

Responsible investment

Our engagement approach

We are in a privileged position to be a fiduciary for our clients and stakeholders. Responsible investing forms part of our core beliefs, and sustainable and responsible investment practices are material factors underpinning our long-term success.

We believe in active ownership as one of the important levers to successfully integrate responsible investment practices into our investment processes. Therefore, we use our market presence to contribute towards creating a well-balanced economy for our investors, by actively engaging with companies and investment managers. This policy is designed to ensure that our engagement actions are conducted in an appropriate manner, consistent with our clients' best interests, and other relevant policies.

This engagement policy is therefore inherent to Momentum Investments' process of risk management. We use these engagements (including participating and voting at annual general meetings) to influence and encourage companies to improve their management of environmental, social and governance (ESG) factors, together with all other business and commercial aspects. This will lead to sustainable financial performance for the investor in the long term.

The scope and review of the policy

| | |
|---|--|
| This policy applies to the following Momentum Investments regulated financial services providers: | |
| Momentum Asset Management (Pty) Ltd | Momentum Investment Consulting (Pty) Ltd |
| Momentum Global Investment Management Ltd | Momentum Alternative Investments (Pty) Ltd |
| Momentum Outcome-based Solutions (Pty) Ltd | Momentum Collective Investments (RF) (Pty) Ltd |

This policy is approved by our Momentum Investments Management Executive Committee and practically implemented and maintained by the relevant business areas. The Momentum Investments Management Executive Committee will review this policy at such time as it sees fit.

Our different portfolio and business offerings result in various levels of engagement:

- Where we outsource to external investment

managers, we consider their approach to ESG as an important part of our assessment of their capabilities, focusing on an active engagement approach, advocating and mandating alignment where practical and monitoring progress.

- For direct investments and where we have investment management agreements in place with underlying investments managers, we are able to direct strict compliance with the principles.

Examples of engagement opportunities

There are frequent opportunities to engage with management of companies, and investment managers of third-party funds and mandates, which include:

- Resolutions for upcoming board meetings of investee companies that are contrary to our policies
- Before shareholder meetings of investee companies to discuss the relevant resolutions
- Concerning news regarding an investee company or a third-party fund manager in the media
- Assisting investee companies and our third-party investment managers to improve their corporate governance
- Engaging regarding ESG considerations of the investee company

Engagement methods

We aim to have an understanding of the unique characteristics and circumstances of a company and the materiality of the issues before engagement and would typically, among others, use the following methods:

- Obtain as much publicly available data on the issue
- Hold private meeting(s) with company management
- Hold virtual meeting(s) (with agenda items communicated before the meeting)
- Address concerns via a formal letter

Escalation

Companies that do not respond to our engagement attempts will be subject to the following escalation processes:

- Proxy vote, withhold support
- Concerns addressed at the shareholder meeting
- Completion of a shareholder resolution
- Issue of media statements
- Formal complaint to the regulator where required
- Divest

Evaluating outcomes

It is important to keep track of the progress of companies after engagement. All engagement activities are recorded in our engagement register. There are five key outcomes we assess following engagements:

- Management awareness (companies become aware of concerns)
- Acknowledgement (companies are open to discuss concerns with shareholders)
- Policy and strategy (companies develop a strategy, policy and targets to address issues)
- Implementation (companies implement policy or strategy)
- Disclosure (companies disclose relevant policies)

Conclusion

All the above are guidelines we follow in evaluating resolutions put before shareholders by management. They are guidelines, which do not supersede common sense and business principles. They are designed to promote ethical and honest behaviour of company leadership, irrespective of the size or influence of

the company. Good corporate governance with its characteristics of transparency and accountability will force boards of directors to concentrate on their main function, which is to promote shareholder value and good corporate citizenship.

The information used to prepare this document includes information from third-party sources and is for information purposes only. Although reasonable steps have been taken to ensure the validity and accuracy of the information contained herein, Momentum Metropolitan Life Limited does not guarantee the accuracy, content, completeness, legality or reliability of the information contained herein and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided.

Neither Momentum Metropolitan Life Limited, its affiliates, directors, officers, employees, representatives or agents (the Momentum Parties) have any liability to any persons or entities receiving the information made available herein for any claim, damages, loss or expense, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available herein and you agree to indemnify the Momentum Parties accordingly. For further information, please visit us at momentum.co.za.

Momentum Investments is part of Momentum Metropolitan Life Limited, an authorised financial services and registered credit provider, and rated B-BBEE level 1.