MOTUS

POWERING PROGRESS

Integrated report

for the year ended 30 June 2019

Contents

Key company information

Motus Holdings Limited
Incorporated in the Republic of South Africa

Motus Limited registration number: 2017/451730/06

ISIN: ZAE000261913

JSE Main Board: Specialty retailers

Listing date: 22 November 2018

Share code: MTH

"Motus" or "the company"

http://www.linkedin.com/company/motus

Stakeholders can access the Group's interim and annual financial results announcements and presentations online at **https://www.motuscorp.co.za/presentations/** or scan the QR code to be taken there directly:

www.motuscorp.co.za

Feedback

We value feedback from our stakeholders and use it to ensure that we are reporting appropriately on the issues that are most relevant to them.

Please take the time to give us your feedback on this report.

Email: nvarty@motuscorp.co.za

Supplementary information available online (www.motuscorp.co.za)

Sustainable development best practice

> Deliver exceptional value to customers
> Become an employer of choice in the automotive industry
> Embed defensible health and safety practices
> Demonstrate consistently ethical and compliant business conduct
> Improve the broad-based black economic empowerment score
> Responsibly manage natural resources and waste

King IV™ application register
Audited consolidated annual financial statements for the year ended 30 June 2019

Report navigation

Information available on our website

Further information available in this report

About Motus

Motus is South Africa's leading automotive group, employing over 18 600 people. It is a diversified (non-manufacturing) business in the automotive sector with unrivalled scale and scope in South Africa, and a selected international presence, primarily in the United Kingdom ("UK"), Australia and limited presence in South East Asia, and Southern and East Africa.

Motus Holdings Limited ("Motus") was listed on the JSE in November 2018, following its unbundling from Imperial Holdings Limited ("Imperial Holdings").

Motus offers a differentiated value proposition to original equipment manufacturers ("OEMs"), customers and business partners with a fully integrated business model across the automotive value chain through four key business segments, namely Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts.

Motus has long-standing importer and retail partnerships with leading OEMs, representing some of the world's most recognisable brands. We provide automotive manufacturers with a highly effective route-to-market and a vital link between the brand and the customer throughout the vehicle ownership cycle.

Unbundling and listing

Prior to the listing, the Motus unbundling was underpinned by:
> Enhanced strategic focus, independence and flexibility
> Improved operational efficiency through reduction of complexity, duplication and costs over time
> Focused capital allocation and funding structures
> Improved shareholder understanding and insight into each business
> Enabling shareholders to participate directly in Motus and/or Logistics

After the first year of listing, the above factors are still appropriate and will remain relevant into the future and are supported by the solid trading results to 30 June 2019.

What makes Motus unique

Our business model is fully integrated across the automotive value chain through four key business segments:

- Import and Distribution
- Retail and Rental
- Motor-Related Financial Services
- Aftermarket Parts

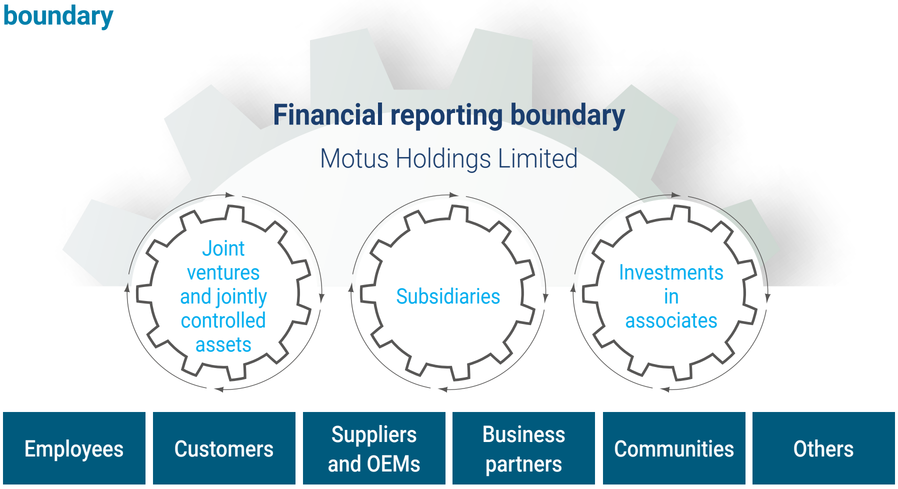
We deliver a consistently superior route-to-market to OEMs through quality marketing, high levels of customer satisfaction and strategically located dealerships, mainly in the economic hubs of South Africa. Our selected international presence, complements our existing networks and provides opportunities to replicate aspects of the integrated business model.

With a deep understanding of OEM strategies, consumer preferences and mobility-related technologies, we develop and offer innovative value-added products and services ("VAPS") and mobility solutions to our customers.

About this report

Our integrated report provides a holistic assessment of Motus' ability to create value for all our stakeholders through the management of strategy, risk, financial, operational and sustainability performance in relation to our material priorities.

Our integrated reporting boundary



Risks and opportunities arising from our operating context pages 28 – 31 and stakeholder engagement page 54 – 55.

Scope and boundary

The 2019 integrated report for the period 1 July 2018 to 30 June 2019 covers the businesses over which the Group has operational control. Leased facilities are treated as Group-owned for integrated reporting purposes.

However, more broadly, the risks, opportunities and outcomes associated with stakeholders outside the financial reporting boundary are dealt with insofar as they materially affect the Group's ability to create value in the short, medium and long term.

Reporting frameworks and assurance

As a listed entity on the JSE (under the share code MTH), our integrated report aligns to the JSE Listings Requirements, the South African Companies Act 71 of 2008 ("Companies Act") and the King IV™* Report on Corporate Governance ("King IV"). It also adheres to the principles of the International Integrated Reporting Council's ("IIRC") International <IR> Framework.

Financial information is extracted from the audited consolidated annual financial statements for the year ended 30 June 2019, which is prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC") unless otherwise specified and is available in full online. Our external assurance providers, Deloitte & Touche, have issued an unmodified audit opinion on the audited consolidated annual financial statements. Selected non-financial information included in this report has been assured by Deloitte & Touche as set out on pages 113 – 114.

Materiality determination

The material priorities are the priorities and concerns most important to the leadership of Motus and stakeholders which, if effectively managed, will create sustainable value for the stakeholders. Material priorities encompass the risks and opportunities associated with the Group's strategy and while they have evolved in response to changes in the operating environment and stakeholder expectations, the broad themes are relatively stable. The process followed to determine our material priorities is explained on page 22.

Board responsibility and approval statement

The Motus board acknowledges its responsibility to ensure the integrity of the 2019 integrated annual report. The audit and risk committee, together with executive management, is responsible for the preparation and presentation of the report. The committee has reviewed the report and recommended it to the board for approval. In the board's opinion, after applying its collective mind to the information provided, the report addresses all material priorities and matters that may impact the Group's ability to create value over time, and provides a balanced and appropriate review of Motus' strategy and performance. The board believes that the integrated annual report has been prepared in accordance with guidelines of the International <IR> Framework.

On behalf of the board

Graham Dempster
Chairman

Osman Arbee
Chief Executive Officer

30 September 2019

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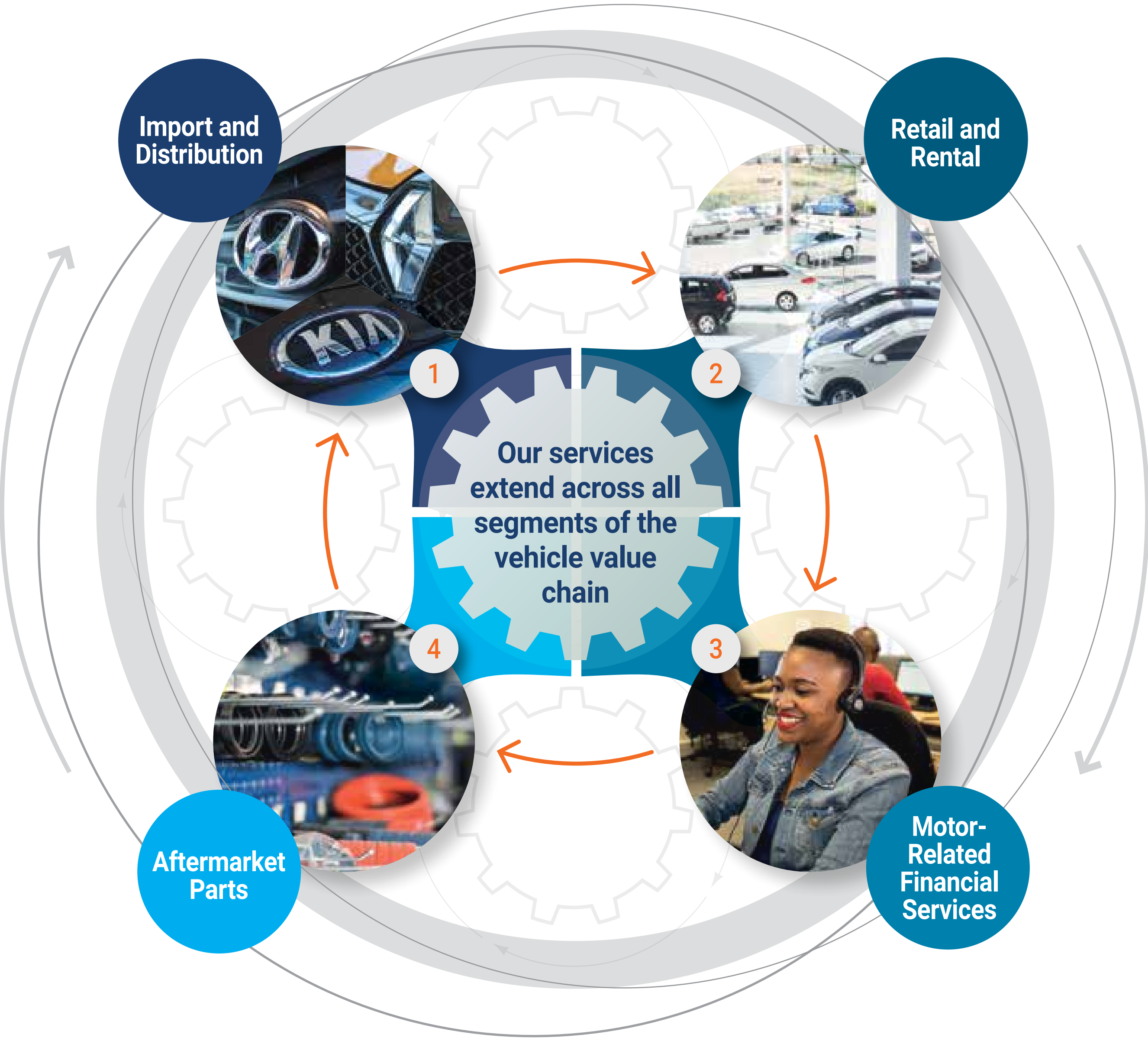
Integrated business model

1 **Importer and distributor** of passenger, light commercial vehicles and parts, to serve a network of dealerships, car rental companies, fleets and government institutions in South Africa.

2 **Sells** passenger and commercial vehicles across all segments. **Rents** passenger and light commercial vehicles.



4 Distributor, wholesaler and retailer of **accessories and aftermarket parts** for out-of-warranty vehicles through retail stores, franchised outlets and specialised workshops supported by distribution centres in South Africa, Taiwan and China.

3 Manager and administrator of **service, maintenance and warranty plans.** Develops and sells value-added products and services. Administers fleet management services. Includes a sales and service call centre and an innovation hub.

Investment proposition

Our leading market share, together with our integrated and diversified service offering across the automotive value chain, allows us to maximise revenue and income opportunities for each vehicle sold. This is underpinned by significant annuity earnings.

Key investment highlights

1. Diversified (non-manufacturing) business in the automotive sector with a leading position in South Africa and a selected international presence mainly in the UK, Australia and limited presence in South East Asia and Southern and East Africa.

2. Fully integrated business model in South Africa across the vehicle value chain: Import and Distribution, Retail and Rental, Motor-Related Financial Services and Aftermarket Parts.

3. Unrivalled scale in South Africa underpins a differentiated value proposition to OEMs, suppliers, customers and business partners, providing multiple customer touch points supporting customer loyalty through the entire vehicle ownership cycle.

4. Profitability with high free cash flow generation and exposure to annuity income streams, with return on invested capital exceeding weighted average cost of capital, providing a platform for an attractive dividend yield.

5. Defined organic growth trajectory through portfolio optimisation, continuous operational enhancements and innovation, with a selective acquisition growth strategy in and outside South Africa leveraging best-in-class expertise.

6. Highly experienced management team with deep industry knowledge of regional and global markets, and a proven track record with years of collective experience, including an independent and diversified board.

Group strategy

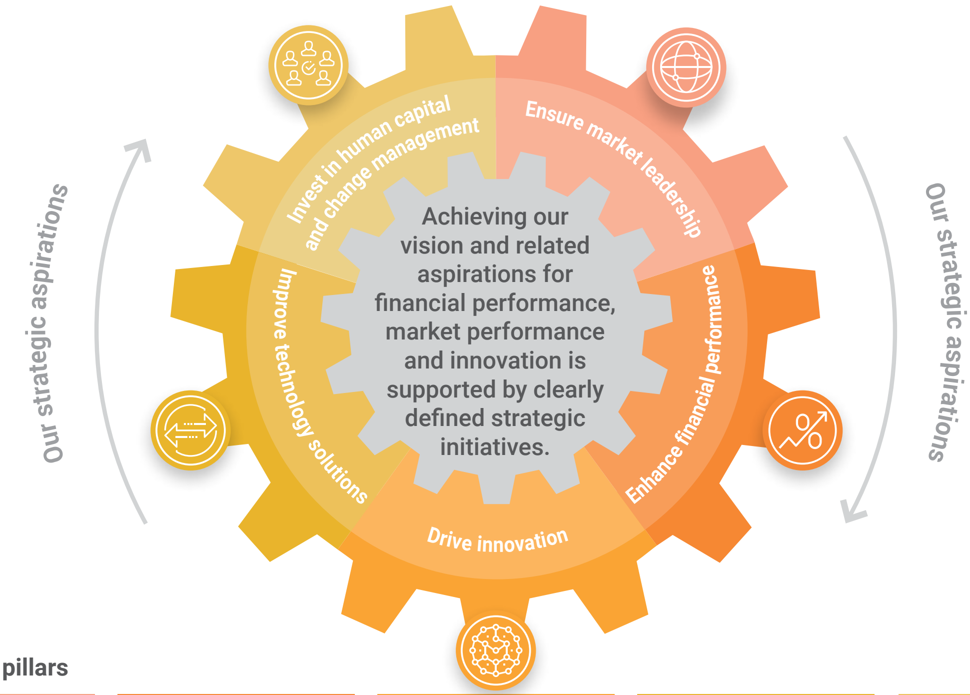
Our strategic focus is centred on deepening our competitiveness and relevance across the automotive value chain, by driving organic growth through optimisation and innovation to leverage existing capabilities and networks. Further selective expansion will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions locally and internationally.

Our vision: To improve people's lives by envisioning, innovating and creating new avenues of access to leading-edge mobility solutions (products and services) at competitive prices through our strong relationships with suppliers and principals, while ensuring sustainable value creation for all stakeholders, as trusted partners to OEMs and business partners in the geographies in which we operate.

Our mission: We create value for customers and build market share through relevant, innovative products and exceptional service at competitive prices. We deliver returns to shareholders through operational alignment and collaboration across the supply chain.

Our values: Be fair and accountable. Be driven and ensure that we operate in an environmentally friendly and responsible manner. Comply with rules and regulations. Operate with the highest levels of integrity and ethics. Ensure business practices are not discriminatory.

One Motus



Our strategic pillars

Ensure market leadership	Enhance financial performance	Drive innovation	Improve technology solutions	Invest in human capital and change management
> Maintain market share and competitiveness in our local and international markets. > Strengthen core business. > Utilise data, insights and products to stimulate revenue, customer loyalty and profitability. > Exit or dispose of businesses with low return on effort and no competitive advantage. > Selectively invest in key regions and key businesses.	> Revenue growth. > Operating profit margin between 4% and 5%. > Return on invested capital (ROIC) target of WACC + 2% to 3%. > Dividend pay-out guideline of 45% of normalised HEPS. > Ensure high free cash flow generation. > Maintain a debt-to-equity ratio between 55% to 75%.	> Ensure continuous alignment and participation in digital, mobility and automation trends. > Leverage IT solutions. > Ensure business agility to respond to disruptors and be the disruptor in the industry. > Leverage key strategic partnerships and enter into new targeted partnerships to deliver innovative mobility solutions to customers and ensure agility in response to disruption.	> Remain the partner of choice by providing exceptional customer service supported by technology solutions and operational alignment. > Manage business continuity and IT governance including cyber security risk.	> Develop and empower leaders and employees, improve practices and processes. > Ensure a strong focus on transformation and succession.

Financial highlights

Revenue
3,5%

R79 711 million

(2018: R77 001 million)

Operating profit
1%

R3 620 million

(2018: R3 593 million)

Normalised headline earnings
7%

R2 137 million

(2018: R1 991 million)

Full year dividend
10%

490 cents per share

(2018 pro forma:*
444 cents per share)

Cash generated from operations

R2 743 million

(2018: R4 301 million)

Return on invested capital

13,5%

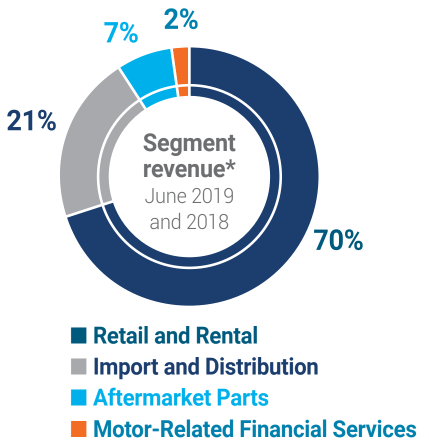
versus weighted average cost of capital of 10,7%

(2018: 13,5% (ROIC))
(2018: 10,7% (WACC))

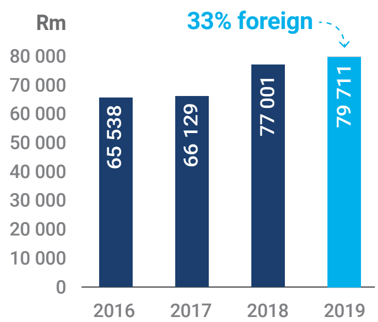
Note:
> HEPS: Headline earnings per ordinary share.
> EPS: Earnings per ordinary share.
> Normalised: This excludes the once-off non-cash flow impact of share-based payment expenses amounting to R160 million.
> Return on invested capital ("ROIC"), and weighted average cost of capital ("WACC") are calculated on a rolling 12-month basis.

** Pro forma: Motus listed in November 2018.*

Revenue



** Excludes Head Office and Eliminations.*



Normalised HEPS

11%

1 090 cents per share

(2018: 986 cents per share)

HEPS

2%

1 009 cents per share

(2018: 986 cents per share)

EPS

18%

953 cents per share

(2018: 1 162 cents per share)

Net debt-to-equity ratio

55,9%

(2018: 50,7%)

Net asset value per share

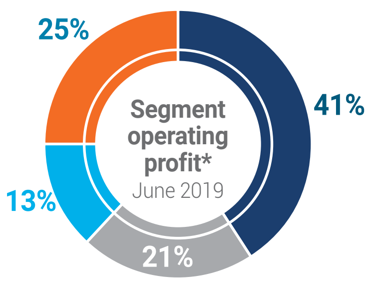
7%

6 185 cents per ordinary share

(2018: 5 762 cents per ordinary share)

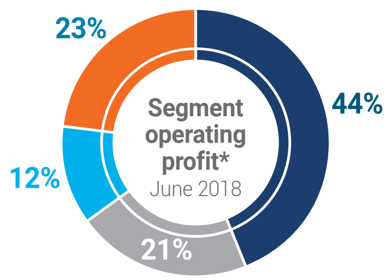
"Improvement in key financial metrics"

Operating profit



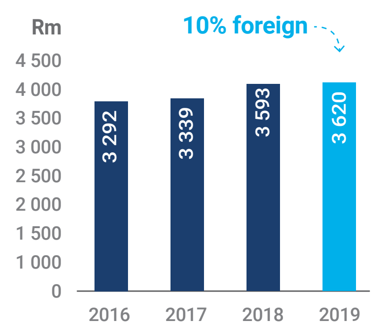
- Retail and Rental
- Import and Distribution
- Aftermarket Parts
- Motor-Related Financial Services

** Excludes Head Office and Eliminations.*



- Retail and Rental
- Import and Distribution
- Aftermarket Parts
- Motor-Related Financial Services

** Excludes Head Office and Eliminations.*



Non-financial highlights

Black staff representation in South Africa

73%

(2018: 71%)

Women representation

30%

of overall workforce

Training spend

R137 million

(2018: R132 million)

Electricity purchased from municipalities

80 146 megawatt hours

Water purchased from municipalities

611 223 kilolitres

Road fuel consumption

22 million litres

Road injuries

0,156 per million kilometres

(2018: 0,214 per million kilometres)

Road fatalities

None

(2018: One)

Road accidents

0,152 per million kilometres

(2018: 0,304 per million kilometres)

Enterprise development spend

R89 million

(2018: R72 million)

Total CSI spend

R28,9 million

(2018: R16,4 million)

FTSE4Good Index Series

Achieved an overall score of

4,2 out of 5

(June 2019)

Total Scope 1 and 2 CO_2 emissions

128 270 tCO_2

(2018: 131 068 tCO_2)

Oil recycled

2 million litres

(2018: 2,4 million litres)

Chairman's welcome

Motus' pre-listing statement was an invitation to invest in a company with a long track record of success in good times and in bad. With this, our first integrated report, it is my honour to welcome you and thank you for accepting our invitation on behalf of the board of directors.

Motus provides investors an opportunity to participate directly in an independent business with strategic focus, business model resilience, exceptional people, operational efficiency and an entrepreneurial and innovative spirit. Above all, our maiden integrated report also confirms our deep commitment to all our stakeholders, and the environment – social and natural – that we operate in as a well-governed and ethical company.

Market context

Our first year as an independently listed company was tough for the global automotive industry and for Motus. The trade war between the USA and China, and the political problems in the UK and Europe reverberated around the world and triggered the sharpest decline in worldwide vehicle sales since the 2008 economic crisis. Manufacturers' margins came under pressure as they cut prices to maintain volumes.

Most critically for Motus, the South African economy struggled, Brexit continued to hang over the UK economy, and Australia did not escape the pressure on sales volumes either. In the last year, these factors demanded that Motus work smarter and harder to maintain profitability. Our expectations for the short term indicate no easing of the pressure, and economic data leaves us concerned about the South African economy, Brexit's impact on the UK is still unclear and vehicle sales in Australia are likely to remain subdued.

In South Africa, regulatory changes are set, and needed, to make the local market for selling and servicing vehicles more equitable and accessible, promoting small, black-owned and operated businesses. We recognise the critically important role of small business development in South Africa's socio-economic recovery, especially in creating desperately needed jobs.

Motus welcomes the entrepreneurial opportunities these changes will bring, and is contributing to this transformation, having already started to develop a sustainable working model for black-owned and managed dealerships in our franchise network. Overall regulatory certainty is essential, not just for our industry, but for the recovery of the South African economy as a whole. Our work with industry associations is aimed at advocating for effective policies.

Although the structural trends in the global automotive industry will progressively impact our core market in South Africa, this is likely to be in the longer term. Internal combustion engines will continue to be a primary, viable and affordable option for sprawling cities with long travel distances, limited public transport infrastructure and constrained electricity supply. Motus will also benefit from the insights gained in its UK and Australian business at an earlier stage.

Resilience and relevance

With this backdrop, 2019 was a year in which we demonstrated that Motus is structured and positioned to succeed in markets that demand resilience. Motus outlined its investment proposition a year ago based on annuity income streams, high free cash flow generation and investment returns that support attractive dividends. It is gratifying that our first-year results delivered on this and is reflected in a full year dividend of 490 cents per share, being 45% of normalised headline earnings per share. Our ability to maintain returns, despite declining vehicle sales, low GDP growth and constrained consumer spending, speaks to the strength of our customer offerings and of our people and culture, and the integrated business model.

Our business model provides opportunities for growth across the automotive value chain and a customer offering that is highly adaptive to economic pressures and emerging trends. When consumers are buying down, as they are now, Motus offers affordable vehicles. Our long-standing relationships with motor manufacturers, combined with our scale, enable us to negotiate agreements that support our price competitiveness and attract customers when our premium brands are out of their reach. When consumers find new vehicles unaffordable or need to keep their vehicles for longer, Motus provides quality pre-owned vehicles and spare parts for older models.

Furthermore, our Motor-Related Financial Services offering is a high-margin source of reliable annuity income, and its relevance for customers demanding affordability is growing. Highly competitive service plans in the product offering for more affordable vehicles is allowing it to offset volume declines due to lower new vehicle sales and constrained consumer spending. The division also continues to lead innovation in mobility services, supporting the Group's long-term relevance.

Our moral compass

The trust that OEMs, customers and other stakeholders place in Motus is an outcome of reliability, which requires consistent integrity. It is the foundation on which Motus is built and which is key to its ability to continue to grow.

The board, along with the rest of South Africa, noted the disturbing testimony at several commissions of inquiry, particularly those into state capture and questionable transactions. However, governance failures at large private sector corporates confirms that corruption is not restricted to the public sector. It is critical that responsible companies and leaders re-commit to the highest possible ethical standards.

The board will be vigilant and unrelenting in the application of good corporate governance practices and principles, to

ensure that high standards of accountability, transparency and integrity are embedded in our organisational culture. However, we recognise that governance standards can never be more than a brace for ethics if they are not built on a strong moral foundation. Our responsibility as leaders in society and within companies is to create environments where ethical decision-making is not only actively encouraged but recognised and rewarded; environments where moral behaviour, not simply adherence to guidelines, is recognised as a valuable professional asset.

The need for the South African automotive industry to transform is one such moral issue. Much remains to be done to make the industry and Motus more representative of the country's demographic make-up, in gender and race. Socio-economic transformation is a priority for the Motus board and management team. Progress is being made on this front but we have more to do.

Our pool of black talent, with black representation at middle and junior management level being 43% and 63% respectively, and with 38% of our dealer principals being black, facilitates succession planning and to effect the changes that regulations and conscience demand. In this regard, it has been encouraging to see the majority of vacancies and advancement opportunities being filled from within the organisation.

The agreement reached with BNP Paribas to add a Sustainability Linked Loan to our existing facility is an example that demonstrate our commitment to sustainability. The Sustainability Linked Loan mechanism rewards Motus with a reduction in cost of credit if we reduce water and fuel consumption. Innovative measures like this are encouraging, and we wish to do more in this area.

Board matters

Motus has a newly constituted board whose members are highly skilled and experienced individuals who bring enthusiasm and focus to their roles. The collective expertise provides a strong blend of industry expertise together with new insights. As the board is relatively new, a board effectiveness survey will only be done in 2020.

Mr RJA Sparks and Mrs T Skweyiya retired from the board with effect from 22 November 2018. We thank them both for their services and we wish them well in their new endeavours. Messrs MJN Njeke, S Mayet and Mrs KR Moloko joined the board as non-executive directors with effect from 22 November 2018. Mrs KA Cassel was appointed to the board with effect from 1 July 2019 as an executive director. We welcome them to the board.

Closing and appreciation

Motus was listed independently with the promise that greater strategic focus and efficiency would create additional value for all our stakeholders. Our encouraging maiden results, and the strategic initiatives under way throughout the business, allow us to stand by this promise even under tough conditions. We will not only adjust to the economic, regulatory and structural challenges facing the industry, we are well placed to capitalise on the opportunities they present.

I extend my appreciation and thanks to Osman Arbee the CEO, the executive management team and all our employees for their efforts, expertise, discipline and dedication, and to all our other stakeholders for their loyalty and support. My fellow board members have my thanks for their wise counsel and support.

GW Dempster
Chairman

30 September 2019

Chief Executive Officer's review

Motus' first set of results as a listed company was solid and speak to our operational effectiveness in the challenging economic environments we operate in. With a strong management team dedicated to the longer-term importance of protecting and growing our market positioning through continuous optimisation and innovation, and investment in our people, Motus will continue to demonstrate resilience in conditions that show very few signs of economic growth in the markets where we operate.

Revenue up 3,5%

R79 711 million

(2018: R77 001 million)

Operating profit up 1%

R3 620 million

(2018: R3 593 million)

Normalised HEPS up 11%

1 090 cents per share

(2018: 986 cents per share)

Normalised headline earnings up 7%

R2 137 million

(2018: R1 991 million)

Cash generated from operations

R2 743 million

(2018: R4 301 million)

The unbundling of Motus from Imperial Holdings, and our preparation for the listing, required detailed examination and optimisation of our businesses in the selected markets where we operate. The outcome was a strongly positioned group, able to extract value from across the automotive value chain, with few efficiency enhancements left to be uncovered. The financial viability and resilience of the Group since listing was further demonstrated by the solid results for the year to 30 June 2019.

Our focus going forward is on continuous, incremental improvements and pursuing all available opportunities for prudent growth, supported by our entrepreneurial culture. Given the current economic and socio-political challenges, our expectations for future performance are realistic, and we are well positioned to withstand the challenges ahead.

Delivering solid results in a difficult environment

Our financial results were achieved in an extremely challenging environment. The global and South African political and economic situations are unstable. Global issues are weighing heavily on emerging markets and South Africa is bearing the brunt. In addition, counterproductive political and economic agendas have exacerbated the problems for SA Inc., with the country's businesses and people having to absorb the adverse consequences.

South Africa finds itself in an era of political challenges and policy uncertainty, with serious socio-economic ramifications. No new jobs are being created and unemployment has risen to 29%. Interest rates are high, the Rand is volatile and weakening and wage demands are unrealistic. Debt is crippling consumers, government and state-owned enterprises ("SOEs") alike. This has resulted in low consumer confidence, limited purchasing power, no economic growth and skilled labour resources leaving our country.

The Rand is vulnerable to further weakness. On top of the socio-economic situation, governance and managerial failures have negatively affected foreign investor perceptions of South African companies. The JSE continues to see foreigners sell off local equities (R35 billion from January to June), which is expected to rise in the event of a ratings downgrade.

In the international markets where we operate, Australia did not escape the downward pressure on sales volumes, and as the expectation of a tidy Brexit became less likely, trading across the UK suffered. The introduction of new emission standards also continued to slow down the availability of new vehicles, resulting in volume targets not being achieved and negatively impacting variable margins.

Against the current backdrop, the industry is expected to continue to underperform. The market remains highly competitive and consumers continue to delay purchases and trade down to cheaper vehicle models from premium brands. In the pre-owned market, motorists are holding on to their vehicles for longer, placing pressure on the quality of pre-owned vehicle supply.

With OEMs pushing hard to maintain their production volumes, despite declining demand the world over, margins are tight.

Motus, along with the rest of the South African automotive industry, finds itself squeezed between global oversupply and a weak domestic economy. The total South African vehicle market declined by 2,4% for the 12 months to June 2019 to 542 373 units (2018: 555 448 units). However, Motus was able to grow revenue by 3,5% due to price increases and acquisitions, despite a 5% decline in volumes. More importantly, our South African retail market share remained high at 18,9% (June 2018: 19,9%), despite fewer vehicles sold to the car rental companies by the Motus importers and a decline in the market. Although operating expenses were up 5%, this was offset by the improvement in gross profit and lower depreciation, resulting in an operating profit increase of 1%. A detailed explanation of the results is provided in the Chief Financial Officer's report starting on page 16.

Regulatory change is adding to the uncertainty, with onerous changes increasing administration costs and reducing the Group's profitability. The Protection of Personal Information Act will require changes to certain business processes to mitigate the associated risks. We have set up a dedicated team to prepare an action plan for the legislative changes. It is important to note that Motus has market-leading centralised compliance infrastructure in place, which ensures proactive preparation for new laws and monitoring of compliance with regulation in force, to mitigate compliance risks.

The nature, scope and implementation timelines for the Competition Commission's automotive aftermarket advocacy programme (right to repair) in South Africa remain unclear. According to the initial voluntary code, consumers will have the right to have their vehicles serviced, maintained and repaired by non-OEM accredited workshops, to increase competition in the market for automotive services and repairs. In this form, the impact on our businesses will be mixed. However, although the programme intends to reduce costs for the consumer, there is a substantial risk that sub-standard work at some non-OEM accredited workshops could cause the opposite effect. This will have a direct negative impact on consumers as well as warranty programmes.

Through our membership of the National Association of Automobile Manufacturers of South Africa ("NAAMSA") and the National Automobile Dealers' Association ("NADA"), Motus participates in consultations toward a sound and pragmatic outcome. At the time of reporting, the voluntary code has been postponed for a year and a NAAMSA/Competition Commission working group has been tasked with developing a plan to drive a more open and transformed market.

Full year dividend up 10%,

490 cents per share

(2018 pro forma*: 444 cents per share)

Return on invested capital stable at

13,5%

(2018: 13,5%)

Weighted average cost of capital stable at

10,7%

(2018: 10,7%)

Net debt-to-equity ratio

55,9%

(2018: 50,7%)

Note:
HEPS: Headline earnings per share.
EPS: Earnings per share.
Normalised: this excludes the once-off impact of share-based payment expenses amounting to R160 million
ROIC and WACC are calculated on a rolling 12-month basis.
* ***Pro forma:*** *Motus listed in November 2018.*

Chief Executive Officer's review continued

We hope that the approach will align with the automotive masterplan, and we will base our execution strategy on the final plan.

Leveraging the strength of our integrated business model

Motus can, and will, withstand these economic and legislative pressures. Under the circumstances, our confidence in our ability to sustain profitability and maintain balance sheet strength rests on the credibility of our value proposition to customers, our enduring relationships with OEMs, our investment in innovative financial products and mobility services, and the skills and dedication of our people. These come together in our uniquely integrated business model.

Our integration, scale and market leadership in South Africa allow us to make the most of all revenue and profit streams throughout the vehicle lifecycle. Our business model is fully integrated across the entire automotive value chain – Import and Distribution; Retail and Rental; Motor-Related Financial Services; and Aftermarket Parts – and delivers differentiated income streams. These income streams respond differently to changing economic circumstances and structural trends. Together they form a diversified revenue and profit profile that can absorb pressure and that bounces back when presented with even moderate economic recovery.

The mix of models on our showroom floors is of particular importance in this environment, as customers buy down and buy differently. The brands we represent are appreciated for their technological advancement, reliability and excellent value for money. The trend of buying down and favouring entry level vehicles and small and medium-sized SUVs has impacted luxury brands and affected our retail business. However, our highly reputable importer brands have emerged as the customer's preferred choice. The strength of these brands is complemented by model variety that allows us to fine tune our product offering to customer preferences and affordability.

Our importer segment has long-standing distributor relationships with OEMs, and supports the retail business for vehicle, workshop and parts sales. Warranties, service and maintenance plans provided by our financial services business support this throughput. Our customers have the option to purchase value-added products and services ("VAPS") on the dealer floors and/or from our call centres.

Our unrivalled footprint of strategically located dealerships, largely in growing urban areas, and our diverse portfolio representing 22 OEMs, supports our leading market share. While expansion of our South African dealership footprint is not a strategic priority due to our size, we will be pragmatic in acquiring attractive dealerships should they become available. Capital will be allocated on a case-by-case basis, in view of the potential synergies with our existing networks. We continue to improve our competitiveness in the pre-owned market, specifically through technology solutions to streamline purchasing and retailing.

In the Australian and United Kingdom operations, we see potential for expanding our dealership footprint driven by the introduction of additional brands, through selective bolt-on acquisitions in areas close to our current network, to build critical mass and leverage synergies. In the UK, we acquired four DAF dealerships on 1 July 2019. In the international businesses, we continue to leverage our South African expertise to ensure capital discipline and operational excellence, while retaining local experience to support market understanding.

Our strong balance sheet allows us to allocate a proportion of the vehicles we import to our rental fleet and sell to car rental companies not in the Group. This helps our OEMs to achieve their volume targets and drives sales when customers are introduced to our models. Our car rental business continuously refreshes its fleet and provides a reliable stream of quality pre-owned vehicles at attractive prices. In this business, we are also employing technology to improve customer service and streamline the delivery of rental cars to customers.

The Financial Services segment complements, completes and leverages the value chain, to provide a strong annuity earnings stream. Our extensive proprietary data (including sales, residual values, service schedules and parts failure rates) allows us to develop innovative products, to price them accurately and to manage fund burn rates effectively. While this business is to an extent affected by slowing new vehicle sales, this impact will only be felt in the medium term. We have expanded our industry leading warranties and financial services products to entry level models, which were previously restricted to more expensive vehicles. Including service plans for affordable and pre-owned vehicles not only makes our products significantly more attractive, it will also bolster our annuity income stream in line with the change in customer preference and affordability, and offset the impact of the current decline in new vehicle sales.

The Aftermarket Parts segment has been successful in its strategy of vertical integration along the supply chain, especially in capturing wholesale margin, which has protected its profitability in the South African market. Aftermarket Parts is looking for further expansion opportunities in South East Asia and East Africa. We are investigating opportunities to increase our African presence – by adding related business in the countries where we have an existing presence.

Investing in our people and transforming our workforce

Motus remains strong through the skills and dedication of our 18 628 people. One of the most inspiring hallmarks of the past year has been to experience the strength of the One Motus culture. It has been clear from the outset that Motus has retained the entrepreneurial spirit and customer dedication that permeated its history. If anything, the listing and market challenges we have faced have brought that culture to the fore.

The challenges the automotive industry faces in transitioning from a predominantly male, mostly white-owned industry to one that more closely reflects our country's economically active population are undeniable. These are, however, challenges we intend to overcome. Aggressive transformation strategies and targets have allowed us to meet all employment equity targets at top, senior and middle management levels and grow the overall representation of black people at these levels. Overall, black employees comprise 73% of Motus' staff complement in SA.

Diversity training, skills development and a focused recruitment strategy will ultimately allow Motus to build a transformed and gender-balanced workforce that will distinguish it from the rest of the industry. In particular, we are focused on honing the talent of our black employees, enabling us to identify and advance future leaders. This year we also launched the Motus Leadership Academy targeting executives, women and employees identified as potential future leaders. Although we recognise that succession in a low growth economic climate becomes more difficult as management positions are limited, the academy will launch a programme for employees identified as successors for senior and middle management positions in the coming years.

The Dealer Principal and Portfolio Manager programmes are focused on transforming these roles. This year has also seen the design of a new integrated talent management programme that emphasises the attraction of the right skills and strategic talent, as well as performance management, development and succession planning. Looking forward, we will focus on accelerating the recruitment of employees from designated groups, to develop a talent pipeline for critical roles ahead of demand.

We are concerned about the impact of the tough economic climate on our people. Thankfully, due to our resilience, workforce optimisation for us rests on skills development for improved effectiveness and productivity, rather than headcount reductions. Furthermore, our employee wellness programmes are of great value to our people, providing them with the emotional and mental health support they require in a high-pressure environment within and outside of their work lives. We have appointed a preferred service provider to manage employee counselling services in South Africa.

Accelerating socio-economic development

We approach black economic empowerment and the development of small businesses with our characteristic entrepreneurial spirit. Raising our contribution in these areas, including our partnerships with black investors, gives Motus access to new markets and entrenches our position in the local industry. An example is our initiative with a local OEM, to open a majority black-owned satellite dealership. Motus will take a minority share in the dealership and provide operational support and training.

More than half of the vehicles on our roads are more than 10 years old and are predominantly serviced by informal sector mechanics who face significant challenges. We have designed an initiative to help them overcome these challenges by providing them with equipped workshops, technical skills development that will enable them to service more advanced vehicles, and the business skills they need to operate sustainable businesses. These workshops will be housed within or adjacent to our owned or franchised network of aftermarket parts or pre-owned dealership sites, or will be established as independent joint ventures. The first will open in September 2019 with a second soon thereafter. This initiative will also contribute to the safety and reliability of the vehicles that most South Africans rely on.

Maintaining leadership through innovation

Motus recognises that protecting and growing our leadership position depends largely on our ability to anticipate and respond to industry developments. We embrace innovation as an enabler of our future success and distinguish between enhancements to our current business and opportunities to capitalise on emerging technologies and trends. Our Motor-Related Financial Services division has demonstrable expertise in this field and serves as the custodian of innovation for the Group.

Outlook and appreciation

We are committed to maintaining our market leadership and income levels without compromising the balance sheet, on the strength of our relationships with OEMs and customers. Our long-standing relationships with OEMs will continue to secure agreements that keep us highly competitive in an increasingly price-sensitive market. Our potential to capitalise on even moderate economic growth is a powerful feature of our business model. When the new dawn does eventually break in South Africa and our international businesses shake off the prevailing uncertainties, Motus' optimally integrated structure, highly skilled people and entrepreneurial culture will once again allow it to thrive beyond industry expectations.

The Group has produced solid financial results for the year under challenging trading conditions. South Africa's socio-political and economic outlook is fragile, which impacts sentiment, economic activity and the volatility of the Rand. Despite this, we anticipate solid operating and financial results for the year to June 2020, subject to stable currencies in the economies in which we operate and South Africa retaining its investment rating grade.

We thank our shareholders and stakeholders for their support during these difficult times.

My sincere appreciation to Graham Dempster (Chairman) and Ockert Janse van Rensburg (CFO) for their guidance and leadership of the business during the separation from Imperial Holdings and listing on the JSE, a special thank you to the board, the executive management team and the 18 628 people at Motus for their extraordinary effort and commitment over our first year of trading as a listed company. The team is committed to execute on our strategies into the future.

O. Arbee

Osman Arbee
Chief Executive Officer

30 September 2019

Chief Financial Officer's review

Our performance for FY2019 was resilient with an improvement in key financial metrics to June 2019.

Motus has maintained a strong balance sheet and delivered solid results with growth in earnings.

The South African operations contributed operating profit of 90% for the year, with the remainder being contributed by the UK, Australia and South East Asia.

Revenue improved by 3,5% despite reduced sales volumes attributed to market contraction and the sales mix, enhanced by price increases and acquisitions. The revenue contribution from pre-owned vehicle sales increased by 11%. The selling of parts and rendering of services also contributed positively.

Operating profit improved by 1% to R3 620 million. All business segments reported an increase in operating profit with the exception of the Retail and Rental segment. Operating expenses increased by 5%. Cost control initiatives during these economically challenging times remain a management focus.

The Import and Distribution segment reported a 3% decline in revenue with growth in operating profit of 3%, the Retail and Rental segment reported 3% growth in revenue with an operating profit decline of 6%, the Motor-Related Financial Services segment reported stable revenue with a 5% growth in operating profit and the Aftermarket Parts segment reported an increase in revenue and operating profit of 8% and 11% respectively.

For the Group and in the Aftermarket Parts segment, revenue for the prior year was restated to recognise that certain revenue raised relating to wholesale procurement arrangements as is now prescribed on a net rather than on a gross basis (parts ordered but delivered directly to customers). Under the revised revenue accounting standard, certain revenue of the operation will now be accounted for as an agent only. There is no impact on operating profit as the cost of sales was reduced by the same amount. The June 2018 revenue and expenses were reduced by R658 million.

A full reconciliation of earnings to headline earnings is provided on page 84. A final dividend of 250 (interim: 240) cents per ordinary share has been declared bringing the full year dividend to 490 (2018 pro forma: 444) cents per ordinary share. This represents a 10% pro forma increase from the prior year and is in line with our targeted pay-out ratio of 45% of normalised HEPS.

Net working capital increased by 13% to R7 580 million from a low base in June 2018 of R6 731 million. This increase is due to normalisation of working capital levels at the importers, as vehicle supply normalised. Higher inventory levels were carried at the dealerships mainly due to recent acquisitions and a slowdown in vehicle sales. Motor-Related Financial Services' working capital increased, mainly due to lower trade payables relating to vehicles for hire. In the Aftermarket Parts segment, additional stock was carried due to the acquisitions and a wider selection of brands being introduced to capture lower-end consumers.

Net debt to equity is 56% (June 2018: 51%) which is within target levels of 55% to 75%. Debt increased by 4% mainly due to working capital requirements.

IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers became applicable to the Group during the financial year. Due to the nature of the Group's operations they had a minor impact on the financial reporting processes. In the 2020 financial year IFRS 16 – Leases will become applicable and this will require R2,4 billion in additional interest-bearing debt being raised on the Group's balance sheet.

Return on invested capital ("ROIC") and weighted average cost of capital ("WACC") remained in line with the prior year at 13,5% and 10,7% respectively. We have not provided separate ROIC, WACC and net debt-to-equity ratios for each business segment as the business segments in the Group operate in an integrated manner, to optimise client offerings and market penetration with numerous cross-selling initiatives across the automotive value chain.

We generated R2 743 million cash from operating activities and R1 749 million after investing activities. This is lower than the prior year mainly due to higher working capital requirements in the current year, partially offset by the lower investment in vehicles for hire. In addition, the prior year benefited from inflows relating to the sale of the Australian property of R616 million.

Liquidity

The liquidity position is strong with R7,5 billion unutilised banking facilities. Of the Group debt 61% is long term in nature and 29% of the debt is at fixed rates. Excluding floorplans which can be seen as part of the working capital cycle, 39% of the debt is at fixed rates.

How we allocate capital

Motus strives to create long-term value for stakeholders through strategic clarity, financial discipline, operational excellence and strictly defined capital allocation principles.

Our approach

> Capital is released to sharpen executive focus by disposing of non-core, strategically misaligned, under-performing or low return on effort assets.
> 45% of normalised headline earnings per share is distributed to shareholders which is in line with our dividend pay-out ratio.
> Working capital requirements are maintained.
> We will invest capital in South Africa to maintain the quality of our assets and our market leadership in the automotive industry.
> We will invest capital to grow our businesses beyond the continent selectively through bolt-on acquisitions driven by the introduction of additional brands or expanding our footprint in areas close to existing dealerships.
> We will consider the repurchase of shares at appropriate prices as required.
> We will invest in human capital and information systems to underpin the development and sustainability of Motus.
> We will effectively manage Group currency volatility to minimise the cyclicality of this significant risk.

My sincere appreciation to the global finance and legal teams for the combined effort and commitment shown during the unbundling, listing and first year of reporting Motus as a standalone listed entity.

Ockert Janse van Rensburg
Chief Financial Officer

30 September 2019

Board of directors

The success of our business and our clients is directly related to the quality of our people.

From left: OS Arbee, OJ Janse van Rensburg, KA Cassel

Executive directors

Osman Arbee (60)

Chief Executive Officer

BAcc, CA(SA), HDip Tax

Osman was appointed as the CEO of Motus on 1 March 2017.

Osman was previously with Imperial Holdings Limited from September 2004 and appointed to the board in July 2007. During his tenure he has been the CEO and CFO of Imperial Holdings, CEO of the then Car Rental and Tourism division, and the chairperson of the Aftermarket Parts and the Automotive Retail divisions. He resigned from the Imperial Holdings board during November 2018.

Osman is a member of the various Motus subsidiary boards, including the UK and Australia.

Prior to joining the Group, Osman was a senior partner at Deloitte & Touche and spent 23 years in various roles, which included being a board and executive committee member.

Ockert Janse van Rensburg (46)

Chief Financial Officer

BCompt (Hons), CA(SA), HDip Co Law

Ockert joined Imperial Holdings Limited in January 2015, at which time he was appointed as CFO of Motus Corporation (previously a subsidiary of Imperial Holdings). In addition, Ockert was the acting CEO of Motus for the six-month period ended 31 December 2018 during the unbundling and listing of Motus. Prior to joining Motus, he was the Chief Financial Officer of Foodcorp Holdings Limited, a multinational food manufacturer and a partner of PricewaterhouseCoopers Inc. Ockert is a member of various Motus subsidiary and divisional boards, including the UK and Australia, a trustee of the Group medical aid fund and retirement funds.

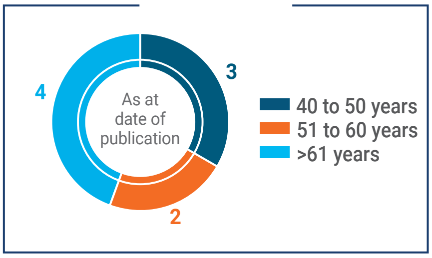
Kerry Cassel (46)

Executive director and CEO: Motor-Related Financial Services

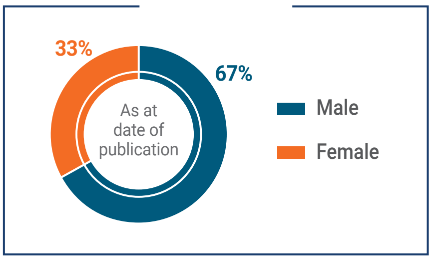
BCom (Hons), CA(SA)

Kerry was appointed to the Motus board as an executive director from 1 July 2019. Kerry is the CEO of the Motor-Related Financial Services business segment. Prior to joining Motus in 2002, Kerry was an audit manager at Deloitte & Touche. Kerry has held multiple senior positions within the Group over the course of her career. She was appointed as managing director of LiquidCapital Proprietary Limited in April 2010, appointed to the board of Motus Corporation Proprietary Limited in July 2010.

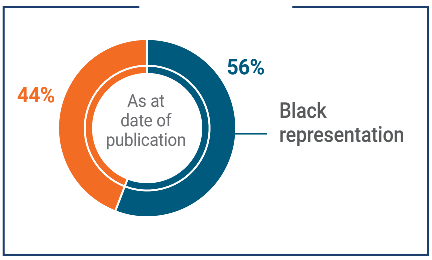
Board age



Board gender representation



Board race diversity



From left: GW Dempster (Chairman), P Langeni, S Mayet, KR Moloko, MJN Njeke, A Tugendhaft (Deputy Chairman)

Non-executive directors

NOM REM AL

Graham Dempster (64)

Chairman and independent non-executive director

BCom (Hons), CA(SA), AMP (Harvard)

Graham was appointed to the Motus board on 22 November 2018 and is the Chairman of the board, the chairman of the asset and liability, and nominations committees, and a member of the remuneration committee. He is a non-executive director of Telkom, AECI and Imperial Logistics Limited and independent non-executive chairman of Long4Life Limited. Graham was an executive director of Nedbank Group Limited and Nedbank Limited and retired in May 2014 with over 30 years' service in the Nedbank Group. Graham was previously a director of Imperial Holdings Limited.

AR NOM REM

Phumzile Langeni (45)

Independent non-executive director

BCom (Acc), BCom (Hons)

Phumzile was appointed to the Motus board on 22 November 2018. Phumzile is the executive chairman of Afropulse Group, non-executive chairman of the Mineworkers Investment Company Proprietary Limited, Primedia Holdings Limited and Imperial Logistics Limited. Phumzile also serves as an independent non-executive director for various companies listed on the JSE, among others Massmart Holdings Limited and Redefine Properties Limited. Phumzile was appointed on 16 April 2018 by His Excellency Cyril Ramaphosa, the President of the Republic of South Africa as one of four special investment envoys tasked with raising USD100 billion over a five-year period. Phumzile was previously a director of Imperial Holdings Limited.

AR AL

Saleh Mayet (63)

Independent non-executive director

BCom, BCompt (Hons), CA(SA)

Saleh was appointed to the Motus board on 22 November 2018 and is the chairman of the audit and risk committee. He is a finance professional with well over three decades of experience in the Anglo American Group in South Africa. Prior to his retirement at the end of March 2019, he was an executive director of Anglo American South Africa and for the last 11 years of his career held the position of Head of Finance. He was also an integral member of the executive team providing key leadership, direction and strategy to the South African corporate office and region. He has held several listed and unlisted board positions and brings with him extensive experience across the full spectrum of corporate activities. He currently serves as an independent non-executive director of Astral Foods Limited.

SES AR

Keneilwe Moloko (51)

Independent non-executive director

CA(SA), BSc (QS)

Keneilwe was appointed to the Motus board on 22 November 2018. She is a Chartered Accountant and a Quantity Surveyor and started her career with Grinaker Building, Dawson & Frazer and CP De Leeuw Quantity Surveyors. She completed articles at KPMG working in the financial services and tax divisions and thereafter worked as development executive at Spearhead Properties and as a fixed interest credit analyst and a member of the credit committee of Coronation Fund Managers. Keneilwe currently serves as independent non-executive director of Attacq Limited, Brimstone Investment Corporation Limited and Long4Life Limited.

SES AL

Johnson Njeke (61)

Independent non-executive director

BCompt (Hons), CA(SA) HDip Tax Law

Johnson was appointed to the Motus board on 22 November 2018 and is the Chairman of the social and ethics committee. Johnson is the lead independent director of Sasol Limited, independent chairman of MMI Holdings Limited, a non-executive director of Datatech Limited and the chairman of the Hollard Foundation Trust, and a board member since 2009.

He is the chairman of Silver Unicorn Trading 33 Proprietary Limited and Silver Unicorn Coal and Minerals Proprietary Limited. He is also a director of NM Rothschild (SA) Proprietary Limited, Compass Group (SA) Proprietary Limited, Teamcor Limited, First Lifestyle Holdings, Nkunzi Investment Holdings Proprietary Limited and is lead independent director at Delta Property Fund Limited since April 2017. He is also a director of the Council of the University of Johannesburg, the South African Qualifications Authority and the Black Management Forum Investment Company Limited.

NOM REM SES

Ashley (Oshy) Tugendhaft (71)

Deputy Chairman and non-executive director

BA, LLB

Oshy was appointed to the Motus board on 1 August 2018 and is the Chairman of the remuneration committee. Oshy is the senior partner of Tugendhaft Wapnick Banchetti & Partners (law firm). He is also a non-executive director and deputy chairman of Alviva Holdings Limited (formerly Pinnacle Technology Holdings Limited). He was previously a director of Imperial Holdings Limited.

Committee key

SES	Social, ethics and sustainability committee (SEC)
AR	Audit and risk committee (AR)
NOM	Nominations committee (NOM)
REM	Remuneration committee (REM)
AL	Asset and liability committee (AL) CEO selection

Executive committee

The success of our business and our clients is directly related to the quality of our people.

We have therefore carefully selected some of the best in the industry to head up our business.

Collectively their skills, experience and insight into the industry and our clients' needs play a fundamental role in the quality and relevance of our offerings.

Osman Suluman Arbee (60)

Chief Executive Officer

BAcc, CA(SA), HDip Tax

See page 18 for more detail.

Ockert Janse van Rensburg (46)

Chief Financial Officer

BCompt (Hons), CA(SA), HDip Co Law

See page 18 for more detail.

Kerry Cassel (46)

Executive director and CEO: Motor-Related Financial Services

BCom (Hons), CA(SA)

See page 18 for more detail.

Berenice Francis (43)

Corporate Affairs Executive

BCom (Acc), BCompt (Hons), MBA, CIA

Berenice was appointed as Motus' Corporate Affairs Executive in November 2018. Prior to this, she was the Group Commercial Executive for Imperial Holdings Limited, the Chief Risk Officer for the State IT Agency, Head of Enterprise Risk and Acting Head of Internal Audit for the City of Johannesburg. She has also held non-executive positions in National Treasury, the Department of Communications and their related SOEs. She is the representative director on Ukhamba Holdings and an independent non-executive director of Altron Limited.

David Long (57)

Chief Information Officer

BSc Computer Science, BSc (Hons) Operations Research, MBA

David is the Chief Information Officer for Motus. David was previously the CIO of the Imperial Holdings Limited Vehicle Retail, Rental and Aftermarket Parts division for two years, and prior to that was a director of Resolve Solution Partners (part of the Imperial Logistics Group) for 15 years. Before founding Resolve, David was involved in information systems and business strategy for a number of South African-based companies.

Niall Lynch (43)

CEO – Hyundai South Africa

BCom, MBS

Niall Lynch took over as CEO of Hyundai Automotive South Africa in 2016. He was previously the Managing Director of Renault South Africa Proprietary Limited prior to which he held several franchise director positions within the Retail and Rental segment.

Berlina Moroole (47)

Chief Internal Audit, Risk and Sustainability Officer

BCompt (Hons), CA(SA)

Berlina was appointed as the Chief Internal Audit, Risk and Sustainability Officer of Motus on 1 June 2018. Prior to joining Motus, she held several senior management roles at different companies, including Liberty Holdings Limited, a partner at Deloitte & Touche and was an advisory audit committee member for the United Nations Population Fund ("UNFPA") and board member for Legal Aid South Africa.

Jaco Oosthuizen (47)

CEO – Renault South Africa

BCompt (Hons), CA(SA)

Jaco was appointed as CEO of Renault South Africa effective 1 July 2017. Prior to joining Imperial Holdings Limited in 2001 Jaco was an audit manager at Deloitte & Touche. He joined the Group in the role of General Manager of the Motor-Related Financial Services segment and held the position of Managing Director of Daihatsu South Africa Proprietary Limited and then managing director of Mitsubishi South Africa Proprietary Limited before his current role.

Malcolm Perrie (60)

CEO – Aftermarket Parts

BSc, MBA

Malcolm is the CEO of the Aftermarket Parts division. He began his career at Telkom having completed a BSc (Electrical Engineering) at the University of the Witwatersrand. He then entered the private sector with BMI, an industrial market research company after completing his MBA, from Wits. In 1989 he started his own marketing and consulting company which specialised in the automotive and engineering sectors. Malcolm joined Imperial Holdings Limited in 2013 as the managing director of Parts Incorporated, a division of Aftermarket Solutions.

Gary Scott (44)

CEO – Kia Motors South Africa

BComp (Hons), CA(SA)

Gary is the CEO of Kia Motors South Africa Proprietary Limited. He joined Kia Motors from Deloitte & Touche in 2002, where he qualified as a chartered accountant. His 17 years' automotive experience includes stints in finance, group projects and parts. He was appointed sales director at Kia Motors in 2013 until his appointment as CEO in 2017.

Michelle Seroke (48)

Chief People Officer

BSocSci

Michelle was appointed as the Chief People Officer of Motus effective 1 July 2017. She joined Imperial Holdings Limited as human resources director for the Imperial Vehicle Retail, Rental and Aftermarket Parts division in August 2016. Her career began in Eskom after obtaining her BSocSci from the University of Cape Town. She has held strategic senior management and executive positions in human resources, both locally and internationally, at several organisations, including Eskom, Productivity SA, ArcelorMittal and General Electric.

Corne Venter (43)

CEO – Retail and Rental South Africa

BCom Acc, BCom (Hons), MCom

Corne is the CEO of the Retail and Rental division for South Africa, since his appointment on 1 March 2019. Prior to this, Corne was the CEO of the car rental business within Motus. He joined Imperial Holdings Limited in 2005 as Financial Director of Premier Motor Holdings. Corne has held the position of Managing Director of Premier Motor Holdings, Porter Motor Group and Imperial Commercials. Corne was a former trustee of the Imperial Pension and Provident Fund.

** Ray Levin was previously the Commercial Executive of Motus and retired at the end of June 2019 and Phillip Michaux retired as the CEO: Retail and Rental division at the end of February 2019.*

Material priorities

Defining materiality

Motus defines material priorities as those factors most likely to influence the conclusions of all its stakeholders in assessing the company's ability to create value over time. In determining if a priority is material, we consider its potential to impact strategy (opportunity and risk), performance (financial and non-financial), prospects (in the short, medium and longer term), and ultimately value creation. More specifically, material priorities are the factors most likely to influence the decisions of a stakeholder in relation to the capital inputs they provide and the outcomes they expect in return.

Determining material priorities

The following inputs informed the determination of the material priorities for Motus in 2019:

1. Motus' vision, mission and strategy.
2. Roundtable discussion to elicit and distil the views and concerns of leadership.
3. Concerns of key stakeholder groups, including customers, business partners, OEMs and investors, elicited from the relationship owners in each case.
4. Top business risks.

Material priorities structure

The diagram below, which provides an overview of the material priorities, shows the three key themes into which the material priorities have been grouped. The table that follows shows the sub-issues to each material priority and the associated management priorities in place to address these. The material priorities are discussed throughout the integrated report and supplementary sustainable development information available online (www.motuscorp.co.za).

Relevance

1. Deliver exceptional value to customers
2. Remain the strategic partner of choice for OEMs and suppliers
3. Become an employer of choice in the automotive industry
4. Apply a pragmatic and proactive approach to innovation

Resilience

1. Further diversify earnings streams
2. Consolidate to achieve efficiencies and excellence while preserving the entrepreneurial culture
3. Sustain capital management discipline
4. Remunerate performance that supports strategic delivery

Credibility

1. Demonstrate governance via best practice
2. Consistently deliver on stakeholder expectations
3. Continue to strengthen our investor value proposition

Relevance

Sub-issues	Strategic priorities
1 Deliver exceptional value to customers	
Provide exceptional products and services at competitive prices across the automotive value chain.	> Leverage best pricing and marketing from OEMs, and buying power to distribute and sell competitively priced vehicles and parts to deepen our competitive position and grow our market shares. > Leverage the Motus integrated value chain to procure vehicles and offer competitively priced vehicle rentals. > Ensure service excellence at points of sale, rental, service, repair and maintenance. > Maintain high dealership standards by empowering dealership principals appropriately. > Train and develop employees, particularly sales, aftersales and online representatives, to provide a superior experience to increasingly well-informed and diverse customers. > Continue to develop strong relationships with suppliers and stringently apply our quality controls to ensure high-quality workshop services and parts supplies.

Relevance

Sub-issues	Strategic priorities
2 Remain the strategic partner of choice for OEMs and suppliers	
Deepen OEM partnerships, maintaining a superior route-to-market and strengthened brand positioning.	> Preserve long-standing importer and retail partnerships with OEMs, providing market access through quality marketing, high levels of customer satisfaction and strategically located dealerships (in growing urban areas). > Work with OEMs to ensure we offer the most relevant and competitive products. > Offer cost-effective and competitive financial services products to the South African consumer. > Partner with OEMs on new ways of penetrating the market (e.g. new retail formats and technologically enabled dealerships). > Leverage the strong balance sheet to allocate importer volume to the car rental companies and support OEM volume targets.
Secure strategic partnerships to drive growth and competitiveness.	> Proactively manage our strategic alliances to ensure that we have the appropriate partners that will ensure our strategic objectives are aligned, and that our partners' competencies complement Motus' own capabilities. > Leverage Motus' specialised expertise, data and product design ability to offer relevant and innovative vehicle asset finance ("VAF") and VAPS offerings to the large customer bases of financial services partners with established channels to market. > Selectively enter into other joint venture opportunities with B-BBEE partners to ensure competitiveness in certain market segments, with a holding company structure already in place to facilitate this. > Ensure adequate resources and investment in innovation and partner with technology developers and solution providers to gain access to highly specialised skills and cutting-edge innovation. > Partner with selected international distributors to facilitate competitive purchasing for the aftermarket parts business, increasing buying power through the forward integration of the parts supply chain.
3 Become an employer of choice in the automotive industry	
Attract and retain high-calibre employees.	> Implement best people practices across the Group while ensuring the necessary flexibility to enable practical and cost-effective delivery of human capital management within different divisions. > Ensure effective performance development, talent management and succession planning that aligns employee capabilities and expectations with business objectives and career opportunities. > Develop and empower employees through relevant training interventions, which also promote the mindset, skillset, flexibility and responsiveness required for significant change. > Embed inclusivity and collaboration within the Motus culture.
Ensure a strong focus on transformation and diversity.	> Deliver diversity training to managers and employees to create an environment in which everyone can perform to their full potential. > Implement targeted interventions to develop and promote internal candidates from designated groups (black people, women and people with disabilities) and strategically source external talent within these groups to drive transformation and diversity at management level. > Drive talent pipeline programmes at Group level to create a pool of entry-level candidates from designated groups from which we are able to fill posts when they become available.

Material priorities continued

Relevance

Sub-issues	Strategic priorities
4 Apply a pragmatic and proactive approach to innovation	
Continually monitor and adapt to market trends in digitisation, mobilisation and automation and drive innovation.	> Leverage first-hand access to developments in different markets to assess the impact on business models and the expected timeframes, to implement the necessary changes. > Continue to ensure executives understand new technologies and their potential impact on markets. > Leverage IT solutions and data to drive innovation across the vehicle value chain, with the aim of securing higher market penetration in the medium term. > Identify opportunities to collaborate with key strategic partners to share intellectual property and drive innovation in line with the principles underpinning the "open economy".
Optimise and evolve current business models and structures while designing new solutions and operating models.	> Align continuously with digital, mobility and automation trends and changing customer needs by working with OEMs to deliver innovative solutions and business model changes. > Utilise innovation hubs and capabilities to facilitate innovation within all divisions.
Focus on data science and analytics to extract value and enhance the customer experience.	> Continue to monetise proprietary data. > Apply insights gained from data analytics to create relevant and innovative products and services aligned to customers' mobility needs. > Deepen understanding of customer data to retain customers and capture market share of vehicle sales and VAPS.
Continue to differentiate our offering through innovative VAF solutions, VAPS and mobility services.	> Leverage data analytics to monitor customer behaviour and understand customer preferences, as well as our understanding of OEM strategies and mobility-related technologies, to deliver the most relevant, personalised and competitive offerings that meet their mobility needs. > Ensure convenient, consolidated and compelling access to all of the Group's offerings, by consolidating and improving Motus' online presence. > Leverage existing data warehouses and lakes, which support all direct marketing and customer relationship management initiatives across the value chain, to develop a single view of the customer across all offerings.

Resilience

Sub-issues	Strategic priorities
1 Further diversify earning streams	
Optimise the profitability of each segment within the automotive value chain.	> Maximise the organic growth potential of each division according to clearly defined divisional strategies. > Drive defensive, annuity income streams from financial services and workshops, and from well sourced imports in the Aftermarket Parts business. > Defend operating margins through efficiencies and process improvements. > Apply sales, service and maintenance data to accurately price VAPS, to minimise fund burn rates and maximise their profitability.
Grow competitive market share and strengthen the core business by leveraging the integrated value chain.	> Maintain unparalleled scale and footprint in South Africa. > Drive importer volumes to support parts sales, panel sales, workshop servicing and financial services. > Grow the used car market share through digital lead generation, improvement of stock mix in line with market demand and excellent customer service. > Leverage scale and operational synergies across the integrated automotive value chain. > Grow fleet management offerings to corporate customers.

Resilience

Sub-issues	Strategic priorities
1 Further diversify earning streams continued	
Pursue strategic growth in selected international markets.	> Pursue acquisitions in selected markets that complement existing networks and benefit from the transfer of existing expertise. > Target a significant proportion of hard currency earnings (20% to 25%) from international operations.
Leverage data and expertise to expand value-added product offerings and services.	> Drive growth across the automotive value chain, by unlocking efficiencies and customer potential within existing and new channels. > Explore and develop new partnership opportunities, including opportunities to improve customer loyalty and build online client platforms and portals.
2 Consolidate to achieve efficiencies and excellence while preserving the entrepreneurial culture	
Centralise and standardise systems and processes only where appropriate to enable business agility.	> Continue to drive operational alignment and collaboration across the value chain to reduce complexity, duplication, costs and capital employed. > Streamline IT architecture to support efficiency, connectivity and networking across the Group and access across businesses where appropriate. > Implement a suite of standard IT policies, focusing on IT security and reporting. > Deepen business agility and the entrepreneurial culture to maintain resilience. > Maintain business continuity processes to ensure business operations are stable and unaffected by power outages and disaster recovery is in place. > Streamline our people systems across all operating businesses. The new payroll and human capital management system will provide accurate human capital data and one view of the employee base, supporting strategic human capital decision making.
Enforce sound internal process governance, risk management and approval structure.	> Ensure operational governance standards are met, supported by a well-developed control environment, risk management and deep expertise in finance, treasury and accounting. > Maintain effective controls to monitor and manage currency risk, including the application of the forward cover policy. > Ensure data security and proprietary systems are fit-for-purpose.
3 Sustain capital management discipline	
Enhance profitability, ROIC and cash flow generation to support bolt-on acquisitions and a consistent dividend pay-out.	> Allocate capital to organic and acquisitive growth strategies that achieve the targeted returns and our strategic objectives. > Achieve targeted revenue and income growth, and maintain sound financial leverage ratios. > Maintain a healthy dividend payment to shareholders.
Maintain working capital management discipline.	> Streamline distribution (vehicles and aftermarket parts) to effectively manage inventory levels and improve working capital management while containing costs in a low-growth economic environment. > Maintain healthy liquidity ratios.
Continue to optimise the portfolio.	> Continue to optimise the portfolio by exiting or disposing of non-strategic dealerships and businesses that do not enhance competitive advantage or show low return on effort. > Align investment philosophy to strategic intent. > Invest in key regions to ensure a strong presence in the chosen markets.

Material priorities continued

Resilience

Sub-issues	Strategic priorities
4 Remunerate performance that supports strategic delivery	
Align incentives to strategic objectives.	> Incentivise management to ensure sustainable performance through the cycle. > Align incentives to financial and non-financial targets, including transformation, innovation and other qualitative targets.

Credibility

Sub-issues	Strategic priorities
1 Demonstrate governance via best practice	
Establish a credible reputation for ethical, effective and independent leadership.	> Demonstrate independence and effectiveness of the board. > Formulate management succession plans to ensure relevant skills and experience in relation to strategy. > Continue to embed and enhance ethical practices and governance standards.
Maintain best governance practices.	> Deepen application of King IV principles and recommendations. > Maintain and enhance robust control and risk management systems. > Embed effective reporting processes for board visibility.
Establish corporate citizenship credentials. > Comply with laws and regulations across multiple jurisdictions and demonstrate high ethical business conduct. > Demonstrate defensible safety practices, socio-economic value creation and environmental stewardship.	> Manage the complexity and cost impact of regulations and fiscal policy, including alignment with the new financial services regulatory landscape. > Proactively monitor and engage with regulators on upcoming legislation, for example the Competition Commission's automotive aftermarket advocacy programme in South Africa, and follow international trends to understand potential upcoming regulatory changes and how these can be used to enhance customer experiences. > Embed a strong culture of ethics and integrity, supported by the code of ethics, ongoing engagement at business and Group level and ethics training. > Embed safety practices and mindset in the right areas, including operational safety in workshops and other facilities. > Provide employees with access to services that help them manage their physical, financial and mental health. > Direct more spend to preferential suppliers whose businesses fall within our controllable spend parameters. > Develop supplier and enterprise development initiatives, including providing small and medium enterprises ("SMEs") with training, mentoring and financial assistance. > Invest in corporate social investment programmes that support basic education and learning, youth development and road safety. > Responsibly manage natural resources in line with national priorities, legislative requirements and municipal by-laws. > Manage waste responsibly, particularly hazardous oil waste, in line with applicable national waste management laws and ensure relevant disposal certificates are issued.

Credibility

Sub-issues	Strategic priorities
2 Consistently deliver on stakeholder expectations	
Strengthen relationships with all key stakeholders.	> Maintain high standards of accountability, transparency and integrity in running the business and reporting to shareholders and other stakeholders. > Ensure responsiveness to the legitimate concerns of all stakeholders through accurate and transparent disclosures.
Ensure effective succession planning to ensure management depth.	> Implement succession planning for the CEO, his direct reports and other levels of management for the short and long term.
3 Continue to strengthen our investor value proposition	
Retain current investors and attract new investors both locally and internationally.	> Deliver on our vision, the related strategic objectives and our investment proposition. > Defend and grow the leading market share in South Africa, continue to grow annuity income streams, and grow in selected international markets. > Maintain strong free cash flows. > Deliver best-in-class earnings and targeted returns. > Maintain a consistent dividend pay-out through the cycle.

Risk management

Risk management framework

Motus has a strong risk management approach that is embedded in the day-to-day operations of the Group and facilitates responsible risk-taking in management decision making. Our risk management framework identifies and assesses risks at strategic, business and operational levels.

Governance and structure	Risk management framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.
	The board and its committees	The board is responsible for the governance of risk within Motus and is fully committed to ensuring that formal risk management processes are implemented to ensure that risks facing the company are managed effectively.
	Executive committee ("Exco") and finance and risk review committees ("FRRCs")	Executive responsibility for management of all risks and implementation of risk governance processes, standards, policies and frameworks.
Risk management process	Risk culture; Risk appetite and tolerance; Risk taxonomy; Communication and consultation; Risk assessment; Risk response; Monitoring and review	The risk appetite sets out the amount and type of risk that an organisation is prepared to pursue, retain or take. The process of risk management is to systematically apply management policies, procedures and practices to the activities of communicating, consulting, establishing context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.
Control framework	Frameworks, policies, standard procedures, practices; Internal controls	Policies, procedures, internal controls designed to manage key risks.
Three lines of defence	First line of defence – management; Second line of defence – Risk management, compliance, legal, quality control functions; Third line of defence – internal audit, external audit, independent assurance providers	Three lines of defence governance model promotes accountability and consistency, and is the foundation for the combined assurance model.

PEOPLE, PROCESS, DATA, SYSTEMS, INFRASTRUCTURE

RISK CULTURE AND VALUES

Managing our risks

Our combined assurance framework aims to ensure that a co-ordinated approach to managing risks is applied throughout the Group and to provide comfort on the management of significant risks by applying the principles of the three lines of defence model.

Three lines of defence

> First line – responsible for the identification and management of risks, in line with agreed risk policies, risk appetite, tolerance levels and controls at an operational level.

> Second line – responsible for the oversight and monitoring of different risks and provide the first line with the appropriate tools to effectively manage identified risks.

> Third line – provides independent oversight and assurance to the board and senior management on the adequacy and effectiveness of controls implemented.

All three lines of defence report to the board directly, or through the audit and risk committee and/or social ethics sustainability ("SES") committee.

Our top risks and responses

Our embedded enterprise risk model identifies and assesses existing and emerging risks and associated opportunities where effective risk management can be turned into a competitive advantage. Any risk taken is considered within risk appetite and tolerance levels, which are updated on a quarterly basis and approved by the finance and risk review committee and the Group audit and risk committee. Emerging risks are identified where the extent and nature of the risk or opportunity and its potential impact on the business are uncertain.

The aim of our enterprise risk management process is to fully understand the various categories of risks and identify any related opportunities in our business, and understand how these risks affect our strategic, operational, reporting and compliance objectives by establishing the impact and likelihood of the identified risks, together with actions required to mitigate and control these risks and to leverage opportunities.

Emerging risk themes have been identified across the Group and include the increased risk of employee fraud and misconduct due to the current economic environment, reputational risks arising from the increased use of digital communication, potential changes in consumer-buying patterns that may impact the viability of the dealership model and environmental factors like climate change.

Our risk management process considers the internal and external environment. In identifying the top risks, management considered the material adverse effects of our business, financial condition or results of operations, resulting in a quantitative and qualitative impact on the business. All the top business risks identified are considered and incorporated into the development of the One Motus strategy and our responses over time.

Our top risks

Risk exposure	Context	Response
Dependence on specific brands and reliance on key suppliers	We depend on our relationships with OEMs and franchised dealers, which are critical to our business model. We are required to comply with the agreements we have with them, which include meeting sales volumes and service targets. Failure to meet the required standards may affect our status as an exclusive distributor and retailer of global brands. Motus relies on ongoing commercial relationships with suppliers and sub-contractors and the loss of any significant supplier could impact operations and financial performance.	> Proactive and continuous engagement and management of OEM relationships by leadership, including ongoing negotiation of fixed targets. > Standards required by OEMs are maintained and expectations in terms of agreements are met or exceeded. > Proactive monitoring of customer satisfaction and perception of the OEM brand. > Management regularly meets their counterparts at OEMs to ensure strong relationships. > Monitoring business performance to ensure targets are met and to identify and correct underperforming areas. > Proactively manage inventory levels – vehicles and parts – to meet customer demand.
Currency volatility in the markets in which we operate	The competitiveness and profitability of vehicle and parts imports may be impacted by Rand volatility against major currencies, the pricing of new vehicles and services and maintenance plans due to increases in parts pricing; and the ability to hedge at competitive rates. Foreign currency translation differences may also arise on the consolidation of foreign subsidiaries.	> Active management of currency volatility through established hedging strategy and policy, monitoring and oversight structures. > Foreign currency exposure and conversion is actively monitored by management to manage the effect of currency changes on pricing and to assess appropriate hedging strategies. > Monthly forex committee meetings are held to discuss committed and uncommitted vehicle orders and manage forex requirements. > Quarterly asset and liability meetings are held chaired by the Chairman of the board to review funding requirements, currency hedging, asset allocation, interest rates, funding of acquisitions and other cash management issues.

Risk management continued

Risk management framework continued

Our top risks

Risk exposure	Context	Response
Slow or negative growth in the geographies in which we operate	The outlook for economic growth in South Africa is poor and any further downgrades of the South African sovereign rating could adversely impact the business and the current customer base, leading to reduced volume sales. In addition, reduced margins may be achieved due to competitive markets and a change in product mix. Changes to consumer buying patterns may also impact the long-term viability of our dealership model. Slow growth in the economies we operate in could affect profitability and cash generation.	> Focus on providing service excellence and innovative client offerings to support sustainable margins. > Regular review, analysis and reporting of product margins, product mix, unit growth and aggressive balance sheet management, focusing on working capital investment. > Ongoing monitoring of the operating environment to identify opportunities to increase sales. > Focus on cost management through the creation of agile, efficient businesses, extracting efficiencies and reviewing the dealership footprint.
Regulatory compliance	Motus is subject to a wide range of legislation which it monitors to ensure compliance. Any breach of compliance could result in fines or sanctions that affect profitability and undermine reputation. Ongoing monitoring of changes in legislative environments and interpretations of law is of key importance due to the potential for uncertain consequences on our business model and operations.	> Compliance officers are in place and compliance audits are conducted quarterly. > Proactive monitoring, input and operational implementation plans and frameworks on emerging legislation. > Centralised monitoring of financial service regulations for compliant sales of Finance and Insurance products. > Independent review of compliance with Group ethics framework and regulatory requirements. > Increased engagement with business leaders in South Africa to advocate for more effective policies. > Engagement with regulators at senior levels in the business to ensure that we are aligned with their strategic imperatives.
B-BBEE status of South African-based operations	Changes to the B-BBEE codes require accelerated transformation at employment levels, procurement from black enterprises, training spend on black employees, corporate social responsibility ("CSI") spending and higher levels of black ownership in the Group's South African businesses. Failure to achieve set targets may impact the competitiveness and sustainability of the Group.	> Active monitoring and oversight of B-BBEE scorecards and targets. > Clear initiatives in place to meet employment equity targets and skills development, driven by executive level sponsorship and leadership strategy sessions. > Standardised reporting process implemented to report a full B-BBEE scorecard. > Joint ventures with strategic B-BBEE partners are being secured as appropriate
IT strategy and execution of architecture, systems and applications	The legacy of decentralised IT systems and infrastructure makes it critical to reduce system complexity while ensuring data is protected and addressing cyber security, system stability and innovation. IT strategies need to be flexible and effective in meeting requirements and delivering solutions that support operational effectiveness and competitive differentiation.	> Board and audit committee oversight and monitoring of material IT projects. > Strategy alignment reviews performed to assure appropriate IT strategies are in place. > Active monitoring of IT systems and networks. > Business continuity processes and disaster recovery plans are in place to ensure operations are unaffected by outages. > Appropriate oversight and change management during implementation phase of IT projects.

Our top risks

Risk exposure	Context	Response
Succession and talent management	The limited pool of qualified skills in South Africa and the impact of an ageing skilled working population are challenges in accessing the talent needed to resource our growth strategies. Besides leadership skills, our businesses depend on specialised technical and customer-facing skills which need to be developed and retained.	> Implementation of best people practices that are supported by the appropriate systems. > Align current and future skills requirements to talent management programme and performance management approach. > Training and development programmes, including specialist training academies. > Co-ordinated transformation policies and programmes focused on the development and promotion of internal candidates and recruitment of employment equity candidates.
Rapid speed of disruption due to innovation	The pace of change has accelerated and will inevitably require established brands to embrace digital capabilities to be competitive. Customers are increasingly product savvy and accustomed to the convenience of the digital experience. Sustained competitive advantage is increasingly achieved through innovation.	> Ongoing monitoring of market trends and new innovations by executives. > Keeping abreast of innovative changes by competitors. > Bringing in new and improved ways of doing business to reduce costs and increase profitability.
Increased cyber security requirements	Globally, there is an increase in attempts made by hackers to gain unauthorised access to company IT systems and data. Cyber crime has the potential to cause financial loss, disrupt our services and erode our customers' trust. Our ability to protect and secure our IT systems and information and therefore how we manage the potential threat has a direct impact on our reputation and operational resilience.	> Continuing cyber awareness and education initiatives are in place. > Ongoing cyber risk assessments and monthly security reporting. > Assessments by external experts on a regular basis to assess cyber risks. > Ongoing assessment and development of capabilities to respond to detection, prevention and response to cyber threats.
Vehicle inventory management	Ongoing management of inventory levels to meet customer demand (for new and used vehicles) minimises losses from disruptions in supply chain and stock shortages on new vehicles and improves management of ageing used vehicle inventory levels. Pressure in the current economic environment, particularly in the premium vehicle market, may increase the risk of non-compliance with vehicle trade policy and result in more used vehicle stock.	> Regular valuation meetings to assess and price used vehicle inventory. > Ongoing internal audit reviews of compliance with vehicle trading policies. > Proactive reviews of used vehicle inventory levels.

Automotive industry

The global automotive industry is changing rapidly with new technologies and emerging entrants redefining how consumers buy, own, use and drive cars. These new entrants are developing differentiated mobility solutions which, in turn, are forcing changes to products and business models.

Global trends

Four mobility megatrends[1] will continue to shape the global automotive industry. In South Africa, due to no government subsidies and the high infrastructure spend, these trends may take longer to effect.

Mobility as a Service ("MaaS")

Consumers are moving from personal vehicle ownership models to mobility solutions that are consumed as a service, on demand, at specified times and places. Mobility fleet operators are likely to continue growing by leveraging their networks to provide more tailored services. Dealership models and vehicle financing could also change, with greater emphasis on offering fewer highly customised products and a shift toward fleet management services.

Digitisation

There is a need to improve and align digital platforms, leverage data and integrate channels to enable a seamless customer journey. Transforming the customer experience to one that is digital, omnipresent and omnichannel, and reflects the customer experiences that consumers enjoy from retail, banking and a host of other industries, remains the relevant theme. Consumers are demanding technology that is smarter, simpler and in line with their needs.

Electrification

Interest in electric vehicles is growing as stricter emission regulations, lower battery costs and more widely available charging infrastructure create momentum in their development by OEMs and adoption by consumers. By 2030, electric vehicles could make up close to half of new vehicle sales, with adoption rates being highest in developed urban areas with strict emission regulations, and slower in rural areas with less charging infrastructure and longer travel distances.

Autonomous vehicles

Fully autonomous vehicles are expected to be a reality in the medium term, with cars taking over control from drivers. Current advanced driver-assistance systems will drive regulator and consumer acceptance. Increased connectivity of vehicles with integrated software, remote operations and real-time monitoring will increase the safety of passengers.

[1] *Sources: McKinsey: Disruptive trends that will transform the auto industry, January 2016; KPMG Global Automotive Executive Survey 2019.*

Regional market trends

The South African automotive supply chain includes manufacturing, distribution, retail, maintenance and servicing. Motus currently operates in all segments of the vehicle value chain other than manufacturing. The automotive industry is one of the most important sectors in South Africa, contributing more than 6,8% of the country's GDP, of which 2,5% is generated from the retail segment. The sector also accounts for more than 14% of total export value[2], making it an important business in the economy.

Economic

- In South Africa, political uncertainty, weak economic prospects and high debt burdens are placing pressure on consumer spending, which with tighter credit extension, is impacting on new vehicle sales.
- In the UK, Brexit-related uncertainty continues to suppress economic growth and subdue vehicle sales.
- In Australia, vehicle sales have declined, due to tight financial lending and a downward sales trend.

Sector

- Highly competitive markets are resulting in vehicles, parts and services being sold at lower prices to maintain market share.
- The trend in the luxury vehicle segment of buying down has resulted in significant volume reductions and permanent structural realignment.

Legislation

- The application of new and emerging regulation, including the Protection of Personal Information Act, 4 of 2013 ("PoPI") and the Competition Commission's automotive aftermarket advocacy programme (also known as right-to-repair) remains uncertain.

Disintermediation

- Some OEMs are moving towards an agency model. This could lessen dealer network relevance.
- Financial services providers are expanding their offerings in the vehicle value chain and may form relationships with OEMs directly in the future.

[2] *Sources: Automotive Industry Export Council's South African Export Manual 2019.*

Motus is resilient to adverse economic pressure, given our differentiated income streams, with a growing proportion not dependent on new vehicle sales; our strong relationships with OEMs, which support highly competitive pricing; our value proposition to customers, which includes a brand and model mix aligned to their preferences and affordability. Equally, our business model and high efficiency will benefit from a moderate improvement in economic conditions.

Motus is also well positioned, due to our scale, scope, expertise and relationships, to anticipate longer-term structural changes and respond with the necessary innovations. Our first-hand access to changes in developed markets, specifically the UK and Australia, will provide the insight we need to prepare for developments in our core market, which are likely to be slower. Furthermore, our financial services business has a proven track record of improving customer engagement through innovative channel and product development, underpinned by its data analytics and monetisation capabilities.

Value creation

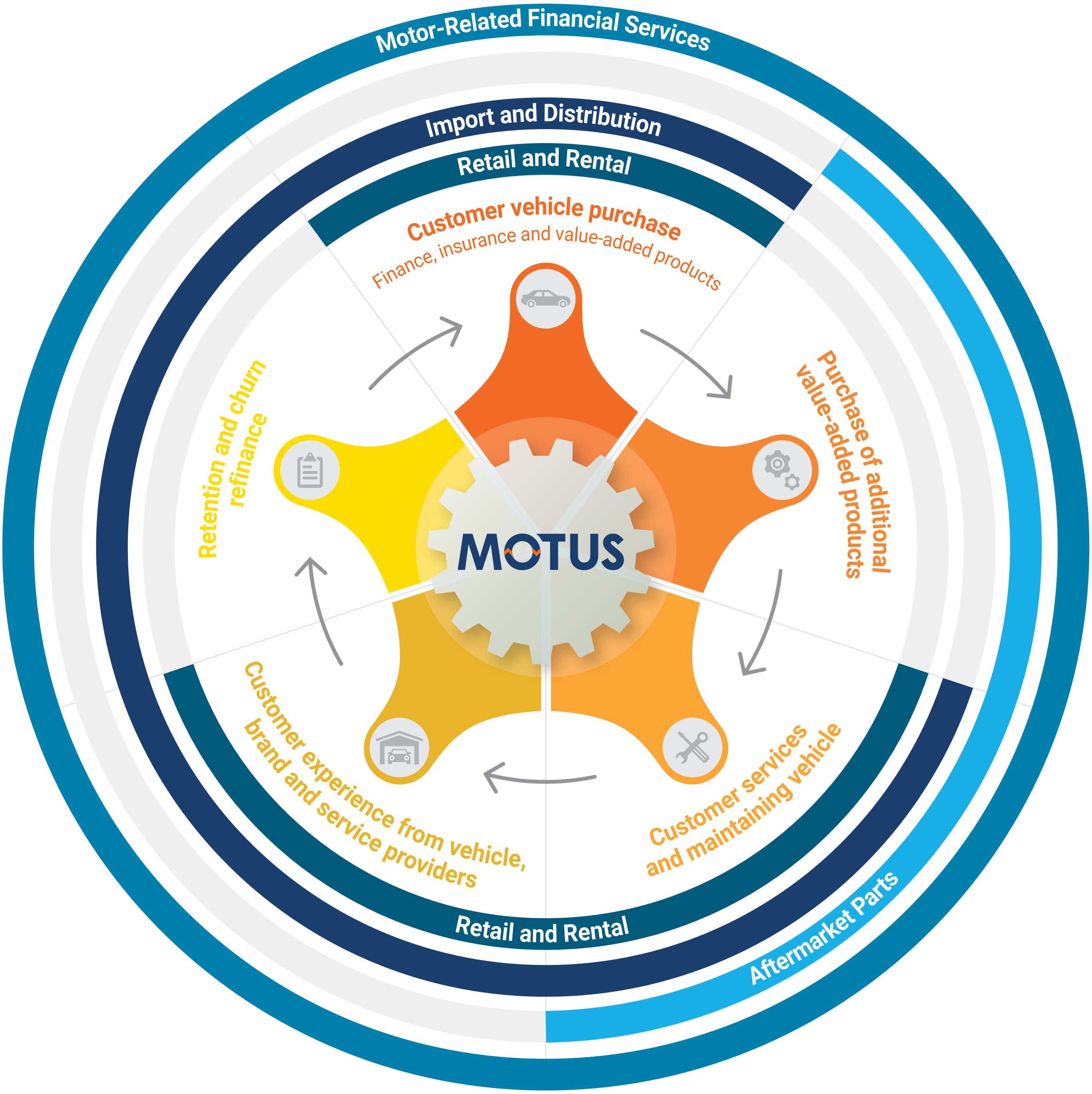
Inter-dependencies with the capitals

<table>
<tr><th>Capitals</th><th>Inputs</th><th>Outcomes</th></tr>
<tr><td>Financial capital
A strong balance sheet, high cash flow generation, structured capital allocation and financial discipline to ensure sustainable returns for our stakeholders.</td><td>Ability to generate cash provides liquidity to fund working capital, invest in growth and support a share buy-back, while maintaining a stable dividend pay-out policy.
> Growth in revenue and operating income.
> Focus on cost containment and financial discipline.
> Growth in normalised headline earnings per share.
> Dividend pay-out of 45% of normalised HEPS.
> Net debt to equity ratio within targeted range: 55% to 75%.
> High cash flow generation.
> Share buy-back where appropriate.</td><td>> Revenue of R79,7 billion – up 3,5%.
> Operating income of R3,6 billion (margin of 4,5%).
> Normalised headline earnings of R2 137 million up 7%.
> Full-year dividend 490 (2018 pro forma: 444) cents per share.
> Net debt-to-equity ratio: 55,9% (2018: 50,7%).
> Debt to EBITDA: 1,4 times.
> Cash generated from operations R2 743 million.
> Share buy-back of R780 million.
A full review of our financial activities is provided in the Chief Financial Officer's report starting on page 16.</td></tr>
<tr><td>Human capital
A skilled, diverse, productive and motivated workforce enables Motus to operate in a cost-effective and efficient manner to meet stakeholder needs. Motus strives to be fair, accountable and driven, by complying with rules and regulations, operating with the highest levels of integrity and ethics, and providing stimulating careers.</td><td>> 18 628 employees of which 15 000 are in South Africa.
> A high-performance, inclusive and collaborative culture with diversity, innovation and entrepreneurial flair at the core to excel in customer service.
> Human capital strategy to develop and empower employees, be an employer of choice, improve practices and processes and ensure a strong focus on transformation and succession.
> An experienced and diverse leadership team.</td><td>> 73% black employees in South Africa.
> Black representation in top management in South Africa of 31% (2017: 25%).
> Training spend in 2019 of R137 million (2018: R132 million).
Training programmes such as: Diversity Training, Women in Leadership, Executive Development, Dealer Principal and Portfolio Management.
A review of our activities is provided in the following sections of our 2019 reports:
> Leadership pages 18 – 21.
> People pages 62 – 65.
> Become an employer of choice in the automotive industry (SR – online www.motuscorp.co.za).
> Improve the broad-based black economic empowerment score (SR – online www.motuscorp.co.za).</td></tr>
<tr><td>Social and relationship capital
Trusted relationships with stakeholders is essential to securing our reputation, licence to operate and enabling us to deliver on our strategies.</td><td>> Strong relationships with OEMs and customers, as well as business partners, who include B-BBEE, joint venture and technology partners.
> Relationships with regulators, governments and local communities.
> Commitment to socio-economic development in partnership with the Imperial and Motus Community Development Trust and investing in programmes that support education, youth development and road safety.</td><td>> Long-standing OEM relationships, representing 22 OEMs in South Africa.
> Exclusive South Africa importer and distributor of Hyundai, Kia, Renault and Mitsubishi.
> Enterprise development spend of R89 million (2018: R72 million).
> Total CSI spend of R28,9 million (2018: R16,4 million).
> Distributed R1 106 million to governments (2018: R1 134 million).
A review of our activities is provided in the following sections of our 2019 reports:
> Stakeholder engagement pages 54 – 55.
> People pages 62 – 65.
> Deliver exceptional value to customers, embed defensible health and safety practices, demonstrate consistently ethical and compliant business conduct (SR – online www.motuscorp.co.za).</td></tr>
</table>

Capitals	Inputs	Outcomes
Intellectual capital Our business model depends on having effective management systems. It is imperative for the IT architecture to effectively support our business segments securely, providing insight and oversight in a cost-effective manner and enable business agility, continuity and growth as our operating environment evolves.	> Continuously align with digital, mobility and automation trends and changing customer needs. > Investment in IT and innovation that supports our collaborative customer engagement model and enhances the customer experience across the vehicle ownership cycle. > Ongoing optimisation of operating models and responsiveness to disruption. > Continued focus on IT security and governance.	> Successfully transitioned our IT systems and services from Imperial Holdings onto a new common network and server. > Strengthened the IT governance framework and IT security capabilities. A review of our activities is provided in the following section of our 2019 reports: > Innovation and technology solutions pages 59 – 61.
Manufactured capital The financial investment in the purchase, development and maintenance of property, plant and equipment has given Motus the capacity to generate longer-term returns for stakeholders.	> Investment in the maintenance of our assets to ensure that they operate in a safe, reliable and efficient manner. These include properties and facilities, either owned by Motus or by others (independent dealerships and outlets), as well as movable assets, for example the rental fleet.	A review of our activities is provided in the following sections of our 2019 reports: > Chief Executive Officer's and Chief Financial Officer's reports pages 12 – 17. > Group strategy page 5.
Natural capital Our business model involves consumption mainly of water, electricity and fuel. Motus is committed to operating in an environmentally conscious and responsible manner.	> Environmental management that supports our value proposition and credibility among OEMs, customers, strategic partners and employees.	> Constituent of the FTSE4Good Index Series achieving an environmental score of 3,6 out of 5. > Added a sustainability linked loan with BNP Paribas to complement the commitment to environmental awareness and sustainability. The mechanism of the loan is such that the cost of credit is linked to the reduction in Motus' water and fuel consumption. A review of our activities is provided in the following sections of our 2019 reports: > Non-financial highlights pages 8 – 9. > Responsibly manage natural resources and waste (SR – online www.motuscorp.co.za).

Integrated business segments

Our ability to deliver sustainable profitable growth through the cycle and to position our business for the structural disruption in our market, underpins our ability to create value for all stakeholders over the long term. The effective operation of our business contributes to affordable vehicle ownership and supports real economic activity.



We participate in all aspects of the vehicle ownership cycle, which diversifies our revenue and profit streams. This enables us to cross-sell, leverage synergies and efficiencies across our business.

Global position

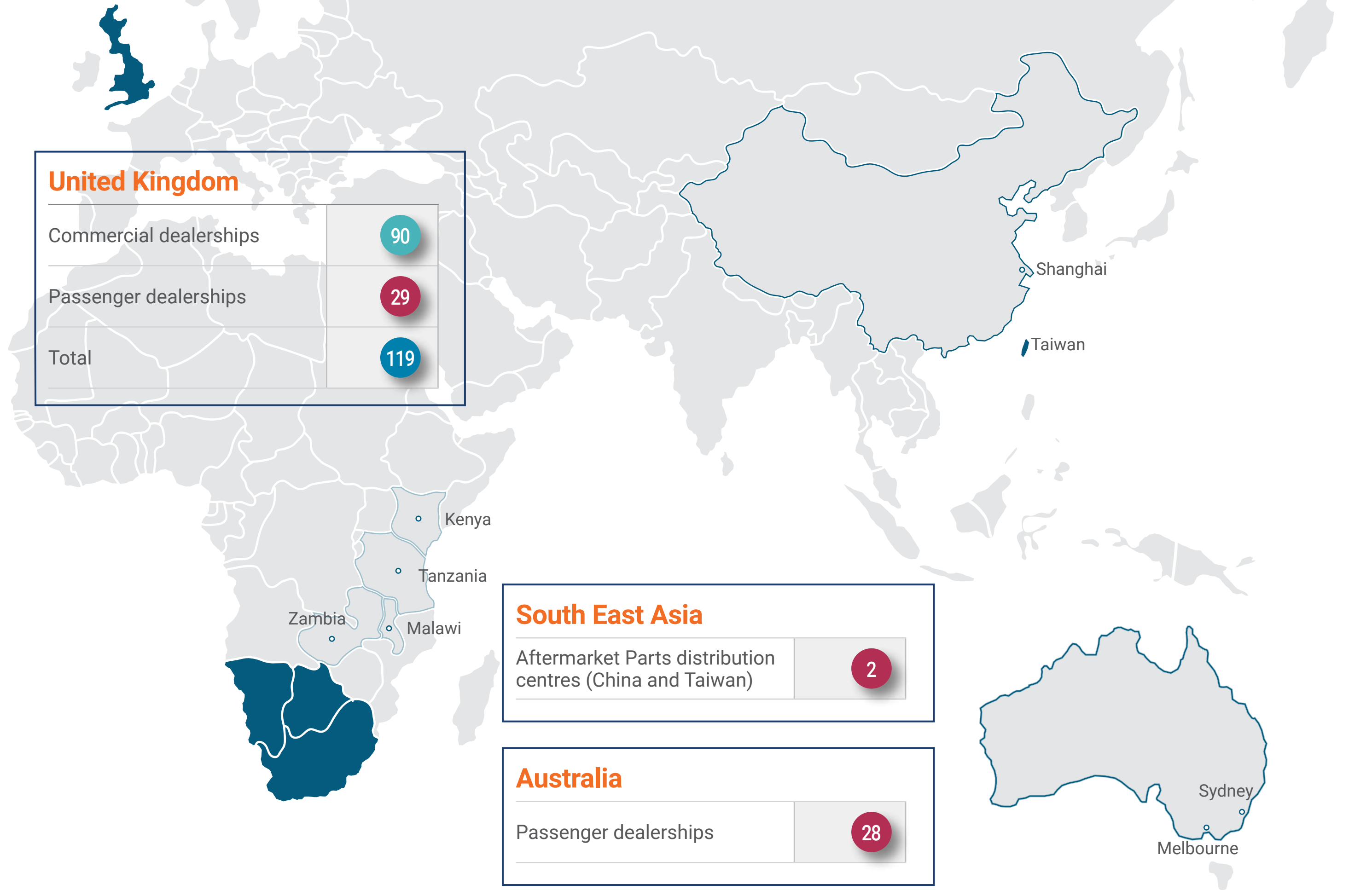
Unrivalled scale and scope in South Africa and a growing international presence, representing the most respected global vehicle brands.

South, Southern and East Africa

	Total	Gauteng	Limpopo	Mpumalanga	Free State	KwaZulu-Natal	Northern and Eastern Cape	Western Cape	North West
Total retail dealerships	331								
Retail dealerships (South Africa)	321	172	26	8	28	36	12	68	4
Commercial dealerships	18	9	3	1	3	1	0	1	0
Passenger dealerships	226	96	13	5	20	26	8	56	2
Auto Pedigree	77	33	10	2	5	9	4	12	2
Retail dealerships (Southern and East Africa)	10								
Car rental	117								
South Africa	100	33	4	7	2	14	17	19	4
Southern Africa	17								
Aftermarket Parts	797								
South Africa	742	232	36	66	67	107	96	95	43
Southern Africa	55								

United Kingdom

Commercial dealerships	90
Passenger dealerships	29
Total	119



South East Asia

Aftermarket Parts distribution centres (China and Taiwan)	2

Australia

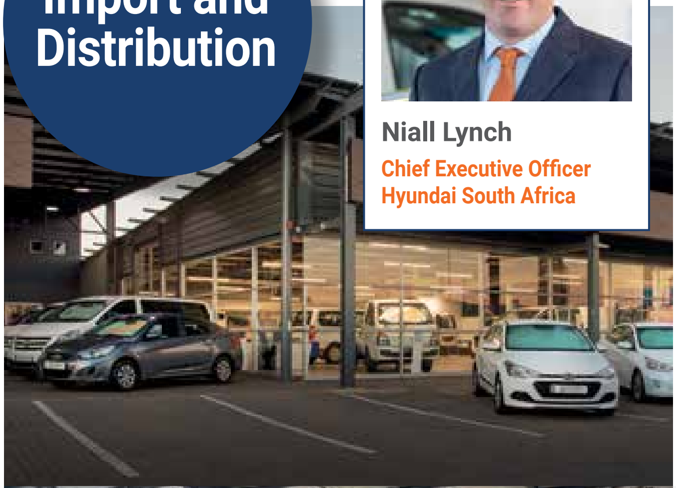
Passenger dealerships	28

Business segments

1 Import and Distribution

Niall Lynch
Chief Executive Officer
Hyundai South Africa

Gary Scott
Chief Executive Officer
Kia South Africa



Operates in

South Africa and neighbouring countries

14%

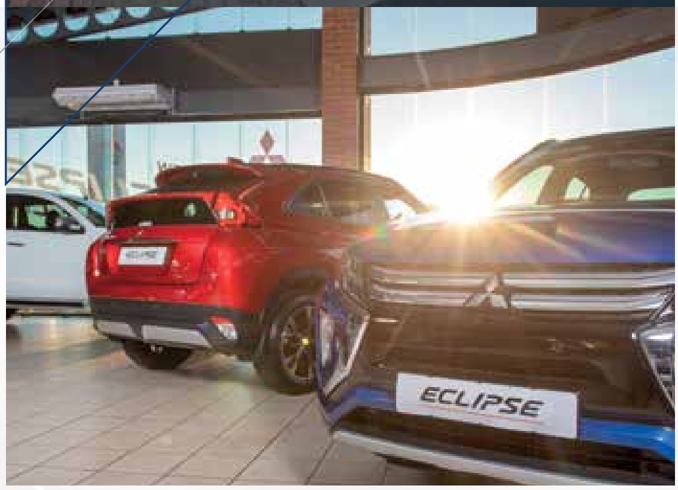
Market share in South Africa

>80 000 vehicles

imported annually

Jaco Oosthuizen
Chief Executive Officer
Renault South Africa

Pedro Pereira
Chief Executive Officer
Mitsubishi South Africa



Exclusive South African importer
of four respected international brands

Car Parc
~1,1 million

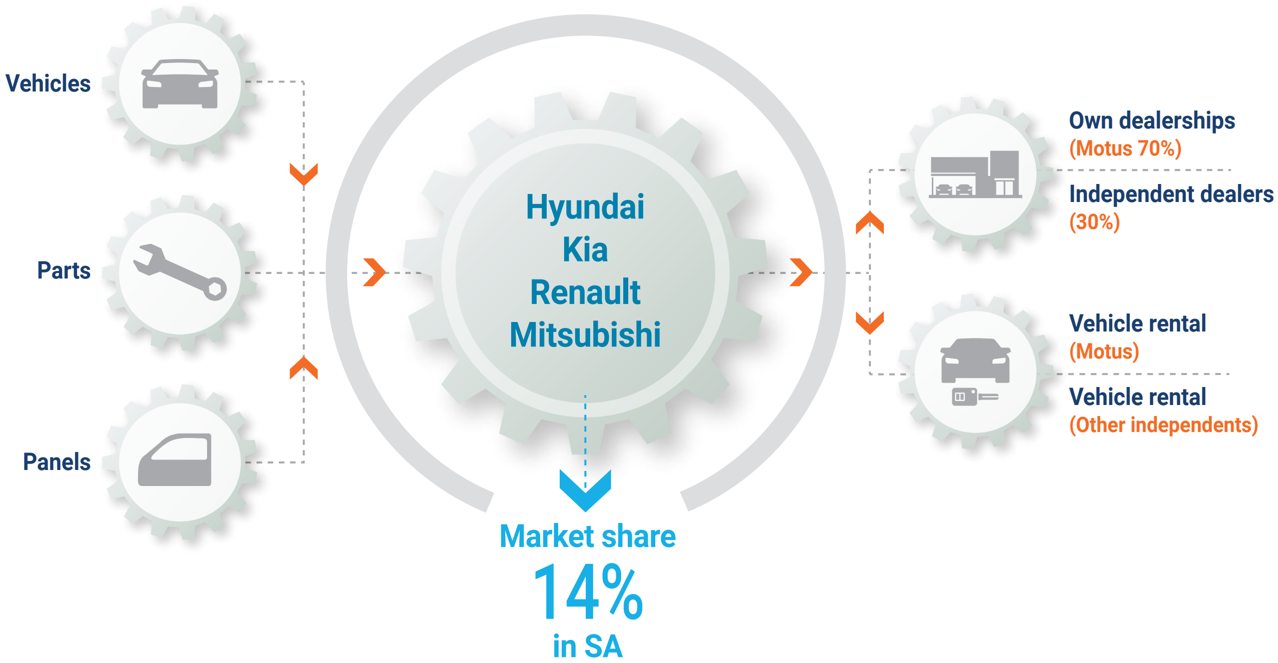
Business segments continued

Import and Distribution

Exclusive South African importer and distributor of Hyundai, Kia, Renault and Mitsubishi vehicles and parts, which collectively have 14% market share in South Africa.

This business segment operates in South Africa and neighbouring countries with approximately 80 000 vehicles imported annually. We have the exclusive distribution rights for Nissan in four countries, namely Kenya, Zambia, Tanzania and Malawi.

We provide a differentiated value proposition to the dealership network enhancing the revenue and profits of the entire automotive value chain. Of our imported brand dealerships 70% are owned by Motus and 30% are independently owned. We also supply to Europcar and Tempest (Motus rental brands) and other independent car rental companies.



Financial services integration
Full value chain presents unique opportunities for innovation and differentiation

Importer brands

Attributable revenue

21%

Attributable operating profit

21%

Operating margin

4,3%

Financial performance

	HY1 2019	% change on HY1 2018	HY2 2019	% change on HY2 2018	2019	2018	% change on 2018
Revenue (Rm)[1]	**9 783**	1	**9 166**	(6)	**18 949**	19 501	(3)
Operating profit (Rm)	**388**	28	**422**	(13)	**810**	788	3
Operating margin (%)	**4,0**		**4,6**		**4,3**	4,0	

[1] *HY1 and HY2 of 2018 as well as HY1 of 2019 have been re-presented due to a re-allocation of certain eliminations that were previously in Head Office and Eliminations, and relate to Import and Distribution revenue.*

Financial performance

Revenue declined by 3% in line with the decline in sales volumes and the change in the mix of vehicles sold. The declined volumes are attributable to the lower number of vehicles sold to car rental companies during the year due to supply constraints and in an effort to maximise profitability through the dealer channel. In addition, the revenue decline is also due to revenue included in the prior year from businesses that have now closed down.

Operating profit improved by 3% for the year mainly due to the higher gross profit margins as a result of competitive pricing, cost containment and lower losses on reduced car rental sales.

All four major importers in this segment performed well. The East African operations remain profitable.

Hyundai and Kia have forward cover on the US Dollar and Euro to March 2020, at average rates of R14,26 to the US Dollar and R16,51 to the Euro. As agreed between the shareholders, Renault does not take forward cover on committed orders. However, the creditor exposure raised on the statement of financial position is covered. With the exception of Renault, the current guideline is to cover a minimum of seven months' orders and up to 75% of annual forecast orders, as stipulated by the South African Reserve Bank.

Business segments continued

2

Retail and Rental




Retail

>130 000 new vehicles **and** >83 000 **pre-owned vehicles annually**

18,9%

retail market share in South Africa

~25%

rental market share in South Africa

Corne Venter
Chief Executive Officer
Retail and Rental South Africa

Rob Truscott
Chief Executive Officer
Retail United Kingdom

John Johnson
Chief Executive Officer
Retail Australia

Represents
22 OEMs

SA: 321 **dealerships**
UK: 119 **dealerships**
Australia: 28 **dealerships**

Business segments continued

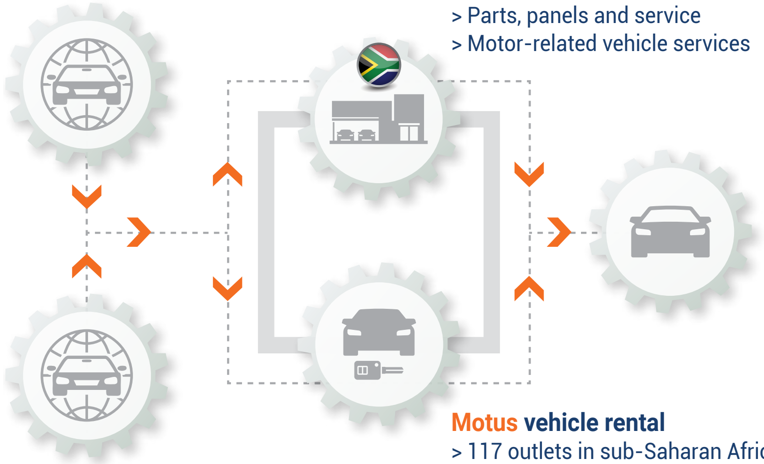
Retail and Rental

We retail vehicles through dealerships based primarily in South Africa, with a selected presence in the UK and Australia.

We have a leading retail market share of 18,9% in South Africa. Car rental, which operates through the Europcar and Tempest brands, has a market share in South Africa of approximately 25%.

Four importer OEM brands (Motus)
Hyundai, Kia,
Renault, Mitsubishi

321 dealerships in South Africa and a number of digital platforms
> Retail outlets
> Parts, panels and service
> Motor-related vehicle services

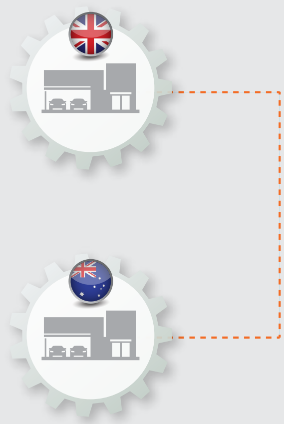


Used car dealerships

Motus vehicle rental
> 117 outlets in sub-Saharan Africa
> Individual, Corporate and Fleet Customers

18 non-Motus OEM brands

United Kingdom
119 dealerships
29 passenger dealerships
90 commercial dealerships



Australia
28 passenger dealerships

Financial services integration
Full value chain presents unique opportunities for innovation and differentiation

Represent leading brands

South Africa	United Kingdom	Australia

Attributable revenue

70%

Attributable operating profit

41%

Operating margin

2,4%

Financial performance

	HY1 2019	% change on HY1 2018	HY2 2019	% change on HY2 2018	2019	2018	% change on 2018
Revenue (Rm)[2]	**32 281**	–	**32 760**	8	**65 041**	62 850	3
Operating profit (Rm)	**816**	–	**762**	(13)	**1 578**	1 687	(6)
Operating margin (%)	**2,5**		**2,3**		**2,4**	2,7	

[2] HY1 and HY2 of 2018 as well as HY1 of 2019 have been re-presented due to a re-allocation of certain eliminations that were previously in Head Office and Eliminations, and relate to Retail and Rental revenue.

South Africa

Our unrivalled footprint of strategically located dealerships in growing urban areas underpins our leading market share.

We represent 22 OEMs through 321 vehicle dealerships, including 77 pre-owned dealerships, 226 passenger vehicle dealerships and 18 commercial vehicle dealerships.

We operate a centralised finance and insurance business across the dealer network, which executes Group financial services strategies and provides economies of scale.

Europcar and Tempest have different target markets, operating through 100 car rental outlets in South Africa and 17 outlets in neighbouring countries.

United Kingdom

We have 90 commercial dealerships and 29 passenger dealerships in the UK mainly in provincial areas. Further selective expansion in the UK will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions.

Australia

We operate 28 passenger dealerships in Australia, located in New South Wales and Victoria. Further selective expansion in the Australian market will be driven by the introduction of additional brands in areas close to existing dealerships via bolt-on acquisitions.

Financial performance

Revenue improved by 3% despite lower sales volumes resulting from a declining market, but was assisted by acquisitions and pre-owned vehicle sales improving by 11% year on year. Operating profit declined by 6% mainly due to market contraction arising from pressure on consumer affordability impacting luxury branded vehicle sales. The acquisitions in the UK and Australia contributed positively to the revenue and operating profit of the business.

Worldwide Harmonised Light Vehicle Test Procedure ("WLTP") has negatively affected sales volumes in the vehicle passenger business in South Africa, UK and to a lesser extent, in Australia, due to vehicles not being available for sale due to very strict homologation processes.

The South African Retail and Rental operating profit declined 2% from the prior year mainly due to market contraction affecting consumer affordability, the reduction in profitability of luxury branded vehicle sales and the decline in the car rental operating profit, offset by cost containment and turnaround processes in dealerships. The changes to leverage the expertise of our Finance and Insurance sales structure across the Retail vehicle segment provide a competitive advantage for the business. Higher volumes in entry level, small and medium SUV vehicle sales in South Africa have assisted profit margins. However, this was negatively impacted by the reduction in profitability of luxury branded vehicle sales.

Car rental revenue remained stable in an ever-increasing competitive environment, with declining tourism volumes. However, utilisation was maintained at 71%. Operating profit declined, mainly attributable to price competitiveness, of vehicles and the fleet mix. Management remains focused on reducing variable costs.

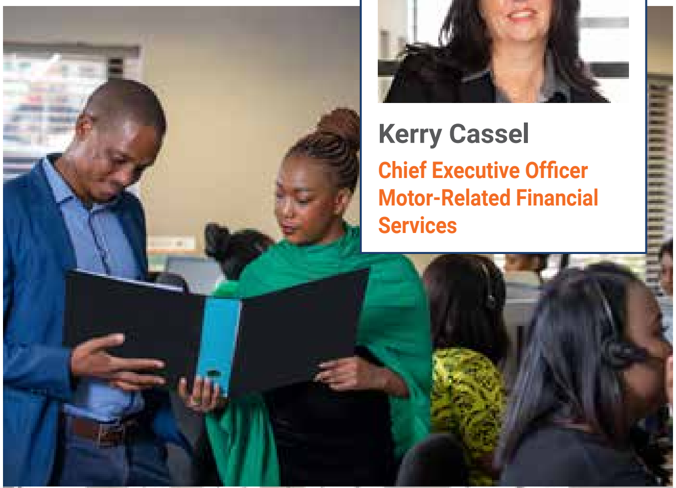
UK revenue improved by 19% due to increased sales volumes and revenue attributable to acquisitions. The UK operations have been affected by the political uncertainty arising from Brexit and sentiment in the market is negative. The DAF commercial and passenger dealerships performed well in a competitive market and remained profitable.

The UK Mercedes commercial business was negatively impacted by once-off restructuring costs, carbon emission issues resulting in a lack of inventory availability and therefore a reduction in variable margin and costing issues resulting in lower workshop profits. The prior year performance included the sales of the London Taxis, resulting in significant once-off income. During the year, the entire senior management team was replaced with new management having the capability to improve profitability of the business.

Revenue from the Australia operations increased by 8% for the year, notwithstanding the decline in the Australian vehicle market of 8% for the 12 months to June 2019. The Melbourne operation performed in line with expectations, while the Sydney business was negatively impacted by certain underperforming brands in the market and the relocation of a dealership and the Parts Distribution Centre.

Business segments continued

3 Motor-Related Financial Services



Kerry Cassel
Chief Executive Officer Motor-Related Financial Services

Developer and distributor
of innovative vehicle-related financial products and services

>730 000
clients

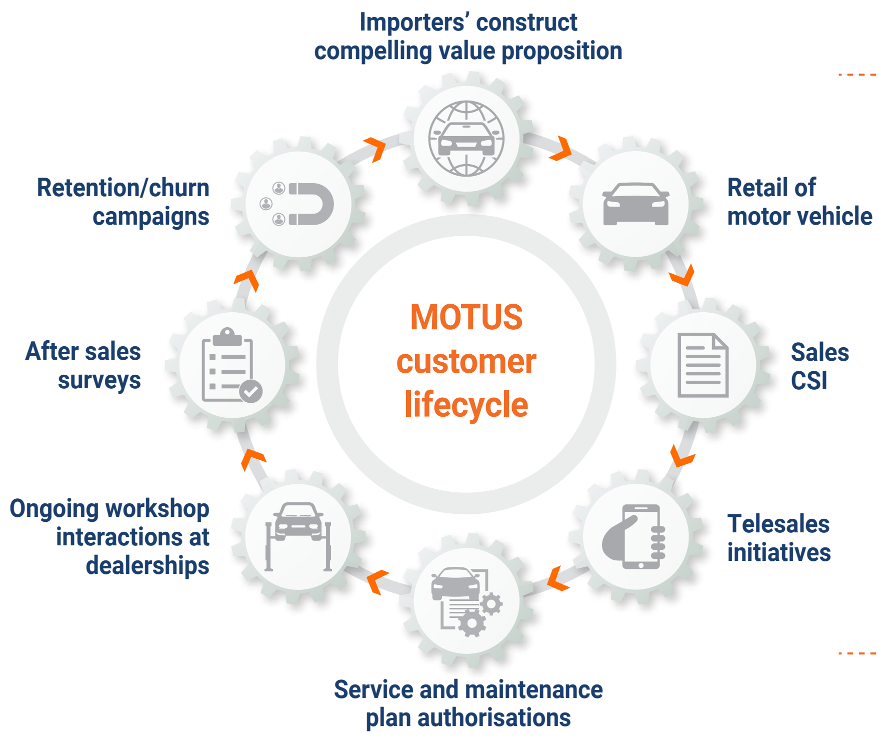
Manages the
innovative hub
for the Group

Business segments continued

Motor-Related Financial Services

We develop and distribute innovative vehicle-related financial products and services through importers and distributors, dealers, finance houses, call centres and digital channels.

Motor-Related Financial Services is a manager and administrator of service, maintenance and warranty plans and develops and sells vehicle-related value added products and services ("VAPS") to more than 730 000 clients. We are also a provider of fleet management services to corporate customers.



Financial services

- Access to bank credit
- Access to dealership network
- Access to market intelligence (data)
- Utilisation of market intelligence
- Cash-generative annuity income streams
- Innovative product and channel development and deployment

Innovation and unlocking customer potential within existing and new channels represent a significant growth and profit opportunity for the business. We have invested in technology to leverage consumer data, enabling us to offer personalised services aimed at enhancing the customer experience and improving customer retention.

This segment complements and leverages the automotive value chain, providing high-margin annuity earnings. Our ability to analyse proprietary data enables the accurate pricing of our offerings, profiling for the fleet business and management of claims. Through our leading service, maintenance and warranty plans, we unlock revenue for the Import and Distribution and Retail and Rental businesses by bringing customers back to its dealerships.

Attributable revenue
2%

Attributable operating profit
25%

Operating margin
43,1%

Financial performance

	HY1 2019	% change on HY1 2018	HY2 2019	% change on HY2 2018	2019	2018	% change on 2018
Revenue (Rm)	**1 138**	5	**1 034**	(4)	**2 172**	2 166	–
Operating profit (Rm)	**482**	3	**455**	9	**937**	889	5
Operating margin (%)*	**42,4**		**44,0**		**43,1**	41,0	

** Operating margin includes profit streams without associated revenue.*

Financial performance

Revenue growth was stable which is attributable to increased service, maintenance and warranty products and higher client penetration through digital marketing of value-added products, offset by the lower rental income due to fewer vehicles rented to car rental companies.

Operating profit improved by 5% mainly due to the positive contribution from the realisation of profits on the maturity of the contract liabilities and lower operating expenses. Management remains focused on financial discipline and cost containment.

We continue to drive development of the fleet management business and building synergies within the vehicle retail businesses.

Motor-Related Financial Services ("MRFS") – products and services

Value-Added Products and Services ("VAPS")

Service and maintenance plans
Extended warranties
Scratch and dent
AdCover
Credit life
Tyre and rim
Roadside assistance

Value Asset Finance ("VAF") (through finance alliances)

Instalment sales
Guaranteed future value offerings
Lease/rental solutions

Fleet (through finance alliances)

Procurement and financing of vehicles
Fleet maintenance solutions
Fleet management
Vehicle defleeting

Consumer mobility

Digital VAPS and comprehensive insurance platforms
Digital vehicle procurement, finance and disposal platforms
Digital leads rewards programmes

Business segments continued

4

Aftermarket Parts

Malcolm Perrie
Chief Executive Officer
Aftermarket Parts

Operates in
Southern Africa and South East Asia

797
retail stores (72 owned stores)

Supported by distribution centres in

South Africa, Taiwan and China

Franchise base:

> Resellers: Midas, Transerve, Alert Engine Parts

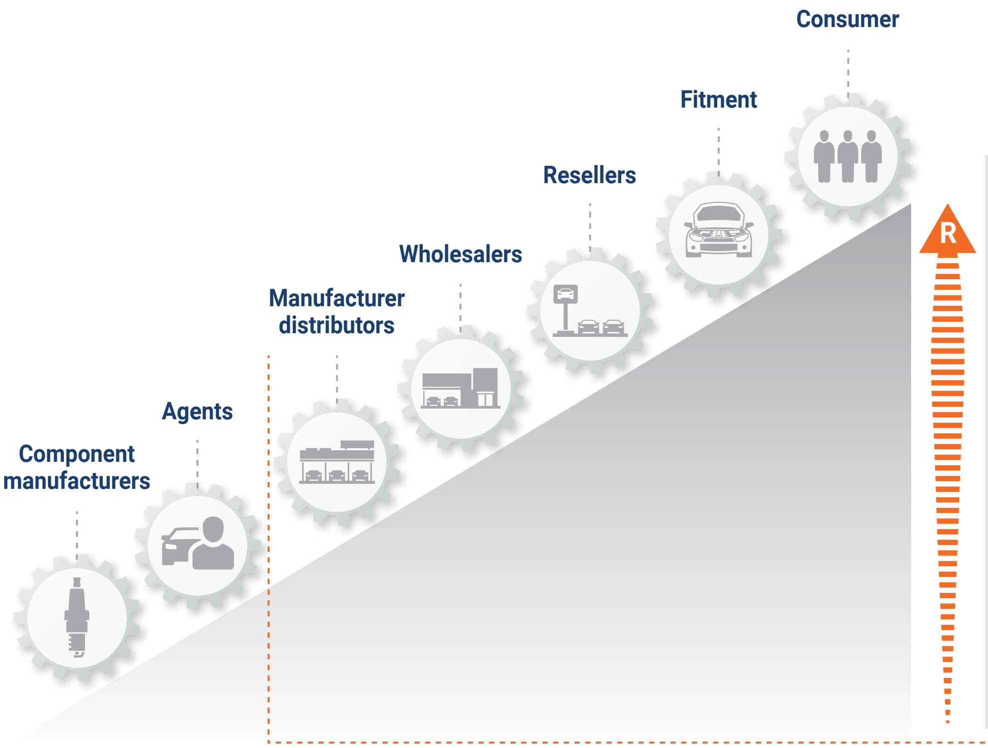
> Specialised workshops

Business segments continued

Aftermarket Parts

We are a distributor, wholesaler and retailer of accessories and parts for out-of-warranty vehicles.

Our large national and growing footprint enables us to leverage buying power to distribute and sell competitively priced products for a continually growing car parc of vehicles.



Key opportunities

- Significant margin in the entire chain
- Opportunity to participate in a greater portion of the value chain excluding manufacturing
- Total South African vehicle parc 12,2 million vehicles
- Focus is on vehicles outside OEM warranty terms
- Average age of the South African passenger car parc is 9,5 years
- Exposure to other emerging markets as a result of recent acquisitions

Franchises and agencies

MOTOLEK, ADCO, BATTERY HUB, CBS, SILVERTON, AUTO CARE, BEHR HELLA SERVICE, FEROBRAKE, MIDAS

Regional distribution

PARTS INCORPORATED AFRICA, AFINTAPART, ALERT ENGINE PARTS, NAPA

International distribution

ARCO, MTS

Specialised workshops and products

Turbo Exchange, MAXIFREN, AUTOCYCLE CENTRE

Investments

TRANSERV ZIMBABWE, MIDAS MAPUTO, AIM, WHOLESALE SPARES ZIMBABWE

Owned retail

MIDAS, SUBURBAN MOTOR SPARES

Canopy manufacturing

BEEKMAN, MAN ALUMINIUM CANOPY

Attributable revenue
7%

Attributable operating profit
13%

Operating margin
7,7%

Financial performance

	HY1 2019	% change on HY1 2018	HY2 2019	% change on HY2 2018	2019	2018	% change on 2018
Revenue (Rm)	**3 259**	8	**3 183**	8	**6 442**	5 974	8
Operating profit (Rm)	**246**	20	**250**	3	**496**	447	11
Operating margin (%)	**7,5**		**7,9**		**7,7**	7,5	

Expanding into other developing markets constitutes a significant opportunity for the business.

Increased participation in this segment will include vertical integration in order to eliminate intermediaries in the wholesale supply chain. The previous acquisition of the controlling interest in Arco in Taiwan supports this strategy and will ensure procurement at competitive prices. The business is looking to grow its South East Asian business by setting up distribution centres in the region.

Financial performance

Revenue and operating profit increased by 8% and 11% respectively, enhanced by the inclusion of Arco (Taiwan) as a subsidiary for the full financial year.

This was partially offset by the lower demand for commoditised products and a shift by consumers from higher priced premium products to more affordable products in South Africa, reducing operating profit in South Africa.

Working capital was negatively affected, as a wider selection of brands was introduced to capture lower end consumers.

Stakeholder engagement

Our stakeholders are defined as entities or individuals that may be affected by the Group's activities, products and services, as well as those whose actions can be reasonably expected to affect the ability of the Group to successfully implement our strategic objectives.

Our stakeholders include a wide range of groups and individuals with varying levels of involvement in the business and diverse and sometimes conflicting interests and concerns that need to be balanced over time.

Our key relationships

1 Financial

> Owners – share owners expect favourable long-term returns on their investments in the Group and have the inalienable right to exercise effective ownership over their investments. Any dilution of this ownership right by management for whatever reason will irretrievably undermine our corporate integrity.
> Investment community – research analysts facilitate an understanding of the Group for our owners and prospective investors, who provide the capital we need to deliver our strategy. Collectively, the investment community supports the effective functioning of equity markets, which is essential to attracting capital at a fair price.
> Debt providers – we work with debt providers to access debt funding at competitive rates in different jurisdictions, facilitated by our balance sheet position.

Key issues and concerns raised

> Our response to a significantly weaker domestic outlook and the impact of slower new vehicle sales.
> Our ability to fund the growth strategy.
> The impact of foreign currency volatility on margins, volumes and related product pricing.

2 Societal relationships

> Civil society, non-profit organisations and communities – our social licence to operate depends on being a good corporate citizen and maintaining constructive relationships with the communities in which we operate.
> Media – provides a channel of communication with our stakeholders and influences their opinions about the credibility of our investment proposition and reputation.

Key issues and concerns raised

> Skills development, job creation and enterprise and community development.

3 Regulatory relationships

> Government departments and regulators – the Group is subject to a complex range of regulations across our markets.
> Industry associations – our memberships enable us to advocate for more effective regulatory policies.

Key issues and concerns raised

> General compliance with legal and regulatory requirements, with a particular focus on the new financial sector regulatory framework, consumer protection, cyber security and the protection of intangible assets.
> Support transformation of the automotive industry in South Africa.

4 Business relationships

- Customers – our customers' needs drive the nature of the products and services we offer and the way in which we deliver them. Strong competition and changes in operating contexts require that we strengthen our customer focus and unlock value for them.
- Suppliers and OEMs – our suppliers are critical to our customer relationships given their role in the quality and delivery of products and services, as well as their adherence to our ethical standards. A number of OEMs have specific requirements on how we retail their products.
- Business partners – strategic partnerships, including finance partners, B-BBEE partners and joint venture partners, enable a greater reach for our products and services.

Key issues and concerns raised

- Product pricing and availability.
- Transparency during the vehicle purchasing process and excessive levels of paperwork.
- Customer communication, particularly on parts and vehicle delivery dates, and service completion times.
- Meeting OEM customer satisfaction targets.

5 People

- Employees – every employee contributes skills, perspective and energy to building, maintaining and deepening the relationships with our customers and other stakeholders on which we depend. Providing a high-quality working environment and development interventions and our ability to attract and retain talent are key imperatives.
- Organised labour – many of our employees choose union representation in exercising their rights. While we respect their choice to do so, it can never diminish our obligation to interact directly with them as individuals in a fair, open and respectful manner.

Key issues and concerns raised

- Effective and fair career management processes.
- Further improvement in the transformation of executive and senior and middle management are part of the executive strategy of the business.
- Market-related remuneration, parity of remuneration and clearer links between pay and performance.
- Investment in targeted leadership development programmes.

Market leadership

Overview

Our market leadership is underpinned by strong competitive positions in each of our business segments, which covers the entire automotive value chain, except for manufacturing.

Our strategic focus is to:
> Grow competitive market share by strengthening our core business, driving exceptional customer service, expanding our offerings across our network, investing in innovation and ensuring that we remain the OEM partner of choice.
> Leverage data, insights and products to remain relevant and agile in an evolving environment and stimulate revenue, customer loyalty and profitability.

Our participation in all aspects of vehicle ownership, use and maintenance provides us with the opportunity to consistently defend and grow our market share through our ability to cross-sell and leverage synergies and efficiencies across our business segments, despite a low growth environment in South Africa and ongoing currency volatility.

We are working towards a collaborative customer engagement model across our Import and Distribution, Retail and Rental and Motor-Related Financial Services business segments to enhance the experience at each stage of the vehicle ownership lifecycle and drive strategic conversations with our customers based on an understanding of their individual needs.

Key metrics

South Africa

Importer market share: **14%**

Retail market share: **19%**

Rental market share: in the region of **25%**

Our challenges

> The current political uncertainty, low economic growth, high unemployment, rate of inflation, high interest rates, and fiscal policy will constrain growth and profitability in the short term.
> Meeting volume and customer service targets set by OEMs in a challenging and highly competitive environment.
> The ongoing volume decline in the luxury segment and consumer buying down trend may result in a permanent structural realignment of the market.
> Increased regulatory pressure to allow new entrants with lower or no franchise standards may impact our profitability and increase risk to customers.
> Disruptors entering our traditional markets, including OEMs who are moving towards an agency model, which may lessen their dependence on our network.
> New entrants to the market.

Proven ability to maintain market share

We have demonstrated a consistent ability to defend and grow leading market shares in South Africa, maintain best-in-class earnings and margins, and generate strong free cash flows and returns on invested capital in challenging conditions. Leveraging our deep market insight, we will continue to drive the optimisation of each business segment to strengthen their competitive positions and enhance our integration across the value chain. We will ensure we remain relevant by investing in transformation and innovation through our strategic partnerships.

GDP growth

	2019 %	2018 %	2017 %	2016 %
GDP growth	**0,9**	1,3	1,6	0,7
Operating margin	**4,5**	4,7	5,0	5,0

Share of total NAAMSA vehicle sales (vehicle units for the calendar year)

	2019 (estimated)	2018	2017	2016
NAAMSA total market	**530 000**	552 190	557 703	547 442

Motus: South Africa retail market share

	June 2019 %	June 2018 %	June 2017 %
	18,9	19,9	19,0

Business segment objectives

Import and Distribution

- Drive vehicle sales volume and annuity income in service parts, panel parts, workshop servicing and financial services.
- Manage currency exposure and rebates from the OEMs.
- Offer the correct product mix, procure vehicle models aligned to our unique market demands, to consolidate our market leadership position.
- Enhance our customer value proposition through innovative value-added products and services that strengthen relationships with our customers, enhance their vehicle-ownership experience and improve customer retention..
- Enhance customer offering through new service plans on all vehicles, including extended plans.
- Deepen maturity of importer brands, increasing customer awareness of brands and products.

Retail and Rental

- Leverage dealership structure to increase sales productivity and improve customer service.
- Explore selective acquisitions in the UK and Australia to extend existing footprint predominantly in provincial areas.
- Maintain strong relationships with OEMs, suppliers and other industry players.
- Grow pre-owned car market share through digital lead generation, improved product mix and excellent customer service.
- Assess rental fleet customer service levels and leverage technology to serve changing markets, focusing on digitisation of processes and flexible, easy-to-use customer service capabilities.

Motor-Related Financial Services

- Unlock efficiencies and customer potential in existing and new channels by expanding offerings in owned and independent dealership networks.
- Grow the business through joint ventures with strategic partners who can provide new channels to market.
- Make selective acquisitions focusing on fleet, fintechs and non-paper-based VAPS.
- Evaluate opportunities to expand financial services offering in other jurisdictions where we operate.
- Drive innovation and invest in technology to leverage consumer data, enabling us to offer personalised services, enhance the customer experience and improve customer retention.

Aftermarket Parts

- Increase efficiency through an integrated regional hub distribution system supported by an off-shore distribution centre, to shorten routes to market and improve purchasing power through increased procurement volumes.
- Improve the availability of products at the point of sale, and enhance premium, value and entry brand offerings.
- Explore selective acquisitions to drive growth strategy, focusing on Asia and sub-Saharan Africa.

Market leadership continued

Deliver exceptional value to customers

Our focus on delivering a collaborative customer engagement model that enhances customer experience at each stage of the automotive ownership lifecycle will increasingly support our ability to defend our market share and grow our sales base.

The quality of our relationships with our customers depends on:

> Exceptional service – consistently exceeding customer expectations to deepen customer loyalty and our ability to generate revenue income from sources other than just the vehicle sale.
> Innovative and accessible products and services – providing leading-edge mobility solutions at competitive prices.
> Product responsibility – applying stringent quality and safety measures to ensure we deliver quality products and services.

Our ability to meet OEM targets helps us remain the OEM dealer of choice, which enables us to leverage better pricing on vehicles, and provide service and parts at competitive prices to customers.

2019 progress

> Offered service plans on majority entry level vehicles leveraging our integrated business model by driving workshop throughput, increased parts turnover and improved customer retention.
> Ongoing coaching and soft skills training for customer-facing employees, identifying and promoting talent into sales and service adviser positions; and ongoing training for workshop technicians and quality controllers.
> Motor-Related Financial Services continued to explore new digital solutions, including digitised customer-to-customer vehicle buying.
> In the UK, introduced digital products such as CitiNOW which enables technicians to digitally show customers the work required on their vehicles and empowers them to make decisions, improving workshop efficiency.

Looking forward we will:

> continue to enhance communication with customers throughout the ownership cycle and reward customer loyalty
> maintain high service levels in line with OEM expectations
> continue to invest in mechanisms such as telematics and improved customer database management to enhance our understanding of customer needs and behaviours
> develop a consolidated aftermarket parts catalogue across all businesses to provide better product information to parts customers
> continue to focus on fintech partnerships to develop new products
> continue to develop strong relationships with suppliers and stringently apply quality controls to ensure high-quality workshop services and parts supplies
> continue to improve data quality, develop customer service portals and enhancements to customer experience to offer customers an increasingly personalised experience.

Drive integration and optimisation

We maintain our market leadership in South Africa by optimising each business segment and driving further integration across the value chain, while remaining relevant through innovation and strategic partnerships.

Transformation is an integral part of our business and we are intent on executing our business strategy responsibly, while at the same time implementing practices that support economic growth and the participation of black South Africans in our businesses, supply chains and communities. Some of the challenges we experience are finding partners with the right strategic alignment and blend of competencies and capital.

We have appointed a new underwriter for the M-Sure VAPS operations and are in the process of on-boarding our existing business with them. We developed a longer-term strategy to grow the VAPS business, including expanding our suite of white labelled VAPS with strategic partners.

We continually enhance our asset portfolio by rationalising underperforming dealerships and brands, and by acquiring and rapidly integrating businesses and assets that can be enhanced by our capabilities and resources. During the year we expanded our dealership footprint through the acquisition of four dealerships in South Africa, four dealerships in the UK and retail operations in the Aftermarket Parts business.

Our growth strategies in the UK and Australia will be driven by the introduction of additional brands into the portfolio and selective regional expansion. In Aftermarket Parts, acquiring additional vertical integration businesses and eliminating intermediaries in the wholesale supply chain in the Far East.

Innovation and technology solutions

Overview

The automotive industry is impacted by technology-driven disruption which requires us to embrace digital capabilities to remain competitive and provide exceptional customer service at each stage of the automotive value chain. The automotive industry remains highly competitive with technological advances and increasingly empowered consumers. As the connected consumer becomes more prevalent in the market, it is imperative to remain relevant to the needs of the digitised consumer. Strong digital capabilities will also ensure that we remain the partner of choice for OEMs and business partners.

Our strategic focus is to:
> Continuously align with digital, mobility and automation trends and changing customer needs by working with OEMs to deliver innovative solutions to customers.
> Leverage IT solutions effectively to drive innovation across product range and services.
> Maintain overall business agility to respond effectively to disruptive change.
> Improve technology solutions to realise efficiencies, drive new growth opportunities and strengthen competitive advantage.

It is imperative for the IT architecture to effectively support our business segments securely, providing insight and oversight in a cost-effective manner and enable business agility, continuity and growth as our operating environment evolves. IT governance and security remain a focus in the current environment.

Key metrics

> Governance: processes, structures and mechanisms to control and manage the strategy and ensure the realisation of strategic IT objectives.
> Operating model: functional alignment of business and IT structures and IT supplier groups.
> Architecture: business process and technology map to enable effective change delivery, business continuity and strategic decision making.
> Processes: industry frameworks and models to ensure consistent delivery, reduced re-work and greater productivity.
> Skills and capabilities: expertise and proficiency in aligning IT with the business, managing the business relationship, understanding business strategy and plans, delivering solutions and services, and enabling continuous improvement.

Our challenges

> We rely on third-party vendors who provide access to embedded systems and the necessary technical support to run them. The ongoing management of these third-party relationships and agreements is fundamental to managing our IT system architecture.
> The increase in cyber crime is a global trend, making connected networks, applications and staff more vulnerable to infiltration and fraud. Managing cyber risk requires ongoing monitoring, governance and awareness training, to continually mitigate this evolving threat.
> Significant IT projects, particularly those of large scale and high business impact, can be challenging to implement due to their complexity.
> The speed of disruption requires system architecture that caters for operational requirements while providing agile value-adding solutions. In addition, IT systems will need to be regularly reviewed for replacement or upgrading.
> During the year, a significant challenge was separating the infrastructure and services from Imperial Holdings, which was successfully completed.

Innovation and technology solutions continued

Business segment objectives

Import and Distribution

> Enhance business intelligence and data analytic capabilities.
> Pilot and implement value-add initiatives, including customer marketing and loyalty programmes and ecommerce platforms.
> Improve supply chain planning, efficiencies and stock visibility.

Retail and Rental

> Drive the digital transformation of customer touchpoints, including improved sales platforms, a single stock portal and a pre-owned car aggregator.
> Create a seamless, end to end, customer journey which facilitates ease of engagements between the business and our customers.
> Modernise and enhance existing platforms. Continually improve security and capabilities of management systems.
> Improve Car Rental IT applications in order to simplify processes at the time of collection and delivery of vehicles.

Motor-Related Financial Services

> Deliver digital projects to complement services and offerings, including additional digital capabilities and functionalities to the business and customers.
> Deliver the required business functionality for platforms/applications with lower operational costs and reduced delivery time.
> Maintain integrity, availability and accuracy of data warehousing capabilities and enhance data analytics across business processes.
> Continue our focus on cyber security. Protect confidentiality, integrity and availability of information through optimising physical and logical controls.
> Ensure compliance with new legislation and regulatory requirements.

Aftermarket Parts

> Implement a consolidated ERP platform to improve operational excellence, planning and visibility.
> Provide integration of information and systems across the extended supply chain.
> Align ecommerce platforms and customer offerings with the various go-to-market models.

Drive innovation

We follow an open innovation approach and focus on developing the right technology partnerships to access the latest thinking and highly specialised skills required to change the way we do things. Innovation is a key strategic focus across the Group, with Motor-Related Financial Services operating as our innovation hub, based on its proven expertise, proprietary data, partnerships with technology developers and insights in predicting and responding to mobility-related trends.

Investing in strong digital capabilities will ensure that we mitigate the increasing impact of technology-driven disruption in the motor industry, remain competitive and provide exceptional customer service across the vehicle value chain.

Using data analytics, artificial intelligence and machine learning to develop personalised services and drive loyalty will increasingly depend on our understanding and interpretation of the data and the related customer mobility needs.

2019 progress

> Partnered with the largest global innovation platform in San Francisco which delivers accelerator programmes for over 150 start-ups every year worldwide.
> Created a mobility solution in partnership with the Exponential University in Berlin through their Innovation Sprint programme to provide Motus executives and millennial employees with exposure to their innovation methodology.
> Explored opportunities to use artificial intelligence and machine learning to streamline manual processes and mitigate risks, for example an online chat facility for real-time customer interaction.
> Launched a private-to-private car buying project.

Looking forward

- Continue to investigate ways to improve our innovation capabilities through the right technology partnerships to access the latest thinking and highly specialised skills required to deliver innovation.
- Deepen our relationship with our customers by investigating the viability of ecommerce platforms and online portals to provide customers with visibility over vehicle and parts stocks.
- Launch an initiative to improve the customer on-boarding process while ensuring regulatory compliance and improved fraud detection capability.

Improve technology solutions

We are improving our technology solutions by driving a philosophy of "best-fit" systems by business segment, while sharing common infrastructure and access across the Group. During the year, we successfully transitioned our IT systems and services from Imperial Holdings onto a new common network and server infrastructure layer for Motus, at the same time strengthening our IT governance framework. We also improved user productivity and networking capabilities to allow employees to connect safely and securely across our network. Older technology platforms were assessed and, where necessary, upgraded and modernised to improve operational delivery.

Our shared services capabilities are supported by the phased implementation of Group-wide human capital and finance systems.

Recent changes in technology capabilities, particularly in mobile, are supporting opportunities for new customer journey projects across the business segments. IT projects have been initiated to leverage these opportunities, to enhance and streamline the customer experience while improving efficiency in service delivery processes at the same time.

Responding to the threat of cyber crime

The threat of cyber crime is increasing globally. The primary focus is to enhance our internal controls and work with our technology and financial partners to reduce the risk to our customers and our businesses. We have embarked on a 12-month programme to improve our cyber security and data protections arrangements. A cyber resilience and data protection framework, comprising board-approved IT governance and information management policies, standards and procedures, is in place and aligns with best practice and industry norms. The Motus IT security officer oversees the Group-wide implementation of the framework. An information security management system has been implemented, with cyber risk assessment and reporting occurring regularly. Information security awareness sessions for employees have also been held during the year.

2019 progress

- Successfully transitioned our IT systems and services from Imperial Holdings onto a new common network and server infrastructure layer.
- Implemented new customer journey capability streams across Motus business segments aligned to relevant customer profiles and requirements.
- Strengthened IT governance framework and IT security capabilities.
- Hired key IT staff across business segments to enhance visibility and gain the necessary skills and experience to continue to develop and mature the IT function across the Group.
- Improved resilience through ongoing alignment and consolidation of overlapping and duplicate IT systems across functions.

Looking forward

- Continue development of business intelligence capabilities that deliver accurate information that enhances decision making.
- Invest in customer engagement and processing systems that enable operations to grow and compete effectively.
- Continue to monitor and enhance IT system stability and security, to mitigate against IT incidents.
- Evaluate IT vendors and partners to ensure there is the best strategic fit in order to support the business objectives.
- Focused IT project delivery to ensure projects are delivered in a timely and cost-effective manner.
- Explore opportunities to deliver solutions that drive competitive advantage, focusing on those that enhance customer experience, automation, business intelligence and mobility solutions.

People

Overview

Our people strategy delivers integrated human capital management practices that position Motus as a high-performing organisation, an industry leader and attractive choice for top calibre talent in the automotive industry.

Our people strategy is delivered through four components:
> One Motus improves efficiency in human capital management.
> Culture and transformation creates a high-performance culture with diversity, innovation and the customer at its core.
> Talent management places our best people in roles that will drive incremental value they have committed to.
> Leadership and people capabilities ensure that our leaders and the workforce have the skill sets they need to achieve organisational growth through training and development programmes.

Motus places the highest importance on the health and safety of our employees and visitors to the premises. We provide a safe and secure work and trading environment by focusing on:
> Workplace safety by embedding appropriate, enforceable and consistent safety measures that comply with legislation across operations.
> Employee well-being by providing wellness services to assist employees in managing their health.

This human capital report provides an overview of progress made during the reporting year, with the full content relating to human capital management and the health and safety of our employees available under the sustainable development report, available online (www.motuscorp.co.za).

Our workforce

18 628 employees

81% are based in South Africa

73% black employees in South Africa

31% top management are black

Women represent 30% of the overall workforce

Our challenges

> Attract and retain talented people, especially those from designated groups (black people, women and people with disabilities) to improve the demographics of the Group with the skills we need for today and the future to maintain our leadership position in the fast-changing automotive industry.
> Correct the poor representation of women in key leadership roles in the automotive industry.
> Ensure that leaders maintain the desired management style in a pressured business environment.
> Maintaining a moral compass in these ethically challenging times.

One Motus

A mature, cohesive and streamlined approach to human capital management aims to set clear accountability for all Motus employees. This requires that all our human capital teams across Motus regularly engage and collaborate on working towards a common agenda – an enabling environment that drives a high-performance culture with diversity, innovation and the customer at its core.

2019 progress

> We made significant progress in harmonising people-related policies and procedures across the Group, including conditions of employment and a single pay date.
> We advanced the core data platform, which includes job profiles, structures and reporting levels in November 2018.
> We started developing a new payroll and human capital management system. User testing and training was conducted in April 2019. We expect to report robust turnover data once the implementation of the new human capital and payroll system is complete.

Looking forward

> Continue to review and standardise essential human capital-related policies and integrate repetitive administrative human capital transactions into a single function to minimise duplication of effort and costs.
> Complete the implementation of the payroll and human capital management system. The system will go live in a staggered approach across the operating businesses over the next 18 months.
> Continue to engage with human capital teams across all divisions on the people strategy and its objectives.

Culture and transformation

Our objective is to drive an inclusive and collaborative high-performance culture that empowers employees to take advantage of business growth opportunities. We seek to create opportunities for all employees and provide the company with the benefit of diverse thinking that drives business results and improve engagement with our diverse customer base.

In South Africa, we are working towards transforming our workforce to reflect the economically active population. Executive management recognises that this objective requires an accelerated approach to transformation and has tasked the divisions with pursuing more aggressive internal strategies and targets. To incentivise top and senior managers in South Africa, 20% of their short-term incentive is allocated to progress against transformation targets.

During the year, Motus hired 3 632 employees in South Africa of which 73% are black. Our enhanced focus on culture, diversity and inclusion aims to improve retention.

Over the past year, our people have had to deal with radical organisational change, the listing of Motus and tough economic conditions. This resulted in an increase in industrial relations matters and in the number of referrals to wellness specialists. This has required our human resources teams to focus on differentiating between complaints with merit that required urgent action. In instances where racism was substantiated, the offending individuals were dismissed following appropriate disciplinary procedures. Our diversity and inclusion training, and the introduction of the sexual harassment policy, aim to ensure that our employees understand the behaviours we expect of them and to foster a healthy and inclusive working environment.

2019 progress

Diversity training

296 managers and **1 713 employees** attended diversity training.

We met all employment equity targets. Of the people with disabilities in the South African workforce, 64% are black people. 38% of our dealer principals are black. We grew the overall representation of black people at senior management level by 16% from the prior year, meeting most of the employment equity targets at this level.

Black representation (South Africa)

73% black people
(2018: 71%)

31% at top management level
(2018: 25%)

36% at senior management level
(2018: 32%)

43% at middle management level
(2018: 40%)

Our employment equity table can be found in our sustainability report *Become an employer of choice in the automotive industry* section (online (www.motuscorp.co.za)).

Looking forward we will:

> undertake a Group-wide survey to assess the impact of our transformation efforts, including diversity training

> build a common understanding of the critical success factors and desired behaviours required to drive employee effectiveness, profitability and an inclusive culture

> continue to drive robust transformation targets and initiatives.

Talent management

During the year, we designed a new integrated talent management approach. Specific focus has been placed on the attraction of the right skills and strategic talent, performance management and development planning and succession planning. Integrating these human capital management practices supports the delivery of Motus' strategic ambitions through a diverse complement of highly competent and experienced individuals and teams.

We are pleased to have been able to fill most vacancies and advance careers from within the Group.

2019 progress

> We piloted a new approach to performance management and development in selected areas of the Group in October 2018. Feedback is being used to improve the approach further. A second pilot programme will be launched before Group-wide rollout.

> We marketed the Motus brand at career fairs hosted by four universities to raise our attractiveness among young professionals and to enlighten them on the potential career paths and opportunities available at Motus.

Looking forward

> Embed the performance development approach across the Group to support the business strategy.

> Implement the new talent management approach with a focus on identifying the right talent, fit-for-purpose development interventions and enhanced succession management to support continued business success.

> Accelerate the recruitment of designated employees to develop a talent pipeline for critical roles, including chartered accountants, IT specialists and industrial engineers, ahead of demand.

Leadership and people capabilities

An effective leadership team drives the desired culture and is able to steer an organisation through challenging economic and changing working conditions, that would otherwise create uncertainty for the workforce. We require our leaders to be experienced and agile, have the right skills to execute Motus' strategy, make effective decisions that impact our customers and processes, and be able to motivate our employees, attract and retain talented people. Our leadership development programmes help our leaders meet these expectations and equip them to motivate high-performance teams.

The new performance management and development approach will ensure that employees receive the right training to support their work and career progression.

2019 progress

Training spend

R137 million equating to 4% of payroll
(2018: R132 million)

Training hours

63 hours per employee
(2018: 58 hours)

Executive development programme

26 executives participated in the newly launched executive development programme, with 30% being women

Women in leadership programme

20 women participated in the newly launched women in leadership programme

Dealer principal and portfolio manager programmes

45 employees participated in the dealer principal and portfolio manager programmes, which focuses on black employees, providing them with the skills to manage people and deal with changes impacting the industry

> Some 70% of training spend supported the development of black employees and 14% the development of black women. Technical training accounted for 81,6% of total training spend.

> We launched the Motus Leadership Academy with leadership development

People continued

programmes targeting executives, women and employees identified as potential future leaders. In the coming year, the academy will launch a programme for employees identified as successors for middle management positions.

- We implemented a performance development system that keeps track of individual employee development plans.
- 654 employees participated in a managerial programme (2018: 489), with 59% of participants being black and 33% being women.
- 55 employees with the potential to grow into senior roles are enrolled in their first year of our Bachelor of Business Administration degree and 37 are in their third year.
- The Imperial Technical Training Academy provided training to 2 000 apprentices, 80% of whom are black (2018: 875 apprentices).
- 73 qualified apprentices were hired and are part of the feeder pipeline for critical workshop positions.

Looking forward

- Embed the leadership development framework and continue to deliver accelerated development programmes for identified successors.
- Define the future skill sets required to improve customer experience and increase efficiencies.
- Leverage digital channels to enhance learning and reduce learning management costs and time.

Workplace safety

Each employee is held accountable for working and operating in ways that adhere to our Occupational Health and Safety ("OHS") policies and processes. This includes identifying and reporting potential risks or unsafe acts and conditions. Our OHS compliance framework guides and supports them in this responsibility.

Our most prevalent safety risks are in the mechanical workshop environment where our employees work with machinery. Given that South Africa has one of the worst road safety records in the world, an additional risk is the exposure of our drivers to road accidents when delivering vehicles to new owners and parts to businesses.

In South Africa, regular monitoring across 438 business sites has greatly improved the commitment to complying with the OHS checklist introduced in 2018. The 36% year-on-year decrease in road accidents is a result of better awareness around driving behaviour.

2019 progress

Road accidents per million kilometres
0,152
(2018: 0,304)

Road injuries per million kilometres
0,195
(2018: 0,214)

Road fatalities
None
(2018: one)

Target for all South African business sites
100% compliance with the OHS checklist

Target for all UK business sites
92% compliance (as a minimum) with OHS requirements

Looking forward

- Make changes to the OHS scoring system to improve its effectiveness.

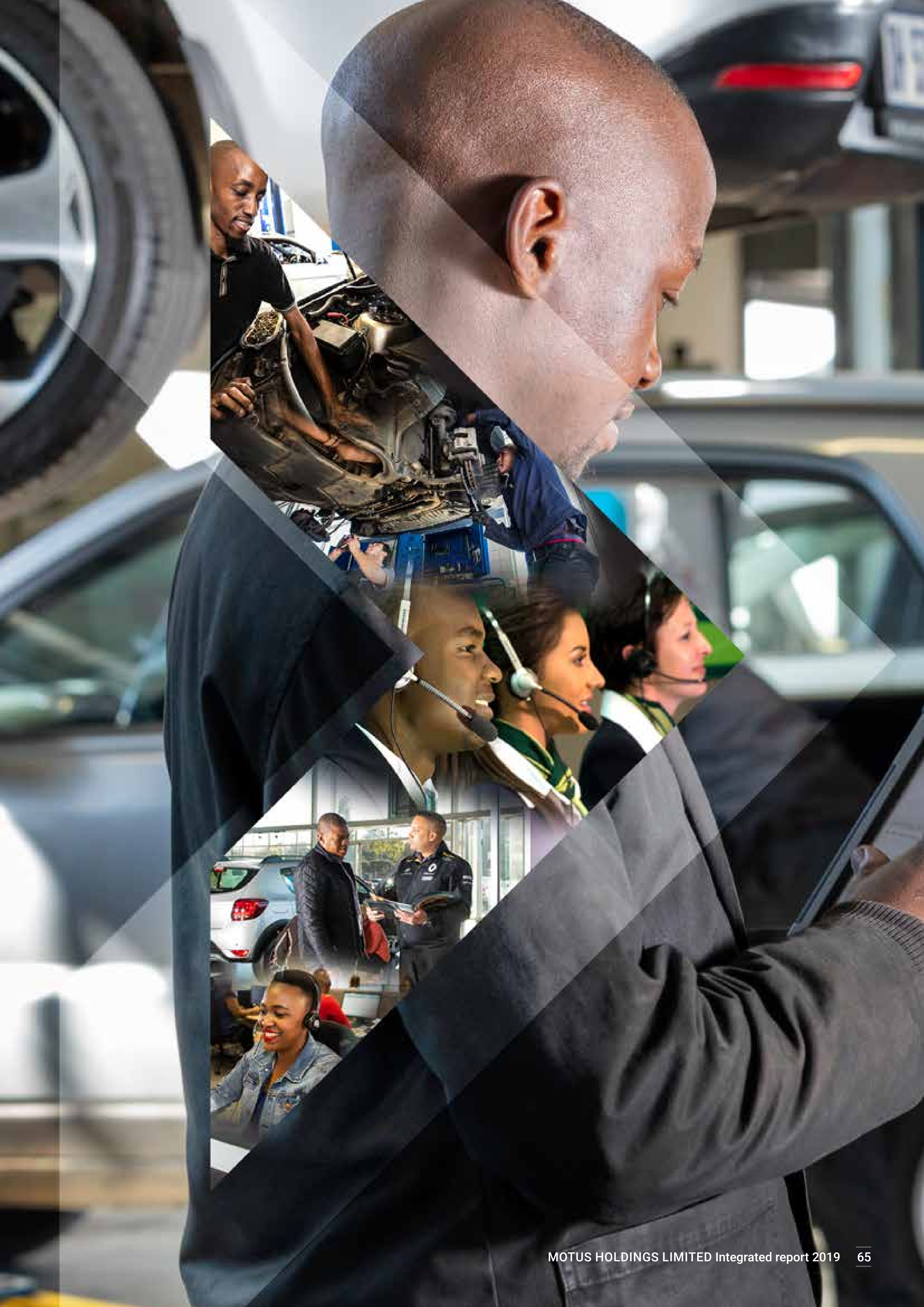
Employee well-being

During the year, we experienced a high number of referrals to wellness service providers. While some of the difficulties experienced by our employees related to the pressures associated with the organisational change that took place during the year, the majority related to the tough economic climate, depression, anxiety and stress as well as bereavement. It is with great sadness that we report the suicides of two employees in the workplace during the reporting year. Support was provided to the families and co-workers of the deceased.

In South Africa, wellbeing programmes vary across our businesses with some hosting wellness days, which typically provide employees with access to free eye tests and health screens, including HIV-testing, as well as advice from dieticians, physical trainers, counsellors and financial advisers. Both Motus Australia and Motus UK have employee assistance programmes.

2019 progress

- We appointed a preferred service provider to manage ad hoc employee counselling services in South Africa.
- We introduced a new service for all employees in the UK, enabling them to access professional financial advice and advantageous saving and credit interest rates. This helps those on lower incomes to access credit at more favourable rates and reduces their debt burden.



Corporate governance report

Motus has a well-constituted, independent and diverse board, with deep industry knowledge and expertise. The board is supported by a highly experienced management team with deep industry knowledge of regional and global markets, and a proven track record with years of collective experience. As a result governance is well embedded in the way we operate the business.

Motus has developed strong relationships with key stakeholders such as shareholders, debt providers and ratings agencies, as well as industry, government and social partners.

Motus is subject to the ongoing disclosure, corporate governance and other requirements of the JSE and the Companies Act and endorses the recommended practices set out in the fourth King Report on Corporate Governance for South Africa ("King IV").

The board is satisfied with the Group's application of the principles of King IV.

Our governance framework

Motus applies high standards of accountability, transparency and integrity in the running of the business and reporting to shareholders and other stakeholders. Motus' approach to corporate governance, which is guided by the overarching principles of fairness, accountability, responsibility and transparency, is set out below. Special attention is given to:

> Providing stakeholders and the financial investment community with clear, concise, accurate and timely information about the Group's operations and results;

> Reporting to shareholders on an integrated basis on financial and selected sustainability performance;

> Ensuring appropriate business and financial risk management;

> Ensuring that no director or executive management team member may deal, directly or indirectly, in Motus' shares on the basis of unpublished price-sensitive information regarding Motus, or otherwise during any prohibited period; and

> Recognition of Motus' social responsibility and providing assistance and development support to the communities in which it operates, and to deserving institutions at large.

Authority, responsibility and accountability for the Group's ethics, performance and sustainability is held at board level, with the board formally delegating it to the CEO and in turn to his direct reports and sequentially throughout the organisation. The diversity of Motus' operations necessitates differences in the nature, structure and processes of delegation, excepting financial expenditure for which authority limits are consistent across the Group.

The leaders of Motus are mindful that entrepreneurial creativity and responsiveness is a competitive advantage and every effort is made to integrate governance processes in the least bureaucratic way possible, with the ultimate responsibility for governance resting with the Motus board and its sub-committees.

Our board

Following the unbundling from Imperial Holdings, Motus' board was reconstituted to be compliant with the principles set out in King IV.

Motus has a well-constituted and diverse board, with expertise and experience relevant to strategy and operating context within which Motus operates. Motus has a unitary board comprising six non-executive directors (five of whom are independent) and three executive directors.

Details of the board members, including a brief CV, can be found on page 18 – 19.

The board adopted a formal board diversity policy, which promotes both gender and race diversity, and which recognises Motus' obligation to be relevant in society and embraces the benefits of having a diverse board membership with differences in skills, regional and industrial experience, background, race and gender.

The responsibilities of the board are clearly defined in a written board charter, which outlines a clear balance of power and authority within the board to ensure that no single director has unfettered powers of decision making.

Board appointment and nomination

Directors are appointed based on their skills, experience and expected level of contribution to, and impact on, the activities of Motus. The board decides on the appointment of directors based on recommendations from the nominations committee. New directors are formally inducted to facilitate their understanding of the Group.

Board evaluation process

The board will conduct a facilitated evaluation of the board, the Chairman, board committees and individual directors at least every three years. The Chairman, assisted by the Company Secretary, will conduct the evaluation process.

Board changes

GW Dempster and P Langeni were elected as independent non-executive directors and A Tugendhaft was elected as a non-executive director on 1 August 2018. T Skweyiya and RJA Sparks were appointed to the board on 17 September 2018 to facilitate the unbundling process from Imperial Holdings and resigned as non-executive directors on 22 November 2018, upon Motus' listing. S Mayet, KR Moloko and MJN Njeke were appointed as independent non-executive directors on 22 November 2018. KA Cassel was appointed as an executive director on 1 July 2019.

Board attendance to 30 June 2019

	Board meetings	Annual board strategy meeting	Independent	Appointment
Total meetings	3	1		
Non-executive directors				
GW Dempster (Chairman)	3	1	Yes	1 August 2018
A Tugendhaft (Deputy Chairman)	3	1	No	1 August 2018
P Langeni	3	1	Yes	1 August 2018
S Mayet	2	1	Yes	22 November 2018
KR Moloko	2	1	Yes	22 November 2018
MJN Njeke	2	1	Yes	22 November 2018
T Skweyiya	1	–	Yes	Appointed on 17 September 2018 and resigned 22 November 2018
RJA Sparks	1	–	Yes	Appointed on 17 September 2018 and resigned 22 November 2018
Executive directors				
OS Arbee	2	1		12 October 2017
OJ Janse van Rensburg	3	1		12 October 2017

Separation of roles and responsibilities

The Chairman is an independent non-executive chairman whose role is clearly defined and separate from that of the CEO. The role of the Chairman is to set the ethical tone of the board and to ensure that the board remains efficient, focused and operates as a unit. The Chairman provides overall leadership to the board without limiting the principle of collective responsibility for board decisions.

The responsibility for the executive management of Motus vests with the CEO, Mr OS Arbee, who reports to the board on the company's objectives and strategy. The CEO is accountable to the board and consistently strives to achieve the Group's goals within the framework of the delegated authority.

Delegation of authority

The board has adopted, and regularly reviews, a written policy governing the authority delegated to management, and matters reserved for decisions by the board. This delegation of authority matrix has been implemented.

The responsibilities of the board include issues of strategic direction, business plans and annual budgets, major acquisitions and disposals, changes to the board and other matters that have a material effect on the Group or are required by legislation.

The board has delegated the day-to-day management of the Group to the CEO, without abdicating the board's responsibility. The board ensures that key functions are managed by competent and appropriately qualified individuals who are adequately resourced.

Company Secretary

The Company Secretary during the course of the year was RA Venter, who resigned on 1 July 2019. JK Jefferies was appointed as Company Secretary on 1 July 2019, and holds BA, BProc, LLM degrees and is an admitted attorney.

The board considered the competence, qualifications and experience of the Company Secretary in considering her appointment and confirmed that the Company Secretary is adequately qualified and experienced.

After conducting a review as part of the annual board evaluation process, the board concluded that there were no direct or indirect relationships between the Company Secretary and any of the board members which could compromise an arm's length relationship with the board.

Directors have unlimited access to the services of the Company Secretary, who is responsible to the board for ensuring that proper corporate governance principles are adhered to.

Ethical conduct

The board is committed to the good corporate governance principles as set out in King IV and subscribes to those generally accepted norms of conduct that find application in society as a whole.

Motus has a written code of ethics for the Group as a values-based organisation, which also applies to all directors. The code of ethics guides the interaction between employees, clients, stakeholders, suppliers and the communities within which it operates.

Management is responsible for the implementation of the code of ethics and reports any material breaches to the social, ethics and sustainability ("SES") committee. The content of and principles embodied in the code of ethics are also integrated in employee training.

For more detailed information, see sustainability report online (www.motuscorp.co.za) – Demonstrate consistently ethical and compliant business conduct.

Corporate governance report continued

Compliance

The board, with the assistance of management and the audit and risk committee, ensures that the Group complies with applicable laws and regulations, as well as adopted non-binding rules, codes and standards.

The board has delegated the responsibility for implementing compliance to management. The Group has identified the laws, codes and standards that impact its operations.

Responsible corporate citizenship

The board oversees the governance and activities of the Group which affect its status as a responsible corporate citizen, including compliance with the Constitution, laws, standards and own policies and procedures, as well as consistency with the Group's purpose, strategy and code of ethics.

The SES committee approves the strategy and monitors the implementation of the Group's impact on the environment, its ongoing corporate social investment and overall good corporate citizenship.

Stakeholder engagement

When engaging with stakeholders and communities, Motus is committed to improving the material wellbeing of societies in which it operates. Careful consideration is given to the utilisation of energy, water and other environmental resources to ensure an effective contribution is made to sustain the environment for the future.

Key stakeholders are identified by management and the board. Management pursue appropriate engagements with material stakeholders to balance their legitimate and reasonable needs, interests and expectations with those of the Group. The board encourages proactive engagement with stakeholders.

Our annual general meeting ("AGM") provides an opportunity for the board to interact with shareholders and for shareholders to ask questions and vote on resolutions. Minutes of the meeting are available from the Company Secretary's office.

Combined assurance

In our commitment to implementing risk management, Motus recognises the relationship as set out in the risk management framework and the combined assurance framework. The combined assurance framework is intended to ensure that Motus has a co-ordinated effort in the management of risks throughout the organisation and to provide comfort on the management of the key significant risks to the relevant stakeholders.

The board, with the assistance of management and the audit and risk committee, recognises the key role of appropriate Group-wide risk management in the strategy, performance and sustainability of the Group.

The implementation of processes to ensure that risks to the sustainability of the business are identified and managed within acceptable parameters and appropriately delegated to management.

Management continuously identify, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are in place to address identified risks which are monitored on a continuous basis.

For more detailed information, see risk management on pages 28 – 31.

Technology and information

The board, through the audit and risk committee, oversees the governance of IT. Technology and information have been identified as being of key importance in relation to the achievement of the Group's strategy.

Conflicts of interest

The Group has a formal conflicts of interest policy that guides directors on acting in the best interests of the Group, with due care and diligence in discharging their responsibilities as directors. The policy requires directors to declare and avoid conflicts of interest in accordance with the Companies Act, and to account to the Group for any advantages gained in discharging their duties on behalf of the Group.

Share trading and dealing in securities

No director or employee with inside information about the Group may deal, directly or indirectly, in Motus' securities, which include allocations of and dealings in the Group's share incentive schemes. Motus' closed periods are from 1 January to the interim results' reporting date and 1 July to the full-year results' reporting date. In addition, the Group has adopted a policy that requires directors, executives, the Company Secretary and directors of major subsidiaries to obtain permission from designated individuals before trading in the Group's securities. No infringements were reported during the year.

Board sub-committees

The board has established a number of sub-committees, including statutory committees, which operate within specific terms of reference. Each committee has a formal charter, approved by the board, detailing its duties and responsibilities, and has a minimum of three members to ensure sufficient capability and capacity to function effectively.

Any member of the board is entitled to attend any committee meeting as an observer and management may attend by standing or ad hoc invitation.

The performance of each committee is regularly assessed in accordance with their terms of reference. No instances of non-compliance were noted.

The following tables outline the board sub-committees, their responsibilities and memberships at the time of publication of this report.

Social, ethics and sustainability committee

Responsibility

The role of the SES committee encompasses all aspects of sustainability. The committee performs statutory duties, as set out in the Companies Act, for the Group and on behalf of subsidiary companies. In addition to its statutory duties, it assists the Group in discharging its social, ethics and sustainability responsibilities and implementing practices consistent with good corporate citizenship, with particular focus on:

> King IV.
> Motus' sustainability commitments.
> B-BBEE requirements as described in the Department of Trade and Industry's ("dti's") combined generic scorecard (excluding ownership targets) and associated codes of good practice.
> Transformation commitments, as described in the Group's transformation strategy and business segment specific B-BBEE plans.
> Environmental commitments, as described by the Group's environmental policy framework.
> Socioeconomic development ("SED") commitments.
> Motus' code of ethics and corporate values.

Transformation remains a key focus area and the committee will continue to guide the Group to achieve its goal of increasingly reflecting the diversity of South Africa.

	Members	Attendance	Invitees
The committee comprises three non-executive directors, with standing invitees being members of management. It is chaired by a non-executive director.	MJN Njeke (Chairman) A Tugendhaft (member) KR Moloko (member)	2/2 2/2 2/2	OS Arbee OJ Janse van Rensburg B Moroole B Francis M Seroke

During the year, the committee discharged its statutory duties to monitor activities relating to the following:

> SED, including the Group's standing in terms of the goals and purposes of the 10 United Nations Global Compact principles, the Organisation for Economic Cooperation and Development recommendations regarding corruption, the Employment Equity Act and the B-BBEE Act.
> Good corporate citizenship, including the Group's promotion of equality, prevention of unfair discrimination and corruption, and contribution to the development of the communities in which it operates or within which its products or services are marketed and where it undertakes sponsorship, donations and charitable giving.
> The environment, health and public safety, including the impact of the Group's activities, products and services.
> Consumer relationships, including the Group's advertising, public relations and compliance with consumer protection laws.
> Labour and employment, including the Group's standing in terms of the International Labour Organisation Protocol on decent work and working conditions, as well as its employment relationships and contribution towards the training and development of its employees.

Corporate governance report continued

Audit and risk committee

Responsibility

The board has combined the functions of audit and risk into a single committee to ensure that there is co-ordination in respect of the evaluation and reporting of risks, and the internal and external audit processes for the Group, taking into account the significant risks, the adequacy and functioning of the Group's internal controls and the integrity of its financial reporting. The committee also oversees and manages the Group's combined assurance approach.

The committee performs an advisory and oversight role in respect of non-statutory duties it is assigned by the board and is objective and independent in the recommendations it makes to the board for its approval or final decision making.

The committee assists the Group in discharging its responsibilities and implementing robust internal control and risk processes, with particular focus on:

> Safeguarding of assets and investments.
> The operation of adequate systems and controls.
> Reviewing of financial information and preparation of annual financial statements.
> Communicate and oversee the processes, models and frameworks for managing risk across the Group.
> Managing the Group's combined assurance approach.
> Oversight of IT governance.

The committee comprises three non-executive directors, with standing invitees being members of management.

It is chaired by a non-executive director.

Members	Attendance	Invitees
S Mayet (Chairman)	2/2	OS Arbee
P Langeni (member)	2/2	OJ Janse van Rensburg
KR Moloko (member)	2/2	B Moroole
		D Long
		R Mumford
		N Bell

During the year, the committee discharged its statutory duties to monitor activities relating to the following:

> Recommending to the board the appointment of the external auditors.
> Approval of the terms of engagement and remuneration for the external audit engagement.
> Defining and approving the policy for non-audit services provided by the external auditor.
> Pre-approval of contracts for non-audit services to be rendered by the external auditor.
> Preparation of a report for inclusion in the annual financial statements describing the activities of the audit committee, whether the audit committee is satisfied that the auditor was independent, and commenting on the financial statements, the accounting practices and the internal financial controls of the company.
> Making submissions to the board on any matter concerning the company's accounting policies, financial controls, records and reporting.
> Appropriately addressing any concerns or complaints whether from within or outside the company, or on its own initiative relating to the accounting practices and internal audit and/or external audit of the company.
> Considers, on an annual basis, and satisfies itself of the appropriateness of the expertise and experience of the Chief Financial Officer.
> Assists the board in overseeing the quality and integrity of Motus' integrated reporting process, including the financial statements, sustainability reporting and announcements in respect of the financial results.
> Performing such other oversight functions as may be determined by the board from time to time.

More information is available in the audit and risk report in the full annual financial statements online (www.motuscorp.co.za).

Nomination and remuneration committees

Full details of the nomination and remuneration committees are set out in the remuneration report on pages 72 – 82.

Asset and liability committee ("ALCO")

Responsibility

ALCO is responsible for implementing best practice asset and liability risk management policies. Its primary objective is to manage the liquidity, debt levels, interest rate and foreign exchange rate risk of the Group within an acceptable risk profile.

> Ensure effective management of liquidity risk through appropriate access to sources of funding on a timeous and cost-effective basis.
> Assess the debt profile of the Group and deploy appropriate strategies, including interest rate derivatives, to manage interest rate risk.
> Monitor the impact of the risk of a credit rating downgrade of the sovereign rating by rating agencies and mitigate this to the extent possible.
> Ensure the appropriate allocation of capital across the Group and measure returns using WACC and ROIC to adequately fund business activity.
> Foreign exchange management through appropriate forward cover and hedging mechanisms is in place.

	Members	Attendance	Invitees
The committee comprises three non-executive directors, with standing invitees being members of management. The committee is chaired by the Group Chairman.	GW Dempster (Chairman) S Mayet (member) MJN Njeke (member)	2/2 2/2 2/2	OS Arbee OJ Janse van Rensburg R Mumford W Reitsma

During the year, the committee discharged its statutory duties to monitor activities relating to the following:

> Assist directors to enable them to discharge their duties relating to best practice for asset and liability risk management.
> Overseeing effective financial risk management policies and procedures, specifically relating to liquidity risk, interest rate exchange, foreign exchange risk, credit rating risk and capital management.
> Recommend to the Group funding strategies based on accessing various sources of funding including the domestic and global bond markets, commercial paper and banking facilities.
> Analyse trends in the domestic and global economy in general, interest rate and exchange rates in particular, and advise on their potential impact.

Remuneration report

Introduction

Motus is in a unique position as a newly listed company, to implement remuneration policies and practices which represent industry best practice, and which are fair and transparent at all levels of the organisation.

To this end we have conducted a thorough review of our remuneration policies and its implementation and have introduced a number of changes, which reflect best practice and align management with shareholders:

> Revised long-term incentive ("LTI") scheme: replaced deferred bonus plan ("DBP") which were not linked to performance conditions with conditional share plan ("CSP"), which are subject to the same performance conditions as share appreciation rights ("SAR") from 1 July 2019.
> Reduced the number of participants in share schemes.
> Introduced minimum shareholding requirements for executive directors and prescribed officers from 1 July 2019.

We strive to ensure that our governance and disclosure relating to executive remuneration is transparent and that we do not compromise on performance criteria when external factors outside our control stifle or enhance performance. Throughout the Group, we attempt to compensate individuals fairly for a specific role, with due regard to their skills, areas in which they operate and their specific performance.

The compensation of most of our unionised employees is determined collectively or based on sector norms. We strive to maintain positive day-to-day working relationships with our unionised employees, and to balance their right to industrial action with the rights of the Group to conduct its activities.

Key focus areas

The Group undertakes regular benchmarking of the remuneration packages of the CEO, CFO, executive directors, non-executive directors and senior staff members, with the assistance of remuneration experts.

The Remuneration Committee ("RemCo") further considered and approved:

> The general composition of executive remuneration packages.
> The criteria for short and long-term incentive awards.
> Executive management short and long-term incentive awards in accordance with set criteria.
> Shares to be held by executive directors and prescribed officers from 1 July 2019.
> The CEO's, CFO's, executive and non-executive directors' remuneration.

Committee chairman

The committee is chaired by Mr A Tugendhaft, who is a non-executive director.

Role of the committee

The committee advises and guides the board on:

> Accurate and transparent disclosure of directors' remuneration.
> The establishment and implementation of remuneration policies for non-executive directors, executive directors and other executives, to ensure that the company remunerates directors and executives fairly and responsibly.
> Approval of the general composition of remuneration packages and the criteria for executive short and long-term awards.
> Increases to non-executive directors' fees.
> Material changes to the Group pension and provident funds and medical aid schemes when appropriate.
> The administration of share-based incentive schemes.

Committee membership

At year-end, the members of the remuneration committee were A Tugendhaft (Chairman), GW Dempster and P Langeni. The majority of the members are independent non-executive directors, with the exception of Mr Tugendhaft who is a non-executive director.

The Group CEO and CFO attend committee meetings by invitation and assist the committee in its deliberations, except when issues relating to their own remuneration and performance are discussed. No director is able to decide his or her own remuneration.

Meeting attendance

Member	Regular meetings
A Tugendhaft (Chairman)	2/2
GW Dempster*	2/2
P Langeni *	2/2

** Independent non-executive director*

Only two meetings were held as the company was listed on 22 November 2018.

Remuneration policy

In keeping with the recommended practices contained in King IV, both the remuneration policy and the implementation thereof will be tabled for approval by shareholders by separate non-binding advisory votes at the AGM on 12 November 2019.

Although a non-binding advisory vote, the board continues to take into account the views expressed by shareholders in its deliberations and remains deeply committed to responsible conduct, sound governance and transparency regarding executive compensation.

Should 25% or more of the voting rights exercised at the AGM be voted against the remuneration policy and/or its implementation, the board will in good faith start:

> An engagement with dissenting shareholders to ascertain the reasons for the dissenting votes.

> Taking steps to address valid objections and concerns raised, which steps may include amending the remuneration policy or clarifying or adjusting remuneration governance and/or processes.

The board will also disclose:

> Which shareholders (unless shareholders require anonymity) were engaged and the manner and form of engagement to ascertain the reasons for dissenting votes.

> The steps taken to address valid objections and concerns.

Determination of performance incentives

Motus has various formal and informal frameworks for performance management that are directly linked to either increases in total cost to company or annual short-term incentives. Performance management and assessment sessions take place regularly throughout the Group, where company performance, personal achievement of key performance indicators ("KPIs"), and delivery on key strategic imperatives are discussed.

	2019	2018
Total number of employees	**18 628**	18 305
Total compensation paid to employees (Rm)	**6 822**	6 425

Remuneration breakdown

The Group's employees are key determinants of its success. Employee remuneration, particularly guaranteed pay, is a significant component of the Group's total operating costs. The Group's remuneration policy seeks to attract and retain quality employees at all levels. Remuneration is structured to be competitive and relevant in the sectors in which the Group operates, subsidiaries and divisions review their remuneration policies regularly.

Salaried employees

Cost to company	Short-term incentives	Long-term incentives	Other benefits
> Total cost to company ("TCTC") is monitored and benchmarked on an ongoing basis. > Remuneration levels take into account industries, sectors and geographies from which skills are acquired or to which skills are likely to be lost, the general market and the market in which each business operates. > TCTC and the mix of fixed and variable pay are designed to meet each business' industry, operational needs and strategic objectives, based on stretch targets that are verifiable and relevant. > The structure of remuneration for unionised employees is driven by collective bargaining and sectoral determinations. > General adjustments to guaranteed pay levels are effective from 1 July each year. In unionised environments, collective bargaining arrangements may come into operation at other agreed times. > Annual increase parameters are set using guidance from Group budgeting processes, market movements, individual performance, the performance of the division and/or company and other relevant factors. > Increases above inflation depend on divisional or departmental and individual performance.	Divisions pay short-term bonuses aligned to industry best practice and in some cases include a guaranteed bonus equal to one month's salary. However, in the majority of cases bonuses depend on the performance of the individual and business in which they are employed. Performance criteria are set for each individual, depending on the requirements of the job.	Only salaried employees at senior management level qualify for long-term incentives.	Company car, travel allowances, pension and provident fund, medical aid (includes both regular and budget options).

Remuneration report continued

Employees paid by the hour

Cost to company	Short-term incentives	Long-term incentives	Other benefits
> Annual increases in remuneration and bonuses generally determined at industry level through collective bargaining and negotiations between the industry and trade unions. > The Group aims to remunerate employees fairly and in line with sound business and remuneration principles, beyond the minimum wage. Increases for deserving employees are determined based on merit. > Where appropriate, employees receive ongoing training and promotion, with concomitant rate increases. These promotions are discussed and authorised by both supervisors and line management.	Bonuses are determined annually in line with agreements signed with various unions. Where appropriate, certain individuals are awarded additional bonuses in line with their individual performance. These bonuses are reviewed and approved by divisional management.	No long-term incentives.	Pension and provident fund (compulsory), and medical aid (includes both regular and budget options. Some hourly paid employees belong to bargaining council medical schemes and pension funds).

Executive directors and prescribed officers

Policy

Executives are responsible for leading others and taking significant decisions about the short and long-term operation of the business, its assets, funders and employees. They require specific skills and experience and are held to a higher level of accountability.

Motus' remuneration policy is formulated to attract and retain high-calibre executives and motivate them to develop and implement the group's strategy to optimise long-term shareholder value. The Group's remuneration policy also aims to align the entrepreneurial ethos and long-term interests of senior managers and executives with those of shareholders.

The remuneration policy is intended to conform to best practice. It is structured around the following key principles:

Total rewards are set at levels that are responsible and competitive within the relevant market.	**Incentive-based rewards** are capped and earned through the achievement of demanding growth and return targets consistent with shareholder interests over the short, medium and long term.	**Incentive plans, performance measures and targets** are structured to operate soundly throughout the business cycle.	**The design and implementation of long-term incentive schemes** are prudent and do not expose shareholders to unreasonable financial risk.

Elements of executive remuneration

Executive remuneration comprises the following key elements:

1. **Fixed remuneration**
2. **Annual short-term incentive**
3. **Share-based long-term incentive and retention schemes**

The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration and between those aspects of the package linked to short-term performance and those linked to longer-term shareholder value creation.

The Group's general philosophy for executive remuneration is that the performance-based pay of executive directors and senior managers should form a significant portion of their expected total compensation. There should also be an appropriate balance between rewarding operational performance (through annual incentives) and rewarding long-term sustainable performance (through long-term and/or share-based incentives).

1. Fixed remuneration

Fixed remuneration is the TCTC before short-term incentives. The fixed remuneration of each executive is based on roles in similar companies, which are comparable in terms of size, market sector, business complexity and international scope.

When determining fixed remuneration factors taken into account include inflation and salary trends, Group and divisional performance, individual performance and changes in responsibilities.

Executive directors are entitled to vehicle benefits, pension or provident fund contributions, medical insurance and death and disability insurance. Providing these benefits is considered to be market competitive for executive positions and included in fixed remuneration.

2. Annual short-term incentive

All executives are eligible to receive a performance-related annual incentive. The incentive is non-contractual and not pensionable. The committee reviews incentives annually and determines the level of each incentive based on performance criteria set at the beginning of the performance period.

The criteria differ depending on the position of each executive and the division in which they operate. Criteria include:

Financial performance

Group return on invested capital (ROIC) The base target for ROIC is achievement of the weighted average cost of capital (WACC) and the measurement pays on the gap between ROIC and WACC.	**Group normalised headline earnings per share (HEPS) growth** The measurement starts to pay out above a base target for HEPS growth.
Divisional return on invested capital (ROIC) The base target for ROIC is the achievement of the weighted average cost of capital (WACC) and the measurement pays on the gap between ROIC and WACC.	**Divisional operating profit** The measurement starts to pay out above a base target for PBIT growth.

Employment equity and talent management

Measurement of the executive committee members with Group responsibility

This measurement is based on sub-measurements for the organisation as a whole and at divisional level:

> Management control.
> Employment equity.
> Growth in black senior, middle and junior management.
> Implementation and development of a three to five-year succession plan for key staff members.
> Implementing diversity workshops and assisting staff with diversity issues.

Project-based and discretionary

Project-based and discretionary incentives allow flexibility to nominate particular projects and allow for performance on non-quantitative aspects during the year to be taken into consideration. The 2019 financial year included the listing of the Group on the Johannesburg Stock Exchange. The remuneration committee has further discretion to authorise special bonuses for projects successfully completed during the year, which are awarded in exceptional cases. This component allows the committee to make adjustments in circumstances which could not be foreseen at the start of the period or are not in the control of a particular executive, such as a general market downturn or the demise of a significant competitor, which could affect divisional or Group performance downwards or upwards beyond the control of the executive in question.

Annual short-term incentive ("STI")

	Maximum STI as % of TCTC
CEO and CFO	150%
Senior management	50% to 100%
Other senior staff	20% to 35%

The committee sets the minimum performance levels required for any annual incentive to be paid. The on-target annual incentive is payable on achieving agreed targets. The committee awards additional performance incentives in exceptional circumstances.

3. Share-based long-term incentive and retention schemes

Executive participation in long-term incentive and retention schemes is based on criteria such as seniority, performance during the year and retention drivers. Any senior employee with significant managerial or other responsibility, including any director holding salaried employment or office in the Group, is eligible to participate in long-term incentive schemes. Non-executive directors may not be awarded rights in any of the incentive schemes.

The Group has three long-term incentive plans:

> Share appreciation rights scheme.
> Deferred bonus plan.
> Conditional share plan.

Share appreciation rights

Selected participants receive annual grants of SARs, which are conditional rights to receive Motus shares equal to the difference between the exercise price and the grant price. Vesting of rights are subject to performance conditions being met and participants remaining employed with the Group for the vesting period. The performance conditions and the performance period are determined by the board annually in respect of each new grant of rights.

The SARs allocated vest after three years and lapse two years after vesting.

The current performance targets employed in the SARs scheme are the achievement of specified targets set by the committee. These include:

	Percentage of SAR awards
Growth in HEPS relative to the growth in HEPS of a selected peer group of JSE-listed companies	50%
Gap in ROIC compared to WACC	50%

The peer group of JSE-listed companies was selected based on an independent report prepared by PricewaterhouseCoopers.

The extent to which each performance condition has been met is determined on the vesting date as follows:

HEPS growth over the performance period

If the HEPS growth of the company is below the lower quartile of the peer group:

0% OF SARs VEST

If the HEPS growth of the company is equal to the lower quartile of the peer group:

30% OF SARs VEST

If the HEPS growth of the company is equal to or above the upper quartile of the peer group:

100% OF SARs VEST

Remuneration report continued

Linear vesting occurs between 30% and 100%, depending on the company's performance relative to the peer group if HEPS growth falls in the second or third quartile.

ROIC

If the average ROIC for the company over the performance period is lower than the average WACC of the company over the performance period:

0% OF SARs VEST

If the average ROIC over the performance period is equal to the average WACC over the performance period:

30% OF SARs VEST

If the average ROIC over the performance period is equal to or above a predetermined target percentage:

100% OF SARs VEST

Linear vesting occurs between 30% and 100%, depending on the company's performance if ROIC is between WACC and the target percentage.

In addition to performance of the Group, the minimum HEPS and ROIC target threshold level takes into account the important objective of retention of key employees during times when business conditions are challenging.

The targets and measures relating to each issue are detailed in a letter of grant. After vesting, the rights may be exercised by a participant within four years after vesting; this has been changed to two years from 1 July 2016. Upon exercise by a participant, the difference between the exercise price and the grant price is paid by:
> Delivering Motus shares that will or have been purchased on the open market; or
> Delivering Motus shares that will be received through call options (hedges); or
> As a fall-back provision only, by the issue of new shares; or
> Settling the value in cash.

Deferred bonus plan ("DBP")
Qualifying senior employees are required to purchase Motus shares which are held in escrow by the company. On the condition that the participant remains in the employ of the Group and retains the shares over a three-year period, a matching award of Motus shares is made on vesting. A participant remains the owner of the shares for the duration of the three-year period and enjoys all shareholder rights in respect of the shares. Although shares can be sold by the participant at any stage, the matching award is forfeited in line with the level of sales of the shares.

In light of a general market move away from incentive instruments that are not performance linked, the board decided to make no further allocations of DBPs and to replace it with performance linked CSP allocations of equal value. The prior year's allocations will be settled by September 2021.

Conditional share plan ("CSP")
Employees receive grants of conditional awards and the vesting is subject to performance conditions. The performance conditions for the CSP are based on performance targets set by the board.

The performance conditions applicable to annual CSP allocations are the same as those used in respect of SAR explained above.

CSPs are only awarded to the most senior employees and replace annual DBP allocations from 1 July 2019.

Allocation of SARs and CSPs
Allocations of SARs and CSPs are made annually based on the following criteria:
> Performance of the participant.
> The job grading of the participant.
> Key retention considerations regarding participants.

The quantum of allocations of SARs and CSPs are calculated using a model developed by PricewaterhouseCoopers and is determined using the expected value of an allocation expressed as a percentage of TCTC (fixed remuneration). The percentage allocated is determined based on retention considerations and the job grading of the participant, which also determines whether a participant receives both SARs and CSPs or only SARs or only CSPs.

Benchmark awards for SARs and CSPs

	Expected values as % of total guaranteed package
Executive directors	100%
Senior management	50% to 70%
Other senior staff	20% to 35%

The value of long-term share-based incentives is determined in the financial year of allocation using the binomial tree valuation methodology. This is based on a number of assumptions, which include the original award price, the expected rate of share price growth and the expected fulfilment of related performance conditions. The eventual gains from long-term share-based incentives will vary from year to year depending on vesting and exercise patterns, as well as the impact on share price performance and external factors such as market sentiment, interest rates, commodity prices and exchange rates.

Reduction or forfeiture of share scheme awards
Share scheme awards are subject to reduction or forfeiture (in whole or in part) if:
> There is reasonable evidence of misbehaviour or material error by a participant; or
> The financial performance of the Group or the relevant business unit for any financial year in respect of which an award is based have subsequently appeared to be materially inaccurate; or
> The Group or the relevant business unit suffers a material downturn in its financial performance, for which the participant can be seen to have some liability; or
> The Group or the relevant business unit suffers a material failure of risk management, for which the participant can be seen to have some liability, or in any other circumstances if the RemCo determines that it is reasonable to subject the awards of one or more participants to reduction or forfeiture.

Vesting of any awards may be postponed while there is an ongoing investigation or other procedure being carried on to determine whether the forfeiture provisions apply in respect of a participant, or if further investigation is warranted.

Termination of employment

Resignation or dismissal

If a participant's employment terminates due to resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by the employee or otherwise or if he/she resigns to avoid dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct) before the vesting date, all share appreciation rights, conditional awards and all matching awards will lapse, unless the board determines otherwise.

Retirement, retrenchment, death, ill health, disability or other reasons for cessation of employment

If a participant ceases to be an employee due to retrenchment, death, ill health, disability or reasons other than resignation or dismissal, the board will by written notice to the participant or the executor of the deceased estate permit a pro rata portion of the unvested SARs and/or unvested conditional awards and/or matching awards to vest on the date of cessation of employment.

The pro rata portion of the SARs and CSPs that vest will, unless the board determines otherwise, reflect the number of months served since the date of grant and the extent to which the performance conditions have been satisfied. In the case of matching awards, the allocation will be based on the number of bonus shares held and the DBP period at the time of cessation of employment, unless the board determines otherwise. The balance of the unvested SARs and CSPs not permitted to be exercised or matching awards that do not vest will lapse.

Share buybacks and hedges

The Group buys back shares or buys hedges to limit its exposure to deliver shares in terms of share-based long-term incentive schemes. SARs awards are hedged through a combination of shares purchased and the purchase of call options, after allowing for attrition over the vesting period. DBPs and CSPs are hedged with shares held in treasury for that purpose.

Retirement schemes

Executives participate in contributory retirement schemes which include pension and provident funds established by the Group. Executive retirement is governed by their retirement scheme rules, subject to the ability of the company to enter into fixed-term contracts to extend the services of any executive within certain prescribed limits.

The nominations committee governs the succession policy and plans, external appointments and directors' service contracts covered below. These items are included in the report as both the nominations committee and RemCo are relevant decision makers on these matters.

Succession policy and plans

The committee considers succession plans for executives, non-executive directors and regularly reviews identified successors for key positions in the Group. This process includes:

The identification of current incumbents in key positions:

> An assessment of how long the current incumbent is expected to remain in the position.
> Identification of candidates vulnerable due to age, health or attractiveness to competitors.
> Identification of potential short-term successors, both internally and externally.
> Identification of potential long-term successors, both internally and externally.
> Positioning and development of potential successors.

In line with its strategic objective of implementing leading-edge talent management processes, the Group has embarked on a process to measure and develop the executive talent pool.

External appointments

Executives are not permitted to hold external directorships or offices without the approval of the board.

Directors' service contracts

Directors' contracts can be terminated by giving them between one and six months' notice.

Directors' appointments are made in terms of the company's MOI and are initially confirmed at the first AGM of shareholders following their appointment, and thereafter by rotation.

Minimum shareholding requirements

In line with ensuring alignment between executives and shareholders, the Group adopted a minimum shareholding requirement ("MSR") for executive directors and prescribed officers.

Each executive's MSR target is determined using the executive's fixed remuneration. The target has to be achieved within five years from 1 July 2019 (or from joining in the case of new appointees), unless otherwise determined by the RemCo considering market conditions and related factors. It is not the intention of the scheme to compel executives to incur debt to acquire Motus shares but rather that executives should retain shares acquired through the operation of share incentive schemes up to the MSR target.

Compliance with the MSR will be measured annually and executives subject to MSR will have to declare the extent of their personal shareholdings in the company at each year-end or as and when directed by the company. The RemCo will assess compliance with the MSR before making future discretionary LTI awards.

MSR targets are set as follows:

CEO	1,5 times fixed remuneration
CFO	1,25 times fixed remuneration
Executive directors and prescribed officers	1 times fixed remuneration

Non-executive directors' fees

The remuneration committee reviews and recommends to the board, fees payable to non-executive directors. The board in turn makes recommendations to shareholders after considering the fees paid by comparable companies, responsibilities of the non-executive directors and considerations relating to the retention and attraction of high-calibre individuals. The Group has decided to maintain a structure where directors' fees are not split between membership and attendance fees, as the efforts and contribution of non-executive directors goes well beyond their attendance at formal board or sub-committee meetings, and the Group has not had significant instances of non-attendance of meetings.

Remuneration report continued

Implementation of remuneration policy

Historical Imperial share schemes

Motus' employees who had been awarded rights in Imperial's share schemes prior to the listing of Motus on the JSE continue to participate in those schemes. Upon exercise, their SARs will be settled by Motus in Motus shares and their DBPs will be settled in Imperial and Motus shares. A total of 7 004 824 SARs remain unexercised in terms of the Imperial SAR scheme at an average price of R152,64 per share. A total of 373 584 DBPs have been taken up and remain unvested in the Imperial DBP scheme. There were no CSP awards.

Motus share scheme allocations

A total of 3 449 620 SARs remain unexercised in terms of the SAR scheme at an average price of R89,67 per share. A total of 243 397 DBPs have been taken up and remain unvested. A total of 892 160 CSPs have been allocated and remain unvested.

Annual share scheme allocations

The Group will be making annual 2019 allocations of SARs and CSP during September 2019 according to the allocation benchmarks in the remuneration policy.

Exceptional CSP allocations

On listing of Motus, the Group made exceptional CSP allocations to certain members of management who were viewed as essential to the continued success of Motus in future. The CSP is subject to performance criteria set out below. The awards were considered exceptional but warranted in the circumstances to serve both as a retention tool and an incentive aligned to the interests of shareholders.

The cumulative performance applicable to the exceptional CSP award are set out below:

Condition	Target	Weighting
HEPS	Compared to peer group with 30% vesting if performance is above the lower quartile and 100% vesting if performance is in the upper quartile of the peer group	35%
ROIC	2% over WACC. 0% vests if performance is below target	20%
Operating profit growth	Inflation + twice GDP growth in primary territories, weighted for the operating profit contribution of each territory. 0% vests if performance is below target	20%
Succession planning	Must be in place at each vesting date. The board must approve the adequacy of succession	15%
Discretionary	To assess non-quantifiable performance over the vesting period	10%

Proposed non-executive directors' fees for 2020 and 2021

At the AGM to be held on 12 November 2019, shareholders will be requested to approve the following increases in non-executive directors' remuneration by special resolution in terms of section 66(9) of the Companies Act, granting authority to pay fees for services as directors, which will be valid with effect from the date of the AGM until 30 June 2021. The proposed increase in fees is 5% for all boards and committees as follows:

	Fee from 1 July 2018 to 30 June 2019	**Fee from 1 July 2019 to 30 June 2020**	Fee from 1 July 2020 to 30 June 2021
Chairman*	993 000	**1 042 650**	1 094 790
Deputy chairman and lead independent director*	496 500	**521 325**	547 400
Board member	284 000	**298 200**	313 110
Assets and liabilities committee chairman*	181 000	**190 050**	199 560
Assets and liabilities committee member	120 500	**126 525**	132 860
Audit and risk committee chairman*	375 000	**393 750**	413 440
Audit and risk committee member	187 500	**196 875**	206 720
Divisional board member	168 500	**176 925**	185 780
Divisional finance and risk committee member	67 500	**70 875**	74 420
Remuneration committee chairman*	135 500	**142 275**	149 390
Remuneration committee member	90 000	**94 500**	99 230
Nominations committee chairman*	135 500	**142 275**	149 390
Nominations committee member	90 000	**94 500**	99 230
Social, ethics and sustainability committee chairman*	181 500	**190 575**	200 110
Social, ethics and sustainability member	120 500	**126 525**	132 860

** Fee paid in addition to a member's fee.*

In determining the proposed fees, cognisance was taken of market trends and the additional responsibilities of non-executive directors in terms of increased legal and governance requirements.

Executive directors receive no directors' or committee fees for their services as directors in addition to their normal remuneration as employees.

Non-executive directors' fees for 2019

The table below provides an analysis of the emoluments paid to non-executive directors for the seven months to 30 June 2019.

	Directors' fees R'000	Sub-committee fees R'000	**Seven months 2019 total R'000**
Non-executive directors			
GW Dempster	745	360	**1 105**
P Langeni	166	214	**380**
S Mayet	166	398	**564**
KR Moloko	166	180	**345**
MJN Njeke	166	246	**412**
A Tugendhaft	455	254	**710**
Total	1 864	1 652	**3 516**

Comparative figures have not been inserted as this is the first year of reporting since listing on the Johannesburg Stock Exchange.

The non-executive directors who received fees from Imperial Holdings for the four months prior to the listing are included in the annual financial statements but not in this report. These costs were not incurred by the Motus Group.

Executive remuneration

The Group remunerated its executive directors during the year as follows:

OS (Osman) Arbee – Group CEO

2019 remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2019 Total taxable remuneration realised R'000**	2018 Total taxable remuneration realised R'000
9 781	459	379	12 500	**23 119**	6 494	**29 613**	30 268

Fixed compensation and benefits

Osman's fixed compensation and benefits increased by 9,5% to R10 600 000 (2018: R9 683 000) commensurate with his appointment as Motus CEO, prior to listing and the increase was effective from 1 July 2018. The remuneration for this position was externally benchmarked against companies with a similar size, complexity and geographic spread.

Annual incentive bonus

Osman received an incentive bonus of R12 500 000 (2018: R12 065 000). The incentive was time apportioned for his absence.

2019 measure	**2019 weighting %**	**Performance against target %**
Group HEPS growth (normalised)	**30**	**100**
Group achievement of ROIC target over WACC	**30**	**100**
Group growth in black senior, middle and junior management, succession and diversity	**20**	**95**
Compliance with governance	**20**	**100**
Discretionary including listing on the stock exchange	**35**	**100**
Strategy execution	**15**	**100**
Maximum as percentage of deemed fixed compensation	**150**	

Remuneration report continued

Long-term incentive and retention payments

Annual 2019 allocation of Motus CSP in line with LTI award benchmarks for executive directors to a value of R11 130 000.

The CSP is subject to performance criteria set out below and will vest in September 2022.

CSP performance conditions

Condition	Weighting %
ROIC >2% over WACC	**50**
HEPS vs peer group	**50**

In addition, a once-off allocation of 334 560 CSPs to a value of R30 000 000 upon listing of Motus was allocated. The CSP is subject to performance criteria detailed in the beginning of this section of the report and 40% will vest in November 2021 and 60% in November 2022.

OJ (Ockert) Janse van Rensburg – Group CFO

2019 remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2019 Total taxable remuneration realised R'000**	2018 Total taxable remuneration realised R'000
4 948	408	166	8 250	**13 772**	584	**14 356**	9 732

Fixed compensation and benefits

Ockert's fixed compensation and benefits increased by 22% to R5 500 000 (2018: R4 500 000) commensurate with his appointment as Motus CFO, prior to the listing and effective from 1 July 2018. The remuneration for this position was externally benchmarked against companies with a similar size, complexity and geographic spread.

Annual incentive bonus

Ockert received an incentive bonus of R8 250 000 (2018: R4 100 000).

2019 measure	2019 weighting %	Performance against target %
Group HEPS growth (normalised)	**30**	**100**
Group achievement of ROIC target over WACC	**30**	**100**
Group growth in black senior, middle and junior management, succession and diversity	**20**	**95**
Compliance with governance	**20**	**100**
Discretionary including listing on the stock exchange	**35**	**100**
Strategy execution	**15**	**100**
Maximum as percentage of deemed fixed compensation	**150**	

Long-term incentive and retention payments

Annual 2019 allocation of Motus CSP in line with LTI award benchmarks for executive directors to a value of R5 800 000.

The CSP is subject to performance criteria set out below and will vest in September 2022.

CSP performance conditions

Condition	Weighting %
ROIC >2% over WACC	**50**
HEPS vs peer group	**50**

In addition, a once-off allocation of 195 160 CSP to a value of R17 500 000 upon listing of Motus was allocated. The CSP is subject to performance criteria detailed in the beginning of this section of the report and 40% will vest in November 2021 and 60% in November 2022.

Prescribed officers

Prescribed officers are persons, not being directors, who either alone or with others exercise executive control and management of the whole or a significant portion of the business of the company.

KA (Kerry) Cassel – CEO: Motor-Related Financial Services

2019 remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2019 Total taxable remuneration realised R'000**	2018 Total taxable remuneration realised R'000
3 907	358	232	4 250	**8 747**	89	**8 836**	8 529

Kerry was appointed as a director of Motus Holdings on 1 July 2019.

Fixed compensation and benefits

Kerry's fixed compensation and benefits increased by 18% to R4 500 000 (2018: R3 800 000). The remuneration for this position was externally benchmarked against companies with a similar size, complexity and geographic spread.

Annual incentive bonus

Kerry received an incentive bonus of R4 250 000 (2018: R3 496 000).

Long-term incentive and retention payments

Annual 2019 allocation of Motus CSP and SARs in line with LTI award benchmarks for executive directors to a value of R4 900 000.

The CSP is subject to performance criteria set out below and will vest in September 2022.

CSP performance conditions

Condition	Weighting %
ROIC >2% over WACC	**50**
HEPS vs peer group	**50**

In addition, a once-off allocation of 139 400 CSP to a value of R12 500 000 upon listing of Motus was allocated. The CSP is subject to performance criteria detailed in the beginning of this section of the report and 40% will vest in November 2021 and 60% in November 2022.

C (Corne) Venter – CEO: Retail and Rental South Africa

2019 remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	**Total cash remuneration R'000**	Gains on exercise of LTI awards R'000	**2019 Total taxable remuneration realised R'000**	2018 Total taxable remuneration realised R'000
2 864	447	75	3 000	**6 386**	–	**6 386**	6 650

Fixed compensation and benefits

Corne's fixed compensation and benefits increased by 19% to R3 375 000 (2018: R2 835 000) commensurate with his appointment as CEO: Retail and Rental division, effective from 1 March 2019. The remuneration for this position was externally benchmarked against companies with a similar size, complexity and geographic spread.

Annual incentive bonus

Corne received an incentive bonus of R3 000 000 (2018: R2 504 320).

Remuneration report continued

Long-term incentive and retention payments

Annual 2019 allocation of Motus CSP and SARs in line with LTI award benchmarks for exco member and business unit leader to a value of R3 010 000.

The CSP are subject to performance criteria set out below and will vest in September 2022.

CSP performance conditions

Condition	Weighting %
ROIC >2% over WACC	50
HEPS vs peer group	50

In addition, a once-off allocation of 111 520 CSP to a value of R10 000 000 upon listing of Motus was allocated. The CSP is subject to performance criteria detailed in the beginning of this section of the report and 40% will vest in November 2021 and 60% in November 2022.

P (Philip) Michaux – CEO: Retail and Rental, including International (retired)

2019 remuneration

Cash component R'000	Retirement and medical contributions R'000	Other benefits R'000	STI bonus R'000	Total cash remuneration R'000	Gains on exercise of LTI awards R'000	2019 Total taxable remuneration realised R'000	2018 Total taxable remuneration realised R'000
5 668	452	255	4 000	10 375	5 106	15 481	17 966

Fixed compensation and benefits

Philip's fixed compensation and benefits increased by 6% to R6 360 000 (2018: R6 000 000).

Annual incentive bonus

Philip received an incentive bonus of R4 000 000 (2018: R5 760 000).

Long-term incentive and retention payments

Philip retired on 28 February 2019 and consequently no long-term and retention payments were awarded to him.

Extracts of summarised financial information

Group profit or loss (extract)

for the year ended 30 June 2019

	2019 Rm	2018 Rm	% change
Revenue	**79 711**	77 001	3,5
Operating profit	**3 620**	3 593	1
Profit on sale of properties, net of impairments (note)	**15**	617	(98)
Net foreign exchange losses	**(14)**	(43)	(67)
Net finance costs	**(774)**	(737)	5
Other	**(77)**	(220)	(65)
Profit before tax and IFRS 2 charge	**2 770**	3 210	(14)
Issue of shares at a discount to a broad-based black economic empowerment partner (Ukhamba) and modification of share appreciation rights	**(160)**	–	
Profit before tax	**2 610**	3 210	(19)
Income tax expense	**(714)**	(897)	
Profit for the year	**1 896**	2 313	(18)
Attributable to non-controlling interests	**(28)**	33	
Attributable to shareholders of Motus Holdings	**1 868**	2 346	(20)
Operating profit (%)	**4,5**	4,7	
Effective tax rate (%)	**27,6**	28,3	
Return on invested capital (%)	**13,5**	13,5	
Weighted average cost of capital (%)	**10,7**	10,7	

Note: The prior year includes the profit from the sale of the Australian property amounting to R616 million.

Revenue increased by 3,5% including acquisitions and declined by 1% excluding acquisitions: Revenue improved by 3,5% despite a 5% decline in vehicle unit volumes (2019: 215 279 units; 2018: 227 578 units new and pre-owned), offset by price increases and acquisitions. The revenue contribution from the sale of pre-owned vehicles increased by 11% and the selling of parts and rendering of services also contributed positively.

Group operating profit: The operating profit improved due to an increase in gross profit, offset by a 5% increase in operating expenses.

Foreign exchange losses relate only to items that do not qualify for hedge accounting. The current year losses are as a result of the uncorrelated movement between the fair value of the creditor and the corresponding hedge. The importers (Hyundai and Kia) are covered in terms of policy at favourable rates to March 2020.

Finance costs increased mainly due to an increase in working capital, increase in interest rate swap costs, offset by the decline in vehicles for hire.

The issue of shares at a discount to a Broad-Based Black Economic partner (Ukhamba) relates to the once-off costs of issuing unlisted deferred ordinary shares at a discount to their fair value (R141 million) and for the modification of share appreciation rights on unbundling (R19 million), totalling R160 million.

Profits attributable to non-controlling interests increased, mainly due to improved results in Renault and the inclusion of Arco as a subsidiary from March 2018 for the full financial year.

The effective tax rate decreased marginally, primarily due to the inclusion of the foreign businesses which are at lower tax rates and higher dividend income which is exempt from tax. This is partially offset by the once-off cost of the issue of shares to Ukhamba, at a discount, which does not qualify for a tax deduction and exceptional items of R80 million which mainly comprise impairments of goodwill and investments in associates.

Extracts of summarised financial information continued

Reconciliation of earnings to headline earnings

	2019 Rm	2018 Rm	% change
Earnings	**1 868**	2 346	(20)
Profit on disposal of assets	**(28)**	(711)	(96)
Impairment of goodwill and other assets	**142**	171	(17)
Profit on sale of businesses and other	**(3)**	(4)	(25)
Tax and non-controlling interests	**(2)**	189	(<100)
Headline earnings	**1 977**	1 991	(1)
Issue of shares at a discount to a broad-based black economic empowerment partner (Ukhamba) and modification of share appreciation rights	**160**	–	(>100)
Normalised earnings	**2 028**	2 346	(14)
Normalised headline earnings	**2 137**	1 991	7
Weighted average number of ordinary shares	**196**	202	(3)
Earnings and headline earnings per share			
Basic EPS (cents)	**953**	1 162	(18)
Basic HEPS (cents)	**1 009**	986	2
Normalised EPS (cents)	**1 035**	1 162	(11)
Normalised HEPS (cents)	**1 090**	986	11

Normalised EPS and HEPS are disclosed, as the adjustments made to arrive at these figures are once-off in nature with no cash flow impact. In the opinion of the directors normalised EPS and HEPS provide sustainable trading results. In addition, 45% of normalised HEPS was used to determine the dividend pay-out.

Financial position at 30 June 2019 (extract)

	2019 Rm	2018 Rm	% change
ASSETS			
Goodwill and intangible assets	**1 273**	1 230	3
Property, plant and equipment	**7 198**	6 786	6
Investments in associates and joint ventures	**258**	348	(26)
Vehicles for hire	**3 385**	3 924	(14)
Investments and other financial assets	**509**	653	(22)
Net working capital (note 1)	**7 580**	6 731	13
Other assets	**1 178**	917	28
Assets classified as held for sale	**182**	235	(23)
Net debt	**(4 777)**	(4 580)	4
Interest-bearing floorplans from financial institutions	**(1 841)**	(1 320)	39
Contract liabilities	**(2 818)**	(2 724)	3
Other liabilities	**(270)**	(535)	(50)
Liabilities held for sale	**(19)**	(21)	(10)
Total shareholders' equity	**11 838**	11 644	
Total assets	**38 872**	36 716	6
Total liabilities	**(27 034)**	(25 072)	8

Note 1: Working capital includes R5 619 million (2018: R4 597 million) floorplan liabilities.

Factors impacting the financial position at 30 June 2019 compared to 30 June 2018

Goodwill and intangibles increased by 3% compared to June 2018, mainly due to the acquisition of dealerships in the United Kingdom and an acquisition in the Aftermarket Parts segment, partly offset by currency adjustments, impairments and a decrease in intangibles due to amortisation.

Property, plant and equipment increased by 6%, attributable to the acquisition of the dealerships in the UK and an expansion of the dealership footprint in South Africa.

Investments in associates and joint ventures reduced by 26% mainly due to the impairments of the Zimbabwean associates amounting to R56 million.

Vehicles for hire declined by 14% due to the decline in vehicles placed with car rental companies and the change in the mix of vehicles (owned versus leased).

Investments and other financial assets decreased by 22% predominantly as a result of impairments and the reduced investments in cell captives resulting from higher dividends paid out of prior year's earnings. The higher dividends were based on the cell captive's regulatory solvency calculations.

Net working capital increased by 13% mainly impacted by:

> An increase in inventory in the current year in the Import and Distribution segment. Working capital was lower in the prior year, due to inventory supply constraints from the manufacturers;
> The Retail and Rental inventory increase primarily due to dealership acquisitions in the UK and increased inventory levels in South Africa due to reduced sales; and
> The Aftermarket Parts working capital increased mainly due to the drive to increase inventory availability to achieve wider brand representation and capture lower-end consumers.

Net debt (excluding floorplans) increased by 4% mainly due to:

> Working capital in the Import and Distribution segment increasing from prior year;
> Acquisitions in the Retail and Rental and Aftermarket Parts segments;
> Partially offset by lower vehicles for hire; and

Contract liabilities, mainly relating to service and maintenance plans, increased slightly.

The decrease in other liabilities by 50% is primarily attributable to the decline in current and deferred taxation liabilities.

In addition to attributable profits, shareholders' equity was reduced by the:
> Repurchase and cancellation of shares during the year totalling R780 million;
> Dividend paid to the former parent company of R567 million; and
> Dividend paid to Motus shareholders in March 2019 of R470 million.

Extracts of summarised financial information continued

Cash flow movements

	2019 Rm	2018 Rm
Cash generated from operations before movements in net working capital	**4 819**	4 607
Movements in net working capital	**(636)**	2 141
Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire	**4 183**	6 748
Finance costs paid	**(765)**	(803)
Finance income received	**57**	66
Dividend income	**496**	230
Tax paid	**(910)**	(861)
Cash generated by operations before capital expenditure on vehicles for hire	**3 061**	5 380
Net capital expenditure – vehicles for hire	**(318)**	(1 079)
Cash generated by operations	**2 743**	4 301
Net cash outflow on the acquisitions and disposals of businesses	**(358)**	(674)
Capital expenditure (excluding vehicles for hire)	**(592)**	756
Net movements in investments in associates	**19**	(45)
Net movements in investments and loans	**(63)**	24
Cash generated	**1 749**	4 362
Shares repurchased (treasury and cancelled)	**(780)**	–
Change in non-controlling interests	**(29)**	185
Dividends paid to Imperial Holdings, Motus shareholders and non-controlling interests	**(1 097)**	(3 140)
Other	**(33)**	(20)
(Increase)/reduction in net debt (excluding currency adjustments)	**(190)**	1 387
Free cash flow	**2 592**	5 447
Free cash flow to headline earnings	**1,3**	2,7

Net working capital absorption occurred mainly due to normalisation of working capital within the Import and Distribution segment and higher levels of inventory in the Retail and Rental and Aftermarket Parts segments. Working capital was significantly lower in the prior year, due to inventory supply constraints from the importer manufacturers.

The cash outflow on vehicles for hire is lower due to the Import and Distribution segment placing fewer vehicles with car rental companies and a higher portion of leased assets in the Retail and Rental segment fleet.

The cash outflow from businesses acquired is R358 million, relating mainly to the new dealerships in the UK and expansion of the dealership footprint in South Africa.

As a result of the above, Motus generated R1 749 million cash from operating and investing activities.

A dividend was paid to Imperial Holdings during September 2018 amounting to R567 million and an interim dividend amounting to R470 million to Motus shareholders since unbundling.

The change in non-controlling interest outflow relates to cash paid for the buy-out of non-controlling interests. The prior year's inflow related mainly to the Renault recapitalisation.

Acquisitions during the period

A number of bolt-on acquisitions were made during the year to complement existing businesses.

A summary of the acquisitions are as follows:

Business acquired	Nature of business	Operating segment	Effective date	Interest acquired (%)	Purchase consideration transferred Rm
Pentagon Ford	Three dealerships that primarily retail Ford motor vehicles in the United Kingdom	Vehicle Retail and Rental	December 2018	100	266
Other various individually immaterial acquisitions					129
Total					**395**

There were no material disposals during the year.

Extracts of summarised financial information continued

Segment financial position

as at 30 June 2019

	Group 2019 Rm	Group 2018 Rm	Import and Distribution 2019 Rm	Import and Distribution 2018 Rm
FINANCIAL POSITION				
Assets				
Goodwill and intangible assets	**1 273**	1 230	**108**	122
Carrying amount of equity investment in associates and joint ventures (excluding loans to associates)	**177**	260	**10**	27
Property, plant and equipment	**7 023**	6 786	**579**	682
Investment properties	**175**	–	**156**	–
Investments and other financial instruments	**509**	653	**4**	4
Inventories	**19 069**	15 633	**5 680**	3 798
Vehicles for hire	**3 385**	3 924	**1 222**	1 685
Trade and other receivables(1)	**4 778**	5 253	**2 123**	2 649
Operating assets	**36 389**	33 739	**9 882**	8 967
– South Africa	**26 034**	24 857	**9 882**	8 967
– International	**10 355**	8 882	**–**	–
Liabilities				
Contract liabilities[2]	**2 818**	2 724	**–**	–
Provisions[2]	**797**	674	**134**	250
Trade and other payables[1, 2]	**15 470**	13 481	**5 683**	5 516
Other financial liabilities	**53**	54	**10**	10
Operating liabilities	**19 138**	16 933	**5 827**	5 776
– South Africa	**12 934**	11 803	**5 827**	5 776
– International	**6 204**	5 130	**–**	–
Net working capital	**7 580**	6 731	**1 986**	681
– South Africa	**5 943**	5 263	**1 986**	681
– International	**1 637**	1 468	**–**	–
Net debt	**6 618**	5 900	**2 281**	1 099
– South Africa	**4 808**	5 047	**2 281**	1 099
– International	**1 810**	853	**–**	–
Net capital expenditure	**(910)**	(323)	**170**	(124)
– South Africa	**(662)**	(909)	**170**	(124)
– International	**(248)**	586	**–**	–
Non-current assets (excluding investments, deferred tax and other financial instruments)	**8 649**	8 276	**853**	831
– South Africa[3]	**6 164**	5 991	**853**	831
– International[3]	**2 485**	2 285	**–**	–
Source of internationally based adjusted non-current assets	**2 485**	2 285	**–**	–
– United Kingdom	**1 445**	1 254	**–**	–
– Other regions (Australia and South East Asia)	**1 040**	1 031	**–**	–

1 *Includes amounts pertaining to derivative financial instruments.*
2 *The prior years' contract liabilities, trade and other payables and provisions have been re-presented for Retail and Rental, Motor-Related Financial Services and Head Office and Eliminations. There is no impact on the Group's total numbers and these have been re-allocated within liabilities.*
3 *The prior years' non-current assets allocation between South Africa and international has been re-presented in Group total and Retail and Rental. The goodwill adjustment amounting to R364 million was previously included in South Africa and is now allocated to international to align it with the related operations.*

Retail and Rental		Motor-Related Financial Services		Aftermarket Parts		Head Office and Eliminations	
2019 Rm	2018 Rm	**2019 Rm**	2018 Rm	**2019 Rm**	2018 Rm	**2019 Rm**	2018 Rm
656	649	**16**	4	**468**	455	**25**	–
37	53	**41**	52	**82**	122	**7**	6
5 831	5 590	**113**	109	**447**	420	**53**	(15)
19	–	**–**	–	**–**	–	**–**	–
–	–	**490**	653	**–**	–	**15**	(4)
11 514	10 167	**316**	270	**1 594**	1 446	**(35)**	(48)
2 161	2 231	**1 289**	1 732	**–**	–	**(1 287)**	(1 724)
3 089	3 131	**339**	453	**702**	691	**(1 475)**	(1 671)
23 307	21 821	**2 604**	3 273	**3 293**	3 134	**(2 697)**	(3 456)
13 199	13 142	**2 604**	3 273	**3 046**	2 931	**(2 697)**	(3 456)
10 108	8 679	**–**	–	**247**	203	**–**	–
121	89	**2 697**	2 635	**–**	–	**–**	–
78	112	**286**	307	**2**	1	**297**	4
10 449	9 323	**541**	662	**1 119**	1 126	**(2 322)**	(3 146)
11	43	**–**	–	**30**	1	**2**	–
10 659	9 567	**3 524**	3 604	**1 151**	1 128	**(2 023)**	(3 142)
4 536	4 477	**3 524**	3 604	**1 070**	1 089	**(2 023)**	(3 143)
6 123	5 090	**–**	–	**81**	39	**–**	1
4 076	3 863	**(172)**	(246)	**1 175**	1 010	**515**	1 423
2 507	2 461	**(172)**	(246)	**1 107**	943	**515**	1 424
1 569	1 402	**–**	–	**68**	67	**–**	(1)
5 404	4 648	**(2 231)**	(1 426)	**1 131**	945	**33**	634
3 520	3 677	**(2 231)**	(1 426)	**1 204**	1 086	**34**	611
1 884	971	**–**	–	**(73)**	(141)	**(1)**	23
(969)	(170)	**281**	8	**(55)**	(15)	**(337)**	(22)
(724)	(757)	**281**	8	**(52)**	(15)	**(337)**	(21)
(245)	587	**–**	–	**(3)**	–	**–**	(1)
6 543	6 292	**170**	165	**997**	997	**86**	(9)
4 156	4 104	**170**	165	**899**	900	**86**	(9)
2 387	2 188	**–**	–	**98**	97	**–**	–
2 387	2 188	**–**	–	**98**	97	**–**	–
1 445	1 254	**–**	–	**–**	–	**–**	–
942	934	**–**	–	**98**	97	**–**	–

Extracts of summarised financial information continued

Segment profit or loss

for the year ended 30 June 2019

	Group[1]		Import and Distribution[3, 4]	
	2019 Rm	2018 Rm	**2019 Rm**	2018 Rm
PROFIT OR LOSS				
Total revenue from contracts with customers	**79 711**	77 001	**18 949**	19 501
– South Africa	**53 176**	54 389	**18 949**	19 501
– International	**26 652**	22 662	**–**	–
– Eliminations	**(117)**	(50)	**–**	–
Operating profit	**3 620**	3 593	**810**	788
– South Africa	**3 264**	3 189	**810**	788
– International	**356**	404	**–**	–
Depreciation, amortisation, impairments net of recoupments[7]	**(1 188)**	(751)	**(264)**	(515)
– South Africa	**(1 086)**	(1 268)	**(264)**	(515)
– International[7]	**(102)**	517	**–**	–
Net finance costs	**(774)**	(737)	**(176)**	(347)
– South Africa	**(622)**	(620)	**(176)**	(347)
– International	**(152)**	(117)	**–**	–
Profit before tax and exceptional items	**2 690**	3 452	**645**	432
– South Africa	**2 504**	2 560	**645**	432
– International	**186**	892	**–**	–
Exceptional items	**(80)**	(242)	**(30)**	(6)
– South Africa	**(80)**	(242)	**(30)**	(6)
– International	**–**	–	**–**	–
Profit before tax[8]	**2 610**	3 210	**615**	426
– South Africa	**2 424**	2 318	**615**	426
– International	**186**	892	**–**	–
Income tax expense	**(714)**	(897)	**(207)**	(143)

[1] *2018 has been restated. Revenue related to Aftermarket Parts decreased by R658 million with a corresponding decrease in operating expenses. Please refer to note 3 for full details.*
[2] *In the prior year, the revenue in Aftermarket Parts, as referred to in note 1 above, was included under sale of goods amounting to R682 million. With the requirements of the new revenue accounting standards, it is now an agency arrangement with only the fees being recognised as revenue amounting to R24 million decreasing revenue by R658 million.*
[3] *Two businesses that were previously reported in the Import and Distribution segment, have been transferred to the Retail and Rental segment, in line with a change in management structure, resulting in the rendering of services revenue (R108 million), being transferred in the prior year.*
[4] *Certain revenue eliminations that were within Head Office and Eliminations have been re-allocated to the underlying segments to which the source of the revenue relate, resulting in a reduction of R536 million in Head Office and Eliminations, and increases to Import and Distribution (R519 million) and Retail and Rental (R17 million).*
[5] *In the prior year, the elimination of revenue from Motus entities outside of South Africa to Motus entities within South Africa was included under the revenue from South Africa, this elimination is now being disclosed separately.*
[6] *The prior year has been represented for certain staff costs relating to Head Office (R282 million) which were allocated to the Import and Distribution segment. In the current year, these costs are now included in Head Office and Eliminations, with no change to the total Group numbers.*
[7] *The prior year includes profit on sale of a property in Australia amounting to R616 million.*
[8] *The prior year has been re-presented for certain exceptional gains relating to Import and Distribution (R33 million) which were allocated to Head Office and Eliminations. In the current year, this is now included in Import and Distribution, with no change to the total Group numbers.*

	Retail and Rental[3, 4]		Motor-Related Financial Services		Aftermarket Parts[1, 2, 5]		Head Office and Eliminations[1, 4]	
	2019 Rm	2018 Rm	**2019 Rm**	2018 Rm	**2019 Rm**	2018 Rm	**2019 Rm**	2018 Rm
	65 041	62 850	**2 172**	2 166	**6 442**	5 974	**(12 893)**	(13 490)
	38 759	40 318	**2 172**	2 166	**6 189**	5 894	**(12 893)**	(13 490)
	26 282	22 532	**–**	–	**370**	130	**–**	–
	–	–	**–**	–	**(117)**	(50)	**–**	–
	1 578	1 687	**937**	889	**496**	447	**(201)**	(218)
	1 291	1 312	**937**	889	**431**	420	**(205)**	(220)
	287	375	**–**	–	**65**	27	**4**	2
	(830)	(182)	**(145)**	(174)	**(52)**	(40)	**103**	160
	(732)	(699)	**(145)**	(174)	**(51)**	(40)	**106**	160
	(98)	517	**–**	–	**(1)**	–	**(3)**	–
	(586)	(429)	**(61)**	(49)	**(113)**	(68)	**162**	156
	(440)	(314)	**(61)**	(49)	**(108)**	(66)	**163**	156
	(146)	(115)	**–**	–	**(5)**	(2)	**(1)**	–
	991	1 842	**878**	844	**371**	387	**(195)**	(53)
	867	977	**878**	844	**309**	361	**(195)**	(54)
	124	865	**–**	–	**62**	26	**–**	1
	22	(24)	**(5)**	(20)	**(57)**	(197)	**(10)**	5
	22	(24)	**(5)**	(20)	**(57)**	(197)	**(10)**	5
	–	–	**–**	–	**–**	–	**–**	–
	1 013	1 818	**873**	824	**314**	190	**(205)**	(48)
	889	953	**873**	824	**252**	164	**(205)**	(49)
	124	865	**–**	–	**62**	26	**–**	1
	(201)	(509)	**(153)**	(165)	**(101)**	(84)	**(52)**	4

Extracts of summarised financial information continued

Segment profit or loss continued

for the year ended 30 June 2019

	Group[1] 2019 Rm	Group[1] 2018 Rm	Import and Distribution[3, 4] 2019 Rm	Import and Distribution[3, 4] 2018 Rm
ADDITIONAL SEGMENT INFORMATION				
Analysis by revenue type				
New motor vehicles sales	**36 708**	37 515	**14 159**	14 552
Used motor vehicles sales	**19 027**	17 077	**2 648**	2 721
Parts and other goods sales	**14 268**	13 659	**2 023**	2 106
Sale of goods	**70 003**	68 251	**18 830**	19 379
Vehicle workshop, maintenance, service and warranty	**5 435**	4 541	**74**	70
Motor vehicle rental	**2 564**	2 586	**9**	9
Fees on vehicle and services sold	**1 709**	1 623	**36**	43
Rendering of services	**9 708**	8 750	**119**	122
Total divisional revenue	**79 711**	77 001	**18 949**	19 501
Inter-group revenue	**–**	–	**(12 006)**	(11 986)
Total external revenue	**79 711**	77 001	**6 943**	7 515
Source of internationally derived revenue				
– United Kingdom	**20 395**	17 081	**–**	–
– Other regions (Australia and South East Asia)	**6 257**	5 581	**–**	–
	26 652	22 662	**–**	–
Analysis of depreciation, amortisation, impairments and recoupments	**(1 188)**	(751)	**(264)**	(515)
Depreciation and amortisation	**(1 176)**	(1 340)	**(267)**	(527)
Profit/(loss) on disposals and impairments	**5**	604	**3**	12
Amortisation and impairment of intangible assets arising on business combinations	**(17)**	(15)	**–**	–
(Costs)/income included in profit before tax and exceptional items				
Employee costs[6]	**(6 822)**	(6 425)	**(486)**	(450)
Operating lease charges	**(699)**	(559)	**(39)**	(43)
Issue of shares at a discount to a broad-based black economic empowerment partner (Ukhamba) and modification of share appreciation rights	**(160)**	–	**–**	–
Net foreign exchange (losses) and gains	**(14)**	(43)	**4**	(40)
Associate income included in pre-tax profits	**27**	39	**4**	12
Operating margin %[1]	**4,5**	4,7	**4,3**	4,0

[1] *2018 has been restated. Revenue related to Aftermarket Parts decreased by R658 million with a corresponding decrease in operating expenses. Please refer to note 3 for full details.*

[2] *In the prior year, the revenue in Aftermarket Parts, as referred to in note 1 above, was included under sale of goods amounting to R682 million. With the requirements of the new revenue accounting standards, it is now an agency arrangement with only the fees being recognised as revenue amounting to R24 million, decreasing revenue by R658 million.*

[3] *Two businesses that were previously reported in the Import and Distribution segment, have been transferred to the Retail and Rental segment, in line with a change in management structure, resulting in the rendering of services revenue (R108 million), being transferred in the prior year.*

[4] *Certain revenue eliminations that were within Head Office and Eliminations have been re-allocated to the underlying segments to which the source of the revenue relate, resulting in a reduction of R536 million in Head Office and Eliminations, and increases to Import and Distribution (R519 million) and Retail and Rental (R17 million).*

[5] *In the prior year, the elimination of revenue from Motus entities outside of South Africa to Motus entities within South Africa was included under the revenue from South Africa, this elimination is now being disclosed separately.*

[6] *The prior year has been re-presented for certain staff costs relating to Head Office (R282 million) which were allocated to the Import and Distribution segment. In the current year, these costs are now included in Head Office and Eliminations, with no change to the total Group numbers.*

[7] *The prior year includes profit on sale of a property in Australia amounting to R616 million.*

Retail and Rental[3, 4] 2019 Rm	2018 Rm	Motor-Related Financial Services 2019 Rm	2018 Rm	Aftermarket Parts[1, 2, 5] 2019 Rm	2018 Rm	Head Office and Eliminations[1, 4] 2019 Rm	2018 Rm
31 437	31 609	**–**	–	**–**	–	**(8 888)**	(8 646)
18 294	16 441	**–**	–	**–**	–	**(1 915)**	(2 085)
7 398	7 176	**–**	–	**6 415**	5 948	**(1 568)**	(1 571)
57 129	55 226	**–**	–	**6 415**	5 948	**(12 371)**	(12 302)
3 986	3 797	**1 525**	1 500	**2**	2	**(152)**	(828)
2 274	2 267	**481**	557	**–**	–	**(200)**	(247)
1 652	1 560	**166**	109	**25**	24	**(170)**	(113)
7 912	7 624	**2 172**	2 166	**27**	26	**(522)**	(1 188)
65 041	62 850	**2 172**	2 166	**6 442**	5 974	**(12 893)**	(13 490)
(489)	(410)	**(363)**	(1 068)	**(35)**	(26)	**12 893**	13 490
64 552	62 440	**1 809**	1 098	**6 407**	5 948	**–**	–
20 395	17 081	**–**	–	**–**	–	**–**	–
5 887	5 451	**–**	–	**370**	130	**–**	–
26 282	22 532	**–**	–	**370**	130	**–**	–
(830)	(182)	**(145)**	(174)	**(52)**	(40)	**103**	160
(838)	(760)	**(146)**	(173)	**(43)**	(39)	**118**	159
13	585	**1**	(1)	**3**	6	**(15)**	2
(5)	(7)	**–**	–	**(12)**	(7)	**–**	(1)
(4 789)	(4 669)	**(514)**	(409)	**(795)**	(713)	**(238)**	(184)
(566)	(462)	**(6)**	(13)	**(85)**	(113)	**(3)**	72
–	–	**–**	–	**–**	–	**(160)**	–
–	(1)	**–**	–	**(16)**	(6)	**(2)**	4
(1)	6	**2**	4	**15**	14	**7**	3
2,4	2,7	**43,1**	41,0	**7,7**	7,5		

Four-year review

	Definitions	**2019**	2018	2017	2016
Extracts from the statement of profit and loss					
Revenue		**79 711**	77 001	66 129	65 538
Operating profit		**3 620**	3 593	3 339	3 292
Net financing costs		**(774)**	(737)	(889)	(675)
Income tax expense		**(714)**	(897)	(671)	(677)
Tax rate (%)		**27,6**	28,3	34,1	29,4
Attributable profit for the year		**1 896**	2 313	1 310	1 503
Headline earnings		**1 977**	1 991	1 669	1 847
Extracts from the statement of cash flows					
Cash generated by operations before interest, tax paid and capital expenditure on vehicles for hire		**4 183**	6 748	4 272	2 417
Cash flow from investing activities (including capital expenditure on rental assets)		**(1 312)**	(1 018)	(1 930)	(1 987)
Net debt repaid/(raised)		**(190)**	1 387	(142)	(3 030)
Free cash flow	1	**2 592**	5 447	1 369	(561)
Extract from statement of financial position					
Total assets		**38 872**	36 716	34 576	34 037
Operating assets	2	**36 389**	33 739	31 599	31 054
Operating liabilities	3	**19 138**	16 933	14 194	13 951
Net working capital	4	**7 580**	6 731	8 235	8 193
Net interest-bearing debt	5	**6 618**	5 900	6 803	6 746
Motus owners' interest		**11 875**	11 640	12 196	11 979
Non-controlling interest		**(37)**	4	(274)	30
Ratios					
Efficiency					
Revenue to average net operating assets (times)	6	**4,7**	4,5	3,8	3,8
Revenue relating to sales of goods to average inventory (times)	7	**4,0**	4,4	3,9	4,1
Revenue to average net working capital (times)		**11,1**	10,3	8,1	8,4
Profitability					
Operating profit to average net operating assets (%)	8	**21,3**	21,0	19,4	19,2
Operating profit to average gross operating assets (%)		**10,3**	11,0	10,7	10,6
Operating margins (%)	9	**4,5**	4,7	5,0	5,0
Return on equity (%)	10	**16,8**	16,7	13,8	15,5
Return on invested capital (%)	11	**13,5**	13,5	11,8	12,2
Weighted average cost of capital (%)	12	**10,7**	10,7	10,1	10,2
Solvency					
Interest cover by operating profit (times)		**4,7**	4,9	3,8	4,9
Net interest-bearing debt to EBITDA (times)		**1,4**	1,2	1,4	1,5
Interest cover by adjusted EBITDA (times) (bank facilities)	13	**6,2**	n/a	n/a	n/a
Net interest-bearing debt to adjusted EBITDA (times) (bank facilities)	14	**1,4**	n/a	n/a	n/a
Total equity to total assets (%)		**30,5**	31,7	34,5	35,3
Net interest-bearing debt as a percentage of total equity (%)		**55,9**	50,7	57,1	56,2

	Definitions	2019	2018	2017	2016
Liquidity					
Free cash flow to attributable profit for the year (times)		**1,4**	2,4	1,0	(0,4)
Free cash flow to headline earnings (times)	15	**1,3**	2,7	0,8	(0,3)
Unutilised facilities		**7 525**	n/a	n/a	n/a
Investing in the future					
Cost of new acquisitions		**367**	731	(33)	93
Net capital expenditure/(inflows) (excluding vehicles for hire and capital expenditure discontinued operations)		**592**	(756)	609	545
Capital commitments		**254**	343	88	441
Statistics					
Total new and used vehicles sold		**215 279**	227 578	198 257	209 432
Number of vehicles for hire (car rental owned only)		**13 380**	14 991	13 750	13 903
Number of employees		**18 628**	18 305	17 403	19 515
Employees' cost		**6 822**	6 425	5 781	5 755
Wealth created per employee		**624**	621	n/a	n/a
Total taxes and levies paid payable	16	**1 106**	1 134	n/a	n/a
Share performance					
Basic HEPS (cents)		**1 009**	986	826	914
Dividends per share (cents)		**490**	n/a	n/a	n/a
Earnings yield (%)	17	**13,8**	n/a	n/a	n/a
Price-earnings ratio (times)	18	**7,2**	n/a	n/a	n/a
Net asset value per share (cents)	19	**6 185**	5 762	6 038	5 930
Market prices (cents)					
– Closing		**7 312**	n/a	n/a	n/a
– High		**10 238**	n/a	n/a	n/a
– Low		**7 152**	n/a	n/a	n/a
Total market capitalisation at closing prices	20	**14 369**	n/a	n/a	n/a
Value of shares traded once unbundled		**10 120**	n/a	n/a	n/a
Annualised value of shares traded	21	**15 813**	n/a	n/a	n/a
Annualised value traded as a percentage of average capitalisation (%)		**110**	n/a	n/a	n/a
Exchange rates used					
Rand to US Dollar					
– Average		**14,18**	12,86	13,58	14,51
– Closing		**14,10**	13,71	13,06	14,70
Rand to British Pound					
– Average		**18,35**	17,31	17,23	21,47
– Closing		**17,95**	18,10	17,02	19,58
Rand to Australian Dollar					
– Average		**10,14**	9,97	10,24	10,56
– Closing		**9,90**	10,13	10,04	10,95
Rand to Euro					
– Average		**16,18**	15,34	14,81	16,10
– Closing		**16,06**	16,01	14,92	16,32

Four-year review continued

Definitions

1	Free cash flow	Calculated by adjusting the cash flow from operating activities to exclude the expansion capital expenditure on rental assets and deducting replacement capital expenditure on other assets.
2	Operating assets	All assets less loans receivable, taxation assets, cash and cash equivalents and assets classified as held for sale.
3	Operating liabilities	All liabilities less all interest-bearing borrowings, taxation liabilities and liabilities directly associated to assets classified as held for sale.
4	Net working capital	Consists of inventories, trade and other receivables, derivative assets, provisions for liabilities and other charges (short and long term), trade and other payables and derivative liabilities.
5	Net interest-bearing debt	Includes total interest-bearing borrowings less cash resources.
6	Revenue to average net operating assets (times)	Calculated by dividing revenue with average net operating assets (operating assets less operating liabilities).
7	Revenue relating to sales of goods to average inventory (times)	Revenue relating to sales of goods divided by average inventory.
8	Operating profit to average net operating assets (%)	Operating profit divided by average net operating assets.
9	Operating margin (%)	Operating profit per the statement of comprehensive income divided by revenue.
10	Return on equity (ROE) (%)	Return is calculated as the headline earnings divided by the average shareholders' equity attributable to the owners of Motus Holdings.
11	Return on invested capital (ROIC) (%)	Return divided by invested capital. The return is calculated by reducing the operating profit by a blended tax rate, which is an average of the actual tax rates applicable in the various jurisdictions in which Motus operates, increased by the share of result of associates and joint ventures. Invested capital is a 12-month average of total equity plus interest-bearing borrowings less cash resources in non-financial services businesses.
12	Weighted average cost capital (WACC) (%)	Is calculated by multiplying the cost of each capital component by its proportional weight, therefore: WACC = (after tax cost of debt % multiplied by average debt weighting) + (cost of equity multiplied by average equity weighting). The cost of equity is blended recognising the cost of equity in the different jurisdictions in which Motus operates.
13	Interest cover by adjusted EBITDA (times) (bank facilities)	Calculated as net finance costs divided by the adjusted EBITDA. Adjusted EBITDA is calculated EBITDA less the EBITDA attributable to non-controlling interests plus the EBITDA relating to acquisitions grossed up for a full year, if the underlying acquisitions only contributed for a portion of the year, less EBITDA relating to business disposed of during the current year. This is one of the key measures of the covenants of the interest-bearing borrowings relating to our bank facilities.
14	Net interest-bearing debt to adjusted EBITDA (times) (bank facilities)	Calculated as net interest-bearing debt divided the adjusted EBITDA. Adjusted EBITDA is calculated EBITDA less the EBITDA attributable to non-controlling interests plus the EBITDA relating to acquisitions grossed up for a full year, if the underlying acquisitions only contributed for a portion of the year, less EBITDA relating to businesses disposed of during the current year. This is one of the key measures of the covenants of the interest-bearing borrowings relating to our bank facilities.
15	Free cash flow to headline earnings ratio	Free cash flow divided by headline earnings.
16	Total taxes and levies paid	Made up of current taxation, secondary taxation on companies, foreign taxation, rates and taxes, skills development, unemployment insurance fund levies and carbon emissions tax.
17	Earnings yield (%)	The headline earnings per share divided by the closing price of a share.
18	Price earnings ratio (times)	The closing price of a share divided by the headline earnings per share.
19	Net asset value per share	Equity attributable to owners of Motus divided by total ordinary shares in issue net of shares repurchased.
20	Total market capitalisation at closing prices (Rm)	Total ordinary shares in issue before treasury shares multiplied by the closing price per share.
21	Annualised value of shares traded	This being the value of shares traded post-unbundling, grossed up for trading for full year.

Value added statement

	2019 Rm	%	2018 Rm	%
Revenue	**79 711**		77 001	
Paid to suppliers for materials and services	**68 083**		65 630	
Total wealth created	**11 628**		11 371	
Wealth distribution				
Salaries, wages and other benefits (note 1)	**6 757**	**58**	6 357	56
Providers of capital	**2 651**	**23**	3 877	34
Net financing costs	**774**	**7**	737	6
Dividends paid to Imperial Holdings	**567**	**5**	3 139	28
Dividends paid to Motus shareholders	**470**	**4**	–	–
Dividends paid to non-controlling interests	**60**	**–**	1	–
Share buybacks and cancellations	**780**	**7**	–	–
Government (note 2)	**1 106**	**10**	1 134	10
Reinvested in the Group to maintain and develop operations	**1 114**	**9**	3	–
Depreciation, amortisation, impairments and recoupments	**1 188**		751	
Future expansion (including vehicles for hire)	**(74)**		(748)	
	11 628	**100**	11 371	100
Value-added ratios				
– Number of employees	**18 628**		18 305	
– Revenue per employee (000)	**4 279**		4 207	
– Wealth created per employee (000)	**624**		621	
Notes				
1. Salaries, wages and other benefits				
Salaries, wages, overtime, commissions, bonuses, allowances	**6 323**		5 973	
Employer contributions	**499**		451	
Less: Unemployment Insurance Fund and Skills Development Levy (included below)	**(65)**		(67)	
	6 757		6 357	
2. Central and local governments				
Taxation expense	**860**		937	
Withholding and secondary tax on companies	**7**		2	
Rates and taxes	**138**		98	
Skills Development Levy	**48**		50	
Unemployment Insurance Fund	**17**		17	
Carbon emissions tax	**36**		30	
	1 106		1 134	

Dividend declaration

Declaration of final ordinary dividend

for the year ended 30 June 2019

Notice is hereby given that a gross final ordinary dividend in the amount of 250,00 cents per ordinary share has been declared by the board of Motus, payable to the holders of the 196 513 720 ordinary shares. The dividend will be paid out of reserves.

The ordinary dividend will be subject to a local dividend tax rate of 20%. The net ordinary dividend, to those shareholders who are not exempt from paying dividend tax, is therefore 200,00 cents per share.

The company has determined the following salient dates for payment of the ordinary dividend:

	2019
Last day for ordinary shares to trade cum ordinary dividend	**Tuesday, 17 September**
Ordinary shares commence trading ex ordinary dividend	**Wednesday, 18 September**
Record date	**Friday, 20 September**
Payment date	**Monday, 23 September**

The company's income tax number is 983 671 2167.

Share certificates may not be dematerialised/rematerialised between Wednesday, 18 September 2019 and Friday, 20 September 2019, both days inclusive.

On Monday, 23 September 2019, amounts due in respect of the ordinary dividend will be electronically transferred to the bank accounts of certified shareholders that utilise this facility. In respect of those who do not, cheques dated 23 September 2019 will be posted on or about that date. Shareholders who have dematerialised their shares will also have their accounts, held at their central securities depository participant or broker, credited on Monday, 23 September 2019.

On behalf of the board

JK Jefferies
Company Secretary

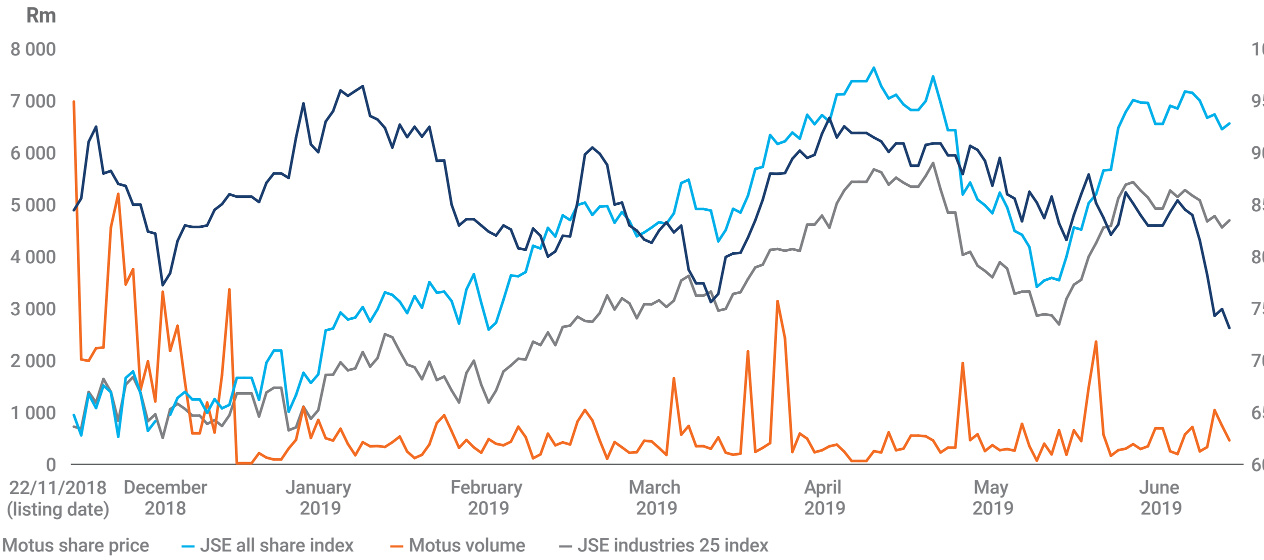
26 August 2019

Shareholder analysis

Top ten shareholders	Share class	Number of shares ('000)	% of issued voting capital
Public Investment Corporation (South Africa)	Ordinary	22 551	11,09
Lazard Asset Management (United States of America)	Ordinary	19 295	9,49
M&G Investment Management (United Kingdom)	Ordinary	17 156	8,44
Ukhamba Holdings (Proprietary) Limited (South Africa)	Ordinary	15 887	7,81
Visio Capital Management (South Africa)	Ordinary	9 499	4,67
Lynch Family Holding (South Africa)	Ordinary	7 910	3,89
Mr Manuel P De Canha (South Africa)	Ordinary	6 265	3,08
Vanguard Group (United States of America)	Ordinary	5 870	2,89
PSG Asset Management (South Africa)	Ordinary	4 580	2,25
Fidelity Management and Research (United States of America)	Ordinary	4 451	2,19
Deferred ordinary shares			
Ukhamba Holdings (Proprietary) Limited (South Africa)	Deferred ordinary	6 868	3,38

Stock exchange performance	2019	2018
Number of shares in issue (million)	**197**	202
Number of shares traded since listing (million)	**121**	
Value of shares traded since listing (Rand million)	**10 334**	
Market price (cents per share)		
– Closing price	**7 312**	
– High	**9 641**	
– Low	**7 312**	
First traded price on 22 November 2018 (closing price)	**8446**	
Earning yield %^	**13,8**	n/a
Price: earnings ratio^	**7,2**	n/a

^ *Calculated using headline earnings per share.*



Shareholder analysis continued

Distribution of shareholders (listed ordinary shares)	Number of shareholders	Number of shares ('000)	% of ordinary shares listed
Public shareholders	5 136	160 466	82,05
Non-public shareholders			
– Shareholder holding more than 10%	1	22 551	11,09
– Shareholder entitled to appoint a director	–	–	–
– Directors, their associates and employees	68	8 852	4,50
– Treasury shares	1	4 645	2,36
Total	**5 206**	**196 514**	**100**

Spread of listed holdings	Number of shareholders	%	Number of shares ('000)	%
1 – 1 000	3 716	71,38	1 056	0,54
1 001 – 10 000	892	17,13	2 964	1,51
10 001 – 100 000	420	8,07	14 482	7,37
Over 100 000	178	3,42	178 012	90,58
Total	**5 206**	**100**	**196 514**	**100**

Shareholder type	Number of shares ('000)	% of voting shares
Financial institutions, pension and provident funds	126 255	63,53
Unit trusts	27 363	13,77
Individuals	11 615	5,87
Directors and employees	8 852	4,50
Corporate holdings	17 784	8,95
Listed ordinary shares (net of treasury shares)	191 869	96,62
Unlisted deferred ordinary shares	6 868	3,38
Total voting shares in issue net of treasury shares	198 737	100
Treasury shares	4 645	–
Total shares in issue	**203 382**	

Directors' interests in shares	2019 Beneficial Number of shares	2019 Non-beneficial Number of shares	2018 Beneficial Number of shares	2018 Non-beneficial Number of shares
Executive directors				
OS Arbee	**234 448**	**–**	161 476	–
OJ Janse van Rensburg	**74 716**	**–**	16 657	–
Non-executive directors				
GW Dempster	**99**	**–**	–	–
RJA Sparks	**–**	**–**	40 000	–
Prescribed officers				
PB Michaux	**–**	**–**	95 931	–
KA Cassel	**744**	**–**	11 288	–
C Venter	**15 073**	**–**	–	–
Total	**325 080**	**–**	325 352	–

Notice of annual general meeting

Motus Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 2017/451730/06
Share code: MTH
ISIN: ZAE000261913
("Motus", the "company" or the "Group")

Notice is hereby given to the shareholders of Motus that the first annual general meeting ("AGM") will be held on Tuesday, 12 November 2019 at 08:30 (CAT) in the Training Centre of Hyundai South Africa (Proprietary) Limited, Lucas Lane (corner Norman Road) Bedfordview, Gauteng, or any adjournment or postponement thereof, to transact the following business and resolutions with or without amendments approved at the meeting.

The minutes of the meeting held on 17 September 2018 will be available for inspection at the registered office of the company until 17:00 on Monday, 11 November 2019 and up to 30 minutes immediately preceding the meeting.

This document is important and requires your immediate attention

If you are in any doubt about what action you should take, consult your broker, Central Securities Depository Participant ("CSDP"), banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all or some of your shares in Motus, please forward this document together with the enclosed form of proxy to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

This notice of AGM is only available in English. Copies may be obtained from the registered office of the company and the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196.

Registered and corporate office

1 Van Buuren Road, corner Geldenhuis and Van Dort Streets, Bedfordview, 2008 (PO Box 1719, Edenvale, 1610)

Included in this document are the following:

> The notice of AGM setting out the resolutions to be proposed at the meeting, together with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy.
> A proxy form for completion, signature and submission to the share registrars by shareholders holding Motus ordinary shares in certificated form or recorded in sub-registered electronic form in own-name.

Reference in this notice of AGM to the term "MOI", including references to a provision in the company's MOI, in this notice of AGM (including all of the relevant ordinary and special resolutions contained herein) is used throughout to refer to the company's memorandum of incorporation.

Record date

The record date for the purpose of determining which shareholders of the company are entitled to receive notice of the AGM is Friday, 4 October 2019.

The record date for purposes of determining which shareholders of the company are entitled to participate in and vote at the AGM is Friday, 1 November 2019.

Accordingly, only shareholders who are registered in the register of members of the company on Friday, 1 November 2019 will be entitled to attend, participate and vote at the AGM. Therefore, the last day to trade in order to be eligible to attend, participate and vote at the meeting is Tuesday, 29 October 2019.

Electronic participation in the annual general meeting

Shareholders or their proxies may participate in the meeting by way of a teleconference call and, if they wish to do so:

> must contact the Company Secretary (by email at the address janinej@motuscorp.co.za) no later than 16:00 on Monday, 11 November 2019 in order to obtain a pin number and dial-in details for that conference call;
> will be required to provide reasonably satisfactory identification; and
> will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

Notice of annual general meeting continued

ORDINARY RESOLUTIONS

Unless otherwise indicated, in order for each of the ordinary resolutions to be adopted, the minimum percentage of voting rights that is required for this resolution to be adopted is 50% (fifty percent) of the voting rights plus 1 (one) vote to be cast on the resolution.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions, with or without modification as ordinary resolutions:

1 Adoption of the annual financial statements

The audited annual financial statements for the year ended 30 June 2019 as set out in the integrated report and full audited annual financial statements, which can be found on the company's website at www.motuscorp.co.za, will be presented to the shareholders.

Ordinary resolution number one

"Resolved that the audited consolidated company annual financial statements of Motus for the year ended 30 June 2019, including the directors' report, the audit committee report and the auditors' report, be adopted."

2 Appointment of auditors

As set out in the audit and risk committee report on pages 6 – 12 of the full audited consolidated annual financial statements, the audit and risk committee has considered the performance, independence and suitability of Deloitte & Touche as external auditors of the company following receipt of the information detailed in paragraph 22.15(h) of the JSE Limited ("JSE") Listings Requirements ("Listings Requirements") and has recommended and nominated them for re-appointment as independent external auditors of the Group, to hold office until the next AGM, with Mr M Bierman (IRBA No 455563) as the designated partner.

Furthermore, in terms of paragraph 3.86 of the Listings Requirements, the audit and risk committee has considered and satisfied itself that Deloitte & Touche is accredited on the JSE list of Auditors and Accounting Specialists and the aforementioned designated audit partner does not appear on the JSE list of disqualified individual auditors.

Ordinary resolution number two

"Resolved that Deloitte & Touche be and is hereby appointed as auditors of the company with Mr M Bierman as designated partner until the date of the next AGM."

3 Appointment of the members of the audit and risk committee

Section 94 of the Companies Act requires that, at each AGM, shareholders of the company must elect an audit committee comprising at least three members, all of whom must be non-executive directors. The company wishes to confirm the ongoing appointments of Mr S Mayet and Ms KR Moloko. The company wishes to propose the election of Mr. MJN Njeke for appointment with effect from 1 November 2019.

A brief curriculum vitae of each of the directors offering themselves for election as members of the audit committee is contained on pages 18 – 19 of the integrated report. The board has reviewed the expertise, qualification and relevant experience of the appointed members and recommends that each of these directors be re-elected.

Ordinary resolution number three

"Resolved that the following independent non-executive directors, be elected as members of the company's audit and risk committee by a separate vote in respect of each member:
3.1 Mr S Mayet
3.2 Ms KR Moloko
3.3 Mr MJN Njeke"

4 Confirmation of directors appointed during the year

Subsequent to the last AGM, the board has duly appointed Mr S Mayet, Mrs KR Moloko and Mr MJN Njeke as non-executive directors with effect from 22 November 2018 and Mrs KA Cassel as an executive director with effect from 1 July 2019, and their appointments accordingly require confirmation.

The board has considered the performance and contribution of each of the above directors and recommend that their appointment be confirmed.

A brief curriculum vitae of each of the above directors is contained on pages 18 – 19 of the integrated report.

Ordinary resolution number four

"Resolved that the appointment of Mr S Mayet, Mrs KR Moloko and Mr MJN Njeke, who were appointed as non-executive directors with effect from 22 November 2018 and Mrs KA Cassel who was appointed as an executive director with effect from 1 July 2019, be confirmed by a separate vote in respect of each director:
4.1 Mrs KA Cassel
4.2 Mr S Mayet
4.3 Mrs KR Moloko
4.4 Mr MJN Njeke"

5 Re-appointment of retiring directors

The company's MOI stipulates that:

> at each AGM at least one-third of the directors shall retire from office, the directors so retiring being those who have been longest in office since their last election; and

> the retiring directors shall be eligible for re-election.

The board has considered the performance of the directors standing for re-election and found them suitable for re-appointment.

A brief curriculum vitae of each of the directors offering themselves for re-election is contained on pages 18 – 19 of the integrated report.

Ordinary resolution number five

"Resolved that the re-election of the following directors, who retire by rotation in terms of the MOI but, being eligible and offering themselves for re-election, be authorised and confirmed by a separate vote with respect to each re-election:
5.1 Mr OS Arbee
5.2 Mr OJ Janse van Rensburg"

6 Confirmation of the Group's remuneration policy

In accordance with the King IV™* Report on Corporate Governance for South Africa 2016, commonly referred to as King IV, and JSE Listings Requirements, it is recommended that the Group's remuneration policy be tabled for a non-binding advisory vote by shareholders at every AGM, thus providing the shareholders with an opportunity to express their views. The remuneration report is set out on pages 72 – 82 of the integrated report.

Ordinary resolution number six

"Resolved that the Group's remuneration policy for the financial year ended 30 June 2019, as set out in the remuneration report on pages 72 – 82 of the integrated report, be and is hereby endorsed by way of a non-binding vote."

7 Confirmation of the Group's implementation report

In accordance with King IV and the JSE Listings Requirements, it is recommended that the implementation of the Group's remuneration policy be tabled for a non-binding advisory vote by shareholders at every AGM. The remuneration implementation report is set out on pages 72 – 82 of the integrated report.

Ordinary resolution number seven

"Resolved that the Group's remuneration implementation report, as set out in the remuneration report on pages 72 – 82 of the integrated report, be and is hereby confirmed by way of a non-binding vote.

In the event that either the remuneration policy or the implementation report, or both are voted against by 25% (twenty-five percent) or more of the votes exercised at the AGM, the company will, in its voting results announcement, as required by paragraph 3.84(k) of the JSE Listings Requirements, extend an invitation to dissenting shareholders to engage with the company. Motus will provide a report back on the outcome thereof in the 2020 integrated report, if applicable."

Notice of annual general meeting continued

8 **Authority to issue ordinary shares**

In terms of the JSE Listings Requirements, the MOI and the Companies Act, the authorised but unissued ordinary shares are to be placed under the control of the directors by way of a general authority that shall remain valid until the next AGM. The directors shall be permitted to allot and issue such shares.

Ordinary resolution number eight

"Resolved that the authorised but unissued ordinary shares be and are hereby placed under the control of the directors by way of a general authority that shall remain valid until the next AGM and the directors authorised to allot and issue those shares at their discretion, which authority shall include the authority to issue any option/convertible securities that are convertible into ordinary shares, provided that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital at 30 June 2019."

The minimum percentage of voting rights that is required for resolution nine to be adopted is 75% (seventy-five percent) of the voting rights plus 1 (one) vote to be cast on each of the resolutions.

9 **Authority to issue shares for cash**

Subject to the JSE Listings Requirements and the condition that the aggregate number of ordinary shares that can be allotted and issued be limited to 5% (five percent) of the issued share capital as at 30 June 2019, the directors shall be permitted to allot and issue any of the company's unissued shares which are placed in their control, for cash.

Ordinary resolution number nine

"Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of the company's unissued shares placed under their control for cash, as they in their discretion may deem fit, without restriction, subject to the provisions of the JSE Listings Requirements, and subject to the proviso that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 5% (five percent) of the issued share capital at 30 June 2019, provided that:

> the approval shall be valid until the date of the next AGM of the company, provided it shall not extend beyond 15 months from the date of this resolution;

> an announcement giving full details, including the impact on net asset value and earnings per share in the case of convertible securities, will be published after any issue representing, on a cumulative basis within any one financial year, 5% (five percent) or more of the number of shares in issue prior to such issue;

> the company's securities which are the subject of the general issue of shares for cash, in the aggregate in any one financial year may not exceed 5% (five percent) of the applicant's issued share capital of that class;

> in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such shares, as determined over the 30 business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30-business day period;

> any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not to related parties; and

> any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

For listed entities wishing to issue shares for cash, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of the MOI, but it is also necessary to obtain the prior authority of shareholders in accordance with the JSE Listings Requirements. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements.

SPECIAL RESOLUTIONS

In order for each of the special resolutions to be adopted, the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolutions by shareholders, present or represented at the AGM and entitled to exercise voting rights on the resolution, is required.

The purpose of the AGM is to consider and, if deemed fit, pass the following resolutions with or without modification as special resolutions:

10 Non-executive directors' fees

Section 66(8) (read with section 66(9)) of the Companies Act provides that, to the extent permitted in the company's MOI, the company may pay remuneration to its directors for their services as such provided that such remuneration may only be paid in accordance with a special resolution approved by shareholders within the previous two years. These requirements are reaffirmed in King IV and the JSE Listings Requirements.

After consultation between the remuneration committee and management and taking cognisance of the market trends and additional responsibilities of non-executive directors in terms of increased legal and governance requirement, as well as benchmarking the fees payable to the non-executive directors, it is proposed that the directors' fees should be adjusted by 5% (five percent) as specified in the table below.

Special resolution number one

"Resolved that the Company be and is hereby authorised, by a separate vote in respect of each item, to remunerate its directors for their services as non-executive directors and/or pay any fees related thereto and on any other basis as may be recommended by the remuneration committee and approved by the board of directors for the period from the date of the AGM to 30 June 2021 as follows:

		Fees from 1 July 2019 to 20 June 2020	Fees from 1 July 2020 to 30 June 2021
10.1	Chairman*	**R1 042 650**	R1 094 790
10.2	Deputy chairman and lead independent director*	**R521 325**	R547 400
10.3	Board member	**R298 200**	R313 110
10.4	Assets and liabilities committee chairman*	**R190 050**	R199 560
10.5	Assets and liabilities committee member	**R126 525**	R132 860
10.6	Audit and risk committee chairman*	**R393 750**	R413 440
10.7	Audit and risk committee member	**R196 875**	R206 720
10.8	Divisional board member	**R176 925**	R185 780
10.9	Divisional finance and risk committee member	**R70 875**	R74 420
10.10	Remuneration committee chairman*	**R142 275**	R149 390
10.11	Remuneration committee member	**R94 500**	R99 230
10.12	Nominations committee chairman*	**R142 275**	R149 390
10.13	Nominations committee member	**R94 500**	R99 230
10.14	Social, ethics and sustainability committee chairman*	**R190 575**	R200 110
10.15	Social, ethics and sustainability committee member	**R126 525**	R132 860

**Fee paid in addition to a member's fee.*

Executive directors do not receive directors' fees.
Fees are stated excluding value added tax.

Reason and effect

The reason for special resolution number one is for the company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act.

The effect of special resolution number one is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next AGM.

Notice of annual general meeting continued

11 General authority to repurchase company securities

Special resolution number two is proposed to authorise the acquisition by the company or any of its subsidiaries of shares issued by the company. The board's intention is for the shareholders to pass a special resolution granting the company or its subsidiaries general authority to acquire ordinary shares issued by the company, subject to the requirements of the Companies Act, the JSE Listings Requirements and the MOI, should the board consider that it would be in the interest of the company or its subsidiaries to acquire such shares while the general authority subsists.

Special resolution number two

"Resolved that the company, or a subsidiary of the company, be and is hereby authorised, by way of a general authority, to acquire securities issued by the company, in terms of the provisions of sections 46 and 48 of the Companies Act and in terms of the JSE Listings Requirements, it being recorded that the JSE Listings Requirements currently require, inter alia, that the company may make a general repurchase of securities only if:

> any such repurchase of securities is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
> authorised by the company's MOI;
> the general authority shall be valid until the next AGM of the company, provided that it shall not extend beyond 15 months from the date of this special resolution number two;
> when the company has cumulatively repurchased 3% (three percent) of the initial number of securities in issue on the date of passing of special resolution number two, and for each 3% (three percent) thereof, in aggregate acquired thereafter, an announcement is published as soon as possible and not later than 08:30 on the second business day following the day on which the relevant threshold is reached or exceeded, and the announcement complies with the requirements of the JSE Listings Requirements;
> any general repurchase by the company of its own ordinary shares shall not, in aggregate in any one financial year exceed 10% (ten percent) of the company's issued ordinary shares as at the date of passing of this special resolution number two;
> at any time, only one agent is appointed to effect any repurchase on the company's behalf;
> the company or its subsidiary does not repurchase securities during a prohibited period unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been provided to the JSE prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions 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;
> in determining the price at which the securities are repurchased by the company or its subsidiary in terms of this general authority, the maximum price at which such securities may be repurchased will not be greater than 10% (ten percent) above the weighted average of the market value for such securities for the five business days immediately preceding the date of repurchase of securities.

The directors of the company confirm that no repurchase will be implemented in terms of this authority unless, after each such repurchase:

> the company and the Group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the notice of the AGM;
> the consolidated assets of the company and the Group, fairly valued in accordance with the accounting policies used in the latest audited annual group financial statements, will exceed its consolidated liabilities for a period of 12 (twelve) months after the date of the notice of the AGM;
> the share capital and reserves of the company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM; and
> the working capital of the company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM. and the directors have passed a resolution authorising the repurchase, resolving that the company and its subsidiary/ies, as the case may be, have satisfied the solvency and liquidity test as defined in the Companies Act and since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

The JSE Listings Requirements require the following disclosures with respect to general repurchases, some of which appear elsewhere in the annual report of which this notice forms part:

> Major shareholders pages 101 – 102
> Share capital of the company pages 101 – 102"

Directors' responsibility statement

The directors, whose names are given on pages 18 – 19 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to the general repurchase resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the aforementioned resolution contains all information required by law and the JSE Listings Requirements.

No material changes to report

Other than the facts and developments reported on in the integrated report, there are no material changes in the affairs or financial position of the company and its subsidiaries that have occurred subsequent to the 30 June 2019 year-end until the date of the notice of AGM.

Reason and effect

The reason for and effect of special resolution two is to authorise the company and/or its subsidiaries by way of a general authority to acquire their own securities on such terms, conditions and in such amounts as determined from time to time by the directors of the company subject to the limitations set out above and in compliance with section 48 of the Companies Act.

Statement of board's intention

Pursuant to and in terms of paragraphs 11.23 and 11.26 of the JSE Listings Requirements, the directors of the company hereby state that:

> the intention of the company and its subsidiaries is to utilise the general authority to repurchase, if at some future date the cash resources of the company are in excess of its requirements; and

> the method by which the company and any of its subsidiaries intend to repurchase its securities and the date on which such repurchase will take place, has not yet been determined.

The board has considered the impact of a repurchase of up to 10% (ten percent) of the company's securities, under a general authority in terms of the JSE Listings Requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such securities, it is deemed appropriate that the company or a subsidiary be authorised to repurchase the company's securities.

12 Authority to provide financial assistance in terms of section 44

Motus is from time to time, as an essential part of conducting its business, required to provide direct or indirect financial assistance in the form of financial assistance in the form of loans, guarantees, the provision of security or otherwise as contemplated in section 44 of the Companies Act for the purpose of or in connection with the subscription for securities to be issued by the company or related and interrelated companies or for the purchase of securities of the company or related and interrelated companies. The financial assistance is generally provided in the form of guarantees to capital market investors who invest in bonds and other financial instruments issued by subsidiaries of the company.

In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to subscribe for such securities and Motus seeks approval for the board of the company until the next AGM to authorise the provision by the company of financial assistance to investors in securities to be issued by the company or related and interrelated companies as contemplated in section 44 of the Companies Act. The financial assistance will be provided as part of the day-to-day operations of the company in the normal course of its business and in accordance with its MOI and the provisions of the Companies Act.

Approval is not sought for loans to directors and no such financial assistance will be provided under this authority.

Special resolution number three

"Resolved that in terms of section 44 of the Companies Act, as a general approval, the board of the company may from time to time authorise the company to provide any direct or indirect financial assistance, as defined in section 44 of the Companies Act, to any related and interrelated companies for such amounts and on such terms and conditions as the board of the company may determine for the purpose of or in connection with the subscription for securities to be issued by the company or any related and interrelated companies or for the purchase of securities of the company or related and interrelated companies, provided that the aforementioned approval shall be valid until the date of the next AGM of the company."

Effect

Special resolution number three will grant the directors of the company the authority until the next AGM to authorise the provision by the Company of financial assistance as contemplated in section 44 of the Companies Act.

Compliance with section 44(3)(b)

The directors of Motus will, in accordance with the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, *inter alia*, that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test set out in section 4(1) of the Companies Act.

Notice of annual general meeting continued

13 Authority to provide financial assistance in terms of section 45

Motus is a listed holding company with a large number of subsidiary companies, which together comprise the Motus Group of companies. Motus is not an operating company and all operations in the Motus Group are conducted by subsidiary companies of Motus.

Motus is from time to time, as an essential part of conducting its business, required to provide financial assistance to its subsidiary and associate companies including related and interrelated companies in the form of operational loan funding, credit guarantees and general financial assistance as contemplated in section 45 of the Companies Act.

In terms of the Companies Act, companies are required to obtain the approval of their shareholders by way of special resolution in order to provide financial assistance to subsidiaries and Motus seeks approval for the board of the company until the next AGM to authorise the provision by the company of financial assistance to any related or interrelated company as contemplated in section 45 of the Companies Act. This means that the company is authorised to grant loans to its subsidiaries and to guarantee the debts of its subsidiaries. The financial assistance will be provided as part of the day-to-day operations of the company in the normal course of its business and in accordance with its MOI and the provisions of the Companies Act.

Special resolution number four

"Resolved that in terms of section 45 of the Companies Act, as a general approval, the board of the company may from time to time authorise the company to provide any direct or indirect financial assistance, as defined in section 45 of the Companies Act, to any related or interrelated company or corporation for such amounts and on such terms and conditions as the board of the company may determine, provided that the aforementioned approval shall be valid until the date of the next AGM of the company."

Effect

Special resolution number four will grant the directors of the company the authority until the next AGM to authorise the provision by the company of financial assistance to any related or interrelated company as contemplated in section 45 of the Companies Act.

Compliance with section 45(3)(b)

The directors of Motus will, in accordance with the Companies Act, ensure that financial assistance is only provided if the requirements of that section are satisfied, inter alia, that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test set out in section 4(1) of the Companies Act.

14. To transact such other business as may be transacted at an AGM of shareholders

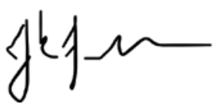
Voting and proxies

A shareholder entitled to attend and vote at the AGM may appoint one or more persons as its proxy to attend, speak and vote (or abstain from voting) in its stead. A proxy need not be a shareholder of the company.

A form of proxy is attached for the convenience of certificated shareholders and own-name dematerialised shareholders who are unable to attend the AGM but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by the company's transfer secretaries, Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) or by fax to +27 11 688 5238 by no later than 08:30 on Friday, 8 November 2019, for administrative purposes. Forms of proxy can also be submitted electronically to Computershare at proxy@computershare.co.za, subject to the proxy instructions meeting all other criteria. Alternatively, a duly completed form of proxy may be handed to the chairperson of the AGM prior to the commencement of the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder decide to do so.

Dematerialised shareholders, other than with own-name registration, who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the AGM in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the AGM in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the custody agreement entered into between such dematerialised shareholders and their CSDP or broker.

By order of the board



JK Jefferies
Company Secretary

30 September 2019

Form of proxy

Motus Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 2017/451730/06
Share code: MTH
ISIN: ZAE000261913
("Motus" or the "company")

Form of proxy
For use only by Motus ordinary shareholders who:
> hold their shares in certificated form ("certificated ordinary shareholders")
> have dematerialised their shares with own-name registration ("dematerialised ordinary shareholders"),

at the annual general meeting ("the AGM") of shareholders to be held at 08:30 ("CAT") on Tuesday, 12 November 2019, in the Training Centre of Hyundai Automotive South Africa (Proprietary) Limited, Lucas Lane (cnr Norman Road) Bedfordview, Gauteng or at any other adjourned or postponed date and time determined in accordance with the provisions of the Companies Act as read with the JSE Listings Requirements.

Dematerialised ordinary shareholders who do not have own-name registration who wish to attend or send a proxy to represent them at the AGM must inform their central securities depository participant ("CSDP") or broker of their intention to attend or be represented at the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend or be represented at the AGM and vote. If they do not wish to attend or be represented at the AGM, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. In the absence of such instructions, the CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker. These shareholders must **not** use this form of proxy.

I/We *(Please print name in full)* ....

of *(address)*..

Telephone number .... Cellphone number ....

email address..

being an ordinary shareholder(s) of the company holding   ordinary shares in the company do hereby appoint:

1. .... 2. .... or failing him/her

3. the chairman of the AGM as my/our proxy to vote for me/our behalf at the AGM (and any adjournment thereof) for the purpose of considering and, if deemed fit, passing with or without modifications, the following resolution to be considered at the AGM:

			Number of votes (one per share)		
			In favour of	Against	Abstain
1. Ordinary resolution 1 – Financial statements					
2. Ordinary resolution 2 – Appointment of auditors					
3. Ordinary resolution 3 – Appointment of audit and risk committee					
Ordinary resolution 3. 1 – S Mayet					
Ordinary resolution 3. 2 – KR Moloko					
Ordinary resolution 3. 3 – MJN Njeke					
4. Ordinary resolution 4 – Confirmation of directors					
Ordinary resolution 4.1 – KA Cassel					
Ordinary resolution 4.2 – S Mayet					
Ordinary resolution 4.3 – KR Moloko					
Ordinary resolution 4.4 – MJN Njeke					
5. Ordinary resolution 5 – Reappointment of directors					
Ordinary resolution 5.1 – OS Arbee					
Ordinary resolution 5.2 – OJ Janse van Rensburg					
6. Ordinary resolution 6 – Confirmation of remuneration policy					
7. Ordinary resolution 7 – Confirmation of remuneration implementation report					
8. Ordinary resolution 8 – Authority over unissued ordinary shares					
9. Ordinary resolution 9 – Authority to issue shares for cash					
10. Special resolution 1 – Directors' fees					
	Fees from 1 July 2019 to 20 June 2020	Fees from 1 July 2020 to 30 June 2021			
10.1 Chairman*	R1 042 650	R1 094 790			
10.2 Deputy chairman and lead independent director*	R521 325	R547 400			
10.3 Board member	R298 200	R313 110			
10.4 Assets and liabilities committee chairman*	R190 050	R199 560			
10.5 Assets and liabilities committee member	R126 525	R132 860			
10.6 Audit and risk committee chairman*	R393 750	R413 440			
10.7 Audit and risk committee member	R196 875	R206 720			
10.8 Divisional board member	R176 925	R185 780			
10.9 Divisional finance and risk committee member	R70 875	R74 420			
10.10 Remuneration committee chairman*	R142 275	R149 390			
10.11 Remuneration committee member	R94 500	R99 230			
10.12 Nominations committee chairman*	R142 275	R149 390			
10.13 Nominations committee member	R94 500	R99 230			
10.14 Social, ethics and sustainability committee chairman*	R190 575	R200 110			
10.15 Social, ethics and sustainability committee member	R126 525	R132 860			
11. Special resolution 2 – General authority to repurchase company shares					
12. Special resolution 3 – Authority to provide financial assistance – section 44					
13. Special resolution 4 – Authority to provide financial assistance – section 45					

Insert an X in the appropriate block. If no indications are given, the proxy will vote as he/she deems fit. Each shareholder entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in his/her stead.

Please read the notes on the reverse side hereof.

Signed at .... on 2019

Signature..

Assisted by (where applicable)..

** Fee paid in addition to a member's fee.*

Notes to the form of proxy

Notes and summary of salient rights in terms of section 58 of the Companies Act:

1. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space provided, with or without deleting "the chairperson of the AGM". A proxy need not be a Shareholder of the company. The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of shares represented by the shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the AGM as he deems fit in respect of all the shareholders' votes.
3. If a shareholder does not indicate on this form that his proxy is to vote in favour of or against any ordinary resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution/s or any amendment/s which may properly be put before the AGM be proposed, the proxy shall be entitled to vote as he things fit.
4. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
6. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or unless the chairperson of the AGM waives this requirement.
7. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company.
8. Where there are joint holders of shares, any one of such shareholders may sign the form of proxy provided that if more than one of such holders is present or represented at the AGM, the holder whose name stands first in the register of the company in respect of such shares, or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the company or the transfer secretaries.
10. A proxy may delegate his/her authority to act on behalf of a shareholder to another person subject to any restriction therefore set out in this instrument of proxy.
11. The proxy appointment made herein shall remain valid for a period of one year from the date of signature unless revoked by the shareholder by cancelling it in writing or making a later inconsistent appointment of proxy and delivering a copy of the revocation instrument to the proxy and the company.
12. A vote given in accordance with the terms of this form of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company before the commencement of the AGM (or any adjournment thereof).
13. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or mailed to the company's transfer secretaries, Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), to be received no later than 08:30 on Friday, 8 November 2019 for administrative purposes, or handed to the chairperson of the AGM before that meeting is due to commence. Forms of proxy can also be submitted electronically to Computershare at proxy@computershare.co.za, subject to the proxy instructions meeting all other criteria.
14. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.

Independent limited assurance report

Independent limited assurance report to the directors of Motus Holdings Limited

We have performed our limited assurance engagement in respect of the key performance indicators for the year ended 30 June 2019.

The subject matter comprises the selected key performance indicators conducted in accordance with management's basis of preparation, as supported by the Global Reporting Initiative Standards ("GRI Standards"), as prepared by the responsible party, during the year ended 30 June 2019.

The terms of management's basis of preparation comprise the criteria by which the company's compliance is to be evaluated for purposes of our limited assurance engagement. The key performance indicators are as follows:

Number	Key performance indicator	Metric
Safety		
1	Kilometres travelled	Kilometres
2	Road accidents	Absolute
3	Accidents per million kilometres	Ratio
Environmental		
4	Diesel consumed	Litres
5	Petrol consumed	Litres
6	Electricity consumed	kWh
7	Municipal water consumed	Litres
8	Scope 1 emissions	Carbon emission tonnes (tCO_2e)
9	Scope 2 emissions	Carbon emission tonnes (tCO_2e)
Social		
10	Training hours	Hours
11	Training spend	Rand
12	Corporate social responsibility spend	Rand

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the key performance indicator information, in accordance with management's basis of preparation.

The responsible party is responsible for:

> Ensuring that the key performance indicators are presented in accordance with management's basis of preparation.
> Confirming the measurement or evaluation of the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information.
> Designing, establishing and maintaining internal controls to ensure that the key performance indicators are presented in accordance with management's basis of preparation.

Assurance practitioner's responsibility

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the subject matter of the engagement.

We shall not be responsible for reporting on any key performance indicator transactions beyond the period covered by our limited assurance engagement.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Deloitte applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent limited assurance report continued

Summary of work performed

We have performed our procedures on the key performance indicator transactions of the company, as prepared by management in accordance with management's basis of preparation for the year ended 30 June 2019.

Our evaluation included performing such procedures as we considered necessary which included:

> Interviewing management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process for the selected subject matter.
> Testing the systems and processes to generate, collate, aggregate, validate and monitor the source data used to prepare the selected subject matter for disclosure in the integrated annual report.
> Inspected supporting documentation and performed analytical review procedures.
> Evaluated whether the selected key performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes at Motus Holdings Limited.

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the key performance indicator information has been presented, in all material respects, in accordance with management's basis of preparation.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the key performance indicators are not prepared, in all material respects, in accordance with management's basis of preparation.

Deloitte & Touche

Deloitte & Touche
Registered auditors
Per Mark Victor
Partner

30 September 2019

Building 7
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Woodlands Drive
Woodmead Sandton

FTSE Russell

CERTIFICATE OF MEMBERSHIP

This is to certify that

Motus Holdings

is a constituent company in the FTSE4Good Index Series

FTSE4Good

June 2019

The FTSE4Good Index Series is designed to identify companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards.

Mark Makepeace
Group Director, Information Services Division &
CEO, FTSE Russell
London Stock Exchange Group

Sir Mark Moody-Stuart
Chairman, FTSE Russell ESG Advisory Committee

Corporate information

Directors
GW Dempster (Chairman)*
OS Arbee (CEO)
OJ Janse van Rensburg (CFO)
KA Cassel
P Langeni*
S Mayet*
KR Moloko*
MJN Njeke*
A Tugendhaft
**Independent non-executive*

Company Secretary
JK Jefferies

Group Investor Relations Manager
N Varty

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This report is available on the Motus website: www.motuscorp.co.za

Bastion

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