ACTIVE SHAREHOLDER

VOTE YOUR SHARES. SECURE YOUR FUTURE

Absa Group Limited

Annual General Meeting

2 June 2026

Financial Year End: 31 December 2025

SUMMARY

Absa Group delivered a resilient financial performance in FY2025, characterised as a year of "stabilisation" and leadership transition under new Group CEO Kenny Fihla. While the Group achieved solid earnings growth, its operational outcomes reflect a complex "reset" phase aimed at addressing structural inefficiencies and preparing for a new pan-African operating model.

Financial and Operational Outcomes

The Group reported a 12% increase in headline earnings to R24.8 billion, supported by 5% revenue growth and a meaningful improvement in the Credit Loss Ratio (CLR) to 88bps (from 103bps in 2024). Return on Equity (RoE) improved slightly to 15.0%, nearing the Group's cost of equity of 15.1%. Dividends per share rose 12% to 1 635 cents, maintaining a 55% payout ratio.

Critically, however, the Group recorded slightly negative jaws, as operating expenses grew 6% to R62.2 billion—outpacing revenue growth. This led to a marginal deterioration in the cost-to-income (CTI) ratio to 53.8%. Operationally, Absa completed a major reorganisation of its South African retail segment (PPB) and announced a new Pan-African operating model effective January 2026 to streamline accountability and digital delivery.

Adverse Conditions

Absa's performance was tempered by several persistent headwinds:

- **Macroeconomic Fragility:** South African operations still contribute 80% of headline earnings, leaving the bank highly exposed to local GDP growth below 1.5%, high unemployment (~32%), and logistical bottlenecks.
- **Market Valuation:** The Group's market capitalisation continues to trade at a discount to book value (roughly 0.8x), reflecting investor concern regarding regional political risks and slow diversification.
- **Labour and Morale Risks:** The Colleague Experience Benchmark Score (CEBS) declined from 72 to 71, with management acknowledging risks related to anxiety, exhaustion, and capacity constraints during the organisational restructuring.
- **External Shocks:** Geopolitical tensions in the Middle East and Eastern Europe have heightened global volatility, pressuring fuel costs and logistics. Currency shocks, such as the 25% devaluation of the Naira, further impacted foreign net income.

Opportunities and Strategic Horizons

Despite these challenges, the Group has identified clear pathways for growth:

- **Renewable Energy Financing:** Absa is targeting a **R100 billion renewable pipeline by 2030**, leveraging the R60 billion annual private clean-energy financing need in South Africa.
- **Pan-African Expansion:** The launch of a **Dubai office in 2026** is planned to reinforce international corridor strategy and connect global clients with African opportunities.
- **Digital and AI Maturity:** With **72% of users now digitally active**, the Group is investing in AI-driven fraud analytics and automated complaints management to improve the customer experience index, which reached 103.3 in 2025.
- **Sustainable Finance:** Having met its initial R100 billion target early, Absa set a new ambition to mobilise **R350 billion to R400 billion by 2030**.

Critical ESG Perspective

While Absa achieved an Active ESG Score of 79%, the results remain nuanced. Its Level 1 B-BBEE status and success with the eKhaya Colleague Share Scheme are significant social achievements. However, from a governance perspective, the bank faces criticism for denying shareholders a formal vote on Audited Financial Statements and the Social and Ethics report. Furthermore, the zero outcome for the 2023–2025 TSR measure highlights a gap between executive reward and the actual shareholder experience during that three-year cycle.

THE ACTIVE SHAREHOLDER
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 evaluate the five different aspects of ESG are available upon request. While not all of these are regulated and some are aspirational, they all reflect Active Shareholder's goals for ethical, sustainable, and fair governance.

These insights have been used in part to arrive at the proxy recommendations that follow.

Active Shareholder

Absa Group Limited

31/12/2025

Number	Theme	Score	Total	%	Weighting
1	Governance	9.35	14	67%	27.45%
2	Remuneration	8.00	11	73%	21.57%
3	Employment & Labour	7.27	9	81%	17.65%
4	CSI	1.52	3	51%	5.88%
5	Environment	14.00	14	100%	27.45%
	Total	40.14	51	**79%**	100.00%

Active ESG Score = 79%

Active Shareholder ESG Index

Beta2.04 (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 Chairs*
between 60 and 80	=	*Active commendation*
above 80	=	*Active endorsement*

1. Governance (Score: 67%)

The low score reflects a failure to adopt best practices recommended by Active Shareholder and King V. Critically, Absa denies shareholders the opportunity to formally approve the Annual Financial Statements and the Social and Ethics report. Furthermore, standing invitations for executives to attend Remuneration Committee meetings compromise independent oversight.

2. Remuneration (Score: 73%)

While rewarding the inclusion of ESG metrics (weighted at 20%) in STI and LTI scorecards, the outcome is tempered by a massive increase in CEO remuneration to R148 million. This high pay contrasts sharply with a zero outcome for the 2023–2025 Total Shareholder Return (TSR) measure, which underperformed peers.

3. Employment & Labour (Score: 81%)

This strong score acknowledges Absa's Level 1 B-BBEE status and the successful eKhaya Colleague Share Scheme, which promotes broad-based ownership. However, disability representation remains low at 0.98%, well below recommended 3% targets. Additionally, a declining employee experience index signals potential risks regarding morale and capacity constraints.

4. CSI/Socio-Economic Development (Score: 51%)

The mediocre score highlights that executive rewards are outpacing the Group's relative community investment. Active Shareholder benchmarks suggest CSI/SED spend should be at least five times the CEO's total remuneration. Absa's current spend is only approximately 2.5 times the CEO's single-figure pay, indicating a need for more ambitious social investment.

5. Environment (Score: 100%)

Absa achieved full marks by exceeding critical targets. The Group reached a 17% renewable energy contribution against a 7% target and achieved a 90.3% waste diversion rate. Comprehensive external verification of greenhouse gas emissions and water usage by Deloitte provides high levels of transparency and decision-usefulness for stakeholders.

	Resolution	Rationale	Vote	AGM Outcome
Ordinary Resolution Number 1 To appoint the Company's joint external auditor to serve until the conclusion of the 2026 financial year audit:				
1.1	KPMG Inc. (KPMG)	Active Shareholder supports the re-appointment of KPMG Inc., with Riaz Muradmia as the designated lead partner. Active notes KPMG's strong international track record and consistent service since FY2021. The appointment complies with Companies Act and IRBA rotation guidelines. Given the firm's four-year tenure, it remains well within the mandatory ten-year rotation limit.	FOR	FOR 98.34%
Ordinary Resolution Number 2 To appoint the Company's joint external auditor to serve until the conclusion of the 2026 financial year audit:				
2.1	PricewaterhouseCoopers Inc. (PwC)	Active Shareholder supports the re-appointment of PricewaterhouseCoopers Inc., with John Bennett as the designated lead partner. PwC has served as joint auditor since FY2022. This dual appointment aligns with the Banks Act and King V recommendations for combined assurance. With a four-year tenure, PwC satisfies Companies Act and IRBA standards for independence and audit quality.	FOR	FOR 98.41%
Ordinary Resolution Number 3 To re-elect, by way of a series of votes, the following directors who retire in terms of the Company's Memorandum of Incorporation:				
3.1	Tasneem Abdool-Samad as an independent non-executive director	Tenure: Eight years. A qualified CA(SA) and former Deloitte audit partner. She possesses deep financial expertise from auditing and directorships at BidCorp and Reunert. Active is concerned about her potential overload, holding 3 Directorships in addition to Absa but supports her re-appointment this year, citing her high suitability.	FOR	FOR 99.65%
3.2	Alison Beck as an independent non-executive director	Tenure: Two years. Qualified CA (Scotland) and former KPMG partner. She has 30 years of experience in financial services and risk management. Active considers her highly suitable for audit committee oversight roles.	FOR	FOR 99.96%
3.3	Rose Keanly as an independent non-executive director	Tenure: Six years. BCom (Hons) qualified and former COO of Old Mutual Emerging Markets. She brings extensive operations, HR, and ESG expertise. Active cautiously supports her, noting her multiple committee roles.	FOR	FOR 89.72%
3.4	Fulvio Tonelli as an independent non-executive director	Tenure: Five years. Qualified CA(SA) and former PwC Africa COO. He serves as IRBA Chairman and has deep expertise in risk management and IT. He currently holds several directorships in addition to Absa Group Ltd (Absa Bank Kenya, Equities Property Fund, Life Healthcare Group, Absa Bank Ltd, PwC IT Services, and the Ethics Institute.) Since 2021 he also Chairs the IRBA. Active regards him as overcommitted and cannot support his re-election.	AGAINST	FOR 99.65%
Ordinary Resolution Number 4 To elect the following directors who were appointed after the last AGM:				
4.1	Paul Smith, as an independent non-executive director	Tenure: Two months. A qualified CA(SA) and former Standard Bank Group CRO. He brings over 30 years of experience in risk management, compliance, and	FOR	FOR 99.94%

	Resolution	Rationale	Vote	AGM Outcome
	(appointment effective 1 February 2026)	internal audit from KPMG and banking. Active supports his election as a risk specialist.		
4.2	Brian Kennedy, as an independent non-executive director (appointment effective 1 February 2026)	Tenure: Two months. Holds an MSc in Engineering and an MBA. A former Nedbank CIB Managing Executive with 32 years of experience in wholesale banking and M&A. Active supports his election, noting his extensive pan-African banking expertise.	FOR	FOR 99.64%
Ordinary Resolution Number 5 To appoint or re-appoint the members of the Group Audit and Compliance Committee:				
5.1	Paul Smith (subject to election as an independent non-executive director pursuant to Ordinary Resolution number 4.1)	Two months. A qualified CA(SA) and former Standard Bank Group CRO. He brings over 30 years' experience in risk management, compliance, and internal audit from KPMG and banking. Active supports his appointment to the GACC as a risk specialist.	FOR	FOR 99.94%
5.2	Tasneem Abdool-Samad (subject to election as an independent non-executive director pursuant to Ordinary Resolution number 3.1)	Qualified CA(SA) and former Deloitte audit partner. Current GACC Chair with deep financial expertise and audit experience. She also serves on BidCorp and Reunert boards. Her failure to ensure that shareholders were given an opportunity to vote on the AFS requires us to vote against her.	AGAINST	FOR 99.65%
5.3	Zarina Bassa	Tenure: One year. Qualified CA(SA) with 17 years as an EY audit partner and 6 years as an Absa executive. She has extensive board experience including Gold Fields and JSE Limited. Her combined audit and banking background is highly relevant.	FOR	FOR 99.97%
5.4	Alison Beck (subject to re-election as an independent non-executive director pursuant to Ordinary Resolution number 3.2)	Two years. Qualified CA (Scotland) and former KPMG partner. She has 30 years of experience in financial services and risk management, specifically central banking. Active considers her highly suitable for the committee's oversight and financial risk roles.	FOR	FOR 98.85%
5.5	Peter Mageza	Two years. Fellow of ACCA (UK) and former Absa Group COO. He brings extensive operational and financial leadership from executive roles and directorships at Sappi and Remgro. His deep institutional knowledge and financial experience support his GACC suitability.	FOR	FOR 99.98%
5.6	Fulvio Tonelli (subject to re-election as an independent non-executive director pursuant to Ordinary Resolution number 3.4)	Five years. Qualified CA(SA) and former PwC Africa COO. He serves as IRBA Chairman and has deep expertise in risk management, finance, and IT. Active notes his overcommitment as described for Resolution 3.4 and so cannot support his re-appointment, despite his significant regulatory and financial oversight experience.	AGAINST	FOR 98.15%
5.7	Sindi Zilwa	Tenure: One year. Qualified CA(SA) with a Harvard Cybersecurity certificate. She co-founded Nkonki and has 30 years' board experience. Her expertise in audit committee models and cybersecurity is highly relevant, though Active is concerned about her potential overload, holding 3 Directorships in addition to Absa, and will monitor this going forward.	FOR	FOR 99.95%
Ordinary Resolution Number 6 To appoint or re-appoint the members of the Social, Sustainability and Ethics Committee:				

	Resolution	Rationale	Vote	AGM Outcome
6.1	Fulvio Tonelli (subject to election as an independent non-executive director pursuant to Ordinary Resolution number 3.4)	Active Shareholder regards Mr Tonelli's outside commitments as contributing to him being overcommitted especially as he also serves on the following Board committees at Absa Group Limited: Group Risk and Capital Management Committee (the Interim Chair), Group Credit Risk Committee (Interim Chair), Group Audit and Compliance Committee, Directors' Affairs Committee, Social, Sustainability and Ethics Committee. Additionally, he serves on the Audit and Risk Committee and the Strategy Committee of Absa Bank Kenya PLC.	AGAINST	FOR 99.92%
6.2	Nonhlanhla Mjoli-Mncube	Tenure: Five years. SSEC Chair with urban planning masters. Former Economic Advisor to the Presidency. Her specialized experience in housing, green building, and inclusive finance provides essential social oversight. Active supports her re-appointment, considering her highly fit for the committee's mandate.	FOR	FOR 99.97%
6.3	Rose Keanly (subject to re-election as an independent non-executive director pursuant to Ordinary Resolution number 3.3)	Tenure: Six years. BCom (Hons) and former Old Mutual COO. She offers deep social expertise from HR and foundation roles. Despite concerns about her multiple committee commitments, her specific focus on climate risk and sustainability ensures her continued fitness for SSEC.	FOR	FOR 95.32%
6.4	Sindi Zilwa	Tenure: One year. CA(SA) with deep governance and cybersecurity expertise. While possessing relevant skills, Active Shareholder does not support her election here, as her membership on four listed boards makes her "very overloaded" to perform these SSEC duties effectively.	AGAINST	FOR 99.94%
6.5	Kenny Fihla	Tenure: One year. Group CEO with an MBA. He possesses a distinguished track record in leading multi-billion-rand energy transition and sustainability-linked financing. His pan-African expertise provides the committee with critical strategic depth regarding the Group's social and sustainability agenda.	FOR	FOR 99.98%
7	**Ordinary Resolution number 7** To place the authorised but unissued ordinary share capital of the Company under the control of the directors.	Active Shareholder declines to support OR 7. Their policy opposes placing unissued shares under director control unless resolutions specify the exact number, price, rationale, and expiry date. Vague general authorities are rejected to prevent shareholder dilution without specific motivation. This stance reinforces governance concerns in the ESG Index (67%) regarding restricted formal shareholder approval opportunities.	AGAINST	FOR 94.48%
8	**Non-binding advisory vote number 1** To endorse the Company's remuneration policy	Absa Group's Remuneration Policy (Resolution 8) reflects a sophisticated, performance-driven framework, yet it contains structural misalignments with Active Shareholder best practices and King V guidelines. **Executive Remuneration** • **Fixed Pay Determination:** Absa targets a median market position (80%–120% spread), adjusted for role impact, scarce skills, and transformation. • **STI and LTI Algorithms:** Short-term incentives (STIs) are driven by a Board-approved scorecard	AGAINST	FOR 89.12%

	Resolution	Rationale	Vote	AGM Outcome
		(80% financial, 20% non-financial/Organisational Health). Long-term incentives (LTIs) vest over three years—short of Active's preferred four-year minimum—and are 100% performance-linked for strategic roles. • **Fixed-to-Variable Ratio:** While the policy weights total rewards toward performance-based variable pay, it fails to specify a defined cap or ratio, leading to a massive single-figure CEO payout of R148 million. **Critical Shortfalls and Ethical Misalignments** • **Dividend Equivalents:** Absa awards dividend equivalents on vesting shares. This contradicts Active's policy that unvested shares should not enjoy dividend benefits until they vest. • **RemCo Independence:** Executives (CEO and FD) have a **standing invitation** to Remuneration Committee meetings. Active Shareholder and King V advocate for executives to attend only when specific input is required to protect independent oversight. • **TSR Performance Gap:** Despite the "pay-for-performance" claim, the zero outcome for the 2023–2025 Relative TSR measure highlights that executive incentives were not effectively moderated by the actual three-year shareholder experience. **Non-Executive Director (NED) Fees** Absa utilizes fixed annual fees paid in monthly instalments. Active Shareholder critically notes that fees are not linked to attendance for scheduled meetings. Furthermore, the Group Chairman's fee of R7.2 million is significantly above the JSE Top 200 median. **Other Staff and Fair Pay** The Group demonstrates a commitment to fair and responsible remuneration by setting a minimum South African salary of R250,000 (FY2025), representing an 8.7% increase. The eKhaya Colleague Share Scheme successfully promotes broad-based ownership. However, the vertical pay gap remains stark, with a 129:1 ratio between the highest and lowest-paid employees in 2024. **Conclusion** While the policy's 20% ESG weighting is commendable, the lack of attendance-linked NED fees, the payment of dividend equivalents on unvested awards, and compromised RemCo independence prevent a full endorsement.		
9	**Non-binding advisory vote number 2** To endorse the Company's remuneration implementation report	Absa Group's Remuneration Implementation Report reveals significant misalignments with Active Shareholder best practices and ethical guidelines, primarily regarding the scale of executive payouts and the structure of director fees. **Executive Pay and Performance Disconnect**	AGAINST	FOR 56.63%

	Resolution	Rationale	Vote	AGM Outcome
		While the Group achieved a 12% increase in headline earnings, the 2023–2025 LTI cycle resulted in a zero outcome for the Relative TSR metric, as Absa underperformed its peer group over the three-year period. Despite this evidence of poor shareholder return, the incoming CEO's total awarded remuneration for 2025 reached R148 million. Although R98.4 million of this constitutes "buyout awards" for forfeited incentives from a previous employer, the sheer scale of the payout during a period of underperformance relative to peers remains a point of critical concern. **Widening Pay Gap and Technical Shortfalls** The vertical pay gap has deteriorated. The ratio between the highest-paid employee and the lowest-paid employee in South Africa rose to 146:1 in 2025, compared to the 129:1 ratio reported in 2024. Additionally, Absa continues to award dividend equivalents on unvested shares, which contradicts Active's policy that unvested awards should not enjoy dividend benefits until the performance conditions are fully met. **Conclusion** Due to the excessive Chairman's fee, the lack of attendance-linked remuneration, and the widening internal pay gap, the implementation report fails to meet the standards for a "FOR" recommendation, consistent with Active Shareholder's 2025 position.		
10	**Special Resolution number 1** To approve the proposed remuneration of the non-executive directors for their services as directors, payable from 1 June 2026 to, and including, the last day of the month preceding the date of the next AGM.	Absa's proposes a fee structure for Non-Executive Directors (NEDs) that remains fundamentally misaligned with Active Shareholder benchmarks and King V recommendations regarding performance-linked accountability. **Excessive Fee Quantum** The proposed Board Chairman's fee of R8,124,334 represents a 4% increase over the previous year. This amount is drastically higher than the JSE Top 200 median for chairpersons, which is reported at approximately R1,646,000. Active Shareholder previously opposed these fees in 2025, noting that the Group Chairman's remuneration was significantly above peer medians. Similarly, proposed board member fees (R728,556) exceed the JSE Top 200 median of R481,000. **Lack of Attendance-Linked Remuneration** A critical governance shortfall is the continued use of annual flat fees paid in monthly instalments with no meaningful component linked to attendance for scheduled meetings. Active Shareholder's policy explicitly states that effectiveness requires attendance; therefore, they prefer a base fee supported by an attendance-based component to ensure director accountability. This lack of attendance-linked pay resulted in a **0**/1 score for this metric in the 2026 ESG Index. **Critical Assessment of Increases**	AGAINST	FOR 98.07%

	Resolution	Rationale	Vote	AGM Outcome
		While the proposed 4% to 6% increases for 2026/27 are more aligned with current inflationary trends than the 2025 proposal, they are applied to a base that Active Shareholder already considers "too high". Furthermore, because executives have a standing invitation to RemCo meetings, the independent determination of these fees is potentially compromised by a lack of executive-free oversight. **Conclusion** Consistent with its "AGAINST" position in 2025, Active Shareholder is unlikely to support Special Resolution 1. The combination of excessive chairperson pay—nearly five times the market median—and the refusal to implement attendance-based fees fails to meet the ethical and regulatory standards for transparent, responsible remuneration.		
11	**Special Resolution number 2** To grant a general authority to the directors to approve repurchase of the Company's ordinary shares.	Active Shareholder opposes Special Resolution 2. Active Shareholder's policy critically identifies that market share repurchases treat shareholders unequally and can unfairly benefit executives by increasing the value of their share options. Consistent with our 2025 "AGAINST" recommendation and the mediocre 67% Governance score, we prefer pro-rata repurchases or dividends to ensure equitable treatment of all owners.	AGAINST	FOR 99.97%
12	**Special Resolution number 3** To grant a general authority to the Company to approve financial assistance in terms of section 44 of the Companies Act No. 71 of 2008.	Active Shareholder opposes Special Resolution 3. The proposal lacks essential detail regarding recipients, terms, and rationale, creating risks of conflicts of interest, value destruction, and hidden remuneration. While policy allows assistance to group companies, it requires transparent motivation absent here. This stance aligns with governance concerns in the ESG Index (67%) regarding restricted shareholder oversight and best practices.	AGAINST	FOR 99.23%
13	**Special Resolution number 4** To grant a general authority to the Company to approve financial assistance in terms of section 45 of the Companies Act No. 71 of 2008.	Active Shareholder declines to support SR 4. While we permit financial assistance in principle, policy requires transparent motivation and specific detail regarding recipients and terms. Absa's notice lacks such justification, raising risks of conflicts of interest and hidden remuneration. This stance aligns with Active's 2025 opposition and general governance concerns regarding restricted shareholder oversight.	AGAINST	FOR 99.08%

AGM OUTCOME

Notification of amendments to the Companies Act, relating to remuneration disclosure and approval requirements, was issued on 22 May 2026 and these came into force with immediate effect. The Absa Group notice of AGM and remuneration report were circulated to shareholders on 1 April 2026 and the remuneration resolutions were, therefore, proposed as non-binding advisory votes. Our legal advice was that the AGM must be conducted in accordance with the law prevailing at the time of distribution of the notice on AGM and, hence, the resolutions and non-binding advisory votes were put to shareholders as set out in the notice.

As a result of there being more than 25% of the votes exercised against the non-binding advisory vote number 2, shareholders will be invited to raise their concerns or recommendations on the remuneration implementation report. Further details will be announced on the Stock Exchange News Service of the JSE Limited in due course.