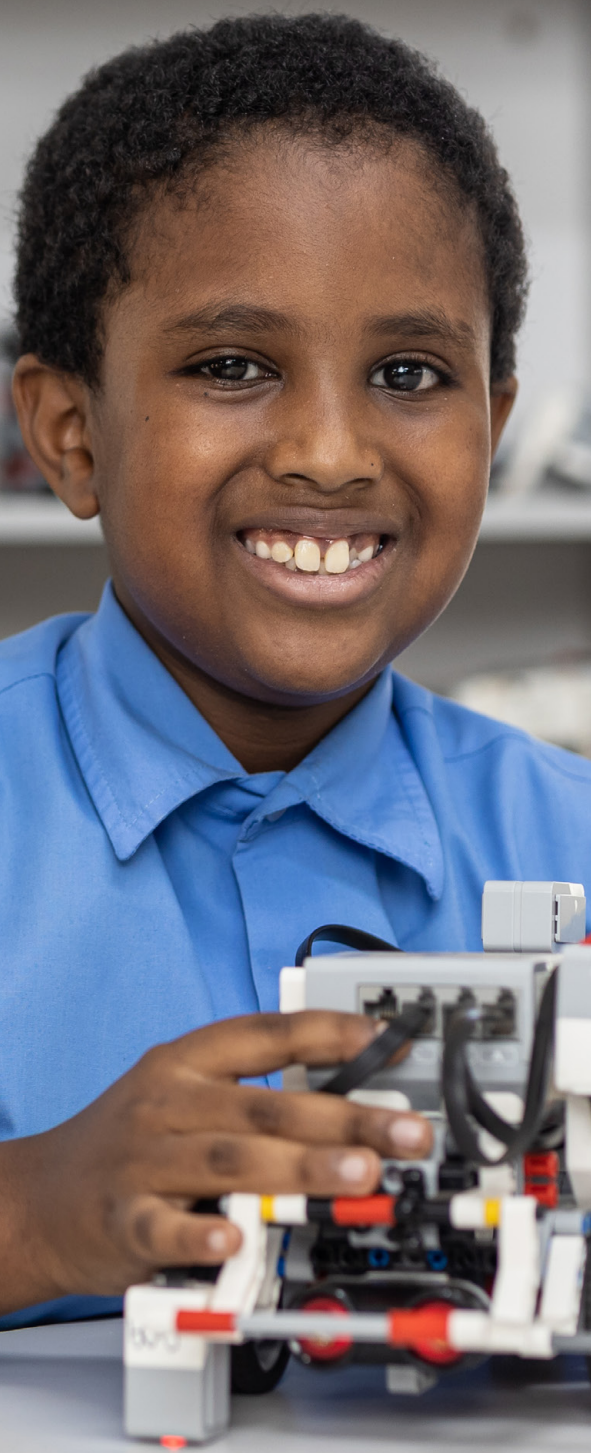


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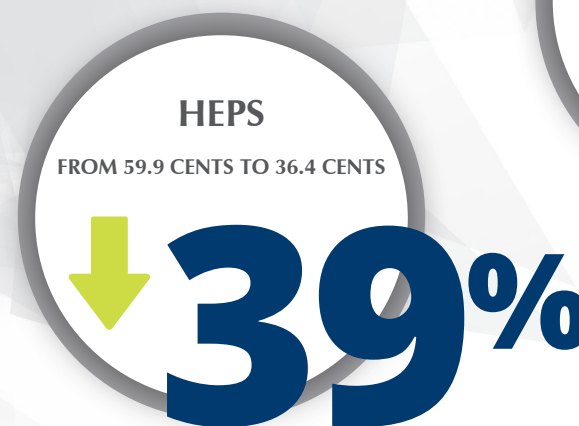
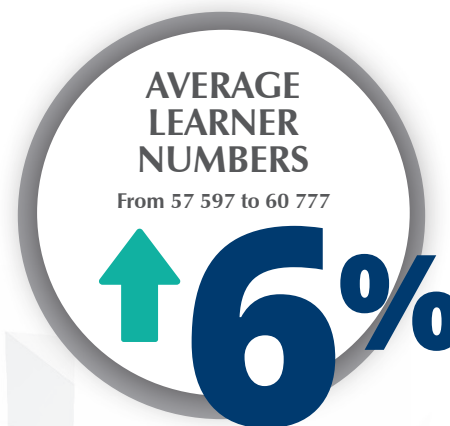
Notice of annual general
meeting for the year
ended 31 December 2020



#Learners2Leaders



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#Learners2Leaders: Curro Academy Wilgeheuwel

Please note that some images used in this document were taken prior to the COVID-19 pandemic.

30 April 2021

Dear Shareholder

Notice of annual general meeting and form of proxy

We are pleased to enclose the notice of Curro Holdings Limited's ('Curro') annual general meeting to be conducted entirely by electronic communication, as permitted by the Companies Act and the company's memorandum of incorporation, at 14:00 on Tuesday, 22 June 2021.

The enclosed notice of AGM is accompanied by the following annexures:

- summary consolidated financial statements with explanatory notes and commentary;
- shareholder information;
- remuneration report, and
- a form of proxy.

The summary consolidated financial statements constitute a summary of the group's audited financial statements for the period ended 31 December 2020 that is available on the Curro website, www.curro.co.za.

The board of directors is responsible for this notice of AGM and they have apprised themselves of the materiality, accuracy and balance of disclosures in this notice of AGM.

In an effort to support environmental initiatives and align with the increasing trend towards online reporting, Curro's full integrated report will be made available on the Curro website, www.curro.co.za from today, 30 April 2021.

Yours sincerely



RW Botha

Curro's company secretary in an acting capacity



#Learners2Leaders: Curro Foreshore

CURRO HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

Share code: COH

ISIN: ZAE000156253

(‘Curro’ or ‘the company’)

Notice of annual general meeting of Curro shareholders

Notice is hereby given of the annual general meeting of shareholders of Curro to be conducted entirely by electronic communication, as permitted by the Companies Act, No. 71 of 2008, as amended (‘the Companies Act’) and the company’s memorandum of incorporation (‘MOI’), at 14:00 on Tuesday, 22 June 2021 (‘the AGM’).

Purpose

The purpose of the AGM is to transact the business set out in the agenda below and to discuss other matters raised by shareholders, provided that such matters directly concern the business of the company and may lawfully be dealt with at the AGM.

IMPACT OF COVID-19 ON THE AGM

Due to the continued risk presented by COVID-19 and the uncertainty of the infection rate at the time of the AGM, the AGM will be conducted entirely by electronic communication. The company believes that this is the prudent, responsible, and legally compliant route to adopt to protect the health of shareholders, staff and other AGM participants.

To this end, the Company has retained the services of Computershare to host the AGM on an interactive electronic platform remotely, in order to facilitate remote participation by shareholders. Computershare have also been appointed as the scrutineers for the AGM.

Please see page 15 of this Notice of AGM for further details regarding the electronic participation instructions and guidelines. Should you have any questions then please send an email to the company secretary, Ruan Botha, at ruan.b02@curro.co.za.

Agenda

1. Presentation of the audited annual financial statements of Curro and its subsidiaries, including the remuneration report, reports of the directors and the audit and risk committee, and the report on the activities of the social, ethics and transformation committee for the year ended 31 December 2020.

This notice is accompanied by the summarised consolidated financial statements (Annexure A) of the company for its 2020 financial year, while the audited annual consolidated financial statements, including the unmodified audit opinion, and the annual integrated report are available for download on our website at www.curro.co.za. Should you wish to receive an electronic copy of either document, please email the company secretary at ruan.b02@curro.co.za.

2. To consider and, if deemed fit, approve, with or without modification, the following ordinary resolutions:

Note: For ordinary resolutions numbers 1 to 9 and 11 and 12 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolutions numbers 10, 13 and 14 to be adopted, at least 75% of the voting rights exercised on each such resolution must be exercised in favour thereof.

2.1 Confirmation of appointment, retirement and re-election of directors

2.1.1 Ordinary resolution number 1

Resolved that the appointment of Mr Thembalihle Phillip Baloyi (‘Themba’) as director in terms of the MOI of the company be and is hereby confirmed.

Summary curriculum vitae of Mr Themba Baloyi

Themba was appointed as an independent non-executive director to the Curro board from 1 November 2020. Themba studied Cost and Management Accounting and has an Executive MBA from Henley Business School (UK). Themba is an innovative and entrepreneurial business leader who founded Discovery Insure Limited (‘Discovery Insure’), a short-term insurance company launched in 2011. The Discovery Insure work propelled him to win the 2018 CNBC Africa All Africa Business Leaders ‘Entrepreneur of the Year Award’. Currently he serves as chairman on the board of Constantia Insurance Group Limited and is a board member of CalgroM3 Holdings, and the Allan Gray Orbis Foundation, amongst others.

Qualifications: MBA; Cost and Management Accounting (National Diploma)

2.1.2 Ordinary resolution number 2

Resolved that Ms Zandile Nangamso Mankai (‘Nan’), who is an independent non-executive director, retires by rotation in terms of the MOI of the company, and being eligible and offering herself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Ms Nan Mankai

Nan was appointed as an independent non-executive director to the Curro board from 10 August 2018. She currently chairs the Curro audit and risk committee. Nan is at present a Senior Investment Manager at the Mineworkers Investment Company. Nan’s experience has been in private equity and investment management, having worked for private equity funds and built on balance sheet portfolios for corporates. Her recent experience also includes involvement in project finance and infrastructure investment opportunities and overseeing the internal audit function. Nan has extensive experience in serving on boards and on audit and social and ethics committees.

Qualifications: CA(SA); MBA

2.1.3 Ordinary resolution number 3

Resolved that Ms Tsholofelo Beatitude Lettie Molefe (‘Tsholo’), who is an independent non-executive director, retires by rotation in terms of the MOI of the company, and being eligible and offering herself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Ms Tsholo Molefe

Tsholo was appointed as an independent non-executive director to the Curro board from 1 May 2019. She served as the group chief financial officer of Telkom SA SOC Ltd, where she also served as deputy group CFO and group chief risk officer. Tsholo has been appointed as the group CFO of MTN with effect from 1 April 2021. Tsholo has a solid understanding of the corporate world and of financial strategy management, financial management practices, risk and controls, and reporting requirements pertaining to various industries.

Qualifications: CTA; CA(SA)

2.1.4 Ordinary resolution number 4

Resolved that Ms Susan Louise Botha (‘Santie’), who is an independent non-executive director, retires by rotation in terms of the MOI of the company, and being eligible and offering herself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Ms Santie Botha

Santie is the chairperson of Famous Brands Ltd and Capitec Bank Holdings Ltd. She has a wide range of knowledge and experience in different sectors, ranging from fast-moving consumer goods (‘FMCG’), where she started her career in Unilever and worked in various roles in both Durban and London, UK (1987 to 1996), banking (executive director: ABSA Bank, 1996 to 2003) and telecommunications (executive director: MTN, 2003 to 2010). Santie was named Business Woman of the Year 2010. She was the chancellor of Nelson Mandela University from 2011 to 2017.

Qualifications: BEcon; BEcon (Hons)

The reason for ordinary resolution number 1 is that the MOI of the company and the Listings Requirements of the JSE (‘JSE Listings Requirements’) require that any new appointment to the board of the company be confirmed by the shareholders at the next annual general meeting of the company. The board of directors of the company (‘the board’) announced on 30 October 2020 that Mr Baloyi had been appointed as an independent non-executive director of Curro, effective 1 November 2020.

The reason for ordinary resolutions numbers 2 to 4 is that the MOI of the company, the JSE Listings Requirements and, to the extent applicable, the Companies Act require that a component of non-executive directors retire by rotation at every annual general meeting of such company and, being eligible, may offer themselves for re-election as directors.

2.2 Reappointment of the members of the audit and risk committee of the company

Note: To avoid doubt, all references to the audit and risk committee of the company are a reference to the audit committee as contemplated in the Companies Act.

2.2.1 Ordinary resolution number 5

Resolved that Ms Zandile Nangamso Mankai ('Nan'), subject to the approval of ordinary resolution number 2, being eligible, be and is hereby reappointed as a member and chairperson of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

Summary curriculum vitae of Ms Nan Mankai

See ordinary resolution number 2.

2.2.2 Ordinary resolution number 6

Resolved that Mr Thembalihle Phillip Baloyi ('Themba'), subject to the approval of ordinary resolution number 1, being eligible, be and is hereby reappointed as a member of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

Summary curriculum vitae of Mr Themba Baloyi

See ordinary resolution number 1.

2.2.3 Ordinary resolution number 7

Resolved that Ms Tsholofelo Beatitude Lettie Molefe ('Tsholo'), subject to the approval of ordinary resolution number 3, being eligible, be and is hereby reappointed as a member of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

Summary curriculum vitae of Ms Tsholo Molefe

See ordinary resolution number 3.

2.2.4 Ordinary resolution number 8

Resolved that Mr Douglas Maitakhole Ramaphosa ('Douglas'), being eligible, be and is hereby reappointed as a member of the audit and risk committee of the company, as recommended by the board, until the next annual general meeting of the company.

Summary curriculum vitae of Mr Douglas Ramaphosa

Douglas has more than 35 years of business experience at an executive management and board level. He is currently chairman of IRCA (Pty) Ltd, serves on the Board of Curro, and is chairman and founder member of investment companies such as Mnotho Group and Chakula Wote Africa. Douglas served as a non-executive director for EnviroServ, Wildlife and Environment Society of South Africa ('WESSA'), STADIO and also served at a senior executive level for corporations including Altron, Transnet, ABSA and Anglo American. He was CEO of Bytes Healthcare Solutions, managing director of Bytes Specialised Solutions, and served on the boards of Anglo American (SA), Eskom Enterprises and was chairperson of Rotek Industries.

Qualifications: MA (Social Sciences); Programme for Executive Development (Institute of Management Development)

The reason for ordinary resolutions numbers 5 to 8 (inclusive) is that the company, being a public listed company, must appoint an audit committee, and the Companies Act requires that the members of such audit committee be appointed, or reappointed, as the case may be, at every annual general meeting of such company.

2.3 Ordinary resolution number 9: reappointment of auditor

Resolved that PricewaterhouseCoopers Inc. be and is hereby reappointed as the auditor of the company for the ensuing financial year or until the next annual general meeting of the company, whichever is the later, with the designated auditor being Mr D de Jager, as registered auditor and partner in the firm, on the recommendation of the audit and risk committee of the company.

The reason for ordinary resolution number 9 is that the company, being a public listed company, must have its annual financial statements audited, and as such an auditor must be appointed or reappointed each year, as the case may be, at every annual general meeting of such company, as required by the Companies Act, the JSE Listings Requirements and the MOI of the company. PricewaterhouseCoopers Inc. has been the company's auditor since 2017.

2.4 Ordinary resolution number 10: general authority to issue ordinary shares for cash

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 for cash as they at their discretion may deem fit, without restriction, subject to the provisions of the company's MOI, the Companies Act and the JSE Listings Requirements, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to 5% of the issued share capital of the company at the date of this notice of AGM, provided that:

- the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- the general issues of shares for cash in any one financial year may not exceed, in the aggregate, 5% of the company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer or in consideration for acquisitions or shares issued to the Curro Holdings Limited Share Incentive Trust (the 'Trust') or options granted by the Trust in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 5% of the issued ordinary shares of the company (net of treasury shares) amounts to 29 898 079 ordinary shares;
- 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% of the weighted average traded price of such shares, as measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30-business-day period;
- any such issue will be made only to public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements, and not to related parties;
- any such issue will only comprise 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; and
- if the issued securities represent, on a cumulative basis, 5% of the number of securities in issue, prior to that issue, an announcement containing full details of such issue shall be published on the Stock Exchange News Service of the JSE.

Should listed entities wish to issue shares for cash (other than issues by way of rights offers, in consideration for acquisitions and/or to share incentive schemes, which schemes have been duly approved by the JSE and by the shareholders of the company), it is necessary for the board to obtain the prior authority of the shareholders in accordance with the JSE Listings Requirements and the MOI of the company. The reason for ordinary resolution number 10 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MOI of the company.

At least 75% of the shareholders present or represented by proxy and entitled to vote at the AGM must cast their vote in favour of this resolution in order for the resolution to be adopted.

2.5 Ordinary resolution number 11: non-binding advisory vote on Curro's remuneration policy

Resolved that the company's remuneration policy, as set out in the remuneration report in Annexure C to this notice of AGM, be and is hereby endorsed by way of a non-binding advisory vote.

The reason for ordinary resolution number 11 is that the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV') recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at every annual general meeting of such company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 11, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 11 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration when considering amendments to the company's remuneration policy.

2.6 Ordinary resolution number 12: non-binding advisory vote on Curro's implementation report on the remuneration policy

Resolved that the company's implementation report in respect of its remuneration policy in Annexure C to this notice of AGM be and is hereby endorsed by way of a non-binding advisory vote.

The reason for ordinary resolution number 12 is that King IV recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory

vote by shareholders at every annual general meeting of such company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 12, if passed, will be to endorse the company's implementation report in relation to its remuneration policy. Ordinary resolution number 12 is of an advisory nature only, and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the vote into consideration when considering amendments to the company's remuneration policy and its implementation.

Should 25% or more of the votes exercised in respect of ordinary resolution number 11 and/or ordinary resolution number 12 be against either resolution, the company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the company.

2.7 Ordinary resolution number 13: Adoption of the new Curro Holdings Limited Executive Long-Term Incentive Scheme

"Resolved, as an ordinary resolution, the adoption by the company of a new Curro Holdings Limited Executive Long-Term Incentive Scheme ('**New LTI**'), the salient features of which are set out in Annexure D to this notice of AGM and the complete document recording the terms of the New LTI, as approved by the JSE on 20 April 2021, the New LTI trust deed ('**New LTI Trust Deed**'), having been available for inspection by shareholders for at least 14 days prior to the date of this AGM and having been initialed by the chairman of this AGM for identification purposes, and tabled at this AGM."

The reason for this ordinary resolution number 13 is to adopt the New LTI and to provide executive directors and key management of the company or any of its group companies with the opportunity to acquire an interest in the equity of the company, thereby providing such employees with a further incentive to advance the company's interests and promote the alignment of interests between such employees and the shareholders of the company. Furthermore, the proposed adoption of the New LTI follows the recommendations of the remcom to reduce the use of the current Share Incentive Scheme and adopt and use the New LTI which includes provisions addressing the shortcomings of the current Share Incentive Scheme as identified by the remcom and as set out in the remuneration report annexed to this notice of AGM as Annexure C. The New LTI has been approved by the JSE in terms of Schedule 14 of the Listings Requirements of the JSE ('**Schedule 14**').

The effect of this ordinary resolution number 13, if passed, will be that the New LTI will be adopted by the company.

Copies of the New LTI Trust Deed are available for inspection from the date of this notice of AGM until the conclusion of the AGM convened in terms thereof at the registered office of the company and, in Johannesburg at the office of the company's JSE sponsor, PSG Capital Proprietary Limited, at 2nd Floor Building 3, 11 Alice Lane, Sandhurst, Sandton 2196 during office hours.

The above ordinary resolution must be approved by 75% of the votes cast by shareholders present in person or represented by proxy at this AGM in terms of Schedule 14.

2.8 Ordinary resolution number 14: Amendment of the current Curro Holdings Limited Share Incentive Trust Deed

"Resolved, as an ordinary resolution, that the board and the trustees of the Curro Holdings Limited Share Incentive Trust (the '**Share Incentive Scheme**') be and are hereby authorised, subject to the approval by shareholders of ordinary resolution number 13 to adopt the new Curro Holdings Limited Executive Long-Term Incentive Scheme ('**New LTI**'), to amend the trust deed regulating the Share Incentive Scheme (the '**Trust Deed**') by replacing the number '29 354 954' in clause 19.3.1 of the Trust Deed with the number '19 000 000', by replacing the number '3 870 990' in clause 19.4.1 of the Trust Deed with the number '3 000 000' and by replacing the word 'exercise' with the word 'acceptance' in clause 25.5 of the Trust Deed, to read as follows:

19.3 The maximum aggregate number of Shares that may be utilised for the purposes of this Share Scheme shall not exceed

19.3.1 19 000 000 Shares; and/or

19.3.2 such other number of Shares as may be permitted in terms of any listing requirements or rules or regulations of the JSE from time to time, together with any shareholders approval to the extent same is required in terms of any such listings requirements or law or regulation.

19.4 The maximum number of Shares that may be acquired by any one Beneficiary in terms of the Share Scheme

19.4.1 shall amount to 3 000 000 Shares; and/or

19.4.2 such other number of Shares as may be permitted in terms of any listing requirements or rules or regulations of the JSE from time to time, together with any shareholders approval to the extent same is required in terms of any law or regulation.

25.5 Termination of Employment Prior to Acceptance

Save if expressly stated or provided in this Trust Deed to the contrary (including in clauses 25.1, 25.2 and 25.4) or further save to the extent that the Board in their discretion otherwise resolve or determine, if any Beneficiary is no longer an Employee for any reason whatsoever prior to the acceptance of any Option (or any part thereof) then in such event such Beneficiary shall be deemed to have immediately forfeited his rights to exercise any such unexercised Option (or any part thereof).

The reason for ordinary resolution number 14 is to obtain the prior approval of shareholders to amend the Trust Deed, such approval being required in terms of paragraph 14.2, read with paragraph 14.1, of Schedule 14 of the Listings Requirements of the JSE ('**Schedule 14**'). These amendments to the Trust Deed are being recommended for approval by the board in order to decrease the maximum aggregate number of shares that may be utilised for the purposes of the Share Incentive Scheme by 10 354 954 shares, decrease the maximum number of shares that may be acquired by a participant of the scheme by 870 990 shares and amend a minor misstatement.

The effect of this ordinary resolution number 14, if passed, and subject to the approval by shareholders of ordinary resolution number 13 and the adoption of the New LTI, will be that the proposed amendments to the Trust Deed, as set out above, are approved.

Copies of the Trust Deed are available for inspection from the date of this notice of AGM until the conclusion of the AGM convened in terms thereof at the registered office of the company and, in Johannesburg at the office of the company's JSE sponsor, PSG Capital Proprietary Limited, at 2nd Floor Building 3, 11 Alice Lane, Sandhurst, Sandton 2196 during office hours.

The above ordinary resolution must be approved by 75% of the votes cast by shareholders present in person or represented by proxy at this AGM in terms of Schedule 14. In determining whether the requisite number of votes have been achieved to adopt this resolution, the votes attaching to any ordinary shares acquired in terms of the Share Incentive Scheme and owned or controlled by persons who are existing participants in the Share Incentive Scheme, and which may be impacted by the above-mentioned resolution, shall not be taken into account.

3. To consider and, if deemed fit, approve, with or without modification, the following special resolutions:

Note: For the special resolutions to be adopted, at least 75% of the voting rights exercised on each such special resolution must be exercised in favour thereof.

3.1 Remuneration of non-executive directors

Special resolution number 1

Resolved in terms of section 66(9) of the Companies Act that the company be and is hereby authorised to remunerate its non-executive directors for their services as directors, which includes serving on various sub-committees and to make payment of the amounts set out below (plus any value-added tax ('VAT'), to the extent applicable), provided that this authority will be valid until the next annual general meeting of the company.

Non-executive directors' fees (excluding value-added tax)

Chairperson of the board	R572 000
Members of the board	R260 000
Chairperson of the audit and risk committee	R156 000
Members of the audit and risk committee	R83 200
Chairperson of the remuneration and nominations committee	R104 000
Members of the remuneration and nominations committee	R83 200
Chairperson of the social, ethics and transformation committee	R104 000
Members of the social, ethics and transformation committee	R52 000

Notes:

1. Fees are paid for services rendered as directors and are not based on the number of meetings attended.
2. The fees are paid quarterly in arrears and VAT is payable thereon if the non-executive director is VAT registered.

The reason for special resolution number 1 is for the company to obtain the approval of shareholders by way of a 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 1, if passed, is that the company will be able to pay its non-executive directors for the services they render to the company as directors until the next annual general meeting of the company.

3.2 Inter-company and related financial assistance

3.2.1 Special resolution number 2: inter-company financial assistance

Resolved that, of the provisions of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the company be and is hereby authorised to approve that the company provide any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board may deem fit to any company or corporation that is related or inter-related ('related' and 'inter-related' will herein have the meanings attributed thereto in section 2 of the Companies Act) to the company, on the terms and conditions and for amounts that the board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.

The reason for and effect, if passed, of special resolution number 2 are to grant the board the authority, until the next annual general meeting, to provide direct or indirect financial assistance to any company or corporation that is related or inter-related to the company. This means that the company is, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries. The resolution specifically excludes financial assistance to its directors and prescribed officers as is permitted by the Companies Act.

3.2.2 Special resolution number 3: financial assistance for the subscription to and/or the acquisition of shares in the company or a related or inter-related company

Resolved that, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, the board of the company be and is hereby authorised to approve that the company provide any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board may deem fit to any person (including a juristic person) for purposes of, or in connection with, the subscription to any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company ('related' and 'inter-related' will herein have the meanings attributed thereto in section 2 of the Companies Act), on the terms and conditions and for amounts that the board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the company.

The reason for and effect, if passed, of special resolution number 3 are to grant the board the authority, until the next annual general meeting, to provide financial assistance to any person for purposes of, or in connection with, the subscription to or purchase of options, shares or other securities in the company or any related or inter-related company or corporation. This means that the company is authorised, *inter alia*, to grant loans to any person (including its subsidiaries) or to guarantee and furnish security for the debt of any person where any such financial assistance is directly or indirectly related to that person subscribing to options, shares or securities in the company or its subsidiaries or purchasing options, shares or securities in the company or its subsidiaries. A typical example of when the company may rely on this authority is when a wholly-owned subsidiary raises funds by way of issuing preference shares and the third-party funder requires the company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the company confirm that the board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 2 and 3 above:

- the assets of the company (fairly valued) will equal or exceed the liabilities of the company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the company); and
- the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the board will only approve the provision of any financial assistance contemplated in special resolutions numbers 2 and 3 above, where:

- the board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the company as contained in the company's MOI have been met.

4. Special resolution number 4: shares repurchases by the company and its subsidiaries

Resolved, as a special resolution, that the company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of the company and the JSE Listings Requirements, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 (fifteen) months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue at the time of the granting of this authority, containing full details thereof, as well as for every 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the board approving the repurchase, that the company and its subsidiaries ('the group') have satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the group;
- the general repurchase is authorised by the MOI of the company;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such a five-business-day period;
- the company and/or its subsidiaries may at any point in time appoint only one agent to effect any repurchase(s) on the company's behalf; and
- the company and/or its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless a repurchase programme, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements, has been submitted to the JSE in writing prior to the commencement of a prohibited period and executed by an independent third party.

The reason for and effect, if passed, of special resolution number 4 are to grant the board a general authority in terms of the MOI of the company and the JSE Listings Requirements for the acquisition by the company or by a subsidiary of the company of shares issued by the company on the basis reflected in special resolution number 4. The company has no immediate plans to use the authority. The resolution is being sought in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not collectively hold more than 10% in aggregate of the number of the issued shares of a company. In order to avoid doubt, a pro rata repurchase by the company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

Information relating to special resolution number 4

1. The directors of the company or its subsidiaries will only utilise the general authority to repurchase shares of the company, as set out in special resolution number 4, to the extent that the directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of the group would not be compromised as to the following:
 - the group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;
 - the consolidated assets of the group (fairly valued) will, at the time of the AGM and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the consolidated liabilities of the group (fairly valued). The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the group;

- the ordinary capital and reserves of the group after the repurchase will remain adequate for the purpose of the business of the group for a period of 12 months after the AGM and after the date of the share repurchase; and
- the working capital available to the group after the repurchase will be sufficient for the group's ordinary business purposes for a period of 12 months after the date of the notice of the AGM and for a period of 12 months after the date of the share repurchase.

General information in respect of major shareholders, material changes and share capital of Curro is contained in Annexure B to this notice of AGM.

The directors of the company collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the notice of AGM contains all information required by law and the JSE Listings Requirements.

Special resolutions number 2, 3 and 4 are renewals of resolutions passed at the previous annual general meeting held on 1 July 2020.

5. Other business

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

VOTING

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company (the share register) for purposes of being entitled to receive this notice of AGM is Friday, 23 April 2021.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this AGM is Friday, 11 June 2021, with the last day to trade being Tuesday, 8 June 2021.
3. **Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the transfer secretaries before being entitled to participate in the AGM and must accordingly submit a copy of their identity document, passport or driver's licence to the transfer secretaries at proxy@computershare.co.za. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.**
4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services (Pty) Ltd (Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 or Private Bag X9000, Saxonwold, 2132, South Africa), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by no later than 14:00 on Friday, 18 June 2021, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretaries verifying the form of proxy and proof of identification before any shareholder rights are exercised.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM will need to request their central securities depository participant (CSDP) or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein. Such shareholder should contact their CSDP or broker with regard to the cut-off time for their voting instructions.
7. Voting will be performed by way of a poll and, accordingly, each shareholder participating in person, by proxy or by authorised representative shall have one vote in respect of each share held.

Electronic participation

1. The AGM will be conducted entirely by electronic communication (including voting) as contemplated by section 63(2)(a) of the Companies Act. The procedure for participation by electronic communication is set out hereunder.

Certificated shareholders and dematerialised shareholders with 'own name' registration

2. Certificated shareholders and dematerialised shareholders with 'own name' registration who wish to participate and vote at the AGM, should register at www.smartagm.co.za or contact the company's transfer secretaries, Computershare Investor Services Proprietary Limited ("Computershare") at proxy@computershare.co.za, preferably by no later than 14:00 on Friday, 18 June 2021, to obtain login credentials and details of how to participate and vote their shares. Such shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.
3. Proof of identification will be required before such shareholders are provided with usernames and passwords.

Dematerialised shareholders other than those with 'own name' registration

4. Dematerialised shareholders other than those with 'own name' registration who wish to participate and vote at the AGM, should request the necessary letter of representation from their broker/CSDP. Such shareholders should thereafter register at www.smartagm.co.za or submit a copy of the letter of representation to Computershare at proxy@computershare.co.za, preferably by no later than 14:00 on Friday, 18 June 2021, to obtain the necessary login credentials and details of how to participate and vote their shares. Such shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.
5. Proof of identification will be required before such shareholders are provided with usernames and passwords.

Additional information

6. As part of the registration process you will be requested to upload proof of identification (i.e. identity document, driver's licence or passport) and authority to do so (where acting in a representative capacity) as well as to provide details, such as your name, surname, email address, contact number and number of Curro shares held.
7. Following successful registration, the transfer secretaries will provide you with a username and a password in order to connect electronically to the AGM.
8. Participation in the AGM is through the Lumi website by following the steps set out at www.smartagm.co.za.
9. Once www.web.lumiagm.com has been entered into the web browser, the user will be prompted to enter the meeting ID followed by a requirement to enter the user's:
 - (a) username; and
 - (b) password.
 The meeting ID is: 128-087-916
10. To log in, users must have a username and password which can be requested from proxy@computershare.co.za as part of the registration process, or by registering on www.smartagm.co.za.
11. The electronic communication employed will enable all persons participating in the AGM to communicate concurrently with one another without an intermediary and to effectively participate in the AGM. Voting will be possible via electronic communication. Once the AGM has commenced, participants will be able to vote via the voting platform.
12. Although voting will be permitted via the electronic platform during the AGM, shareholders are encouraged to submit votes by proxy before the AGM. Shareholders who submit a form of proxy before the AGM but wish to observe proceedings may contact Computershare at proxy@computershare.co.za, in order to obtain access details.
13. Shareholders are further encouraged to submit any questions to the company secretary by email to ruan.b02@curro.co.za, by no later than 14:00 on Friday, 18 June 2021. There will also be a question facility available on the virtual platform during the AGM.

14. Shareholders will be liable for the costs they incur in attending the AGM. Shareholders will also be solely responsible for ensuring that they have uninterrupted access to the AGM. Neither Curro, nor its service providers will be held accountable in the event of loss of network connectivity; network failure due to insufficient airtime/internet; connectivity/power outages or anything similar which would prevent shareholders from attending, participating and/or voting at the AGM.
15. Curro cannot guarantee there will not be a break in electronic communication that is beyond the control of the company.

By order of the board



RW Botha

Curro's company secretary in an acting capacity
30 April 2021

Registered office
38 Oxford Street
Durbanville 7550
(PO Box 2436,
Durbanville
7551, South Africa)

Transfer secretaries
Computershare Investor Services
(Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(Private Bag X9000, Saxonwold,
2132, South Africa)

Sponsor
PSG Capital (Pty) Ltd
1st Floor, Ou Kollege Building, 35 Kerk Street
Stellenbosch 7600
(PO Box 7403, Stellenbosch 7599, South Africa)
and at Second Floor, Building 3,
11 Alice Lane, Sandhurst, Sandton 2196
(PO Box 650957, Benmore 2010, South Africa)



#Learners2Leaders – Curro Durbanville

Summary consolidated financial statements for the year ended 31 December 2020

COMMENTARY

Overview

The COVID-19 pandemic had a severe impact on our lives during 2020 and challenged Curro to keep learners, staff and parent communities safe whilst continuing to provide high-quality education in the markets we serve. Our teachers and staff responded valiantly, and we honour them for their passion, dedication and creativity in the course of a very turbulent time. Curro's lower earnings for the year ended 31 December 2020 is disappointing but overall, the results were satisfactory under the circumstances and Curro's educational offering has flourished.

A great start before the COVID-19 pandemic

For the first quarter of 2020, being the three months ended March 2020, Curro traded above expectation in terms of learner number growth and fee collections. Learner numbers grew by 9% from December 2019 to January 2020 and fee collections were 24% higher compared to the corresponding period in the prior year.

The advent of the COVID-19 pandemic led to the temporary closure of schools from 18 March 2020 until 1 June 2020, when a phased return of learners began. During the lockdown, schooling was facilitated by means of remote learning. While learner numbers in primary and high schools were negatively impacted, nursery schools in particular saw a decline in learner numbers due to it not being a compulsory phase of schooling in terms of legislation.

Lockdown regulations were gradually relaxed during 2020 and Curro concluded its academic year successfully as a result of well-organised digital and safe physical channels.

Results for the year

Curro's average learner numbers increased by 6% to 60 777 learners (2019: 57 597 average learners) and revenue increased by 5% to R3 094 million (2019: R2 944 million) for the year under review.

Tuition fees increased by 12.0% since last year due to the growth in learners, coupled with the annual inflationary fee increase. However, revenue growth was weighed down by lower ancillary school income and higher discounts granted, from 7.2% of revenue to 10.9% of gross revenue in the year under review. The higher discounts included one-off COVID-19-related discounts amounting to R81 million (representing 2.3% of gross revenue). We estimate that the pandemic had a negative impact on net revenue of approximately R300 million.

Schools' EBITDA (earnings before interest, taxation, depreciation, amortisation and head office expenditure) increased by 1.4% to R886 million (2019: R873 million) for the year under review, while EBITDA (after head office expenditure) declined by 1.0% to R686 million (2019: R693 million).

The business has a relatively high fixed cost base and the decline in revenue during the second and third quarters of the year resulted in negative operating leverage and a reduction in the EBITDA margin to 22% (2019: 24%). While variable costs were reduced as far as possible during the national lockdown, expected credit losses unfortunately increased to R146 million (2019: R37 million). Curro enhanced its debt collection processes and adjusted its credit loss provision methodology.

The increase in depreciation and amortisation is mainly due to curriculum and IT development costs, as well as new premises leased and accounted for under IFRS 16 Leases.

Headline earnings and headline earnings per share ('HEPS') decreased by 32% from R253 million to R171 million and by 39% from 59.9 cents to 36.4 cents, respectively.

Recurring headline earnings and recurring headline earnings per share ('RHEPS') decreased by 15.6% to R179 million (2019: R212 million) and by 24.0% to 38.0 cents (2019: 50.0 cents), respectively.

The significant non-headline impairment of property, plant and equipment, intangibles and goodwill during the year under review contributed to the decrease in earnings per share ('EPS') from a profit of 48.0 cents in the previous year to a loss of 6.5 cents for the current year.

In evaluating these results, shareholders should take the following matters into account:

- HEPS for the previous corresponding period included a non-recurring tax reversal (a profit) of R53 million and the current reporting period includes a non-recurring acquisition cost of R8 million (net of tax) which accounts for the key differences between RHEPS and HEPS;
- Curro recognised impairments of R207 million (net of tax) in the 2020 financial year, relating to lower-yielding school assets. These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS, and accordingly accounts for the key difference between HEPS and EPS; and
- EPS for the prior year included a bargain purchase gain of R27 million and an impairment charge of R85 million (net of tax).

Summary consolidated financial statements for the year ended 31 December 2020

Curro Online

Curro is committed to making quality education more accessible to learners in southern Africa and has therefore developed and launched an online school in the midst of the pandemic which provides remote teaching and learning for learners from Grade 4 to Grade 10. Curro currently has more than 600 learners enrolled in Curro Online.

Investments and expansion

Curro invested a further R650 million in the business during the year under review, mainly in respect of the completion of projects already started in 2019 to expand capacity and replace moveable assets. Curro has reduced its exposure to nursery schools, where the market remains subdued, by converting certain of its nursery schools to primary schools and assisted learning facilities.

The primary objective for Curro remains increased capacity utilisation of its existing facilities.

Balance sheet and funding

During April 2020, Curro obtained three-year bullet funding of R1 billion to refinance R838 million of existing debt at an interest rate 30 basis points lower than before.

During July 2020, GCR Ratings affirmed Curro's national scale issuer credit ratings of BBB+^(ZA) and A2^(ZA), for the long term and short term respectively, with a stable outlook.

During September 2020, Curro raised R1.5 billion in a successful rights offer to further bolster its balance sheet. As a result of the rights offer, the company had 597 961 595 shares in issue at year-end compared to 412 087 989 shares at the end of the previous financial year.

Curro used a portion of the proceeds from its rights offer to repay R1.1 billion of debt, which resulted in finance cost savings in the final quarter of 2020.

Pursuant to the uncertainties brought about by the ongoing COVID-19 pandemic and in light of the recent rights issue concluded, the board has resolved to not pay a dividend in respect of the year under review in order to preserve cash and to deliberately use capital to fund Curro's further expansion and growth prospects. The declaration of a dividend is suspended for this year and the board will re-evaluate Curro's dividend policy at the end of this year.

Changes to the board of directors

The following changes to directors occurred during the year under review and subsequent thereto:

- Themba Baloyi was appointed as independent non-executive director with effect from 1 November 2020;
- KK Combi resigned as non-executive director on 30 November 2020;
- Bernardt van der Linde resigned as the Chief Financial Officer and executive director on 31 December 2020 but continues to serve as the Chief Operating Officer; and
- Cobus Loubser was appointed as Chief Financial Officer and executive director with effect from 1 January 2021.

The Board sincerely thanks KK and Bernardt for their long-standing service and valued contribution and wishes Themba and Cobus all the best for the future.

Prospects

As at 28 February 2021, Curro had 66 153 learners enrolled for the 2021 year, representing a 9% increase on the 60 777 average learners in 2020. We are pleased to see new registrations continuing.

The company's business model has proven resilient to date, underpinned by its robust offering and its strong financial position following the rights offer in 2020. We remain committed to provide quality education to all our learners into the future.

On behalf of the board



SL Botha
Chairperson

17 March 2021



AJF Greyling
Chief Executive Officer

Summary consolidated financial statements for the year ended 31 December 2020

KEY RATIOS (UNAUDITED)

	31 Dec 2018	31 Dec 2019	31 Dec 2020	28 Feb 2021
Number of campuses	58	70	76	76
Number of schools	139	166	177	178
Average number of learners	51 305	57 597	60 777	66 153*
Average number of learners per campus	885	823	800	870
Number of employees	5 628	6 076	5 963	6 245
Number of teachers	2 945	3 230	3 425	3 651
Learner/teacher ratio	17	18	18	18
Building size (m ²)	656 081	700 946	713 084	
Land size (ha)	514	536	536	
Capital invested (R million)	1 373	1 246**	650	
– Existing campuses (R million)	590	910	635	
New	549	878	602	
Replacement	41	32	33	
– New campuses (R million)	534	209	12	
– Acquisitions (R million)	369	127	3	
– Studio (R million)	(120)	–	–	

* Registered learners as at 28 February 2021 (not the average).

** Figure adjusted from R1 285 million previously reported to exclude the other investing activities.

Summary consolidated financial statements for the year ended 31 December 2020



#Learners2Leaders – Northern Academy

Summary consolidated financial statements
for the year ended 31 December 2020

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2020 R million	Audited 31 Dec 2019 R million
Revenue from contracts with customers (note 4)	5%	3 094	2 944
Employee costs	–	(1 567)	(1 569)
Expected credit losses on financial assets	295%	(146)	(37)
Other expenses	8%	(695)	(645)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	(1%)	686	693
– Schools' EBITDA	1%	886	873
– Head office's EBITDA	11%	(200)	(180)
Depreciation and amortisation	24%	(231)	(187)
Earnings before interest and taxation (EBIT)	(10%)	455	506
Interest income	56%	56	36
Profit on sale of property, plant and equipment	n/a	–	2
Gain on bargain purchase	n/a	–	27
Impairment of property, plant and equipment	140%	(250)	(104)
Impairment of goodwill	n/a	(9)	–
Impairment of intangible assets	n/a	(6)	–
Finance costs	–	(279)	(279)
(Loss) / profit before taxation	n/a	(33)	188
Taxation	900%	(10)	(1)
(Loss) / profit for the year	n/a	(43)	187
Other comprehensive (loss) / income:			
Net fair value loss on cash flow hedges	415%	(67)	(13)
Exchange differences on translating foreign operation	n/a	2	–
Total comprehensive (loss) / income for the year	n/a	(108)	174
(Loss) / profit attributable to:			
Owners of the parent	n/a	(31)	202
Non-controlling interest	(20%)	(12)	(15)
	n/a	(43)	187
Total comprehensive (loss) / income attributable to:			
Owners of the parent	n/a	(96)	189
Non-controlling interest	(20%)	(12)	(15)
	n/a	(108)	174

Summary consolidated financial statements
for the year ended 31 December 2020

	% Change	Audited 31 Dec 2020 R million	Audited 31 Dec 2019 R million
Reconciliation of headline and recurring headline earnings:			
Earnings attributable to owners of the parent		(31)	202
Adjusted for:			
Profit on sale of property, plant and equipment		–	(2)
Gain on bargain purchase		–	(27)
Impairment of property, plant and equipment		250	104
Impairment of goodwill		9	–
Impairment of intangible assets		6	–
Non-controlling interest		(5)	(6)
Taxation		(58)	(18)
Headline earnings	(32%)	171	253
Reversal of deferred tax liability		–	(53)
Retrenchment cost		–	10
Acquisition cost on business combinations		11	–
Other		–	5
Taxation		(3)	(3)
Recurring headline earnings	(16%)	179	212
EBITDA margin		22%	24%
Schools' EBITDA margin		29%	30%
Earnings per share (cents)			
– Basic	n/a	(6.5)	48.0*
– Diluted	n/a	(6.5)	48.0*
Headline earnings per share (cents)			
– Basic	(39%)	36.4	59.9*
– Diluted	(39%)	36.4	59.9*
Recurring headline earnings per share (cents)	(24%)	38.0	50.0*
Number of shares in issue (millions)			
– Basic		598.0	412.1
– Diluted		598.0	412.1
Weighted average number of shares in issue (millions)			
– Basic		471.0	420.0*
– Diluted		471.0	420.0*

* Adjusted for the bonus element contained in the rights issue.

Summary consolidated financial statements
for the year ended 31 December 2020

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2020 R million	Audited 31 Dec 2019 R million
ASSETS		
Non-current assets	10 286	9 913
Property, plant and equipment	9 120	8 870
Right-of-use assets	319	200
Goodwill	561	565
Other intangible assets	271	265
Other financial assets	7	5
Deferred tax assets	8	8
Current assets	814	529
Inventories	17	14
Current tax receivable	3	2
Other financial assets	27	34
Trade receivables (note 5)	232	180
Other receivables	102	128
Investment in money market funds	334	57
Cash and cash equivalents	99	114
Non-current assets held for sale	14	43
Total assets	11 114	10 485
EQUITY		
Equity attributable to owners of the parent	6 768	5 405
Share capital (note 6)	6 205	4 733
Other reserves	(65)	(4)
Retained earnings	628	676
Non-controlling interest	(2)	11
Total equity	6 766	5 416
LIABILITIES		
Non-current liabilities	3 781	4 446
Other financial liabilities at amortised cost	2 774	3 653
Other financial liabilities at fair value (note 7)	120	27
Deferred tax liabilities	551	557
Lease liabilities	323	195
Contract liabilities	13	14
Current liabilities	567	623
Other financial liabilities at amortised cost	59	84
Current tax payable	1	1
Lease liabilities	33	20
Trade and other payables	206	186
Contract liabilities (mainly prepaid school fees)	227	214
Development and acquisitions payables	41	19
Bank overdraft	–	99
Total liabilities	4 348	5 069
Total equity and liabilities	11 114	10 485
Net asset value per share (cents)	1 132	1 312

Summary consolidated financial statements
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SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 31 Dec 2020 R million	Audited 31 Dec 2019 R million
Balance at the beginning of the year	5 416	5 272
Total comprehensive (loss) / income	(96)	189
Rights issue	1 473	–
Dividends paid	(42)	(49)
Non-controlling interest	(12)	(23)
Other	27	27
Balance at the end of the year	6 766	5 416

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	%	Audited 31 Dec 2020 R million	Audited Restated* 31 Dec 2019 R million
	Change		
Cash flows from operating activities			
Cash generated from operations	–	714	714
Tax paid	(77%)	(3)	(13)
Net finance cost	(2%)	(200)	(204)
Working capital movements – operations	n/a	3	(23)
Net cash generated from operating activities	8%	514	474
Cash flows from investing activities			
Purchase of property, plant and equipment	(41%)	(632)	(1 069)
Sale of property, plant and equipment	433%	48	9
Purchase of intangible assets	(2%)	(55)	(56)
Business combinations (note 8)	(98%)	(2)	(123)
Development and acquisition investment	29%	(9)	(7)
Other investing activities	489%	(271)	(46)
Net cash utilised in investing activities	(29%)	(921)	(1 292)
Cash flows from financing activities			
Proceeds from shares issued pursuant to rights issue	n/a	1 500	–
Transaction cost pertaining to rights issue	n/a	(27)	–
Proceeds from other financial liabilities	(32%)	1 150	1 701
Repayment of other financial liabilities	129%	(2 083)	(908)
Dividends paid to company shareholders	(14%)	(42)	(49)
Principal elements of lease payments	133%	(7)	(3)
Net cash generated from financing activities	(34%)	491	741
Cash and cash equivalents movement for the year	n/a	84	(77)
Cash and cash equivalents at the beginning of the year**	(84%)	15	92
Cash and cash equivalents at the end of the year** ^	560%	99	15

* Restated to align with the annual financial statements (refer to note 9).

** Includes cash and cash equivalents and the bank overdraft on the statement of financial position.

^ Curro has additional liquid resources amounting to R334m (2019: R57m) available in the form of its money market investments.

Summary consolidated financial statements
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SUMMARY CONSOLIDATED SEGMENTAL REPORT

	% Change	Audited 31 Dec 2020 R million	Audited 31 Dec 2019 R million
Average learners for the year	6%	60 777	57 597
– Curro	6%	51 249	48 404
– Meridian	4%	9 528	9 193
Revenue	5%	3 094	2 944
– Curro	6%	2 805	2 655
– Meridian	–	289	289
Schools' EBITDA	1%	886	873
– Curro	2%	828	809
– Meridian	(9%)	58	64
Net head office expenditure	11%	(200)	(180)
– Curro	12%	(193)	(172)
– Meridian	(12%)	(7)	(8)
EBITDA margin		22%	24%
– Curro		23%	24%
– Meridian		18%	19%
Recurring headline earnings	(16%)	179	212
– Curro	11%	204	230
– Meridian**	39%	(25)	(18)
Recurring headline earnings per share (cents)	(24%)	38.0	50.0*
– Curro	(23%)	41.5	54.3*
– Meridian**	(19%)	(3.5)	(4.3)*
Earnings per share (cents)	n/a	(6.5)	48.0*
– Curro	n/a	(1.6)	54.9*
– Meridian	(29%)	(4.9)	(6.9)*
Total assets	6%	11 114	10 485
– Curro	6%	10 402	9 791
– Meridian	3%	712	694
Total liabilities	(14%)	4 348	5 069
– Curro	(18%)	3 621	4 396
– Meridian	8%	727	673
Net asset value per share (cents)	(14%)	1 132	1 312

* Adjusted for the bonus element contained in the rights issue.

** Included in the Meridian results is an interest charge of R49m (2019: R43m) to shareholders in proportion to their shareholding.

Summary consolidated financial statements
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NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

These summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited ('JSE') for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ('IFRS') and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which these summary consolidated financial statements were derived are in terms of IFRS and are consistent, except as detailed in note 3 below, with those accounting policies applied in the preparation of the previous consolidated annual financial statements. The summary consolidated results have been prepared internally under the supervision of the Chief Financial Officer, JP Loubser, CA(SA).

2. AUDIT OPINION

These summary consolidated financial statements for the year ended 31 December 2020 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the company's registered office and on the website, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2019 except for the amendments to The Conceptual Framework for Financial Reporting, IAS1 Presentation of Financial Statements, IAS 8 Accounting Policies, Changes in accounting Estimates and Errors and IFRS 3 Business Combinations. For a full list of standards and interpretations that have been applied, we refer you to our 31 December 2020 annual financial statements.



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Summary consolidated financial statements
for the year ended 31 December 2020

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 Dec 2020 R million	31 Dec 2019 R million
Included in revenue from contracts with customers:		
Registration and tuition fees	3 226	2 880
Other income	34	67
Recovery income	47	42
Hostel fees	67	65
Aftercare fees	56	76
Bus income	35	35
Rental income	4	7
Subsidy income	2	2
Discounts granted	(377)	(230)
Personnel	(83)	(74)
Bursaries	(73)	(63)
Enrolments	(6)	(1)
COVID-19	(81)	–
Other*	(134)	(92)
	3 094	2 944

* Other discounts mainly comprise of discretionary discounts, financial assistance and Ruta Sechaba Bursaries.

5. TRADE AND OTHER RECEIVABLES

	31 Dec 2020 R million	31 Dec 2019 R million
Gross receivables	447	249
Expected credit loss provision	(215)	(69)
Net trade receivables	232	180

6. SHARE CAPITAL

The authorised ordinary share capital was increased from 600 million to 800 million no par value shares during the year under review.

Effective 7 September 2020, 185.9 million shares were issued by way of a partially underwritten non-renounceable rights offer at a subscription price of R8.07 per Rights Offer Share, in the ratio of 45.10532 rights offer shares for every 100 ordinary shares.

7. CASH FLOW HEDGES

	31 Dec 2020 R million	31 Dec 2019 R million
Fixed-for-variable interest rate swap liabilities	120	27

The interest rate swap agreements are valued at the present value of the estimated future cash flows based on observable yield curves, representing a Level 2 fair value measurement for financial reporting purposes.

Summary consolidated financial statements
for the year ended 31 December 2020

8. BUSINESS COMBINATIONS

Effective 1 January 2020, Curro acquired the entire business operations and properties of The King's School Linbro Park in Gauteng, South Africa for a total purchase consideration of R34 million combined.

	R million
The following assets and liabilities were recognised:	
Property, plant and equipment	38
Intangible assets	1
Trade and other receivables	2
Cash and cash equivalents	1
Deferred tax liability	(10)
Trade and other payables	(3)
Total identifiable net assets	29
Goodwill	5
	34
Purchase consideration	
Cash paid	3
Outstanding purchase consideration payable	31
	34
Net cash outflow on acquisition	
Cash paid	(3)
Cash and cash equivalents acquired	1
	(2)

9. RECLASSIFICATION OF PRIOR YEAR FIGURES

Deferred/contingent purchase consideration paid pursuant to business combinations entered into and development payables were previously incorrectly classified as operating cash flows, which have been reclassified as investing cash flows in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Such reclassifications had no impact on previously reported assets, liabilities, equity or profitability; however, it had the following impact on the summary consolidated statement of cash flows:

	Previously reported R million	Change R million	Now reported R million
Impact on the summary consolidated statement of cash flows for the year ended 31 December 2019			
Cash flows from operating activities			
Working capital movements – investments	(7)	7	–
Cash flows from investing activities			
Development and acquisition investment	–	(7)	(7)

Summary consolidated financial statements for the year ended 31 December 2020

STATUTORY AND ADMINISTRATION

Directors: SL Botha** (Chairperson), TP Baloyi**, AJF Greyling (CEO), ZN Mankai**, TBL Molefe**, PJ Mouton*, SWF Muthwa**, DM Ramaphosa**, JP Loubser (CFO), CR van der Merwe*

* Non-executive

** Independent non-executive

Registered office: 38 Oxford Street, Durbanville, Cape Town, 7550

Transfer secretaries: Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Corporate adviser and JSE Equity and Debt sponsor: PSG Capital

Independent joint JSE Equity sponsor: UBS South Africa

Company secretary: R Botha

Curro Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

JSE share code: COH

Company code: BICAP

ISIN: ZAE000156253

('Curro' or 'the company' or 'the group')

Announcement date: 17 March 2021



#Learners2Leaders: Curro Savanna City

Summary consolidated financial statements for the year ended 31 December 2020



INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Curro Holdings Limited

Opinion

The summary consolidated financial statements of Curro Holdings Limited, set out on pages 18 to 30 of the Notice of Annual General Meeting for the year ended 31 December 2020, which comprise the summary consolidated statement of financial position as at 31 December 2020, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Curro Holdings Limited for the year ended 31 December 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

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

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 15 March 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Dawid de Jager

Registered Auditor

Stellenbosch

23 April 2021

1. SHAREHOLDERS' PROFILE

Range of shareholding	Number of shares held in range 2020		Number of shares held in range 2019	
		%		%
1 to 500	979 950	0.2	968 217	0.2
501 to 1 000	1 301 405	0.2	1 460 753	0.4
1 001 to 5 000	7 919 860	1.3	8 790 080	2.1
5 001 to 10 000	5 911 820	1.0	6 108 311	1.5
10 001 and over	581 848 560	97.3	394 760 628	95.8
	597 961 595	100.0	412 087 989	100.0

Public and non-public shareholding

	Number of shares held 2020		Number of shares held 2019	
		%		%
PSG Financial Services Ltd	358 776 958	60.0	228 210 051	55.4
Directors	9 470 645	1.6	6 967 870	1.7
Total non-public shareholding	368 247 603	61.6	235 177 921	57.0
Total public shareholding	229 713 992	38.4	176 910 068	43.0
	597 961 595	100.0	412 087 989	100.0

Number of public and non-public shareholders

	Number of shareholders 2020		Number of shareholders 2019	
		%		%
Non-public	7	0.0	5	0.0
Public	15 407	100.0	13 830	100.0
	15 414	100.0	13 835	100.0

Individual shareholders holding more than 5%

	Number of shares held 2020		Number of shares held 2019	
		%		%
PSG Financial Services Ltd	358 776 958	60.0	228 210 051	55.4
Allan Gray	32 203 820	5.4		
Coronation Ltd			23 496 990	5.7
Public Investment Corporation			23 936 503	5.8
Dipeo Capital (RF) (Pty) Ltd			21 414 497	5.2
	390 980 778	65.4	297 058 041	72.1

2. SHAREHOLDING OF DIRECTORS

The shareholding of directors, excluding the participation in the share incentives plan, in the issued share capital of the company as at 31 December was as follows:

Directors	2020				2019			
	Direct	Indirect	Number	%	Direct	Indirect	Number	%
SL Botha	396 030	-	396 030	0.07	272 926	-	272 926	0.07
AJF Greyling	-	1 004 987	1 004 987	0.17	-	961 057	961 057	0.23
PJ Mouton	-	2 285 809	2 285 809	0.38	-	1 950 068	1 950 068	0.47
B van der Linde ¹	191 876	580 266	772 142	0.13	191 876	580 266	772 142	0.18
CR van der Merwe	-	3 011 677	3 011 677	0.50	-	3 011 677	3 011 677	0.73
JP Loubser ²	-	2 000 000	2 000 000	0.33	-	-	-	-
	587 906	8 882 739	9 470 645	1.58	464 802	6 503 068	6 967 870	1.68

1. B van der Linde resigned as director effective 31 December 2020.

2. JP Loubser was appointed as director effective 1 January 2021.

The register of interests of directors and others in shares of the company is available to the shareholders on request.

There have been no changes in the shareholding of directors between the reporting date and the date of approval of the annual financial statements.

3. STATED CAPITAL AS AT 31 DECEMBER

	2020 R million	2019 R million
Issued		
Ordinary shares with no par value	6 205	4 733
Authorised		
Ordinary number of shares with no par value ('million)	800	600
Reconciliation of number of shares issued:		
Reported as at 1 January 2020 ('million)	412	412
Issue of shares ('million)	186	-
Total number of shares in issue ('million)	598	412

Authorised ordinary share capital increased from 600 million to 800 million no par value shares in the period under review.

Effective 7 September 2020, 185.9 million shares were issued by way of a partially underwritten non-renounceable rights offer at a subscription price of R8.07 per Rights Offer Share, in the ratio of 45.10532 rights offer shares for every 100 ordinary shares.

Unissued ordinary shares of 20 604 399 are under the control of the directors in terms of a shareholders resolution passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

4. NOTE ON MATERIAL CHANGES

There has been no material change in the financial or trading position of the company and its subsidiaries subsequent to the publication of the company's audited financial statements for the year ended 31 December 2020.

Remuneration report

CHAIRPERSON'S LETTER

Dear Shareholders and other Stakeholders

This is the remuneration report of Curro Holdings Limited, which includes the remuneration policy and the implementation report. The provisions of King IV (read with the JSE Listings Requirements) require that these two documents be submitted for non-binding advisory votes at the annual general meeting ('AGM') of shareholders.

The remuneration and nominations committee of Curro Holdings Limited ('remcom') fulfils the role of governing remuneration-related matters, as delegated to it by the board of directors. The remcom consisted of KK Combi (independent non-executive director and chairperson of the remcom until his resignation as director on 30 November 2020), Santie Botha (independent non-executive chairperson of the board), Piet Mouton (non-executive director) and Themba Baloyi (independent non-executive director since 1 November 2020 and chairperson of remcom from 30 November 2020).

The CEO, Andries Greyling, and the CFO, Bernardt van der Linde up to 31 December 2020 and Cobus Loubser from 1 January 2021, attend meetings of the remcom by invitation, as and when required. The CEO and CFO recuse themselves from the meeting when a conflict of interest arises or when they are requested to do so. Curro's company secretary in an acting capacity, Ruan Botha, is also the secretary of the committee.

The remcom is governed by its charter, which is reviewed annually by the committee and the board of directors. The committee has met twice for the financial year ending 31 December 2020, and has fulfilled its responsibilities as set out in its charter and as further described in the remuneration policy.

At the Curro AGM held on 1 July 2020, the remuneration policy received an 87.11% vote in favour thereof (with 12.89% against), and the implementation report received a 90.80% vote in favour thereof (with 9.20% against). As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

Curro believes that ensuring the alignment of Curro's remuneration philosophy with the interests of other stakeholders will ensure sustainable growth to the benefit of all parties. Curro aims to reward its employees fairly through competitive remuneration in order to ensure that it retains and attracts high-calibre employees. Some of the factors influencing the remuneration policy include:

- 1) The business strategy, including the short- and long-term goals and objectives of the company.
- 2) An aspiration to adequately reward value that has been created, contributions made and performance.
- 3) Appropriate remuneration benchmarks are applied by considering remuneration trends in both the public and private-education sectors, as well as in other comparable industries with similar attributes.
- 4) The financial position and outlook for the company in the context of the broader economy.
- 5) Remaining cognisant of the level of school-fee increases in relation to salary increases.
- 6) The pay gap between executives and the rest of the employees of the company.

Since listing ten years ago Curro has made significant progress in building the premier and largest 'for profit' private school business in South Africa. From a remcom perspective we know that management have largely been successful in executing their mandate to organically build the business of significant scale. However, the Long-term Incentive ('LTI') scheme has not successfully achieved the key principle that great management should be rewarded and in time become co-owners in the business. A strong culture of accountable co-ownership drives long-term thinking with consistent high performance and is a retention mechanism of great quality management.

The shortcomings of the LTI scheme is a combination of a couple of issues, the most notable was the steep increase in the share price post listing and then the steady decline to current levels. The issue was further compounded by the fact that Curro provided loans to assist management to pay the strike price and the applicable income tax on vesting dates. The intention was good, but the outcome did not meet the intention. The effect of these two issues was that management lost out on the value they had created within the company on options that have vested in the past and the existing unvested options were also out of the money, given that the options are fully-priced options.

We acknowledge that this is not a unique position in corporate South Africa. However, shareholders have entrusted significant capital to management, even more so after the latest rights issue, and it is key that the remcom ensures that the alignment between management and shareholders is optimally structured and served by effective LTI schemes that rewards management for performance and retains scarce skills and experience.

The remcom embarked on a process to engage with various stakeholders and taking cognisance of the latest views on LTI schemes. As a result, it resolved to reduce the use of the current LTI ('Old LTI') by amending the Old LTI and decreasing the number of shares utilised by the Old LTI and adopt a new LTI ('New LTI') incorporating the key principles set out below with the aim of addressing the issues identified by the remcom.

The proposed New LTI will, subject to being adopted, primarily be used for executives and key managers. The proposed New LTI differs from the Old LTI in the following key respects:

- I) whereas the Old LTI is a 'fully-priced options' scheme, the New LTI is a 'nil-priced option' scheme, this mitigates the risk that participants in the New LTI scheme are prejudiced by market volatility in the share price beyond their control;
- II) the New LTI provides for revised and new performance conditions;
- III) the New LTI implements a new basis of determining the number of options available to be allocated on an annual basis;
- IV) the New LTI significantly reduces the number of people who qualify for options under the New LTI;
- V) the New LTI requires that the vesting of a portion of future options be subject to participants retaining a minimum level of previously vested options; and
- VI) the New LTI includes malus and clawback provisions [to align the scheme with market-related practices].

The changes proposed above, being the adoption of a New LTI scheme and reducing options available under the Old LTI scheme by amending the Old LTI scheme, is subject to the approval of at least 75% of shareholders at a shareholders meeting. Accordingly, this will be voted on at Curro's next AGM, to be held on 22 June 2021, before it can be implemented.

Furthermore in accordance with its charter, the remcom made the following additional key decisions during 2020:

- a) Determined the key performance indicators of the short-term incentives ('STIs') for the 2021 financial year;
- b) Reviewed performance against the 2020 key performance areas and approved STIs for executive directors and exco members;
- c) Reviewed and approved salary increases for the executive directors, exco members and the acting company secretary;
- d) Reviewed non-executive directors' fees for submission to the shareholders at the AGM;
- e) Reviewed the composition of the board and board committees and made recommendations for changes thereto to the board for approval;
- f) Reviewed the succession plan for key management; and
- g) Reviewed the committee's charter.

Refer to the corporate governance report on pages 74 to 82 of the full annual integrated report, available online at www.curro.co.za, for more details on the committee's functioning.

The remcom has confidence that:

- It was objective and independent when it reviewed the remuneration policy;
- The policy approved in 2020 achieved its stated objectives;
- The committee remained objective and independent when it approved the remuneration of executives and the rest of the company as a whole; and
- The company's independent advisers were independent and objective in the services they rendered during the year under review.

The focus areas for 2021 include:

- Continuing to implement best-practice protocols in accordance with principles set out in this policy.
- Implement the performance conditions determined to be appropriate for the LTI scheme and Curro's business model.

The committee trusts that the Curro remuneration policy and implementation report supports the long-term business strategy of the company and recommends that shareholders support the resolutions of the 2021 AGM.



Themba Baloyi

Chairperson: Remuneration and Nominations Committee

Remuneration report

2021 REMUNERATION POLICY

1. Introduction

The purpose of this policy is to outline the principles according to which Curro remunerates its employees.

Curro wishes to increase access to independent-school education across southern Africa. Staff are an instrumental component in achieving that goal, and accordingly, fair and equitable remuneration remains a key focus area for Curro. On 31 December 2020 there were 5 963 employees, of whom 191 employees related to head office. Total remuneration represented 51% (2019: 53%) of revenue generated and 65% (2019: 70%) of operating expenses respectively.

Curro acknowledges that its human capital is an important part of Curro's six integrated reporting capitals. As part of Curro's employee value proposition, Curro remunerates employees with appropriate total-cost-to-company ('TCTC') packages, as well as with STIs and LTIs (see explanation below). Curro also offers other benefits, such as a positive working environment and training and skills development programmes. Curro believes the aforementioned factors help it to develop, motivate and retain its skilled employees, which is essential in the education environment.

This policy has a positive impact on the sustainability of the Curro group and develops the company towards positioning itself as an employer of choice. In so doing, Curro's remuneration policy is aligned to the Curro group's long-term strategy and shareholder value creation.

Curro's remuneration policy consists of three components:

- A TCTC package, including benefits such as 13th cheques (guaranteed bonus portion – see below), maternity leave, provident fund contribution, death, disability and dreaded disease benefits, medical aid.
- A short-term cash incentive scheme, linked to the annual performance of the company.
- An LTI scheme (limited in participation) that assists with the retention of key skills in the management of the Curro group and in promoting long-term performance.

An internal policy exists to ensure that appropriate governance processes are in place for the approval of individual employees' remuneration and changes thereto. The remuneration of the executive directors, exco members and company secretary (collectively 'executives') is reviewed annually by the remcom, which seeks to ensure that balance is maintained between fixed (cost-to-company packages) and variable (STIs and LTIs) elements of remuneration, as well as between short-term, medium-term and long-term strategic performance objectives. The remcom aims to ensure that the remuneration of executives is fair and responsible to the company, its shareholders and other stakeholders and the executive.

Non-executive directors receive a fixed fee approved annually by shareholders. Further details are set out in section 8 of this policy.

Refer to the corporate governance report on pages 74 to 82 of the full annual integrated report, available online at www.curro.co.za, for details on the remcom's composition, purpose, role, mandate, meetings held and attendance thereat.



#Learners2Leaders: Curro Hazeldean

2. Remuneration mix

The remcom ensures that the mix between remuneration components for executives is weighted towards variable pay in order to encourage the achievement of the short- and long-term financial and strategic goals of the organisation. For employees at other levels in the organisation the total remuneration mix is weighted towards guaranteed pay, as they do not manage the company's overall financial performance.

The table below provides an overview of the categories of Curro employees and their respective remuneration components:

Group	Focus	Strategic view	Remuneration
Executives	Formulate, drive and oversee implementation of strategy	Longest term	Cost-to-company package, *short-term incentive and share options
Head office: professionals and management levels	Operational	Short to long term	Cost-to-company package, **maximum 15th cheque as short-term incentive, share options
Schools: management levels	Operational	Short to long term	Cost-to-company package, **discretionary bonus and share options
Other staff (head office and schools, including teachers)	Support (administration)	Short term	Cost-to-company package and 13th cheque

* The remcom approves the STI scheme from time to time. The remcom approves the LTIs scheme model (in accordance with the rules approved by shareholders from time to time.

** The executive directors and executive committee have the discretion to formulate ad hoc incentive schemes that drive performance.

3. Fair and responsible remuneration

Executive remuneration should be fair and responsible in the context of overall employee remuneration. Curro is sensitive to socio-economic challenges and the need to try and address some of these challenges where possible.

The steps taken in this regard include:

- Enhancements in cost of and access to the provident fund and medical aid over the previous two years.
- Assistance with school fees provided for employees whose children attend Curro schools.
- Ensuring that the lowest-paid employees receive remuneration above the minimum wage level.
- Curro has embarked on a skills development and training drive to train and upskill staff across the Curro group.

4. Total-cost-to-company package

The TCTC packages of employees are determined and reviewed annually, and normally changes thereto have been effective on 1 March of each year. These packages take into account individual performance, company performance, qualifications, the macroeconomic environment, industry standards, level of responsibility that the individual assumes, business complexity and external salary benchmarks where relevant. Competitive TCTC remuneration packages allow Curro to attract and retain skills that the group requires to implement its business strategy.

Curro makes use of the following external remuneration benchmarks:

School employees (about 97% of total employees)

- Teachers and specialised employees and management: competitors' salaries/state schools' salary statistics
- Other employees at schools: general market comparisons

Head office employees (about 3% of total employees)

- Administrative employees and non-management employees: general market comparisons
- Specialised functions/professionals: industry-specific comparisons
- Executives: publicly available information, together with surveys on executive pay for listed companies per industry as and when available, and total remuneration components

Curro believes that these benchmarks provide reliable information to assist with remuneration decisions on a comprehensive and informed basis.

Remuneration report

The remcom reviews the salary packages of executives. The average salary increases of these individuals are usually similar to the general employees' average salary increases, unless there are specific reasons to determine otherwise, for example when an individual is promoted.

The remcom reviews whether the total consolidated increases to the salary packages of employees of the company, together with the total STIs considered annually, are commensurate with the size and complexity of the business. The remcom approves the levels of authority with respect to who may approve increases to the packages of employees in the different areas and on the different levels in the company. The benefits available to employees include a guaranteed 13th cheque; maternity leave, provident fund contribution, death, disability and dreaded disease benefits, medical aid (including a medical aid scheme for lower-earning employees).

5. Short-term incentives ('STIs')

Curro believes in rewarding good performance that is dependent on the performance of the company. This reward is delivered in the form of a cash bonus. STIs are not guaranteed and are paid at the discretion of the remcom. The purpose of STIs is to encourage and promote the continued and consistent focus on the implementation of Curro's group strategy and to appreciate and recognise achievements. They also assist in retaining the group's top performers. STIs are usually paid to employees who fall in the management levels of the group.

The STIs are considered annually when the audited/reviewed results of Curro are available and are usually payable in February or March every year. The STIs for employees other than the executives are approved by the committees/individuals as set out in the remcom-approved levels of authority.

The STIs for the executive directors and exco members focus on the key drivers of the business.

The following targets and weighting will be applicable to STIs in 2021:

STI targets (equal weighting)*

- Achieve growth in recurring HEPS of at least 18% from the previous year
- Increase EBITDA margin (as percentage of turnover) by 1.0% from the previous year
- Achieve at least 7.0% growth in organic average net learner numbers from 2021 to 2022
- Personal KPIs

* Above subject to an increase in HEPS

Bonus weighting per executive

- CEO 100%
- CFO, business managers, academic head 80%
- Other exco members 60%

Considering the unprecedented environment that the COVID-19 pandemic has caused and the resulting uncertainty it entails, the remcom reserves the right to amend the performance measures and targets.

Learner growth and retention have a significant operational gearing effect on the bottom line of the company. Management has to focus on service delivery for this.

For management to achieve the recurring HEPS target, in addition to reducing the lever ratio for learners, it will have to focus on reducing costs, the collection of school fees in order to reduce bad debts, and viable capital investments which yield sufficient returns to offset higher depreciation and interest expenses relative to earnings.

The remcom annually reviews and approves the key performance measures and bonus pools of the executives and compares the achievement with these measures when the total remuneration packages of the members are revised.



Remuneration report

6. Long-term incentives ('LTI')

Introduction

As stated in the chairperson of the remcom's letter, the company intends to change the LTI scheme during 2021. Curro will have two schemes in place going forward. For ease of reference, we will refer to the previous scheme as the *Old LTI scheme* and the newly implemented incentive scheme will be referred to as the *New LTI scheme*.

Curro knows that the retention of key skills in the group is important for the sustainability of the group and that LTIs assist in doing so. Furthermore, LTIs align the interests of participants with the medium- to long-term strategic objectives of the company. At the same time, they illustrate Curro's commitment and loyalty towards the participants.

Curro's LTIs consist of two share option schemes. A key feature of Curro's current share option scheme is that participants will only benefit if there is long-term share price appreciation, which should ultimately depend on sustained growth in headline earnings per share as a result of Curro's business and management activities.

All management who qualify to partake in the New LTI scheme have waived their rights in terms of the Old LTI scheme should the New LTI scheme be approved by shareholders. However, there are employees who will not be eligible to receive options under the New LTI scheme and they will continue to hold options in terms of the old LTI scheme and same would remain in place until the Old LTI scheme then comes to an end in September 2024, whereafter the Old LTI scheme will be terminated.

6.1 The Old LTI scheme

6.1.1 Background

The Curro shareholders approved the share option scheme rules that govern a range of principles such as share option awards, eligibility criteria to be a participant, vesting rules, and, for example, how to deal with circumstances when an employee retires, is retrenched or in the case of their death. The shareholders approved certain changes to the rules of the share option scheme at the 2018 AGM that:

- Allow the board to determine and set performance measures that will apply to the vesting of options awarded in terms of the share incentive scheme.
- Allow the company to settle exercised options on a net equity basis, by way of cash payments, or through the issue and allotment of ordinary shares in the company.
- Grant the board the discretion to determine that options that have been awarded by the company will lapse, where the board determines, in its sole discretion, that the participant is guilty of misconduct or poor performance.
- Increase the required loan cover ratio applicable to loans made by the company to participants in the share incentive scheme from 130% to 200%. Going forward no new loan funding will be made available, and all options will be net equity settled, i.e. they will be settled after deducting the strike price and the employee income tax (PAYE).



#Learners2Leaders: Curro Foreshore

6.1.2 Awards

Share options are awarded annually at the discretion of the remcom. The number of share options to be awarded is calculated on the basis of the respective employees' base salary and a multiple of between one time and seven times applied thereto, depending on the employee's seniority and level of responsibility assumed in the organisation, and subject to their performance. In determining the top-up calculations for the annual share option award, the value of unvested past share option awards is taken into account.

The total consolidated number of options to be awarded annually is a matter to be decided and approved by the remcom. The remcom is responsible for approving the annual awards for specific participants (executive directors, exco, company secretary, executive heads, heads of departments and heads of primary and high schools). The approval of share option awards for other senior managers/middle managers/junior managers who qualify for participation in the share option scheme is delegated to the CEO, CFO and company secretary by the remcom. This approval occurs subject to these awards being within the factor ranges that the remcom has set and the remcom being notified once awards have been made.

6.1.3 Vesting

Options vest in 25% tranches on the second, third, fourth and fifth anniversaries of the award date.

Awards made before 2019:

There are no vesting conditions for options issued before 2019.

Awards made in 2019:

Awards made in 2019 were subject to achieving a minimum EBIT margin as a vesting condition, as set out below:

Vesting date	Sep 2022	Sep 2023	Sep 2024	Sep 2025	
Financial year	2019	2021	2022	2023	2024
EBIT margin*	17.2%	20.5%	21.0%	21.5%	22.0%

* Significant acquisitions might be excluded from this measure.

In addition, shares awarded to employees up to 2019 were at the market options, so without share price appreciation, which will only coincide with long-term value creation, management will derive no benefit from the LTI.

6.1.4 Loan funding

Until 2017, Curro provided loans to assist management to pay the strike price and the applicable income tax on vesting dates, as permitted by the share incentive trust deed. Subsequently, no new loan funding was made available and all options are to be net equity settled. At 31 December 2020 the remaining loan balance was R0.3 million (2019: R9 million).

6.1.5 Forfeiture of unvested shares

The executive directors and other executives agreed to forfeit all of their 4 038 250 remaining unvested share options awarded in terms of the Old LTI, subject to the New LTI being approved by shareholders and implemented, with new awards made in terms thereof.

6.2 The New LTI scheme

6.2.1 Introduction

The proposed New LTI scheme are nil-paid options, which means that there is no strike price, and the current market price has no impact on the number of nil-paid options allocated to key executive management.

6.2.2 Awards

Every year a fixed number of options will be made available to only the key executive management of Curro and selected other individuals who are regarded as potential candidates for succession planning of key executive management. The allocation of options will be a process between the key executive management and the remcom.

The number of nil-paid options which will be allocated on or about 30 June 2021 is 0.833% of the number of shares in issue at the date. The number of shares made available in each of the following years will be reduced gradually so that, over the long term and subject to the shares in issue, the figure reaches 0.5%, when it will be fixed.

It is the intention of the remcom and the board to repurchase such number of shares in the future for vested awards to ensure there is limited or no dilution for shareholders given the vesting of options. Market conditions will naturally be taken into account in this regard.

Remuneration report

6.2.3 Vesting

Options will vest in 25% tranches, with the first tranche vesting on 31 March 2023 and the third, fourth and fifth anniversaries of this date.

The options will be subject to the following performance conditions:

- Growth in recurring HEPS above aggregate of GDP growth % and CPI %;
- Ongoing improvement in Return on Capital Employed ('RoCE') over the vesting period; and
- Achievement of individual key performance criteria.

In order for participants to benefit, they have to meet their performance criteria and retain a meaningful portion of the vested shares over time. The performance conditions are weighted and will be measured as set out below:

Performance conditions for 2020 award	1) Growth in recurring HEPS	2) Annual increase in RoCE Note 1	3) Individual key performance criteria
Weighting:	60%	20%	20%
Minimum hurdle before any vesting:	GDP growth % + CPI % for preceding year	Prior year RoCE	To be determined by management and the remcom, depending on seniority.
Performance required for full vesting:	Proportionate (linear) vesting up to full vesting at 4% above minimum hurdle.	Proportionate (linear) vesting up to full vesting at absolute 0.3% above hurdle.	
Vesting subject to other conditions:		- Net Debt: EBITDA ratio to be maintained below 3.5x - RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year.	Subject to achieving like-for-like learner growth and achievement of personal KPIs.

Note 1 – Calculation of RoCE:

The RoCE is calculated by dividing the normalised EBIT by the average capital employed for the year. The average capital employed for each year is calculated by taking the total assets for the year, less cash balances and less all non-interest bearing liabilities; with the average being the aggregate of opening and closing balances above divided by two.



#Learners2Leaders: Curro Sagewood

Illustrative example

The table below demonstrates different potential outcomes as examples relative to the performance conditions for a tranche of 10 000 options that are due to vest under the New LTI scheme. The option shares are weighted per performance condition and potential vesting scenarios are displayed, i.e. –

- Growth in recurring HEPS of 9%, being 3% above the example hurdle rate of 6% for that year, means that 4 500 of the 6 000 options will vest; and
- A RoCE of 5.6% in 2021, being an improvement of 0.2% on the 2020-base year, means that 1 333 of the 2 000 potential options will vest.

Growth in recurring HEPS			Improvement in Return on Capital Employed ('RoCE')			Personal KPIs		Total options
Maximum options that can vest in this tranche:	6 000		Maximum options that can vest in this tranche:	2 000		Maximum options that can vest in this tranche:	2 000	10 000
Example: GDP growth	2%		RoCE in 2020	5.4%				
CPI	4%							
Minimum hurdle for year	6%							
Growth scenarios	Above/ (below) hurdle	Total vesting	RoCE scenarios	Above/ (below) hurdle	Total vesting	Scenarios:		
5.0%	-1%	NIL	4.0%	-1.4%	NIL	Acceptable performance and learner growth	2 000	
6.0%	0%	NIL	5.4%	0.0%	NIL			
7.0%	1%	1 500	5.5%	0.1%	667			
8.0%	2%	3 000	5.6%	0.2%	1 333			
9.0%	3%	4 500	5.7%	0.3%	2 000	Weak performance and no learner growth	NIL	
10.0%	4%	6 000	5.8%	0.4%	2 000			
15.0%	9%	6 000	8.0%	2.6%	2 000			

6.2.4 Retention

As a further qualifying vesting condition, participants have to retain a minimum number of shares:

- For the second 25% of a specific tranche to vest an employee needs to have retained 80% of the shares received from the first vesting;
- For the third 25% of a specific tranche to vest an employee needs to have retained 70% of the shares received from the first and second vestings; and
- For the fourth 25% of a specific tranche to vest an employee needs to have retained 60% of the shares received from the first, second and third vestings.

In all instances a minimum of 60% of shares received from the scheme needs to be retained for any option vesting to qualify over and above the specific tranche requirements. Such shares may not be encumbered at a bank and may not form part of a collar or similar type of transaction.

Options will vest on the net equity basis and are exercisable within 6 months of the award dates, which is envisaged to be in March annually.

6.3 Limits

The limits of the number of shares that may be utilised for purposes of the share option scheme are fixed and determined by Curro shareholders from time to time, as required by the JSE Listings Requirements.

Remuneration report

Below is a summary of the shares already utilised up to December 2020 and the proposed New LTI:

	Number of shares	Portion utilised	As % of shares in issue
For all participants			
Maximum approved limit of the Old LTI	29 354 954	100%	4.91%
Previously vested Old LTI	12 134 652	41.4%	2.03%
Current unvested Old LTI	10 404 100	35.4%	1.74%
Unvested Old LTI to be forfeited by executives, subject to adoption of the New LTI	(4 038 250)	(13.8%)	(0.68%)
Cumulative utilised Old LTI	18 500 502	63.0%	3.09%
Unutilised to remain available in Old LTI	499 498	1.7%	0.08%
Total estimated utilisation of Old LTI	19 000 000	64.7%	3.17%
Remaining headroom in Old LTI#	10 354 954	35.3%	1.73%
Total maximum utilisation that might be required to New LTI until 2030	30 210 000		5.05%
Additional headroom required*	19 855 046		3.32%
Total potential utilisation for Old and New LTI	49 210 000		8.22%
Per individual participant			
Previously vested Old LTI	1 511 274	39%	0.25%
Current unvested Old LTI	567 175	15%	0.09%
Cumulative utilised Old LTI	2 228 299	58%	0.37%
Maximum approved limit	3 870 990	100%	0.65%
Remaining headroom	1 642 691		0.27%
Total maximum that might be required to New LTI until 2030**	12 084 000		2.02%
Additional headroom required*	10 441 309		1.75%
Total potential utilisation for Old and New LTI	14 312 299		2.39%

* Exclude unvested options under Old LTI that might lapse

** Assumed to be 40% of total maximum that might be required under New LTI

Maximum approved limit to be reduced to 19 million shares in the Old LTI, subject to adoption of the New LTI. The remaining headroom will thus be cancelled.

6.4 Termination of service

In the case of resignation, dismissal or early retirement (before attaining the age of 65 years) of a participant (i.e. bad leaver), unvested share options are generally forfeited.

In the case of permanent disability, compulsory retirement (attaining the age of 65 years), death or retrenchment of a participant (i.e. good leaver), any share options capable of being exercised within a period of 12 months thereafter will generally continue to be exercisable, provided they are exercised during such 12 months. However, in the case of the termination of employment for any reason other than dismissal, the remcom may at its absolute discretion permit the exercising of any unvested share options upon such additional terms and conditions as it may determine (e.g. as part of non-compete provisions in the case of the early retirement of an executive).

This is consistent between the Old and New LTI schemes.

7. Executive contracts

Executives have a notice period of two months, with between one and three months for all other employees, depending on the role requirements, to ensure continuity of the operations and alignment with market practice. Executive directors have an unpaid restraint of trade for 24 months. Curro employees (including executives) are not entitled to any payments upon termination of their service, except for those provided for by law (e.g. accrued annual leave and retrenchment payments).

No retention-based payments are made to Curro employees, although the remcom has the discretion to make such payments when the need arises. LTI awards vest in line with the shareholder-approved rules.

Executive directors are permitted to serve as non-executive directors in other companies with the prior approval of the chairperson of the board. Any remuneration payable for these duties is considered when remuneration reviews take place. In certain instances, incoming appointees may be awarded LTIs as a sign-on award.

8. Non-executive directors' fees

Non-executive directors' fees are reviewed annually by the remcom, taking into account external public research information that is available on non-executive directors' fees, affordability, and the increases awarded to the average employee's salary. The remcom's recommendation is submitted to the board, which then considers it for recommendation to the shareholders for approval at the company's AGM.

The company's memorandum of incorporation as approved by the shareholders of the company allows for a disinterested quorum of the board to determine such additional amounts of fees/remuneration to be paid in the event a director provides services that fall outside the scope of the ordinary duties of a non-executive director. Non-executive directors do not receive share options.

Refer to page 11 of the notice of AGM for details on the proposed fees for 2021, as set out below. Refer to the implementation report for the details on the non-executive directors' remuneration paid in the 2020 financial year.

The proposed fees for non-executive directors increase by 4% (after being unchanged since 1 July 2019) and are as follows:

Non-executive directors' fees (excluding value-added tax)	Annual fee 2021
Board	
Chairperson of the board	R572 000
Board members	R260 000
Chairpersons of the board committees	
Audit and risk committee	R156 000
Remuneration and nominations committee	R104 000
Social, ethics and transformation committee	R104 000
Members of board committees	
Audit and risk committee	R83 200
Remuneration and nominations committee	R83 200
Social, ethics and transformation committee	R52 000

Notes:

1. Fees are paid for services rendered as non-executive directors and are not based on meetings attended.
2. Value-added tax ("VAT") is payable thereon if the non-executive director is VAT registered.

9. Shareholder non-binding advisory votes

This remuneration policy is updated from time to time, and together with the implementation report, is presented to the shareholders of Curro annually at its AGM for two separate non-binding advisory votes.

In accordance with the JSE Listings Requirements, in the event that 25% or more votes are exercised against the remuneration policy and/or the implementation report, Curro will:

- a) Include in a statement on its AGM voting results published via the Stock Exchange News Service ("SENS") an invitation to the dissenting shareholders to engage with Curro, together with the manner and timing of this engagement.
- b) Address legitimate concerns raised by taking these into account with the annual review of the remuneration policy and/or by clarifying or adjusting remuneration governance processes.

The methods of engagement may include face-to-face meetings, teleconferences, e-mails and other written correspondence.

In the circumstances described above, the results of the shareholder engagement will be disclosed in the introduction of the successive remuneration report.

Remuneration report

IMPLEMENTATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Human capital is a critical component of Curro's business success, as their people are key to the quality of education that they provide through their schools. Curro has 5 963 employees, and approximately 65% of operating expenses consist of remuneration for employees.

The remcom believes it has achieved its objectives set out in the remuneration policy for 2019 and 2020. There were no material deviations from the remuneration policy.

1. Summary

	2018	2019	2020
Total remuneration			
Total number of employees	5 628	6 076	5 963
Guaranteed pay and company contributions	1 264	1 541	1 510
Short-term incentive	10	6	29
IFRS2 share-based payments expense	16	22	28
Total remuneration* (R million)	1 290	1 569	1 567
As percentage of revenue	52%	53%	51%
Remuneration of prescribed officers and executive committee			
Number of employees	11	11	9
Guaranteed pay (R million)	19	23	17
Short-term incentive (R million)	6	3	9
IFRS2 share-based payments expense (R million)	6	7	7
Total of guaranteed and short-term incentive (R million)	31	33	33
Short-term incentive as percentage of guaranteed pay	32%	13%	53%
Total of guaranteed pay as percentage of revenue	1.2%	1.1%	1.1%
Total of guaranteed pay as percentage of EBITDA	4.9%	4.8%	4.8%

Notes

* Total remuneration includes total STIs and the IFRS2 share-based payments expenses relating to the Share Incentive Trust.

2. Single total figure remuneration for executives

Executive	Basic salary	Expense allowance	Pension contributions paid	Bonuses ¹	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2020						
AJF Greyling	2 779	108	83	2 134	–	5 104
JP Loubser ²	517	12	15	–	–	544
B van der Linde ³	2 158	101	65	1 273	–	3 597
	5 454	221	163	3 407	–	9 245

1. Based on performance for the 2019 financial year.

2. Appointed as director and Chief Financial Officer from 1 January 2021, employed from 1 November 2020.

3. Resigned as director effective 31 December 2020 and appointed as Chief Operating Officer.

Executive	Basic salary	Expense allowances	Pension contributions paid	Bonuses*	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2019						
AJF Greyling	2 518	102	83	2 400	31	5 145
HG Louw**	543	111	44	1 192	21	1 911
B van der Linde	1 950	95	108	1 343	26	3 522
	5 011	308	246	4 935	78	10 578

* Based on performance for the 2018 financial year.

** Resigned effective 1 May 2019.

3. Total-cost-to-company packages

Staff salaries have historically been increased with effect from 1 March each year. For the 2020 year, the general annual salary increase was 3.5%, but only from 1 October 2020 (normally effective from 1 March annually). With the exception of where there were changes in responsibilities, the increases for executives were in line with those for the rest of the staff.

4. Short-term incentives

STIs are paid annually in February or March following the financial and academic results of the prior year and the learner enrolments for the following financial year. The March 2021 amount paid to the exco was R5.9 million (2020: R9.6 million), which was the bonus pool approved by the remcom in February 2021.

The remcom's approval process for STIs considered a review of the exco's achievement against the 2020 key performance indicators that were approved for that year in February 2020 and reviewed in February 2021 (once reviewed and/or audited information was available), relative to the disruptive effect of the COVID-19 pandemic on the business and the dilutive effect of the rights offers on earnings per share.

Under the circumstances, executives did not meet all the key performance indicators that had been set for the 2020 financial year, particularly with regards to growth in recurring HEPS and growth in yield. Details can be found below.

Other employees, who mainly comprise operations managers, executive heads and selected head office personnel, may also receive an additional bonus in March based on specific outcomes achieved by the individual.

The STIs for the individuals as set out in the 2020 remuneration policy for the 2020 financial year that were paid in March 2021 and that was included in the 2020 financial statements were as follows:

Exco STI targets and results 2020

Financial and learner numbers	Allocation if target met	Minimum 0%	Target 25%	Stretch 40%	Actual achieved	Allocated bonus
Organic growth in learner numbers	25%	5.0%	7.0%	9.0%	8.8%	25.0%
Qualifying learner numbers 2021					66 153	
Qualifying average learner numbers 2020					60 777	
Increase yield by 0.5%	25%	0.2%	0.5%	0.7%	(0.9%)	0.0%
Yield for 2020					6.8%	
Yield for 2019					7.7%	
Recurring HEPS growth	25%	6.0%	20.0%	40.0%	(24.0%)	0.0%
Recurring HEPS (cents)		53.0	60.0	70.0	38.0	
	75.0%					25.0%

	CEO	CFO	Other Exco
Total personal KPIs	15.0%	15.0%	15.0%
Group targets achieved	25.0%	25.0%	25.0%
Total bonus	40.0%	40.0%	40.0%
Bonus weighting per executive (% of yearly salary)	100.0%	80.0%	60.0%
Bonus percentage	40.0%	32.0%	24.0%

5. Long-term incentives (R million)

	2018	2019	2020
Realised gains on vesting (all participants)	9	1	0
Realised gains on vesting (prescribed officers and exco)	3	0**	0
Outstanding loans to participants*	22	9	0***

* The average loan-to-value ratio on 31 December 2019 was 1.7 times and each individual borrower exceeded the minimum ratio of 1.3.

** Rounded to million, actual amount is R121 152

*** Rounded to million, actual amount is R346 896

No new share awards were made to directors during 2020, in lieu of the proposed change from the Old LTI to the New LTI, subject to shareholders' approval at the AGM. The executive directors and other executives agreed to forfeit all the share options awarded in terms of the Old LTI, subject to the New LTI being approved by shareholders and implemented, with new awards made in terms thereof. The forfeited options will then be cancelled.

Remuneration report

Details of share awards to executive directors in terms of the Old LTI are set out in the table below:

Director	Share options award date	Final option vesting date	Exercise price per share option (Rand)*	Opening balance of share options awarded at 1 January 2020	Number of share options vested during the year	Number of share options to be forfeited #	Closing balance of share options as at 31 December 2020	Gain on vesting of options**	Gains on unvested share options as at 31 December 2020***
								R'000	R'000
CR van der Merwe	2015/09/29	2020/09/29	29.01	49 300	(49 300)	–	–	–	–
	2016/09/29	2021/09/29	36.21	70 100	(35 050)	–	35 050	–	–
				119 400	(84 350)	–	35 050	–	–
AJF Greyling	2015/09/29	2020/09/29	29.01	30 150	(30 150)	–	–	–	–
	2016/09/29	2021/09/29	36.21	47 900	(23 950)	(23 950)	–	–	–
	2017/09/29	2022/09/29	37.53	205 275	(68 425)	(136 850)	–	–	–
	2018/09/29	2023/09/29	30.54	109 300	(27 325)	(81 975)	–	–	–
	2019/09/29	2024/09/29	19.81	474 400	–	(474 400)	–	–	–
			867 025	(149 850)	(717 175)	–	–	–	–
B van der Linde	2015/09/29	2020/09/29	29.01	21 175	(21 175)	–	–	–	–
	2016/09/29	2021/09/29	36.21	33 600	(16 800)	(16 800)	–	–	–
	2017/09/29	2022/09/29	37.53	125 775	(41 925)	(83 850)	–	–	–
	2018/09/29	2023/09/29	30.54	96 500	(24 125)	(72 375)	–	–	–
	2019/09/29	2024/09/29	19.81	297 500	–	(297 500)	–	–	–
			574 550	(104 025)	(470 525)	–	–	–	–
			1 560 975	(338 225)	(1 187 700)	35 050	–	–	

* Exercise price is the strike prices adjusted for corporate actions (rights issues and unbundling of shares).

** There were no gains on the exercise of options during the year.

*** The unrealised in the money amount was calculated by multiplying the unvested number of shares by the market price of the share at 31 December 2020 being R9.48.

The options which will be forfeited by the executive directors, subject to the approval of the New LTI by shareholders as proposed and the implementation thereof (also refer to 6.1.5 under the remuneration policy above).

6. Non-executive directors' fees

	2018	2019	2020
Remuneration (R'000)	2 083	3 037	3 164
Growth	33%	46%	4.2%

The fees paid to non-executive directors in the 2020 financial year included the following:

Name	2019 R'000	2020 R'000
SL Botha	630	630
ZL Combi	430	394
ZN Mankai	417	480
TBL Molefe	220	330
PJ Mouton	330	330
SWF Muthwa	430	363
TP Baloyi	–	57
DM Ramaphosa	330	330
CR van der Merwe	250	250
	3 037	3 164



Summary of the Curro Holdings Limited executive long-term incentive scheme

The salient terms of the Curro Holdings Limited Executive Long-Term Incentive Scheme ('Scheme') are set out below.

1. Introduction

- 1.1 The main object and purpose of the Scheme is the incentivisation and retention of executive directors and key management ('**Executives**') of the Company's group of companies ('**Group Companies**'). This will be achieved by providing them with the opportunity to receive ordinary shares in the issued share capital of the Company ('**Shares**'), by awarding such Executives with options to acquire a specific number of Shares, as determined by the board of directors of the Company ('**Board**').
- 1.2 The Scheme aims to provide Executives with a further incentive to advance the Company's interests and promote the alignment of interests between such Executives and the shareholders of the company ('**Shareholders**'). The objectives of the Scheme are balanced with the cost of implementing the Scheme and the risk of dilution of the current Shareholders, while being cognisant of the fact that Shareholders will need to approve the Scheme by an ordinary resolution supported by at least 75% of the voting rights exercised on such resolution.
- 1.3 Furthermore, the proposed adoption of the Scheme follows the recommendations of the remuneration committee of the Company ('**remcom**') to reduce the use of the existing Curro Holdings Limited Share Incentive Scheme ('**Share Incentive Scheme**') and adopt and use the Scheme which includes provisions addressing the shortcomings of the current Share Incentive Scheme as identified by the remcom and as set out in the remuneration report annexed to this notice of AGM as Annexure C.

2. Eligibility

The persons eligible for participation in the Scheme shall be such Executives as are identified by the Board in accordance with the provisions of the trust deed ('**Trust Deed**') of the trust responsible for administering the Scheme, being the Curro Holdings Limited Executive Long-Term Incentive Trust ('**Trust**'). Such Executives may include any executive director or senior manager of a Group Company, or employee identified by the Company or relevant Group Company as a potential future key executive or senior manager within the Company's group of companies, including any present or future executive director, senior manager and/or such identified employee of the Company or Group Company holding or to be holding such employment or office.

3. Acquisition of shares by the Trust

- 3.1 The Board may from time to time offer Shares to the Trust or grant options to such Shares to the Trust. Such Shares, or any options in respect thereof are intended to enable the Trust to fulfil any obligations to participating Executives.
- 3.2 The purchase or subscription price of Shares acquired by the Trust pursuant to the Scheme and any costs incurred in the acquisition of such shall be met out of –
 - 3.2.1 loans to be made to the Trust by the Company or the subsidiaries of the Company in accordance with the provisions of sections 44(3)(a)(i) and 45(3)(a)(i) of the Companies Act, No. 71 of 2008 ('**Companies Act**');
 - 3.2.2 contributions, awards or funds other than in the form of a loan, to be provided to the Trust by the Company or the subsidiaries of the Company;
 - 3.2.3 loans by third parties (plus any interest thereon) to the Trust to be procured by the Board upon such terms as the Board is able to arrange having due regard to the provisions of sections 44 and 45 of the Companies Act; and
 - 3.2.4 the Trust's own resources, if any,

as the Board may from time to time direct, provided that the Trust shall be entitled to recover any costs relating to the above in terms of a recharge policy or agreement in force from time to time between the Trust, Company and the applicable Group Company regulating the funding of the settlement and participation costs under the Scheme.

4. Limits and Adjustments

- 4.1 The maximum aggregate number of Shares that may be utilised for the purposes of the Scheme shall not exceed 30,210,000 Shares and the maximum number of Shares that may be acquired by any one beneficiary of the Trust in terms of the Scheme shall not exceed 12,084,000 Shares. These limits shall exclude Shares made available as options under the Scheme ('**Option Shares**') in respect of which awards under the Scheme were made but which have been forfeited by participating Executives or lapsed and thus not settled to those participating Executives. Such forfeited

Summary of the Curro Holdings Limited executive long-term incentive scheme

or lapsed Option Shares shall revert to the Scheme. These limits shall also exclude Option Shares purchased through the market or otherwise and shall only be reduced by Option Shares issued by way of subscription.

- 4.2 The above limitations shall be adjusted in such manner as the auditors of the Company or independent advisor appointed by the Trust certify to be in their opinion fair and reasonable as a result of any sub-division or consolidation of Shares or in the case of a rights offer (as applicable). The limitations shall not be adjusted in the event of the issue of Shares in consideration for an acquisition, the issue of Shares for cash and the issue of Shares for a vendor consideration placing. Any adjustment shall give a participating Executive entitlement to the same proportion of Shares as that to which he or she was entitled before the sub-division or consolidation of Shares or prior to such rights offer, as the case may be, which gave rise to the adjustment.
- 4.3 The Company shall report any adjustment as described in 4.2 above in its annual financial statements for the financial year of the Company during which the relevant adjustments were made.

5. Award and vesting of Options

- 5.1 The Board may from time to time instruct and authorise the trustees of the Trust ('**Trustees**') in writing to award Options to such Executives selected by the Board to participate in this Scheme.
- 5.2 The vesting of Options may *inter alia* be subject to –
 - 5.2.1 the fulfilment of performance conditions as determined by the Board in its discretion ('**Performance Conditions**'); and
 - 5.2.2 the Executive holding, as at the applicable vesting date, between 60% to 80% (depending on the applicable vesting date) of Shares previously acquired by such Executive pursuant to any vested Options ('**Retention Condition**'), provided that the Board may waive or relax such Retention Condition to the extent deemed appropriate by the Board at the applicable vesting date.
- 5.3 Participating Executives having received a written notice confirming the award of Options must register their acceptance of such award by delivering written notice of such acceptance to the Trust by no later than 20 (twenty) business days after having received the written notice of award.
- 5.4 The frequency of the awarding of Options (including any new or additional Options from time to time) shall be determined by the Board from time to time and shall be solely at the discretion of the Board. An Option forming part of an award shall only be capable of being exercised pursuant to the vesting of such Option, or portion thereof, in accordance with the provisions of the Trust Deed.
- 5.5 Subject to the fulfilment of certain vesting conditions including any Performance Conditions and the Retention Condition (as may be applicable), an Option shall vest in the following manner –
 - 5.5.1 up to 25% (twenty five percent) thereof, depending on the extent to which the Performance Conditions (if any) have been fulfilled, shall vest on the date determined by the Board and specified in the applicable Board resolution ('**First Vesting Date**'), which date is expected to be (in respect of the first round of awards of Options under the Scheme) 31 March 2023;
 - 5.5.2 up to 25% (twenty five percent) thereof, depending on the extent to which the Performance Conditions have been fulfilled, shall vest on the anniversary of the First Vesting Date ('**Second Vesting Date**');
 - 5.5.3 up to 25% (twenty five percent) thereof, depending on the extent to which the Performance Conditions have been fulfilled, shall Vest on the anniversary of the Second Vesting Date ('**Third Vesting Date**');
 - 5.5.4 up to 25% (twenty five percent) thereof, depending on the extent to which the Performance Conditions have been fulfilled, shall Vest on the anniversary of the Third Vesting Date ('**Fourth Vesting Date**').
- 5.6 Failure by a participating Executive to exercise a Vested Option timeously in accordance with the provisions of the Trust Deed shall result in the immediate lapsing of such vested Option.

6. Consideration and settlement

- 6.1 Each Option shall be offered to Executives for no consideration and shall be awarded on the basis that if the Option is exercised in accordance with the provisions of the Trust Deed, the participating Executive shall be entitled to receive settlement of the corresponding Shares for no consideration.
- 6.2 Each Option shall be settled on a net equity basis in accordance with the relevant settlement provisions contained in the Trust Deed.

Summary of the Curro Holdings Limited executive long-term incentive scheme

6.3 No participating Executive (or his permitted transferee, if applicable) shall be entitled to payment of any dividend or any other rights attaching to any Shares until the date of registration of such Shares in the name of such participating Executive (or his permitted transferee, if applicable), save to any extent expressly provided to the contrary in the terms of the Trust Deed.

7. Malus and Clawback

The award of Options shall be subject to any malus and/or clawback policies of the Company in existence from time to time, to the extent that such policies apply to any awards or participating Executives, and the Board shall notify the Trust of any such policies in writing.

8. Termination of employment of Executive

8.1 Dismissal

If a participating Executive ceases to be an employee of a Group Company ('Employee') by reason of the dismissal of such employee on grounds of misconduct, poor performance or dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given to or by him or otherwise or where he resigns to avoid dismissal on grounds of misconduct, poor performance or dishonest or fraudulent conduct), then, notwithstanding anything to the contrary in the Scheme, such participating Executive shall be deemed to have immediately forfeited his rights in respect of any unexercised Options (irrespective of whether such Options have at such time vested) and such Options shall immediately lapse.

8.2 'No Fault Termination'

If a participating Executive dies or ceases to be an Employee by reason of retirement or retrenchment, the provisions of the Scheme will continue to apply *mutatis mutandis* to any Options which are capable of being exercised ('Vesting Options') as at the date of death, retirement or retrenchment (as applicable) or within a period of up to 12 (twelve) months thereafter, and such Vesting Options shall be capable of exercise for the duration of such period failing which the participating Executive shall be deemed to have immediately forfeited his or her rights (unless the Board determines to the contrary) in respect of any such Vesting Options.

8.3 Termination of Employment prior to acceptance of Option

If any participating Executive is no longer an Employee for any reason whatsoever prior to the acceptance of any Option (or any part thereof) then in such event such participating Executive shall be deemed to have immediately forfeited his rights to exercise any such unexercised Option (or any part thereof).

9. Takeovers and Restructuring

9.1 If the Company becomes a subsidiary of any company as a result of a take-over, reconstruction or amalgamation which makes provision for the Trust to receive options or shares in such other company in exchange for the Options or Shares held in terms hereof at the time of such take over, reconstruction or amalgamation, on terms and conditions, which the auditors of the Company determine in their discretion as not less favourable to the Trust and the participants of the Trust, the Trustees and participants of the Trust shall be obliged to accept such options or shares in that other company upon those terms and conditions.

9.2 If the Company becomes a subsidiary of any company as a result of a take-over, reconstruction or amalgamation which does not make provision for the Trust to receive options or shares in such other company in exchange for the Options or Shares held in terms hereof at the time of such take over, reconstruction or amalgamation, the Trust shall as compensation to the participating Executives make a cash payment to same that it considers fair and reasonable in the circumstances, taking into consideration the time value of money.

10. Liquidation

If the Company is placed in liquidation, the Scheme shall *ipso facto lapse* as from the date of liquidation (i.e. the date upon which any application (whether provisional or final) for the liquidation of the Company is lodged at the relevant court).

11. Amendments to the Trust Deed

The Board and the Trustees may from time to time amend the Trust Deed, provided that, the provisions relating to eligibility, basis of determining awards, adjustments to awards in the event of a variation in capital of the Company, the individual and overall limits and any other rule of the Scheme dealing with matters contained in paragraph 14.1 of Schedule 14 of the JSE Listings Requirements cannot be amended without the prior approval by ordinary resolution of Shareholders in general meeting (requiring a 75% (seventy five percent) majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy at such general meeting) and of the JSE.



Curro Holdings Limited

(Registration number 1998/025801/06)

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Independent schools and education services
Directors	<p>Executive Mr AJF Greyling Mr JP Loubser</p> <p>Non-executive Mr PJ Mouton Dr CR van der Merwe</p> <p>Independent non-executive Ms SL Botha (chairperson) Mr TP Baloyi Ms ZN Mankai Ms TBL Molefe Prof. SWF Muthwa Mr DM Ramaphosa</p>
Registered office and business address	38 Oxford Street Durbanville Cape Town South Africa 7550
Postal address	PO Box 2436 Durbanville Cape Town South Africa 7551
Holding company	PSG Financial Services Ltd, incorporated in South Africa
Ultimate holding company	PSG Group Ltd, incorporated in South Africa
Bankers	Absa Bank Ltd First National Bank Ltd Standard Bank of South Africa Ltd
Auditor	PricewaterhouseCoopers Inc.
Curro's company secretary in an acting capacity	Mr RW Botha
Company registration number	1998/025801/06
Tax reference number	9159/070/02/9
JSE Equity and Debt sponsor and corporate advisor	PSG Capital (Pty) Ltd 1st floor, Ou Kollege Building 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599, South Africa) and 2nd floor, Building 3 11 Alice Lane, Sandhurst, Sandton, 2196 (PO Box 650957, Benmore, 2010, South Africa)
Independent Joint JSE Equity sponsor	UBS South Africa (Pty) Ltd



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