

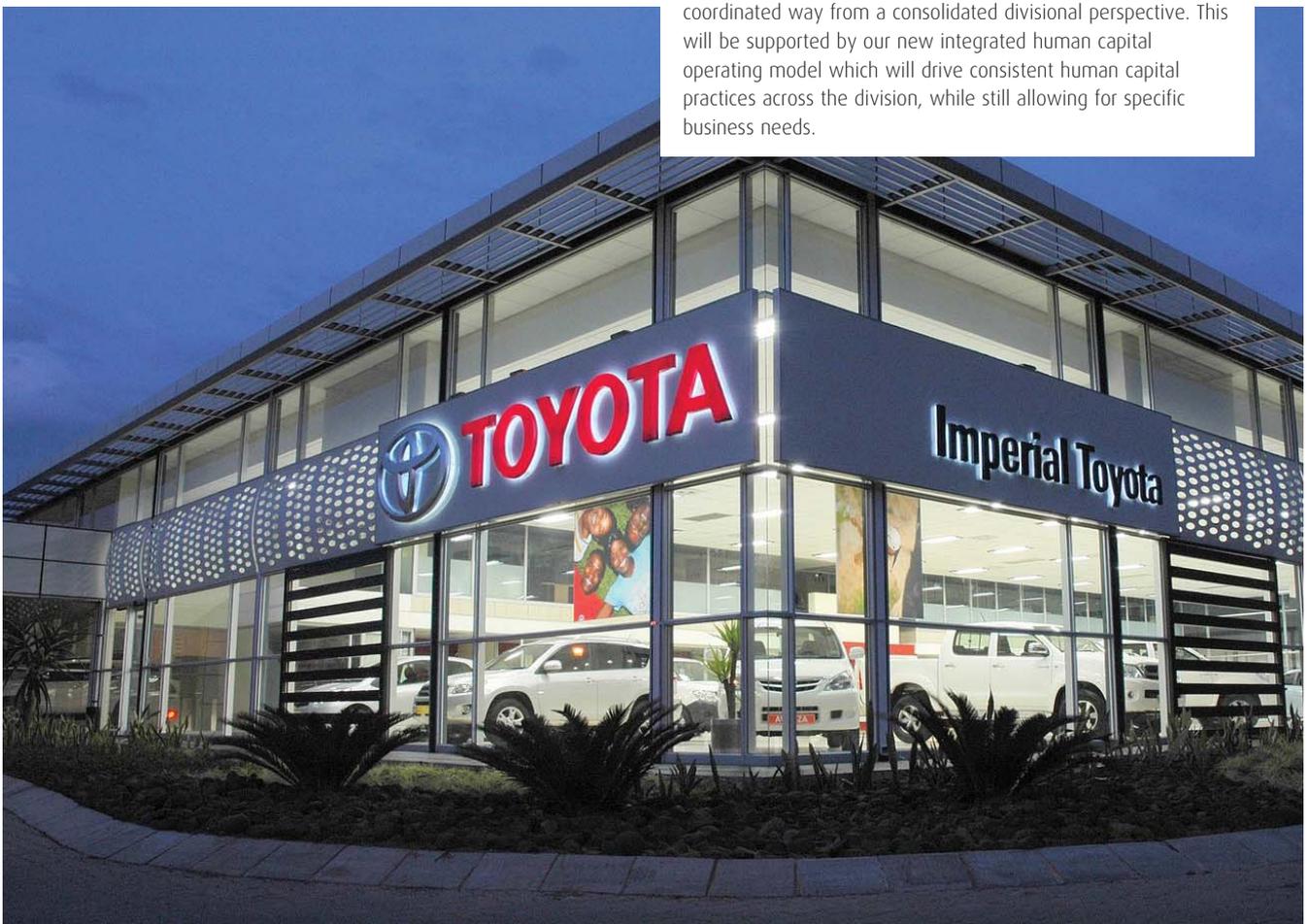
Looking forward

The consolidation of Motus into a single division will allow us to take advantage of certain synergies that will support future growth prospects in uncertain economic conditions.

In South Africa, slow or stagnant growth, high unemployment and low business and consumer confidence are expected to continue into the next financial year. In the UK, although the impact of Brexit remains uncertain, growth expectations have been lowered. The short- to medium-term outlook for the Australian economy, on the other hand, is positive. We expect to grow revenues and operating profit from continuing operations in the year to June 2018.

We will continue to develop a collaborative customer engagement strategy that supports a coherent customer experience across the financial services, dealer and importer pillars to build customer loyalty and improve customer retention. This will require that all our sub-divisions manage, analyse and share data within strict data management rules. Financial Services will continue to focus on ensuring the right skill set to facilitate data management and analysis, and drive innovation. This includes finding local human capital resources in the geographies within which we want to expand our financial service offering, as this will enhance our ability to launch financial products that fit the local market.

For most of the past financial year, human capital aspects such as talent management, employment equity and training and development, were driven within our legacy enterprise structure. From 2018, we will manage these aspects in a more coordinated way from a consolidated divisional perspective. This will be supported by our new integrated human capital operating model which will drive consistent human capital practices across the division, while still allowing for specific business needs.



Once we have bedded down the organisational job profile, we will leverage this to improve our recruitment processes, succession plans and transfers across the division. Our investment in IT will also improve human capital practices through more robust data. In South Africa, a new five-year employment equity plan will be developed post June 2018 that is better aligned to the division's long-term business strategy. Ultimately, we are working towards transparent and regular employee communication, and a shift to a more people-focused culture.

Financial Services plans to introduce a new complaints management process to meet the requirements of treating customers fairly. The process will provide valuable information on how to improve our customer experience and will assist us to identify and mitigate against market conduct risks.

We are also implementing a new IT governance and compliance programme to ensure compliance with regulations such as the fourth King Report on Corporate Governance for South Africa (King IV), the Electronic Communications and Transactions Act and the Cyber Security Bill. Compliance with the upcoming POPI Act will continue to be a focus as it will impact data processing, management, security and dissemination; which will require wide-scale integration of systems, personnel and resources to ensure compliance. However, the upside is that consumers will have a high level of comfort that their personal information is managed securely and responsibly.

We expect scrutiny from regulators to become tougher in the years ahead. There will be a marked shift in the structure and governance of financial services as the multi-year project to merge all regulators overseeing various aspects of financial services into two key regulators (the Prudential Authority and the Financial Services Conduct Authority) reaches finalisation. The new Twin Peaks model proposes significant changes to how financial products are distributed to retail consumers and the remuneration of financial services advisers. If introduced correctly, the model should ultimately be positive for Motus as it aims to streamline legislation and reporting, and moves away from a rigid structure that is not conducive to the automotive industry towards a flexible business-based risk structure.

In addition to these changes, stricter environmental regulations such as a carbon emissions tax may impact our cost of bringing vehicles to market. We engage with regulatory authorities on these issues through our memberships in industry associations.

The roll out of meters to monitor recycled water will begin in 2018 and will provide us with more accurate data on how much recycled water we are using. The accuracy of this data will be supported by increased awareness around the reporting of water usage. Targets for purchased electricity and fuel usage will be set in certain areas of the division for the 2018 financial year, and we will continue with the electric retrofit exercise across all sites.



IAR: page 52; more information on Motus' strategy and guidance for the division.

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