



Transaction
Capital

ESEG Roadshow

February 2023

transactioncapital.co.za

Objectives

- Proactively engage with our shareholders on ESEG matters and progress ahead of our AGM on 9 March 2023
- Obtain feedback and input from our shareholders

01 | ESEG highlights in FY2022

02 | Governance

- Board profile and changes
- Enhancements to remuneration policy and disclosures
- Changes to resolutions relating to S44 and S45 of Companies Act
- External auditor rotation

03 | ESEG impact

- Sustainability reporting standard adoption
- ESEG plans for FY2023

04 | Resolutions to be voted on (9 March 2023)

05 | Appendix:

- ESE framework
- Remuneration policy

ESEG performance update

Significant progress made in embedding ESE in organisational culture



Group highlights

- Hosted **two ESEG investor roadshows** - Ensuring proactive engagement with investors on ESEG matters | Providing feedback on progress | Outlining current focus areas
- Early adoption of draft **IFRS Sustainability & Climate Standards | JSE Sustainability Disclosure Standard**
- Hosted inaugural group wide **climate change impact workshop**
- **Updated remuneration policy** to include additional **ESEG hurdle** in long-term incentives for executives, linked to emission reduction & transformation targets
- Succession & **on-boarding of new Chairman** of TC board effective 31 Dec 2022
- **Adoption of non-executive director policy** | Establishes framework & governance structure to strengthen board's ongoing commitment to robust governance principles
- Created **628 jobs for youth**¹ in FY2022 through various youth employment initiatives

1. Youth defined as younger than 25 years old



Consolidated 3 Johannesburg premises into 1 new green building | Reducing environmental footprint in FY2023



Development & implementation of WeBuyCars' ESE framework, including calculation of 1st carbon footprint report & incorporating into FY2022 Sustainability Report

Continued roll out of solar PV & water harvesting at warehouses:

- Solar at 8 warehouses
- Rain water harvesting at 11 warehouses



Circular economy study | To determine avoided emissions achieved by the parts refurbishing & material recycling practices when producing a QRT

Issued 1st bond under Sustainable Bond Framework. SA Taxi's largest issuance (R900 million) with lowest weighted average cost of 173 bps above three-month JIBAR



World Finance Sustainability Awards in category of **Most Sustainable Company** in the Mobility Industry



Inaugural **social bond issuance** on JSE's sustainable segment

Social bond of the year award 2022 Environmental Finance



02

Governance

Board of directors



Independent non-executive directors



Christopher Seabrooke (70)
Outgoing chairman
31 December 2022
 BCom, BAcc, MBA, FCMA
Appointed: June 2009



Ian Kirk (64)
Incoming chairman
31 December 2022
 HDip BDP, FCA, CA(SA)
Appointed: November 2020



Buhle Hanise (40)
 BCom, BCom (Hons), CA(SA)
Appointed: January 2019



Albertinah Kekana (49)
 BCom, PGDA, AMP, CA(SA)
Appointed: April 2021



Suresh Kana (68)
Lead independent non-executive director
 BCom, BCompt (Hons), MCom, PhD (Honorary), CA(SA)
Appointed: November 2020



Kuben Pillay (62)
 BA, LLB, MCJ
Appointed: August 2016



Diane Radley (56)
 BCom, BCompt (Hons), CA(SA), MBA, AMP
Appointed: July 2018



Sharon Wapnick (59)
 BA, LLB
Appointed: March 2020



Executive directors



David Hurwitz (51)
Chief executive officer
 BAcc (Hons), HDip Tax, CA(SA)
Appointed: April 2012



Sean Doherty (45)
Chief financial officer
 BAcc (Hons), CA(SA), MBA, AMP, ACMA
Appointed: June 2019



Mark Herskovits (48)
Chief Investment Officer
 BBusSci (Finance), PGDA, CA(SA), CFA
Appointed: January 2014



Founding directors



Jonathan Jawno (56)
 BCom (Hons), PGDA, CA(SA)
Appointed: March 2003



Michael Mendelowitz (57)
 BCom (Hons), PGDA, CA(SA)
Appointed: March 2003



Roberto Rossi (61)
 BSc (MechEng), Graduate Diploma (IndEng), BProc
Appointed: September 2003



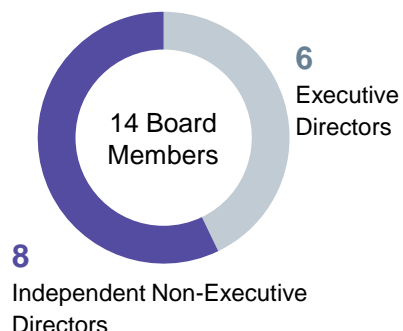
Board skills descriptions

- FC Financial capital**
 - 1 Accounting and auditing
 - 2 Financial services
 - 3 Risk & opportunity management
- IC Intellectual Capital**
 - 3 Risk & opportunity management
 - 4 Governance & compliance
 - 5 International experience
 - 6 Leadership
 - 7 Legal and regulatory
 - 8 Information and technology
- MC Manufacturing Capital**
 - 8 Information and technology
 - 9 Strategy
- HC Human Capital**
 - 10 People management & remuneration
- SC Social Capital**
 - 11 Sustainability/ESE
- NC Natural capital**
 - 11 Sustainability/ESE

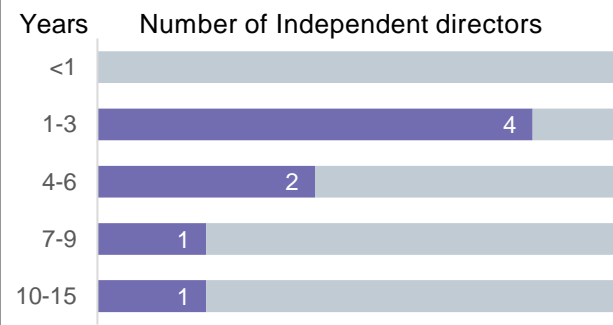
Board profile and changes



Independence



Tenure

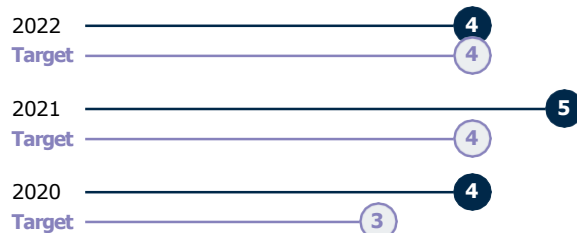


Average tenure of independent non-executive directors: **4.7 years**

Diversity

Board representation

Number of female directors



Number of black directors



Board updates

Board composition changes

- ▶ Christopher Seabrooke stepped down as chairman of the board and was succeeded by Ian Kirk with effect from 31 December 2022.
- ▶ Chris Seabrooke:
 - ▶ stepped down as chairman of the nominations committee and as a member of the asset and liability committee.
 - ▶ continues on the board as a non-executive director, and as a member of the nominations and remuneration committees and was appointed as member of the audit committee and an invitee to the asset and liability committee, with effect from 31 December 2022.
- ▶ Ian Kirk:
 - ▶ also assumed the role of chairman of the nominations committee.
 - ▶ stepped down as a member of the audit committee and was appointed an invitee to this committee from 31 December 2022.

Elections and re-elections at AGM on 9 March 2023

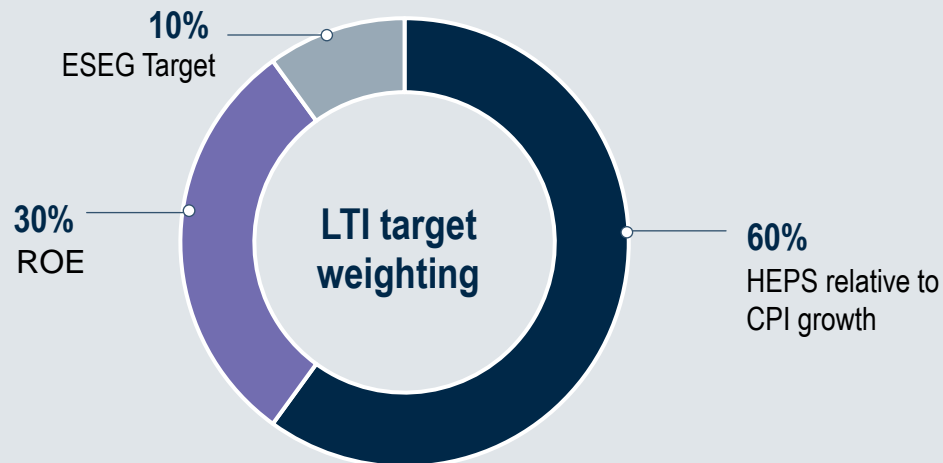
- ▶ Christopher Seabrooke, Buhle Hanise, Ian Kirk and Diane Radley will retire by rotation and are standing for re-election.
- ▶ Diane Radley, Buhle Hanise, Suresh Kana and Christopher Seabrooke to be appointed as members of the audit committee.

Policy & disclosure enhancements



Remuneration

- Transaction Capital continues to **enhance disclosure of targets** linked to remuneration, to facilitate transparent discussions
- An additional **ESEG hurdle** was added into the **long-term incentive (LTI) scheme** from FY2022. These targets include:
 - Reduce our carbon footprint in line with our commitment to materially below 2°C global warming.
 - Improve or maintain B-BBEE levels at Transaction Capital and in each subsidiary according to plans communicated and governed by the social and ethics committee.



Section 44 & 45 Resolution:

- Addressed shareholder concerns relating to Section 44 & 45 resolutions (*Resolutions relating to the approval of Financial Assistance in Terms of Section 44 & Section 45 of the Companies Act*)
- These adjustments **remove the ability** to provide financial assistance to directors & prescribed officers of Transaction Capital as well as directors & prescribed officers of related or inter-related companies of Transaction Capital and any person related to any such director or prescribed officer.

External auditor rotation

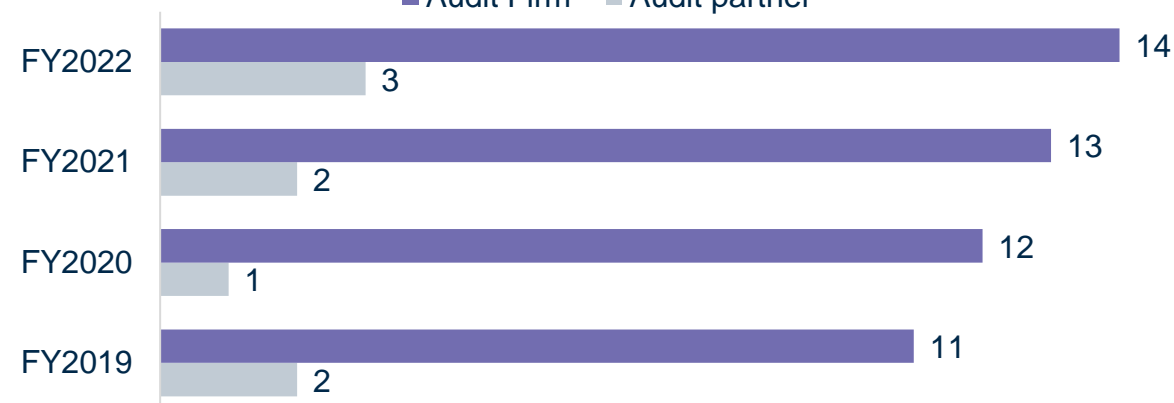


Process started to select new audit firm in line with mandatory audit firm rotation requirement

- Transaction Capital will undergo a managed transition to new external auditors during the financial year ending 30 September 2024 with the new auditor being approved by the audit committee in March 2023.
- Deloitte & Touche has been Transaction Capital's auditors for **14 years**:
 - During this time, the group has rotated audit partners ahead of the five-year mandatory audit partner rotation requirement.
 - The group has a policy in place to address the provision of non-audit services by the external auditors
- Audit partners:
 - The current responsible audit partner, Stephen Munro, has been on the Transaction Capital audit for three years.
 - Other key audit partners, Lito Nunes and Patrick Kleb, have been on the Transaction Capital audit for one year.

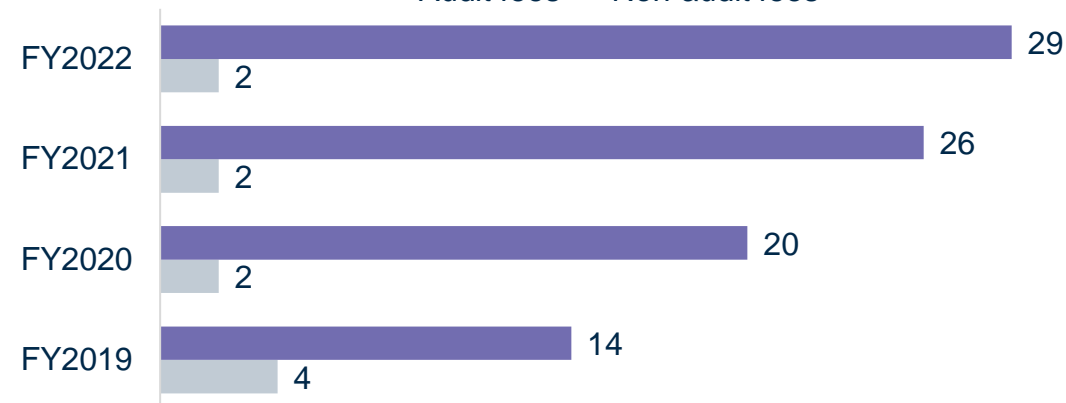
Audit Tenure (years)

Audit Firm Audit partner



Audit Fees (Rm)

Audit fees Non-audit fees





03

ESEG update

Early adoption of the IFRS & JSE Sustainability Disclosure Standard



- To standardise reporting we have adopted to the extent possible:

The draft IFRS **ISSB** Sustainability & Climate Disclosure Standards



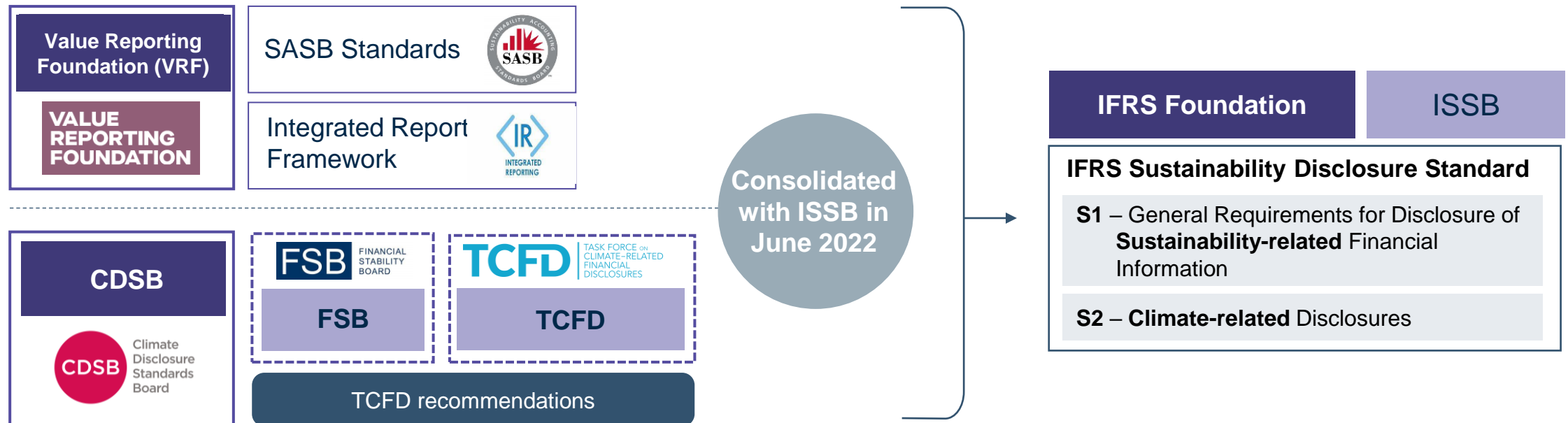
The **JSE's** Sustainability & Climate Disclosure Standards



- These form a **comprehensive global baseline** of sustainability disclosures, designed to meet the information needs of investors in assessing enterprise value

- We believe these standards **converge, simplify & standardise** the sustainability reporting ecosystem, providing us with an **extensive framework** to consistently measure & demonstrate sustainable value creation over time

ISSB standards consolidate technical guidance of the Climate Disclosure Standards Board (CDSB) & Value Reporting Foundation & build on TCFD requirements:



Looking ahead



- **ESEG steerco and working groups within the divisions:**

- Keep ESEG top of mind constantly.

- **Reporting:**

- Continuous improvement.
- Embedding ESEG reporting within the divisions' board reporting to ensure constant discussion.
- Aligning to IFRS ISSB Sustainability & Climate Change Standards and JSE Sustainability Standard.
- Enhancing frequency of reporting and mediums of delivery.

- **Data:**

- Improve data accuracy where possible.
- Enhance data capturing frequency and dissemination.
- Aim to automate and improve transparency and auditability.

- **Targets:**

- Recalculate emissions targets based on an intensity-based approach.
- Approval by the Science Based Targets Initiative.

Outcomes for ESEG in TC:

- To be market leaders
- To drive allocation of capital
- To support lower cost of funding





04

AGM resolutions

9 March 2023

Resolutions to be voted on

Ordinary resolutions



Election and re-election of directors

- Ordinary resolution number 1** – Re-election of C Seabrooke as a director
- Ordinary resolution number 2** – Re-election of B Hanise as a director
- Ordinary resolution number 3** – Re-election of I Kirk as a director
- Ordinary resolution number 4** – Re-election of D Radley as a director

- ▶ In terms of the company's MOI, one-third of non-executive directors shall retire and stand for re-election at each AGM

Appointment of directors to the audit committee

- Ordinary resolution number 5** – Appointment of D Radley as a member & chairperson of the audit committee
- Ordinary resolution number 6** – Appointment of B Hanise as a member of the audit committee
- Ordinary resolution number 7** – Appointment of S Kana as a member of the audit committee
- Ordinary resolution number 8** – Appointment of C Seabrooke as a member of the audit committee

- ▶ In terms of section 94(2) of the Companies Act, the audit committee must be elected annually at the AGM of a public company
- ▶ The audit committee is required to comprise minimum 3 independent non-executive directors

Appointment of auditors

- Ordinary resolution number 9** – Appointment of Deloitte & Touche as auditors

- ▶ The audit committee is satisfied that Deloitte & Touche remains independent of the organisation
- ▶ Current responsible audit partner, Stephen Munro - audit partner for 3 years
- ▶ Transaction Capital will undergo a managed transition to new external auditors in FY2024 as part of the mandatory audit rotation

Non-binding advisory vote on remuneration

- Ordinary resolution number 10** – Non-binding advisory vote on remuneration policy
- Ordinary resolution number 11** – Non-binding advisory vote on remuneration implementation report

- ▶ The remuneration policy and implementation report are presented to shareholders annually for consideration and approval under the terms of separate non-binding advisory votes at the AGM
- ▶ **Transaction Capital has specifically enhanced certain aspects of its remuneration policy and disclosures in FY2022**

Issue of securities

- Ordinary resolution number 12** – Issue of securities for acquisitions in circumstances other than those covered by special resolution 5

- ▶ General authority for directors to issue authorised (but unissued) ordinary shares for acquisitions subject to the company's MOI, the Companies Act and the JSE Listings
- ▶ Limited to approximately 5% of the ordinary shares in issue as at the date of issue of AGM notice

Authority to act

- Ordinary resolution number 13** – Authority to act

- ▶ Authority for directors or company secretary to implement and give effect to the ordinary and special resolutions set out in AGM notice and/or approved at the AGM

Resolutions to be voted on

Special resolutions



Approval of non-executive directors' and committee members' fees

Special resolution number 1 – Approval of non-executive directors' and committee members' fees

- ▶ Annual approval of non-executive directors' fees in accordance with Section 66 of the Companies Act
- ▶ Proposed non-executive directors' fees for 2022 have increased by 5.5% compared to the prior year

Authority to provide financial assistance

Special resolution number 2 – Authority to provide financial assistance in terms of section 44 of the Companies Act

Special resolution number 3 – Authority to provide financial assistance in terms of section 45 of the Companies Act

- ▶ Annual general authority to provide financial assistance to related and interrelated companies in accordance with sections 44 and 45 of the Companies Act for the provision of loans, guarantees and other financial assistance to group companies
- ▶ **Transaction Capital's main purpose is to facilitate inter-company lending and is normal course of business for the group**

Annual general authority to repurchase securities

Special resolution number 4 – Annual general authority to repurchase securities

- ▶ Annual general authority to enable acquisition of the company's own securities, subject to the provisions of the MOI of the company, the Companies Act and the JSE Listings Requirements
- ▶ At present, the board has no specific intention to utilise the authority granted under special resolution 4

Issue of securities

Special resolution number 5 – Annual general authority to allot and issue authorised but unissued securities for cash

- ▶ Authorise and approve the company's allotment and issue of authorised but unissued securities to any persons, subject to limitations and other provisions contained in the Companies Act, the MOI of the company and the JSE Listings Requirements



05

Appendix

ESE framework

Delivering shared value



Delivering shared value

- **Our business model operationalises commitment to sustainable & inclusive growth**
 - Consistently generating **good commercial returns** for clients & industry value chains
 - Simultaneously creating **net positive socioeconomic returns** with enduring benefits
 - While **reducing our direct environmental impact**, aligned to reducing global warming to well below 2°C
- **Economic, social & environmental (ESE) frameworks**
 - Aims to **measure & articulate** our impact through our key areas with supporting metrics
 - ESE data **underpins & informs** our strategic & operational initiatives
- **Sustainability Journey**
 - **Reporting:**
 - Continuous improvement | aligning to **IFRS ISSB** Sustainability & Climate Change Standards & **JSE** Sustainability Standard
 - Enhancing **frequency** of reporting & mediums of delivery
 - **Data:** enhance data capturing frequency & dissemination, with aims to automate & improve transparency & auditability

Our societal purpose is:



To create economic sustainability in the communities we serve through digitally enabled business services which introduce simplicity, ensure stability, and enhance effectiveness.



To accelerate sustainable mobility through innovation, simplicity & trust



To enable mobility access for millions of minibus taxi commuters through tailored developmental financing & support services for SMEs

Within our ESE framework we target six key SDGs which are aligned to our core operations & strategy, allowing us to focus our effort to make the most measurable impact



ESE Framework



Economic impact



➔ Facilitating economic development & growth

Nutun drives economic growth by promoting credit market stability

WeBuyCars contributes to consistent & sustainable economic growth

SA Taxi empowers SMEs through financial inclusion



➔ Supporting social inclusion

SA Taxi promotes social inclusion by helping millions of commuters' access services & economic opportunities

Nutun rehabilitates debtors ethically & responsibly



➔ Bettering the industries we serve

SA Taxi works to better the public transport industry for all stakeholders

Nutun works to better financial intermediation for all stakeholders

WeBuyCars empowers its customers by providing a trusted service in an industry with historically low levels of trust



ESE framework overview

Environmental impact



➔ We promote climate resilience throughout our operations

We understand our important role in promoting climate resilience

We minimise our environmental footprint

We contribute to the circular economy



Social impact



➔ We hire inclusively

We contribute to employment

Our employment practices contribute to socioeconomic transformation

We support group diversity

We contribute to youth employment



➔ We empower our people

We invest in our people's potential

We value our employees



➔ We are a good corporate citizen

We contribute to humanitarian needs

We have zero tolerance for corruption & human rights abuses

We promote resilience by actively anticipating & mitigating socioeconomic & environmental risk



Economic Impact



We drive economic growth by promoting credit market stability

We unlock value from our clients' non-performing loans:

Value recovered through:

- CXM services
- CE services

South Africa

R2.8bn
R1.7bn

Australia

R2.6bn
R0.131bn

FY2022 NPL portfolio acquisitions relate to:

- ~370 000 consumers with average balance of R22 325
- Resulting in average consumer credit provision of R9 259 & risk-weighted release of R7 490

We rehabilitate debtors ethically & responsibly

Nutun rehabilitates & educates debtors (both consumers & SMEs) to enable their expedited re-entry into credit markets

Average number of rehabilitated debtors in FY2022 is

215 000
with a value of
R455 million

Our monthly payment plans balance rehabilitation & affordability:

R1 018 Avg. payment amount before defaulting
R779 Promise to pay
R347 Amount finally agreed



We contribute to consistent & sustainable economic growth

42%

Growth in number of cars bought in FY2022

43%

Growth in number of cars sold in FY2022

13

Number of branches where our services are offered in South Africa

R285m

Tax paid in the year, contributing to national GDP

We empower customers by providing a trusted service in an industry with historically low levels of trust

We create a more accessible market for car buyers & sellers

34 300

Number of car sales conducted online

27%

Percentage of car sales conducted online

We provide reliable customer service

100%

Of vehicles purchased are paired with Dekra assessment

~2.8

Insurance and value-added products per unit sold



We empower SMEs (who might otherwise have been denied access to credit) through financial inclusion

Loans originated since 2008: **R37.7bn**

- **9178** in FY2022 (FY2021: 8 591)
- Creating **105 033 SMEs**

~75% Clients classified as previously under-banked or financially excluded

Jobs created: **16 533** direct & **27 555** indirect

We invest in previously excluded groups

Loans provided to:

- Black owned SMEs | **100%**
- Female owned SMEs | **25.2%**

Partnerships that promote inclusivity, formalisation & safety:

Dividend paid to SANTACO to date **R196.8 million**

Taxi infrastructure investments in FY2022: **R1.7 million** (patrol vehicles & upgrading taxi ranks)

Savings for customers:

- SA Taxi Rewards programme:
 - Fuel cash back
 - Discount at Autozone
- Reduced rate on Bridgestone tyres

Formalising industry:

- **R625m** VAT contributed through supply of taxis in FY2022
- **R2.7bn** tax contributed to fuel levies by SA Taxi's fleet in FY2022



Social Impact



Our people



- Our people are the foundation of our ability to **engage meaningfully** with our clients, **innovate** in respective markets, **leverage technology & data**, & **create shared value** for our stakeholders
- We engage & reward employees to engender an **entrepreneurial, high-performance, ethical & inclusive** culture
- We **hire inclusively** & are committed to job creation & driving transformation in our workforce:



6 844

Total number of employees



94% South Africa

6% Australia / Fiji

43%

Female employees



79%

Black employees (South Africa)



56%

Employees under the age of 35



60%

Low-skilled employees (South Africa)



Youth empowerment



- WeBuyCars & Nutun in **growth phases** | Potential to make significant impact to **youth employment**
- 628 jobs for youth** were created during FY22 across the group.
- Invested in various initiatives & training | Creating opportunities for youth to **enter the workforce for first time**

Our programmes to attract the right talent & empowering our youth:

- CA graduate programme
- Student Immersion programme
- Youth Empowerment Service (YES) programme
- Debt Recovery programme at Nutun call centres



We invest in our people's potential



The group invests in training & development to improve the skills of our people & enhance their future employability

33

Average training hours per employee in FY2022

R11.2m

Total training spend in FY2022

Good corporate citizen



FY22 SED spend: **R4m**

Shareholder of the **iThemba Trust** in support of their early learning phase initiatives



FY22 CSI spend: **R3.8m**

Beneficiaries include: community charity outreach programmes, school donations, payment of 3 children's school fees, staff member's house rebuilding after rains, radio station outreach program & care facilities nationwide



FY22 CSI spend: **R4.9m**

Established the **SA Taxi Foundation**, which is a non-profit organisation implementing projects that contribute to taxi communities

Environmental Impact



We understand our important role in promoting climate resilience

- Early adopted **IFRS ISSB Sustainability & Climate Change** Disclosure Standards as well as **JSE Sustainability Disclosure** guidance.
- Hosted **inaugural group wide climate change impact workshop**:
 - Identified risks & opportunities, along with quantifying financial impact where possible & assigning likelihood, magnitude of impact & time horizon.
- Disclosed **water & energy** related metrics in FY2022 for the first time
- Calculated **first carbon footprint for WeBuyCars** in FY2022
- Executive LTI **remuneration aligned to reaching emission targets**
- Quantified our contribution to the **circular economy**

Progress in achieving emission targets

- Supporting the Paris Agreement's aim to limit global warming to well below 2°C.
 - Methodology: Science Based Targets Initiative, Absolute Contraction Approach
 - Linear annual reduction rate: 2.5%
 - Target timeframe ambition: FY2025, FY2030, FY2035

We have achieved an **11%** reduction in scope 1 & 2 emissions since FY2020, which is ahead of the **5% target** which we should have achieved at this stage, to be on track for our FY2025 target.

Group carbon footprint

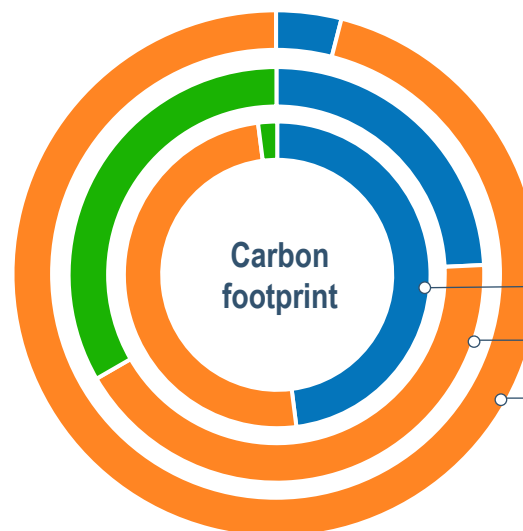
Metric tonnes of CO ₂ e	FY2022*	FY2021	FY2020 (base year)
Scope 1: direct emissions	5 859	2 467	1 850
Scope 2: indirect electricity emissions	8 984	6 354	7 404
Scope 3: indirect emissions from value chain	10 295 104***	438 971**	420 875

* This is the first year of calculating WeBuyCars' carbon footprint & thus there is a steep increase in emissions from FY2021 to FY2022

** Including GHG emissions from SA Taxi's financed minibus taxi fleet

*** Including lifetime emissions from the cars that WeBuyCars' sells - "use of sold vehicles" as well as emissions from SA Taxi's financed minibus taxi fleet

Subsidiary contribution to FY2022 emissions



	Nutun	WeBuyCars	SA Taxi	GEO
Scope 1	2%	50%	48%	0%
Scope 2	33%	42%	25%	0%
Scope 3	0%	96%	4%	0%



05

Appendix

Remuneration policy



Short term incentives

Detail	Quantitative component	Qualitative component
Maximum quantitative award	<ul style="list-style-type: none"> ▶ CEOs: 16 months ▶ Other executives: 13 months 	<ul style="list-style-type: none"> ▶ CEOs: Three months ▶ Other executives: Three months
Maximum weighting	<ul style="list-style-type: none"> ▶ CEOs: 84% ▶ Other executives: 81% 	<ul style="list-style-type: none"> ▶ CEOs: 16% ▶ Other executives: 19%
Performance hurdles	<p>A combination of factors are considered in setting quantitative STI targets, depending on the role of the executive and the division in which they are employed (as pre-approved by the remuneration committee):</p> <ul style="list-style-type: none"> ▶ Growth in divisional headline earnings or the group's HEPS above consumer price inflation (CPI). ▶ ROE or ROFE (return on funds employed) depending on the business. ▶ New business origination or growth in revenue. ▶ Unfettered access to debt capital or the reduction in the cost of capital. 	<p>The remuneration committee considers individual performance in meeting strategic imperatives, which include:</p> <ul style="list-style-type: none"> ▶ Strategy implementation, including but not limited to: <ul style="list-style-type: none"> • Enhanced risk management processes. • Technology and system optimisation. • New client acquisition. • Embedding the combined assurance framework into day-to-day business operations. ▶ Meeting employment equity targets, with a specific focus on top and senior management representation. ▶ Improvement (or where level one, maintenance) in B-BBEE scorecards. ▶ Sustainability performance targets, including the commitment to materially below 2°C global warming. ▶ Identification, successful implementation and integration of acquisitions. ▶ Other non-financial key performance indicators (KPIs).
Discretionary component	<p>In instances where – in the opinion of the remuneration committee – an individual executive has outperformed set KPIs, a discretionary STI may be awarded. In the event extraneous factors cause hurdles to not be achieved, discretionary bonuses (not usually exceeding 3 months' salary) may also be awarded. A portion of this award may be deferred or delivered in the form of share plan awards at the sole discretion of the remuneration committee.</p>	



Long term incentives: conditional share plan

The group's CSP mechanism is overseen and approved by the remuneration committee. It operates as follows:

Detail	Group executives	Divisional executives
Grant price	10-day VWAP of Transaction Capital share on date of issue.	Divisional notional value per share on date of issue.
Number of CSPs granted	Equal to the monetary value of the LTI award, as approved by the remuneration committee, divided by the approved share price of the relevant member group to which the LTI award relates.	
Exercise price	10-day VWAP of Transaction Capital share on date of exercise.	Divisional notional value per share on date of exercise.
Valuation	Transaction Capital share price.	<p>A valuation of each division is performed by an independent expert on the date of the CSP award and exercise. Among others, the following key metrics are considered in determining divisional valuations:</p> <ul style="list-style-type: none"> ▶ Level of revenue and earnings. ▶ Growth in revenue and HEPS, and reduction in cost-to-income ratios. ▶ ROE, return on funds employed, return on assets and net asset value. ▶ Credit performance. ▶ Assessment of quality of earnings and expected future performance. ▶ Dividend pay-out rates and cash conversion levels. ▶ A 'sum of the parts' of the divisions is compared to the group market capitalisation for reasonability.
Cost	Executives receive CSP awards for zero cost.	
Vesting period	The CSPs vest in years three, four and five after the award, in equal proportions of 33.33% per annum	



Long term incentives: conditional share plan continued

Detail

Group and divisional executives

Performance Criteria

Performance criteria are pre-set by the remuneration committee for each vesting period.

The most recent performance criteria have been set as follows (per division for divisional executives, and on a consolidated basis for group executives):

Thresholds	Continuing core EPS growth over vesting period (Weighting: 60%)	Core ROE/ROFE target* (Weighting: 30%)	ESEG targets (Weighting: 10%)	% of CSP to be awarded**
Minimum vesting	CPI + GDP	≥ 14% ROE ≥ 70% ROFE	Pro-rata targets met	25%
On-target performance	CPI + GDP + 4%	≥ 15% ROE ≥ 75% ROFE	Targets met	100%

* Core ROE target applies to TC, Nutun and SA Taxi. ROFE target applies to WeBuyCars.

** Growth levels between bands will be vested on a proportionate basis.

The ESEG targets that have been set for the FY2022 award are:

- ▶ Reduce Transaction Capital's carbon footprint in line with Transaction Capital's commitment to materially below 20C global warming as communicated in the FY2021 sustainability report.
- ▶ Improve or maintain B-BBEE levels at Transaction Capital and in each subsidiary according to plans communicated and governed by the social and ethics committee.

Note that the valuation, and thus the benefit received by executives on vesting, is determined on the share price of Transaction Capital for group executives and on the divisional valuations for divisional executives, or on a proportion of both Transaction capital and divisional valuations in some instances. This provides direct alignment with shareholders and considers the performance and valuation of the group and divisions as a whole. As such, executives are exposed to all performance metrics of the group on which the valuation of the group is determined, and not simply the metrics of growth in core HEPS and ROE over the vesting period.



Long term incentives: conditional share plan continued

Detail	Group and divisional executives		
Stretch performance	<p>Stretch-performance is to be rewarded, where select executives (as approved by the remuneration committee on every CSP issuance) will receive an additional component of their CSP settlement value, should predetermined stretch-performance criteria be met.</p> <p>Stretch-performance criteria will be set annually by the remuneration committee with reference to CPI, the operating environment and budgets. The most recent stretch-performance criteria have been set as follows:</p>		
	Thresholds	Continuing core EPS growth over vesting period (Weighting: 60%)	% of CSP to be awarded
	Stretch performance	CPI + GDP + 8%	120%
	If minimum performance criteria are not achieved (tabled above), there will be no additional settlement		
Delivery	Once the vesting period has passed and performance criteria are met, the participant receives shares in Transaction Capital to the value of the notional CSP awards on date of vesting.		
Continued employment	<p>Employees are required to remain in the employ of the group to be eligible for vesting of the CSP (subject to standard 'good leaver' rules). However, no portion of the CSP award is based on continued employment alone, and all are subject to the performance criteria detailed above.</p>		