is an internationally integrated partnership, specialising in audit, accounting and consulting. In accordance with IRBA rules they report that they have been the auditors of Caxton for one year. We support the appointment, but note that the UK Financial Reporting Council (FRC) has recently (20 July 2024 reported) a sharp decline in the quality of Forvis Mazar's audit quality and will monitor this carefully.	FOR	FOR 98.197%
5.1	To re-elect Mr J Phalane as member and chairman of the Audit and Risk Committee	With a BA, LLB, LLM, MCom and MBA, Mr Phalane is well qualified to be a member of the Audit and Risk Committee, which he currently chairs. He is also the youngest of the directors, but his length of tenure is unknown, so we do not support his re-election.	AGAINST	FOR 93.27%

	Resolution	Rationale	Vote	Outcome of AGM
5.2	To re-elect Mr ACG Molusi as member of the Audit and Risk Committee	Mr Molusi is described as having been involved with the media industry for many years and holding several directorships. We have no way of assessing his suitability as a member of the Audit and Risk Committee. His length of tenure is unknown, however, so we are reluctant to support his re-election.	AGAINST	FOR 93.34%
5.3	To re-elect Mr NA Nemukula as member of the Audit and Risk Committee	Mr Nemukula's is described as having been responsible for marketing and publishing at Juta & Co. He has several business interests in publishing, printing, jewellery, and retail stores, which presumably has given him appropriate experience. However, his length of tenure is not stated. He has no formal qualification in the areas covered by this committee. We do not support his re-election.	AGAINST	FOR 90.82%
6.	To authorise any director or the Company Secretary to sign documentation to effect the ordinary and special resolutions passed	This is a practical step to simplify administrative tasks.	FOR	FOR 100%
Special Resolutions				
1.	To approve the general authority for the Company and/or subsidiary to acquire the Company's own shares	In principle we do not support general authorities to repurchase shares as these usually reduce minority interests.	AGAINST	FOR 99.12%
2.	To approve the remuneration of the non-executive directors	Non-executive directors have been granted a 5% increase, which is modest and in line with current South African consumer inflation.	FOR	FOR 94.40%
3.	To approve financial assistance to related or inter-related companies	The explanation given is disappointingly vague and generic. We acknowledge that the business of the group is evolving and that such assistance might be necessary but see no specific motivation.	AGAINST	FOR 97.47%
4.	To approve financial assistance for subscription for or purchase of securities	This resolution is similarly vague and generic. We acknowledge that the business of the group is evolving and that such assistance might be necessary but see no specific motivation.	AGAINST	FOR 95.13%

	Resolution	Rationale	Vote	Outcome of AGM
Non-binding Advisory Resolutions				
1.	To approve the remuneration policy as set out in the corporate governance and risk management report	The Policy outlined in the report gives no detail of how remuneration is determined. All that the policy report states is “ <i>The group’s approach to remuneration has not changed. Remuneration must take increases in cost of living into account – packages remain conservative but competitive.</i> ” and “ <i>All management and executive increases were industry-aligned.</i> ” The report fails to give an electronic link to the full remuneration policy as required by King IV. We do not support this resolution.	AGAINST	FOR 91.13%
2.	To approve the implementation of the remuneration policy as set out in the corporate governance and risk management report	Directors, executive and non-executive emoluments are disclosed in the Notes to the AFS. Short-term bonus schemes based on divisional operating performance are in place. In addition, “ <i>...a new share appreciation bonus scheme [issuing phantom share options], intended to align executives and senior management interests with the group and to retain executives, was implemented with a baseline of R7 per share and vesting over four years.</i> ” Without a clear explanation of the policy, we do not endorse its implementation.	AGAINST	FOR 91.13%

AGM OUTCOME

The AGM appears to have been well attended.

The most noteworthy outcome was the 30.90% rejection of Ordinary resolution 2: to place the unissued ordinary shares under the control of the directors.

The aging and long serving board was re-elected with little opposition.