

CURRO



Notice of annual
general meeting
for the year

ended
31 December 2021



CONTENTS

4

HIGHLIGHTS

5

LETTER TO SHAREHOLDERS

6

NOTICE OF ANNUAL
GENERAL MEETING for the year
ended 31 December 2021

16

ANNEXURE A:
Curro Holdings Limited summary
consolidated financial statements for
the year ended 31 December 2021

32

ANNEXURE B:
Shareholder information

34

ANNEXURE C:
Remuneration reports

50

CORPORATE INFORMATION

i

FORM OF PROXY

AVERAGE LEARNER NUMBERS

From 60 777 to 66 447

 **9%**

EBITDA

From R686m to R789m

 **15%**

REVENUE

From R3 094m to R3 543m

 **15%**

RECURRING HEADLINE EARNINGS

From R179m to R245m

 **37%**

CASH GENERATED FROM OPERATING ACTIVITIES

From R514m to R767m

 **49%**

RECURRING HEPS

From 38.0 cents to 40.9 cents

 **8%**

DIVIDEND

Paid on 22 March 2022

8.2c

HEPS

From 36.4 cents to 40.9 cents

 **12%**

29 April 2022

Dear Shareholder

Notice of annual general meeting ('Notice of AGM') and form of proxy

Curro herewith encloses 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, 21 June 2022.

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 2021 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 annual integrated report will be made available on the Curro website, www.curro.co.za from today, 29 April 2022.

Yours sincerely

M. Lategan
Marí Lategan
 Company Secretary

'Education is simply the soul of a society as it passes from one generation to another.'

- Gilbert K. Chesterton

CURRO HOLDINGS LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

Share code: COH

ISIN: ZAE000156253

LEI: 378900E237CB40F0BF96

(‘Curro’ or ‘the company’)

Notice of annual general meeting of Curro shareholders (‘Notice of AGM’)

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, 21 June 2022 (‘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

The AGM will be conducted entirely by electronic communication. 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 13 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, Mari Lategan, at mari.l@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 2021.

This Notice of AGM is accompanied by the summarised consolidated financial statements (Annexure A) of the company for its 2021 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 mari.l@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 7 and 9 and 10 (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 number 8 to be adopted, at least 75% of the voting rights exercised on each such resolution must be exercised in favour thereof.

2.1 Retirement and re-election of directors

2.1.1 Ordinary resolution number 1

Resolved that Prof. Sibongile Winnie Frieda Muthwa (‘Sibongile’), who is an independent non-executive director, retires by rotation in terms of the MOI and, being eligible, offers herself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Prof. Sibongile Muthwa

Sibongile has international leadership and management experience in the non-government, development and public sectors, and also in academia. Currently she is the Vice-Chancellor of the Nelson Mandela University. Between 2004 and 2010, Sibongile served as the director general of the Eastern Cape Provincial Government. She is the current Chair of Universities South Africa (USAf), a membership organisation representing the 26 South African Public Universities. She also chairs the Ministerial Task Team on Sexual Harassment and Gender Based Violence and Harm in SA Universities; and is a member of the Human Resource Development Council of South Africa. Sibongile is also a board member of the Nelson Mandela Business Chamber and chairs its governance committee.

Qualifications: BA (SW) (Fort Hare); BA (SW) Hons (Wits); MSc (SPPDC); PhD (London)

2.1.2 Ordinary resolution number 2

Resolved that Dr Christiaan Rudolph van der Merwe (‘Chris’), who is a non-executive director, retires by rotation in terms of the MOI and, being eligible, offers himself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Dr Chris van der Merwe

Chris has extensive knowledge and experience in the independent school and tertiary sectors. He founded Curro in 1998 and in 2011, under his leadership, the company was listed on the JSE. Chris served as CEO until June 2017 when he stepped down, unbundled the Embury Institute for Higher Education, a teachers’ college, from Curro and then listed STADIO Holdings Ltd (‘STADIO’), an independent provider of tertiary education on the JSE in October 2017. He served STADIO as CEO until the company delivered on the promises of its prelisting statement and stepped down in March 2020. Dr Van der Merwe has subsequently served PSG Group Ltd (‘PSG Group’) and STADIO as a consultant, education. He currently also serves on the boards of Curro and STADIO as a non-executive director.

Qualifications: BPrim (Ed), US; BEd, UNISA; MEd (cum laude), US; DEd, US

2.1.3 Ordinary resolution number 3

Resolved that Mr Petrus Johannes Mouton (‘Piet’), who is a non-executive director, retires by rotation in terms of the MOI and, being eligible, offers himself for re-election, be and is hereby re-elected as director.

Summary curriculum vitae of Mr Piet Mouton

Piet is the CEO of PSG Group and serves as a non-executive director on the boards of various of its investee companies, including Capitec Bank Holdings Ltd, PSG Konsult Ltd and Zeder Investments Ltd. He has served in the investment and financial services industries since 1999.

Qualifications: BCom (Mathematics)

The reason for ordinary resolutions numbers 1 to 3 is that the MOI, 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 Re-appointment 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 4

Resolved that Ms Zandile Nangamso Mankai (‘Nan’), being eligible, be and is hereby re-appointed as a member and chairperson of the audit and risk committee of the company, as recommended by the Curro board of directors (‘Board’), until the next annual general meeting of the company.

Summary curriculum vitae of Ms Nan Mankai

Nan was appointed as an independent non-executive director to the 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

2.2.2 Ordinary resolution number 5

Resolved that Mr Thembalihle Phillip Baloyi ('Themba'), being eligible, be and is hereby re-appointed 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

Themba was appointed as an independent non-executive director to the Board from 1 November 2020. He studied and completed Cost and Management Accounting, Corporate Governance through ICOSA and has an Executive MBA from Henley Business School (UK). He completed business leadership studies through Gordon Institute of Business Science, University of Cape Town- Graduate School of Business and Duke University (US). Themba is an innovative and entrepreneurial business leader who founded Discovery Insure Ltd ('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'. He was honoured as a 2015 World Economic Forum Young Global Leader. Currently he serves as chairman on the board of Constantia Insurance Group Ltd and is a board member of CalgroM3 Holdings, and the Allan Gray Orbis Foundation, amongst others.

Qualifications: Henley Executive MBA, ACIS, ND CMA

2.2.3 Ordinary resolution number 6

Resolved that Mr Douglas Maitakhole Ramaphosa ('Douglas'), being eligible, be and is hereby re-appointed 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, 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 4 to 6 (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 re-appointed, as the case may be, at every annual general meeting of such company.

2.3 Ordinary resolution number 7: re-appointment of auditor

Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed 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 Ms O Halenyane, 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 7 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 re-appointed 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. PricewaterhouseCoopers Inc. has been the company's auditor since 2017.

2.4 Ordinary resolution number 8: 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, 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 Executive Long-term 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. The reason for ordinary resolution number 8 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MOI.

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 9: 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 9 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 9, if passed, will be to endorse the company's remuneration policy. Ordinary resolution number 9 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 10: 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 10 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 10, if passed, will be to endorse the company's implementation report in relation to its remuneration policy. Ordinary resolution number 10 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 implementation of the company's remuneration policy.

Should 25% or more of the votes exercised in respect of ordinary resolution number 9 and/or ordinary resolution number 10 be against either resolution, or both resolutions, the company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the company.

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 VAT)

Chairperson of the Board	R657 800
Members of the Board	R299 000
Chairperson of the audit and risk committee	R179 400
Members of the audit and risk committee	R95 680
Chairperson of the remuneration and nominations committee	R109 200
Members of the remuneration and nominations committee	R87 300
Chairperson of the social, ethics and transformation committee	R109 200
Members of the social, ethics and transformation committee	R54 600

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 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 is 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 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 is to grant the Board the authority, until the next annual general meeting of the company, 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 for 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 where the company may rely on this authority is where 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 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 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 in issue 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;
- 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 is to grant the Board a general authority in terms of the MOI 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. This authority will provide the Board with the necessary flexibility to repurchase shares in the market, should a favourable opportunity arise and it be in the best interest of the company to do so.

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 company and 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 Notice of AGM and for a period of 12 months after the repurchase;
 - the assets of the company and the group (fairly valued) will, at the time of the Notice of AGM and at the time of making such determination, and for a period of 12 months thereafter, be in excess of the liabilities of the company and 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 company and 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 date of Notice of AGM and after the date of the share repurchase, and
 - the working capital available to the company and 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 22 June 2021.

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, 22 April 2022.
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, 10 June 2022, with the last day to trade being Tuesday, 7 June 2022.
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 valid**

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, 17 June 2022, 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, 17 June 2022, 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, 17 June 2022, 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. valid 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: 124-902-275
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 mari.l@curro.co.za, by no later than 14:00 on Friday, 17 June 2022. 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 directors, employees, company secretary, transfer secretaries, advisors and 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

M. Lategan

Mari Lategan
Company Secretary

29 April 2022

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)

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 at Second Floor, Building 3,
11 Alice Lane, Sandhurst, Sandton 2196
(PO Box 650957, Benmore 2010, South Africa)
Independent Joint JSE Equity Sponsor
Tamela Holdings (Pty) Ltd



Curro Rivonia

COMMENTARY

Overview

Curro is extremely proud of the matric results of the Class of 2021. The disruptive conditions that our learners and staff have had to endure since the start of the COVID-19 pandemic made 2021 another difficult year but they pulled through with the utmost dedication and creativity.

Curro's headline earnings for the year ended 31 December 2021 recovered to R245 million, being 43.3% higher than the 2020 financial year. Recurring headline earnings of R245 million in 2021 increased by 36.9% and 15.6% compared to the 2020 and 2019 financial years, respectively.

The results were pleasing considering the circumstances, with many of the 2020 challenges having persisted in 2021:

- Extramural activities were disrupted and/or cancelled during the year.
- Ancillary revenue remained at levels below that of pre-COVID-19.
- The ratios of discounts and expected credit losses to gross fees have improved but remain above pre-COVID-19 levels.
- Operating costs were higher, because schools were open throughout 2021 without the same government relief in the form of TERS as in the previous year.
- Municipal and energy costs increased by more than general inflation.

The business has a relatively high-fixed cost base and therefore management maintained operational discipline in response to the negative impact of the factors above.

Results for the year

Curro's weighted average number of learners for the year under review increased by 9.3% to 66 447 (2020: 60 777) and revenue increased by 14.5% to R3 543 million (2020: R3 094 million).

Tuition fees increased by 11.8% due to the growth in learners coupled with the tuition fee mix and inflationary increases. Discounts were R49 million lower and ancillary revenue increased by R21 million from the previous year.

Schools' EBITDA (earnings before interest, taxation, depreciation, amortisation and head office expenditure) increased by 14.3% to R1 013 million (2020: R886 million) for the year under review, while EBITDA (after head office expenditure) increased by 15.0% to R789 million (2020: R686 million).

The EBITDA margin was maintained at 22.3% (2020: 22.1%) and management is confident that this margin should increase over the medium term.

Expected credit losses of R131 million were provided for during the year under review (2020: R146 million). Overdue accounts are managed more stringently and the quality and ageing of outstanding accounts for enrolled learners improved significantly over the last year as Curro enhanced its debt collection processes. The non-performing portion of the debtors' book mainly relates to learners who have left Curro and concerted efforts are being made to recover the outstanding debt.

Headline earnings and headline earnings per share (HEPS) increased by 43.3% from R171 million to R245 million and by 12.4% from 36.4 cents to 40.9 cents, respectively.

Recurring headline earnings and recurring headline earnings per share (RHEPS) increased by 36.9% to R245 million (2020: R179 million) and by 7.6% to 40.9 cents (2020: 38.0 cents), respectively.

Earnings per share (EPS) was 43.3 cents for the current year compared to a loss of 6.5 cents in the previous year.

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

- The R1.5 billion rights issue concluded in September 2020 resulted in there being 27% more weighted average shares in issue in this year compared to last year.
- Curro recognised *non-headline* impairments of property, plant and equipment, intangibles and goodwill of R207 million (net of tax) relating to lower-yielding schools in the previous financial year. 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.
- HEPS for the previous year included a *non-recurring* acquisition cost of R8 million (net of tax) which accounted for the difference between RHEPS and HEPS.

EduTech

Curro is committed to making quality education more accessible to learners in southern Africa and has developed powerful education technology and processes (EduTech) in this quest:

- *Curro Online* has more than 600 learners enrolled and provides remote teaching and learning to learners from Grade 4 to Grade 11.
- *Curro's DigiEd Schools* offer academic excellence at exceptionally low cost to learners through innovative digital tuition processes.
- Curro's wider subject offering (*Curro Choice*) empowers high school learners to take any subject they are interested in, regardless of their school's physical offering.

Investments and expansion

We continue to increase capacity utilisation at our existing facilities. Curro invested R929 million in the business in 2021, which includes the construction of a state-of-the-art new Durbanville High School campus. The school opened on 13 January 2022 and its enrolments have exceeded expectations.

The acquisition of HeronBridge College is anticipated to be completed in March 2022 once the property transfer is registered.

Balance sheet and funding

Curro generated R767 million of cash from its operating activities, 49.2% higher than the previous year. Net finance cost in 2021 reduced by R53 million to R170 million (2020: R223 million) as a result of the reduction in debt following the rights issue.

During June 2021, GCR Ratings affirmed Curro's national scale issuer long-term and short-term credit ratings of BBB+(ZA) and A2(ZA), respectively, with a stable outlook.

The group repaid a term loan with a high interest cost in June 2021 and introduced a more flexible revolving credit facility of R500 million during the year to fund its future expansion plans insofar as it may exceed operating cashflows generated. At 31 December 2021, R420 million of this facility was unutilised.

Dividend

The board has resolved to pay a final dividend of 8.2 cents per share (2020: Nil) from income reserves for the year ended 31 December 2021. The dividend amount, net of South African dividend tax of 20%, is 6.56 cents per share.

It is the board's policy to pay 20% of recurring headline earnings as an annual dividend on the premise that growth in cash generation shall continue in the future.

The number of ordinary shares in issue at the declaration date is 597 961 595, and the income tax number of the Company is 915/907/00/29.

The salient dates for this dividend distribution are:

- Declaration date Wednesday 23 February 2022
- Last day to trade cum dividend Tuesday, 15 March 2022
- Trading ex-dividend commences Wednesday, 16 March 2022
- Record date Friday, 18 March 2022
- Payment date Tuesday, 22 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 March 2022 and Friday, 18 March 2022.

Changes to the board of directors

The following changes occurred to the board of directors during the year under review:

- Cobus Loubser was appointed as Chief Financial Officer and executive director with effect from 1 January 2021.
- Tsholofelo Molefe resigned as non-executive director on 19 November 2021.

The board sincerely thanks Tsholofelo for her long-standing service and valued contribution.

Prospects

The company's business model is resilient, underpinned by its robust offering, buoyant learner growth as a result of increasing demand for affordable high-quality education and strong financial position.

As at 18 February 2022, Curro had 70 408 learners enrolled for the 2022 year (excluding the acquisition of HeronBridge College with an additional 1 169 learners), representing a 6% increase on the 66 447 average learners in 2021 on a like-for-like basis.

Curro is satisfied with the level of new registrations for the 2022 academic year, which commenced with much enthusiasm and few disruptions thus far. Whilst the ongoing COVID-19 pandemic and its associated impact on the economy and our business remain unpredictable, we hope that our learners will experience a more stable academic year where they can again participate in a wide range of extramural activities which complement our exceptional academic offering.

We are committed to making a positive contribution to society at large and plan to invest up to R1.1 billion in further expansion opportunities during 2022.

On behalf of the board



SL Botha
Chairperson



AJF Greyling
Chief Executive Officer

23 February 2022



KEY RATIOS (Unaudited)

	31 Dec 2019	31 Dec 2020	31 Dec 2021	18 Feb 2022
Number of campuses	70	76	76	76
Number of schools	166	177	178	178
Average number of learners	57 597	60 777	66 447	70 408*
Average number of learners per campus	823	800	874	926
Number of employees	6 076	5 963	6 150	
Number of teachers	3 230	3 425	3 579	
Learner/teacher ratio	18	18	19	
Building size (m ²)	700 946	713 084	772 251	
Land size (ha)	536	536	549	
Capital invested (R million)	1 246**	650	929	
– Existing campuses (R million)	910	635	677	
New	878	602	577	
Replacement	32	33	100	
– New campuses (R million)	209	12	251	
– Acquisitions (R million)	127	3	1	

* Registered learners as at 18 February 2022 (not the weighted average learners and excluding HeronBridge).

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



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 22 to 29 of the Notice of Annual General Meeting for the year ended 31 December 2021, which comprise the summary consolidated statement of financial position as at 31 December 2021, 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 2021.

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 23 February 2022. 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, South Africa

29 April 2022

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Revenue from contracts with customers (note 4)	15%	3 543	3 094
Employee costs	17%	(1 830)	(1 567)
Expected credit losses on financial assets	(10%)	(131)	(146)
Other expenses	14%	(793)	(695)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) ¹	15%	789	686
– Schools' EBITDA	14%	1 013	886
– Head office's EBITDA	12%	(224)	(200)
Depreciation and amortisation	22%	(281)	(231)
Earnings before interest and taxation (Adjusted EBIT) ¹	12%	508	455
Interest income	29%	72	56
Gain on bargain purchase (note 7)	n/a	14	–
Impairment of property, plant and equipment	n/a	–	(250)
Impairment of goodwill	n/a	–	(9)
Impairment of intangible assets	n/a	–	(6)
Finance costs	(13%)	(242)	(279)
Profit / (loss) before taxation	n/a	352	(33)
Taxation	910%	(101)	(10)
Profit / (loss) for the year	n/a	251	(43)
Other comprehensive income / (loss):			
Net fair value profit / (loss) on cash flow hedges	n/a	52	(67)
Exchange differences on translating foreign operation	n/a	–	2
Total comprehensive income / (loss) for the year	n/a	303	(108)
Profit / (loss) attributable to:			
Owners of the parent	n/a	259	(31)
Non-controlling interest	(33%)	(8)	(12)
	n/a	251	(43)
Total comprehensive income / (loss) attributable to:			
Owners of the parent	n/a	311	(96)
Non-controlling interest	(33%)	(8)	(12)
	n/a	303	(108)

¹Adjusted EBITDA takes a headline approach and represent EBITDA excluding impairment, bargain purchase gains and profit or loss on sale of assets. Adjusted EBIT takes the same approach as for adjusted EBITDA.

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Reconciliation of headline and recurring headline earnings:			
Earnings attributable to owners of the parent		259	(31)
Adjusted for:			
Gain on bargain purchase		(14)	–
Impairment of property, plant and equipment		–	250
Impairment of goodwill		–	9
Impairment of intangible assets		–	6
Non-controlling interest		–	(5)
Taxation		–	(58)
Headline earnings	43%	245	171
Acquisition cost on business combinations		–	11
Taxation		–	(3)
Recurring headline earnings	37%	245	179
EBITDA margin		22%	22%
Schools' EBITDA margin		29%	29%
Earnings per share (cents)			
– Basic	n/a	43.3	(6.5)
– Diluted	n/a	43.3	(6.5)
Headline earnings per share (cents)			
– Basic	12%	40.9	36.4
– Diluted	12%	40.9	36.4
Recurring headline earnings per share (cents)	8%	40.9	38.0
Number of shares in issue (millions)			
– Basic		598.0	598.0
– Diluted		598.0	598.0
Weighted average number of shares in issue (millions)			
– Basic		598.0	471.0
– Diluted		598.0	471.0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
ASSETS		
Non-current assets	10 963	10 286
Property, plant and equipment	9 800	9 120
Right-of-use assets	305	319
Goodwill	561	561
Other intangible assets	288	271
Other financial assets at amortised cost	4	1
Other financial assets at fair value	5	6
Deferred tax assets	–	8
Current assets	578	814
Inventories	17	17
Current tax receivable	1	3
Other financial assets at amortised cost	29	27
Trade receivables (note 5)	235	232
Other receivables	116	102
Investment in money market funds	90	334
Cash and cash equivalents	90	99
Non-current assets held for sale	11	14
Total assets	11 552	11 114
EQUITY		
Equity attributable to owners of the parent	7 110	6 768
Share capital	6 205	6 205
Other reserves	(4)	(65)
Retained earnings	909	628
Non-controlling interest	(10)	(2)
Total equity	7 100	6 766
LIABILITIES		
Non-current liabilities	3 505	3 781
Other financial liabilities at amortised cost	2 446	2 774
Other financial liabilities at fair value (note 6)	41	120
Deferred tax liabilities	664	551
Lease liabilities	330	323
Contract liabilities	24	13
Current liabilities	947	567
Other financial liabilities at amortised cost	346	59
Other financial liabilities at fair value (note 6)	7	–
Current tax payable	2	1
Lease liabilities	35	33
Trade and other payables	253	206
Contract liabilities (mainly prepaid school fees)	263	227
Development and acquisitions payables	41	41
Total liabilities	4 452	4 348
Total equity and liabilities	11 552	11 114
Net asset value per share (cents)	1 189	1 132

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Balance at the beginning of the year	6 766	5 416
Total comprehensive income / (loss)	311	(96)
Rights issue	–	1 473
Dividends paid	–	(42)
Non-controlling interest	(8)	(12)
Other movements	31	27
Balance at the end of the year	7 100	6 766

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	%	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
	Change		
Cash generated from operations	15%	821	714
Tax paid	(33%)	(2)	(3)
Net finance cost	(37%)	(127)	(200)
Working capital movements - operations	2400%	75	3
Net cash generated from operating activities	49%	767	514
Cash flows from investing activities			
Purchase of property, plant and equipment	36%	(859)	(632)
Sale of property, plant and equipment	(92%)	4	48
Purchase of intangible assets	35%	(74)	(55)
Business combinations (note 7)	(50%)	(1)	(2)
Development and acquisition investment	n/a	1	(9)
Other investing activities	n/a	240	(271)
Net cash utilised in investing activities	(25%)	(689)	(921)
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	(87%)	150	1 150
Repayment of other financial liabilities	(89%)	(229)	(2 083)
Dividends paid to company shareholders	n/a	–	(42)
Principal elements of lease payments	14%	(8)	(7)
Net cash (utilised in)/generated from financing activities	n/a	(87)	491
Cash and cash equivalents movement for the year	n/a	(9)	84
Cash and cash equivalents at the beginning of the year	560%	99	15
Cash and cash equivalents at the end of the year ^	(9%)	90	99

^ Curro has additional liquid resources amounting to R90m (December 2020: R334m) available in the form of its money market investments.

CONDENSED CONSOLIDATED SEGMENTAL REPORT

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Average learners for the year	9%	66 447	60 777
- Curro	11%	56 700	51 249
- Meridian	2%	9 747	9 528
Revenue	15%	3 543	3 094
- Curro	14%	3 202	2 805
- Meridian	18%	341	289
Schools' EBITDA	14%	1 013	886
- Curro	14%	945	828
- Meridian	17%	68	58
Net head office expenditure	12%	(224)	(200)
- Curro	12%	(216)	(193)
- Meridian	14%	(8)	(7)
EBITDA margin		22%	22%
- Curro		23%	23%
- Meridian		18%	18%
Recurring headline earnings	37%	245	179
- Curro	27%	260	204
- Meridian*	(40%)	(15)	(25)
Recurring headline earnings per share (cents)	8%	40.9	38.0
- Curro	5%	43.4	41.5
- Meridian*	(29%)	(2.5)	(3.5)
Earnings per share (cents)	n/a	43.3	(6.5)
- Curro	n/a	45.8	(1.6)
- Meridian	(49%)	(2.5)	(4.9)
Total assets	4%	11 552	11 114
- Curro	4%	10 820	10 402
- Meridian	3%	732	712
Total liabilities	2%	4 452	4 348
- Curro	2%	3 681	3 621
- Meridian	6%	771	727
Net asset value per share (cents)	5%	1 189	1 132

* Included in the Meridian results is an interest charge of R55m (December 2020: R49m) to shareholders in proportion to their shareholding.

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 summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements 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, with those accounting policies applied in the preparation of the previous year's 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 2021 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 or 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 2020. For a full list of standards and interpretations that have been applied, we refer you to our 31 December 2021 annual financial statements.

'Teachers who love teaching,
teach children to love
learning.'
- Robert John Meehan

4. Revenue from contracts with customers

	31 Dec 2021 R million	31 Dec 2020 R million
Included in revenue from contracts with customers:		
Registration and tuition fees	3 605	3 226
Other income	58	34
Recovery income	49	47
Boarding school fees	66	67
Aftercare fees	45	56
Bus income	36	35
Rental income	8	4
Subsidy income	4	2
Discounts granted	(328)	(377)
Personnel	(89)	(83)
Bursaries	(79)	(73)
Enrolments	(3)	(6)
COVID-19	(1)	(81)
Other*	(156)	(134)
	3 543	3 094

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

5. Trade receivables

	31 Dec 2021 R million	31 Dec 2020 R million
Gross receivables	481	447
Expected credit loss provision	(246)	(215)
Net trade receivables	235	232

6. Cash flow hedges

	31 Dec 2021 R million	31 Dec 2020 R million
Fixed-for-variable interest rate swap liabilities	48	120

7. Business combinations

Effective 1 January 2021, Curro acquired the entire business operations and properties of St George's Preparatory School in Gqeberha (previously Port Elizabeth), South Africa for a total purchase consideration of R3 million combined.

	R million
The following assets and liabilities were recognised:	
Property, plant and equipment	21
Cash and cash equivalents	2
Trade and other receivables	1
Deferred tax liability	(5)
Contract liabilities	(2)
Total identifiable net assets	17
Gain on bargain purchase	(14)
Purchase consideration paid in cash	3
Net cash outflow on acquisition	
Cash paid	(3)
Cash and cash equivalents acquired	2
	(1)



Curro Bryanston

STATUTORY AND ADMINISTRATION (Unaudited)

Directors: SL Botha** (Chairperson), TP Baloyi**, AJF Greyling (CEO), ZN Mankai**, 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: Tamela Holdings (Pty) Ltd

Group Company Secretary: M Lategan

Shareholders are referred to the announcement released on SENS on 1 June 2021 where shareholders were advised that Mrs M Lategan has been appointed as Executive: Corporate Services and Group Company Secretary of the company with effect from 1 June 2021. Mrs Lategan replaces Mr R Botha, who served as the acting company secretary of Curro pending the appointment of a permanent company secretary.

Curro Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

JSE Equity Alpha Code: COH

JSE Debt Alpha Code: COHI

LEI: 378900E237CB40F0BF96

ISIN: ZAE000156253

(‘Curro’ or ‘the company’ or ‘the group’)

Announcement date: 23 February 2022



1. Shareholders' profile

Range of shareholding	Number of shares held in range 2021		Number of shares held in range 2020	
		%		%
1 to 500	1 016 948	0.2%	979 950	0.2%
501 to 1 000	1 158 032	0.2%	1 301 405	0.2%
1 001 to 5 000	6 952 153	1.2%	7 919 860	1.3%
5 001 to 10 000	5 241 851	0.9%	5 911 820	1.0%
10 001 and over	583 592 611	97.6%	581 848 560	97.3%
	597 961 595	100.0%	597 961 595	100.0%

Public and non-public shareholding	Number of shares held 2021		Number of shares held 2020	
		%		%
PSG Financial Services Ltd	358 776 958	60.0%	358 776 958	60.0%
Directors	8 705 179	1.5%	9 470 645	1.6%
Total non-public shareholding	367 482 137	61.5%	368 247 603	61.6%
Total public shareholding	230 479 458	38.5%	229 713 992	38.4%
	597 961 595	100.0%	597 961 595	100.0%

Number of public and non-public shareholders	Number of shareholders 2021		Number of shareholders 2020	
		%		%
Non-public	6	0.0%	7	0.0%
Public	18 415	100.0%	15 407	100.0%
	18 421	100.0%	15 414	100.0%

Individual shareholders holding more than 5%	Number of shares held 2021		Number of shares held 2020	
		%		%
PSG Financial Services Ltd	358 776 958	60.0%	358 776 958	60.0%
Allan Gray	32 203 820	5.4%	32 203 820	5.4%
	390 980 778	65.4%	390 980 778	65.4%

2. Shareholding of directors

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

Directors	2021				2020			
	Direct	Indirect	Number	%	Direct	Indirect	Number	%
SL Botha	396 030	-	396 030	0.07	396 030	-	396 030	0.07
AJF Greyling	-	961 057	961 057	0.16	-	1 004 987	1 004 987	0.17
PJ Mouton	-	2 336 415	2 336 415	0.39	-	2 285 809	2 285 809	0.38
B van der Linde ¹	-	-	-	0.00	191 876	580 266	772 142	0.13
CR van der Merwe	-	3 011 677	3 011 677	0.50	-	3 011 677	3 011 677	0.50
JP Loubser	-	2 000 000	2 000 000	0.33	-	2 000 000	2 000 000	0.33
	396 030	8 309 149	8 705 179	1.46	587 906	8 882 739	9 470 645	1.58

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

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 2021

	2021 R million	2020 R million
Issued		
Ordinary shares with no par value	6 205	6 205
Authorised		
Ordinary number of shares with no par value ('million)	800	800
Reconciliation of number of shares issued:		
Reported as at 1 January ('million)	598	412
Issue of shares ('million)	-	186
Total number of shares in issue ('million)	598	598

There were no changes to authorised ordinary share capital in the period under review. During the previous year:

- Authorised ordinary share capital increased from 600 million to 800 million no par value shares; and
- 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 29 898 079 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 2021.

CHAIRPERSON'S LETTER

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 Limited 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 members of the remcom are Santie Botha (independent non-executive chairperson of the board), Piet Mouton (non-executive director) and Themba Baloyi (independent non-executive director).

The CEO, Andries Greyling, and the CFO, Cobus Loubser, 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, Mari Lategan, 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 2021, 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 22 June 2021, the remuneration policy received an 89.75% vote in favour thereof (with 10.25% against), and the implementation report received a 93.37% vote in favour thereof (with 6.63% 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.

Shareholders have entrusted significant capital to management 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. A strong culture of accountable co-ownership drives long-term thinking with consistent high performance and is a retention mechanism for quality management.

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 quality management should be rewarded and in time become co-owners in the business.

The remcom engaged with various stakeholders and took cognisance of the latest views on LTI schemes. As a result, the company proposed changes to the current LTI ('Old LTI') and the adoption of a new LTI ('New LTI').

The New LTI was approved by shareholders at the Curro AGM held on 22 June 2021 where it received a 94.04% vote in favour thereof (with 5.96% against). The New LTI will primarily be used for executives and key managers and 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].

Furthermore in accordance with its charter, the remcom made the following additional key decisions during 2021:

- a) Determined the key performance indicators of the short-term incentives ('STIs') for the 2022 financial year;
- b) Reviewed performance against the 2021 key performance areas and approved STIs for executive directors and exco members;
- c) Considered market benchmarking for executive pay. Reviewed and approved salary increases for the executive directors, exco members and the 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 executive management; and
- g) Reviewed the committee's charter.

Refer to the corporate governance report on pages 78 to 86 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 2021 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 2022 include:

- Continuing to implement best-practice protocols in accordance with principles set out in this policy.
- Monitor the performance conditions determined to be appropriate for the LTI and STI schemes 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.



Themba Baloyi
Chairperson: Remuneration and Nominations Committee

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 2021 there were 6 150 employees, of whom 228 employees related to head office. Total remuneration represented 52% (2020: 51%) of revenue generated and 66% (2020: 65%) 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 that also make a positive contribution towards the B-BBEE compliance requirements. 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:

- i. 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.
- ii. A short-term cash incentive scheme, linked to the annual performance of the company.
- iii. 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 78 to 86 in Curro's 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.



Curro Century City

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 LTI 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 address some of these challenges where possible.

The steps taken in this regard include:

- a) Enhancements in cost of and access to the provident fund and medical aid.
- b) Assistance with school fees provided for employees whose children attend Curro schools.
- c) Ensuring that the lowest-paid employees receive remuneration above the minimum wage level.
- d) 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 ('TCTC')

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)

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

Head office employees (about 3% of total employees)

- a) Administrative employees and non-management employees: general market comparisons
- b) Specialised functions/professionals: industry-specific comparisons
- c) Executives: publicly available information, together with external 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.

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 or where industry benchmarking indicates that an executive's remuneration is below market.

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 2022:

STI targets (equal weighting)*

- a) Achieve growth in recurring HEPS of at least 30% from the previous year
- b) Increase EBITDA margin (as percentage of turnover) by 2.0% from the previous year
- c) Achieve at least 7.0% growth in organic average net learner numbers from 2022 to 2023
- d) 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 uncertain environment that the COVID-19 pandemic has caused, the remcom reserves the right to review the performance measures and targets if required. In addition, the remcom sets a linear scale to determine incentives relative to targets, with a minimum level of achievement above 70% of targets required to qualify for a portion of incentives relating thereto.

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 leaver ratio for learners, it will have to focus on closely managing 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.



Curro Academy Soshanguve

6. Long-term incentives ('LTI')

Introduction

As stated in the chairperson of the remcom's letter, the company changed and improved the LTI scheme during 2021. Curro therefore has two schemes in place going forward. For ease of reference, we refer to the previous scheme as the *Old LTI* scheme and the recently 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 are designed to do 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 qualifies to partake in the New LTI scheme waived their unvested remaining rights in terms of the Old LTI scheme. 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 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, where 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).

Furthermore, shareholders approved the proposed resolution to reduce the number of shares available to be used in the Old LTI to 19 million shares.



Curro Academy Mahikeng

6.1.2 Awards

Share options were awarded annually at the discretion of the remcom. The number of share options awarded was 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 individual performance. In determining the top-up calculations for the annual share option award, the value of unvested past share option awards was taken into account.

The total consolidated number of options awarded annually was 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.

No new awards were made under the Old LTI scheme in 2020 and 2021.

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 2021 the remaining loan balance was R403 484 (2020: R533 577).

6.1.5 Forfeiture of unvested shares

The executive directors and other executives agreed to forfeit all of their 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 New LTI scheme was implemented in 2021 after it was approved by shareholders at the AGM and use 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 key executive management of Curro and selected other individuals who are regarded as potential successors to key executive management. The allocation of options will be a process agreed between the key executive management and the remcom.

The number of nil-paid options which were allocated in the first award on 30 June 2021 is 0.833% of the number of shares in issue, whilst the second award on 31 March 2022 consisted of 0.80% of shares in issue. 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 be taken into account in this regard.

6.2.3 Vesting

Options will vest in 25% tranches. The first award's first tranche vests on 31 March 2023 and the third, fourth and fifth tranches annually thereafter. The second award vests on the same basis from 31 March 2024 and the three anniversaries thereafter.

Award	Vesting dates				
	31 March 2023	31 March 2024	31 March 2025	31 March 2026	31 March 2027
First award: 30 June 2021	25%	25%	25%	25%	
Second award: 31 March 2022		25%	25%	25%	25%

The options are 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 and 2021 awards	1) Growth in recurring HEPS	2) Annual increase in RoCE <small>Note 1</small>	3) Individual key performance criteria
Weighting:	60%	20%	20%
Minimum hurdle <u>before</u> 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:		<ul style="list-style-type: none"> • 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 determined as above divided by two.



The King's School Linbro Park

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 5.8% in year 2, being an improvement of 0.2% per year on the 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
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 six 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 Limited Listings Requirements.

Below is a summary of the shares already utilised and key limits:

	Number of shares	As % of shares in issue
For all participants		
Maximum approved limit of the Old LTI*	19 000 000	3.17%
Total maximum utilisation that might be required to New LTI until 2030	30 210 000	5.05%
Total potential utilisation for Old and New LTI	49 210 000	8.22%
Current invested		
Old LTI	4 863 100	0.81%
New LTI	4 733 978	0.79%
Per individual participant		
Cumulative utilised Old LTI	2 228 299	0.37%
Total maximum that might be required to New LTI until 2030**	12 084 000	2.02%
Total potential utilisation for Old and New LTI	14 312 299	2.39%

* The 2021 AGM approved changes to the Old LTI: the maximum approved limit was reduced to 19 million shares and the limit per participant was reduced to 3 million shares. The remaining headroom is therefore cancelled.

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

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 10 of the Notice of AGM for details on the proposed fees for 2022, as set out below. Refer to the implementation report for the details on the non-executive directors' remuneration paid in the 2021 financial year.

Non-executive directors' fees have not increased materially over the last few years. After conducting a market benchmarking exercise and considering current fees in that context, the fees for non-executive directors are proposed to increase by between 5% and 15%, as follows:

Non-executive directors' fees (excluding value-added tax)	Annual fee 2022/2023
Board	
Chairperson of the board	R657 800
Board members	R299 000
Chairpersons of the board committees	
Audit and risk committee	R179 400
Remuneration and nominations committee	R109 200
Social, ethics and transformation committee	R109 200
Members of board committees	
Audit and risk committee	R95 680
Remuneration and nominations committee	R87 300
Social, ethics and transformation committee	R54 600

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

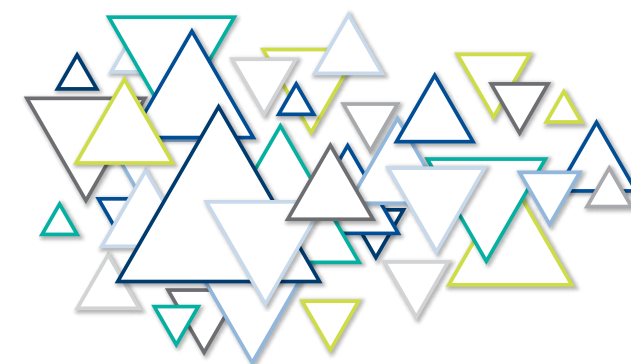
This remuneration policy is updated from time to time, and together with the implementation report, is presented to the shareholders of Curro annually at its AGM for two separate non-binding advisory votes.

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

- 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.
- 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.



IMPLEMENTATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 had 6 150 employees in 2021, and approximately 66% of operating expenses consist of remuneration for employees.

The remcom has achieved its objectives set out in the remuneration policy for 2020 and 2021. There were no material deviations from the remuneration policy.

1. Summary

	2019	2020	2021
Total remuneration			
Total number of employees	6 076	5 963	6 150
Guaranteed pay and company contributions [#]	1 541	1 510	1 773
Short-term incentive	6	29	25
IFRS2 share-based payments expense	22	28	32
Total remuneration* (R million)	1 569	1 567	1 830
As percentage of revenue	53%	51%	52%

Remuneration of executive committee

Number of employees	11	9	9
Guaranteed pay (R million)	23	17	21
Short-term incentive (R million)	3	9	6
IFRS2 share-based payments expense (R million)	7	7	9
Total of guaranteed and short-term incentive (R million)	33	33	35
Short-term incentive as percentage of guaranteed pay	13%	53%	24%
Total of guaranteed pay as percentage of revenue	1.1%	1.1%	1.0%
Total of guaranteed pay as percentage of EBITDA	4.8%	4.8%	4.4%

Notes

* The total guaranteed remuneration for the 2020-year was a low base for comparison due to the deduction of Temporary Employment Relief Scheme ('TERS') receipts from the salary cost for 2020.

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
2021						
AJF Greyling	3 180	124	95	1 394	–	4 793
JP Loubser	3 100	72	93	–	–	3 265
	6 280	196	188	1 394	–	8 058

1. Based on performance for the 2020 financial year.

Executive	Basic salary	Expense allowances	Pension contributions paid	Bonuses ²	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 ³	517	12	15	–	–	544
B van der Linde ⁴	2 158	101	65	1 273	–	3 597
	5 454	221	163	3 407	–	9 245

2. Based on performance for the 2019 financial year.

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

4. Resigned as director effective 31 December 2020 and appointed as Chief Operating Officer from 1 January 2021.

3. Total-cost-to-company packages

Staff salaries have historically been increased with effect from 1 March each year. For the 2021 year, the group generally did not give any increases other than for promotional. 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 2022 amount paid to the exco was R9.4 million (2021: R5.9 million), which was the bonus pool approved by the remcom in February 2022.

The remcom's approval process for STIs considered a review of the exco's achievement against the 2021 key performance indicators that were approved for that year in March 2021 and reviewed in February 2022 (once reviewed and/or audited information was available).

Executives met two out of the four key performance indicators that had been set for the 2021 financial year, particularly with regards to growth in recurring HEPS and growth in yield. Details can be found below.

Certain other employees, who mainly comprise operations managers, executive heads and selected head office personnel, received a bonus in March 2022 based on specific outcomes achieved by the individual and their area of responsibility.

The exco's STI targets and results for the 2021-year are listed below:

- Achieve growth in recurring HEPS of at least 18% from 2020
- 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 key performance objectives

The STIs for the individuals as set out in the 2021 remuneration policy for the 2021 financial year are set out below. This was paid in February and March 2022 and was accrued for in the 2021 financial statements:

Targets:	Allocation if target met	Minimum	Target	Actual achieved	Allocated bonus
1. Recurring HEPS growth	25%	12.6%	18.0%	7.6%	0.0%
Recurring HEPS (cents)		42.8	44.8	40.9	
2. Increase EBITDA margin by 1.0%	25%	0.7%	1.0%	0.1%	0.0%
- Margin for 2021				22.3%	
- Margin for 2020				22.2%	
3. Growth in learner numbers	25%	5.0%	7.0%	7.0%	25.0%
4. Personal KPIs	25%			Yes	25.0%
Portion of full bonus					50.0%

	CEO	CFO	Other Exco
Total personal KPIs	25.0%	25.0%	25.0%
Group targets achieved	25.0%	25.0%	25.0%
Other ¹	–	50.0%	–
Total bonus	50.0%	100.0%	50.0%
Bonus weighting per executive (% of yearly salary)	100.0%	80.0%	60.0% to 80.0%
Bonus percentage of yearly salary paid in 2021	50.0%	80.0%	30.0% to 40.0%

1. As a condition of his appointment, the CFO receives an additional top-up incentive for his first two years of employment, in 2021 and 2022, up to a maximum of 80% of his annual salary.

5. Long-term incentives (R million)

	2019	2020	2021
Realised gains on vesting (all participants)	1	0	0
Realised gains on vesting (exco)	0**	0	0
Outstanding loans to participants*	9	0***	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 R533 577
 # Rounded to million, actual amount is R403 484

The executive directors and other executives agreed to forfeit all their share options awarded in terms of the Old LTI before the relevant vesting dates in 2021. No new share awards were made to directors during 2021 in terms of the Old LTI.

New awards were made in terms of the New LTI on 30 June 2021 (the first award) and on 31 March 2022 (the second award).

Details of share awards to executive directors in terms of the Old LTI and New 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 at 1 January 2021	Number of share options vested during the year	Number of share options awarded / (forfeited) #	Closing balance of share options as at 31 December 2021	Gain on vesting of options**	Gains on unvested share options as at 31 December 2021***
								R'000	R'000
CR van der Merwe	2016/09/29	2021/09/29	36.21	35 050	(35 050)	-	-	-	-
AJF Greyling	2016/09/29	2021/09/29	36.21	23 950	-	(23 950)	-	-	-
	2017/09/29	2022/09/29	37.53	136 850	-	(136 850)	-	-	-
	2018/09/29	2023/09/29	30.54	81 975	-	(81 975)	-	-	-
	2019/09/29	2024/09/29	19.81	474 400	-	(474 400)	-	-	-
	2021/07/01	2026/03/31	NIL^			996 627	996 627	-	12 408
JP Loubser	2021/07/01	2026/03/31	NIL^			747 470	747 470	-	9 306
				752 225	(35 050)	1 026 922	1 744 097	-	21 714

* 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 2021 being R12.45. This does not take the status of performance conditions and the probability of non-vesting or forfeitures into account.
 # The options awarded in terms of the Old LTI was forfeited by the executive directors, after the approval of the New LTI by shareholders and the implementation thereof (also refer to 6.1.5 under the remuneration policy above).
 ^ First award in terms of the New LTI.

6. Non-executive directors' fees

	2019	2020	2021
Remuneration (R'000)	3 037	3 164	3 097
Growth	46%	4.2%	(2.1%)

The fees paid to non-executive directors in the 2021 financial year included the following:

Name	2020 R'000	2021 R'000
SL Botha	630	643
ZL Combi ¹	394	-
ZN Mankai	480	408
TBL Molefe ²	330	297
PJ Mouton	330	337
SWF Muthwa	363	357
TP Baloyi	57	439
DM Ramaphosa	330	361
CR van der Merwe	250	255
	3 164	3 097

1. ZL Combi resigned as director effective 30 November 2020.
 2. TBL Molefe resigned as director effective 19 November 2021.



Curro Serengeti

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 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.
Company Secretary	Mrs M Lategan
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	Tamela Holdings (Pty) Ltd



CURRO

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