



Transaction
Capital

ESEG Roadshow

February 2024

transactioncapital.co.za

Objectives

- Proactively engage with our shareholders on ESEG matters ahead of our AGM on 7 March 2024
- Obtain feedback and input from our shareholders

01 | ESEG overview

02 | Environment and socio-economic (ESE) impact

03 | Governance

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

04 | AGM resolutions to be voted on (7 March 2024)

05 | Appendix

- ESE framework
- Remuneration policy

ESEG overview



Delivering shared value

- TC business model operationalises our commitment to sustainable & inclusive growth with the aim to:
 - Generate good **commercial returns** for clients & industry value chains,
 - simultaneously create **net positive socioeconomic returns** with enduring benefits,
 - while **reducing our direct environmental impact**.
- Consistently measure and demonstrate sustainable value creation over time | Continued adoption of **IFRS Sustainability & Climate Standards** and the **JSE Sustainability Disclosure Guidance**.
- Economic, social & environmental (ESE) framework**
 - Aims to measure & articulate our impact through our key areas with supporting metrics.
 - Within our ESE framework we prioritise six key SDGs which are aligned to our core operations & strategy, allowing us to focus our effort to generate the most meaningful impact.



Received Excellence Award (top 20)
EY Excellence in Integrated Reporting awards

E

Environmental

Strengthened focus on **educating our teams** about the environmental aspect of ESEG, leading to greater engagement and support across the group.

Monthly capturing of carbon emissions data allows for tracking and efficiencies to be identified throughout the year.

S

Social

TC group created 2 040 jobs for youth in FY2023 through various youth employment initiatives. Employment creation continues to be a key theme in the business.

Nutun launched the Nutun Empowerment Women (NEW) programme to advance the careers of its female employees, aligning with its commitment to gender equality.

Nutun awarded the top employer certification for two consecutive years, 2023 and 2024.



G

Governance

New policy adoption:

- Share pledging policy** to regulate the use of company securities as collateral by directors, company officers, and their associates.
- Transformation deviation policy**, which supplements our existing recruitment policies to support preferential recruitment of ACI demographic groups in line with our employment equity goals.

Leadership changes made to support change in strategy at TC holding company level, SA Taxi and Nutun.

WeBuyCars and Nutun CX obtained their **first B-BBEE ratings at level 6 and level 5** respectively.



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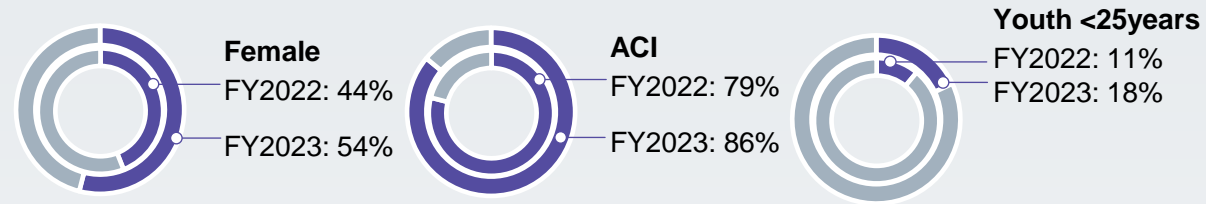
ESE impact

Environment and Socio-economic impact



Social

Transformation and diversity:



Social impact initiatives



- **One agent one child** – Nutun commits to educating one child for each agent providing services to an international client under a three-year contract.
- **Shadow careers** – 3-month programme preparing unemployed school leavers and youth for careers in the rapidly growing global business services sector, culminating in career offers upon successful completion.
- **YES Programme** – in FY2023 recruited 24 interns. Offering valuable workplace exposure to highly qualified youth. Notably, two of these interns transitioned into permanent roles.



- **Mechanic Apprenticeship Program** – apprenticeship program designed for aspiring motor vehicle mechanics.
- **X-celerate programme** – designed as a three-year learning journey across 3 different levels within the organization; leadership of self, others and leaders.



- **New Venture Creation Learnership** – NQF4 learnerships to facilitate self employment of 20 unemployed youth in rural Western Cape.
- **CSI initiatives** – during FY2023, SA Taxi donated 5 taxis to various institutions in need of transport related support.

Environmental

Targets:

- Rebasing targets to **intensity-based**, being more appropriate for divisions in growth phase.
- **Targets set at a divisional level**, to accommodate for the business nuances.

Environmental related interventions implemented:

- Installing **energy meters** to continually improve data accuracy and reduce consumption.
- **Monthly data capturing** has enabled continuous monitoring and the implementation of efficiencies.
- **Solar energy** installed at WeBuyCars and SA Taxi, contributing 10% of electricity consumption.
- **Rainwater harvesting** at 9 of WeBuyCars warehouses, with **flow meters** installed for monitoring.





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Governance

Board of directors



Independent non-executive directors



Ian Kirk (65)
Chairman
HDip BDP, FCA, CA(SA)
Appointed: November 2020
Board meeting attendance: 100%
Other listed directorships: 3



Kuben Pillay (63)
(outgoing)
BA, LLB, MCJ
Appointed: August 2016
Board meeting attendance: 83%
Other listed directorships: 3



Suresh Kana (69)
Lead independent non-executive director
BCom, BCompt (Hons), MCom, PhD (Honorary), CA(SA)
Appointed: November 2020
Board meeting attendance: 100%
Other listed directorships:



Diane Radley (57)
BCom, BCompt (Hons), CA(SA), MBA, AMP
Appointed: July 2018
Board meeting attendance: 100%
Other listed directorships: 3



Buhle Hanise (41)
(outgoing)
BCom, BCom (Hons), CA(SA)
Appointed: January 2019
Board meeting attendance: 83%
Other listed directorships: 1



Sharon Wapnick (60)
BA, LLB
Appointed: March 2020
Board meeting attendance: 83%
Other listed directorships: 1



Albertinah Kekana (50)
BCom, PGDA, AMP, CA(SA)
Appointed: April 2021
Board meeting attendance: 100%
Other listed directorships: 2



Christopher Seabrooke (71)
BCom, BAcc, MBA, FCMA (UK)
Appointed: June 2009
Board meeting attendance: 100%
Other listed directorships: 2

Executive directors



Mark Herskovits (49)
Chief investment officer
BBusSci (Finance), PGDA, CA(SA), CFA
Appointed: January 2014
Board meeting attendance: 100%



Sahil Samjowan (43)
Chief financial officer
BCom, BCompt (Hons), CA(SA)
Appointed: June 2023
Board meeting attendance: 100%

Founding directors



Jonathan Jawno (57)
Chief executive officer
BCom (Hons), PGDA, CA(SA)
Appointed: March 2003
Board meeting attendance: 100%



Michael Mendelowitz (58)
BCom (Hons), PGDA, CA(SA)
Appointed: March 2003
Board meeting attendance: 100%

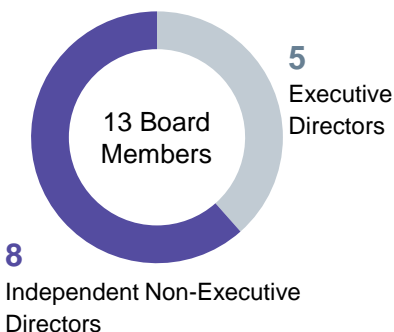


Roberto Rossi (62)
BSc (MechEng), Graduate Diploma (IndEng), BProc
Appointed: September 2003
Board meeting attendance: 100%

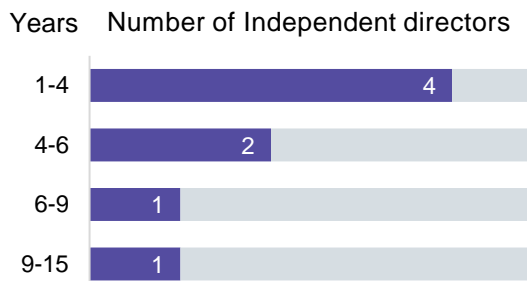
Board profile and changes



Independence

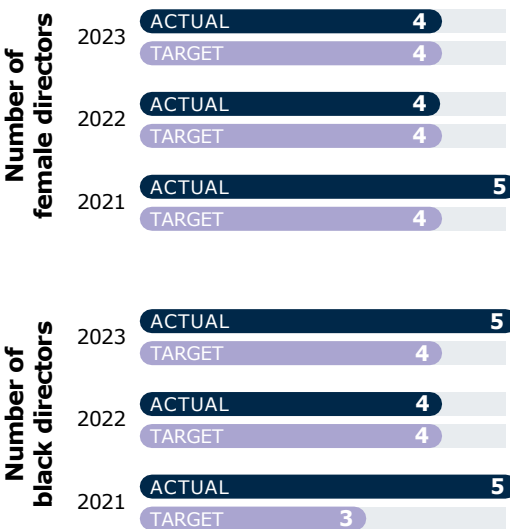


Tenure



Average tenure of independent non-executive directors: **5.6 years**

Board Diversity



Board updates

With effect from 1 June 2023

- ▶ Sean Doherty stepped down as CFO of Transaction Capital and assumed the role of CEO of Mobalyz.
- ▶ Sahil Samjowan was appointed as an executive director and CFO of Transaction Capital.
- ▶ Rob Rossi stepped down as a member of the nominations committee.

With effect from 31 December 2023

- ▶ David Hurwitz stepped down as CEO of Transaction Capital, as a director of all boards and as a member of all committees within the group.
- ▶ Jonathan Jawno, a co-founder and executive director of Transaction Capital, assumed the role of CEO of Transaction Capital.

With effect from 7 March 2024

- ▶ Kuben Pillay who is eligible to retire by rotation at Transaction Capital's next AGM, will not be standing for re-election, and accordingly will be retiring as an independent non-executive director to pursue other interests.
- ▶ Buhle Hanise will resign as an independent non-executive director of Transaction Capital, at the conclusion of the AGM to pursue other interests.

Elections and re-elections at AGM on 7 March 2024

- ▶ Suresh Kana, Albertinah Kekana, Sharon Wapnick will retire by rotation and are standing for re-election.
- ▶ Diane Radley, Suresh Kana and Christopher Seabrooke to be appointed as members of the audit committee.

External auditor rotation

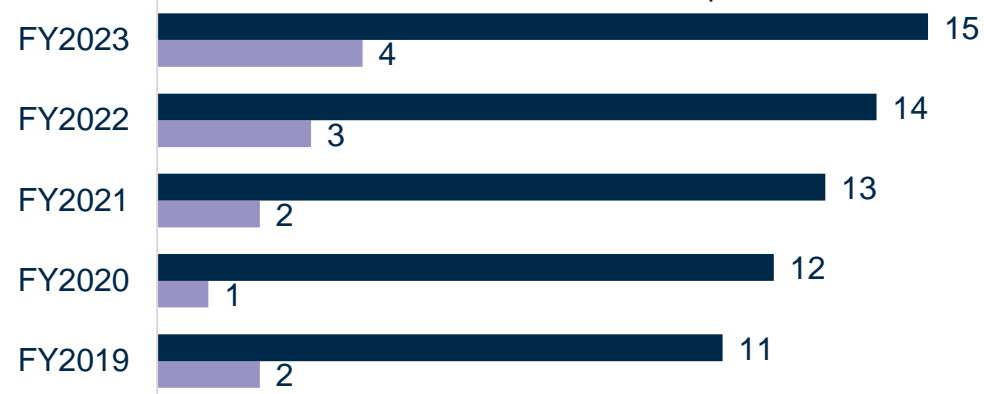


New audit firm has been selected for FY2024 in line with mandatory audit firm rotation requirement

- **PwC was approved and appointed as the new external auditor by the audit committee in March 2023. Transaction Capital will undergo a managed transition to new external auditors during the financial year ending 30 September 2024.**
- **Deloitte & Touche has been Transaction Capital's auditors for 15 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 four years.
 - Other key audit partners, Lito Nunes and Patrick Kleb, have been on the Transaction Capital audit for two years.

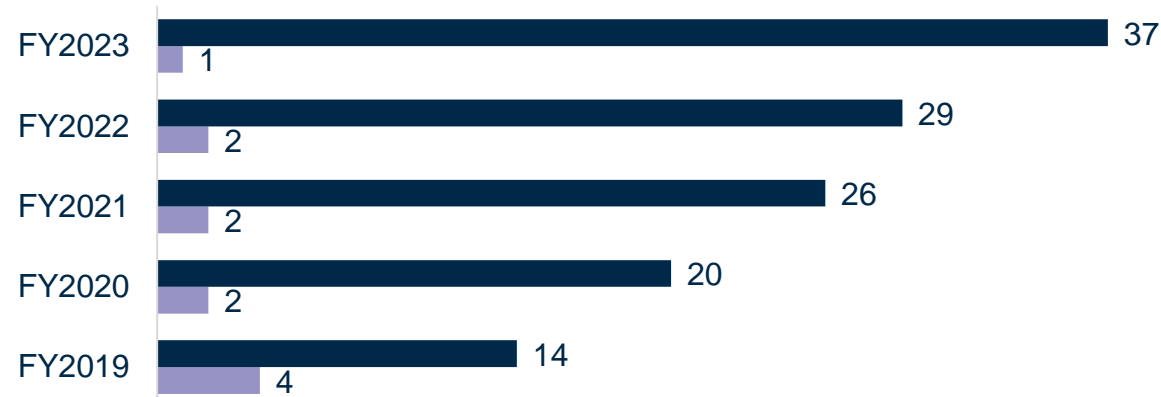
Audit Tenure (years)

■ Audit Firm ■ Audit partner



Audit Fees (Rm)

■ Audit fees ■ Non-audit fees



Policy and disclosure amendments



Section 44 & 45 resolutions

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)

- **Section 44 & 45** special resolutions explicitly **exclude from receiving financial assistance**:
 - directors or prescribed officers of TC
 - directors or prescribed officers of related/interrelated companies to TC
 - persons related to the directors or prescribed officers.
- **Additionally, Section 45 (Special resolution number 5):**
 - **Limit lowered** to R1.5 billion per transaction (FY22: R6 billion), with an aggregate limit of R3 billion (FY22: R12 billion) during any 12-month period for all financial assistance.
 - Reduced limits due to reduced market capitalisation of TC.



Remuneration

- **Enhanced the retention mechanisms** built into the conditional share plans (CSP):
 - CSP awards issued after March 2023 have been set to vest at the end of a three-year period (previously over five years).
- **Short term incentives**
 - Due to diminished performance, market capitalisation of the group and the need to rebuild trust with shareholders, the months of annual CTC available under the STI framework was decreased to 12 months in 2023.



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AGM resolutions

7 March 2024

Resolutions to be voted on

Ordinary resolutions



Election and re-election of directors

- Ordinary resolution number 1** – Re-election of S Kana as a director
- Ordinary resolution number 2** – Re-election of A Kekana as a director
- Ordinary resolution number 3** – Re-election of S Wapnick 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 members to the audit committee

- Ordinary resolution number 4** – Appointment of D Radley as a member & chairperson of the audit committee
- Ordinary resolution number 5** – Appointment of S Kana as a member of the audit committee
- Ordinary resolution number 6** – 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 three independent non-executive directors.

Appointment of auditors

- Ordinary resolution number 7** – Appointment of PricewaterhouseCoopers Inc as auditors

- ▶ Following the conclusion of a tender process, the Audit Committee recommended, and the board endorsed, the proposed appointment of PwC as the external auditor of the company for FY2024.
- ▶ Designated auditor will be J. Potgieter

Non-binding advisory vote on remuneration

- Ordinary resolution number 8** – Non-binding advisory vote on remuneration policy
- Ordinary resolution number 9** – 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 continued to enhance the remuneration policy linked to the conditional share plans (CSP), to enhance the retention mechanisms built into the awards.

Issue of securities

- Ordinary resolution number 10** – Issue of securities for acquisitions
- Ordinary resolution number 11** – Issue of securities for acquisitions of further shares in WBC Holdings beyond authority covered by ordinary resolution 10

- ▶ 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.
- ▶ General authority for directors to issue authorised (but unissued) ordinary shares for acquisition of further shares in WBCH beyond the authority covered by ordinary resolution number 10, subject to the company's MOI, the Companies Act and the JSE Listings.
- ▶ Limited to circa 5% of the ordinary shares in issue as at the date of issue of AGM notice.

Authority to act

- Ordinary resolution number 12** – 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 2023 have increased by 5% compared to the prior year.

Approval of additional subsidiary committee/forum membership fees

Special resolution number 2 – Approval of additional subsidiary committee/forum membership fees for 2023

Special resolution number 3 – Approval of additional subsidiary committee/forum membership fees for 2023/2024

- ▶ Proposed fees for C Seabrooke for his service as the independent chairman of the Mobalyz Debt Sustainability Committee and independent chairman of the Mobalyz Lenders Forum for the period 1 June 2023 to 30 September 2023 and 1 October 2023 to 30 September 2024.

Authority to provide financial assistance

Special resolution number 4 – Authority to provide financial assistance in terms of section 44 of the Companies Act

Special resolution number 5 – 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.
- ▶ These resolutions were enhanced during FY2023 to explicitly exclude directors, prescribed officers or persons related to them from receiving financial assistance. Furthermore, the lower limits of R1.5 billion per transaction and an aggregate of R3 billion during any 12-month period for all financial assistance were set.
- ▶ Transaction Capital's main purpose is to facilitate inter-company lending and is normal course of business for the group.

Resolutions to be voted on

Special resolutions



Annual general authority to repurchase securities

Special resolution number 6 – 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 6.

Issue of securities

Special resolution number 7 – Annual general authority to allot and issue authorised but unissued securities for cash

Special resolution number 8 – Authority to issue shares to persons contemplated in section 41 of the Companies Act pursuant to authorities contemplated in ordinary resolution number 10 and 11 and special resolution 7

- ▶ 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
- ▶ Grants the authority to the directors to issue authorised (but unissued) ordinary shares to persons contemplated in section 41(1) of the Companies Act pursuant to and within the constraints of the authorities contemplated in ordinary resolution number 10, ordinary resolution number 11 and special resolution number 7, but explicitly excluding a director or prescribed officer of Transaction Capital and a person related to any such director or prescribed officer, other than through a bookbuild process as contemplated in special resolution number 7 and in full compliance with the JSE Listings Requirements.



APPENDIX

ESE Framework



Delivering shared value

Delivering shared value

- **Our business model operationalises commitment to sustainable & inclusive growth aims to:**
 - generate good **commercial returns** for clients & industry value chains,
 - simultaneously create **net positive socioeconomic returns** with enduring benefits,
 - while **reducing our direct environmental impact**.
- **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:



To create economic sustainability in the communities through digitally enabled business services that 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 prioritise six key SDGs which are aligned to our core operations & strategy, allowing us to focus our effort to generate the most meaningful 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

Nutun rehabilitates debtors ethically & responsibly

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



Bettering the industries we serve

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

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



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





Economic Impact



We drive economic growth by promoting credit market stability

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

Value recovered through (South Africa):	2023	2022
• CX services	R2.5 billion	R2.8 billion
• CE services	R1.8 billion	R1.7 billion

FY2023 NPL portfolio acquisitions relate to:

- ~218 900 consumers with average balance of **R42 567**
- Resulting in average consumer credit provision of **R23 355** & risk-weighted release of **R17 324**.

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 FY2023 is ~219 500 with a value of R475 million	Our monthly payment plans balance rehabilitation & affordability: R1 384 Avg. payment amount before defaulting. R717 Promise to pay R406 Amount finally agreed
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We contribute to consistent & sustainable economic growth

9.25%

Growth in number of cars bought in FY2023

12.7%

Growth in number of cars sold in FY2023

15

Number of branches where our services are offered in South Africa

R250m

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

31 874

Number of car sales conducted online

31%

Percentage of car sales conducted online

We provide reliable customer service

100%

Of vehicles purchased are paired with Dekra assessment

~3

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: **R41 billion**

- 6 387 in FY2023 (FY2022: 9 185)
- Creating **111 418 SMEs**

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

Jobs created: **11 497** direct & **19 161** indirect

We invest in previously excluded groups

Loans provided to:

- Black owned SMEs **100%**
- Female owned SMEs **24%**

Partnerships that promote inclusivity, formalisation & safety:

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

Taxi infrastructure investments in FY2023: **R61 055**
(patrol vehicles & upgrading taxi ranks)

Savings for customers

(SA Taxi Rewards programme):

- Cashback on fuel & parts.
- Discounts on tyres.
- Earn rewards on parts, and maintenance benefits.

Formalising industry:

- **R454 million** VAT contributed through supply of taxis in FY20223
- **R3.8 billion** tax contributed to fuel levies by SA Taxi's fleet in FY2023



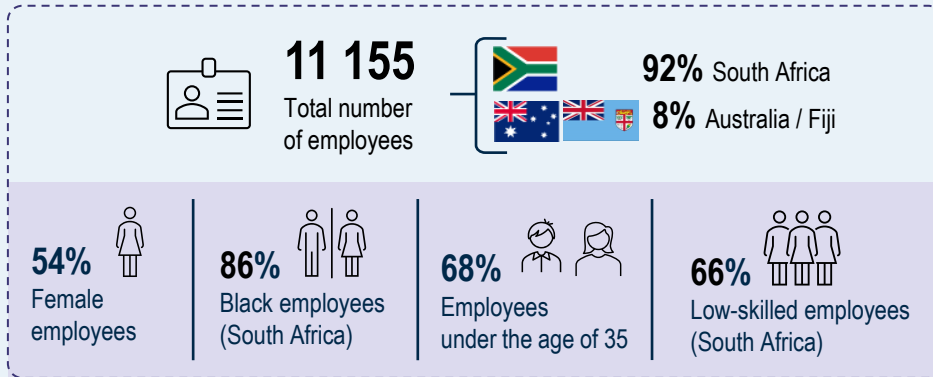
Social Impact



Our people



- Our workforce forms the cornerstone of our ability to **meaningfully engage** with our customers, drive **innovation** in our respective markets, harness the power of **technology and data**, and **generate shared value**.
- We engage and reward employees to engender an **entrepreneurial, high-performance, ethical** and **inclusive** culture
- We **hire inclusively** and are committed to job creation and driving transformation in our workforce:



Youth empowerment



- WeBuyCars & Nutun are in **growth phases** with the potential to make significant impact to **youth employment**
- 2 041 **jobs for youth (<25 years old)** were created during FY23 across the group.
- Invested in various initiatives and training, Creating opportunities for youth to **enter the workforce** for the **first time**

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

- Transaction Capital's CA graduate programme
- Youth Empowerment Service (YES) programme
- Debt Recovery programme at Nutun contact centres
- Certificate in contact centre support and generic management at Nutun
- Mechanic apprenticeship programme at WeBuyCars



We invest in our people's potential



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

107
Average training hours per employee in FY2023

R20.9m
Total training spend in FY2023

Good corporate citizen



FY23 CSI spend: **R4.68m**

Nutun is committed to community upliftment, partnering with the **iThemba Trust** shareholder to positively impact communities and education.



FY23 CSI spend: **R14m**

WeBuyCars is actively involved in CSI initiatives that uplift and support communities, addressing fundamental human needs. Our WeCare initiative, makes numerous charitable contributions, throughout the year.



FY23 CSI spend: **R2.2m**

SA Taxi focused on supporting community projects that needed transport related support during this financial year. By donating taxis and making a meaningful impact in communities.

One Agent One Child

Nutun launched the 'one agent one child' initiative in partnership with Mellon Educate, where Nutun commits to educating one child for each agent providing services to an international client under a three-year contract. This initiative is a clear differentiator with international clients and our employees.



Environmental Impact



We understand our important role in promoting climate resilience

- We strengthened our focus on **educating our teams** about the vital **environmental** aspect of ESEG, leading to **greater engagement and support** across the group.
- Continued adoption **IFRS ISSB Sustainability & Climate Change** Disclosure Standards as well as **JSE Sustainability Disclosure** guidance, to the extent possible.
- Calculated **first carbon footprint** for **Nutun CX** in FY2023.
- Our **monthly capturing** of carbon emissions data allows for tracking and **efficiencies to be identified** throughout the year.
- 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
 - Boundary: SA Taxi, Nutun South Africa (excluding Nutun CX), Nutun Australia and Fiji, and the group executive office.

We have achieved an **18.7%** reduction in scope 1 & 2 emissions since FY2020, which is ahead of the **7.5% 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	FY2023 ²	FY2022 ¹	FY2021	FY2020 (base year)
Scope 1: direct emissions	5 961	5 858	2 468	1 850
Scope 2: indirect electricity emissions	13 571	9 730	6 354	7 404
Scope 3: indirect emissions from value chain	11 530 086 ⁴	10 354 469 ⁴	486 003 ³	420 875

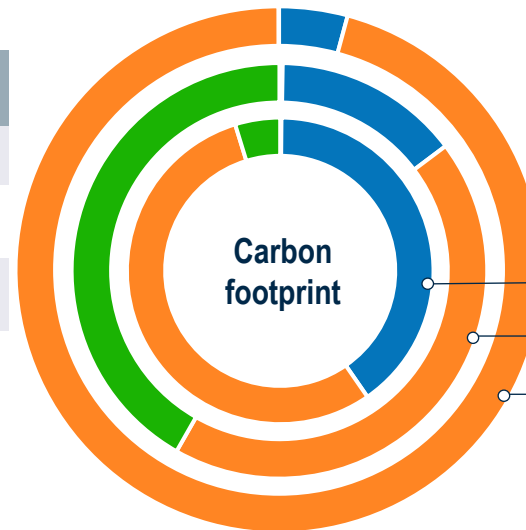
¹ This is the first year of calculating WeBuyCars' carbon footprint & thus there is a steep increase in emissions from FY2021 to FY2022

² In FY2023 Nutun CX has been included in our carbon footprint for the first year.

³ Including GHG emissions from SA Taxi's financed minibus taxi fleet

⁴ 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 FY2023 emissions



	Nutun	WeBuyCars	SA Taxi	GEO
Scope 1	4.75%	54.89%	40.23%	0.13%
Scope 2	41.75%	43.5%	14.5%	0.25%
Scope 3	0.024%	95.77%	4.2%	0.0004%



APPENDIX

Remuneration policy



Short term incentives

Detail ¹	Quantitative component	Qualitative component
Maximum quantitative award²	▶ 9 months CTC	▶ 3 months CTC
Maximum weighting	▶ 75% weighting	▶ 25% weighting
Performance hurdles	<p>A combination of factors is 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"> ▶ Divisional specific quantitative targets. ▶ 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. 	<p>The remuneration committee considers strategic imperatives, which include, but are not limited to:</p> <ul style="list-style-type: none"> ▶ Employment equity targets. ▶ Sustainability targets. ▶ Strategy implementation, including but not limited to: <ul style="list-style-type: none"> • Implementation of special projects across the group. • Diversifying into new or adjacent markets, increasing revenue diversification. • Decreasing operational costs and strengthening of balance sheet. • Driving innovation and the adoption of key trends. • Brand building and market positioning.
Discretionary component	<ul style="list-style-type: none"> ▶ A discretionary STI may be awarded when an executive has outperformed set KPIs. ▶ In the event extraneous factors cause hurdles not to be achieved, discretionary bonuses may also be awarded. A portion of this award may be deferred or delivered as share plan awards. ▶ These discretionary awards and their construct remain at the sole discretion of the remuneration committee. 	

1. The STI framework does not apply to Jonathan Jawno and the other founders of Transaction Capital.

2. Due to diminished performance, market capitalisation of the group and the need to rebuild trust with shareholders, the months of annual CTC available under the STI framework was decreased to 12 months in 2023.



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 the date of issue.	Divisional notional value per share on the 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 the date of exercise.	Divisional notional value per share on the 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 and quality 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. ▶ Quality of cash flow generation and cash conversion rates. ▶ Credit performance. ▶ Assessment of quality of earnings and expected future performance. ▶ Dividend pay-out rates. ▶ A 'sum of the parts' of the divisions is compared to the group market capitalization for reasonability.
Cost	Executives receive CSP awards for zero cost.	
Vesting period	The CSPs vest in year three after the award.	

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%)	ROE/ROFE target ¹ (Weighting: 30%)	% of CSP to be awarded ²	ESEG targets (Weighting: 10%)
Minimum vesting	CPI + GDP	≥ 10% ROE ≥ 50% ROFE	25%	Setting of ESEG targets for the FY2023 awards has been deferred: The Remuneration committee has deferred setting these targets to June 2024 to ensure alignment with information to be reported per the new IFRS ISSB Sustainability and Climate Change Standards.
On-target performance	CPI + GDP + 4%	≥ 17.5% ROE ≥ 60% ROFE	100%	

¹ Core ROE target applies to Nutun. ROFE target applies to WeBuyCars. ROE and ROFE hurdles were revisited in 2023, and targets have been revised to be at more realistic levels with the aim to attract and retain talent.

² Growth levels between bands will be vested on a proportionate basis.

Group and divisional valuations

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. Executives are exposed to all group performance metrics on which the group's valuation is determined, and not simply the metrics of growth in core HEPS and ROE over the vesting period.

Performance period

The performance criteria detailed above are measured from the closest reporting date before the grant date to the closest reporting date before the vesting date. The reporting periods are 31 March and 30 September.

Delivery

Once the vesting period has passed and performance criteria assessed, the participant receives shares in Transaction Capital to the value of the notional CSP awards on the vesting date.

Continued employment

Employees must remain in the group's employ 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, as well as the discretion of the Remuneration Committee.