The Board acknowledges the recommended practice in King IV that the Chairman of the Board should not be the chairman of this committee but given the following reasons, this arrangement is deemed appropriate:

- The necessity to align the Company's remuneration approach with corporate strategy;
- The Chairman receives no emoluments or fees from Remgro thus there are no conflicts with regard to the approval of non-executive director fees;
- The Chairman is a significant shareholder in the business hence it is not regarded as unreasonable for him to chair this committee; and
- In terms of committee composition, the majority of the committee remains independent non-executive directors.

The committee formally met twice during the year and had numerous informal interactions in preparation for the formal meetings. The details on the attendance of the formal meetings are set out in the Corporate Governance Report on page 74.

The mandate set out in the terms of reference of the committee includes the following:

In respect of its nomination function –

- Assist the Board with the process of identifying suitable candidates for appointment as directors;
- Ensure the establishment of a formal and transparent process for the appointment of directors;
- Oversee the development of a formal induction programme for new directors;
- Evaluate the performance of the Board; and
- Ensure that succession plans for the Board, Chief Executive Officer (CEO) and other Management Board members are developed and implemented.

In respect of its remuneration function –

- Oversee the establishment of an organisation-wide Remuneration Policy that promotes positive outcomes across the economic, social and environmental context in which Remgro operates;
- Promote an ethical culture and responsible corporate citizenship in the context of remuneration;
- Oversee the fair, responsible and transparent setting and administering of remuneration of all employees;
- Advise on the fees of non-executive directors, for approval by shareholders at the AGM;
- Ensure that remuneration meets Remgro's needs and strategic objectives and is administered in accordance with the shareholder-approved plan rules;
- Oversee the preparation and recommendation to the Board of the Remuneration Report to be included in the Integrated Annual Report; and
- Ensure that the Remuneration Policy and Remuneration Implementation Report are put to two separate non-binding advisory votes by shareholders at the AGM.

Fair and responsible remuneration across the Company

The delivery of Remgro's strategy is dependent on the values, talent and skills of all employees across the Company and Remgro therefore views employees as critical assets. Remgro committed to the principle of rewarding all employees across the Company in a manner which is fair and responsible and strives to create an environment which is inclusive. This commitment is entrenched in the remuneration policy.

The TGP of all employees is positioned around the 75th percentile of the market which takes into account that the Company does not have an short-term incentive plan (STI) in place. All employees are furthermore eligible to receive LTI awards and not only executives. Lower-level employees typically receive higher percentage increases than other employees.

Further ongoing actions taken in this regard include:

- Assessment of remuneration conditions between employees at the same level in accordance with the principle of "equal pay for work of equal value" to identify and address any unjustifiable remuneration disparities.
- Investing in its people initiatives, which include: talent management; development opportunities for all employees; various training courses as per identified needs and an employee value proposition aligned to the corporate values and culture.
- Fair and responsible remuneration practices remain a key focus area for the committee in the 2022 financial year.

Components of remuneration

Remgro has two components of remuneration, namely fixed remuneration (which includes benefits) and LTI in the form of its old Remgro Equity Settled Share Appreciation Right Scheme (SAR Scheme), current SAR Plan and CSP. Remgro does not pay short-term incentives and believes that management's decision-making should be long-term focused and aligned with the philosophy that they should be rewarded where long-term value creation is demonstrated, without excessive risk taking in the short term.

The same remuneration principles and components apply to all employees of Remgro. The remuneration policies, principles and practices of investee companies are governed through remuneration committee structures in these organisations.

The details of the components are outlined on the following page:

Fixed remuneration

Purpose

To provide competitive fixed remuneration that will attract and retain appropriate talent. Reflects an individual's responsibilities, experience and role.

What does this contain?

Referred to as TGP, includes components such as cash salary, travel allowance and the Company's contributions towards retirement funding and the medical scheme. All guaranteed benefits are funded from the TGP.

Retirement funding contributions range between 18.5% and 27.5% of pensionable emolument and the key features of the retirement fund are as follows:

- Retirement savings component with member investment options and a trustee default option;
- Insured flexible death, disability and funeral benefits; and
- Preservation options when exiting the fund.

Membership to a medical scheme is compulsory for all employees and contributions are funded from their TGP. All employees are eligible for membership of the in-house medical scheme, Remedi, and the scheme provides three different options for members to choose from annually. These options aim to accommodate the different healthcare needs and affordability of the diverse membership of the scheme.

Under specific circumstances Remgro also offers employees post-employment medical benefits. All details in this regard are disclosed in the Annual Financial Statements that is published on the Company's website at www.remgro.com.

Only employees who are required to regularly travel for business purposes receive travel allowances, which is funded from their TGP.

How is the TGP benchmarked?

Guaranteed packages for all employees are benchmarked against the upper quartile of the market for comparable companies utilising independent salary surveys.

Remgro currently makes use of the Mercer Top Executive survey for the Management Board members and senior executives. For the rest of the organisation the REMchannel national survey is used.

The services of an independent remuneration consultancy are contracted for this purpose. The TGP is positioned competitively to the market to ensure that the right talent is attracted and retained. It further supports the remuneration approach of no short-term cash bonuses and discourages excessive risk taking which may be driven by leveraged cash bonuses.

Annual review process

The committee conducts an annual review of the TGP for executives and approves the increase percentage for employees below executive level.

Adjustments to the TGP depends upon the employee's level of responsibility and his/her overall performance.

The CEO, who attends all committee meetings by invitation, may propose increases to the TGP, excluding his own, during such review meetings.

Variable remuneration

Share Appreciation Rights Plan	Conditional Share Plan

Purpose

Ensures alignment between personal wealth creation and corporate strategy and supports long-term employee retention.

How does it work?

Share Appreciation Rights Plan	Conditional Share Plan
This is an equity settled plan whereby selected employees are awarded rights to receive shares equal to the long-term growth in the Remgro share price and market capitalisation of the Company. These rights are awarded free of charge. The ultimate vesting of shares will be subject to prospective performance conditions for selected participants as well as an employment condition. The participants will only become shareholders in Remgro with shareholder rights, including dividend and voting rights, on the settlement date.	This is an equity settled plan under which all employees may be granted an award consisting of the conditional right to receive Remgro shares at a future point in time. These conditional shares are awarded free of charge. The ultimate vesting of shares will be subject to prospective performance conditions for selected participants as well as an employment condition. The participants will only become shareholders in Remgro with shareholder rights, including dividend and voting rights, on the settlement date, which will be shortly after the vesting date.

Who qualifies to participate?

Share Appreciation Rights Plan	Conditional Share Plan
The SAR Plan is currently used to incentivise executive directors and employees at senior executive level only.	All permanent employees of the Company may participate in the CSP.

Determination of value/allocation

The committee makes annual awards in terms of the SAR Plan and the CSP to participants, based on a multiple of TGP. The set annual multiples are determined by reference to a participant's job grade, role, the need to attract and/or retain key talent and the value added by the participant for Remgro and shareholders. The face value award multiples are as follows:

CEO	3.00 x TGP
Executive directors and prescribed officers	2.25 x TGP
Other employees	10% – 85% of TGP (different multiples based on the participant's job grade, role and performance conditions (if applicable))

For executive directors, other members of the Management Board (prescribed officers) and identified investment executives these multiples are equally divided between the SAR Plan awards and CSP awards (i.e. 50% SAR Plan and 50% CSP). These awards are subject to stretching financial Company performance conditions, ESG measures as well as individual performance conditions which focus on governance and risk including strategic investment decisions and portfolio impact.

For all other participants, 100% of the award is under the CSP. The vesting of these awards is subject to continued employment only.

These multiples are within current market parameters.

In addition, the rules of the CSP allow for *ad hoc* awards to be made to participants in exceptional circumstances as determined by the committee.

Refer to the Remuneration Implementation Report on page 100 for previous SARs and CSPs awarded.

Dividend equivalents

Share Appreciation Rights Plan	Conditional Share Plan
Not applicable.	Participants will be eligible to receive dividend equivalents on vested shares at the end of the vesting period of the award. The dividend equivalent will be rolled up over the vesting period and delivered as additional shares on the vesting date.

Variable remuneration (continued)

Share Appreciation Rights Plan	Conditional Share Plan

Vesting and exercise/settlement

Share Appreciation Rights Plan

Participants in the SAR Plan are remunerated with Remgro shares to the value of the appreciation of their rights to a specific number of Remgro ordinary shares.

The earliest intervals at which the SARs vest and are exercisable are as follows:

- One-third after the third anniversary of the grant date;
- An additional third after the fourth anniversary of the grant date; and
- The remainder after the fifth anniversary of the grant date.

All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.

Vesting is conditional on fulfilment of the employment period and achievement of performance conditions (where applicable).

Conditional Share Plan

Awards under the CSP will vest as follows:

- One-third after the third anniversary of the grant date;
- An additional third after the fourth anniversary of the grant date; and
- The remainder after the fifth anniversary of the grant date.

Vesting is conditional on fulfilment of the employment period and achievement of performance conditions (where applicable).

Performance conditions

The SAR Plan has an embedded performance hurdle whereby participants will only benefit if there is long-term share price appreciation and thus value creation for Remgro shareholders.

The committee approved the below performance conditions for the 2021 SAR and CSP awards to be made in December 2021. Although the ESG journey is still in its infancy and a priority focus area for the upcoming year, the committee felt it was prudent to include qualitative ESG milestones in the LTI in order to drive this journey. These qualitative measures make up 30% of the ESG measure and have been set for the first year of the performance period. Following the work to be done on ESG, quantitative measures, which will make up the remaining 70% of the ESG measure, will be determined and included for the second and third years of the performance period and will be communicated to shareholders in due course.

SAR Plan awards, together with CSP awards are subject to the following prospective financial and non-financial performance conditions:

Financial

Performance measure	Weight	Threshold (vesting 30%)*	On-target (vesting 50%)*	Stretch (vesting 100%)*
INAV	55%	Year one INAV plus CPI over three financial years	Year one INAV plus the 3 – 5 year SA Longbond rate over three financial years	Year one INAV plus the 3 – 5 year SA Longbond rate plus 5% over three financial years
Free cash flow	25%	Year one FCF plus CPI over three financial years	n/a	Year one FCF plus CPI plus 1.25% over three financial years

* *For performance between these points linear vesting will apply.*

Variable remuneration (continued)

Share Appreciation Rights Plan | **Conditional Share Plan**

Performance conditions

Non-financial – ESG

Performance measure	Weight	Threshold (vesting 30%)	On-target (vesting 50%)	Stretch (vesting 100%)
ESG	20%	The following needs to be achieved by June 2022: • Identify and engage with external expertise to develop a strategic ESG framework and to establish, amongst others, what environmental areas Remgro will focus on (i.e. water, carbon footprint, plastic, etc.), prepare an ESG footprint of Remgro's investee companies, establish measurable targets and stretching goals and identify how to communicate our ESG intent to the market. • To develop an ESG investment business case framework to be used when considering new investments. This would aim to articulate any possible industries/activities Remgro would not invest into and provide possible investments with a framework of what they would need to comply with either before investing or within a certain timeframe after investing. • Ready to present specific ESG targets and base line measures for selected targets and threshold and stretch performance hurdles for each target at the November 2022 Remgro Remuneration and Nomination Committee meeting.	Based on quantitative targets which will be set once the qualitative milestones have been implemented. To the extent that the quantitative targets cannot be set, a target outcome cannot be obtained.	Based on quantitative targets which will be set once the qualitative milestones have been implemented. To the extent that the quantitative targets cannot be set, a stretch outcome cannot be obtained.

In addition, the vesting of awards can be modified based on the extent to which the participant meets personal and Group non-financial performance conditions. Note that the achievement of these non-financial performance conditions can only reduce the result of the financial performance conditions. Awards will only vest if the participant remains in service of the Remgro Group.

These performance conditions will apply to executive directors and other members of the Management Board (prescribed officers) in respect of SAR Plan awards and to executive directors, other members of the Management Board (prescribed officers) and identified investment executives in respect of CSP awards.

All other participants to the CSP will be allocated retention awards and will have to be in the service of the Remgro Group upon vesting.

Variable remuneration (continued)

Share Appreciation Rights Plan | Conditional Share Plan

Early termination of employment

Participants may either be classified as "bad leavers" or "good leavers" and the following applies:

- *Bad leavers*
  Participants will forfeit all unvested awards.
- *Good leavers*
  A *pro rata* portion of the participant's unvested award(s) shall early vest on the date of termination of employment to the extent to which the committee determines that the performance conditions (if any) have been met. The portion of the shares that will vest will reflect the number of complete months served from the award date to the date of termination of employment, over the total number of months in the vesting period.

In addition, the rules of the SAR and the CSP allow for early vesting of awards on the date of termination of employment in exceptional circumstances as determined by the committee.

Change of control

In the event of a change of control of the Company occurring before the vesting date of any award, a portion of the award held by a participant will vest as soon as reasonably practicable thereafter. The portion of the award which shall vest will be determined based on the number of months served from the award date to the change of control date, over the total number of months in the vesting period and the extent to which the performance condition(s), if applicable, have been met. Any awards which do not vest will, subject to the discretion of the committee, remain subject to the terms of the relevant award letter.

Variation in share capital

Participants shall continue to participate in the SAR Plan and the CSP in the event of a variation in the Company's share capital. The committee may make such adjustment to the award or take such other action to place participants in no worse position than they were prior to the happening of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

Dilution limits

Individual basis
No award will be made to a single participant if at the time of or as a result of the granting of such award, the aggregate number of Remgro ordinary shares in respect of which any unexercised SAR Plan awards or CSP awards granted to the participant, shall exceed 5 290 000 Remgro ordinary shares, being approximately 1% of issued ordinary shares.

Overall basis
Similarly, no award will be made if at the time of or as a result of the granting of such award, the aggregate number of Remgro ordinary shares in respect of which any unexercised SAR Plan awards may be exercised or CSP awards, shall exceed 26 450 000 Remgro ordinary shares, being approximately 5% of issued ordinary shares.

Settlement considerations

If it is assumed that all of the participants to the SAR Plan exercise all options awarded to them on 1 July 2021, Remgro will have to deliver 224 161 shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2021 of R114.60. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 334 324 shares and 120 583 shares, respectively.

If it is assumed that all awards made under the CSP vest on 1 July 2021 in full, Remgro will have to deliver 2 412 538 shares in order to settle its obligations.

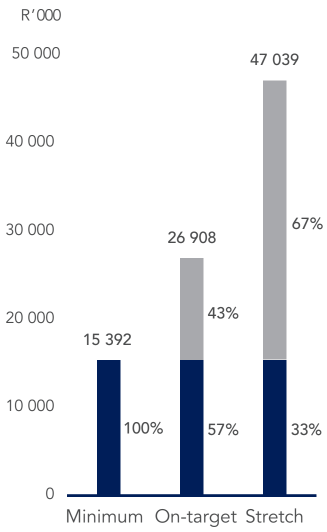
On 30 June 2021 Remgro held sufficient treasury shares to settle its obligations to deliver shares to LTI participants.

Scenarios of possible total remuneration outcomes

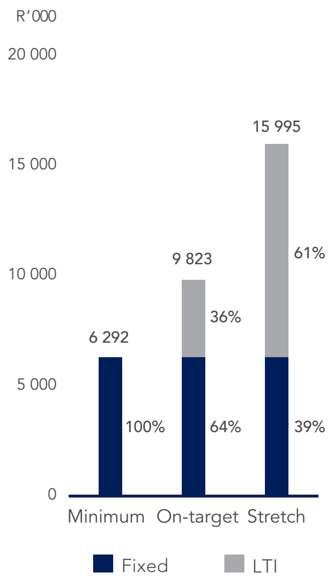
The following illustrations depict the pay mix and the possible remuneration outcomes for the CEO, Chief Financial Officer and the prescribed officer average at minimum, on-target and stretch levels.

Element	Minimum	On-target	Stretch
TGP	TGP for 2022		
LTI	Nil	The number of instruments granted in the 2021 financial year (in respect of the 2020 award) that will vest if target performance (50%) is achieved, multiplied by the fair value (on grant date).	The number of instruments granted in the 2021 financial year (in respect of the 2020 award) that will vest if full performance (100%) is achieved, multiplied by the face value (on grant date).

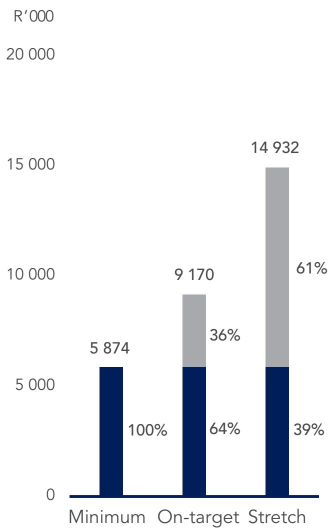
Chief Executive Officer



Chief Financial Officer



Prescribed officer average



Malus and Clawback Policy

The Malus and Clawback Policy applies from 1 July 2021 to all new LTI awards.

The committee, in its discretion, may, in terms of the Malus and Clawback Policy, apply Malus and/or Clawback mechanisms to the LTI awards where a trigger event as provided for in the policy has occurred. Malus is applied to reduce awards where the trigger event is discovered before vesting or settlement of an award, whereas Clawback is used to recoup all or a portion of settled awards where a trigger event is discovered within three years post-vesting or settlement.

Trigger events include but are not limited to circumstances where any one or more of the following events have occurred:

- It has been discovered that participating employee(s) has committed any act of fraud or dishonesty, in the scope and course of his employment or directorship, or otherwise involving a member of the Group or its affairs and which has or is likely to have an effect on the financial results or financial statements of any member of the Group or on any other measurable under the short-term and long-term incentive;
- It has been discovered that participating employee(s), were involved in the falsification or misrepresentation of financial/management information, financial results or financial statements of any member of the Company;
- Any information that was used by the Board in order to determine or calculate a payment, award, benefit, allocation or grant or the vesting or settlement thereof was erroneous, inaccurate or misleading as a result of fraudulent or dishonest actions or circumstances that are directly attributable to any participating employee, or as a result of actions or circumstances that could have been avoided through reasonable care on the part of any participating employee;
- Any information emerges that was not known to or considered at the time of making a decision regarding the payment, award, benefit, allocation or grant or the vesting or settlement thereof which, in the opinion of the Board, would have affected the Board's decision and such information was not known to or considered at such time as a result of fraudulent or dishonest actions or circumstances that are directly attributable to any participating employee or as a result of actions or circumstances that could have been avoided through reasonable care on the part of any participating employee;

- Any member of the Group has:
  - Been subject to regulatory investigation as a result of a breach of any laws, rules or codes of conduct applicable to it or the standards reasonably expected of it; or
  - Suffered in the opinion of the Board, considerable reputational, in either case as a result of fraudulent or dishonest actions or circumstances that are directly attributable to participating employees or as a result of actions or circumstances that could have been avoided by the reasonable actions of participating employees.

Executive employment contracts

Executive directors and members of the Management Board do not have fixed-term contracts, but are employed in terms of the Company's standard contract of employment applicable to all employees. The notice period for termination of service is one calendar month and the normal retirement age is 63. Executive directors and members of the Management Board also do not have exceptional benefits associated with the termination of their services. Upon termination of employment, any payments made to employees will be as required in terms of legislation, and the consequences in respect of unexercised SARs and/or unvested CSP awards will be governed by the rules of the SAR Plan (or previous SAR Scheme) and CSP based on the reasons for the termination of employment.

Non-executive directors' remuneration

Independent non-executive directors

Independent non-executive directors do not have any employment contracts, do not receive any benefits associated with permanent employment and do not participate in the Company's LTI plans.

Furthermore, they are categorised as independent on the basis that the Board concludes that they have no interest, position, association or relationship which, judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision-making in the best interest of the Company.

The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors, who have served on the Board for more than nine years, is subject to a rigorous review by the Board. The Board, led by the Lead Independent Director, considered the independence of the independent non-executive directors, and is satisfied with their independence, including the independence of Messrs F Robertson (appointed 28 March 2001), M Morobe (appointed 18 June 2007), N P Mageza (appointed 4 November 2009) and P J Moleketi (appointed 4 November 2009) who each has served on the Remgro Board for more than nine years. Based on an evaluation of the aforementioned directors, there is no evidence of any circumstances or relationships that will impair their judgement, and the Board is satisfied that their independence is in no way affected by their length of service.

Independent non-executive directors are paid a fixed annual Board fee. Committee fees are also determined on a fixed annual basis. The fee structure is reviewed annually on 1 July, based on independent market benchmarks for non-executive directors' fees, taking into account the nature and size of Remgro's operations. Remgro utilises the Mercer NED survey to benchmark the remuneration levels of non-executive director fees. The trends identified in this survey are then validated through a focused secondary survey among a selected group of companies. Non-executive director fees are approved by shareholders at the Company's AGM by special resolution prior to payment. Remgro also pays for all travelling and accommodation expenses reasonably and properly incurred in order to attend meetings.

Non-independent non-executive directors

Messrs J P Rupert, A E Rupert, P J Neethling and J Malherbe are regarded as non-independent non-executive directors.

The Chairman, Messrs A E Rupert and P J Neethling receive no emoluments or fees from Remgro, whilst Mr J Malherbe receives the approved annual Board and committee fees paid to independent non-executive directors.

As in the case of independent non-executive directors, these directors do not participate in the Company's LTI plans.

Although benchmarking data has indicated the NED fees to be below the market median, no increases were made to NED fees for the 2020/21 period as part of the efforts to combat the impact of Covid-19. During the year under review, it became clear that extensive work was being undertaken on a both a subcommittee and *ad hoc* committee level in both addressing the unique challenges which the Company faced as well as in driving the execution of the Company's business strategy. In light hereof, it is proposed that the Board member fee remain as it is, but that the subcommittee fees be increased by 8%. Given the critical work performed by *ad hoc* committees and the Investment Committee in particular, it is proposed that the *ad hoc* committee fee be increased from R25 000 to R30 000 and that, going forward, members of the Investment Committee will receive an *ad hoc* fee for meetings attended.

The proposed fee structure payable to non-executive directors for the year ending 30 June 2021 is presented in the table below. Also see Special Resolution Number 1 in the Notice to shareholders on page 159.

Type of fee (Rand)	**Current fee for the year ended 30 June 2021**	Proposed fee for the year ending 30 June 2022	*% Change*
Board member	**390 000**	390 000	*0%*
Chairman of the Audit and Risk Committee	**297 000**	320 760	*8%*
Member of the Audit and Risk Committee	**147 500**	159 300	*8%*
Member of the Remuneration and Nomination Committee	**65 500**	70 740	*8%*
Chairman of the Social and Ethics Committee	**120 000**	129 600	*8%*
Member of the Social and Ethics Committee	**65 500**	70 740	*8%*
Meeting fee for *ad hoc* Committees (i.e. Investment, Valuation, etc. committees)	**25 000**	30 000	*20%*

Fees are excluding VAT.

Shareholder engagement and non-binding advisory vote

The Remuneration Policy and Remuneration Implementation Report are respectively tabled for separate non-binding advisory votes by the shareholders at each AGM.

The committee will engage with shareholders in the event of a 25% or more dissenting vote on either or both the Remuneration Policy or Remuneration Implementation Report. In that event, the Company will, in its voting results announcement provide for (1) an invitation to dissenting shareholders to engage with the Company, and (2) the manner and timing of such engagement. In this regard the Company intends to (1) invite the dissenting shareholders to provide the Company with their written submissions as to why they voted against the Remuneration Policy or Remuneration Implementation Report, (2) address the legitimate and reasonable objections of dissenting shareholders, and (3) report back to the dissenting shareholders. If appropriate and practical, the Company may engage with dissenting shareholders either individually or collectively at meetings called for that purpose. Other methods of shareholder engagement may include conference calls, emails and investor roadshows.

Part 3: Remuneration Implementation Report

The Remuneration Implementation Report provides details on how Remgro implemented its Remuneration Policy during the 2021 financial year. (The information on pages 103 to 110 was audited). This Remuneration Implementation Report will be put to a non-binding advisory vote by shareholders at the next AGM on 25 November 2021.

Fixed remuneration review

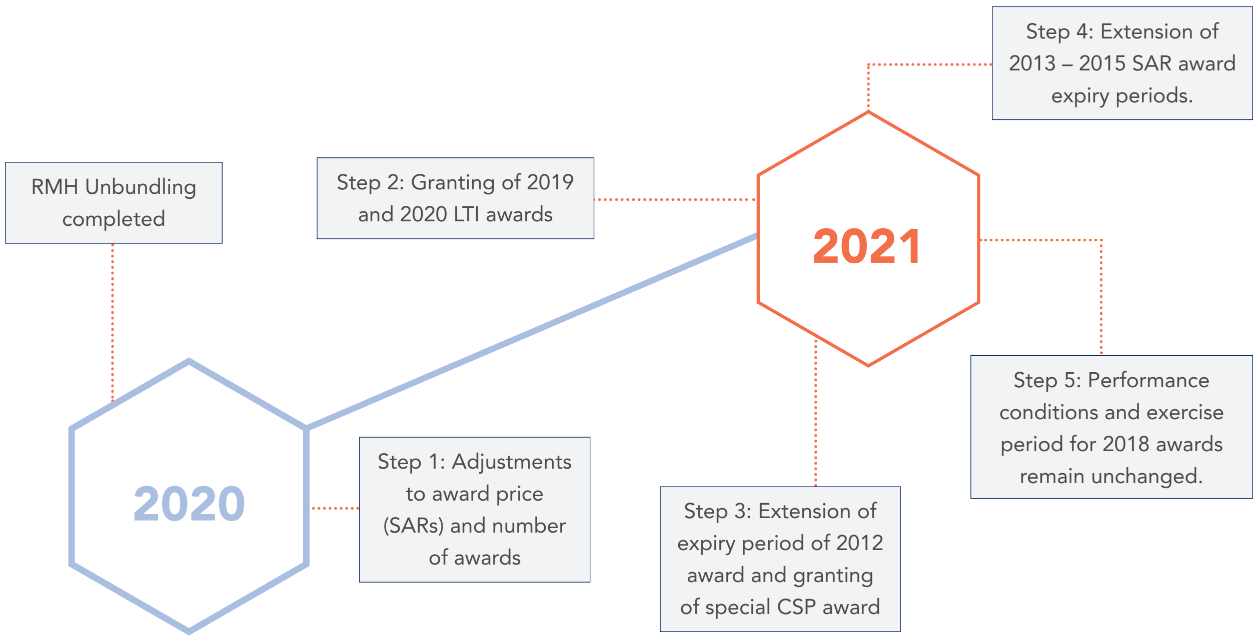
Executive directors and other members of the Management Board and management level employees received no salary increase for the 2021 financial year. In order to safeguard the interests of our more vulnerable employees, non-management level employees received a cost-of-living adjustment of between 4.5% and 5.0%.

Short-term incentives outcome

Remgro's Remuneration Policy does not provide for any short-term incentives, therefore no outcomes are reported in terms of this.

Long-term incentives outcome

As noted in Part 1 of the report, the committee deliberated extensively on the impact of the RMH Unbundling and Covid-19 on the LTI and ways, if any, in which these impacts could be mitigated. An overview of the key decisions and steps taken are set out below:



Impact of the RMH Unbundling

The 2020 report detailed the significant impact of the RMH Unbundling and set out the adjustments which were made to in-flight awards as a result thereof. During the year under review, the committee considered the ongoing impact of the RMH Unbundling on the Company's long-term incentives.

Remgro issued a cautionary announcement in November 2019 with regards to the RMH Unbundling which resulted in the Company entering an extended cautionary period. The 2018 Rules of the Remgro Equity Settled Conditional Share Plan (CSP) and Remgro Share Appreciation Rights Plan (SAR Plan) regard prohibited periods (which include cautionary periods) as a restriction which prevented the Company from granting new awards to employees and employees from exercising their awards.

LTI awards made during the year

As a result of the prohibited periods (which included closed periods), the Company was prevented from granting the planned annual awards in December 2019. While the restrictions were lifted in April 2020, it was noted in the 2020 report that the Company decided to postpone the granting of the 2019 awards