



# **Absa Group Limited**

Notice of annual general meeting  
2020

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## Shareholder diary<sup>1</sup>

Thursday, 4 June 2020	Annual general meeting
Wednesday, 12 August 2020	2020 interim results announcement and declaration of the interim dividend
Tuesday, 15 September 2020	Last date to trade
Wednesday, 16 September 2020	Ex-dividend date
Friday, 18 September 2020	Record date
Monday, 21 September 2020	Interim dividend payment date

<sup>1</sup> Subject to change

## Contact information

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Nadine Drutman

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### Transfer secretary

Computershare Investor Services (Pty) Ltd

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### Auditors

Ernst & Young Inc.

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Dear shareholder

**Notice of publication of our integrated report, annual financial statements and notice of annual general meeting**

Please find enclosed the notice of annual general meeting (AGM) of Absa Group Limited (Absa or the Group, or the Company), to be held on Thursday, 4 June 2020 at 10:00 in Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg.

Due to the COVID-19 (coronavirus) outbreak, and the need for social distancing, shareholders are encouraged to participate electronically and to make use of proxy voting.

Shareholders wishing to participate in the AGM via electronic communication are requested to submit written notice via email to [groupsec@absa.africa](mailto:groupsec@absa.africa) and by post, or physically to the registered office of the Company, at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg (attention Nadine Drutman, Group Company Secretary) by no later than 10:00 on Thursday, 28 May 2020. For the notice to be valid, it must contain the details set out in paragraph 5 on page 17. Shareholders participating via electronic communication will still need to submit completed proxy forms for their votes to be counted. The details for proxy form submission are contained on the proxy form and in paragraph 2 of page 16.

By no later than 10:00 on Friday, 29 May 2020, the Company shall, by reply email, notify a shareholder, who has delivered a valid notice as indicated above, of the relevant details through which the shareholder can participate electronically. To the extent that the meeting will need to be held entirely through electronic media, shareholders may be advised of this by SENS in the week prior to the date of the meeting.

In accordance with section 31(1) of the South African Companies Act, No. 71 of 2008, as amended (Companies Act) you are notified that the Absa Group Limited 2019 Integrated Report and full annual financial statements are available on the Absa Group website ([www.absa.africa](http://www.absa.africa)) from Tuesday, 31 March 2020.

Should you wish to receive a printed copy of our 2019 Integrated Report or the annual financial statements, you may request these from [groupsec@absa.africa](mailto:groupsec@absa.africa).

We request that shareholders deliver their proxies (preferably via email to proxy@computershare.co.za) no later than 24 hours before the commencement time of the AGM to allow time for completion of the administrative processes relating to the meeting. Proxy forms submitted on the day of the AGM must be emailed simultaneously to the transfer secretaries (proxy@computershare.co.za) and the Absa Group Company Secretary (groupsec@absa.africa), before any proxy seeks to exercise any right granted to it.

**Nadine Drutman**

Group Company Secretary

20 March 2020

# Notice of annual general meeting

## **Absa Group Limited**

(Absa or the Company)

Incorporated in the Republic of South Africa

Registration number: 1986/003934/06

JSE share code: ABG

ISIN: ZAE000255915

Notice is hereby given, in terms of section 62(1) of the Companies Act, No. 71 of 2008, as amended (Companies Act) that the 34th annual general meeting (AGM) of ordinary shareholders of Absa will be held in Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg (or using any other medium to hold the meeting as may be appropriate in the circumstances, and as notified to shareholders on SENS the week before the date of the meeting) on Thursday, 4 June 2020 at 10:00 to transact the following business:

1. To present to shareholders the audited annual financial statements of the Company, together with the reports of the Board of Directors of the Company (Board of Directors), and the Group Audit and Compliance Committee (GACC) of the Company for the financial year ended 31 December 2019.
2. To present the report of the Social and Ethics Committee of the Company for the financial year ended 31 December 2019.
3. To consider and, if deemed fit, to pass the ordinary resolutions set out in this notice of AGM, with or without modifications.
4. To consider and, if deemed fit, to endorse the non-binding resolutions set out in this notice of AGM on the Company's remuneration policy and implementation report, with or without modifications.
5. To consider and, if deemed fit, to pass the special resolutions set out in this notice of AGM, with or without modifications.

In accordance with sections 59(1) (a) and (b) of the Companies Act, the record date (the date on which a shareholder must be registered in the Company's register of shareholders in order to receive notice of the AGM) is Friday, 13 March 2020. The last day to trade in Absa shares in order to be on the shareholder register and so be entitled to attend, participate and vote at the AGM is Tuesday, 26 May 2020, and the record date for attendance, participation and voting at the AGM is Friday, 29 May 2020.

# Agenda

## 1. Presentation of the annual financial statements and reports

The audited annual financial statements, including the reports of the directors and Group Audit and Compliance Committee (to be presented by the chairman of the committee) for the year ended 31 December 2019, are available in summarised form together with this document, with the full annual financial statements including the reports of the directors and Group Audit and Compliance Committee (to be presented by the chairman of the committee) for the year ended 31 December 2019, available on the Company's website at [www.absa.africa](http://www.absa.africa).

## 2. Presentation of the report of the Social and Ethics Committee

The report of the Social and Ethics Committee for the year ended 31 December 2019 will be presented by the chairman of the committee, with time for questions. The report is included in the 2019 Integrated Report on page 59 and accessible on the Company's website.

## 3. Profiles

Brief profiles of the directors standing for election and re-election and those of the Group Audit and Compliance Committee members are set out from pages 19 to 22 of this notice.

### Ordinary resolutions

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

### Ordinary resolution number 1: Re-appointment of the external auditor

**Resolved** that Ernst & Young Inc. (EY) and the designated audit partner, Ernest van Rooyen, are hereby re-appointed as the Company's external auditor to hold office until the conclusion of the next AGM.

#### Motivation

In terms of section 64(2) (a) of the Banks Act No. 94 of 1990, as amended (Banks Act) as read with section 90(1) of the Companies Act, each year at its AGM, a public company must appoint an auditor who complies with the requirements of section 90(2) by way of an ordinary resolution of the shareholders entitled to exercise voting rights on that resolution. As contemplated in section 90(3) of the Companies Act, the name of the designated individual auditor forms part of the resolution. The JSE Listings Requirements require audit firms and individual auditors, prior to being appointed or re-appointed by listed companies, to be accredited. The Group Audit and Compliance Committee (GACC) has confirmed that EY, together with their designated auditor, are duly accredited and independent. As recommended by King IV, the GACC, with reference to audit quality indicators, confirmed that the audit quality for the year ended 31 December 2019 was satisfactory.

The Board recognises that there are a limited number of professional audit firms able to accept the risk of conducting an audit the size and complexity of the Absa Group and is comfortable that EY displays the necessary skills and experience in conducting an audit of this nature.

The EY designated audit partner is rotated every five years, as required by section 94 of the Companies Act, with the most recent rotation being in 2016. EY is a Level 1 Empowered Supplier in terms of South Africa's Department of Trade and Industry's Code of Good Practice on Broad-Based Black Economic Empowerment.

The Prudential Authority of the South African Reserve Bank allowed a dispensation to Absa Group Limited and Absa Bank Limited to engage with a sole auditor for the 2020 financial year. During this year we will initiate a process towards engaging a second firm for appointment for the 2021 financial year in terms of the Prudential Authority's requirements for joint auditors.

Considering the above, the GACC recommended and the Board endorsed the proposed re-appointment by shareholders of EY as the Company's auditor to serve until the conclusion of the next AGM.

## Ordinary resolution number 2: Re-election of retiring directors

**Resolved** that each of the directors named below in 2.1 to 2.5, who retire in terms of the provisions of the Company's Memorandum of Incorporation (MOI) on director rotation, and being eligible and available, and having offered themselves for re-election, be and are hereby re-elected in terms of section 68(2)(a) of the Companies Act by way of a series of votes, as directors of the Company:

- 2.1 Mark Merson as an independent non-executive director
- 2.2 Wendy Lucas-Bull as an independent non-executive director
- 2.3 Colin Beggs as a non-executive director
- 2.4 Daniel Hodge as a non-executive director
- 2.5 Jason Quinn as an executive director

### Motivation

The Company's MOI requires that one-third of the directors retire at each AGM. Independent directors who have served on the Board for more than nine years are subjected to annual rotation and may offer themselves for re-election. Mohamed Husain has served on the Board for more than ten consecutive years, and accordingly retires in terms of the nine-year rule. He has not offered himself for re-election.

Based on skills, capacity, experience, and independence (as well as a declaration of independence and capacity by all independent non-executive directors), the Board has determined that the performance of each of the directors standing for re-election meets the required standards expected of them. In terms of their duties and responsibilities, the afore mentioned directors remain eligible for re-election. The Board therefore recommends their re-election by shareholders.

It is noted that Colin Beggs has served more than nine years on the Board. While Colin is standing for re-election as a non-executive director, he will no longer be classified as independent.

### Ordinary resolution number 3: election of directors

**Resolved** that the directors named in 3.1 to 3.4 below, who having been appointed by the Board after the 2019 AGM and on the dates set out below, and who, in terms of the Company's MOI, are required to be elected by the shareholders at the next AGM are hereby elected in terms of section 68(2) (a) of the Companies Act, as directors of the Company:

- 3.1 Ihron Rensburg, as an independent non-executive director (appointment effective 1 October 2019)
- 3.2 Rose Keanly, as an independent non-executive director (appointment effective 1 September 2019)
- 3.3 Swithin Munyantwali, as an independent non-executive director (appointment effective 15 September 2019)
- 3.4 Daniel Mminele, as an executive director (Group Chief Executive) (appointment effective 15 January 2020)

#### Motivation

In terms of the Company's MOI, the appointment by the Board of any persons as directors of the Company during the year subsequent to the last AGM requires election by shareholders at the first AGM of the Company following the appointment of such persons. Ihron Rensburg, Rose Keanly, Swithin Munyantwali, and Daniel Mminele were appointed by the Board as directors of the Company subsequent to the 2019 AGM. The Board recommends their election by shareholders. In the case of Swithin Munyantwali, he has been classified as an independent non-executive director, effective 1 March 2020, following his retirement from the board of Absa Bank Uganda.

### Ordinary resolution number 4: Re-appointment and appointment of the Group Audit and Compliance Committee (GACC) members

**Resolved** that each independent non-executive director in 4.1 to 4.3 below, be and is hereby re-appointed, by way of a series of votes, as members of the GACC to serve until the next AGM.

- 4.1 Alex Darko
- 4.2 Daisy Naidoo
- 4.3 Tasneem Abdool-Samad

**Resolved** that the director, initially appointed as non-executive director on 15 September 2019, and from 1 March 2020 was subsequently classified as an independent non-executive director named in 4.4 below, be and is hereby appointed as a member of the GACC to serve until the next AGM.

- 4.4 Swithin Munyantwali (subject to election in terms of Ordinary Resolution 3.3)



## Motivation

Section 94(2) of the Companies Act requires public companies (and private companies that meet certain criteria), to appoint an audit committee comprising at least three members who are independent non-executive directors of the Company at each AGM. Section 64 of the Banks Act exempts banks from this provision of the Companies Act. The annual appointment of the audit committee is widely practiced by other corporates outside of the banking sector. The Board believes the practice is good governance and therefore elects to propose the appointment of the members of the GACC annually.

The Board has reviewed the composition of the GACC against the requirements of the Companies Act and the Banks Act, and has confirmed that the committee complies with the relevant regulatory requirements and that the members have the necessary knowledge, skills and experience to enable the committee to perform its duties in terms of these statutes. The Board therefore recommends to the shareholders the re-appointment and appointment of the members named on the previous page.

Profiles of the directors named in ordinary resolutions 2 to 4 are set out in Annexure A.

## Ordinary resolution number 5: Placing of the authorised but unissued ordinary share capital under the control of the directors

**Resolved** that, subject to any applicable legislation and the JSE Listings Requirements, the authorised but unissued ordinary shares of the Company (other than those specifically identified and authorised for issue in terms of any other authority by shareholders), be and are hereby placed under the control of the directors. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to the lower of 5% (five percent) of the number of ordinary shares in issue as at 31 December 2019 and the maximum number of authorised but unissued ordinary shares from time to time.

## Motivation

In terms of the Company's MOI, the shareholders of the Company must approve the placement of the unissued ordinary shares under the control of the Directors. The Directors have decided to seek annual renewal of this authority, in accordance with best practice. The percentage of authorised but unissued shares is, at the date hereof 3.7% and will increase to 5% subject to the passing of Special resolution number 2. The directors have no current plans to make use of this authority but are seeking its renewal to ensure that the Company has maximum flexibility in managing the Group's capital resources.

## Non-binding advisory votes

If the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the Board will implement certain measures.

### Non-binding advisory vote number 1: The Company's remuneration policy

**Resolved** to endorse, by way of a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors for their services as directors and members of Board committees) set out in pages 6 to 16 of the 2019 Remuneration Report.

### Non-binding advisory vote number 2: The Company's remuneration implementation report

**Resolved** to endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report (excluding the remuneration of the non-executive directors for their services as directors and members of Board committees) set out in pages 17 to 38 of the 2019 Remuneration Report.

### Motivation for non-binding votes numbers 1 and 2

King IV recommends and the JSE Listings Requirements require a listed company to table its remuneration policy and implementation report for separate non-binding advisory votes by shareholders at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

These resolutions are of an advisory nature only and a failure to pass either one or both of them will therefore not have any legal consequences relating to existing arrangements. Even though these resolutions are non-binding, if the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the Board will, as recommended by King IV and required by the JSE, implement certain measures, including:

- a) an invitation to dissenting shareholders (those who voted against the policy and/or implementation report) to engage with the Company; and
- b) the manner and timing of such engagement.

Thereafter, the Company will engage with the shareholders to address the matters of concern. The Company's remuneration policy and implementation report are included on pages 6 to 16 and 17 to 38 of the 2019 Remuneration Report, respectively.

## Non-binding advisory vote number 3: Climate change risk and opportunity disclosure

**Resolved** that the Company, in its integrated report next year, provide shareholders with an assessment of its exposure to climate change risk in its lending and financing portfolios, and of the opportunities to finance climate change mitigation and adaptation, including:

- a) the quantum of its loans to carbon-related assets and the percentage to total loans;
- b) a description of any significant credit concentration to carbon-related assets and how it manages the associated risks; and
- c) its financing of climate-related opportunities.

### Motivation

Although this vote is non-binding, the Board values shareholders' views and will review the voting. The Board recognises Africa's vulnerability to climate change and the Company's need to assess climate-related risks and opportunities, given its strategic ambition to play a shaping role in society through acting sustainably on climate change and social development needs. The Company is a founding signatory to the United Nations Environment Programme Finance Initiative's Principles for Responsible Banking (PRB). This disclosure represents the first step in a multi-year journey to integrate sustainability into our strategy and operations, while being transparent about, and accountable for, creating shared prosperity for current and future generations, in line with the PRB.

### Vote Required

The affirmative vote of a majority of the shares present in person or represented by proxy and entitled to be voted on the proposal at the annual meeting is required for advisory approval of this proposal.

## Special resolutions

For a special resolution to be approved by the shareholders, it must be supported by 75% of the voting rights exercised on that resolution.

## Special resolution number 1: Remuneration of non-executive directors

**Resolved** that the proposed remuneration (plus Value Added Tax (VAT) thereon, when applicable) as set out in the table on the following page, be and is hereby approved to be payable to non-executive directors for their services as directors of the Company for the period 1 June 2020 to, and including, the last day of the month preceding the date of the next AGM.

	Proposed Remuneration 1 June 2020 – 31 May 2021 <sup>5</sup> R	Remuneration 1 June 2019 – 31 May 2020 R	Change %
Board Chairman <sup>1</sup>	6 794 526	6 501 939	4.5
Board members <sup>2</sup>	612 231	585 867	4.5
Group Audit and Compliance Committee (GACC) member <sup>3</sup>	352 546	337 365	4.5
Group Risk and Capital Management Committee (GRCMC) member <sup>3</sup>	346 134	331 228	4.5
Group Remuneration Committee (RemCo) member <sup>3</sup>	201 387	192 715	4.5
Directors' Affairs Committee (DAC) member	125 392	119 991	4.5
Group Credit Risk Committee (GCRC) member <sup>4</sup>	110 644	105 879	4.5
	3 415 per facility reviewed	3 268 per facility reviewed	4.5
Social and Ethics Committee (SEC) member <sup>3</sup>	141 058	134 984	4.5
Disclosure Committee (DC) member <sup>4</sup>	90 751	90 751	0
Information Technology Committee (ITC) member <sup>4</sup>	165 109	158 000	4.5
Board Finance Committee (BFC) member <sup>4</sup>	24 483 per meeting	23 429 per meeting	4.5
Separation Oversight Committee (SC) <sup>4</sup>	24 483 per meeting	23 429 per meeting	4.5
Special Board meeting	39 475 per meeting	37 775 per meeting	4.5
Special ( <i>ad hoc</i> ) Board committee and sub-committee meetings	24 483 per meeting	23 429 per meeting	4.5
<i>Ad hoc</i> attendance	5 406 per hour	5 173 per hour	4.5

<sup>1</sup> The Group Chairman's fees cover her chairmanship and membership of all Board committees and sub-committees (excluding the Separation Oversight Committee), including the chairmanship of the boards of Absa Bank Limited and Absa Financial Services Limited.

<sup>2</sup> Executive directors of the Company do not receive fees as members of the Company Board and Board committees.

<sup>3</sup> The GACC, GRCMC, RemCo and SEC chairmen receive fees equal to two-and-a-half times (2.5x) the fee payable to the members of these committees.

<sup>4</sup> The chairmen of Board committees and sub-committees other than the GACC, GRCMC, RemCo and SEC receive fees equal to twice the fee payable to members of these committees.

<sup>5</sup> The fees indicated above are exclusive of VAT. Where applicable, VAT will be levied by the non-executive directors and such fees plus VAT will be paid to the non-executive directors concerned (subject to the issue of a valid tax invoice reflecting fees plus VAT).

Full particulars of all remuneration and benefits paid to the Directors during 2019 are included on page 32 of the 2019 Remuneration Report.

## Motivation

In terms of section 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited by the Company's MOI. Absa Group's MOI provides for payment of such remuneration.

If approved by the shareholders at the AGM, the fees as set out in the table on the previous page, will be payable to the non-executive directors on the Board until the conclusion of the month preceding the next AGM. As set out in the Binding General Ruling 41, issued by the South African Revenue Service, dated 10 February 2017 and effective since 1 June 2017, VAT is levied on the fees of the non-executive directors, provided such directors are registered for VAT payment. If approved, the remuneration, including any VAT payable thereon, will be paid to the non-executive directors on the Board.

## Special resolution number 2: Increase in authorised ordinary share capital

**Resolved** that in terms of section 36(2)(a) and section 16(1)(c) of the Companies Act, the authorised ordinary share capital of the Company be and is hereby amended by an increase equal to R22,613,108 (twenty two million six hundred and thirteen thousand one hundred and eight rand) divided into 11,306,554 (eleven million three hundred and six thousand five and fifty four) ordinary shares with a par value of R2 (two rand) each, ranking *pari passu* in all respects with the existing ordinary shares in the authorised share capital of the Company, so as to result in an authorised share capital of R1,783,548,108 (one billion seven hundred and eighty three million five hundred and forty eight thousand one hundred and eight rand) divided into 891,774,054 (eight hundred and ninety one million seven hundred and seventy four thousand and fifty four) ordinary Shares with a par value of R2 (two rand) each, and that clause 8.1 of the Company's memorandum of incorporation be amended in order to reflect the increase by the replacement of "*R1,760,935,000 (one billion seven hundred and sixty million nine hundred and thirty five thousand rand) divided into 880,467,500 (eight hundred and eighty million four hundred and sixty seven thousand five hundred) ordinary Shares*" with "*R1,783,548,108 (one billion seven hundred and eighty three million five hundred and forty eight thousand one hundred and eight rand) divided into 891,774,054 (eight hundred and ninety one million seven hundred and seventy four thousand and fifty four) ordinary Shares*".

## Motivation

The reason for special resolution number 2 is to ensure that the Company has sufficient headroom for any future share issuances. The effect of special resolution number 2 is to increase the authorised share capital of the Company to R1,783,548,108 (one billion seven hundred and eighty three million five hundred and forty eight thousand one hundred and eight rand) divided into 891,774,054 (eight hundred and ninety one million seven hundred and seventy four thousand and fifty four) ordinary shares, which will increase the current headroom from 3.7% to 5%.

## Special resolution number 3: General authority to repurchase the Company's securities

**Resolved** that, pursuant to the Company's MOI, and subject to section 48 of the Companies Act, the JSE Listings Requirements and any other stock exchange on which the securities in the capital of the Company may be quoted or listed from time to time, the Board be and is hereby authorised, by way of a general authority, to approve the repurchase by the Company or any of its subsidiaries, of the Company's ordinary shares from time to time provided that:

- a) this authority shall be valid only until the date of the next AGM of the Company or for 15 (fifteen) months from the date of the resolution, whichever is the earlier, and may be varied or revoked by a special resolution at any general meeting of the Company at any time prior to the stated expiry date;
- b) the repurchase of ordinary shares is effected through the order book operated by the JSE trading system, and is done without any prior understanding or arrangement between the Company or the relevant subsidiary and the counterparty;
- c) the Company or the relevant subsidiary is authorised thereto by its MOI;
- d) approval being given in terms of a special resolution of shareholders of the Company or the relevant subsidiary in an annual general/general meeting;
- e) repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- f) at any point in time, the Company or the relevant subsidiary may only appoint one agent to effect any repurchases on the Company's behalf;
- g) the Company or the relevant subsidiary does not repurchase securities during a prohibited period (as defined in terms of the JSE Listings Requirements) unless it has a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
- h) an announcement containing full details of such repurchases is published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the repurchases and for each 3% (three percent), on a cumulative basis, thereafter;
- i) the general repurchase of any ordinary shares is (notwithstanding the 20% (twenty percent) limit set by the JSE Listings Requirements) limited to a maximum of 5% (five percent) of the Company's issued ordinary share capital in any one financial year; and
- j) the Board of the Company, by resolution, has authorised the repurchase and acknowledges that the Company and its subsidiaries have passed the solvency and liquidity test immediately after the repurchase and that, since the test was performed, there have been no material changes to the financial position of the Company and/or the Group.

## Directors' statement

The Board undertakes that this authority will only be used if the circumstances are conducive and appropriate for such repurchases. The Board further confirms that, after having considered the effect of any repurchases of ordinary shares pursuant to this general authority and subject to the relevant law and regulations aforementioned, that they will not undertake such repurchase of ordinary shares unless:

- a) the Company and the Group would be able to repay their debts in the ordinary course of business for the period of 12 (twelve) months after the date of the notice of the AGM;
- b) the assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards and the Company's accounting policies used in the latest audited Group financial statements, will be in excess of the liabilities of the Company and the Group for the period of 12 (twelve) months after the date of the notice of the AGM;
- c) the Company and the Group will have adequate capital and reserves for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM; and
- d) the working capital of the Company and the Group will be adequate for ordinary business purposes for the period of 12 (twelve) months after the date of the notice of the AGM.

For the purposes of considering the special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information is either listed below or has been included in the integrated reporting suite:

- a) Directors and management – refer to pages 22 and 24, of the 2019 Integrated Report.
- b) Major shareholders – refer to page 162 of the 2019 financial results booklet.
- c) Material changes – there have been no material changes in the financial or trading position of the Company and its subsidiaries since 31 December 2019.
- d) Directors' interests in securities – refer to page 78 of the annual financial statements.
- e) Share capital of the Company – refer to page 77 of the annual financial statements.

The directors, whose names are set out on page 22 of the 2019 Integrated Report, collectively and individually accept full responsibility for the accuracy of the information contained in this notice and accompanying documents and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable enquiries in this regard, and further that this notice contains all information required by law and the JSE Listings Requirements.

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may or have had a material effect on the Company's financial position over the 12 (twelve) months preceding the date of this notice of AGM.

## Motivation

The reason for special resolution number 3 is to grant the Board of directors a general authority to approve repurchases of the Company's ordinary securities by the Company or any of its subsidiaries. The Company's MOI provides for the shareholders to grant authority to the Board, via a special resolution, to approve the repurchase of securities issued by the Company, subject to the relevant provisions of the Companies Act, the Banks Act and the JSE Listings Requirements. The existing general authority, granted by members at the previous AGM held on 4 June 2019, is due to expire and requires renewal.

The Directors are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

The proposed general authority would enable the Company or any subsidiary of the Company to repurchase up to a maximum of 42 387 534 (forty-two million, three hundred and eighty-seven thousand, five hundred and thirty-four) ordinary shares (5% (five percent)) of 847 750 679 (eight hundred and forty-seven million, seven hundred and fifty thousand, six hundred and seventy-nine) ordinary shares in issue as at 31 December 2019, with a stated upper limit on the price payable, which reflects the JSE Listings Requirements.

The effect of passing the special resolution will be to permit the Company or any of its subsidiaries, by way of a general authority, to repurchase, in terms of the Companies Act, ordinary shares issued by the Company. This authority will only be used if circumstances are appropriate.

## Special resolution number 4: Financial assistance to a related or inter-related company

**Resolved** that the Company be and is hereby authorised, in terms of a general authority contemplated in section 45(3) (a) (ii) of the Companies Act, to provide direct or indirect financial assistance (as defined in section 45(1) of the Companies Act (Financial Assistance)) for a period of two years from the date of this resolution, to the following categories of persons (Categories of Persons):

- a) related or inter-related company or corporation; and/or
- b) member of a related or inter-related corporation;
- c) subject to, in relation to each grant of Financial Assistance to the Categories of Person of such Financial Assistance, compliance with the Company's MOI and the Companies Act, including but not limited to the Board of the Company being satisfied that:
- d) pursuant to section 45(3)(b)(i) of the Companies Act, immediately after providing the Financial Assistance, the Company would satisfy the solvency and liquidity test (as contemplated by section 4(1) of the Companies Act);



- e) pursuant to section 45(3)(b)(ii) of the Companies Act, the terms under which the Financial Assistance is proposed to be given are fair and reasonable to the Company; and
- f) any conditions or restrictions in respect of the granting of the Financial Assistance set out in the Company's MOI have been satisfied.

### **Motivation**

Section 45 of the Companies Act regulates the provision of Financial Assistance by the Company to certain categories of persons. The term 'Financial Assistance' has been defined in the Companies Act in wide terms and includes lending money, guaranteeing a loan or obligation, and securing any debt or obligation, but excludes lending money in the ordinary course of business by a company whose primary business is the lending of money.

The Companies Act stipulates that the Board of the Company may provide Financial Assistance as contemplated in section 45 of the Companies Act to the Categories of Persons, provided that the shareholders of the Company passed a special resolution within the previous two years which approves such Financial Assistance generally for such Categories of Persons.

The effect is that this will allow the Board of the Company, always subject to applicable law, in particular the solvency and liquidity requirements as set out in the Companies Act, to provide Financial Assistance to the said Categories of Persons.

# Important meeting information

<b>Date</b>	Thursday, 4 June 2020 at 10:00.
<b>Venue</b>	Boardroom 8.02, Absa Towers West, 15 Troye Street, Johannesburg.
<b>Time</b>	The AGM will start promptly at 10:00. Shareholders wishing to attend are advised to be in the Boardroom 8.02 no later than 09:45. Reception staff at the Absa Towers West will direct shareholders to the AGM venue. Refreshments will be served after the AGM.
<b>Security</b>	Secure parking is provided at the venue by prior arrangement. Attendees are requested not to bring cameras, electronic or recording devices. Cellular telephones should be switched off for the duration of the proceedings.
<b>Admission</b>	Shareholders, representatives of shareholders and proxies attending the AGM are requested to register at the registration desk in the reception area at the venue. Proof of identity may be required for registration purposes.

## Proxy and voting procedures

### 1. General

A shareholder entitled to attend and vote at the AGM may appoint one or more persons as his/her proxy to attend, speak and vote in his/her behalf. Shareholders wishing to attend the AGM must confirm with the Company's transfer secretaries that their shares are in fact registered in their own name.

Should the shares be registered in any other name or in the name of a nominee company, it is the shareholder's responsibility to make the necessary arrangements with that party in whose name the shares are registered to be able to attend and vote in their personal capacity. The proxy form contains detailed instructions in this regard.

### 2. Delivery of completed proxies

Completed proxy forms should be delivered by email at [proxy@computershare.co.za](mailto:proxy@computershare.co.za) or by post to the transfer secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (Private Bag X9000, Saxonwold, 2132) to be received before any proxy seeks to exercise any right granted to it under the relevant proxy form.

To facilitate administration of the meeting, shareholders are encouraged to deliver proxy forms as soon as possible but not later than 24 hours prior to the start of the meeting, i.e. by 10:00 on Wednesday, 3 June 2020.

Proxy forms delivered on the day of the meeting must be delivered by email to the transfer office of the Company at proxy@computershare.co.za with a copy thereof to the Company Secretary of the Company at groupsec@absa.africa to be received by both of them, or (ii) by hand to the Company Secretary at the meeting before the person so empowered seeks to exercise any right granted to it under such instrument.

### **3. Certificated shareholders and dematerialised shareholders with 'own name' registration**

If you are the registered holder of certificated Absa Group Limited ordinary shares or hold dematerialised Absa Group Limited ordinary shares in your own name, and you are unable to attend the AGM but wish to be represented at the AGM or, if you wish to participate via electronic communication, you must complete and return the attached proxy in accordance with the instructions under paragraph 2 on the previous page and also included on the proxy form.

### **4. Dematerialised shareholders without 'own name' registration**

If you are the holder of dematerialised Absa Group Limited ordinary shares which are not in your own name and you do not wish to attend the AGM in person, you must timeously provide your participant or stockbroker with your voting instructions for the AGM in terms of the custody agreement entered into with your participant or stockbroker. If you wish to attend the AGM in person, then you must request your participant or stockbroker timeously to provide you with the necessary letter of representation to attend and vote your shares. Shareholders without own name registration should not complete the attached proxy form.

### **5. Electronic participation**

Shareholders wishing to participate in the AGM via electronic communication are requested to deliver written notice by email to groupsec@absa.africa and by post, or physically to the registered office of the Company, at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg (attention Nadine Drutman, Group Company Secretary) by not later than 10:00 on Thursday, 28 May 2020. For the notice to be valid, it must contain:

- a) if the shareholder is an individual, a certified copy of his/her identity document and/or passport; or
- b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The resolution must provide the particulars of the person authorised to represent the relevant entity at the general meeting via electronic communication; and
- c) a valid email address.

### **6. Voting requirements**

Voting will be by way of a poll and every shareholder present in person or by proxy shall have one vote for each ordinary share held in the Company.

## **7. Proof of identification**

Shareholders or their proxies are required to provide satisfactory identification before being entitled to attend or participate in a shareholders' meeting. Acceptable forms of identification include valid identity documents, driver's licences or passports.

## **8. Enquiries**

Any shareholder having queries regarding the AGM or the above may contact the Group Company Secretary, Nadine Drutman, on +27 (0)11 350 5347 or [groupsec@absa.africa](mailto:groupsec@absa.africa).

## **9. Results of the AGM**

The results of the meeting will be announced via SENS and posted on the Company's website as soon as practicably possible, but no later than 48 hours after the end of the meeting.

By order of the Board

**Nadine Drutman**

Group Company Secretary

Johannesburg

20 March 2020

# Annexure A: Directors' profiles ages as at 20 March 2020

## Board committees

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<b>DAC</b>	Directors' Affairs Committee
<b>GACC</b>	Group Audit and Compliance Committee
<b>GRCMC</b>	Group Risk and Capital Management Committee
<b>RemCo</b>	Group Remuneration Committee
<b>SEC</b>	Social and Ethics Committee
<b>ITC</b>	Information Technology Committee
<b>BFC</b>	Board Finance Committee
<b>GCRC</b>	Group Credit Risk Committee
<b>MC</b>	Models Committee
<b>SC</b>	Separation Oversight Committee

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## Directors standing for election/re-election to the Board, and/or re-appointment to the GACC

### Alex Darko, independent non-executive (67)

Qualifications: MSc (MIS), Fellow of Chartered Certified Accountants (FCCA)

Appointed: October 2014

Committees: ITC (Chairman), RemCo (Chairman), DAC, GACC, SC

Alex held several senior positions at Dun & Bradstreet, including director of UK shared services, director of finance – Dun & Bradstreet Europe Limited and head of accounting re-engineering. He later moved back to Ghana and worked for Ashanti Goldfields in several senior roles. Alex was vice-president, knowledge and information at AngloGold Ashanti from 2005 to 2010. Alex is a director at Nkululeko Leadership Consulting where he advises organisations on leadership, culture, strategy, and change management. Alex is also a member of the board of Reunert Limited.

### Colin Beggs, non-executive (71)

Qualifications: BCom (Hons), CA(SA)

Appointed: June 2010

Committees: GACC (Chairman), BFC, DAC, GRCMC, SC

Colin is the former senior partner and chief executive officer of PricewaterhouseCoopers (PwC) in Southern Africa and retired from that position in June 2009. He was also the chairman of the SAICA board in 2002/3 and was a member of the Accounting Practices Board. Colin is a non-executive director of Sasol Limited, SAB Zenzele Holdings Limited and the Ethics Institute of South Africa. Colin is also a non-executive director of Absa Bank Limited.

### **Daisy Naidoo, independent non-executive (47)**

Qualifications: BCom, CA(SA), MACC (Tax)

Appointed: May 2016

Committees: GACC, GCRC, RemCo

Daisy started her career in 1994 at Ernst & Young in Durban. She held various positions at South African Breweries, Deloitte and Sanlam Capital Markets, where she headed up the debt structuring unit between 2008 and 2010. Daisy is a non-executive director of Strate Proprietary Limited, Hudaco Industries Limited, Mr Price Group Limited and Anglo American Platinum Limited. Daisy recently joined the board of Redefine Properties Limited.

### **Daniel Hodge, non-executive (46)**

Qualifications: ACA, MA (Hons)

Appointed: May 2017

Committee: GRCCM

Daniel is currently the Chief Compliance Officer, Barclays International. He was previously the Barclays PLC Group Treasurer. He joined Barclays in 1999 and has held a number of roles in both the investment bank and in treasury during his 17 years with the firm. He was appointed managing director in 2008 and has held a number of senior management positions since, including head of execution for the structured finance division, and corporate and investment bank treasurer.

### **Daniel Mminele, executive (Group Chief Executive) (55)**

Qualifications: Associate Certificates (City Polytechnic of London /Guildhall University) in association with Chartered Institute of Bankers (London); German Banking Diploma (Bankkaufmann).

Appointed: January 2020

Committees: GRCCM, SEC, GCRC, ITC, SC, MC

Daniel was appointed as Group Chief Executive Officer with effect from 15 January 2020. Daniel has substantial banking experience, having most recently completed his second 5-year term as Deputy Governor of the South African Reserve Bank (SARB), where his responsibilities included Financial Markets, International Economic Relations and Policy, and Human Capital and Operations. Among others, he was a member of the Monetary Policy and Financial Stability Committee. Prior to joining the SARB in September 1999, he worked for African Merchant Bank and Commerzbank in South Africa, and WestLB in the UK and Germany for 12 years, commencing in 1987.

### **Ihron Rensburg, independent non-executive (60)**

Qualifications: Doctor of Laws (Honoris Causa), PhD (International Development Education), MA (Political and Organisational Sociology), and Bachelor of Pharmacy.

Appointed: October 2019

Committee: SEC

Ihron was Vice Chancellor and Principal of the University of Johannesburg (UJ) from 2006 to 2017. Prior to his position at UJ, Ihron worked for the SABC and the Department of Education as Deputy Director General, where he was tasked to oversee and lead the development and implementation of the post-apartheid national education curriculum and policy.

Ihron is currently the Chairman of the South African National Commission for UNESCO. He is also Senior Advisor to the Principal and Visiting Professor at Kings College London. He has extensive strategy, policy development and organizational turnaround and merger experience, complemented by experience in engaging with government, business and civil society.

### **Jason Quinn, executive (Group Financial Director) (45)**

Qualifications: BAcc (Hons); CA(SA)

Appointed: September 2016

Committees: MC (Chairman), GRCCM, GCRC, ITC, SC

Before joining Absa Group, Jason was a partner at Ernst & Young Inc. He joined the Group in 2008 as the financial controller and was appointed as the head of finance in 2014 after holding several senior finance positions. Jason is a director of Absa Bank Limited, Absa Financial Services Limited, Chairman of Woolworths Financial Services (Pty) Limited, and is an employer-appointed trustee of the Absa Pension Fund.

### **Mark Merson, independent non-executive (51)**

Qualifications: ACA; MA (Hons)

Appointed: January 2014

Committees: BFC (Chairman), GRCCM (Chairman), GCRC (Chairman), DAC

Mark joined the Board in January 2014 as a non-executive director and became an independent non-executive director with effect from October 2017. Mark is a graduate of Oxford University, chartered accountant and was previously a partner in the financial services consulting practice of Arthur Andersen and Deloitte. From 2003 through 2016, he served Barclays PLC in a variety of roles including group financial controller, head of investor relations, CFO for the Corporate and Investment Bank; and deputy group finance director. Mark is a director of Veritum Partners Limited, an independent non-executive director of Absa Bank Limited and is Chairman of Absa Securities UK Limited.

### **Rose Keanly, independent non-executive (61)**

Qualifications: BSc; BCom (Honours).

Appointed: September 2019

Committees: ITC, GRCMC

Rose joined the Board with effect from 1 September 2019. She retired as the former Chief Operating Officer (COO) of Old Mutual Emerging Markets (OMEM) in February 2018, following a career with the Old Mutual group spanning 38 years and various, mainly information technology and operations related, positions. Prior to her position as COO, she was the Managing Director of OMEM Customer Services and Technology.

### **Swithin Munyantwali, independent non-executive (57)**

Qualifications: B.Sc. (Criminal Justice); Juris Doctor; Masters in International and Comparative Law

Appointed: September 2019

Committees: SEC, GACC (Attendee until 29 February 2020; thereafter GACC member once an independent non-executive director from 1 March 2020)

Swithin joined the Board with effect from 15 September 2019. He is the head of international law firm Appleton Luff's East African office. He is the vice-chairman and co-founder of the International Law Institute African Centre for Legal Excellence. Swithin served as the chairman of the Barclays Bank of Uganda board until end February 2020. He is a board member of the African Philanthropy Forum and International Law Institute, in Washington, DC. He is also a member of the advisory boards of the Case Western Reserve University, Emerging and Frontier Markets Association, and The New Markets Lab.

### **Tasneem Abdool-Samad, independent non-executive (46)**

Qualifications: BCom, CA(SA)

Appointed: February 2018

Committees: GACC, BFC, GCRC

Tasneem joined the Absa Bank Board as an independent director in 2016, and joined the Board (Absa Group) as an independent non-executive director on 1 February 2018 at which point she stepped down from the Absa Bank Board. She started her career at Deloitte in KwaZulu-Natal. She then moved to the University of the Witwatersrand, where she was a lecturer in auditing from 2003 to 2006. In 2006 she re-joined Deloitte and is a former member of the Deloitte South Africa board. Tasneem is a non-executive director of Absa Financial Services Limited (chairing the audit committee), Reunert Limited, Long4Life Limited and Bid Corporation Limited.



## **Wendy Lucas-Bull, independent non-executive (Group Chairman) (66)**

Qualification: BSc

Appointed: April 2013

Committees: DAC (Chairman), SC (Chairman), BFC, GRCMC, GCRC, SEC, ITC, RemCo, Attendee of the GACC

Wendy is one of the founders of the Peotona Group. She was previously chief executive of FirstRand Limited's retail businesses and prior to that an executive director of Rand Merchant Bank Holdings. Former non-executive directorships include those at Barclays PLC, Anglo American Platinum Limited, the Development Bank of Southern Africa, Alexander Forbes, Eskom, Nedbank, Telkom, Aveng (deputy chairman), Lafarge Industries (chairman), the South African Financial Markets Advisory Board, Discovery Holdings, Dimension Data PLC, and the Momentum Group. She was also a member of the President's Advisory Council on Black Economic Empowerment. Wendy is chairman of Absa Bank Limited and Absa Financial Services Limited.

## **Other directors of the Company (not up for re-election)**

### **Francis Okomo-Okello, independent non-executive (70)**

Qualification: LLB (Hons)

Appointed: October 2014

Committee: SEC

Francis is an Albert Parvin fellow of Woodrow Wilson School of Public and International Affairs, Princeton University, and a fellow of The Kenya Institute of Bankers. He is also an Advocate of the High Court of Kenya. He serves as chairman of TPS Eastern Africa Limited (Serena Group of Hotels and Lodges), and as a non-executive director of the Nation Media Group. Currently, Francis is the executive director in charge of legal and corporate affairs at Industrial Promotion Services Group of Companies, an affiliate of the Aga Khan Fund for Economic Development. He also serves as a member of the advisory board of the Strathmore Business School (Strathmore University, Nairobi) and is a member of the advisory committee of the Aga Khan University, Faculty of Arts and Sciences – East Africa.

### **Peter Matlare, executive (Deputy Chief Executive) (60)**

Qualifications: BSc (Hons) (Political Science); MA (South African Studies)

Appointed: December 2011

Committee: SC

Peter joined the Board as an independent non-executive director in 2011. In August 2016, he was appointed Deputy Chief Executive Officer responsible for regional operations and he remains on the Board as an executive director. Peter began his career with the Urban Foundation and Citibank and gained international experience, particularly in Europe. He was previously chief executive officer of the South African Broadcasting Corporation, chief strategy and business development officer of Vodacom SA Proprietary Limited and executive director of commercial at Vodacom SA. Most recently, Peter was the chief executive officer of Tiger Brands Limited.

### **Sipho Pityana, independent non-executive (60)**

Qualifications: BA (Hons), MSc

Appointed: May 2019

Committees: RemCo, GCRC

Sipho joined the board as an independent non-executive director on 1 May 2019. He is a former executive director of Nedcor Investment Bank Holdings (2002 – 2004), responsible for strategic business development. Sipho is the founder and chairman of Izingwe Capital, a black-owned investment company founded in 2004, which invests in a number of South Africa's blue-chip corporates. He is also the non-executive chairman of JSE listed companies AngloGold Ashanti and Redefine Properties Limited. He is the president of Business Unity South Africa (BUSA), and a member of the Community of Chairmen of the World Economic Forum.

## Annexure B: 2019 Board and committee attendance

Name	Board	BFC	GCRC	DAC	GACC	GRCMC	ITC	MC	RemCo	SEC	Totals	% Totals (all meetings)	SC
<b>Number of meetings</b>	16	12	5	13	6	9	4	4	13	4	86		5
Alex Darko	16/16			13/13	6/6		4/4		13/13		52/52	100%	5/5
Colin Beggs	16/16	12/12		13/13	6/6	9/9			11/11		66/67	99%	5/5
Daisy Naidoo	16/16		5/5		6/6				11/12		38/39	97%	
Daniel Hodge	12/16					8/9					20/25	80%	
Francis Okomo-Okello	16/16									4/4	20/20	100%	
Ihron Rensburg <sup>1</sup>	4/5									1/1	5/6	83%	
Jason Quinn	12/12	12/12	5/5	8/8	5/5	9/9	4/4	4/4	5/7		64/66	97%	5/5
Maria Ramos <sup>2</sup>	0/1		0/1	0/1	1/1		0/1		1/1	0/1	2/7	29%	0/1
Mark Merson <sup>3</sup>	16/16	12/12	5/5	3/4		9/9					45/46	98%	
Mohamed Husain	16/16			13/13	6/6				13/13	4/4	52/52	100%	4/5
Peter Matlare <sup>4</sup>	13/13						2/2			3/4	18/19	95%	5/5
René van Wyk	12/13	12/12	5/5	11/11	5/6	9/9	4/4	4/4	5/7	3/4	70/75	93%	4/5
Rose Keanly <sup>5</sup>	8/8						2/2				10/10	100%	
Sipho Pityana <sup>6</sup>	9/12		2/4						7/7		18/23	78%	
Swithin Munyantwali <sup>7</sup>	8/8									1/1	9/9	100%	
Tasneem Abdool-Samad <sup>8</sup>	16/16	10/11	4/4		6/6						36/37	97%	
Wendy Lucas-Bull	16/16	12/12	5/5	13/13	6/6	9/9	4/4		13/13	4/4	82/82	100%	5/5
Yolanda Cuba <sup>9</sup>	5/6	5/5	1/1	1/1					5/6		17/19	89%	
Totals Number (%)	211/ 222 (95%)	75/76 (99%)	32/35 (91%)	75/77 (97%)	47/48 (98%)	53/54 (98%)	20/21 (95%)	8/8 (100%)	83/90 (92%)	20/23 (87%)	624/ 654 (95%)	95%	33/36 (92%)

In addition, there are the Disclosure and Technical Disclosure sub-committees supporting the GACC which met three times and once, respectively, during 2019.

<sup>1</sup> Joined the Absa Group Board and SEC effective 1 October 2019.

<sup>2</sup> Retired 28 February 2019.

<sup>3</sup> Appointed to the GCRC and DAC effective 1 February and 1 June 2019 respectively.

<sup>4</sup> Appointed to the ITC effective 9 September 2019.

<sup>5</sup> Joined the Absa Group Board and ITC effective 1 September 2019.

<sup>6</sup> Joined the Absa Group Board, GCRC and Remco effective 1 May 2019.

<sup>7</sup> Joined the Absa Group Board and SEC effective 15 September 2019.

<sup>8</sup> Appointed to the GCRC and BFC effective 5 March 2019.

<sup>9</sup> Retired on 4 June 2019.