Combined Motor Holdings Limited

Annual General Meeting

3 June 2026

Financial Year End: 31 December 2025

SUMMARY

FY2025 was a year of significant margin compression for Combined Motor Holdings (CMH) Limited, as the Group navigated a "very difficult" macroeconomic climate. While revenue grew 3.2% to R13 251 596, operating profit contracted sharply by 18.1% to R639 543. This decline was reflected in a lower return on shareholders' funds (21.7%) and a 25.6% drop in headline earnings per share.

Operational Critique: Segment Performance

The Motor Retail and Distribution segment faced an existential shift. Traditional foundation brands – Nissan, Ford, and Volvo – lost significant market share to a "phenomenal invasion" of high-quality, spec-heavy Chinese and Indian imports. These imports now represent 55% of national vehicle sales. CMH's operating profit in this segment fell to R332 706 as dealers were forced into heavy discounting and overstocking.

The Car Hire division (First Car Rental) was similarly besieged, with operating profit dropping from R387 621 in 2024 to R271 123 in 2025. A "price war" and market uncertainty surrounding the general election led to competitor overstocking, which decimated daily hire rates and fleet utilisation.

Critical ESG and Ethical Overview

The Group's Active ESG Score stands at 50%, placing it on the threshold where shareholders are advised to "Vote against Committee Chairs".

- Transparency Gap: A critical weakness is the lack of quantitative environmental disclosure. An independent assessment by IRAS confirmed a 0.00% score for quantitative indicators on carbon, energy, and water. While the Group qualitative describes "CMH Green" waterless car washes, it fails to provide the data required by JSE Climate Disclosure Guidance.
- Governance: The Board maintains high institutional stability, though its average tenure is heavily skewed by executive directors with 40 to 50 years of service. The Group is currently preparing for the mandatory application of King V from March 2026.
- Transformation: While the Group holds a Level 4 B-BBEE rating, it remains "non-compliant" in its compliance report to the B-BBEE Commission, due to procurement challenges with global manufacturers.

Adverse Conditions

- Decimated Disposable Income: High interest rates and prolific increases in utility costs (electricity/water) have stifled consumer appetite for big-ticket items.
- Credit Contraction: The withdrawal of credit facilities by banks in the taxi industry caused an 80% slump in that niche market.

Anticipated Opportunities

- Strategic Realignment: The Group is aggressively restructuring into multifranchise dealerships to integrate more affordable brands like Suzuki, Haval, and Mahindra.
- New Brand Contribution: Significant returns are expected from the first full year of the Foton distribution business.
- Tourism Recovery: Inbound tourism growth, aided by eased visa requirements, presents an opportunity for higher-margin, longer-duration rentals of larger vehicles.
- Financial Resilience: Despite trading headwinds, CMH maintains record cash resources of R954 124, providing a buffer for fleet replacement and continued dividend payments.

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.

Combined Motor Holdings (CMH) Limited achieved an overall Active ESG Score of 50%, placing it on the threshold for shareholders to "Vote against Committee Chairs". While governance and labour scores are relatively robust, the group fails significantly in quantitative sustainability disclosure. This lack of transparency, especially in environmental metrics and CSI spend, creates a disconnect between the group's qualitative "green" claims and the data-driven accountability required by modern JSE disclosure standards.

Active Shareholder

Combined Motor Holdings Limited

28/02/2026

Number	Theme	Score	Total	%	Weighting
1	Governance	9.64	14	69%	27.45%
2	Remuneration	7.00	11	64%	21.57%
3	Employment & Labour	5.82	9	65%	17.65%
4	CSI	0.00	3	0%	5.88%
5	Environment	3.00	14	21%	27.45%
	Total	25.46	51	**50%**	100.00%

Active ESG Score = 50%

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 (69%)

Scored at 69%, CMH exhibits institutional stability but faces tenure-related independence risks, with tenure of 50 years for the CEO, JD McIntosh. While board attendance is exemplary (100 for most), transparency is marred by incomplete director profiles regarding external directorships. The group effectively separates the CEO and Chairman roles and is currently analysing the King V transition. However, incomplete disclosure on board commitments remains a critical gap for shareholders evaluating director over-commitment.

2. Remuneration (64%)

With a 64% score, CMH aligns incentives with long-term interests via 5-year share schemes and ESG-linked bonuses. However, a critical finding is that CEO remuneration is negatively correlated with operating profit; in 2026, operating profit rose while CEO pay fell. The lack of comparative market benchmarking for performance targets prevents shareholders from determining if internal goals are sufficiently challenging relative to industry peers or the broader market.

3. Employment & Labour (65%)

A 65% score highlights strong transformation at the general workforce level (79% black staff) and clear reporting on permanent versus temporary employment. However, the group falls short of national disability targets (1.48% achieved vs 3% goal). The critical absence of a consolidated staff turnover rate prevents a deep analysis of organisational health and retention effectiveness, despite qualitative discussions regarding apprentice and learnership retention initiatives.

4. CSI/SED (0%)

CMH failed this category entirely with a 0% score. Although the group supports youth and education charities, it does not quantify its total Corporate Social Investment (CSI) spend as a percentage of Net Profit After Tax. This lack of financial transparency makes it impossible to verify compliance with B-BBEE Code Statement 500 (target 1) or to compare community reinvestment against executive compensation levels, as recommended by the Active Shareholder guidelines.

5. Environment (21%)

The lowest performing field at 21% is defined by a complete lack of quantitative data on GHG emissions, energy, and waste. While CMH promotes qualitative initiatives like "CMH Green" waterless car washes, the independent IRAS assessment confirms a 0.00% for the Group's disclosure of quantitative indicators related to carbon, energy, and water. Without time-bound targets or external verification, CMH remains a laggard, failing to meet JSE Climate Disclosure Guidance for data-driven environmental accountability and metrics.

	Resolution	Rationale	Vote	Outcome of AGM
Ordinary Resolution				
1	Approval of financial statements	Active Shareholder credits Combined Motor Holdings for its compliance in submitting the Audited Financial Statements for shareholder approval via Ordinary Resolution 1, awarding a score of 1 for this fundamental step in governance. By offering the AFS for adoption, the Board provides a necessary platform for financial accountability. However, this credit is offset by a score of 0 regarding the Social and Ethics Committee report, which was bundled into the same resolution rather than presented as a standalone agenda item. This structural choice obscures committee-specific performance, a significant issue given the Group's 50% ESG Index score. With the independent IRAS assessment highlighting a 0.00% disclosure rate for quantitative environmental metrics, the lack of a separate SEC report prevents the rigorous, data-driven scrutiny required by JSE Disclosure Guidance. Thus, while the AFS submission is a standard requirement met, it remains a nuanced failure in holistic transparency.	AGAINST	FOR: 99.4%
Ordinary Resolution 2 – Election and re-election of directors				
2.1	PMM Govind	**Tenure:** Appointed June 2025. **Qualifications:** CA(SA), MBA. **Experience:** Formerly finance director at two automotive manufacturers and associate director at PwC; joined CMH in 2023. **Vote:** For. Her extensive financial and auditing background supports board competence, although transparency on her external directorships is lacking in the provided profile.	FOR	FOR: 99.8%
2.2	CG Webber	**Tenure:** Appointed June 2025. **Qualifications:** Bachelor of Business Administration. **Experience:** 26-year Group veteran; twice "Dealer Principal of the Year"; previously managed Toyota/Lexus and Honda portfolios before becoming CEO of motor retail in 2024. **Vote:** For. Webber offers unmatched internal operational experience and a proven record within the Group's primary business segment.	FOR	FOR: 99.8%
2.3	RT Komane	**Tenure:** 5 years (Appointed 2021). **Qualifications:** CA(SA), MFin. **Experience:** Corporate Finance executive at Thebe Investment Corporation (TIC); former valuations manager at Deloitte. **Vote:** For. He provides critical financial oversight and transformation representation. The board maintains his independence despite TIC nomination, as TIC does not exercise group control.	FOR	FOR: 94.9%

	Resolution	Rationale	Vote	Outcome of AGM
2.4	JA Mabena	**Tenure:** 12 years (Appointed 2014). **Qualifications:** BCom, specialised diplomas. **Experience:** CEO of Motsamayi Tourism Group; former senior roles at Unilever and Kagiso. **Vote:** Against. Despite his strategic expertise, Active Shareholder mandates voting against committee chairs for a 50% score. Mabena chairs the Remuneration and Social, Ethics and Transformation committees.	AGAINST	FOR: 94.3%
Ordinary Resolution 3 – Election of Audit and risk assessment committee				
3.1	ME Jones	**Tenure:** 11 years (Appointed 2015). **Qualifications:** CA(SA). **Experience:** 27-year PwC partner; former leader of regional Transaction Services, Risk Management, and the Assurance practice. Jones is the Chair of the AC. **Vote**: For	FOR	FOR: 95.4%
3.2	RT Komane	**Tenure:** 5 years (Appointed 2021). **Qualifications:** CA(SA), MFin. **Experience:** Corporate Finance executive at Thebe Investment Corporation; former valuations manager at Deloitte. **Vote:** For. Komane provides critical financial and valuation expertise	FOR	FOR: 95.0%
3.3	MR Nkadimeng	**Tenure:** 11 years (Appointed 2015). **Qualifications:** CA(SA). **Experience:** Extensive financial oversight experience as a Chartered Accountant and independent non-executive director. **Vote:** For. Nkadimeng contributes technical auditing competence and institutional stability.	FOR	FOR: 95.4%
Ordinary Resolution 4 – Election of Social, ethics and transformation committee				
4.1	BWJ Barritt	**Tenure:** 10 years (Appointed 2016). **Qualifications:** Executive Director. **Experience:** CEO of the car hire division (First Car Rental). **Vote:** For. Barritt's operational leadership of a major division provides the committee with direct insight into labour practices and consumer relationships. He is not the committee chair and therefore avoids the mandatory "against" vote.	FOR	FOR: 99.8%
4.2	JS Dixon	**Tenure**: 16 years (Appointed 2010). **Qualifications:** CA(SA). **Experience:** Retired PwC partner; current Board Chairman. **Vote:** For. While his tenure is long, Dixon provides essential governance stability. As he is not the SET chair, he is not subject to the penalty for the Group's lack of a standalone SEC report vote.	FOR	FOR: 95.0%
4.3	JA Mabena	**Tenure:** 12 years (Appointed 2014). **Qualifications:** BCom, specialised diplomas. **Experience:** CEO of Motsamayi Tourism Group; former senior roles at Unilever. Mabena is the Chair of the SET committee.	AGAINST	FOR: 94.6%

	Resolution	Rationale	Vote	Outcome of AGM
		Vote: Against. Since the Social and Ethics Report is not put to a standalone vote for adoption, Active Shareholder mandates voting against the Chair.		
4.4	HP Spencer	**Tenure:** 2 years (Appointed 2024). **Qualifications:** BA(Hons) in HR Management, Master of Arts. **Experience:** Independent non-executive director and TIC nominee. **Vote:** For. Spencer's specific academic and professional background in Human Resources is highly relevant to the committee's mandate regarding employment equity and transformation.	FOR	FOR: 98.4%
4.5	CG Webber	**Tenure:** 1 year (Appointed 2025). **Qualifications:** Bachelor of Business Administration. **Experience:** 26-year veteran; current CEO of Motor Retail/Distribution. **Vote:** For. Webber provides the committee with unmatched internal operational experience within the Group's largest segment.	FOR	FOR: 99.8%
5	**Appointment of external auditor**	Active Shareholder votes For the re-appointment of KPMG Inc. and lead partner D Read. The resolution earns a full score of 1 in the ESG Index because it is submitted for shareholder approval. The appointment complies with regulatory guidelines, as KPMG has served for only 4 years, well within the individual (5-year) and firm rotation limits.	FOR	FOR: 99.8%
Ordinary Resolution 6 – Non-binding advisory votes				
6.1	Remuneration policy	Combined Motor Holdings (CMH) Limited's remuneration policy (Resolution 6.1) achieves a 64% theme score in the Active ESG Index, reflecting a documented structure that nevertheless falls short of modern transparency and benchmarking standards. **Pay Structure and Alignment** Executive remuneration is performance-driven, with base salaries comprising 55%–61% of total pay. Short-term incentives (STIs) are tied to diverse financial and non-financial metrics, including ESG components like B-BBEE scorecard ratings and transformation targets. However, long-term incentives (LTIs) under the Share Appreciation Rights (SARs) Scheme are conditional on a single financial measure – compound real growth in headline EPS. Best practice recommends multiple performance measures for LTIs to prevent "tunnel vision" on a single accounting metric. **Critical Assessment of Policy Gaps** • **Benchmarking Deficit:** A significant weakness is that financial performance targets do not include comparative measures against a peer group or market index. Remco relies on internal Group objectives, making it impossible for shareholders to assess if targets are sufficiently rigorous relative to the broader sector.	AGAINST	FOR: 94.4%

	Resolution	Rationale	Vote	Outcome of AGM
		• **Profit Correlation:** Implementation data reveals a negative correlation between CEO pay and operating profit; in 2026, operating profit grew 17.1%, while CEO remuneration decreased, suggesting the bonus algorithm may not consistently reward bottom-line growth. • **Equity and Ratios:** The Group lacks a broad-based ESOP, as participation in the SARs scheme is restricted to senior management. Furthermore, while CMH claims to focus on "fair and responsible" pay for lower-level employees, it fails to disclose the internal pay ratio between the CEO and the average employee. Consequently, because the policy lacks the rigour, transparency, and market alignment required by the Active Shareholder guidelines, it does not qualify for approval.		
6.2	Implementation report	Combined Motor Holdings (CMH) Limited's 2026 remuneration implementation report (Resolution 6.2) reflects a transition toward transparency that remains incomplete under the Active Shareholder ESG Index framework. **Transparency and Disclosure** The report provides the Total Single Figure Remuneration for executive directors, with detailed breakdowns of base salary, short-term benefits, and retirement contributions. For the 2026 financial year, CEO JD McIntosh received a total of R10 526 000, a decrease from R11 090 000 in 2025. However, the report fails a critical test of modern accountability: the disclosure of internal pay ratios. CMH does not report the ratio between CEO pay and the average employee, nor does it provide the pay differential by race or gender. Without these metrics, shareholders cannot verify the Group's claims of providing "fair and responsible" remuneration. **Performance-Pay Alignment** A nuanced critique reveals a negative correlation between executive pay and operational outcomes in 2026. While the Group's operating profit grew by 17.1% to R748 640 000, the CEO's total remuneration declined. While this suggests that the bonus algorithm is not purely inflationary, it also indicates that short-term incentives (STIs) may be weighted toward metrics that did not align with bottom-line growth during this cycle. Furthermore, long-term incentives (LTIs) remain tied to a single measure – headline EPS – which the Active implementation guidelines discourage in favour of a balanced scorecard. **Active Shareholder Stance** CMH's remuneration implementation earns a 64% theme score. The Group's failure to quantify CSI/SED spend relative to executive pay (scoring 0%	AGAINST	FOR: 94.4%

	Resolution	Rationale	Vote	Outcome of AGM
		in that field) further highlights a disconnect between leadership rewards and community reinvestment. Due to the shortcomings noted above, Active Shareholder mandates a vote against Resolution 6.2.		
Special resolution 1: Approval of non-executive directors' fees for:				
1.1	Chairman of the Board	Vote Against. JS Dixon has served on the board for 16 years, exceeding the 15-year independence limit set by ISS and the 9-year King IV/V threshold. Given the Group's threshold 50% Active ESG score, which mandates voting against leadership, and the failure to provide complete director profiles regarding external commitments, Dixon's premium fee is not supported.	AGAINST	FOR: 99.4%
1.2	Lead independent director	Vote Against. While the role is vital for balancing a long-tenured Chairman, the Group's overall 50% ESG score triggers a mandate to oppose leadership fee approvals. The assessment is further clouded by the Board's lack of transparency, including the 0.00% score for quantitative environmental indicators and the bundling of committee reports, which prevents rigorous oversight of board performance.	AGAINST	FOR: 99.4%
1.3	Directors	Vote Against. Despite a modest 5% increase, Active Shareholder opposes the base fees because the Group fails to disclose the specific number of other directorships held by board members. Without this data, shareholders cannot evaluate over-boarding risks. This lack of transparency, coupled with the threshold ESG score, justifies a vote against the fees to signal a demand for improved disclosure standards.	AGAINST	FOR: 99.4%
1.4	Chairman of the Audit and risk assessment committee	Vote Against. The Active ESG Index mandates a vote against all committee chairs due to the 50% score. Chairperson ME Jones has served for 11 years, and his committee oversees an Integrated Report that provides zero quantitative data on carbon, energy, or waste. This failure to meet JSE Sustainability Disclosure Guidance warrants opposition to the chairperson's increased fee.	AGAINST	FOR: 99.4%
1.5	Other fees	Vote Against. While Active credits the Group for making attendance fees a "meaningful component" of pay, this is offset by broader governance failures. These include the refusal to present the Social and Ethics report as a separate agenda item and the absence of internal pay-ratio disclosures in the remuneration report. Opposition is necessary to drive the accountability required by the Active Shareholder framework.	AGAINST	FOR: 99.4%

AGM OUTCOME

Shareholders are advised that
all resolutions were duly approved by the requisite majority of votes as follows:

- Total number of ordinary shares in issue in CMH as at the date of the AGM that could have been voted: 69 424 804.
- Total number of issued ordinary shares that were voted in person or by proxy at the AGM: 48 064 451 (which represents 69.2% of the Company's total issued ordinary shares that could have been voted).