

M E R G E N C E

12 April 2016

Proxy Voting Concerns

To Whom It May Concern:

We would like to inform you of Mergence Investment Managers decision to vote “against” ordinary resolutions numbered 15, 16, 17 and 18 as well as special resolutions numbered 19 and 21, at the ANGLO AMERICAN PLC AGM on 24 April 2017.

These votes are in accordance with Mergence’s proxy voting guidelines¹ as highlighted below.

“**Against**” vote on ordinary resolution 15 and 16 is guided by the following:

Mergence views the underlying 2016 EPS threshold of USD0.00/share set for the Annual Bonus award as unduly low. Additionally, we believe the weighting of 40% for individual objectives for Annual Bonus awards is excessive given their subjective nature.

We disagree with the removal of ROCE as performance measure for the Long Term Incentive Plan awards. We also view a thresholds of less than 15% ROCE for LTIP awards as insufficiently demanding.

“**Against**” vote on ordinary resolution 17 is guided by the following:

We view a minimum of 5 directors as being unduly low

“**Against**” vote on ordinary resolution 18 is guided by the following:

The placement of authorised but unissued shares under the control of directors can lead to dilution of existing shareholders and can result in wealth destruction. Mergence opposes all requests to place unissued shares under the control of directors (even where such allocation is limited to a specified percentage of issued share capital). Instead Mergence requires that they be entitled to vote on a case-by-case basis on specific resolutions requesting the authority to allot of shares such that the motivation for the issue of shares can be thoroughly assessed.

“**Against**” vote on special resolution 19 is based on the following:

This resolution is aimed at enabling the company to avoid having to conduct a rights offer to existing shareholders on a pro-rata basis. The effect of granting such a resolution would be to enable management to issue shares to a select group of investors thereby potentially concentrating voting power in a small group

¹ Mergence’s Proxy Voting Guidelines are available on request



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of investors, and/or potentially enabling management to utilise share issues to fend off take-over attempts to highlight two examples.

Mergence votes against waiving statutory pre-emption rights on similar voting grounds to that of placing unissued shares under the control of management.

"Against" vote on special resolution 21 is based on the following:

This resolution is aimed at reducing the notice period for general meetings to 14 days from 21 days. Mergence sees no reason to reduce this.

We look forward to any engagement and discussion on the above matters and your co-operation in this regard is appreciated.

Please acknowledge receipt of the above record of our voting.

Kind Regards



Izak van Niekerk
Equity Analyst

