ACTIVE SHAREHOLDER

VOTE YOUR SHARES.
SECURE YOUR FUTURE

FirstRand Group Limited

FIRSTRAND https://group.FirstRand.co.za/results-and-reports/

Annual General Meeting

2 December 2025

Financial Year End: 30 June 2025

Proxies voted	No of shares
Sanlam: Ditikeni Trust	43 500
Vunani: Ditikeni Trust	12 264
Vunani: Labour Research Trust	16 610

FirstRand's operational and financial results for the year ended 30 June 2025 reflect resilient performance underpinned by adherence to its financial resource management (FRM) principles, though critically impacted by significant conduct-related issues in the United Kingdom.

Drawing on the requirements of King IV, which mandates responsible corporate citizenship, ethical conduct, and the integrated consideration of risks and opportunities, the group demonstrated strong core financial delivery. The group delivered Normalised Earnings growth of 10% to R41.824 billion. This performance enabled a Return on Equity (ROE) of 20.2%, which remains well within the long-term target range (18% to 22%) and above the estimated cost of equity (14.65%). Core operational earnings saw a 16% increase, which reflects successful execution across diversified portfolios (FNB, RMB, WesBank, Aldermore). The Cost-to-Income ratio improved to 50.8% (from 52.6%), reflecting successful cost management, a key measure of efficiency. Core lending advances grew 6%. Although the Credit Loss Ratio (CLR) increased slightly to 0.85% (from 0.81%), it remained at the bottom end of the through-the-cycle expected range (80 bps to 110 bps). Capital adequacy remained robust, with the CET1 ratio at 14.0%, comfortably exceeding the internal target range of 11.5% to 12.5%.

The integrity of the results and disclosures, mandated by IFRS and JSE Listings Requirements, was significantly complicated by a material conduct risk event, viz. the UK Motor Commission Provision. The group absorbed a further pre-tax accounting provision of R2.7 billion (£59 million for Aldermore Group) relating to the historic UK motor commission matter. This matter, along with R253 million in related legal and professional fees, resulted in a total FY2025 impact of R2.96 billion. The issue arose following a UK Supreme Court judgment regarding "unfairness" in historic commission arrangements, highlighting risks inherent in compliance and market conduct, which the board's Social, Ethics and Transformation Committee (Setcom) is mandated to oversee. The group navigated a global environment marked by persistent geopolitical tensions and heightened trade policy uncertainty. Domestic growth in South Africa remained moderate, constrained by infrastructure challenges and elevated affordability pressures on retail households. Furthermore, specific jurisdictions in Broader Africa (Namibia, Botswana, and Mozambique) experienced economic strain due to liquidity constraints and sector challenges.

The group is strategically positioned to capture future growth while incorporating environmental, social, and governance (ESG) factors, consistent with stakeholder expectations for ethical decision-making. The regulatory approval for the acquisition of HSBC's South Africa corporate and multinational portfolio is expected to support future growth in Net Interest Income (NII) and Non-Interest Revenue (NIR) via Rand Merchant Bank (RMB). In line with TCFD and JSE guidance, climate risk management objectives have been formally incorporated into the performance scorecards of executive directors (8% to 11% of strategy weighting). The group is focused on Sustainable and Transition Finance, having secured R56 billion toward its R200 billion FY2024–FY2026 target. The commitment to achieve net zero operational emissions by 2030 for South African operations is also in place. Management forecasts normalised earnings growth in the high mid-teens for FY2026, significantly above its long-term target, with ROE expected to move closer to the upper end of the 18% to 22% range, assuming the motor commission provision is managed within expectations.

The summary of our current Beta version of our ESG index is shown on the next page with a brief explanatory note. Active Shareholder regards this company as an example of acceptable ethical performance. We would welcome more disclosure of specific numbers of employees in specific categories and time-bound targets and plans for emissions control across all mediums.

Active Shareholder

FirstRand Limited

30/06/2025

Number	Theme	Score	Total	%	Weighting
1	Governance	10.00	14	71%	25.45%
2	Remuneration	8.00	11	73%	20.00%
3	Employment & Labour	2.79	9	31%	16.36%
4	CSI	1.02	7	15%	12.73%
5	Environment	7.00	14	50%	25.45%
	Total	28.81	55	52%	100.00%

ACTIVE SCORE 52%

Active Shareholder ESG Index

Beta2.02 (2025) Created by LRS in conjunction with Active Shareholder

Score		Consequence
below 50	=	*Vote against Chair of Board*
between 50 and 60	=	*Vote against Committee Chair*
between 60 and 80	=	*Active commendedation*
above 80	=	*Active endorsement*

NOTE ON THE ESG INDEX

Active Shareholder is developing a mechanism by which to score a company's ESG.

The summary alongside is from a beta version currently being tested.

The metrics used to assess the 5 different aspects of ESG are available on request.

Not all of these are regulated, and some are aspirational, but all represent Active Shareholder's goals for ethical, sustainable and equitable governance

Item	Resolution	Rationale	Vote	Outcome of AGM
	Presentation of audited Annual Financial Statements (AFSs) and reports	A vote on the Annual Financial Statements (AFS) is highly desirable and considered "best practice" by institutional guidelines. While a "large majority" of comparable companies put the AFS to a vote, FirstRand currently omits this step. The primary reason FirstRand does not offer a vote is that shareholder acceptance of the AFS is "not a legal requirement in South Africa". The company fulfils its legal and listing obligations by presenting the statements and seeking mandatory approval for items such as the external auditor's reappointment and the non-binding advisory votes on remuneration. This allows the company to satisfy compliance requirements while bypassing the voluntary governance measure. For this reason, we will vote against the ARC Chair. We recommend that the AFSs be made available for adoption in the future.		
	To present the report of the Social and Ethics Committee	Voting on the Social and Ethics Committee (SEC) report is highly desirable and considered "best practice" by governance advocates like Active Shareholder. This practice aligns with investor demands for greater transparency on environmental and social matters. FirstRand currently presents the SEC report at the AGM, and shareholders vote on the appointment of the SEC members. However, a specific vote on the report itself is not a legal requirement in South Africa. We believe that it should nevertheless be presented for voting. This omission leads us to vote against the SEC Chair.		

Item	Resolution	Rationale	Vote	Outcome of AGM
		We urge that this report be offered for adoption in the future.		
Ordinary resolutions 1.1 ... [to] 1.3 – Re-election of directors of the company by way of separate resolutions				
1.1	PD Naidoo	Independent NED with 30+ years in international sustainability and HSE. Excellent attendance across all four committees. Holds only one external listed directorship. Appropriateness is supported by strong expertise and governance compliance.	FOR	FOR 99.96% AGAINST 0.04%
1.2	TC Isaacs	Independent NED with two years' tenure. Her re-election supports gender and broader diversity. She maintains perfect attendance across all committees and holds no external listed directorships disclosed. Appropriateness is confirmed by the Nomination Committee.	FOR	FOR 99.96% AGAINST 0.04%
1.3	Dr SP Sibisi	Independent NED with 35 years' experience in IT, risk technology, and strategy. Has reached the 70-year retirement age, but the board approved a one-year extension based on his specialized skills. He maintains excellent attendance and is recommended for re-election.	FOR	FOR 97.15% AGAINST 2.85%
Ordinary resolution 2 – Appointment/reappointment of external auditors				
2.1	Appointment of KPMG Inc. as external auditor	Active Shareholder will support the reappointment. EY has served as a joint auditor for only two years, well within the 10-year rotation limit supported by Active.	FOR	FOR 99.97% AGAINST 0.03%
2.2	Reappointment of Ernst & Young Inc. as external auditor	Active Shareholder supports the appointment of KPMG as the new joint auditor. This appointment replaces PricewaterhouseCoopers (PwC), aligning with the best practice of staggering audit firm rotation, especially for financial institutions required to appoint two firms.	FOR	FOR 99.97% AGAINST 0.03%
Ordinary resolution 3 – Election/re-election of audit committee members by way of separate resolutions				
3.1	Election of TC Isaacs	Fully independent director providing financial expertise (CA(SA)) and diversity. Her re-election confirms commitment to board independence and professionalism, demonstrated by 100% attendance (4/4).	FOR	FOR 99.96% AGAINST 0.04%
3.2	Election of Z Roscherr	Established independent NED (5.25 years tenure) maintaining perfect attendance (4/4). Compliant with all independence and external commitment criteria required by Active and King IV guidelines.	FOR	FOR 97.33% AGAINST 2.67%
3.3	Re-election of LL von Zeuner	Highly experienced independent NED whose 6.4 years tenure is below the maximum independence threshold. Demonstrates strong commitment through perfect attendance (4/4) at committee meetings.	FOR	FOR 98.48% AGAINST 1.52%
3.4	Re-election of T Winterboer	AC Chair. Meets strict independence criteria, provides essential auditing expertise, and maintains perfect attendance (4/4). His tenure (~7.25 years) is acceptable and within governance limits, however Active Shareholder disapproves of his failure to ensure that the AFS are put to a vote at the AGM.	AGAINST	FOR 99.86% AGAINST 0.14%

Item	Resolution	Rationale	Vote	Outcome of AGM
3.5	Re-election of PJ Makosholo	New member with a (CA(SA)), enhancing the AC's required financial depth. As he holds only one external listed directorship, he is compliant with Active's limit on external mandates.	FOR	FOR 97.75% AGAINST 2.25%
Ordinary resolution 4 – Election of social, ethics and transformation committee members by way of separate resolutions				
4.1	Election of PD Naidoo	As Setcom Chair, she brings 30+ years of crucial sustainability and ESG expertise. She is independent and complies with the limit of fewer than four external listed directorships. Unfortunately, she has not ensured that the Committee's report is put to a vote at the AGM. For this reason, Active Shareholder cannot support her election.	AGAINST	FOR 99.95% AGAINST 0.05%
4.2	Election of TC Isaacs	Fully independent NED offering financial literacy (CA(SA)) and diversity. Her perfect 4/4 attendance demonstrates commitment, and she holds only one external listed directorship.	FOR	FOR 99.96% AGAINST 0.04%
4.3	Re-election of LL von Zeuner	An independent, seasoned director providing banking expertise crucial for overseeing social impact and transformation spending. He maintains perfect attendance and adheres to the rule limiting listed mandates.	FOR	FOR 99.73% AGAINST 0.27%
4.4	Re-election of Dr SP Sibisi	Highly relevant expertise in strategy, IT, and sustainability/socio-economic development. He is independent and his re-election supports transformation and skills diversity, despite being past age 70.	FOR	FOR 97.43% AGAINST 2.57%
5	General authority to issue authorised but unissued shares for cash	Active Shareholder opposes a vague general authority to issue shares for cash because it dilutes the existing shareholders' interests. Active requires the resolution to specify the number of shares, share price, reason, and expiration date.	AGAINST	FOR 93.03% AGAINST 6.97%
6	Signing authority to director and/or group company secretary	This is a standard, non-contentious procedural measure that facilitates compliance with the law and enables the company to implement shareholder mandates efficiently. It poses no threat to shareholder rights or corporate governance standards.	FOR	FOR 100.00% AGAINST 0.00%
Advisory endorsement				
	Advisory endorsement on a non-binding basis for the remuneration policy	The FirstRand remuneration policy is founded on an outcomes-based philosophy aligned with shareholder value, using Net Income After Cost of Capital (NIACC) as the core performance measure to ensure variable pay is delivered only after the cost of equity is recovered. The policy adheres to governance standards, including King IV and JSE Listings Requirements. **Executive Directors' Remuneration** The Guaranteed Package (GP) is determined based on market-related compensation, informed by external benchmarking against JSE-listed banking peers.	FOR	FOR 91.46% AGAINST 8.54%

Item	Resolution	Rationale	Vote	Outcome of AGM
		The policy deliberately weights the targeted remuneration mix towards variable pay (Short-Term Incentives (STI) and Long-Term Incentives (LTI)) to promote sustainable outperformance. STI allocation utilizes a robust scorecard, typically weighting strategic goals highly (50%–55%), followed by financial (25%) and risk/control measures (20%–25%). A critical feature is the inclusion of climate considerations, which account for 8% to 11% of the strategic section weighting, linking executive pay to the group's climate roadmap objectives. Payouts are risk-adjusted and subject to downward modification for material risk or conduct events. LTI awards under the Conditional Incentive Plan (CIP) vest over three years, contingent on meeting the *lower* outcome of two stringent constraints: Return on Equity (ROE) targets and cumulative earnings growth targets (relative to real GDP plus CPI). Remco has enhanced the policy by approving vesting levels up to 200% for stretch performance, aligning with industry peers. Future LTI awards (from 2024 onwards) are settled only in shares purchased on the open market, protecting shareholders from dilution. Active Shareholder would prefer a longer vesting period for the CIP awards. **Non-Executive Directors' Remuneration** Non-executive directors (NEDs) receive an annual flat fee for board membership. NEDs receive additional annual fees for serving on board committees, which are based on *attendance*. Fees are determined through internal and external benchmarking. A 5.00% increase in NED fees is proposed for the period starting 1 December 2025, based on market-related determination. **Remuneration of Other Staff** The policy emphasizes fair and responsible remuneration, actively addressing arbitrary pay differentials based on race or gender. The minimum banking role salary was increased by 20.9% (to R260,000 per annum) in response to market forces and to ensure competitiveness and a decent standard of living for lower earners. Other staff participate in variable pay schemes, such as outcomes-based remuneration programmes (affecting approximately 5,557 employees) or the Deferred Share Ownership Plan (DSOP) for key talent, promoting performance and retention over multiple years.		
	Advisory endorsement on a non-binding basis for the remuneration implementation report	The Remuneration Implementation Report reflects a period of high performance leading to substantial executive reward outcomes, alongside significant proactive adjustments aimed at fair employee remuneration, though certain	AGAINST	FOR 73.81% AGAINST 26.19%

Item	Resolution	Rationale	Vote	Outcome of AGM
		disclosures are still maturing in line with new legislation. Executive Remuneration Outcomes The focus on performance-based pay resulted in high variable outcomes for executive directors (EDs) and prescribed officers (POs). The Group CEO, Mary Vilakazi, received a total reward of R78,204,000 for the year ended June 2025. Her annual performance rating was 3.4, reflecting performance that exceeded expectations, resulting in a Short-Term Incentive (STI) award of R23 million (205% of Guaranteed Package (GP)). The Group CFO, Markos Davias, received a total reward of R45,813,000, with an STI of R18 million (204% of GP). A key critical element is the R18 million one-off restricted share allocation awarded to the CEO in the current year, settled in annual tranches of R6 million. This non-recurring award significantly boosted her total remuneration, reflecting a continued trend of generous incentive structures at the top level. Long-Term Incentive (LTI) outcomes were also substantial: the 2022 LTI awards (vesting in 2025) achieved a graded vesting level of 113.2% for most participants, driven by strong average Return on Equity (ROE) and earnings growth performance. This demonstrated the successful implementation of the performance conditions over the three-year cycle. **Fairness, Pay Gap, and Differentials** The report emphasizes fair remuneration, noting that while pay gaps are inevitable in a performance-based culture, arbitrary inequalities based on race or gender are prohibited, with minor, unjustifiable differentials identified and corrected in the 2025 review. Regarding mandatory transparency, the group explicitly states it is preparing to report on the vertical pay gap (CEO vs. average employee pay/senior employee pay) in accordance with the Companies Amendment Act, 2024, once the legislation is effective. Although the specific ratios are currently undisclosed, the group demonstrated a commitment to supporting lower earners by approving an above-average increase of 20.9% (to R260,000 per annum) in the minimum salary for the banking role. A simple calculation reveals that the ratio of the CEO's total remuneration to the lowest paid of ~300:1, and ~765:1 for CEO to the SA minimum wage. Based on these extremely high remuneration figures, Active Shareholder cannot support the resolution.		
Special Resolutions				

Item	Resolution	Rationale	Vote	Outcome of AGM
1	General authority to repurchase ordinary shares	Active Shareholder's stance on Special Resolution 1, concerning a General authority to repurchase Company shares, is generally one of opposition. Active Shareholder will, in general be opposed to share repurchases made in the market because they treat shareholders unequally. We prefer alternatives such as paying dividends or mounting a general pro-rata repurchase from all shareholders. The opposition is also partly because executives benefit from an increase in the value of their share options when repurchases occur.	AGAINST	FOR 97.80% AGAINST 2.20%
2.1	Financial assistance to directors, prescribed officers as employee share scheme beneficiaries	Active Shareholder's general voting guidelines do not specify a stance on Special Resolution 2.1 (Financial assistance to directors/POs for share schemes). This resolution generally seeks authority to provide financial assistance to facilitate participation in employee share schemes. This is acceptable as it is strictly limited to incentive schemes.	FOR	FOR 99.34% AGAINST 0.66%
2.2	Financial assistance to related or inter-related entities	Active Shareholder permits general authority for financial assistance to related or inter-related entities (group companies). Support is strictly conditional on the company providing sufficient detail and motivation for the resolution to justify the funding, which typically involves inter-company loans or guarantees. We support SR2.2 in this case.	FOR	FOR 99.31% AGAINST 0.69%
3	Remuneration of non-executive directors	Non-executive directors (NEDs) receive an annual flat fee for board membership. NEDs receive additional annual fees for serving on board committees, which are based on *attendance*. Fees are determined through internal and external benchmarking. A 5.00% increase in NED fees is proposed for the period starting 1 December 2025, based on market-related determination. While the practice of paying the attendance portion of the annual fee quarterly in arrears does promote attendance Active Shareholder would prefer a specific fee per meeting.	AGAINST	FOR 98.13% AGAINST 1.87%

AGM OUTCOME

The voting statistics from the AGM are confirmed as follows:

Total number of shares that can be exercised at the meeting	100%	5 591 822 181
Total number of shares present/represented including proxies	77.48%	4 332 276 390
Total number of shareholders present		29

Announcements were released on the Stock Exchange News Service (SENS) on Friday, 23 April 2021, and Monday, 6 December 2021. Whilst mandatory audit firm rotation is no longer a requirement, the board has engaged in a process of voluntary audit firm rotation. Accordingly, in terms of paragraph 3.78 of the JSE Limited (JSE) Listings Requirements and following the approval of ordinary resolution 2.1 by the requisite majority of votes, FirstRand confirms the appointment of KPMG as joint external auditor (replacing PricewaterhouseCoopers Inc.) for the financial year ending 30 June 2026, effective 1 July 2025.

Engagement with shareholders

Given the voting outcome regarding the remuneration implementation report, an invitation will be extended to shareholders to engage with FirstRand in line with its obligations under the JSE Listings Requirements. The timing of such engagement, and the manner in which this will be conducted will be communicated to shareholders in due course.