



Nampak
packaging excellence

REMUNERATION REPORT 2018



SUSTAINABLE PROFITABILITY

Remuneration report

for the year ended 30 September 2018

Nampak produces a remuneration report which is compliant with the requirements of King IV™. As such the following sections have been included in this report:

SECTION 1

A report from the chairman of the remuneration committee that sets out the context for remuneration consideration and decisions as well as an outline of the material matters considered during the year.

SECTION 2

The remuneration policy and framework to be tabled at the AGM for a non-binding vote by shareholders.

SECTION 3

The implementation of the remuneration policy to be tabled at the AGM for a separate non-binding vote by shareholders.

SECTION 4

As required by the Companies Act, non-executive directors' fees for the financial year ending 30 September 2019 will be put to shareholders by way of a special resolution.

For details of the composition of the committee and attendance at meetings, please refer to [57](#) and [58](#) of the integrated report.

SECTION 1: REPORT FROM THE CHAIRMAN

Nampak's remuneration is designed to facilitate delivery of the group's strategy on a sustainable basis and to deliver value for stakeholders over the short, medium and long term. This report provides details of our remuneration policy and framework as it relates to our employees, group executive committee members, executive directors and non-executive directors. It also includes our implementation report for executive directors, group executive committee members and non-executive directors.

In February 2018, for the first time, we did not receive the required number of votes in favour of the remuneration policy and the implementation report.

The results of voting at the 2018 and 2017 annual general meetings are indicated in the table below:

Percentage vote in favour	Required percentage	February 2018	February 2017
Remuneration policy and framework	75% non-binding	62.98%	97.50%
Implementation report	75% non-binding	62.50%	Not applicable
Non-executive directors' fees and committee membership fees	75% binding	99.82%	99.90%

As a result, the company issued a SENS announcement inviting shareholders and other interested parties to engage with the company. Constructive engagements with a number of shareholders and proxy advisers took place during 2018 either as a direct result of a query or concern or as part of general engagements linked to remuneration structures. These discussions were positive and well received. There was consensus that shareholders would have supported the remuneration policy and implementation reports had the retention payments that were approved outside of policy not been paid. Details of the engagement issues are set out below:


Topic	Shareholder/proxy adviser comments	Remuneration committee responses
Retention bonus payments to CEO and CFO	Concerns were raised that the retention bonus payments were outside of our remuneration philosophy and policies and this resulted in many shareholders and proxy advisers voting against both the remuneration policy and implementation resolutions at the AGM	The chairman of the remuneration committee has engaged extensively on this issue and has provided details behind the decision of the remuneration committee. At the end of 2017, there were very limited retention mechanisms and the company was at risk of losing its two most senior executives who understood the business requirements and were critical to resolving key material matters in the short term. The retention structure was deemed to be most appropriate under the circumstances. The committee will consult proactively and seek prior approval for any future material changes of this nature. No such payments to the chief executive officer and the chief financial officer were approved in 2018.
Lack of performance conditions attached to matching award under the deferred bonus plan	Concern was raised, particularly by offshore proxy advisers, that there were no performance conditions linked to the release of matching share awards in terms of the deferred bonus plan	The after-tax short-term incentive (STI) is voluntarily invested in shares to encourage share ownership and the matching shares further facilitate ownership. In order to participate in the deferred bonus plan, participants needed to have earned a short-term incentive which would have been subject to performance conditions and the deferred bonus plan structure had been introduced largely as a retention component and to encourage executives to build a shareholding in our company. The committee agreed to review this position annually. For the overall weighting in the remuneration structure, please refer to the remuneration mix on pages 3 and 4 .
Certain executives received retirement gratuities	The payments were made in terms of a legacy policy entitlement which had been capped at R500 000 and which was subsequently closed to executives appointed after December 2013	The remuneration committee agreed to provide more detailed disclosure in the 2018 remuneration report.

We encourage all shareholders to provide feedback and contributions regarding their position on the various voting requirements. We therefore invite shareholders wishing to engage with the chairman of the remuneration committee to do so via email at corporategovernance@nampak.com. Should we receive 25 percent dissenting vote for either the remuneration policy or the implementation report, or both, we will include an outline of the process and timing of our proposed engagement with shareholders to resolve unsatisfactory results in the SENS announcement of the voting results of the AGM.

EXTERNAL ADVICE TO THE COMMITTEE

Together with input obtained from shareholders and proxy advisers during the year, we have considered it prudent to retain the current policy, target structures and frameworks with some minor adjustments to individual performance conditions in the short-term incentive plan (STI). In the past, the STI has been slanted towards financial performance measures with a smaller portion linked towards other economic, social, environmental and governance requirements. During the year, the focus has shifted to identify and include more key drivers of sustainable profitability and this trend will continue into 2019.

ACTIVITIES UNDERTAKEN IN 2018

The committee attended to all activities set out in its charter and the annual committee work plan during the year. The committee charter is available on the website at <http://www.nampak.com/Content/Documents/About/remuneration-committee-charter.pdf>. 

Engagement with shareholders and proxy advisers continued in order for the committee members to understand and discuss the material issues on the remuneration policy and framework and implementation report with the board.

The committee implemented the change to a more simplified share plan structure consisting of two plans, namely the performance share plan and deferred bonus plan for executive directors and group executive committee members. The overall benchmark remuneration for on-target performance remained. Participation in the share appreciation plan has been retained for senior management levels that do not receive any awards under the other share plans as a mechanism to attract, motivate and retain the appropriate calibre of talent and diversity.

Achievement of objectives

The overall annual increases for executive director and group executive committee members amounted to 5.5% and remained below the average annual increases granted to other staff. This is in line with our objective to improve wages and the socio-economic conditions of our lower level workers.

The group headline earnings per share target linked to the STI was fully achieved resulting in this portion of the incentive bonus being released. Various levels of EBITDA adjusted for interest, trading income and key performance objectives were achieved and these are reflected in the incentives earned by the operational and support executives. These levels of achievement are consistently reflected in other managerial STI payments.

Remuneration report continued

for the year ended 30 September 2018

The performance conditions aligned to the performance share plan and share appreciation plan were not achieved and as a result none of the December 2015 awards will vest.

The actual earnings reported under section three of this document reflect the levels of achievement against the performance targets at executive director and group executive committee levels.

Decisions taken during 2018

The committee:

- Approved the guaranteed packages for executive directors and group executives.
- Approved the terms and conditions of the executive directors.
- Approved the STI payments for executive directors and group executives after considering achievement against performance conditions.
- Approved the LTI awards for all participants and determined the performance conditions.
- Reviewed the defined benefits liability strategy and implementation against plans.
- Reviewed the fee recommendations for non-executive directors and committee fees, excluding the fees for the remuneration committee before submission to the board for consideration.

Areas of focus for 2019

The committee considers the financial performance conditions and targets for the STI and LTI plans annually to ensure that they are relevant and fair to the different stakeholder groups. In light of lower GDP growth rates, declining inflation and increasing unemployment depressing consumer demand, together with benchmark data, the committee approved changes to the 2019 targets. These changes are reflected on [pages 5 and 6](#) of this report. The committee considers the revised targets to be prudent and yet still provide alignment between executive remuneration and shareholder experience.

The committee has requested a review of its equality in income distribution position and a wage gap analysis for our continuing operations in order to manage fair and responsible remuneration including the wage gap and any gender pay disparities more comprehensively. Current basic salary and benefit levels for non-managerial employees exceed the industry norms by some margin which contributes to a stronger gini-coefficient for the company versus industry norms. In addition, retirement, insured benefits and voluntary medical aid membership remain an integral part of the remuneration structures of the vast majority of our employees.



RC Andersen
Chairman of the remuneration committee¹

16 November 2018

¹ PM Surgey resigned on 10 October 2018. RC Andersen appointed on 10 October 2018.

SECTION 2: REMUNERATION POLICY

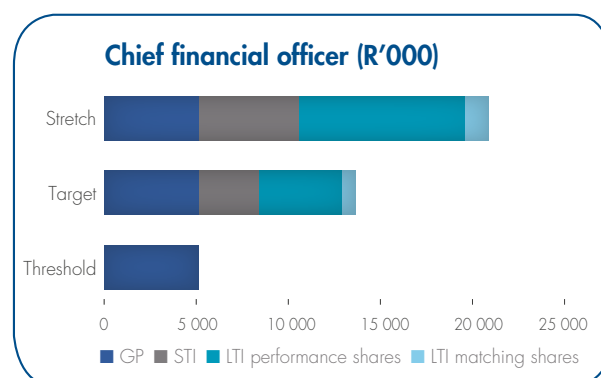
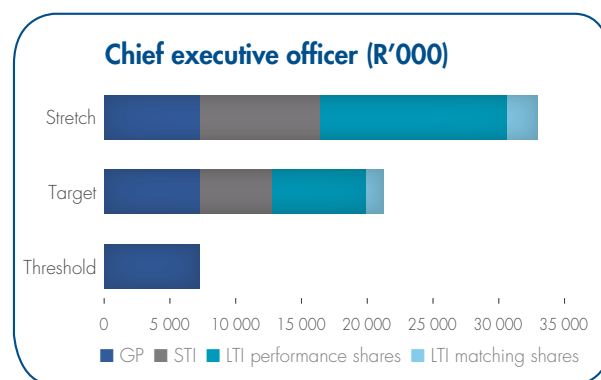
Our remuneration policy at executive level remains largely unchanged from previous years and continues to focus on delivery of financial and non-financial measures that underpin the group's strategy and sustainable profitability objectives.

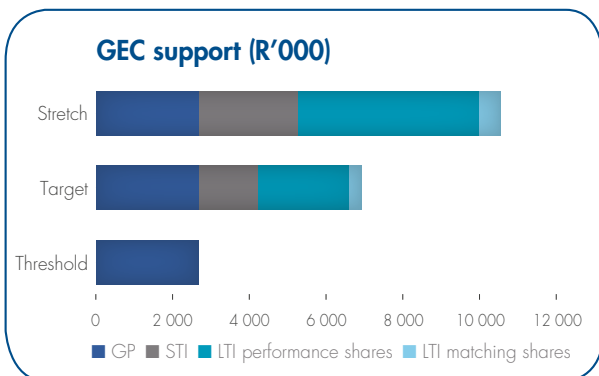
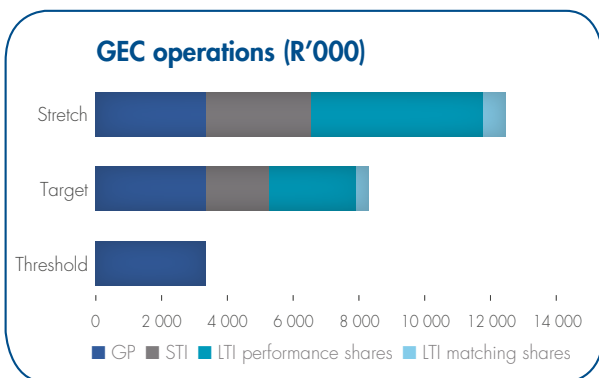
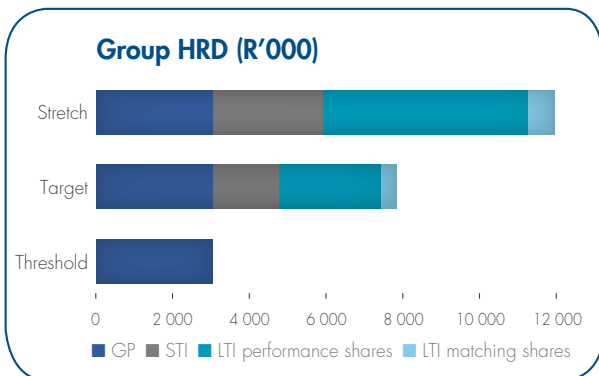
The components of the remuneration structures applicable to other managerial and non-managerial employees are set out in the table on [pages 6 to 8](#) of this report.

The balance of the report is focused on executive director and group executive remuneration policy and frameworks and this is also the case for the implementation report.

REMUNERATION MIX

The remuneration structure for executive directors and group executive committee members has been designed to reward consistent improvements in short- and medium-term sustainable profitability which underpin value creation for shareholders. Guaranteed packages are generally clustered at the median of the benchmark. There is a larger weighting towards at-risk or variable pay components which are provided in the form of an annual short-term incentive (STI) and longer-term share plans (LTI) participation. Challenging performance conditions that are aligned with shareholder requirements and expectations are set and must be achieved for earnings to accrue to participants. If these targets are achieved, upper quartile remuneration should be delivered from the variable pay structure for executive directors, group executive committee members and certain senior managers. For purposes of illustration below, 60% of maximum is assumed to represent threshold performance and target reflects full achievement for both the STI and LTI components.





ALIGNMENT TO VALUE CREATION

The remuneration structures for executive directors and group executive committee members have been designed to encourage sustainable profitability on a consistent basis. This has been achieved by consistent application of appropriate financial targets linked to the STI and LTI components. The social, environmental and governance performance will ultimately reflect in consistent financial performance over the long term. Therefore, and in order to ensure the self-funding nature of STI and LTI remuneration structures, the performance targets are more heavily weighted towards quantitative achievements.

Individual key performance indicators form up to 60% of the STI for executive directors and group executive committee members. These are reviewed and set annually and focus on essential drivers of value that may impact negatively on short-term performance, as

well as focus on material matters that could have a negative impact on the group's sustainability. For 2018 and going into 2019 the individual key deliverables include drivers such as:

- attraction, retention and development of a diverse and skilled workforce;
- a safe and healthy working environment;
- a strengthened balance sheet and focus on cash and liquidity management;
- improvements in operational efficiencies and asset utilisation that positions the company to take advantage of future growth opportunities as macroeconomic conditions improve;
- appropriate site consolidations and operational footprint;
- a competitive fixed cost baseline; and
- management of governance and ethics.

The LTI elements provide the board with a tool to attract and retain the right calibre of executives. The performance targets are set over three-year performance periods and require consistent achievement of challenging financial performance conditions. Experience of executives is aligned with that of shareholders as once vested, the shares are released in three tranches and executive earnings are impacted by movements in the share price and dividends earned. The deferred bonus plan has been included in the LTI components to encourage executives to purchase and hold shares in the company. These shares may only be purchased using proceeds from STI earnings once those performance conditions have been achieved.

CONTRACTUAL TERMS AND PAYMENTS ON TERMINATION OF EMPLOYMENT

The chief executive officer and chief financial officer have indefinite service contracts with a six-month notice period. In order to ensure that the notice period remains relevant and necessary, at the end of September each year, the notice period returns to three months. The committee reviewed and agreed the applicable notice period for the next year. The notice periods were renewed for the year ahead.

The group human resources director and the other group executive committee members have indefinite service contracts with three-month notice periods.

In the event of redundancy, executive directors and other group executive members are entitled to receive payment, in addition to notice pay, in terms of the Nampak redundancy policy. Redundancy pay is calculated based on length of service and age and varies between two weeks and four weeks for every year of service and is calculated using 75% of guaranteed package. The maximum entitlement is capped at 60 weeks. Certain long service executives are entitled to a retirement gratuity from a legacy policy which was capped at R500 000 and then closed to future appointments after December 2013. The executive directors are not entitled to the retirement gratuity, however, certain of the other group executive committee members have retained this capped benefit.

The service contracts do not contain any other provisions relating to payments due on termination of employment (for whatsoever reason) or following a change of control of the company. In the event of a change of control, executive share allocations will be dealt with in terms of the rules of the relevant share plans. Further, the directors and executives have no entitlement to a restraint of trade payment and are not entitled to any other material *ex-gratia* payment.

Remuneration report continued

for the year ended 30 September 2018

ELEMENTS OF REMUNERATION AND POLICY

GUARANTEED PACKAGE		SHORT-TERM INCENTIVES																									
Basic salary	Benefits																										
<p>Remuneration principles</p> <ul style="list-style-type: none"> Designed to attract and retain executives with appropriate competence and experience levels and diversity of skills and views to deliver sustainable profitability for the benefit of all stakeholders 	<p>Remuneration principles</p> <ul style="list-style-type: none"> There is a trade-off between receiving compulsory benefits and voluntary benefits from an employee value proposition. The company understands the importance of saving for retirement from an early age and therefore continues to provide the benefit 	<p>Remuneration principles</p> <ul style="list-style-type: none"> Intended to provide a variable pay element for executive directors and group executive committee members which is earned against stretch performance targets Places emphasis on delivering strategic imperatives which may impact negatively on short-term financial performance and which are vital to long-term sustainability Covers all aspects which underpin sustainable profitability and ethical governance 																									
<p>External advisers</p> <ul style="list-style-type: none"> The Deloitte SA Executive Guide 2018 PwC Research Services' REMchannel® 	<p>External advisers</p> <ul style="list-style-type: none"> Various professional advisers and administrators recognised in their respective jurisdictions 	<p>External advisers</p> <ul style="list-style-type: none"> The Deloitte SA Executive Guide 2018 PwC Research Services' REMchannel® 																									
<p>Competitiveness of offer</p> <ul style="list-style-type: none"> Benchmarked using survey data from external advisers. The published remuneration of other listed companies of similar size and complexity is also considered 	<p>Competitiveness of offer</p> <ul style="list-style-type: none"> Compulsory levels of retirement saving and life and disability cover is set using published survey data Optional medical aid membership Car allowance linked to requirements for business travel 	<p>Competitiveness of offer</p> <ul style="list-style-type: none"> Benchmarked using survey data from external advisers Relevant to strategic intent 																									
<p>Performance metrics</p> <ul style="list-style-type: none"> Individual performance, contribution and future growth potential are considered 	<p>Performance metrics</p> <ul style="list-style-type: none"> Not applicable 	<p>Performance metrics</p> <p>A combination of group, divisional and individual metrics are used as follows:</p> <table border="1"> <thead> <tr> <th>Weighting within STI</th> <th>Component</th> <th>Metric</th> <th>Threshold</th> <th>On-target</th> <th>Stretch</th> </tr> </thead> <tbody> <tr> <td>Between 20% and 70%</td> <td>Group financial</td> <td>Improvement in HEPS</td> <td>CPI</td> <td>CPI + 5.4%</td> <td>CPI + 9%</td> </tr> <tr> <td>Operational executive only – up to 40%</td> <td>Divisional financial</td> <td>EBITDA adjusted for interest or trading income Improvements is required by each division are set at commencement of the performance period</td> <td colspan="3">Sufficient stretch and aligned to achievement of the group financial target</td> </tr> <tr> <td>Up to 60% (all executives)</td> <td rowspan="2">Individual key performance indicators</td> <td rowspan="2">Linked to strategic issues and material matters that underpin sustainable profitability</td> <td colspan="3" rowspan="2"></td> </tr> <tr> <td>Up to 40% (other managers)</td> </tr> </tbody> </table>	Weighting within STI	Component	Metric	Threshold	On-target	Stretch	Between 20% and 70%	Group financial	Improvement in HEPS	CPI	CPI + 5.4%	CPI + 9%	Operational executive only – up to 40%	Divisional financial	EBITDA adjusted for interest or trading income Improvements is required by each division are set at commencement of the performance period	Sufficient stretch and aligned to achievement of the group financial target			Up to 60% (all executives)	Individual key performance indicators	Linked to strategic issues and material matters that underpin sustainable profitability				Up to 40% (other managers)
Weighting within STI	Component	Metric	Threshold	On-target	Stretch																						
Between 20% and 70%	Group financial	Improvement in HEPS	CPI	CPI + 5.4%	CPI + 9%																						
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Up to 60% (all executives)	Individual key performance indicators	Linked to strategic issues and material matters that underpin sustainable profitability																									
Up to 40% (other managers)																											

The proposed group financial target for 2019 is as follows:

Improvement in HEPS

Threshold	CPI
On-target	CPI + 3.6%
Stretch	CPI + 6%

LONG-TERM INCENTIVES

Performance share plan (PSP)

Remuneration principles

- Aimed at aligning executive remuneration directly with that of shareholders interests
- Challenging performance targets underpin executive earnings and, if achieved, will deliver sustainable value to shareholders and underlying investors over the longer term
- Because of staggered release of shares at the end of the third, fourth and fifth years from the original award date, executive remuneration is directly aligned to share price movements and dividend performance along with investors

External advisers

PwC People and Organisation (Reward) (PwC)

Competitiveness of offer

- PwC are formally engaged annually to provide recommendations against market data for share plan awards to executive directors, group executive committee members and senior managers. They also provide guidance on whether vesting performance conditions linked to prior year allocations have been achieved and should be released to participants

Performance metrics

Weighting within allocation	Performance condition	Target range
40%	Improvement in HEPS	Straight-line vesting between entry of CPI + 8% to CPI + 24%
30% Note 1	Cumulative improvement in total shareholder return (TSR) on an absolute basis	Straight-line vesting between entry of CPI + 8% to CPI + 24%
30% Note 1	Return on net assets (RONA)	60% release for 11.5% 70% released for 12% 80% released for 12.5% 90% released for 13% 100% released for 13.5%

The proposed metrics for the allocations in the 2019 financial year are:

Weighting within allocation	Performance condition	Target range
40%	Improvement in HEPS	Straight-line vesting between entry of CPI + 3% to CPI + 15%
30% Note 1	Cumulative improvement in TSR on an absolute basis	Straight-line vesting between entry of CPI + 3% to CPI + 15%
30% Note 1	RONA	No change to previous targets

Note 1: The committee may adjust the targets in the event of strategic investment decisions or extraordinary share price volatility.

Deferred bonus plan (DBP)

Remuneration principles

- Provides a retention element to the remuneration structure
- Encourages executives to build shareholding in Nampak Limited
- Aligns executive remuneration with share price and dividend performance experienced by shareholders

External advisers

PwC

Competitiveness of offer

- PwC as advisers to the remuneration component offset potential earnings under the deferred bonus plan when determining the recommended awards under the performance share plan

Performance metrics

- Executives and group executive committee members are able to use a percentage of after-tax STI earnings which are paid after achieving challenging performance conditions annually to purchase shares in Nampak Limited
- Executives will receive a matching number of shares after three years provided they have remained in employment
- No shares will vest for resignation or dismissal
- Pro-rated shares will vest for good leavers such as retirees

Share appreciation plan (SAP)
(not applicable for executive directors and group executive committee members)

Remuneration principle

- Provides the chief executive officer with a reward and retention element for employees at middle management levels

External advisers

PwC

Competitiveness of offer

- Allocations determined every second year

Performance metrics

- Threshold performance target of improvement in headline earnings per share of CPI + 6% over the three-year performance period
- The proposed threshold performance target for 2019 is cumulative CPI growth over the three-year performance period

Remuneration report continued

for the year ended 30 September 2018

ELEMENTS OF REMUNERATION AND POLICY continued

GUARANTEED PACKAGE

SHORT-TERM INCENTIVES

Basic salary

Benefits

Maximum limits

- Target level for guaranteed packages for executives and prescribed officers is clustered around the median

Maximum limits

- Flexibility within guaranteed package governed by income tax regulations

Maximum limits

Role	Maximum potential STI as percentage of guaranteed package			
	Total	Group	Divisional	Individual
CEO	125%	85%	–	40%
CFO	105%	74%	–	31%
Group HRD	95%	38%	–	57%
GEC operations	95%	19%	53%	23%
GEC support	85%	38%	–	47%

Performance period

- Annual review

Performance period

n/a

Performance period

- Annual cash award payable in December
- Performance period 1 October to 30 September

Governance requirement

- Set out in contracts of employment

Governance requirement

- Set out in group policies

Governance requirement

- The committee has discretion to withdraw or change the STI. In addition, the committee holds overriding discretion on incentive bonus payments should circumstances warrant
- Approval of STI payments only takes place after the annual financial statements have been audited and approved by the board

Other employees

- Managerial employees receive guaranteed packages
- Other employees receive a basic salary, shift allowances, overtime and benefits on a build-up basis
- The target guaranteed package for other employees is the median. The 75th percentile is considered for top performers and positions where we have scarce skill risks
- Our levels of pay and benefits for our shopfloor employees are significantly higher than the agreed sector wage levels

Other employees

- Employees in all jurisdictions have access to retirement funding and insured benefit arrangements in line with local regulations. Expatriate employees in certain countries receive remuneration for retirement funding and insured benefits where local options are not appropriate
- Employees have voluntary access to medical aid or similar arrangements
- Employees have access to EAP counselling

Other employees

- Managerial employees participate in the group's STI scheme at different capped levels ranging between 65% and 75% of guaranteed package per annum
- Individual key performance indicators generally form up to 40% of the maximum potential incentive with the balance accruing based on achievement of the divisional performance targets
- Key performance targets address sustainable drivers for future success on a line of sight basis to their role requirements
- Various productivity incentives provide line of sight rewards for non-managerial employees

LONG-TERM INCENTIVES

Performance share plan (PSP)

Maximum limits

	Set to deliver a percentage of guaranteed package:	
	Expected value	For superior performance
CEO	80%	160%
CFO and Group HRD	70%	140%
GEC operations and support	60%	120%

Performance period

- Share awards vest to the level of achievement of the performance conditions at the end of the three-year performance period and are released in three equal tranches at the end of the third year, fourth year and fifth year from the original award date

Governance requirement

- Governed in accordance with the share plan rules as approved by shareholders
- Share awards are allocated annually usually in December to avoid allocations during closed periods
- The extent of achievement against the performance targets is reviewed by PwC

Other employees

- Certain senior managers may receive awards under the performance share plan after considering remuneration benchmarks provided by PwC

Deferred bonus plan (DBP)

Maximum limits

Role	Maximum limit of after-tax STI
CEO	Up to 50%
CFO and GHRD	Up to 45%
Other group executives	Up to 40%

Performance period

- Vesting and release of matching awards after three years

Governance requirement

- Governed in terms of the share plan rules as approved by shareholders
- Eligible participants are provided with an option to purchase shares immediately after receipt of the STI payments and once the stock market has had sufficient time to adjust to the published results

Other employees

- Certain senior managers may use up to 35% of their after-tax STI to purchase shares

Share appreciation plan (SAP) (not applicable for executive directors and group executive committee members)

Maximum limits

- The maximum allocations are recommended to the remuneration committee after taking into account individual contribution, skills and future career progression

Performance period

- Share allocations vest after three years if the performance condition is achieved. Participants have seven years from the allocation date to exercise their awards

Governance requirement

- Governed in terms of the share plan rules as approved by shareholders
- The extent of achievement against the performance targets is reviewed by PwC

Other employees

- Prior to 2017, executive directors and prescribed officers received share allocations in terms of the share appreciation plan. In order to simplify the LTI structure, it was agreed to remove these allocations in 2017. However, the share appreciation plan remains the preferred allocation vehicle for awards to reward and retain other managers

Remuneration report continued

for the year ended 30 September 2018

SECTION 3: IMPLEMENTATION REPORT

The implementation report details the outcomes of executing the remuneration policy for executive directors and group executive committee members in the current financial year. The remuneration committee has applied the King IV™ recommendation that companies must disclose a single figure of earnings received and receivable for the reporting period.

DEVIATIONS FROM POLICY

The remuneration committee monitored the implementation of the remuneration policy and is able to confirm that there are no deviations from policy to report.

CONTRACTUAL TERMS AND PAYMENTS ON TERMINATION OF EMPLOYMENT

There were no deviations from policy on the contractual terms. There were no terminations at executive director and group executive committee member level during the year.

FAIR AND RESPONSIBLE REMUNERATION

The average increases to guaranteed packages for the executive directors and group executive committee members relative to other staff groupings are set out below:

Grouping	Increase percentage 2018	Increase percentage 2017
Executive directors	5.8	6.7
Group executive committee members	5.3	5.9
Managers	7.0	9.6
Other employees	9.5	

This is in line with our approach to fair and responsible remuneration where we aim to realise:

- Higher merit increases for staff than those granted to executive management (other than promotion and market alignment)
- Total levels of executive remuneration that are not excessive in comparison to market benchmarks and other staff and that other staff are paid competitively against benchmarks

This analysis pertains to South Africa where most of our employees are located.

STI

The committee's assessment of performance against targets set for the various elements of the STI are as follows:

The group exceeded the improvement in headline earnings per share target.

There were varying levels of achievement against the divisional financial targets, with some divisions not achieving the required threshold and others achieving 100%.

There were varying levels of achievement by executive directors and group executive committee members against their individual key deliverables which covered the following broad categories:

Strategic objectives	Strategic drivers	Key performance indicator	Performance
Actively manage our portfolio		Disposals of Glass, plastic crates and drums per agreed timelines	●
	Financial capital	Improved group liquidity	●
		Restructured group funding arrangements	●
		Consistent management and de-risking activities in respect of defined benefit liabilities	●
		Commercial contract negotiation	●
Manage costs stringently*	Human capital	Plans implemented to improve B-BBEE performance	●
		Group organisation design reviewed and staff establishments implemented	●●
			Reduction in cash fixed costs
Improve business by buying better, making better and selling better*	Manufactured capital	Operating efficiency improvements and implementation of reduced operational footprint requirements	●●
		Governance and legal compliance	●
			Governance and regulatory training

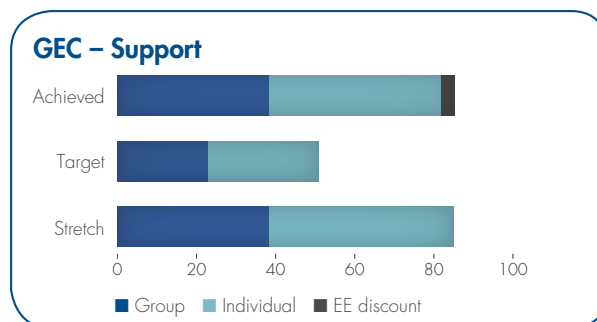
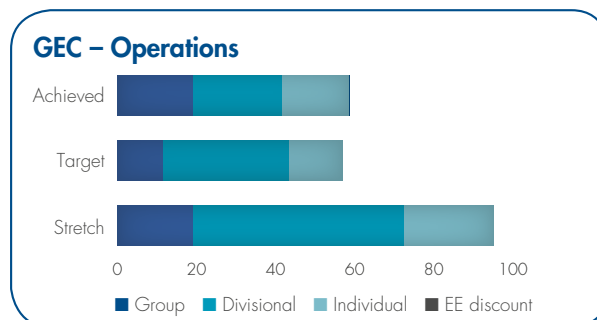
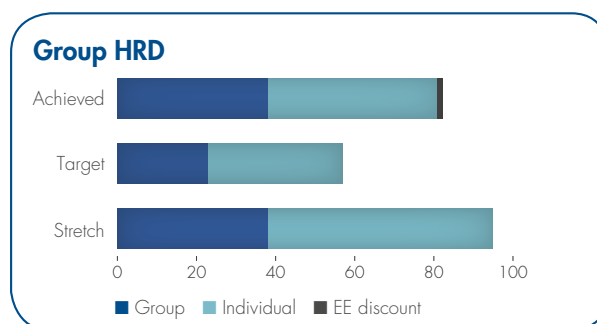
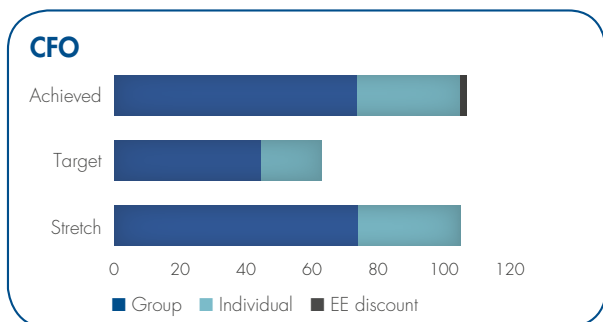
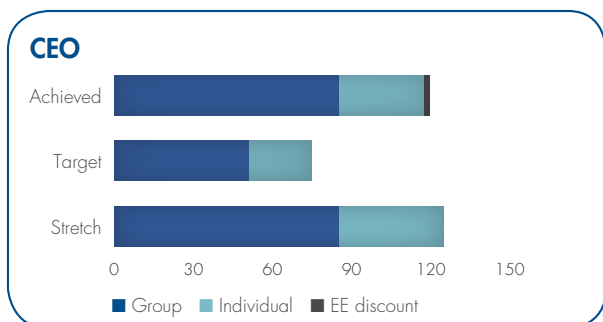
● Good progress made ● Some progress, more to come ● Disappointing performance

* Reflects differing levels of operational performance.



STI ACHIEVEMENT (AS A % OF GUARANTEED PACKAGE)

The results of applying the financial and non-financial performance achievements are reflected graphically below against target and stretch levels. A discount was applied for the non-achievement of employment equity targets.



LTI AWARDS

The annual LTI awards for the executive directors and group executive committee members awarded in December 2017 are reflected in the table below:

	Performance share plan Note 1			Deferred bonus plan Note 2		
	Number of conditional awards	Value	% of guaranteed package	Number of conditional matching awards	Value	% of guaranteed package
Executive directors						
AM de Ruyter	752 000	6 331 768	82%	122 563	1 748 994	23%
GR Fullerton	441 000	3 713 178	72%	45 961	655 871	13%
MMF Seleokane	260 000	2 189 175	72%	9 192	131 171	4%
Group executive committee members						
C Burmeister	220 000	1 852 379	62%	16 399	234 016	8%
M Khutama	210 000	1 768 180	61%	–	–	–
LD Kidd	209 000	1 759 760	62%	–	–	–
RG Morris	269 000	2 264 954	62%	12 808	182 772	5%
EE Smuts	283 000	2 382 833	62%	42 714	609 536	16%
IH van Lochem	184 000	1 549 262	62%	3 064	43 724	2%

Note 1: Share awards will vest in December 2020 to the extent that the performance conditions are achieved.

Note 2: Participants receive conditional matching awards in December 2020 provided the participant remains in employment and is still the owner of the purchased shares.

The performance targets are set out on [page 6](#) of this report.

Remuneration report continued

for the year ended 30 September 2018

2018 LTI PERFORMANCE ASSESSMENT

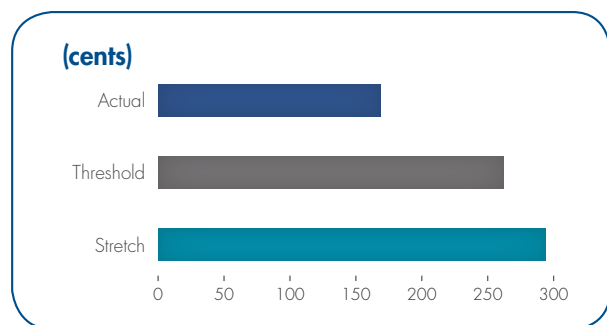
Performance share plan

The performance conditions linked to the performance share plan awards in December 2015 were tested and were not achieved. Therefore, no awards will be released in December 2018 in respect of these awards. The performance conditions for the three-year period were:

- 40% based on a growth in HEPS measured on a straight-line basis between threshold of CPI + 9% and target of CPI + 24%
- 30% based on the cumulative growth in TSR on a straight-line basis between threshold of CPI + 9% to target of CPI + 24%
- 30% based on return on equity (RoE) targets where 60% of shares vest for a RoE of 15.5%, 70% for 16%, 80% for 16.5%, 90% for 17% and 100% for 17.5%

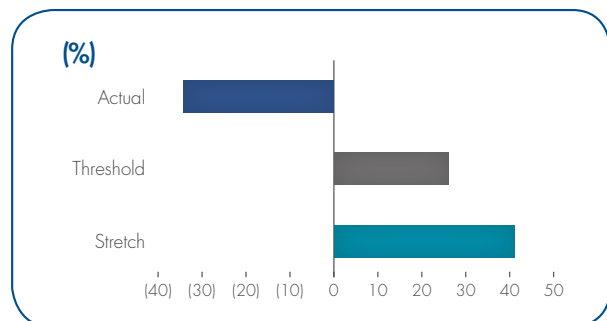
HEPS performance

The chart displays the HEPS which was required for the threshold and stretch achievement levels of this performance condition against the actual achievement. Actual HEPS achieved was 168.7 which was significantly below the threshold HEPS of 262.3 cents and the stretch HEPS of 293.5 cents.



TSR performance

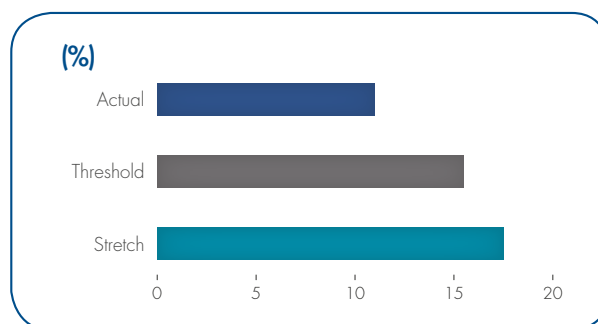
The chart displays the cumulative TSR which was required for the threshold and stretch achievement levels of this performance condition against the actual achievement. Actual cumulative TSR achieved was -34.3% which was significantly below the threshold cumulative TSR and the stretch cumulative TSR.



Return on equity performance (RoE)

The chart displays the RoE which was required for threshold and stretch achievement levels of the performance condition against the actual achievement.

Actual RoE achieved was 11% which was significantly below the stretch RoE of 17.5% and the threshold RoE of 15.5%. For this performance condition, 60% of the shares would vest for an RoE achievement of 15.5%, 70% for a RoE achievement of 16%, 80% for a RoE achievement of 16.5% and stretch for an RoE achievement of 17.5%.

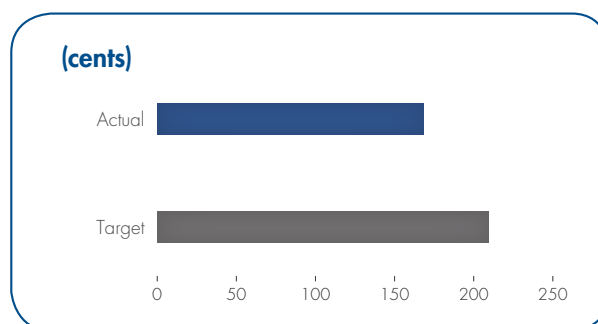


SHARE APPRECIATION PLAN

The performance condition linked to the share appreciation plan allocations in December 2015 will not be achieved and therefore no awards will be released in December 2018 in respect of these allocations.

HEPS performance

The chart displays the HEPS which was required for on target achievement of this performance condition against the actual achievement. Actual HEPS achieved was 168.7 which was significantly below the target HEPS of 209.2 cents.



THE SINGLE TOTAL FIGURE OF REMUNERATION

The following table sets out the total remuneration received and receivable by executive directors and group executive committee members for 2018:

Executive director remuneration 2018

	Guaranteed pay			Other		STI ² (rand)	LTI ³ (rand)	Total single figure remuneration (rand)
	Basic salary (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits ¹ (rand)	Retention/ termination (rand)			
Executive directors								
AM de Ruyter	7 574	103	7 677	21	–	8 846	1 749	18 293
GR Fullerton	5 049	98	5 147	14	–	5 305	656	11 122
MMF Seleokane	2 916	119	3 035	8	–	2 406	131	5 580
	15 539	320	15 859	43	–	16 557	2 536	34 995
Group executive committee members								
C Burmeister	2 887	120	3 007	8	–	1 708	234	4 957
M Khutama	2 794	94	2 888	8	–	784	–	3 680
ID Kidd	2 730	118	2 848	8	–	2 220	–	5 076
RG Morris	3 566	96	3 662	10	–	1 987	183	5 842
EE Smuts	3 767	92	3 859	10	–	3 666	610	8 145
IH van Lochem	2 400	110	2 510	7	–	1 956	44	4 517
	18 144	630	18 774	51	–	12 321	1 071	32 217

Notes

¹ Other benefits refer to Group Personal Accident cover.

² STI disclosed is based on performance during the 2018 financial year, but actual STI payments will only be made in December 2018.

³ LTI disclosed is the award of matching shares under the DBP scheme in December 2017. Values are calculated using market value at purchase date. The performance conditions aligned to the PSP and SAP were not achieved. None of the December 2015 awards will vest.

Remuneration report continued

for the year ended 30 September 2018

The following table sets out the total remuneration received and receivable by executive directors and group executive committee members for 2017.

Executive director remuneration 2017

	Guaranteed pay			Other		STI ² (rand)	LTI ⁹ (rand)	Total Single figure remuneration (rand)
	Basic salary (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits ¹ (rand)	Retention/ termination (rand)			
Executive directors								
AM de Ruyter	7 028	249	7 277	22	–	8 165	–	15 464
GR Fullerton	4 545	334	4 879	15	–	5 046	234	10 174
MMF Seleokane ³	876	74	950	3	–	902	–	1 855
FV Tshiqi ⁴	2 121	178	2 299	7	961	2 086	–	5 353
	14 570	835	15 405	47	961	16 199	234	32 846
Group executive committee members								
C Burmeister	2 655	236	2 891	9	–	1 194	368	4 462
M Khutama	2 531	241	2 772	8	–	1 466	94	4 340
LD Kidd ⁵	2 341	228	2 569	8	–	1 673	548	4 798
RG Morris	3 297	231	3 528	11	–	1 900	403	5 842
NP O'Brien ⁶	2 334	211	2 545	7	1 042	2 030	–	5 624
EE Smuts ⁷	3 314	194	3 508	11	3 508	3 168	219	10 414
IH van Lochem ⁸	1 525	149	1 674	5	–	529	–	2 208
	17 997	1 490	19 487	59	4 550	11 960	1 632	37 688

Notes

¹ Other benefits refer to Group Personal Accident cover.

² STI disclosed is based on performance during the 2017 financial year, but actual STI payments were only made in December 2017.

³ MMF Seleokane was appointed with effect from 1 June 2017.

⁴ FV Tshiqi retired with effect from 30 June 2017. Termination pay comprises a gratuity of R500 000, leave pay of R453 948 and a farewell gift to the value of R7 500.

⁵ LD Kidd was appointed to the group executive committee with effect from 1 September 2017. Remuneration disclosed is for the full financial year.

⁶ NP O'Brien retired with effect from 31 August 2017. Termination pay comprises a gratuity of R500 000, leave pay of R533 918 and a farewell gift to the value of R7 500.

⁷ Cash retention award paid to the group executive – Bevcan in the 2018 financial year in recognition of the performance and contribution made in the 2017 financial year and secures retention.

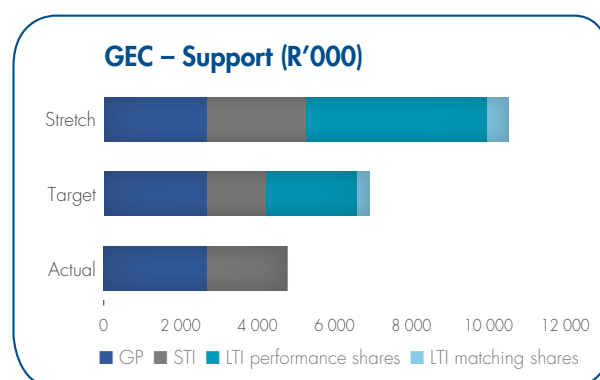
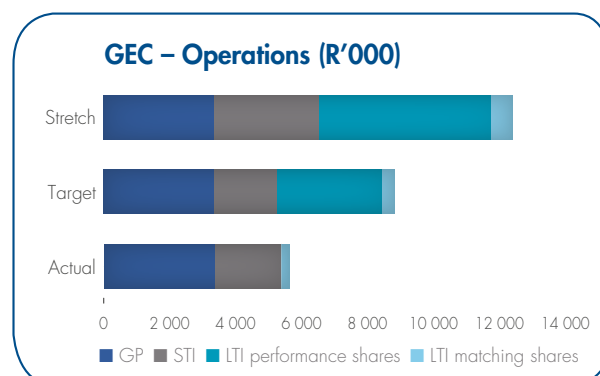
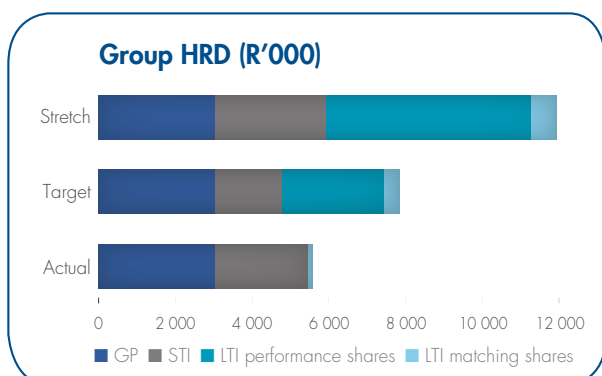
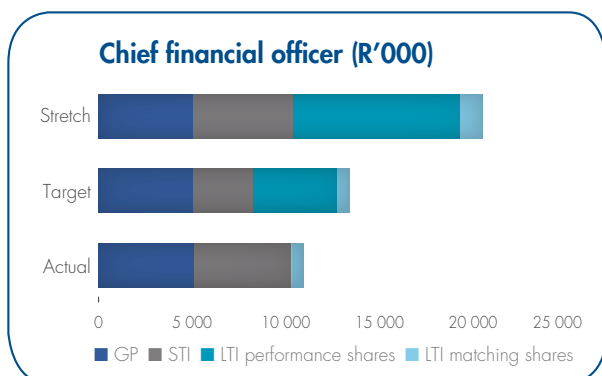
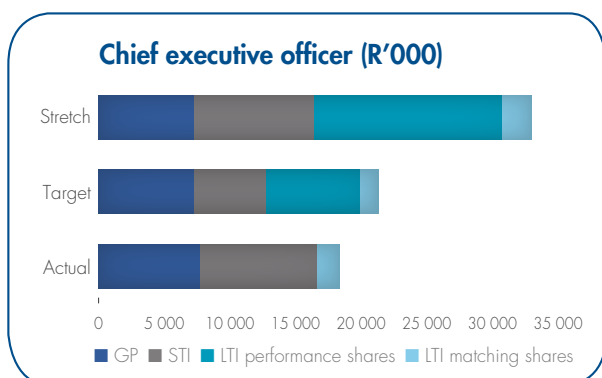
⁸ IH van Lochem was appointed to the group executive committee with effect from 1 September 2017. Remuneration disclosed is for the full financial year.

⁹ LTI disclosed is the award of matching shares under the DBP scheme in December 2016. Values are calculated using market value at purchase date. The performance conditions aligned to the PSP and SAP were not achieved. None of the December 2015 awards will vest.

REMUNERATION MIX

Remuneration implementation

The achievement against target for the remuneration components is set out in the graphs below.



Share dilution

The level of share dilution of the share plans is within the parameters set by the remuneration committee and approved by shareholders.

Details of the number of new shares that can be issued or treasury shares that can be utilised are set out below, together with the current allocations.

	Maximum number that can be used	Number of shares actually used
Performance share plan	9 000 000	5 237 658
Share appreciation plan	18 000 000	3 038 759
Deferred bonus plan	5 000 000	508 813
Total number of shares under plans	32 000 000	8 785 230
Total number of issued ordinary shares	689 811 504	689 811 504
Dilution	4.6%	1.3%

Neither the maximum dilution of 4.6% (2017: 4.6%) nor the actual dilution of 1.3% (2017: 2.5%) exceeded the 5% limit placed on the total number of shares utilised for the share plans. It should be noted that due to the application of performance vesting criteria on the performance share plan and share appreciation plan, the real dilution will be lower than the maximum indicated above.

There is also a limit on the number of shares which can be allocated and remain unvested to any one individual under the three share plans. The limit, also approved by shareholders, is 2 200 000 shares and has not been exceeded.

Remuneration report continued

for the year ended 30 September 2018

The share disclosure tables

Disclosure on the quantum and value of awards outstanding at the beginning and end of the reporting period, as well as new awards made during the reporting period are indicated in the tables below. The column "value on release" represents the cash value of long-term incentive awards which were settled during the reporting period.

	Grant date	First release date	Second release date	Third release date	Strike price	2017 Number of outstanding awards				Closing balance
						Opening balance	Granted in the year	Forfeited in the year	Released in the year	
Executive directors										
AM de Ruyter										
Share appreciation plan	02.01.2014	02.01.2017			41.07	121 132		(121 132)		–
	15.12.2014	15.12.2017			42.20	100 229				100 229
	17.12.2015	17.12.2018			24.29	140 080				140 080
	14.12.2016	14.12.2019			17.20		157 449			157 449
Performance share plan	02.01.2014	02.01.2017	02.01.2018	02.01.2019	37.81	128 300	2 675	(89 810)	(15 505)	25 660
	15.12.2014	15.12.2017	15.12.2018	15.12.2019	42.20	187 272				187 272
	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	325 850				325 850
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		486 336			486 336
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	17.12.2014	17.12.2017			42.14	39 459				39 459
	15.12.2015	15.12.2018			23.57	25 617				25 617
	15.12.2017	15.12.2020			15.16					
Totals										
GR Fullerton										
Share appreciation plan	17.12.2015	17.12.2018			24.29	78 268				78 268
	14.12.2016	14.12.2019			17.20		105 566			105 566
Performance share plan	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	153 823				153 823
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		278 442			278 442
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	15.12.2015	15.12.2018			23.57	1 011				1 011
	15.12.2016	15.12.2019			17.27		14 409			14 409
	15.12.2017	15.12.2020			15.16					
Totals										
MMF Seleane										
Performance share plan	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	15.12.2017	15.12.2020			15.16					
Totals										

Value on release ¹	Value (rand)		Estimated dividend shares payable as at 30 September ⁴	Number of outstanding awards			2018	Value on release ¹	Value (rand)	
	Estimated fair value at 30 September ²	Estimated dividend shares payable as at 30 September ⁴		Granted in the year	Forfeited in the year	Released in the year	Closing balance		Estimated fair value at 30 September ³	Estimated dividend shares payable as at 30 September ⁴
-	-	-	-	-	(100 229)	-	-	-	-	-
-	-	-	-	-	-	140 080	-	-	-	-
-	1 166 697	-	-	-	-	157 449	-	-	632 945	-
285 324	496 264	73 644	3 053	-	(15 883)	12 830	256 925	199 507	36 822	-
-	-	-	-	-	(187 272)	-	-	-	-	-
-	-	-	-	-	-	325 850	-	-	-	-
-	6 584 989	-	752 000	-	-	486 336	-	5 291 336	-	-
-	-	-	-	-	-	752 000	-	6 783 040	-	-
-	763 137	-	-	-	-	-	635 369	398 344	-	-
-	483 393	-	-	-	-	25 617	-	1 822 512	-	-
-	-	-	122 563	-	-	122 563	-	-	-	-
285 324	9 494 480	73 644	-	-	-	-	892 294	15 127 684	36 822	-
-	-	-	-	-	-	78 268	-	-	-	-
-	782 244	-	-	-	-	105 566	-	424 375	-	-
-	-	-	-	-	-	153 823	-	-	-	-
-	3 770 105	-	441 000	-	-	278 442	-	3 029 449	-	-
-	-	-	-	-	-	441 000	-	3 977 820	-	-
-	19 078	-	-	-	-	1 011	-	15 721	-	-
-	266 567	-	45 961	-	-	14 409	-	218 585	-	-
-	-	-	-	-	-	45 961	-	683 440	-	-
-	4 837 994	-	-	-	-	-	-	8 349 390	-	-
-	-	-	260 000	-	-	260 000	-	2 345 200	-	-
-	-	-	9 192	-	-	9 192	-	136 685	-	-
-	-	-	-	-	-	-	-	2 481 885	-	-

Remuneration report continued

for the year ended 30 September 2018

	Grant date	First release date	Second release date	Third release date	Strike price	2017 Number of outstanding awards				Closing balance
						Opening balance	Granted in the year	Forfeited in the year	Released in the year	
Group executive committee members										
C Burmeister										
Share appreciation plan	03.12.2013	03.12.2016			37.81	24 296		(24 296)		-
	15.12.2014	15.12.2017			42.20	26 683				26 683
	17.12.2015	17.12.2018			24.29	38 346				38 346
	14.12.2016	14.12.2019			17.20		43 101			43 101
Performance share plan	05.12.2011	05.12.2014	05.12.2015	05.12.2016	22.95	6 726	2 677		(9 403)	-
	03.12.2012	03.12.2015	03.12.2016	03.12.2017	30.67	4 830	786		(3 201)	2 415
	03.12.2013	03.12.2016	03.12.2017	03.12.2018	37.81	40 196	977	(28 137)	(4 997)	8 039
	15.12.2014	15.12.2017	15.12.2018	15.12.2019	42.20	36 112				36 112
	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	91 533				91 533
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		139 604			139 604
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	18.12.2013	18.12.2016			39.49	1 625			(1 625)	
	17.12.2014	17.12.2017			42.14	6 761				6 761
	15.12.2015	15.12.2018			23.57	15 316				15 316
	15.12.2016	15.12.2019			17.27		22 639			22 639
	15.12.2017	15.12.2020			15.16					
Totals										
M Khutama										
Share appreciation plan	17.12.2015	17.12.2018			24.29	38 346				38 346
	14.12.2016	14.12.2019			17.20		43 101			43 101
Performance share plan	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	85 923				85 923
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		137 454			137 454
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	15.12.2015	15.12.2018			23.57	791				791
	15.12.2016	15.12.2019			17.27		5 763			5 763
Totals										

Value on release ¹	Value (rand)		Granted in the year	Number of outstanding awards			2018	Value on release ¹	Value (rand)	
	Estimated fair value at 30 September ²	Estimated dividend shares payable as at 30 September ⁴		Forfeited in the year	Released in the year	Closing balance	Estimated fair value at 30 September ³		Estimated dividend shares payable as at 30 September ⁴	
-	-	-		(26 683)		-	-	-	-	
-	-	-				38 346	-	-	-	
-	319 378	-				43 101	-	173 266	-	
148 944	-	-								
50 704	46 706	10 312	727		(3 142)	-	49 917	-	-	
79 152	155 474	23 072	903		(4 923)	4 019	78 212	62 495	11 535	
-	-	-		(36 112)		-	-	-	-	
-	-	-				91 533	-	-	-	
-	1 890 238	-				139 604	-	1 518 892	-	
-	-	-	220 000			220 000	-	1 984 400	-	
27 641	-	-								
-	130 758	-			(6 761)	-	108 866	-	-	
-	289 013	-				15 316	-	238 164	-	
-	418 822	-				22 639	-	343 434	-	
			16 399			16 399	-	243 853	-	
306 441	3 250 389	33 384					236 995	4 564 504	11 535	
-	-	-				38 346	-	-	-	
-	319 378	-				43 101	-	173 266	-	
-	-	-				85 923	-	-	-	
-	1 861 127	-				137 454	-	1 495 500	-	
			210 000			210 000	-	1 894 200	-	
-	14 926	-				791	-	12 300	-	
-	106 616	-				5 763	-	87 425	-	
-	2 302 047	-					-	3 662 691	-	

Remuneration report continued

for the year ended 30 September 2018

	Grant date	First release date	Second release date	Third release date	Strike price	2017				Closing balance
						Opening balance	Number of outstanding awards		Released in the year	
						Granted in the year	Forfeited in the year			
Group executive committee members continued										
LD Kidd										
Share appreciation plan	15.12.2014	15.12.2017			42.20	66 972				66 972
	17.12.2015	17.12.2018			24.29	97 353				97 353
	14.12.2016	14.12.2019			17.20		104 407			104 407
Performance share plan	05.12.2011	05.12.2014	05.12.2015	05.12.2016	22.95	6 987	2 780		(9 767)	–
	03.12.2012	03.12.2015	03.12.2016	03.12.2017	30.67	4 950	806		(3 281)	2 475
	03.12.2013	03.12.2016	03.12.2017	03.12.2018	37.81	23 080	560	(16 156)	(2 868)	4 616
	15.12.2014	15.12.2017	15.12.2018	15.12.2019	42.20	17 310				17 310
	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	25 570				25 570
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		46 070			46 070
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	18.12.2013	18.12.2016			39.49	1 988			(1 988)	–
	17.12.2014	17.12.2017			42.14	6 695				6 695
	15.12.2015	15.12.2018			23.57	2 979				2 979
	15.12.2016	15.12.2019			17.27		33 717			33 717
Totals										
RG Morris										
Share appreciation plan	03.12.2013	03.12.2016			37.81	38 406			(38 406)	–
	15.12.2014	15.12.2017			42.20	30 091				30 091
	17.12.2015	17.12.2018			24.29	38 346				38 346
	14.12.2016	14.12.2019			17.20		43 101			43 101
Performance share plan	05.12.2011	05.12.2014	05.12.2015	05.12.2016	22.95	57 591	22 923		(80 514)	–
	03.12.2012	03.12.2015	03.12.2016	03.12.2017	30.67	9 123	1 486		(6 048)	4 561
	03.12.2013	03.12.2016	03.12.2017	03.12.2018	37.81	66 858	1 625	(46 801)	(8 311)	13 371
	15.12.2014	15.12.2017	15.12.2018	15.12.2019	42.20	46 631				46 631
	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	98 183				98 183
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		151 084			151 084
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	18.12.2013	18.12.2016			39.49	4 266			(4 266)	–
	17.12.2014	17.12.2017			42.14	13 036				13 036
	15.12.2015	15.12.2018			23.57	5 985				5 985
	15.12.2016	15.12.2019			17.27		24 797			24 797
	15.12.2017	15.12.2020			15.16					
Totals										

Value on release ¹	Value (rand)		2018				Value (rand)			
	Estimated fair value at 30 September ²	Estimated dividend shares payable as at 30 September ⁴	Number of outstanding awards	Granted in the year	Forfeited in the year	Released in the year	Closing balance	Value on release ¹	Estimated fair value at 30 September ³	Estimated dividend shares payable as at 30 September ⁴
-	-	-			(66 972)		-	-	-	
-	-	-					97 353	-	-	
-	773 656	-					104 407	-	419 716	
154 709	-	-								
51 971	47 867	10 568	745		(3 220)		-	49 144	-	-
45 429	89 273	13 248	518		(2 826)		2 308	43 131	35 889	6 624
-	-	-			(17 310)		-	-	-	-
-	-	-					25 570	-	-	-
-	623 788	-	209 000				46 070	-	501 242	-
							209 000	-	1 885 180	-
33 816	-	-								
-	129 481	-					-	107 803	-	-
-	56 214	-					2 979	-	46 323	-
-	623 765	-					33 717	-	511 487	-
285 925	2 344 044	23 816						200 078	3 399 837	6 624
-	-	-			(30 091)		-	-	-	
-	-	-					38 346	-	-	
-	319 378	-					43 101	-	173 266	
1 275 342	-	-								
95 800	88 210	19 475	1 374		(5 935)		-	94 290	-	-
131 646	258 595	38 375	1 502		(8 188)		6 685	130 083	103 952	19 186
-	-	-			(46 631)		-	-	-	-
-	-	-					98 183	-	-	-
-	2 045 677	-	269 000				151 084	-	1 643 794	-
							269 000	-	2 426 380	-
72 565	-	-								
-	252 116	-					-	209 906	-	-
-	112 937	-					5 985	-	93 067	-
-	458 745	-	12 808				24 797	-	376 170	-
							12 808	-	190 455	-
1 575 353	3 535 658	57 850						434 279	5 007 084	19 186

Remuneration report continued

for the year ended 30 September 2018

	Grant date	First release date	Second release date	Third release date	Strike price	2017				Closing balance
						Opening balance	Granted in the year	Forfeited in the year	Released in the year	
Group executive committee members continued										
EE Smuts										
Share appreciation plan	03.12.2013	03.12.2016			37.81	32 395		(32 395)		
	15.12.2014	15.12.2017			42.20	26 683				26 683
	17.12.2015	17.12.2018			24.29	38 346				38 346
	14.12.2016	14.12.2019			17.20		43 101			43 101
Performance share plan	05.12.2011	05.12.2014	05.12.2015	05.12.2016	22.95	7 986	3 178		(11 164)	–
	03.12.2012	03.12.2015	03.12.2016	03.12.2017	30.67	5 499	895		(3 645)	2 749
	03.12.2013	03.12.2016	03.12.2017	03.12.2018	37.81	51 358	1 248	(35 951)	(6 384)	10 271
	15.12.2014	15.12.2017	15.12.2018	15.12.2019	42.20	38 762				38 762
	17.12.2015	17.12.2018	17.12.2019	17.12.2020	24.29	94 343				94 343
	15.12.2016	15.12.2019	15.12.2020	15.12.2021	17.20		150 724			150 724
	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	18.12.2013	18.12.2016			39.49	7 874			(7 874)	–
	17.12.2014	17.12.2017			42.14	10 465				10 465
	15.12.2015	15.12.2018			23.57	5 942				5 942
	15.12.2016	15.12.2019			17.27		13 448			13 448
	15.12.2017	15.12.2020			15.16					
Totals										
IH van Lochem										
Share appreciation plan	15.12.2014	15.12.2017			42.20	35 000				35 000
	17.12.2015	17.12.2018			24.29	35 000				35 000
	14.12.2016	14.12.2019			17.20		25 000			25 000
Performance share plan	11.12.2017	11.12.2020	11.12.2021	11.12.2022	14.91					
Deferred bonus plan	15.12.2017	15.12.2020			15.16					
Totals										

Notes

¹ The value on release includes the gain to the participant on release of the awards as well as the dividends shares in relation to the PSP awards.

² The estimated fair value represents the indicative fair value of the instrument on 30 September 2017, adjusted for the estimated vesting probability of the award. For awards within 12 months of release following the year-end, the indicative fair value was calculated as the 30-day VWAP less strike price (in the case of the SAP). An indicative valuation was performed for awards more than 12 months from release following year-end using the same 30-day VWAP. The 30-day VWAP as at 30 September 2017 was R19.34.

³ The estimated fair value represents the indicative fair value of the instrument on 30 September 2018, adjusted for the estimated vesting probability of the award. For awards within 12 months of release following the year-end, the indicative fair value was calculated as the 30-day VWAP less strike price (in the case of the SAP). An indicative valuation was performed for awards more than 12 months from release following year-end using the same 30-day VWAP. The 30-day VWAP as at 30 September 2018 was R15.55.

⁴ PSP awards accrue dividend equivalents from grant date to release date. This column represents the estimated value of these dividend equivalents.

Value on release ¹	Value (rand)		Estimated dividend shares payable as at 30 September ⁴	2018				Value on release ¹	Value (rand)		Estimated dividend shares payable as at 30 September ⁴
	Estimated fair value at 30 September ²			Number of outstanding awards			Closing balance		Estimated fair value at 30 September ³		
			Granted in the year	Forfeited in the year	Released in the year						
-	-										
-	-			(26 683)		-	-	-	-		
-	-					38 346	-	-	-		
-	319 378					43 101	-	-	173 266		
176 838	-										
57 737	53 166	11 738	828		(3 577)	-	54 593	-	-	-	
101 123	198 641	29 478	1 154		(6 290)	5 135	95 999	79 849	14 737		
-	-			(38 762)		-	-	-	-		
-	-					94 343	-	-	-		
-	2 040 803		283 000			150 724	-	1 639 877	-		
						283 000	-	2 552 660	-		
133 936	-										
-	202 393				(10 465)	-	168 507	-	-		
-	112 126					5 942	-	92 398	-		
-	248 788		42 714			13 448	-	204 006	-		
						42 714	-	635 157	-		
469 634	3 175 295	41 216					319 099	5 377 213	14 737		
-	-			(35 000)		-	-	-	-		
-	-					35 000	-	-	-		
-	185 250		184 000			25 000	-	100 500	-		
						184 000	-	1 659 680	-		
			3 064			3 064	-	45 562	-		
-	185 250						-	1 805 742	-		

Remuneration report continued

for the year ended 30 September 2018

SECTION 4: NON-EXECUTIVE DIRECTOR REMUNERATION

POLICY

Non-executive directors receive a base fee for their services as well as a meeting fee based on their participation in board meetings and other committees. The non-executive directors do not receive incentive bonus payments nor do they participate in any of the executive share plans. Non-executive directors are appointed by rotation in terms of our memorandum of incorporation.

The remuneration committee of the board recommends the non-executive fee structures other than for the remuneration committee after obtaining benchmarks from the Deloitte non-executive director report 2018 and specific guidance from PwC regarding market movements and current pay practices. Published non-executive directors' fees and committee fees of companies in manufacturing and companies with similar market capitalisation are also benchmarked. Consideration is given to any changes in the level of complexity of the roles when assessing the fee recommendations. These recommendations are then considered by the remuneration committee (excluding recommendations of their own fees) and the board before being submitted to shareholders for approval in terms of the Companies Act requirements.

IMPLEMENTATION

Non-executive directors' remuneration 2018/2017

The non-executive directors' remuneration paid during the year under review (as approved previously by shareholders) and the total comparative figures are disclosed below.

	Directors' fees (rand)	Audit committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Investments committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee total fees (rand)	Total 2018 (rand)	Total 2017 (rand)
RC Andersen ²	320 100	277 933	110 400	73 500	91 800	36 800	–	910 533	905 526
E Ikazoboh	300 700	–	–	–	91 800	–	–	392 500	352 500
J John ²	281 300	278 567	–	–	–	64 300	–	624 167	179 386
RJ Khoza	300 700	–	–	73 500	–	–	–	374 200	310 550
NV Lila	320 100	171 700	–	–	–	198 300	–	690 100	632 350
PM Madi	320 100	–	–	–	91 800	91 800	198 300	702 000	608 400
TT Mboweni ¹	1 870 000	–	–	–	–	–	–	1 870 000	1 767 450
IN Mkhari	261 900	171 700	–	–	182 300	–	101 100	717 000	703 230
DC Moephuli									138 085
CWN Molope									296 424
PM Surgey	320 100	–	214 300	73 500	–	101 100	101 100	810 100	765 250
	4 295 000	899 900	324 700	220 500	457 700	492 300	400 500	7 090 600	6 659 151

Directors' fees are shown excluding VAT where applicable. (2017 including VAT where applicable).

¹ Fee includes participation in board meetings and sub-committee meetings.

² J John took over the chairman role of the audit committee from RC Andersen with effect 2 February 2018 and replaced RC Andersen as ex officio member of the risk and sustainability committee. RC Andersen remained a member of the audit committee.

Proposed fees for 2019

The proposed fees for 2019 are set out on [83](#) of the integrated report. After considering recommendations from management, the board has proposed a 6% increase to non-executive director fees and committee fees. No increase has been proposed for the chairman's fee for 2019.

Forward-looking information – disclaimer

This report, together with Nampak's suite of annual reports published for the financial year ended 30 September 2018, are not reported financial results or historical information, but forward-looking statements. These statements are predictions of or indicate future events, prospects, objectives or plans. Examples of such forward-looking statements include, but are not limited to, statements regarding volume growth, increases in market share, exchange rate fluctuations, shareholder return and cost reductions. By their nature, forward-looking statements are inherently predictive, speculative and involve inherent risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. If one or more of these risk materialise, or should underlying assumptions prove incorrect, Nampak's actual results may differ materially from those anticipated. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic or political conditions and changes to the associated legal, regulatory or tax environments; lower than expected performance of existing or new products and the impact thereof on the group's future revenue, cost structure and capital expenditure; skills shortage; changes in foreign exchange rates and a lack of market liquidity; increased competition, slower than expected customer growth and reduced customer retention; acquisitions and investments of group businesses and assets and the pursuit of new, unexpected strategic opportunities; the extent of any future write-downs or impairment charges on the group's assets; the impact of legal or other proceedings against the group; uncontrollable increases to legacy defined benefit liabilities and higher than expected costs or capital expenditures. When relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and Nampak does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.



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