



Notice of annual
general meeting and
summarised consolidated
financial statements

2020

For the year ended
30 September



Transaction Capital

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Notice of annual general meeting

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Administration IBC



Available online at www.transactioncapital.co.za

THIS NOTICE

INTEGRATED ANNUAL REPORT

GOVERNANCE REPORT

RISK REPORT

SUSTAINABILITY REPORT

ANNUAL FINANCIAL STATEMENTS

FRAMEWORKS APPLIED

The International Integrated Reporting <IR> Framework		•				
Companies Act, 71 of 2008, as amended	•	•	•			•
JSE Limited Listings Requirements	•	•	•	•		•
King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)	•	•	•	•	•	•
International Financial Reporting Standards (IFRS)	•	•				•
United Nations Sustainable Development Goals					•	

Letter to shareholders

Dear Shareholder

On behalf of the board, you are invited to participate in the annual general meeting (AGM) of Transaction Capital Limited, which will be held and conducted entirely by electronic communication, on Friday, 5 March 2021, at 09:00.

The detailed notice of AGM and supporting documentation is attached. The notice is accompanied, where necessary, by explanatory notes setting out the reasons and effects of the proposed ordinary and special resolutions in the notice. This will assist you in your deliberations regarding voting at the AGM.

Included with this notice are the summarised consolidated financial statements of Transaction Capital Limited for the financial year ended 30 September 2020. The summarised consolidated financial statements comprise a summary of the audited annual financial statements of the group for the year ended 30 September 2020. The annual financial statements of the group have been audited by Deloitte & Touche, in compliance with the applicable requirements of the Companies Act of South Africa, No. 71 of 2008 as amended (Companies Act), and an unmodified audit opinion has been expressed thereon.

Transaction Capital Limited's integrated annual report and audited annual financial statements are available on the company's website at www.transactioncapital.co.za. Printed copies may be obtained from the registered office of the company.

If you are not able to participate in the AGM, you can appoint a proxy to participate in the AGM on your behalf in accordance with the instructions on the AGM notice and form of proxy.

Yours sincerely

Sharon Nayger
Company secretary
19 January 2021

NOTICE OF ANNUAL GENERAL MEETING

This notice is important and requires your immediate attention

ACTION REQUIRED

If you are in any doubt as to what action you should take arising from this notice, please consult with your broker, CSDP representative/agent/manager, banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all of your shares in Transaction Capital, please forward this notice to the purchaser of such shares or to the broker, CSDP representative/agent/manager, banker, accountant, attorney or other agent through whom the disposal of your Transaction Capital shares was effected.

Transaction Capital does not accept any responsibility and will not be held liable for any failure on the part of the broker or CSDP representative of any holder of dematerialised Transaction Capital shares to notify such shareholder of this notice and the annual general meeting.



Transaction Capital

Transaction Capital Limited
(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE code: TCP ISIN: ZAE000167391
(‘Transaction Capital’ or the ‘company’ or the ‘group’)

Notice to shareholders of annual general meeting

FOR THE YEAR ENDED 30 SEPTEMBER 2020 AND CONVENED IN TERMS OF SECTION 61(7) OF THE COMPANIES ACT, NO. 71 OF 2008, AS AMENDED (‘THE COMPANIES ACT’)

Notice is hereby given to shareholders that the annual general meeting of shareholders will be held on Friday, 5 March 2021 at 09:00 (South African Standard Time), or any other adjourned or postponed date and time determined in accordance with the provisions of sections 64(4) or 64(11)(a)(i) of the Companies Act, as read with the JSE Limited (‘JSE’) Listings Requirements (the ‘JSE Listings Requirements’) for the purposes of transacting the business set out below and considering (and, if deemed fit, passing, with or without modification) the ordinary and special resolutions contained in this notice in the manner required by the Companies Act and subject to the JSE Listings Requirements.

The annual general meeting will be conducted entirely via an interactive electronic platform, in accordance with section 63(2)(a) of the Companies Act and clause 19.7 of the company’s memorandum of incorporation (‘MOI’) and in compliance with, inter alia, the quorum requirements contained in the MOI and the Companies Act. This decision was occasioned by the COVID-19 pandemic and associated restrictions imposed (or which may be imposed) by the South African Government on travel, the holding of public gatherings and the implementation of social distancing measures, which limit the ability of shareholders to participate in the annual general meeting in person.

For more information about the electronic platform and how it can be accessed, please see the section titled “Electronic participation at the annual general meeting” starting on page 4.

Dematerialised shareholders without “own-name” registration

If you have dematerialised your ordinary shares without “own-name” registration, then the following actions are relevant to you with regard to the annual general meeting.

If you do not wish to or are unable to participate in the annual general meeting, but wish to vote thereat, you should:

- ▷ Provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker.
- ▷ Contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them.

If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

Please DO NOT complete the attached form of proxy if you have dematerialised shares without “own-name” registration.

You are strongly urged to ensure the timeous receipt by the transfer secretaries of the documents referred to in this notice, due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants. It may not be possible to promptly verify a dematerialised shareholder without “own-name” registration once the annual general meeting has commenced.

Certificated shareholders and dematerialised shareholders with “own-name” registration

If you are a certificated shareholder or you have dematerialised your ordinary shares with “own-name” registration, then the following actions are relevant to you in connection with the annual general meeting.

You may participate in the annual general meeting as outlined in the paragraphs below.

If you do not wish to or are unable to attend the annual general meeting but wish to be represented thereat, you should complete the form of proxy and return same, together with proof of identification (i.e. South African identity document, driver’s licence or passport) and authority to do so (where acting in a representative capacity), to the transfer secretary, as follows:

- ▷ by email: at proxy@computershare.co.za;
- ▷ by hand: Rosebank Towers, 15 Biermann Avenue, Rosebank; or
- ▷ by post: Private Bag X9000, Saxonwold,

so as to be received by the transfer secretary by no later than 09:00 on Wednesday, 3 March 2021, provided that any form of proxy not delivered to the transfer secretary by this time and date may be emailed to the transfer secretary (who will provide same to the chairman of the annual general meeting) at any time prior to the annual general meeting, with the understanding that such form of proxy and identification must be verified and registered before the commencement of the annual general meeting.

You are encouraged to appoint a proxy if you do not intend to participate in the annual general meeting yourself.

Electronic participation at the annual general meeting

The annual general meeting will be conducted entirely through electronic communication. The decision was taken by the board of directors (‘the board’) that it is appropriate to hold the annual general meeting entirely by electronic communication in accordance with the provisions of clause 19.7 of the MOI read with section 63(2) of the Companies Act.

The interactive electronic platform will permit all shareholders to communicate concurrently with each other without an intermediary, and to effectively participate in the meeting. Voting via the electronic platform will be the only method available to holders of ordinary shares to vote at the annual general meeting. The electronic platform selected for the purposes of the annual general meeting is Lumi AGM, which may be accessed by using a smartphone, tablet device or computer.

REGISTRATION

Should you wish to participate in the annual general meeting you will be required to pre-register your personal details by taking the following action:

- ▷ register online at www.smartagm.co.za by no later than 09:00 on Wednesday, 3 March 2021. While registration after this date and time to participate in and/or vote electronically at the annual general meeting is permitted, you must be verified and registered before the commencement of the annual general meeting; and
- ▷ upload proof of identification (e.g. identity document, driver’s licence or passport), and provide the following details: your name, surname, email address and contact number.

If you have dematerialised your ordinary shares without “own-name” registration then, in addition to the actions listed above, you must request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker and upload same.

PARTICIPATION

Following successful completion of the registration process contemplated above, you will be required to connect to the annual general meeting by using the link below and following the relevant prompts:

ACCESS AND NAVIGATION

If participating via smartphone or tablet device, download the Lumi AGM app from the Apple App Store or Google Play Store by searching for Lumi AGM.

If participating via computer, visit <https://web.lumiagm.com> by entering this address into your web browser. You will need the latest versions of Chrome, Safari, Edge or Firefox, or Internet Explorer 11. Please ensure your browser is compatible. Smartphone or tablet device users can also participate via this link if you do not wish to download the Lumi AGM app onto your device.

Once you have either downloaded the Lumi AGM app or entered <https://web.lumiagm.com> into your web browser, you will be prompted to enter the meeting ID, which will be emailed to you (or your representative or proxy) following completion of the registration process outlined above.

Once you have successfully entered the meeting ID, you will be required to enter your username and password, both of which will have been emailed to you following completion of the registration process outlined above.

When you are successfully authenticated, the info screen will be displayed. You can view company information, ask questions and watch the webcast. If you would like to watch the webcast, press the broadcast icon at the bottom of the screen.

If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.

VOTING

Shareholders will be able to participate and vote during the annual general meeting on the electronic platform described above. Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the annual general meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

In terms of clause 19.29 of the MOI, voting at the annual general meeting is by way of a show of hands, unless certain categories of people demand a poll, one of whom is the chairman. As it will not be possible for votes to be taken by a show of hands, the chairman will demand a poll on all the proposed resolutions at the start of the annual general meeting.

The chairman will open voting on the proposed resolutions. Once voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From here, the proposed resolutions and voting choices will be displayed.

To vote, simply select the requisite voting direction from the options shown on screen. A confirmation message will appear to show that the vote has been received. The confirmation of the vote being received will be depicted as follows: 'For – Vote received' or 'Against – Vote received'.

To change the vote, simply select another direction. If you wish to cancel the vote, press "Cancel".

Once the chairman has opened voting, voting can be performed at any time during the annual general meeting until the chairman closes the voting on the proposed resolutions. At that point your last choice will be submitted.

You will still be able to send messages and view the webcast while the poll is open.

Shareholders who are participating via the electronic platform or by proxy at the annual general meeting will have 1 (one) vote for every ordinary share held or represented.

Although voting will be permitted by way of electronic communication, you are strongly encouraged to submit your votes by proxy before the annual general meeting.

ASSISTANCE

If you experience any difficulty with (i) the registration process outlined above or (ii) logging into the annual general meeting you should request an agent of the transfer secretaries to assist you with such difficulty by emailing the following email address: proxy@computershare.co.za.

ELECTRONIC NOTICE AND IDENTIFICATION

IMPORTANT NOTE: As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the annual general meeting, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified.

To comply with this verification procedure, if you wish to participate electronically in the annual general meeting you are strongly encouraged to email a written notice to the transfer secretary at proxy@computershare.co.za by no later than 09:00 on Wednesday, 3 March 2021 confirming that you wish to participate via electronic communication at the annual general meeting (the "electronic notice"). The electronic notice must contain a valid email address for the person wishing to participate and must be accompanied by:

- ▷ if you are an individual, a copy of your original South African identity document and/or passport and/or South Africa driver's licence;
- ▷ if you are not an individual, a copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent it at the annual general meeting via electronic communication; and
- ▷ in all cases, a valid email address and/or mobile telephone number (the "contact email address/number").

Providing the above information is necessary for you to obtain a username and a unique nine-digit meeting identity code, without which it will not be possible to participate in the annual general meeting. Sufficient time is needed for the transfer secretary to verify the participant and then assign the username and meeting identity code, which reflects the number of ordinary shares in respect of which voting is permitted. If the number of ordinary shares reflected is nil, you will be able to attend the annual general meeting and view the proceedings as a guest but will not be able to ask questions, make comments or vote.

If you do not send an electronic notice recording your intention to participate in the annual general meeting to the transfer secretaries by 09:00 on Wednesday, 3 March 2021, you may still participate via electronic communication at the annual general meeting and may email the electronic notice to the transfer secretaries at any time prior to the commencement of the annual general meeting. However, for the purpose of effective administration, you (and your proxies and representatives) are strongly urged to send the electronic notice by 09:00 on Wednesday, 3 March 2021.

The electronic platform available via Lumi AGM is available for the duration of the annual general meeting at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account, including network charges incurred while participating electronically. Any such charges will not be for the account of the JSE, Transaction Capital and/or the transfer secretaries.

Neither the JSE, Transaction Capital nor the transfer secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents you from participating in and/or voting at the annual general meeting.

The provisions of the above paragraphs, in particular the procedures and actions to be taken in order to participate electronically in the annual general meeting, apply equally to your representative and/or proxy (if any).

Record date to receive notice of annual general meeting	Friday 8 January 2021
Posting date of notice of annual general meeting	Tuesday 19 January 2021
Last date to trade to be eligible to attend, participate in and vote at annual general meeting	Tuesday 23 February 2021
Record date to be eligible to attend, participate and vote at annual general meeting	Friday 26 February 2021
Forms of proxy to be lodged preferably by 09:00 on	Wednesday 3 March 2021
Annual general meeting to be held at 09:00 on	Friday, 5 March 2021
Results of the annual general meeting released on SENS on	Friday, 5 March 2021

This document is important and requires your immediate attention.

Shareholders' attention is drawn to the notes at the end of this notice, which contain important information regarding shareholders' participation at the annual general meeting.

Copies of this notice of annual general meeting are available in English only and may be obtained from the date of issue of this notice of annual general meeting until the date of the annual general meeting, both days inclusive, during normal business hours from the registered office of the company and the offices of the transfer secretaries, the addresses of which are set out in the "Administration" section on the inside back cover.

The purpose of the annual general meeting is for the following business to be transacted and for the ordinary and special resolutions set out below to be proposed:

A. AUDITED FINANCIAL STATEMENTS

To present the audited financial statements of the group and the company as envisaged in section 30 of the Companies Act, including the directors' report, external auditor's report and the audit, risk and compliance committee report for the year ended 30 September 2020.

B. ORDINARY AND SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

1. Ordinary resolution number 1

RE-ELECTION OF DIRECTOR

Resolved that:

C Seabrooke, who retires in terms of the company's memorandum of incorporation, and who, being eligible, has offered himself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

2. Ordinary resolution number 2

RE-ELECTION OF DIRECTOR

Resolved that:

B Hanise, who retires in terms of the company's memorandum of incorporation, and who, being eligible, has offered herself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

3. Ordinary resolution number 3

RE-ELECTION OF DIRECTOR

Resolved that:

D Radley, who retires in terms of the company's memorandum of incorporation, and who, being eligible, has offered herself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

4. Ordinary resolution number 4

RE-ELECTION OF DIRECTOR

Resolved that:

M Mendelowitz, who retires in terms of the company's memorandum of incorporation, and who, being eligible, has offered himself for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act.

5. Ordinary resolution number 5

ELECTION OF DIRECTOR

Resolved that:

S Wapnick, who was appointed to the board during the year, retires automatically at this meeting and who, being eligible, has offered herself for election, be elected in terms of section 68(2)(a) of the Companies Act.

6. Ordinary resolution number 6

ELECTION OF DIRECTOR

Resolved that:

I Kirk, who was appointed to the board during the year, retires automatically at this meeting, and who, being eligible, has offered himself for election, be elected in terms of section 68(2)(a) of the Companies Act.

7. Ordinary resolution number 7

ELECTION OF DIRECTOR

Resolved that:

S Kana, who was appointed to the board during the year, retires automatically at this meeting, and who, being eligible, has offered himself for election, be elected in terms of section 68(2)(a) of the Companies Act.

EXPLANATION AND EFFECTS OF ORDINARY RESOLUTIONS NUMBER 1 TO 7 – ELECTION AND RE-ELECTION OF DIRECTORS:

In terms of clause 21.2 of the company's memorandum of incorporation, one third of the board retires annually by rotation and all directors who have held office for three years since their last election or appointment also retire. All directors retiring at the annual general meeting have indicated their willingness to stand for re-election.

Directors who were appointed subsequent to the last annual general meeting retire at the following meeting. These directors have indicated their willingness to stand for election.

The directors have reviewed the composition of the board and recommend the re-election or election of each of the above-mentioned directors, which will enable the company, *inter alia*, to:

- ▷ Responsibly maintain a combination of business skills and experience relevant to the company and the group, and balance the requirements of transformation, continuity and succession planning; and
- ▷ Comply with corporate governance requirements, in respect of the balance of executive, non-executive and independent directors on the board.

A brief curriculum vitae of each of the company directors standing for re-election and election is included in Annexure A.

8. Ordinary resolution number 8

APPOINTMENT OF MEMBERS OF AUDIT, RISK AND COMPLIANCE COMMITTEE

Section 94(2) of the Companies Act

Resolved that:

D Radley, as an independent non-executive director of the company, who meets the required criteria for a member of the audit, risk and compliance committee stipulated in the memorandum of incorporation of the company, be elected as a member of the audit, risk and compliance committee, until the next annual general meeting of the shareholders of the company, subject to the provisions of the memorandum of incorporation of the company and the Companies Act (subject to being elected as a director in terms of the ordinary resolution 3 above).

9. Ordinary resolution number 9

APPOINTMENT OF MEMBERS OF AUDIT, RISK AND COMPLIANCE COMMITTEE

Section 94(2) of the Companies Act

Resolved that:

B Hanise, as an independent non-executive director of the company, who meets the required criteria for a member of the audit, risk and compliance committee stipulated in the memorandum of incorporation of the company, be elected as a member of the audit, risk and compliance committee, until the next annual general meeting of the shareholders of the company, subject to the provisions of the memorandum of incorporation of the company and the Companies Act (subject to being elected as a director in terms of the ordinary resolution 2 above).

10. Ordinary resolution number 10

APPOINTMENT OF MEMBERS OF AUDIT, RISK AND COMPLIANCE COMMITTEE

Section 94(2) of the Companies Act

Resolved that:

I Kirk, as an independent non-executive director of the company, who meets the required criteria for a member of the audit, risk and compliance committee stipulated in the memorandum of incorporation of the company, be elected as a member of the audit, risk and compliance committee, until the next annual general meeting of the shareholders of the company, subject to the provisions of the memorandum of incorporation of the company and the Companies Act (subject to being elected as a director in terms of the ordinary resolution 6 above).

11. Ordinary resolution number 11

APPOINTMENT OF MEMBERS OF AUDIT, RISK AND COMPLIANCE COMMITTEE

Section 94(2) of the Companies Act

Resolved that:

S Kana, as an independent non-executive director of the company, who meets the required criteria for a member of the audit, risk and compliance committee stipulated in the memorandum of incorporation of the company, be elected as a member of the audit, risk and compliance committee, until the next annual general meeting of the shareholders of the company, subject to the provisions of the memorandum of incorporation of the company and the Companies Act (subject to being elected as a director in terms of the ordinary resolution 7 above).

EXPLANATION AND EFFECTS OF ORDINARY RESOLUTIONS NUMBER 8 TO 11 – APPOINTMENT OF MEMBERS OF THE AUDIT, RISK AND COMPLIANCE COMMITTEE:

All public companies are required to have an audit committee comprising at least three persons who are independent non-executive directors and eligible in terms of section 94 of the Companies Act. In terms of section 94(2) of the Companies Act, an audit committee must be elected annually at the annual general meeting of a public company. The section 94 requirements of the Companies Act are fulfilled by the audit, risk and compliance committee.

12. Ordinary resolution number 12

APPOINTMENT OF AUDITORS

Sections 90 and 94(7) of the Companies Act

Resolved that:

On recommendation of the audit, risk and compliance committee, as envisaged in section 94(7)(a) of the Companies Act, Deloitte & Touche (with S Munro as the individual classified as the designated auditor) be reappointed as the independent external auditors of the company until the conclusion of the next annual general meeting of the company, it being recorded that such appointment be in accordance with the provisions of clause 18 of the company's memorandum of incorporation.

EXPLANATION AND EFFECT OF ORDINARY RESOLUTION NUMBER 12 – APPOINTMENT OF AUDITORS:

In terms of section 90(1) of the Companies Act, a public company is to appoint an auditor each year at its annual general meeting. The effect of this ordinary resolution will be to reappoint Deloitte & Touche as auditors for the company, with S Munro as the individual classified as the designated auditor, in accordance with the terms of the company's memorandum of incorporation.

13. Ordinary resolution number 13

NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

Resolved that:

The company's remuneration policy be and is hereby endorsed by way of a non-binding advisory vote.

14. Ordinary resolution number 14

NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT

Resolved that:

The company's remuneration implementation report be and is hereby endorsed by way of a non-binding advisory vote.

EXPLANATION AND EFFECT OF ORDINARY RESOLUTION NUMBERS 13 AND 14 – NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT:

In accordance with the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016, as well as the JSE Listings Requirements, the board (with the assistance of the remuneration committee) has presented the remuneration policy and implementation report to shareholders in two separate non-binding advisory votes.

In the event that 25% or more of the votes cast are recorded against either the remuneration policy resolution or the remuneration implementation report resolution, or both, then pursuant to paragraph 3.84(k) and 3.91 of the JSE Listings Requirements, the company will extend an invitation to dissenting shareholders to engage with the company to discuss the reason for their dissenting votes.

The complete remuneration policy and implementation report appear on pages 108 to 125 of the integrated annual report, available at www.transactioncapital.co.za.

15. Ordinary resolution number 15

ISSUE OF SECURITIES FOR ACQUISITIONS IN CIRCUMSTANCES OTHER THAN THOSE COVERED BY SPECIAL RESOLUTION NUMBER 6

Resolved that:

The authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the board until the conclusion of the next annual general meeting, and that the board be and is hereby authorised and empowered to issue such unissued ordinary shares as consideration for acquisitions in any way they may deem fit, subject to:

- a. The memorandum of incorporation of the company, the Companies Act and the JSE Listings Requirements, where applicable;
- b. Such issue being an issue only for securities of a class already in issue or where this is not the case, such issue must be limited to such securities or rights that are convertible into securities of a class already in issue; and
- c. The board's authority in terms hereof is limited to a maximum of 33 093 389 ordinary shares, being approximately 5% of the ordinary shares in issue as at the date of issue of this notice.

EXPLANATION AND EFFECT OF ORDINARY RESOLUTION NUMBER 15 – ISSUE OF SECURITIES FOR ACQUISITIONS IN CIRCUMSTANCES OTHER THAN THOSE COVERED BY SPECIAL RESOLUTION NUMBER 5:

This ordinary resolution number 15 is to obtain annual general authority from shareholders authorising the directors to issue authorised (but unissued) ordinary securities for acquisitions in compliance with the memorandum of incorporation of the company, the Companies Act and the JSE Listings Requirements, where applicable. The proposed resolution to issue up to 33 093 389 ordinary shares represents approximately 5% of the issued share capital of the company at the date of this notice.

16. Ordinary resolution number 16

AUTHORITY TO ACT

Resolved that:

Any director of the company or the company secretary, all with the power of substitution, be and is hereby authorised to carry out and to do all such things and matters as may be or are necessary in connection with all resolutions set out in this notice and/or approved at the annual general meeting, and which may be required to give effect to such resolutions including, without limitation, being authorised to make, amend and sign all and any such necessary documents, letters, applications, announcements and affidavits as may be required for purposes of and in connection with the resolutions and giving effect to them, and including Companies and Intellectual Property Commission forms that may be required.

EXPLANATION AND EFFECT OF ORDINARY RESOLUTION NUMBER 16 – AUTHORITY TO ACT:

Ordinary resolution number 16 grants authority to any director or the company secretary to carry out, execute all documents and do all such things as he/she may in his/her discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary and special resolutions set out in this notice and/or approved at the annual general meeting.

17. Special resolution number 1

AMENDMENTS TO THE MEMORANDUM OF INCORPORATION

Resolved that:

The memorandum of incorporation of the company tabled at the annual general meeting and initialled by the chairperson for identification be and is hereby adopted in substitution of the existing memorandum of incorporation.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 1 – AMENDMENTS TO THE MEMORANDUM OF INCORPORATION

In compliance with section 65(4) of the Companies Act, a high-level explanatory note setting out explanations for certain proposed amendments to the existing memorandum of incorporation is contained in Annexure B of this notice of annual general meeting.

As the aforementioned explanatory note is not an exhaustive list of the proposed amendments to the existing memorandum of incorporation, shareholders are advised to review the marked-up version of the existing memorandum of incorporation of the company reflecting all proposed amendments prior to this annual general meeting, which will be available for inspection from the date of this notice of annual general meeting to the date of the annual general meeting, at both (i) the registered office of the company during office hours, being 342 Jan Smuts Avenue, Hyde Park, and (ii) on the company's website, being www.transactioncapital.co.za.

18. Special resolution number 2

APPROVAL OF NON-EXECUTIVE DIRECTORS' AND COMMITTEE MEMBERS' FEES

Sections 66(8) and 66(9) of the Companies Act

Resolved that:

The following annual fees shall be paid to non-executive directors of the company for their services as directors and as members of the audit, risk and compliance committee and other board committees, which have been determined by the board through the remuneration committee on a market-related basis (with no additional meeting attendance fees):

	Proposed annual fees* 2020/2021 R	Existing fees 2019/2020 R
Directors		
Chairman (including membership of three committees)	1 750 000	1 750 000
Lead independent non-executive director	125 000	125 000
Other directors	410 000	410 000
Alternate director (75% of directors' fee)	307 500	307 500
Audit, risk and compliance committee**		
Chairman	435 000	435 000
Member	175 000	175 000
Other board committees**		
Chairman	290 000	290 000
Member	134 000	134 000
Non-executive directors of subsidiaries		
Non-executive director of a group subsidiary company (in conjunction with being a non-executive director of Transaction Capital)	128 000	128 000

* The proposed fees are exclusive of VAT, which may become payable thereon depending on the status of the individual director's tax position.

** Fees for audit, risk and compliance committee and other board committee members are in addition to board member fees.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 2 – APPROVAL OF NON-EXECUTIVE DIRECTORS' AND COMMITTEE MEMBERS' FEES:

Section 66 of the Companies Act provides that, in order for directors to be remunerated for their services as directors, the remuneration must be in accordance with a special resolution approved by shareholders within the previous two years. The proposed non-executive directors' fees for 2021 have not been increased compared to the previous year.

19. Special resolution number 3

AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

Section 45 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the memorandum of incorporation and of the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date of the adoption of this special resolution, as envisaged in section 45 of the Companies Act, any direct or indirect financial assistance (including lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a director or prescribed officer of the company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer or member, provided that such financial assistance may be granted up to a limit of R6 billion per transaction on the basis that the aggregate net outstanding financial assistance provided in terms of section 45 of the Companies Act will not at any time exceed R12 billion.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 3 – AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT:

The reason for special resolution number 3 is to obtain approval from shareholders to enable the company to provide financial assistance, when the need arises, to any director or prescribed officer of the company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer or member in accordance with the provisions of section 45 of the Companies Act.

The effect of special resolution number 3 is that the company will have the necessary authority to provide financial assistance to the category of potential recipients as and when required but provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- ▷ immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- ▷ the terms under which the financial assistance is proposed to be given in terms of section 45 are fair and reasonable to the company.

The annual general authority from shareholders in special resolution number 3 will allow the company to continue giving financial assistance, including, without limitation, making loans to subsidiaries as well as granting letters of support and guarantees in appropriate circumstances, to one or more related or interrelated companies, subject to the cap on the amount of this financial assistance which may be granted, as contemplated in the special resolution.

If approved, this annual general authority will expire at the end of 2 (two) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future annual general meetings.

20. Special resolution number 4

AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

Section 44 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the memorandum of incorporation and of the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date of the adoption of this special resolution, as envisaged in section 44 of the Companies Act, any financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 4 – AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT:

In terms of the Companies Act, the passing of special resolution number 4 requires the approval of at least 75% (seventy five percent) of the votes cast by shareholders participating at the annual general meeting or represented by proxy, and who are entitled to exercise voting rights on special resolution number 4.

The reason for special resolution number 4 is to obtain approval from the shareholders to enable the company to provide financial assistance, when the need arises, to any person for the purpose of or in connection with the subscription of any option, or any securities issued or to be issued by the company or a related or interrelated company (as defined in section 2 of the Companies Act) or for the purchase of any securities of the company or a related or interrelated company in accordance with the provisions of section 44 of the Companies Act.

The effect of special resolution number 4 is that the company will have the necessary authority to provide financial assistance as contemplated in section 44 of the Companies Act when required but provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- ▷ immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- ▷ the terms under which the financial assistance is proposed to be given in terms of section 44 are fair and reasonable to the company.

The annual general authority from shareholders in special resolution number 4 will allow the company to give financial assistance as envisaged in section 44 of the Companies Act, which includes, without limitation, the making of loans, the giving of guarantees, the provision of security, the giving of warranties, the giving of indemnities, or otherwise for the purpose of or in connection with the subscription of any option, or any securities issued or to be issued by the company or a related or interrelated company (as defined in section 2 of the Companies Act) or for the purchase of any securities of the company or a related or interrelated company in accordance with the provisions of section 44 of the Companies Act.

An annual general authorisation from shareholders avoids the need to refer each instance to the shareholders for approval with the resulting time delays and expense. If approved, this annual general authority will expire at the end of 2 (two) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future annual general meetings.

21. Special resolution number 5

ANNUAL GENERAL AUTHORITY TO REPURCHASE SECURITIES

Sections 5.72, 5.68, 5.79 and 11.26 of the JSE Listings Requirements

Resolved that:

The company and/or a present or future subsidiary company are hereby authorised as an annual general authority, and as permitted in terms of clause 35 of the company's memorandum of incorporation, to repurchase securities issued by the company on such terms and conditions as may be determined by the directors from time to time, subject to the restrictions placed by the Companies Act and the following provisions of the JSE Listings Requirements:

- 21.1 That the repurchase of securities be effected on the open market through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- 21.2 That this annual general authority be valid only until the next annual general meeting or for fifteen months from the date of the passing of this resolution, whichever is the earlier date;
- 21.3 That an announcement be made giving such details as may be required in terms of the JSE Listings Requirements when the company has cumulatively repurchased 3% of the initial number (the number of that class of securities in issue at the time that the annual general authority is granted by the passing of this special resolution) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter;
- 21.4 At any point in time the company may only appoint one agent to effect any repurchase on the company's behalf;
- 21.5 Repurchases may not be made by the company and/or its subsidiaries during a prohibited period as defined by the JSE Listings Requirements unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decision in relation to the company's securities independently of, and uninfluenced by, the company prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- 21.6 The annual general repurchase of securities shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued capital of that class at the beginning of the financial year – any such general repurchase will be subject to the applicable provisions of the Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
- 21.7 In terms of the Companies Act, a maximum of 10% in aggregate of the company's issued capital may be repurchased by the subsidiaries of the company;
- 21.8 Repurchase of securities may not be made at a price greater than 10% above the weighted average of the market value of the securities as determined over the five business days immediately preceding the date on which the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five business day period;
- 21.9 If the company enters into derivative transactions that may or will result in the repurchase of securities in terms of this annual general authority, such transactions will be subject to the provisions of the JSE Listings Requirements;
- 21.10 The directors undertake that the company will not commence an annual general repurchase of shares as contemplated above unless, for a period of 12 months following the date of the repurchase, the following criteria can be met:
 - 21.10.1 The company and the group will be able to repay its debts in the ordinary course of business;
 - 21.10.2 The company and the group's assets will be in excess of the liabilities of the company and the group. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
 - 21.10.3 The share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
 - 21.10.4 The working capital of the company and the group will be adequate for ordinary business purposes.
- 21.11 The board must pass a resolution that they authorised the repurchase and that the company and the group have passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that since the test was done there have been no material changes to the financial position of the group; and
- 21.12 Any annual general repurchase is subject to exchange control regulations and approvals in place at that point in time.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 5 – ANNUAL GENERAL AUTHORITY TO REPURCHASE SECURITIES:

The reason for special resolution number 5 is to grant the board the annual general authority and requisite approval to enable and facilitate the acquisition by the company and/or a present or future subsidiary of the company of the company's own securities, subject to the provisions of the memorandum of incorporation of the company, the Companies Act and the JSE Listings Requirements.

The effect of special resolution number 5 is that the company and/or a present or future subsidiary company is authorised to repurchase its own securities at any time while the annual general authority exists, in compliance with the provisions of the JSE Listings Requirements, the Companies Act and the memorandum of incorporation of the company. Please see additional information to consider in respect of this special resolution in the section of this notice marked "Additional information" on page 15 of this notice of annual general meeting.

This annual general authority to acquire the company's securities replaces the annual general authority granted by the shareholders at the previous annual general meeting of the company held on 11 March 2020.

It is recorded that, at present, the board has no specific intention with regard to the utilisation of the annual general authority which is the subject of special resolution number 5.

22. Special resolution number 6

ANNUAL GENERAL AUTHORITY TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED SECURITIES FOR CASH

Section 5.52 of the JSE Listings Requirements as read with clause 19.9 of the memorandum of incorporation

Resolved that:

The directors are hereby authorised, as an annual general authority, to allot and issue the authorised but unissued securities for cash, upon such terms and conditions and to such persons as they in their discretion may determine, subject to the provisions of the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements, provided that:

- a. The securities be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- b. Securities may only be issued to public shareholders as defined in the JSE Listings Requirements, and not to related parties;
- c. The securities which are the subject of annual general issues for cash:
 - i. In the aggregate may not exceed 5% (being 33 093 389 ordinary shares) of the company's equity securities in issue of that class as at the date of the passing of the notice of the annual general meeting, provided that such authorisation be valid only until the next annual general meeting or fifteen months from the date of passing the resolution, whichever is the earlier date; and
 - ii. In the event of a subdivision or consolidation of the issued equity securities during the period contemplated in the first bullet point above, the existing authority must be adjusted accordingly to represent the same allocation ratio.
- d. Any equity securities issued under this authority during the period must be deducted from the number above;
- e. The calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the annual general meeting, and excludes treasury shares;
- f. The maximum discount at which such securities may be issued or sold, as the case may be, is 10% of the weighted average traded price of such securities on the JSE over the 30 business days preceding the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the company's securities have not traded in such 30 business day period;
- g. Any such annual general issues are subject to exchange control regulations and approval at that point in time;
- h. An announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per security (and if applicable, diluted earnings and diluted headline earnings per security) will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% of the number of securities in issue prior to the issue, in accordance with section 11.22 of the JSE Listings Requirements; and
- i. This authority includes any options/convertible securities that are convertible into an existing class of equity securities.

EXPLANATION AND EFFECT OF SPECIAL RESOLUTION NUMBER 6 – ANNUAL GENERAL AUTHORITY TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED SECURITIES:

The reason for special resolution number 6 is to authorise and approve the company's allotment and issue of authorised but unissued securities by the board upon such terms and conditions and to such persons as they in their discretion may determine subject to limitations and other provisions contained herein, in the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements.

In terms of the JSE Listings Requirements, in order to be adopted, this resolution is ordinarily passed as an ordinary resolution adopted by achieving a 75% majority of the votes cast. In terms of clause 19.9 of the company's memorandum of incorporation, for so long as the company is listed on the JSE, if any of the JSE Listings Requirements require an ordinary resolution to be passed with a 75% majority, the resolution shall instead be required to be passed by a special resolution. Accordingly, this annual general authority to issue securities for cash is being obtained as a special resolution.

C. REPORT RELATING TO THE SOCIAL AND ETHICS COMMITTEE TO THE ANNUAL GENERAL MEETING

This report is contained on page 10 of the audited consolidated annual financial statements, available at www.transactioncapital.co.za. The chairperson of the committee will be available at the annual general meeting to answer any questions thereon.

D. TRADING UPDATE

A verbal trading update, to be presented by the chief executive officer of the company at the annual general meeting, will simultaneously be released on the Stock Exchange News Service of the JSE.

E. OTHER BUSINESS

To transact any other business that may be transacted at an annual general meeting.

Additional information

For the purpose of considering special resolution number 5, and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the integrated annual report and annual financial statements, both available at www.transactioncapital.co.za, at the places indicated:

- ▷ Major shareholders – refer to page 128 of the integrated annual report; and
- ▷ Share capital of the company – refer to page 61 of the annual financial statements.

The directors, whose names are set out on page 36 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the above information as contemplated in paragraph 11.26 of the JSE Listings Requirements, for the purpose of special resolution number 5, and certify that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard to ascertain such facts, and that all information required by law and the JSE Listings Requirements is contained herein.

After the last practicable date prior to publishing this notice, being Tuesday, 19 January 2021, there have been no material changes in the financial or trading position of the group that have occurred since 30 September 2020 other than as disclosed in the integrated annual report.

Record dates

The record date on which shareholders must be recorded as such in the register of shareholders of the company for the purposes of receiving notice of this annual general meeting is 8 January 2021.

The record date on which shareholders must be recorded as such in the register of shareholders of the company for the purposes of being entitled to attend, participate and vote at the annual general meeting is Tuesday, 23 February 2021.

The last day to trade in the company's shares for the purpose of being entitled to attend, participate and vote at the annual general meeting is Friday, 26 February 2021.

SHARON NAYGER

Company secretary
Transaction Capital Limited
19 January 2021

ANNEXURE A: CURRICULA VITAE OF DIRECTORS

Brief curricula vitae of directors standing for re-election

CHRISTOPHER SEABROOKE (67)

Independent non-executive director; chairman of the board

BCom, BAcc (University of KwaZulu-Natal), MBA (Wits Business School), FCMA (UK)

Appointed: June 2009

Chris is a financier and investor with extensive experience in financial services, including creditor-orientated and speciality finance assets, which enhances the board's ability to provide strategic counsel. He is currently CEO of Sabvest Limited and chairman of Metrofile Holdings Limited, and has served on the boards of over 25 listed companies over the years, including Brait S.E., Datatec Limited, Massmart Holdings Limited and Net1 U.E.P.S. Technologies Inc. He is also a director of other unlisted companies locally and internationally. Chris is a former chairman of the South African State Theatre and former deputy chairman of the inaugural National Arts Council and the founding board of Business and Arts South Africa.

BUHLE HANISE (38)

Independent non-executive director

BCom (University of Transkei), BCom (Hons) (University of KwaZulu-Natal), CA(SA)

Appointed: January 2019

After completing her articles with KPMG, Buhle held credit management positions at The Standard Bank of South Africa Limited, Nedbank Limited and most recently as a senior business rescue specialist at the Industrial Development Corporation (IDC). In January 2020, Buhle was appointed as chief financial officer of BAIC South Africa, a subsidiary of the IDC. She is a non-executive director of OUTsurance Holdings Limited and the South African Forestry Company Limited, and is a director of Biodx Biological Chemical Technologies Proprietary Limited, an IDC-related entity. She is also deputy president of African Women Chartered Accountants. In addition to her primary qualifications, Buhle holds advanced certificates in Business Rescue Practice from the Law Society of South Africa, Insolvency Law and Practice from the University of Johannesburg, Emerging Markets and Country Risk Analysis from Fordham University, and completed the Development Finance Programme at the University of Stellenbosch Business School.

DIANE RADLEY (54)

Independent non-executive director

BCom (Rhodes University), BCom (Hons) (University of South Africa), CA(SA), MBA (Wits Business School), AMP (Harvard Business School)

Appointed: July 2018

Diane was admitted as a partner at PwC in 1999, where she led the Transaction Services Group that advised on local and international listings and corporate transactions. In 2001, she joined Allied Electronics Corporation Limited as their CFO and was also appointed as a non-executive director at Allied Technologies Limited, Bytes Technology Group Limited, Omnia Holdings Limited and Women Investment Portfolio Holdings Limited. In 2008, Diane served as Old Mutual South Africa's group finance director and in 2010 she was appointed as Old Mutual Investment Group's CEO until the end of 2016. Diane is currently a non-executive director of JSE-listed Murray & Roberts Holdings Limited, Redefine Properties Limited and Australian Securities Exchange-listed Base Resources Limited, and serves as a trustee on the DG Murray Trust, a public innovator committed to developing South Africa's potential through strategic investment.

MICHAEL MENDELOWITZ (55)

Executive director

BCom (Hons), Graduate Diploma in Accounting (University of Cape Town), CA(SA)

Appointed: March 2003

After completing his articles at Deloitte & Touche, Michael co-founded Stratvest in 1995, together with Jonathan Jawno. In 1997, African Bank acquired 50% of Stratvest, leading to the formation of Nisela Growth Investments. Michael assumed an executive role at African Bank Limited and held the position of joint CEO of Nisela Growth Investments until 2002. Michael went on to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital. Michael was appointed as an executive director in December 2011.

SHARON WAPNICK (57)

Independent non-executive director

BA, LLB (University of the Witwatersrand)

Appointed: March 2020

Sharon is a practising attorney and one of the founding partners and a senior partner of the law firm Tugendhaft Wapnick Banchetti & Partners, which was formed in October 2004. She was admitted as an attorney in 1988. Sharon specialises in commercial litigation and has experience in constitutional law. She also has extensive experience in regulatory and property-related matters and in high profile commercial and civil litigation, as well as arbitrations. Sharon currently serves as the non-executive chair of Octodec Investments Limited, a real estate investment trust company listed on the JSE Limited, and is a non-executive director of City Property Administration Proprietary Limited. She was also a founding director of Dial Direct Insurance Company Limited.

IAN KIRK (62)

Independent non-executive director

Qualifications: CA(SA), HDip BDP (University of the Witwatersrand), FCA (Ireland)

Appointed: November 2020

Ian was admitted as a partner at PwC in 1986, and has since held various leadership positions at executive and non-executive level, including at industry associations such as the South African Insurance Association and the Association of Savings and Investment South Africa, where he is the deputy chairman. Ian served as CEO of Sanlam from 2015 to December 2020 and was a director on various subsidiary boards of the Sanlam Group, including Santam, Shriram Capital, Afrocentric and Sanlam Life. Prior to this, he served as CEO at Santam and Capital Alliance Holdings, and as deputy CEO of Liberty Group. Ian was appointed to the Presidential State-owned Enterprise Council in June 2020, which is mandated to reposition South Africa's state-owned enterprises.

SURESH KANA (65)

Lead independent non-executive director of the board

Qualifications: BCom, BCompt (Hons), MCom, PhD (Honorary) (University of the Witwatersrand), CA(SA)

Appointed: November 2020

Suresh was admitted as a partner at PwC in 1986, and subsequently appointed as CEO and senior partner of PwC Africa. He served on PwC's Global Strategy Council and Cluster Leadership Team. Suresh currently chairs the King Committee on Corporate Governance and serves as deputy chair of the Integrated Reporting Committee of South Africa. Suresh has previously served as board chair of the South African Institute of Chartered Accountants and deputy chair of the Independent Regulatory Board for Auditors. He currently chairs the Murray & Roberts Holdings Limited board and is lead independent non-executive director of the JSE Limited. Suresh also chairs the audit committee of the United Nations Food Programme. Past non-executive directorships include Illovo Sugar Limited, Quilter Plc and board chair of Imperial Holdings Limited.

ANNEXURE B

Explanatory table of proposed amendments to the memorandum of incorporation ("MOI") of Transaction Capital Limited ("TC")¹ 2020

CLAUSE REFERENCE IN THE MOI ²	SUBJECT	EXPLANATION OF PROPOSED AMENDMENT
Amendments to definitions in 1.2.1, 1.2.11 – 1.2.14, deletion of 1.2.4 and 1.2.13, insertion of new definitions 1.2.5, 1.2.6, 1.2.7, 1.2.15 and new clauses 1.6, 1.11, 1.13 – 1.15 and deletion of 1.10	Interpretation	In general, the proposed amendments to the interpretation clause are intended to: <ul style="list-style-type: none"> ▷ Tidy up definitions that are no longer required or as consequential changes given the proposed amendments elsewhere in the MOI; ▷ Update certain definitions to reflect changes in legislation, for example reference to the Securities Services Act in the MOI have been replaced with references to the Financial Markets Act; ▷ Clarify certain terms; ▷ Set out the way in which conflicts between provisions of the MOI and the Companies Act should be dealt with; and ▷ Set out the way in which provisions included in the MOI for purpose of ensuring compliance with the JSE Listings Requirements ("LRs") that are subsequently removed or amended should be dealt with.
1.2.9	Interpretation	Definition of the LRs expanded to include any exemption or dispensation granted by the JSE and/or any exemption granted by the Financial Sector Conduct Authority in accordance with the Financial Markets Act from time to time. This has been included in light of recent proposed amendments to include a capital raise as one of the items which shareholders can approve by written resolution instead of having to convene a meeting. Please see the explanation relating to clause 19.2 below.
5.1 and 5.2	Amendments to the MOI	Proposed amendments are intended to align the wording of the clauses with the wording contained in section 10.5(d) of Schedule 10 of the LRs (" Schedule 10 ") namely, any amendment to the MOI must be approved by special resolution (unless such amendment is ordered by court).
New clause 5.3	Amendments to the MOI	Proposed amendment is intended to introduce the wording contained in section 10.5(e) of Schedule 10 namely, any amendment to the MOI relating to the variation of any preferences, rights, limitations and other terms attaching to any class of shares already in issue, must not be implemented without the support of a special resolution of shareholders who hold shares in that class.
6	The making of rules	Proposed amendment is intended to align the wording of the clause with the wording contained in section 10.4 of Schedule 10 namely, the board shall not have the power to make rules.
7.3	Ranking of securities	Proposed amendment is intended to align the wording of the clause with the wording contained in section 10.5(a) of Schedule 10.
8.1, deletion of 8.2, new clause 8.3 and 8.6	Authority to issue securities	Proposed amendments are intended to simplify and clarify wording relating to the authority to issue securities as the original wording contained in the MOI may be interpreted to be contradictory, and to introduce wording to comply with the LRs.
9.1, 9.2 and 9.3	Pre-emption on issue of unissued equity securities	Proposed amendments are intended to simplify and clarify the wording relating to pre-emption on the issue of unissued securities and to introduce wording to ensure alignment with the wording set out in section 10.1 of Schedule 10.

¹ The table set out herein is not intended to provide an explanation of every proposed amendment to the MOI but instead is intended to provide a high-level explanation of certain proposed amendments to the MOI. This table should be read in conjunction with the MOI, the Companies Act, 2008 and the JSE Listings Requirements.

² Save where otherwise indicated, these clause references are references to the clauses in the existing MOI.

CLAUSE REFERENCE IN THE MOI ²	SUBJECT	EXPLANATION OF PROPOSED AMENDMENT
New clause 10	Fractions of shares	Proposed insertion of a clause relating to the treatment of fractional entitlements in order to ensure that fractional entitlements are dealt with in accordance with JSE Listings Requirements. Paragraph 11.1(o) of the corporate action timetable which is classified as part of Schedule 2 of the JSE Listings Requirements provides that in respect of fractional entitlements that arise, allocations of securities will be rounded down to the nearest whole number and shareholders must receive a cash payment for the fractions of securities to which they would otherwise have become entitled. The proposed amendment is drafted widely (instead of referring specifically to the rounding down convention as per the corporate action timetable) so as to allow for flexibility in the event that any amendments to the treatment of fractional entitlements are made.
10.2	Securities register	Proposed amendment is intended to simplify this clause as it would have been more relevant when the Companies Act was relatively new and prior to the conversion of TC's share register to a securities register.
15.8	Transmission of securities by operation of law	Proposed amendment is intended to ensure compliance with section 10.13 of Schedule 10, namely that an MOI cannot have a provision to the effect that securities registered in the name of a deceased or insolvent holder shall be forfeited if the executor fails to register them in his or her own name or in the name of the heir(s) or legatees, when called upon by the directors to do so.
19.2	Shareholders' meetings and resolutions	Proposed amendment is intended to update the MOI so as to comply with sections 10.11(c) and 10.11(h) of Schedule 10 which allow for a written shareholder resolution authorising certain matters to be passed instead of having to convene a meeting. This list of matters which may be approved by written resolution of shareholders was expanded pursuant to an exemption granted in terms of FM Notice 3 of 2020 published by the Financial Sector Conduct Authority to include a capital raise. This exemption applies until 31 December 2020.
19.3	Shareholders' meetings and resolutions	Proposed amendment is intended to align the clause with the wording set out in sections 10.3 and 10.11(d) of Schedule 10.
19.8, 19.9 and 19.10	Shareholders' resolutions	Proposed amendments are intended to align the clauses with the wording set out in sections 10.11(a) and 10.11(b) of Schedule 10.
19.14	Notice of shareholder meetings	Proposed amendment is intended to comply with section 10.11(f) of Schedule 10 by making provision for delivering notices of meetings to the JSE at the same time as notices are sent to shareholders and notice being announced through SENS.
19.21 and 19.22	Quorum for shareholder meetings	Proposed amendments are intended to align the clauses in the MOI dealing with quorum at a shareholder meeting with the wording set out in section 10.11(g) of Schedule 10.
21.2	Retirement of directors	Proposed amendment is intended to align the clause dealing with the section 10.16(g) of Schedule 10 which relates to the requirement for non-executive directors to retire at each AGM and to delete the wording relating to retiring directors' eligibility for election, which is no longer required as section 10.16(h) has been deleted from Schedule 10.
21.3	Term of directors' service	Proposed amendment is intended to align the clause with the wording set out in section 10.16(b) of Schedule 10 and to include the wording relating to the prohibition of life directorships as provided in section 10.16(k) of Schedule 10.
New clause 22.6 and deletion of clause 21.12	Nomination of directors	Proposed amendments are intended to include the wording relating to the nominations of directors and consent of a director as provided in section 10.16(b) in Schedule 10.
22.5 and 22.8 and new clause 23.10	Cessation of office as directors or alternate directors	Proposed amendments are required as the minimum number of directors is four as required in terms of section 10.16(a) of Schedule 10.

¹ The table set out herein is not intended to provide an explanation of every proposed amendment to the MOI but instead is intended to provide a high-level explanation of certain proposed amendments to the MOI and this table should be read in conjunction with the MOI, the Companies Act, 2008 and the JSE Listings Requirements.

² Save where otherwise indicated, these clause references are references to the clauses in the existing MOI.

CLAUSE REFERENCE IN THE MOI ²	SUBJECT	EXPLANATION OF PROPOSED AMENDMENT
27	Personal financial interests of directors	Proposed amendment is intended to tidy up and simplify the clause.
28.13 and new clause 29.13	Board resolutions	Proposed amendments are required to align with the wording of section 10.16(j) Schedule 10 which allows for a decision to be adopted by a majority of directors electronically.
31	Distributions	Proposed deletion is intended to remove wording that was contradictory.
33.1, new clauses 34.2 and 34.5	Notices	Proposed amendments are intended to align the wording of the clause with the Companies Act and to comply with wording of section 10.18 of Schedule 10 allowing a registered address of a shareholder to be in South Africa.
33.7	Notices	Proposed deletion is intended to update the MOI as this is no longer relevant.
35	Repurchase of securities	Proposed amendment is intended to align the wording of the clause with section 10.9(b) of Schedule 10, dealing with the repurchase of securities.
38.1, 38.2 and 38.3	Corporate actions	Proposed amendments are intended to give substance to the clause which was presumably inserted in order to comply with section 10.9 of Schedule 10 which requires that certain corporate actions must be provided for in the MOI.
39	Shareholders' agreement	Proposed amendment inserted to clarify that if there was any shareholders agreement in existence such agreement is terminated.

¹ The table set out herein is not intended to provide an explanation of every proposed amendment to the MOI but instead is intended to provide a high-level explanation of certain proposed amendments to the MOI and this table should be read in conjunction with the MOI, the Companies Act, 2008 and the JSE Listings Requirements.

² Save where otherwise indicated, these clause references are references to the clauses in the existing MOI.



SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

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SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS 2020

Basis for preparation

The consolidated financial statements and summarised consolidated financial statements have been prepared under the supervision of Sean Doherty CA(SA), chief financial officer. These results represent a summary of the complete set of audited consolidated financial statements of Transaction Capital, approved on 24 November 2020. The directors take full responsibility and confirm that this information has been correctly extracted from the consolidated financial statements, which are available online at www.transactioncapital.co.za and at Transaction Capital's registered office.

The summarised consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), the information required by IAS 34 – Interim Financial Reporting and in accordance with the requirements of Companies Act of South Africa, 71 of 2008.

The accounting policies applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements for the year ended 30 September 2020 were derived, are in terms of IFRS and are consistent, in all material respects, with those details in Transaction Capital's prior year consolidated financial statements, except for the adoption of IFRS 16 – Leases.

The group's auditors, Deloitte & Touche, have issued an unmodified audit opinion on the consolidated and summarised financial statements for the year ended 30 September 2020. The audit was conducted in accordance with International Standards on Auditing.

The auditor's report does not report on all the information contained in this notice. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's engagement, they should read the unmodified International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements audit report, included on page 24.

Independent auditor's report on summarised financial statements

TO THE SHAREHOLDERS OF TRANSACTION CAPITAL LIMITED

OPINION

The summarised consolidated financial statements of Transaction Capital Limited, which comprise the summarised consolidated statement of financial position as at 30 September 2020, the summarised consolidated income statement, the summarised consolidated statement of comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2020.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Transaction Capital Limited, the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Transaction Capital Limited and the auditor's report thereon. The summarised financial statements and the audited consolidated financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 24 November 2020. That report also included the communication of key audit matters as reported in the auditor's report of the audited consolidated financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the Basis for Preparation to the summarised consolidated financial statements and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summarised Financial Statements.



Deloitte & Touche
Registered Auditor
Per: Stephen Munro
Partner

19 January 2021

5 Magwa Crescent, Waterfall City, Waterfall

Summarised consolidated statement of financial position

AT 30 SEPTEMBER

	Notes	2020 Audited Rm	2019 Audited Rm
Assets			
Cash and cash equivalents		1 794	919
Tax receivables		32	26
Trade and other receivables		1 522	1 287
Inventories		1 032	832
Loans and advances		11 545	10 991
Purchased book debts		2 520	2 382
Other loans receivable		55	45
Equity accounted investments	1	2 153	92
Intangible assets		505	294
Property and equipment		439	172
Goodwill		1 354	1 152
Deferred tax assets		344	271
Assets classified as held for sale	2	262	–
Total assets		23 557	18 463
Liabilities			
Bank overdrafts		387	381
Other short-term borrowings		102	76
Tax payables		46	16
Trade and other payables		686	709
Provisions		66	53
Insurance contract liabilities		374	537
Benefits ceded on insurance contracts relating to inventories		45	54
Benefits ceded on insurance contracts relating to loans and advances		124	174
Benefits accruing to insurance contract holders		205	309
Interest-bearing liabilities		14 639	10 804
Senior debt		13 894	10 287
Subordinated debt		745	517
Lease liabilities		417	2
Deferred tax liabilities		455	413
Liabilities directly associated with assets held for sale	2	12	–
Total liabilities		17 184	12 991
Equity			
Ordinary share capital	3	2 015	1 103
Other reserves		322	179
Retained earnings		3 481	3 614
Equity attributable to ordinary equity holders of the parent		5 818	4 896
Non-controlling interests		555	576
Total equity		6 373	5 472
Total equity and liabilities		23 557	18 463

Summarised consolidated income statement

FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	2020 Audited Rm	2019 Audited Restated* Rm
Interest income		2 555	2 353
Interest expense		(1 291)	(1 158)
Net interest income		1 264	1 195
Impairment of loans and advances		(836)	(322)
Risk-adjusted net interest income		428	873
Non-interest revenue	4	2 987	2 602
Net insurance result		440	364
Insurance revenue		907	823
Insurance service expense		(468)	(455)
Insurance finance income/(expense)		1	(4)
Other non-interest revenue		2 547	2 238
Operating costs		(3 083)	(2 425)
Non-operating profit		5	7
Equity accounted income		32	4
Profit before tax		369	1 061
Income tax expense		(79)	(288)
Profit for the year from continuing operations		290	773
Discontinued operations			
(Loss)/profit for the year from discontinued operations	2	(87)	14
Profit for the year		203	787
Profit for the year from continuing operations attributable to:			
Ordinary equity holders of the parent		245	713
Non-controlling interests		45	60
(Loss)/profit for the year from discontinued operations attributable to:			
Ordinary equity holders of the parent		(87)	14
Non-controlling interests		-	-
Earnings per share (cents)			
From continuing operations			
Basic earnings per share	5	39.3	116.5
Diluted basic earnings per share	5	39.2	115.1
From continuing and discontinued operations			
Basic earnings per share	5	25.3	118.8
Diluted basic earnings per share	5	25.3	117.4

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

Summarised consolidated statement of comprehensive income

FOR THE YEAR ENDED 30 SEPTEMBER

	2020 Audited Rm	2019 Audited Restated* Rm
Profit for the year	203	787
Other comprehensive income		
Movement in cash flow hedging reserve	(22)	1
Fair value (loss)/gain arising during the year	(31)	1
Deferred tax	9	–
Exchange gain on translation of foreign operations	145	5
Total comprehensive income for the year	326	793
Total comprehensive income attributable to:		
Ordinary equity holders of the parent	281	733
Non-controlling interests	45	60

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

Summarised consolidated statement of changes in equity

FOR THE YEAR ENDED 30 SEPTEMBER

	Number of ordinary shares Audited million	Ordinary share capital Audited Rm	Reserves Audited Rm	Retained earnings Audited Rm	Equity attributable to ordinary equity holders of the parent Audited Rm	Non-controlling interests Audited Rm	Total equity Audited Rm
Balance at 30 September 2018	610.2	1 056	52	2 647	3 755	59	3 814
Total comprehensive income	-	-	6	727	733	60	793
Profit for the year	-	-	-	727	727	60	787
Other comprehensive income	-	-	6	-	6	-	6
Disposal of subsidiary	-	-	-	-	-	(3)	(3)
Transactions with non-controlling interests	-	-	100	610	710	497	1 207
Grant of share appreciation rights and conditional share plans	-	-	45	-	45	-	45
Settlement of share appreciation rights and conditional share plans	-	-	(24)	(27)	(51)	-	(51)
Dividends paid	-	-	-	(343)	(343)	(37)	(380)
Issue of shares	3.1	58	-	-	58	-	58
Repurchase of shares	(0.6)	(11)	-	-	(11)	-	(11)
Balance at 30 September 2019	612.7	1 103	179	3 614	4 896	576	5 472
Adjustment on initial adoption of IFRS 16*	-	-	-	(51)	(51)	-	(51)
Restated balance at 1 October 2019	612.7	1 103	179	3 563	4 845	576	5 421
Total comprehensive income	-	-	123	158	281	45	326
Profit for the year	-	-	-	158	158	45	203
Other comprehensive income	-	-	123	-	123	-	123
Grant of share appreciation rights and conditional share plans	-	-	61	-	61	-	61
Settlement of share appreciation rights and conditional share plans	-	-	(41)	(31)	(72)	-	(72)
Dividends paid	-	-	-	(209)	(209)	(66)	(275)
Issue of shares	50.8	954	-	-	954	-	954
Repurchase of shares	(2.0)	(42)	-	-	(42)	-	(42)
Balance at 30 September 2020	661.5	2 015	322	3 481	5 818	555	6 373

* The group adopted IFRS 16 – Leases during the year.

Summarised consolidated statement of cash flows

FOR THE YEAR ENDED 30 SEPTEMBER

	Notes	2020 Audited Rm	2019 Restated* Audited Rm
Cash flow from operating activities			
Cash generated by operations		610	452
Interest received		2 039	2 153
Interest paid		(1 194)	(1 190)
Income taxes paid		(115)	(108)
Dividends paid		(275)	(380)
Cash flow from operating activities before changes in operating assets and working capital		1 065	927
Increase in operating assets		(1 838)	(2 592)
Loans and advances		(1 118)	(1 425)
Purchased book debts		(720)	(1 167)
Changes in working capital		(462)	(553)
Increase in inventories		(200)	(354)
Increase in trade and other receivables		(76)	(167)
Increase in other loans receivable		(25)	(6)
Decrease in trade and other payables		(161)	(26)
Net cash utilised by operating activities		(1 235)	(2 218)
Cash flow from investing activities			
Acquisition of property and equipment		(57)	(48)
Proceeds on disposal of property and equipment		4	3
Acquisition of intangible assets		(214)	(57)
Investment into equity accounted investment	1	(1 604)	(87)
Acquisition of subsidiary	7	(175)	(7)
Proceeds on disposal of subsidiary	8	30	8
Net cash utilised by investing activities		(2 016)	(188)
Cash flow from financing activities			
Proceeds from interest-bearing liabilities		10 797	9 088
Settlement of interest-bearing liabilities		(7 163)	(8 101)
Proceeds in other short-term borrowings		26	76
Repayment of lease liabilities		(52)	-
Additional interest acquired in subsidiary		-	(28)
Net proceeds on issue of shares by subsidiary to non-controlling interests		-	1 135
Repurchase of shares		(42)	(11)
Issue of shares		550	-
Net cash generated by financing activities		4 116	2 159
Net decrease in cash and cash equivalents		865	(247)
Cash and cash equivalents at the beginning of the year		538	784
Effects of exchange rate changes on the balance of cash held in foreign currencies		19	1
Cash and cash equivalents at the end of year**		1 422	538

* Restated to present interest received and interest paid separately on the face of the statement of cash flow in line with IAS 7 – Statement of Cash Flows paragraph 31.

** Cash and cash equivalents are presented net of bank overdrafts and includes R15 million of cash transferred as part of assets held for sale. Refer to note 2.

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

1 EQUITY ACCOUNTED INVESTMENTS

1.1 DETAILS OF THE GROUP'S SIGNIFICANT INVESTMENTS AT SEPTEMBER 2020 ARE AS FOLLOWS:

	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest held by the group %
We Buy Cars Pty Ltd (WeBuyCars) (refer to note 1.2)*	Buying and selling of second-hand motor vehicles	South Africa	49.9%
TC Global Finance Limited (TC Global Finance)**	Distressed debt and Specialised Credit	Europe	50%
Lanyana Financial Group Pty Ltd (Lanyana)	Debt advisory	Australia	25%

* The investment is accounted for as an associate as the group does not have substantive rights sufficient to give it the ability to control the investment. Refer to note 1.2.4.

** The investment is accounted for as an associate as the group does not have the unilateral ability to control, direct or govern how the independent directors may vote on decisions that impact the variable returns of the investment, therefore significant influence exists as opposed to unanimous consent.

- 1.2 On 11 September 2020, Transaction Capital Motor HoldCo (Pty) Ltd (TCMH) acquired a 49.9% non-controlling interest in the ordinary share capital of WeBuyCars for a purchase consideration of R1.86 billion. The purchase consideration comprised various components, summarised as follows:

	2020 Rm
Consideration paid in cash	1 122
Ordinary shares in Transaction Capital Limited (refer to note 1.2.1)	329
Vendor finance (refer to note 1.2.2)	350
Deferred consideration (refer to note 1.2.3)	37
Derivative liability (refer to note 1.2.4)	22
Total	1 860

- 1.2.1 16 467 000 ordinary shares in Transaction Capital Limited valued at R20.00 per share.
- 1.2.2 1 000 preference shares issued by TCMH to WeBuyCars. The preference shares bear interest which is payable semi-annually (on 31 May and 30 November). The preference shares have a mandatory redemption date of 12 September 2030, although TCMH may voluntarily redeem the preference shares before this time. WeBuyCars may, however, put the preference shares to Transaction Capital Limited from 11 September 2022.
- 1.2.3 This represents the present value of the deferred consideration of R40 million to be paid by TCMH to WeBuyCars on 11 September 2021. R20 million of the deferred consideration will be settled in cash, with the balance of R20 million to be settled in ordinary shares in Transaction Capital Limited.
- 1.2.4 TCMH has provided an equity underpin to WeBuyCars whereby, with respect to the 16 467 000 ordinary shares in Transaction Capital Limited (point 1.2.1 above), should the share price of Transaction Capital Limited decrease below R18.00, TCMH will be obliged to pay WeBuyCars an amount equal to the difference between the TC share price and R18.00. The equity underpin expires on the earlier of 11 September 2022 or Transaction Capital Limited procuring an offer for the 16 467 000 ordinary shares that exceeds a price of R20.00 per share.

In addition to the above, there is a put option agreement between TCMH and WBC Holdings (Pty) Ltd (WBC Holdings), in terms of which TCMH will, upon exercise of the put option by WBC Holdings (Pty) Ltd, be obliged to subscribe for, subject to the fulfilment of certain conditions including obtaining necessary regulatory approvals, 10% of the shares in WBC Holdings. The put option must be exercised within five business days of 11 September 2021. Upon the put option being exercised and implemented (after obtaining regulatory approvals), TCMH's shares in WeBuyCars will be exchanged for shares in WBC Holdings, resulting in TCMH owning 59.9% of the shares in WBC Holdings (equating to an effective 59.9% investment in WeBuyCars).

There is also a call option agreement between TCMH and WBC Holdings, in terms of which TCMH will be entitled, subject to the fulfilment of certain conditions including the necessary regulatory approvals, to subscribe for a further 15% of the ordinary shares of WBC Holdings on 31 October 2023 if the put option (previous point) is exercised and implemented. If the put option (previous point) is not exercised or implemented by WBC Holdings, then TCMH will be entitled to subscribe for 25% of the shares in WBC Holdings.

1 EQUITY ACCOUNTED INVESTMENTS continued

1.2.4 The financial year end of WeBuyCars is 31 March. A change of reporting date will be made in the 2021 financial year to align with the group reporting date of 30 September.

Dividends received from associates below represent the actual amounts attributable and hence received by the group. The other summary information that precedes the reconciliation to the group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the share of these amounts. Furthermore the periods reflected are the 12 months ended 30 September.

Summarised financial information in respect of each of the group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Standards.

	WeBuyCars
	2020
	Rm
Current assets	611
Non-current assets	836
Current liabilities	(367)
Non-current liabilities	(459)
Equity attributable to owners of the company	621
Non-controlling interest	-
Non-interest revenue	923
Profit for the year	306
Other comprehensive income attributable to the owners of the company	-
Total comprehensive income	306
Dividends received from the associate during the year	-

1.3 CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS

	WeBuyCars*		TC Global Finance		Lanyana		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Net assets of investment	621	-	368	44	26	16	1 015	60
Proportion of the group's ownership interest in the investment (refer to note 1.3.1)	310	-	184	22	7	4	501	26
Goodwill	1 565	-	-	-	76	66	1 641	66
Shareholder loan	-	-	-	-	5	-	5	-
Other adjustments**	-	-	-	-	6	-	6	-
Carrying amount of the group's interest in investment	1 875	-	184	22	94	70	2 153	92

* The allocation of the purchase consideration has been determined on a preliminary basis.

** Other adjustments include intangible assets and payables raised in terms of IAS 28 – Investment in Associates and Joint Ventures.

Selected notes to the audited summarised consolidated financial statements FOR THE YEAR ENDED 30 SEPTEMBER

1 EQUITY ACCOUNTED INVESTMENTS continued

1.3 CARRYING AMOUNT OF EQUITY ACCOUNTED INVESTMENTS continued

1.3.1 THE CARRYING AMOUNT OF THE GROUP'S INTEREST IN THE INVESTMENT COMPRISES:

	WeBuyCars		TC Global Finance		Lanyana		Total	
	2020 Rm	2019 Rm	2020 Rm	2019 Rm	2020 Rm	2019 Rm	2020 Rm	2019 Rm
Carrying amount at the beginning of the year	-	-	22	-	70	-	92	-
Investment into equity accounted investment	1 860	-	131	21	4	66	1 995	87
Share of profit after tax	15	-	8	1	9	3	32	4
Dividend received	-	-	-	-	(3)	-	(3)	-
Effect of foreign currency exchange difference	-	-	23	-	14	1	37	1
Balance at the end of the year	1 875	-	184	22	94	70	2 153	92

1.3.2 CASH FLOW FROM INVESTMENT INTO EQUITY ACCOUNTED INVESTMENTS:

The cash flow movement in investment into equity accounted investments is calculated as follows:

	2020 Rm	2019 Rm
Increase in equity accounted investment	(2 061)	(92)
Share of profit after tax	32	4
Ordinary shares in Transaction Capital Limited (refer to note 1.2)	329	-
Deferred consideration (refer to note 1.2)	37	-
Derivative liability (refer to note 1.2)	22	-
Effect of foreign currency exchange difference	37	1
Net cash investment into equity accounted investments	(1 604)	(87)

2 DISCONTINUED OPERATIONS

Cognisant of the higher risk in the small- and medium-sized enterprises (SME) sector, Transaction Capital Business Solutions (TCBS) has proactively curbed gross loans and advances growth to this sector since the second half of 2018. During the financial year, the group took the decision to significantly reduce this exposure. The group is of the view that the capital currently allocated towards TCBS can be applied to achieve better risk-adjusted returns. TCBS is accounted for as a discontinued operation effective 19 March 2020, as its business and assets are available for sale as the group drives various disposal strategies.

The group also entered into a sale agreement to dispose of Principa Decisions (Pty) Ltd (Principa) with an effective date of 17 April 2020. A sale agreement to sell Company Unique Finance (Pty) Ltd (CUF) was signed on 24 March 2020, subject to standard conditions precedents that were met on 1 July 2020. The disposals were effected in order to generate cash flow for the expansion of the group's other businesses.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2020 Audited Rm	2019 Audited Rm
Risk-adjusted net interest income	12	70
Non-interest revenue	43	86
Operating costs	(141)	(137)
Loss on disposal of discontinued operations	(25)	–
(Loss)/profit before tax	(111)	19
Income tax benefit/(expense)	24	(5)
(Loss)/profit for the period from discontinued operations	(87)	14

The gain or loss on the measurement to fair value less costs to sell is immaterial as the majority of the assets are carried at amortised cost as per IFRS 9, which falls outside the scope of the IFRS 5 measurement provisions.

During the year, TCBS, Principa and CUF contributed R301 million (September 2019: paid R3 million) to the group's net operating cash flows, paid R7 million (September 2019: R15 million) in respect of investing activities and paid R2 million (September 2019 received: R10 million) in respect of financing activities. The group disposed of Principa on 17 April 2020 and CUF on 1 July 2020.

A loss of R9 million arose on the disposal of Principa and a loss of R16 million arose on the disposal of CUF, being the difference between the proceeds of disposal and the carrying amount of the subsidiaries' net assets.

The major classes of assets and liabilities comprising the discontinued operations classified as held for sale are as follows:

	2020 Audited Rm
Cash and cash equivalents	15
Trade and other receivables	1
Loans and advances	218
Intangible assets	1
Property and equipment	2
Deferred tax assets	25
Total assets classified as held for sale	262
Trade and other payables	5
Provisions	1
Lease liabilities	6
Total liabilities associated with assets classified as held for sale	12
Net assets of disposal group	250

Selected notes to the audited summarised consolidated financial statements FOR THE YEAR ENDED 30 SEPTEMBER

	2020 Audited Rm	2019 Audited Rm
3 ORDINARY SHARE CAPITAL		
Authorised		
1 000 000 000 ordinary shares		
Issued		
661 496 331 (2019: 612 654 644) ordinary shares		
Ordinary share capital	2 015	1 103
Ordinary share capital	2 015	1 103

	2020		2019	
	Number of shares Audited million	Share capital Audited Rm*	Number of shares Audited million	Share capital Audited Rm*
3.1 RECONCILIATION OF ORDINARY SHARE CAPITAL				
BALANCE AT THE BEGINNING OF THE YEAR	612.7	1 103	610.2	1 056
Shares issued in settlement of the Share Appreciations Rights Plan obligation and Conditional Share Plan (Note 3.1.1)	3.6	75	3.1	58
Shares issued to subsidiaries (Note 3.1.2)	16.5	329	–	–
Equity raised through accelerated bookbuild (Note 3.1.3)	30.7	550	–	–
Shares repurchased in the open market and cancelled (Note 3.1.4)	(2.0)	(42)	(0.6)	(11)
Balance at the end of the year	661.5	2 015	612.7	1 103

* Net of share issue costs.

- 3.1.1** In terms of specific authority received from shareholders on the adoption of the Transaction Capital Share Appreciation Rights Plan and Transaction Capital Conditional Share Plan, a total of 3 596 599 shares were issued to participants/employees as part of respective vestings at an average price of R20.51 per share.
- 3.1.2** On 11 September 2020 Transaction Capital issued 16 467 000 shares to Transaction Capital Motor Holdco Proprietary Limited at a price of R20.00 per share (before share issue costs) in respect of the WeBuyCars acquisition. The 16 467 000 shares were in turn transferred to WeBuyCars as part of the total purchase consideration of R1.86 billion. Refer to note 1 for further details.
- 3.1.3** On 19 June 2020 Transaction Capital raised equity in the form of 30 754 064 shares through the issue of new ordinary shares to qualifying investors through an accelerated bookbuild. The ordinary shares were priced at R18.20 per share (before share issue costs), a 2.2% premium to the pre-launch 30 business day volume weighted average price of R17.80 as at market close on 17 June 2020. The equity raise was completed under the company's general authority to issue shares for cash approved by Transaction Capital shareholders at the annual general meeting of the company held on 11 March 2020.
- 3.1.4** All shares repurchased and cancelled reverted to authorised unissued shares. The average purchase price of the 1 975 976 shares repurchased on the open market was R21.36 per share.

Preference share capital

Authorised

10 000 000 cumulative, non-participating, non-convertible preference shares of no par value

Issued

Nil (2019: nil) preference shares

4 NON-INTEREST REVENUE

Revenue earned from the group's vehicle insurance offering (Net insurance result) mainly includes insurance premiums and commission income earned from insurance contracts, all of which are accounted for in accordance with IFRS 17 – Insurance Contracts, and therefore fall outside the scope of IFRS 15 – Revenue from Contracts with Customers.

The recognition of revenue earned from collecting on purchased credit-impaired loan portfolios as principal (Revenue from purchased book debts) is in accordance with the amortised cost model under IFRS 9 – Financial Instruments, and therefore fall outside the scope of IFRS 15.

Other non-interest revenue streams are disaggregated into the following major revenue streams in accordance with IFRS 15:

	2020 Audited Rm	2019 Audited Restated* Rm
Non-interest revenue comprises:		
Net insurance result	440	364
Revenue from purchased book debts	1 111	902
Other non-interest revenue	1 436	1 336
Fee-for-service revenue	960	912
Commission income	72	75
Fee income	234	214
Revenue from sale of goods	60	74
Other insurance service related income**	7	10
Other income	103	51
Total non-interest revenue	2 987	2 602

* Restated for the recognition of discontinued operations in the current year per IFRS – 5 Non-current Assets Held for Sale and Discontinued Operations. Refer to note 2.

** Other insurance service related income includes roadside assist and roadcover, which is excluded from the net insurance result as they are not considered insurance contracts per IFRS 17.

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

	Units	2020 Audited	2019 Audited Restated*
5 EARNINGS PER SHARE			
5.1 FROM CONTINUING AND DISCONTINUED OPERATIONS			
Basic earnings per share	cents	25.3	118.8
Diluted basic earnings per share	cents	25.3	117.4
Headline earnings per share	cents	33.1	117.5
Diluted headline earnings per share	cents	33.0	116.1
The calculation of earnings per share is based on the following data:			
Earnings			
Earnings for the purposes of basic and diluted basic earnings per share <i>Being profit for the year attributable to ordinary equity holders of the parent</i>	Rm	158	727
Headline earnings adjustments:		48	(8)
Impairment of goodwill	Rm	2	–
Impairment of property and equipment	Rm	4	–
Impairment of intangibles	Rm	1	–
Impairment of right of use of assets	Rm	16	–
Loss/(profit) on disposal of subsidiary	Rm	25	(8)
Earnings for the purposes of headline and diluted headline earnings per share	Rm	206	719
Number of shares			
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share			
Number of ordinary shares in issue at the beginning of the year	million	612.7	610.2
Effect of shares issued during the year	million	12.1	2.0
Effect of shares repurchased during the year	million	(1.4)	(0.4)
Weighted average number of ordinary shares for the purposes of basic and headline earnings per share	million	623.4	611.8
Effect of dilutive potential ordinary shares:			
Shares deemed to be issued for no consideration in respect of Share Appreciation Rights Plan and Conditional Share Plan	million	0.9	7.6
Portion of WeBuyCars deferred consideration to be settled in Transaction Capital Limited ordinary shares	million	1.0	–
Weighted average number of ordinary shares for the purposes of diluted basic and headline earnings per share	million	625.3	619.4

	Units	2020 Audited	2019 Audited Restated*
5 EARNINGS PER SHARE <i>continued</i>			
5.2 FROM CONTINUING OPERATIONS			
Basic earnings per share	cents	39.3	116.5
Diluted basic earnings per share	cents	39.2	115.1
Headline earnings per share	cents	42.0	115.2
Diluted headline earnings per share	cents	41.9	113.8
The calculation earnings per share is based on the following data:			
Earnings			
Profit for the year attributable to ordinary equity holders of the parent	Rm	158	727
Adjustments to exclude the loss/(profit) for the period from discontinued operations	Rm	87	(14)
Earnings from continuing operations for the purposes of basic and diluted basic earnings per share excluding discontinued operations	Rm	245	713
Headline earnings adjustments:			
Impairment of goodwill	Rm	2	–
Impairment of property and equipment	Rm	4	–
Impairment of right of use of assets	Rm	11	–
Loss/(profit) on disposal of subsidiary	Rm	–	(8)
Earnings from continuing operations for the purposes of headline and diluted headline earnings per share excluding discontinued operations	Rm	262	705

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

Selected notes to the audited summarised consolidated financial statements FOR THE YEAR ENDED 30 SEPTEMBER

6 FAIR VALUE DISCLOSURE

The fair values of financial assets and financial liabilities are disclosed below:

	2020				
	Carrying value Audited Rm	Total fair value Audited Rm	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm
Assets					
Loans and advances*	11 445	11 436	–	–	11 436
Purchased book debts	2 520	2 520	–	–	2 520
Other loans receivable	55	55	–	–	55
Trade and other receivables**	1 137	1 137	–	–	1 137
Cash and cash equivalents	1 794	1 794	1 794	–	–
Total	16 951	16 942	1 794	–	15 148
Liabilities					
Interest-bearing liabilities***	14 639	14 858	–	350	14 508
Fixed rate liabilities	441	351	–	–	351
Floating rate liabilities	14 198	14 507	–	350	14 157
Trade and other payables****	553	556	–	56	500
Other short-term borrowings	102	102	–	–	102
Bank overdrafts	387	387	387	–	–
Total	15 681	15 903	387	406	15 110
Net exposure	1 270	1 039	1 407	(406)	38

* IFRS 7 disclosures relate to loans and advances and exclude the impact of repossessed vehicles on hand and ceded insurance contract liabilities. Comparative information has been restated accordingly.

** Dealer incentive commission, prepayments and VAT receivables are not financial assets and therefore have been excluded from trade and other receivables.

*** Lease liabilities are excluded from the scope of IFRS 13 – Fair value measurement.

**** Revenue received in advance, deferred lease liabilities (prior year), VAT payables and bonus accruals are not financial liabilities and therefore have been excluded from trade and other payables.

VALUATION METHODS AND ASSUMPTIONS

Loans and advances for premium vehicles entered into at variable interest rates approximate fair value as the estimated future cash flows are already considered in the expected loss model. The fair value of loans and advances for premium vehicles at fixed interest rates, which is a small component of the loan book, is determined by adjusting the discount rate from the effective interest rate of the contract to a current effective lending rate.

Purchased book debt is held at amortised cost. The balance at year end is calculated based on the expected future cash flows which are adjusted for risk as it takes historical cash flows into account to predict forecasted cash flows. The fair value of purchased book debt is determined by adjusting the discount rate from the credit-adjusted effective interest rate to a current market related discount rate and adjusting the expected cash flows for risk, therefore the carrying value approximates the fair value.

The fair value of interest-bearing liabilities is calculated based on future cash flows, discounted using a forward rate curve plus a valuation margin. The valuation margin is a consensus margin at which deals with similar remaining cash profiles could be secured in the market at the valuation date.

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and bank overdrafts approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

2019

Carrying value Audited Rm	Fair value Audited Rm	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm
10 926	10 917	–	–	10 917
2 382	2 382	–	–	2 382
45	45	–	–	45
1 030	1 030	–	–	1 030
919	919	919	–	–
15 302	15 293	919	–	14 374
10 804	11 195	–	–	11 195
266	279	–	–	279
10 538	10 916	–	–	10 916
473	473	–	–	473
76	76	–	–	76
381	381	381	–	–
11 734	12 125	381	–	11 744
3 568	3 168	538	–	2 630

Selected notes to the audited summarised consolidated financial statements FOR THE YEAR ENDED 30 SEPTEMBER

6 FAIR VALUE DISCLOSURE continued

6.1 LEVEL DISCLOSURE

	2020			
	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	17	17
Other financial assets	–	–	170	170
Derivatives**	–	24	–	24
Financial assets at fair value through other comprehensive income				
Derivatives	–	348	–	348
Total financial assets	–	372	187	559
Financial liabilities at fair value through profit and loss				
Derivatives***	–	16	–	16
Interest bearing liabilities (vendor finance)*	–	350	–	350
Deferred consideration*	–	40	–	40
Financial liabilities at fair value through other comprehensive income				
Derivatives**	–	19	–	19
Total financial liabilities	–	425	–	425
	2019			
	Level 1 Audited Rm	Level 2 Audited Rm	Level 3 Audited Rm	Total Audited Rm
Financial assets at fair value through profit and loss				
Loans and advances: entry-level vehicles	–	–	19	19
Other financial assets	–	–	99	99
Derivatives	–	4	–	4
Financial assets at fair value through other comprehensive income				
Derivatives	–	190	–	190
Total financial assets	–	194	118	312
Financial liabilities at fair value through profit and loss				
Derivatives	–	1	–	1
Total financial liabilities	–	1	–	1

* The deferred consideration and vendor finance relate to the investment into WeBuyCars. Refer to note 1 for further detail.

VALUATION METHODS AND ASSUMPTIONS

Loans and advances for entry-level vehicles: The fair value was calculated using an income approach (estimating and discounting future cashflow) as well as the average collateral value. These represent the significant unobservable parameters applied in the fair value model. The expected cash flows were estimated using a lifetime expected loss model which is consistent with the IFRS 9 provision methodology. The expected cashflows were then discounted at the market related discount rate of 25% to yield a fair value of the total loans and advances for entry-level vehicles. The outbreak of COVID-19 has had no impact on the average collateral values applied.

Other Financial Assets: The valuation of Other Financial Assets is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These represent the significant unobservable parameters applied in the fair value model. The group estimates the expected cash flows by considering all the contractual terms of the financial instrument. The discount rate applied to the expected future cash flows reflects specific risk premiums relating to the asset. This includes government risk, single project customer, no previous experience with client and small stock premium for valuations less than R250 million. The discount rate applied to the additional purchase price is based on the current South African prime interest rate.

** Derivatives: The group enters into derivative financial instruments with different counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

*** The group provided an equity underpin to WeBuyCars which has been valued using the Black-Scholes method. Refer to note 1.

6 FAIR VALUE DISCLOSURE *continued*6.1 LEVEL DISCLOSURE *continued*

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	2020		
	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
Opening balance	118	–	118
Total gains or losses			
In profit or loss	(18)	–	(18)
Other movements*	87	–	87
Closing balance of fair value measurement	187	–	187
	2019		
	Fair value through profit or loss Audited Rm	Fair value through other comprehensive income Audited Rm	Total Audited Rm
Opening balance	72	–	72
Total gains or losses			
In profit or loss	(39)	–	(39)
Other movements*	85	–	85
Closing balance of fair value measurement	118	–	118

* Other movements include charges on accounts less collections received and write-offs on loans for entry-level vehicles, as well as movements in other financial assets.

SENSITIVITY ANALYSIS OF VALUATIONS USING UNOBSERVABLE INPUTS

As part of the group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

MOVEMENT IN FAIR VALUE GIVEN THE 10% CHANGE IN SIGNIFICANT ASSUMPTIONS

	2020		2019	
	10% Favourable Audited Rm	10% Unfavourable Audited Rm	10% Favourable Audited Rm	10% Unfavourable Audited Rm
Loans and advances: entry-level vehicles				
Significant unobservable input and description of assumption				
Average collateral value	1	(1)	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	<1	<(1)	1	(1)
Total	1	(1)	2	(2)

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

6 FAIR VALUE DISCLOSURE continued

6.1 LEVEL DISCLOSURE continued

MOVEMENT IN FAIR VALUE GIVEN THE 10% CHANGE IN SIGNIFICANT ASSUMPTIONS continued

	2020		2019	
	10% Favourable Unaudited Rm	10% Unfavourable Unaudited Rm	10% Favourable Unaudited Rm	10% Unfavourable Unaudited Rm
Other financial assets				
Significant unobservable input and description of assumption				
Cash flows: change in the expected revenue	9	(9)	4	(4)
Cash flows: change in expected costs	1	(1)	<1	(<1)
Discount rate: the rate used to discount projected future cash flows to present value	4	(4)	2	(2)
Total	14	(14)	6	(6)

Amounts less than R500 000 are reflected as "<1".

7 BUSINESS COMBINATIONS

SUBSIDIARY ACQUIRED

Subsidiary	Acquirer	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred Rm
Net1 Fihrst Holdings (Pty) Ltd (Fihrst)	Transaction Capital Payment Solutions (Pty) Ltd (TCPS)	Third Party Payment Provider (TPPP)	01/12/2019	100	175

TCPS acquired 100% of the voting equity in Fihrst during the current year. Fihrst is a South African payments solutions company specialising in third party payments. Fihrst has the potential to unlock value through synergies with TCPS to be realised from cost efficiencies and revenue uplift from interest income, gaining access to a client base of approximately 480 clients which are new to the group. Fihrst is a well recognised brand and can be leveraged to win additional clients as well as penetrate the existing client base with TCPS product offerings.

CONSIDERATION FOR IFRS 3 PURPOSES

	Rm
Cash	187
Total consideration	187

7 BUSINESS COMBINATIONS continued

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

	Rm
Current assets	
Cash and cash equivalents	12
Trade and other receivables	5
Prepayments	1
Non-current assets	
Property, plant and equipment	<1
Intangible assets	<1
Deferred taxation	<1
Current liabilities	
Trade and other payables	(4)
Provisions	(2)
Net assets acquired and liabilities recognised	13

The initial accounting for the acquisition of Fihrst has been provisionally determined at the end of the financial year. For tax purposes, the tax values of certain Fihrst assets are required to be reset based on market values of the assets at the date of the acquisition. At the date of finalisation of these consolidated year-end results, the necessary market valuations and other calculations from a tax perspective had not been finalised and have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.

The receivables acquired in this transaction have a fair value of R5 million. The receivables acquired comprise principally of trade receivables with a gross contractual amount of R5 million with no contractual cash flows not expected to be collected.

GOODWILL ARISING ON ACQUISITION

	Rm
Consideration for IFRS 3 purposes	187
Less: intangible assets identified from business combinations	(78)
Plus: deferred tax on intangible assets identified from business combinations	20
Plus: contingent liabilities raised in terms of IFRS 3 (included as part of trade and other payables)	23
Plus: other payables raised in terms of IFRS 3	6
Less: fair value of identifiable assets recognised	(13)
Goodwill arising on acquisition	145

The consideration transferred for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development and the assembled workforce of Fihrst. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARY

	Rm
Consideration paid in cash	187
Less: cash and cash equivalents balance acquired	(12)
Net cash outflow	175

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Included in profit attributable to ordinary shareholders of the group for the year ended 30 September 2020 is R10 million attributable to Fihrst. Revenue for the period includes R45 million in respect of Fihrst.

Had the business combination been effected at 1 October 2019, revenue for the group would have been R5 551 million, and the profit for the year from continuing operations attributable to ordinary equity holders of the group would have been R247 million. The directors consider these pro forma numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

Amounts less than R500 000 are reflected as "<1".

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

8 DISPOSAL OF SUBSIDIARIES

The group disposed of Principa on 17 April 2020. Principa was sold to a related party (Apex Partners). CUF was disposed of on 1 July 2020 and TC Property Mezz Partners on 30 September 2020. The group disposed of The Beancounter on 1 November 2018 in the previous financial year.

The net assets of these subsidiaries at the date of disposal were as follows: * * *

	2020			2019
	Principa Audited Rm	CUF Audited Rm	Total Rm	The Beancounter Audited Rm
Net assets derecognised:				
Cash and cash equivalents	(3)	–	(3)	(2)
Trade and other receivables	(28)	(3)	(31)	(1)
Goodwill	(5)	–	(5)	–
Loans and advances	–	(10)	(10)	–
Purchased book debts	–	(16)	(16)	–
Intangible assets	(33)	–	(33)	(1)
Deferred tax assets	–	(1)	(1)	–
Property and equipment	(5)	–	(5)	(1)
Interest-bearing liabilities	2	–	2	–
Trade and other payables	23	–	23	–
Provisions	2	–	2	–
Deferred tax liabilities	2	–	2	–
Total	(45)	(30)	(75)	(5)
(Loss)/profit on disposal of subsidiary*				
Consideration received	36	14	50	10
Net assets disposed of	(45)	(30)	(75)	(5)
Non-controlling interest	–	–	–	3
Total	(9)	(16)	(25)	8
Total consideration was satisfied by:				
Cash and cash equivalents	19	14	33	10
Deferred consideration **	17	–	17	–
Net cash inflow arising on disposal				
Consideration received in cash and cash equivalents	19	14	33	10
Less: cash and cash equivalents disposed of	(3)	–	(3)	(2)
Total	16	14	30	8

* The (loss)/profit on the disposal is included in "(loss)/profit from discontinued operations" in the consolidated income statement. Also refer to note 2.

** The deferred consideration will be settled in cash by the purchaser on or before 31 October 2021.

*** Amounts relating to the disposal of TC Property Mezz Partners are all less than R500 000 and are therefore not separately disclosed.

9 SEGMENT REPORT

The group is organised on the basis of products and services and the segments have been identified on this basis as reported to the chief executive officer (considered the chief operating decision maker). The principal business units in the group are as follows:

SA TAXI

- ▷ A vertically integrated taxi platform incorporating a unique blend of vehicle procurement, retail, repossession and refurbishment capabilities with asset-backed developmental finance and insurance competencies for focused vehicle types.
- ▷ Revenue is mainly derived from interest earned on financing of vehicles and non-interest revenue streams, including revenue from the sale of vehicles, telematics services and insurance products.

TRANSACTION CAPITAL RISK SERVICES

- ▷ Transaction Capital Risk Services acts both as an agent on an outsourced contingency or fee-for-service (FFS) basis, and as a principal in acquiring and then collecting on credit-impaired loan portfolios.
- ▷ Revenue from credit-impaired loans comprises payments received from debtors including amounts in respect of interest and cost recoveries.
- ▷ To support the broader working capital life cycle of SMEs, Transaction Capital Risk Services (TCRS) also provides payment solutions, payroll-related services and financing solutions.
- ▷ Value-added services generate a stable source of subscription income, whilst providing access to greater market depth.

TCBS, Principa and CUF were classified as discontinued operations during the current year. Refer to note 2 for further detail on discontinued operations.

WEBUYCARS

- ▷ Transaction Capital Motor HoldCo (Pty) Ltd holds a 49.9% non-controlling interest in WeBuyCars.
- ▷ Buyer, distributor and retailer of vehicles, which also offers financial and other allied products.
- ▷ Revenue comprises mainly of risk adjusted gross margin on vehicle sales (vehicle margin), with additional gross margin earned on add-on products (product margin). The latter includes agency fees earned from finance, insurance related and allied products (F&I products) sold on behalf of major banks providing asset-backed and unsecured vehicle finance, leading insurance providers as well as vehicle tracking businesses.

GROUP EXECUTIVE OFFICE

- ▷ The group executive office provides an efficient capital management and treasury function for entities within the group, in addition to administrative and management services.
- ▷ Revenue comprises mainly of interest income and management fees from subsidiaries, the major of which is eliminated on group consolidation.

The composition of reportable segments changed during the current financial year. TC Global Finance and TC Property Mezz Partners, previously reported as part of Transaction Capital Risk Services, are now reported as part of the Group Executive Office (GEO) segment. Comparative data has been restated accordingly. TC Property Mezz Partners was disposed of on 30 September 2020. Refer to note 8 for further detail.

Specialised credit, and the related allocation of capital, is considered to be a key long-term strategic initiative of the group. As TC Global Finance continue to gain traction in the market, the decision has therefore been taken to further nurture this business within GEO, where capital deployment remains a vital initiative.

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

9 SEGMENT REPORT continued

	SA Taxi		Transaction Capital Risk Services	
	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated* Rm
Summarised income statement for the year ended 30 September				
Net interest income/(expense)	1 358	1 217	(158)	(97)
Impairment of loans and advances	(836)	(322)	–	–
Non-interest revenue	609	584	2 385	2 018
Operating costs****	(850)	(896)	(2 180)	(1 512)
Non-operating profit	–	–	–	7
Equity accounted income	–	–	9	3
Profit before tax	281	583	56	419
Profit for the year from continuing operations	219	419	40	312
Discontinued operations				
(Loss)/profit for the period from discontinued operations	–	–	(87)	14
Profit/(loss) for the year	219	419	(47)	326

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and a change in the composition of reportable segments per IFRS 8 – Segment Reporting.

** Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

*** Group executive office numbers are presented net of group consolidation entries.

**** Impairment on goodwill of R3 million was recognised as part of operating costs in the SA Taxi income statement.

***** Profit before tax from WeBuyCars comprises:

	2020 Rm
Share of operating profit after tax (11 September 2020 to 30 September 2020)	10
Share of mark-to-market of 16 467 000 Transaction Capital ordinary shares*****	5
Mark-to-market of derivative liability*****	5
Interest expense on preference share liability (vendor finance) and deferred consideration*****	(1)
Profit before tax	19

***** Refer to note 1.

	WeBuyCars*****		Group executive office***		Intergroup eliminations		Group	
	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated* Rm	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated** Rm
	(1)	–	65	75	–	–	1 264	1 195
	–	–	–	–	–	–	(836)	(322)
	–	–	4	–	(11)	–	2 987	2 602
	–	–	(64)	(17)	11	–	(3 083)	(2 425)
	5	–	–	–	–	–	5	7
	15	–	8	1	–	–	32	4
	19	–	13	59	–	–	369	1 061
	19	–	12	42	–	–	290	773
	–	–	–	–	–	–	(87)	14
	19	–	12	42	–	–	203	787

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

9 SEGMENT REPORT *continued*

	SA Taxi		Transaction Capital Risk Services	
	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated* Rm
Summarised statement of financial position at 30 September				
Assets				
Cash and cash equivalents	1 425	693	332	194
Trade and other receivables	1 185	965	335	317
Inventories	1 030	831	2	1
Loans and advances	11 545	10 412	–	579
Purchased book debts	–	–	2 520	2 382
Equity accounted investments	–	–	94	70
Other assets	1 112	885	1 833	1 036
Total assets	16 297	13 786	5 116	4 579
Liabilities				
Bank overdrafts	186	99	201	282
Trade and other payables	304	275	266	396
Insurance contract liabilities	374	537	–	–
Interest-bearing liabilities	12 334	9 929	2 208	1 799
Senior debt	11 435	9 249	1 893	1 038
Subordinated debt	745	517	–	–
Group loans	154	163	315	761
Lease liabilities	162	–	255	2
Other liabilities	210	192	470	361
Total liabilities	13 570	11 032	3 400	2 840
Total equity	2 727	2 754	1 716	1 739

* Restated for a change in the composition of reportable segments per IFRS 8 – Segment Reporting.

** Group executive office numbers are presented net of group consolidation entries.

GEOGRAPHICAL INFORMATION

The group operated in three principal geographical areas: South Africa, Australia and Europe. The group's total revenue by location and non-current assets by location are detailed below:

	Total revenue		Non-current assets	
	2020 Audited Rm	2019 Audited Restated* Rm	2020 Audited Rm	2019 Audited Rm
South Africa	4 744	4 384	18 062	14 648
Australia	798	571	931	730
Europe	–	–	184	21
Total	5 542	4 955	19 177	15 399

* Restated for the recognition of discontinued operations in the current year per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

	WeBuyCars		Group executive office**		Intergroup eliminations		Group	
	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated* Rm	2020 Audited Rm	2019 Audited Rm	2020 Audited Rm	2019 Audited Restated* Rm
	-	-	37	32	-	-	1 794	919
	-	-	17	19	(15)	(14)	1 522	1 287
	-	-	-	-	-	-	1 032	832
	-	-	-	-	-	-	11 545	10 991
	-	-	-	-	-	-	2 520	2 382
	1 875	-	184	22	-	-	2 153	92
	-	-	3 751	2 727	(3 705)	(2 688)	2 991	1 960
	1 875	-	3 989	2 800	(3 720)	(2 702)	23 557	18 463
	-	-	-	-	-	-	387	381
	54	-	75	49	(13)	(11)	686	709
	-	-	-	-	-	-	374	537
	350	-	216	-	(469)	(924)	14 639	10 804
	350	-	216	-	-	-	13 894	10 287
	-	-	-	-	-	-	745	517
	-	-	-	-	(469)	(924)	-	-
	-	-	-	-	-	-	417	2
	-	-	2	4	(1)	1	681	558
	404	-	293	53	(483)	(934)	17 184	12 991
	1 471	-	3 696	2 747	(3 237)	(1 768)	6 373	5 472

Selected notes to the audited summarised consolidated financial statements

FOR THE YEAR ENDED 30 SEPTEMBER

10 GOING CONCERN

The annual financial statements were prepared on a going concern basis. Based on their assessment, the directors have no reason to believe that the company will not continue as a going concern in the foreseeable future. This assessment included an assessment of the relevance of its business models; the nature of the primary assets and the cash flows generated from these assets as well as the company's balance sheet and the increased flexibility provided by additional liquidity measures implemented in response to COVID-19.

BUSINESS MODEL RELEVANCE

Most South Africans rely on public transport, with the minibus taxi industry being the largest and most vital service in the integrated public transport network. More commuters choose minibus taxis over bus or rail services due to competitive pricing, convenience and accessibility, with the industry providing more than 15 million trips a day. Over the past few months, COVID-19 has highlighted the indispensable nature of the minibus taxi industry as the dominant form of public transport. Spending on minibus taxi transport is non-discretionary for most South Africans, making this a defensive industry with minibus taxi operators remaining resilient in challenging economic conditions.

TCRS supports the effective functioning of consumer credit markets, the rehabilitation of indebted consumers and the freeing up of operational capacity and capital within its client-base to enable the ongoing advancement of consumer-credit. The TCRS business model, which operationalises this social contract, is highly relevant in the post-COVID-19 environment. With disposable income coming under pressure and escalated consumer debt levels becoming more prevalent, more consumers in South Africa and Australia will experience acute hardship. TCRS's clients will consequentially experience larger NPL flows combined with operational challenges arising from COVID-related restrictions and practicalities. TCRS's extensive collections infrastructure, including its comprehensive remote-working capability and scalable data and analytics platforms, positions it well to secure and grow agency collections and to acquire NPL Portfolios as the economic impact of COVID-19 unfolds and matures into the NPL space.

NATURE OF PRIMARY ASSETS

The absolute value of the primary balance sheet asset, gross loans and advances and the amount of cash to be collected will be preserved even if there is a need to collect on these assets over an extended period. This is evidenced by (i) the useful life of a minibus taxi which is in excess of nine years (108 months) versus an average loan term at origination of six years (72 months), and (ii) the fact that the company has an operational ability to further extend this life through its refurbishment capabilities.

Similarly, the absolute amount of cash emanating from our purchased book debts will not diminish but rather be collected over an extended period as short term collections are anticipated to reduce.

BALANCE SHEET AND LIQUIDITY

Along with the additional measures implemented to preserve liquidity in response to COVID-19, the group has sufficient liquidity and financial flexibility to support underlying business operations as at 30 September 2020.

11 SUBSEQUENT EVENTS

- 11.1** We are pleased to announce Royal Bafokeng Holdings's (RBH) acquisition of 1.8% (representing 12 million ordinary shares) in Transaction Capital via a secondary purchase of shares in the market. This transaction became effective on 20 November 2020.
- 11.2** No other events which would have a material impact on either the financial position or operating results of the company have taken place between 30 September 2020 and the date of release of this report. The group is continuing to monitor the impact of COVID-19 on demand for its services, and has not been significantly impacted after year-end by the evolving situation surrounding COVID-19. Refer to note 10 for the business model relevance.

FORM OF PROXY

TRANSACTION CAPITAL LIMITED

(Incorporated in the Republic of South Africa)
 Registration number: 2002/031730/06
 JSE code: TCP ISIN: ZAE000167391
 ('Transaction Capital' or the 'company' or the 'group')



For use by certificated shareholders and own-name dematerialised shareholders only. All other dematerialised shareholders must contact their CSDP, broker, banker, accountant, attorney or other agent to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

I/We (Full names in BLOCK LETTERS) _____

of (address in BLOCK LETTERS) _____

being (a) registered shareholder(s) of the company holding _____ ordinary shares in the company hereby appoint:

(i) (full names in BLOCK LETTERS) _____

of (address in BLOCK LETTERS) _____ or, failing him/her,

(ii) (full names in BLOCK LETTERS) _____

of (address in BLOCK LETTERS) _____

or, failing him/her, the chairman of the annual general meeting, as my/our proxy to participate in, speak and vote for me/us and on my/our behalf at the annual general meeting of the company to be conducted entirely by electronic communication on Friday, 5 March 2021, and at any adjournment(s) thereof, and to vote or abstain from voting on the ordinary and special resolutions to be proposed at such meeting as follows:

RESOLUTIONS

	In favour	Against	Abstain
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 D Radley as a director			
Ordinary resolution number 4 – Re-election of M Mendelowitz as a director			
Ordinary resolution number 5 – Election of S Wapnick as a director			
Ordinary resolution number 6 – Election of I Kirk as a director			
Ordinary resolution number 7 – Election of S Kana as a director			
Ordinary resolution number 8 – Appointment of D Radley as a member of the audit, risk and compliance committee			
Ordinary resolution number 9 – Appointment of B Hanise as a member of the audit, risk and compliance committee			
Ordinary resolution number 10 – Appointment of I Kirk as a member of the audit, risk and compliance committee			
Ordinary resolution number 11 – Appointment of S Kana as a member of the audit, risk and compliance committee			
Ordinary resolution number 12 – Appointment of Deloitte & Touche as auditors			
Ordinary resolution number 13 – Non-binding advisory vote on remuneration policy			
Ordinary resolution number 14 – Non-binding advisory vote on remuneration implementation report			
Ordinary resolution number 15 – Issue of securities for acquisitions in circumstances other than those covered by special resolution 6			
Ordinary resolution number 16 – Authority to act			
Special resolution number 1 – Amendments to the memorandum of incorporation			
Special resolution number 2 – Approval of non-executive directors' and committee members' fees			
Special resolution number 3 – Authority to provide financial assistance in terms of section 45 of the Companies Act			
Special resolution number 4 – Authority to provide financial assistance in terms of section 44 of the Companies Act			
Special resolution number 5 – Annual general authority to repurchase securities			
Special resolution number 6 – Annual general authority to allot and issue authorised but unissued securities for cash			

Please indicate with an 'x' in the appropriate spaces above how you wish your votes and/or abstentions to be cast.

If you return this form duly signed without any specific directions indicated with an 'x' in the appropriate spaces above, the proxy will be entitled to vote or abstain as he/she thinks fit in his/her discretion.

A proxy may not delegate his/her authority to act on your behalf to another person.

Signed at _____ on _____ 2021

Name in BLOCK LETTERS: _____ Signature: _____

Please refer to the notes overleaf for instructions on the use of this form of proxy and a summary of the rights of the shareholder and the proxy.

NOTES TO THE FORM OF PROXY

(Including a summary of rights in terms of section 58 of the Companies Act, 71 of 2008, as amended (the 'Companies Act'))

In terms of section 58 of the Companies Act:

- 1.1 A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at the annual general meeting on behalf of such shareholder (section 58(1)(b));
- 1.2 A proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy ('Proxy Instrument') (section 58(3)(b)) (but see note 1.6);
- 1.3 Irrespective of the form of the Proxy Instrument:
 - 1.3.1 The appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 5) (section 58(4)(a));
 - 1.3.2 Any appointment by a shareholder of a proxy is revocable, unless the Proxy Instrument states otherwise (section 58(4)(b)); and
 - 1.3.3 If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).
- 1.4 A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the company's memorandum of incorporation, or the Proxy Instrument, provides otherwise (section 58(7)) (see note 3).
- 1.5 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 1.3.3 above (section 58(5));
- 1.6 If the Proxy Instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b));
- 1.7 If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of Proxy Instrument:
 - 1.7.1 The invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8)(a)); and
 - 1.7.2 The invitation or form of Proxy Instrument supplied by the company must:
 - 1.7.2.1 Bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));
 - 1.7.2.2 Contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(iii)); and
 - 1.7.2.3 Provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));
 - 1.8 The company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
 - 1.9 The proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 1.5 above.

NOTES:

1. Each shareholder is entitled to appoint one proxy (who need not be a shareholder of Transaction Capital) to attend, speak and vote (or abstain from voting) in place of that shareholder at the annual general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice (in the event that the appointed proxy is unable to act) in the space/s provided with or without deleting "the chairman of the annual general meeting" but the shareholder must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow, it being recorded that the memorandum of incorporation of the company prohibits a shareholder from appointing more than one (1) proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate space provided.
4. Failure to comply with the above will be deemed to authorise and direct the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable at the annual general meeting.
5. Completed forms of proxy and the authority (if any) under which they are signed should be (but are not required to be) lodged with or posted to the transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) to be received preferably by no later than 09:00 on Wednesday, 3 March 2021 (48 hours prior to the annual general meeting) to allow for processing of such proxies and the orderly arrangement of matters on the date of the annual general meeting, or handed to the chairman of the annual general meeting at any time before the appointed proxy exercise/s any of the relevant shareholder's rights at the annual general meeting (or at any time before any adjournment or postponement of the annual general meeting).
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of the proxy appointed in terms hereof, should such shareholder wish to do so.
7. The chairman of the annual general meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the company.
8. Any alteration or correction made to this form of proxy must be initiated by the signatory/ies. Any insertion, deletion, alteration or correction made to the form of proxy but not complying with the foregoing will be deemed not to have been validly effected.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Transaction Capital or the transfer secretaries.
10. Section 63(1) of the Companies Act requires that meeting participants provide reasonably satisfactory identification. The company will regard presentation of a participant's original valid driver's licence, identity document or passport to be satisfactory identification.
11. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Transaction Capital or the transfer secretaries or waived by the chairman of the annual general meeting.
12. Where shares are held jointly, all joint shareholders are required to sign this form of proxy.
13. A shareholder who is a minor must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Transaction Capital or the transfer secretaries.
14. Dematerialised shareholders who do not own shares in 'own-name' dematerialised form and who wish to attend the annual general meeting, or to vote by way of proxy, must contact their CSDP representative/agent/manager, broker or nominee who will furnish them with the necessary letter of representation to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the shareholder and his/her CSDP, broker or nominee.
15. This form of proxy shall be valid at any resumption of an adjourned or postponed annual general meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned or postponed annual general meeting if it could not have been used at the annual general meeting from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall, in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the annual general meeting, and subject to any specific direction contained in this form of proxy as to the manner of voting.
16. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no notification in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the transfer secretaries before the commencement of the annual general meeting or adjourned annual general meeting at which the proxy is used.
17. Any proxy appointed in terms of this form of proxy may not delegate his/her authority to act on behalf of the relevant shareholder. In terms of the memorandum of incorporation of the company, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid for one (1) year from the date upon which it was signed.

ADMINISTRATION

Share code: TCP
ISIN: ZAE000167391
JSE Limited sector: Financial Services
Listing date: 7 June 2012
Year-end: 30 September
Company registration number: 2002/031730/06
Country of incorporation: South Africa

DIRECTORS

EXECUTIVE

Sean Doherty (chief financial officer)
Mark Herskovits (chief investment officer)
David Hurwitz (chief executive officer)
Jonathan Jawno (executive director)
Michael Mendelowitz (executive director)

INDEPENDENT NON-EXECUTIVE

Buhle Hanise
Suresh Kana (lead independent non-executive director)
Ian Kirk
Phumzile Langeni
Kuben Pillay
Diane Radley
Christopher Seabrooke (chairman)
Sharon Wapnick

NON-EXECUTIVE

Roberto Rossi

COMPANY SECRETARY AND REGISTERED OFFICE

Sharon Nayger
342 Jan Smuts Avenue
Hyde Park
Johannesburg, 2196
(PO Box 41888, Craighall, 2024)

SPONSOR

Rand Merchant Bank (a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

LEGAL ADVISERS

Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
150 West Street
Sandton, 2196
(PO Box 783347, Sandton, 2146)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

INDEPENDENT AUDITORS

Deloitte & Touche
(Practice number 902276)
5 Magwa Crescent
Waterfall City, 2090
(Private Bag X6, Gallo Manor, 2052)



www.transactioncapital.co.za

