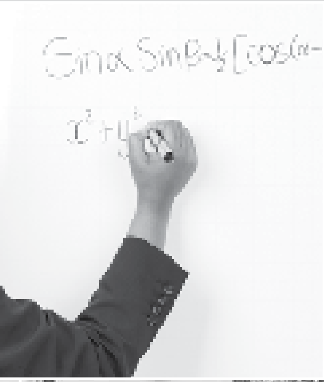


REUNERT

REUNERT LIMITED

INTEGRATED REPORT 2015

Reunert, with its respected brands, diversified customer bases and quality value offerings, delivered a solid performance in the financial year, despite the challenges in the current South African macro-economic environment.

CONTENTS

OUR SALIENT FEATURES

Reunert manages a portfolio of businesses in the fields of electrical engineering, information communication technologies (ICT) and applied electronics.

Reunert financial highlights

7%↑
Revenue
R8,3 Billion

15%↑
Operating profit
R1 167 Million

29%↑
NHEPS
568 cents

14%↑
EBITDA
R1 284 Million

Electrical engineering[1]

14%↑
Revenue
R4,1 Billion

21%↑
Operating profit
R520 Million

ICT[2]

0%→
Revenue
R3,4 Billion

18%↑
Operating profit
R533 Million

Applied electronics

8%↑
Revenue
R1,1 Billion

6%↑
Operating profit
R181 Million

10%↑
Total dividend
407 cents
per share

Reunert employs
5 853
people of which
84%
are based in South Africa

[1] Includes Telecom Cables joint venture (JV) contribution.
[2] Continuing operations.

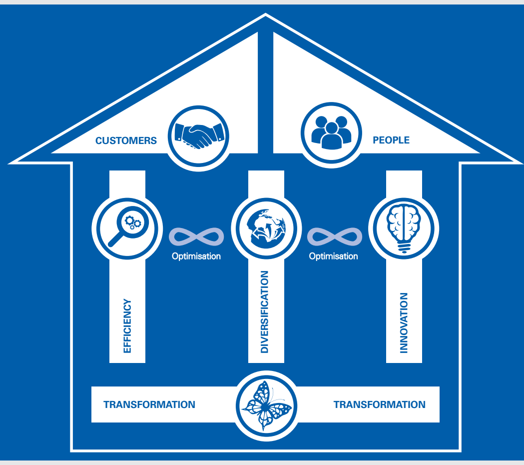
Investment case

- Entrenched market positions in the majority of the group's South African businesses.
- Well-known and respected brands.
- Strong operational philosophy and well-managed operations.
- Efficient use of capital and production assets.
- Proven track record of managing costs in response to variable demand.
- Targeting appropriate returns on capital.
- Healthy balance sheet.
- Robust risk management systems and processes.
- Well-governed business.

Reunert goals

- Operate as a responsible corporate citizen with a strong set of values.
- Operate customer-centric businesses.
- Move up the value chain to deliver value-added services and solutions.
- Create a culture that fosters high-performance employees and engages all employees in a meaningful manner.
- Be a leading player in the South African electrical and electronics industry.

Refer to pages 24 to 29 for our strategy and how we are addressing our material matters.



Material matters

Reunert has three material matters that influence its value creation process – concentration risk, top-line growth and people transformation.

- **Concentration risk** is derived from three distinct areas:
  - o The group predominantly derives revenue from the **South African market**. Consequently, its growth trajectory is linked to the local economy, which currently constrains growth opportunities. This is exacerbated by currency volatility.
  - o The majority of revenue is product based and some of these products are in the mature stage of their life cycle. This **product concentration** limits organic growth potential.
  - o About a third of the group's revenue is linked, directly or indirectly, to government and state-owned enterprises (SOEs). This **customer concentration** exposes the group to government's political, policy and fiscal influences.
- The group's current **rate of revenue growth** is partly due to the concentration risk, described above, and the increasingly competitive business environment, where input costs are accelerating at a rate in excess of price increases to customers. This hampers revenue growth and constrains margins in the absence of volume growth.
- Due to Reunert's South African heritage and its South African customer base, **people transformation** remains a material matter. The group drives ongoing improvement of its transformation targets, aligned with the targets and objectives of the South African government, to maximise opportunities to participate in the available South African revenue streams.

ABOUT THIS REPORT

Reporting suite and frameworks

This integrated report is Reunert Ltd's (Reunert) primary report and is principally prepared to meet the information needs of investors and other providers of financial capital. This report provides an overview of how Reunert and its operations (the group) create and sustain value. The reporting process was improved by integrating material sustainability information into this report. Consequently, a separate sustainability report will no longer be produced. Supplementary information that is not regarded as material is published online.

The information in this report is based on local and international guidelines and requirements, including:

- International Integrated Reporting Council's (IIRC) <IR> Framework;
- King Report on Governance for South Africa, 2009 (King III);
- Companies Act, 71 of 2008 (The Act);
- JSE Ltd Listings Requirements (JSE Listings Requirements);
- International Financial Reporting Standards (IFRS);
- Global Reporting Initiative guidelines (GRI G3.1 and G4); and
- Greenhouse Gas (GHG) Protocol.

Summarised consolidated financial statements for the year are included in this report, and the full annual financial statements are available at www.reunert.co.za. The following additional information is available online:

- carbon footprint report: www.reunert.co.za/sustainability-carbon-footprint-reports.php
- King III principles: www.reunert.co.za/King-III-application-register.php
- GRI content index: www.reunert.co.za/GRI-content-index.php
- notice of annual general meeting: www.reunert.co.za

Reunert sought to achieve a GRI G3.1 application level B for its 2015 integrated report. As part of its reporting journey, the company has taken the guidelines set out in G4 into account.

The report covers the financial year 1 October 2014 to 30 September 2015. In the group's previous report for the year ended 30 September 2014, Nashua Mobile was disclosed as a discontinued operation. Its disposal has since been successfully concluded.

Scope and boundary

The Reunert group operates mainly in South Africa with limited exposure to Australia, Lesotho, Sweden, the USA and Zimbabwe. This report covers subsidiaries, investment companies and franchises that are either owned or over which it has financial control. Disclosure is provided to indicate the inclusion or exclusion of relevant data. The joint venture in Telecom Cables is equity-accounted as required by IFRS.

Given its immateriality relative to the group's results, only key non-financial information is provided for the international operations in Australia, Lesotho, Sweden and the USA. The cable operation in Zimbabwe is excluded from the consolidated results due to the material uncertainty created by the country's indigenisation policies (where a controlling interest must be transferred to indigent Zimbabweans over time) and due to the low level of influence the group currently has over this entity[1].

[1] *For more information refer to Annexure B in the annual financial statements.*

Materiality

This report was prepared on the basis of materiality. A material matter is defined as an item that has a significant direct or indirect impact on the group's ability to create, preserve or erode financial, economic, environmental and social value for the group and its stakeholders.

In determining material matters, a variety of internal and external influencers were taken into account including strategy and strategic risks that Reunert seeks to address, its risk management processes, board discussions, input from key stakeholders and desktop research.

Three material matters influence the value creation process – concentration risk, top-line growth and people transformation. Refer to page 1 for further information.

Assurance and data measurement

The group's audit and risk committees are responsible for applying the combined assurance model to ensure a co-ordinated approach to all assurance activities. These committees are also responsible for ensuring the combined assurance received is appropriate to address the significant risks the group faces.

Reunert's combined assurance model consists of four lines of defence:

- *First line of defence – management oversight*
  Management oversees strategy implementation, performance measurement, internal control and other control and governance processes. Key aspects include monthly operational meetings where financial results, strategic projects and emerging trends are discussed. The underlying business governance structures include the group executive committee, and functional forums where guidance and opportunity for collaboration is provided on finance, information technology (IT), human resources (HR), environmental, and legal and company secretarial issues. Reunert's executive committee assesses the performance of the group and monitors progress relative to its key metrics, the overall implementation progress of its plans, the annual budget approval process and the formal delegation of authority.

Assurance and data measurement continued

- *Second line of defence – risk management*
  Reunert has a formal risk management framework, which assesses the risk profile of the group and the individual business units. Risks are managed on an ongoing basis to ensure key risks are identified and their potential implications assessed, and that mitigating controls and action plans are enacted.
- *Third line of defence – independent risk assurance by internal and external audit*
  At each audit committee and risk committee meeting, independent and objective assurance of the overall adequacy and effectiveness of risk management, governance, and internal control are reported on. This includes progress on the implementation of necessary action plans to enhance internal controls. Key financial risks and specific identified risks are audited by Deloitte & Touche (Deloitte) to provide external assurance over the annual financial statements.
- *Fourth line of defence – board and committee structures*
  The board and committee structures oversee final governance.

Non-financial information was not externally assured. The internal audit function assessed the completeness and accuracy of a sample of the information presented in the integrated report, including:

- number of employees at 30 September 2015;
- confirmation that no under 18s are employed;
- union membership;
- health and safety incidents;
- corporate social investment (CSI);
- electricity and water consumption; and
- waste management.

In total, 15 of the GRI performance indicators were tested. The board is satisfied that this internal review is sufficient. The board periodically considers the need to obtain appropriate external assurance on non-financial data.

Broad-based black economic empowerment (B-BBEE) ratings and various international standards (ISO) are externally assured.

Environmental and social data is captured electronically through an in-house database. The data collected follows GRI guidelines and, where applicable, data comparisons are provided for at least three years. All items are reported on a like-for-like basis, and major restatements are indicated.

Approval of the integrated report

The board and audit committee, in close liaison with other subcommittees, are ultimately responsible for overseeing the integrity and completeness of the report. The board applied its collective mind to the preparation and presentation of the integrated report and concluded that it is materially presented according to the <IR> Framework.

On 20 November 2015, the board approved the 2015 integrated report, taking into consideration the completeness of the material matters it deals with and the reliability of data and information presented, in line with the combined assurance process.

Trevor Munday	**Alan Dickson**	**Nick Thomson**
Chairman	Chief executive officer	Chief financial officer

20 November 2015
Sandton

Feedback

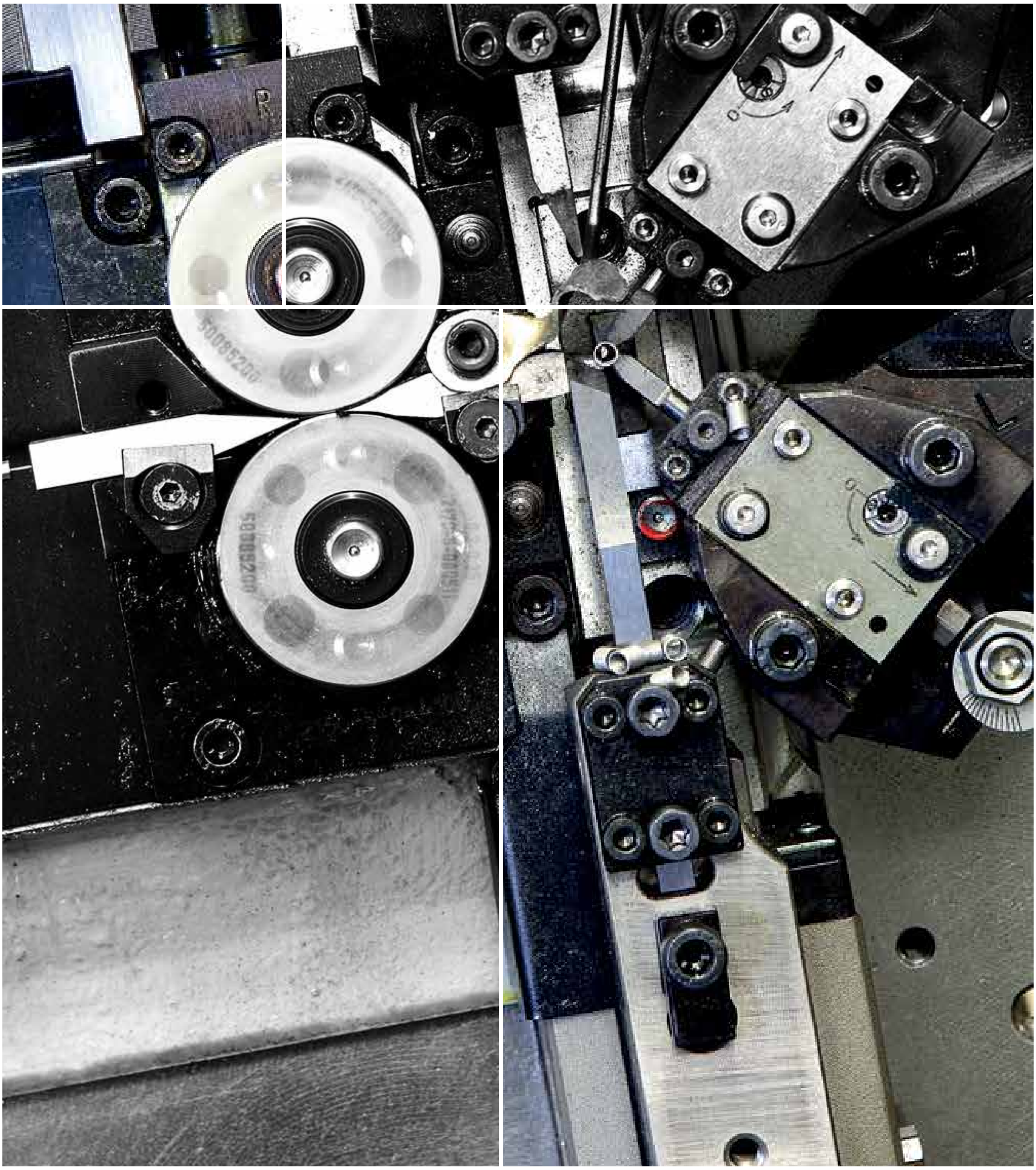
The reporting process is an ongoing journey through which the group continually strives to improve the quality of its reporting. Feedback on the report is welcome. Please send any comments to the investor relations and communications manager at invest@reunert.co.za.

Forward-looking statements

Reunert, its affiliates and representatives do not warrant the completeness or accuracy of opinions, forecasts, forward looking statements or data in this report and do not accept any liability whatsoever in respect of any use thereof. Opinions expressed in this report are subject to known and unknown risks and uncertainties. Changing information or circumstances may cause the actual JSE Listed results, plans and objectives of Reunert to differ materially from those expressed or implied in any forward-looking statements.

Reunert is obliged by the Financial Markets Act, 19 of 2012 and the JSE Limited Listing Requirements to make public announcements as soon as it becomes aware of any information that is likely to have a material effect on the price of its shares. These announcements are made public through the JSE SENS system and are automatically thereafter published on the Reunert website www.reunert.co.za/media-sens-releases.php.

The financial information on which the forward-looking statements are based was not audited or reported on by Deloitte, Reunert's independent external auditors.



LEADERSHIP REVIEWS

Chairman's report

TREVOR MUNDAY
Chairman

Reunert's performance moved up a gear in 2015, despite challenging business conditions and a slow-growth economy. This improvement under Alan Dickson's leadership manifested in various ways and resulted in a motivated group focused on delivering better results across a spectrum of activities.

We achieved real growth in difficult trading conditions and an uncertain and often unsettled socio-economic environment. Our financial position is strong and positions us for growth going forward. The financial results are covered in Alan and Nick Thomson's joint report. We also made pleasing progress in elevating group focus on various key activities and notably on transformation.

Economic and socio-economic overview

The task of running businesses in South Africa remains challenging. The sluggish local economy, depressed export markets, occasional electricity supply constraints and cost pressures caused, inter alia, by a weaker rand and persistently high-wage demands that we struggle to cover through revenue growth, all contributed to toughening our task.

Confusion caused by a lack of policy cohesion is not being addressed. It is a major worry that unemployment grows, while investments to create jobs seem to lack motivation. In this regard, our national fiscal position will also benefit more from investments and reductions in burgeoning government spending than from expedient increases in taxation. Regrettably, calls from various sectors for an economic codesa[1] have been unanswered and the country continues to meander economically.

Our social fabric is tenuous with student protests occurring for seemingly valid reasons notwithstanding the unacceptable fringe violence that accompanies them. Frequent protests around the country because of service delivery shortfalls, political patronage and other reasons are becoming increasingly unsettling. These protests commit a stretched police service that should be combating growing crime to controlling protesting crowds.

[1] *Convention for a democratic South Africa.*

A social and political leadership vacuum should be urgently addressed and dialogue among key stakeholders needs to be initiated. As I commented last year, the views of previous deputy foreign minister, Mr Aziz Pahad, on the 'resilient power of dialogue' expressed in his book *Insurgent Diplomat* are instructive in this regard. And, the recent announcement of the establishment of a foundation, by past president Kgalema Motlanthe, to improve dialogue between key sectors of society is applauded.

Nevertheless, in these difficult circumstances we concentrated on doing our utmost to do the right things right and overall we feel satisfied with the pleasing progress we made during the year.

Strategy overview

Stakeholders will recall that we changed our approach to the strategy review last year and initiated a process whereby annually we alternate strategy review with implementation review. In 2015, we had a strategy review and it coincided with Alan's first year as chief executive officer.

He adopted a highly inclusive process that ensured leadership buy-in for various key changes throughout the group. The board spent time reviewing and approving the strategy, which essentially is encompassed by a values-driven leadership philosophy and underpinned by non-negotiables such as responsible corporate citizenship and sound governance.

The key strategic pillars include an innovation ethos, which is critical for the success of most of our businesses, continuous productivity improvement across the entire group, and diversification and growth into strategically compatible activities.

With respect to the latter, we are aware of our cash holdings and the need to use them profitably and sensibly. We continuously consider the merits of another share buyback initiative and/or a special dividend. However, there are acquisition opportunities for Reunert and we believe in the long-term interests of our stakeholders that it is incumbent on us first to review and consider them. Our executive team has developed an effective and structured approach to the evaluation of such opportunities and the investment committee plays a crucial role in ensuring proper evaluation of any proposal before it is submitted to the board.

Transformation

Over the past few years, we have expressed concern about our lack of progress with transformation. With valued input from executive director Mohini Moodley, and guidance from Thandi Orleyn (chairman of our social, ethics and transformation committee) and the committee members, Alan and our leadership team created new momentum in 2015, advancing our transformation credentials and notably our leadership demographics.

More work is required, but the board is satisfied that we are now making meaningful progress. Our leadership teams throughout the group are aligned with the board's expectations and support Alan's commitment to transformation. We also have a strong talent pipeline that bodes well for the future.

There was confusion during the year with respect to empowerment regulations and clarity is required. We implore the government to provide it as a matter of priority, taking cognisance of the competitive dynamics and financial-performance expectations of businesses in South Africa.

Governance overview

The board and its committees operated effectively in 2015, each again undergoing an annual performance evaluation. Although the ratings of our committees varied marginally, they all rated highly and improvement areas were noted. I am satisfied that all of the committees are constituted with members of relevant skills, knowledge and experience and that our stakeholders can feel satisfied with the group's governance.

During the year, we appointed Sarita Martin and Tasneem Abdool-Samad as the chairmen of our remuneration committee and investment committee, respectively. Sarita replaced Sean Jagoe, who remains a member of the remuneration committee. I thank Sean for his exemplary chairing of this committee over the past few years and the significant value he added. Tasneem replaced me as chairman of the investment committee.

Appreciation

Three of the board committees are chaired by black women. I thank Thandi, Sarita and Tasneem for their good work. I also thank Rynhardt van Rooyen and Brand Pretorius for their accomplished leadership of the audit committee and risk committee, respectively.

Our previous chief financial officer, Manuela Krog, relinquished her full-time duties during the year to devote more time to her family. We again thank her for her much-appreciated contribution to Reunert during her tenure. In June we welcomed Nick to the position. He has quickly established himself as a valued member of our executive team.

I thank all our non-executive directors for their commitment to Reunert and their contribution to the effective performance of the board and our committees throughout 2015. Their attendance records are testimony to their commitment and the robustness and candour of our deliberations confirm their individual and collective worth.

On their behalf, I thank Alan and our executive directors, Nick, Mohini, and Mark Taylor, for their hard work during the year, for both creating new momentum and heightened energy across the group, and for a pleasing set of results. Together, we thank our employees for their dedication and support. They represent the true value of Reunert.

Finally, we thank our customers for their ongoing support. Your high expectations of us are justified and we continue striving to meet them. We also thank our various business partners, business associates and suppliers for our continuing relationships.

Trevor Munday
Chairman

Joint chief executive officer's and chief financial officer's review

ALAN DICKSON
Chief executive officer

NICK THOMSON
Chief financial officer

The 2015 financial year delivered a pleasing operational performance against the backdrop of a challenging South African macro-economic environment. The group delivered operational profit growth of 15% to R1 167 million and, with good cost control and working capital management, further strengthened the group's financial position.

Reunert strategy

Reunert's traditional businesses remain well positioned to deliver real growth. Our respected brands, diversified customer base and quality value offerings position our continuing operations to deliver realistic earnings and the associated growth in dividend streams.

Reunert completed a strategic review during the year as described in the chairman's report. We expect that the successful implementation of our strategy will result in accelerated growth through a balanced group with additional products and services, diversified geographical revenues and improved solution offerings.

Acquisitions will facilitate the acceleration of our strategy and we have significantly increased our efforts and resources in this regard. The group's financial position provides Reunert with an opportunity to pursue this avenue of growth and value delivery through acquisitions will remain a key focus area.

Performance overview

The current South African macro-economic environment is particularly challenging. The expected economic growth rates have slowed materially and are not expected to improve in the medium term. These facts coupled with the difficult legislative environment, where policy-related uncertainty is significant, create an environment that complicates long-term decision-making. Despite a challenging environment, Reunert has delivered a solid performance in 2015.

Human capital

Reunert has re-energised investment in our employees and transformation objectives. We increased the top management employment equity demographic by more than 50% and showed significant improvement in all management classifications. Most of the companies in the group have best-in-class B-BBEE ratings in the sectors they compete in. The amended B-BBEE codes present additional challenges, but the work to retain these market positions is well underway. We are confident that we will be able to achieve the required ratings and maintain our market leadership.

We have upgraded our internal systems that focus on employee development, retention and motivation and we will continue investing in our employees.

Electrical engineering – CBI-electric

The CBI-electric segment delivered a strong performance this year. The improved performance was driven by the energy and telecommunications cables business units, which maintained robust cost control while benefiting from improved factory utilisation. These drivers resulted in improved profit margins, which underpinned the financial performance.

Both cable business units improved their respective market shares. Crucial long-term contracts were re-secured, primarily in the industrial, state-owned entities and mining sectors. These position the businesses well as the general market conditions are likely to tighten.

The solutions business unit within CBI-electric: African Cables had another sound year with good project execution. Notably, the business unit largely completed the first 400 kV cable project in the country, firmly positioning it as the market leader.

The circuit breaker business unit (CBI-electric: Low Voltage) had a challenging year. Product sales performed well but the contribution from its solutions section was disappointing, leading to a complete restructure and refocus of this aspect of the business. Volumes into South Africa were firm, while export volumes remained in line with the previous year. Substantial headway was made with the launch of several new product ranges, which are likely to assist volumes, most specifically in our export markets.

Information communication technologies – Nashua

Overall, the Nashua segment delivered solid progress with some significant improvements, primarily in the voice business units. The sale of our mobile telecommunication operation was successfully concluded in the first quarter of the financial year and the management team at Nashua Office Automation was strengthened by the deployment of key team members from Nashua Mobile. This provided stability and accelerated the implementation of the main deliverables during the year.

While Nashua Office Automation's revenue performance was largely flat, improved market share and reduced route-to-market costs were achieved during the year.

In line with the improved office automation market share, the asset finance business, Quince Capital, delivered another solid performance. The bad debt ratio remains well below market levels and Quince re-secured its A+$_{(ZA)}$ and A1$_{(ZA)}$ national credit rating for 2016.

The segment's voice business had a successful year, with ECN breaking through the one billion voice minutes per year mark and entrenching their business as the largest independent Voice over Internet Protocol (VoIP) solution provider in the country. Nashua Communications delivered a positive performance underpinned by healthy service revenues.

Applied electronics

Reutech delivered a good result despite a slowdown in the communications and radar business units. Both businesses did not secure sufficient new projects to compensate for non-recurring projects completed in the previous year. The mining surveillance radar business unit remains secure, although further headwinds are expected due to the depressed commodity cycle. Communications secured the long-term South African National Defence Force (SANDF) tactical communication contract and products from the new factory will commence delivery next year. Fuchs Electronics received the long awaited fuze order and the production commenced in the second six months of the year. The strong hard currency element of the Reutech sales further assisted in providing good overall performance in the segment.

Financial performance

Financial highlights

Rm	2015	2014	% change
Summarised consolidated income statement			
Revenue	**8 300**	7 774	7
EBITDA	**1 284**	1 125	14
Depreciation and amortisation	**(117)**	(108)	(8)
Net interest received/(paid)	**135**	(10)	
Profit before abnormal items	**1 302**	1 007	29
Abnormal items	**–**	(327)	(100)
Profit before tax	**1 302**	680	91
Taxation	**(360)**	(278)	(29)
Profit after tax	**942**	402	134
Share of JV's profit/(loss)	**17**	(12)	242
Profit from continuing operations	**959**	390	146
Profit from discontinued operations	**42**	1 584	(97)
Profit for the year	**1 001**	1 974	(49)

Revenue

Overall group revenue from continuing operations increased by 7% to R8,3 billion (2014: R7,8 billion). This was driven by excellent performance in the electrical engineering segment resulting in revenue increasing by 14% to R4,1 billion (2014: R3,6 billion). Revenue from continuing operations in the ICT segment was flat for the year due to the deliberate strategy of re-positioning the key office automation products to ensure their value offering was more competitive in the market. This led to a 35% increase in the number of units sold and a marginal

Joint chief executive officer's and chief financial officer's review continued

increase in overall market share. However, this growth in units sold resulted in the same level of revenue as in the prior year. The applied electronics segment enjoyed moderate revenue growth in 2015 primarily through exports and ended the year with an 8% increase in revenue to just under R1,1 billion (2014: R1,0 billion).

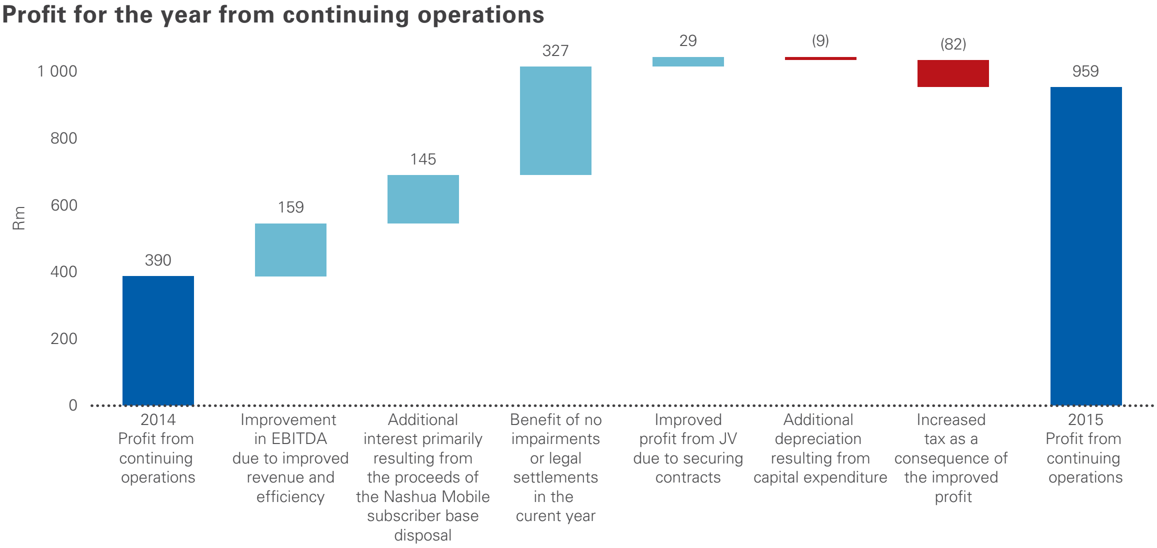
Earnings before interest, tax, depreciation and amortisation (EBITDA)

On the back of the 7% increase in revenue, the group improved EBITDA by 14% from R1 125 million in 2014 to R1 284 million in 2015. This resulted in the EBITDA to revenue margin increasing to 15,5% from 14,5% in the prior year. This improvement was due to the benefit of both the increased revenue as well as the group's ongoing drive to increase efficiency in all areas of its business; from raw material usage and labour efficiencies in its factories through to distribution and supply chain management in its ICT business. This drive to improve efficiency is a key attribute of the Reunert culture.

Profit for the year from continuing operations

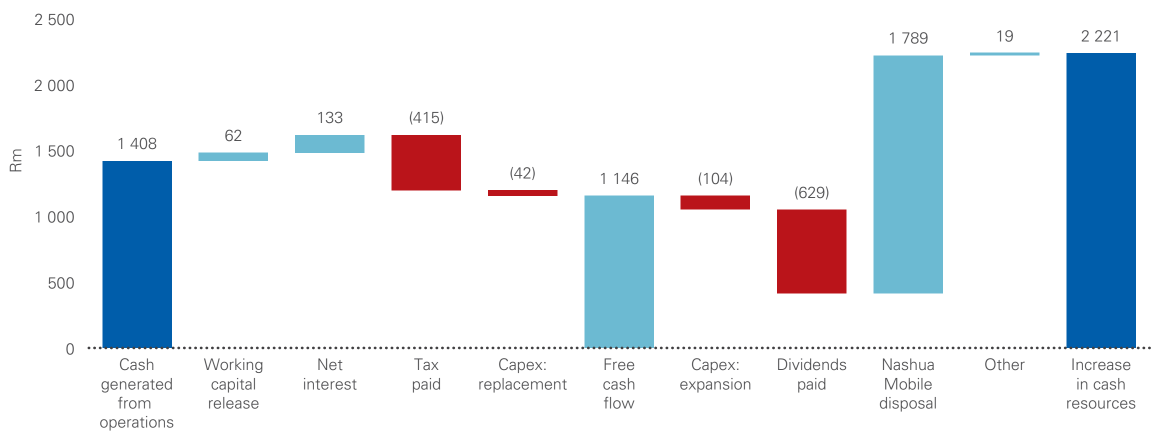
This key group metric improved by 146% when compared to the prior year. This improvement is explained in the following graph:

Profit for the year from continuing operations



Cash flow

Movement in cash flow



Discontinued operations

The disposal of the Nashua Mobile subscriber base was completed during 2015. The final transfer of the various subscriber bases to the network operators and to Altech Autopage took place at the end of November 2014 resulting in Reunert enjoying the benefit of these operations up to that date. The full purchase consideration due for the subscriber base sales was received during the 2015 financial year from the respective purchasers.

The two months of trading and final profit adjustment for the sales resulted in a net profit after tax from discontinued operations of R42 million in the year under review and net proceeds from the disposal of the bases of R1 789 million.

Earnings metrics

As a consequence of the disposal of the Nashua Mobile subscriber bases Reunert has reported earnings metrics against both continuing and total operations (continuing plus discontinued operations).

Those based on total operations were positively influenced in 2014 due to the significant non-recurring profit after taxation, release of handset financing and de-recognition of goodwill of R1,4 billion on the sale of the subscriber base. Consequently, the equivalent metrics for 2015 reflect a significant decline for the same reason.

Accordingly, the most important metrics are those related only to continuing operations, all of which reflect the positive impact of the group's 7% increase in revenue, the results of the efficiency improvement programmes as well as there being no impairments or legal settlements in the current year.

The table below sets out the key earnings metrics from continuing operations:

Cents	2015	2014	% change
From continuing operations			
Per share			
Basic earnings	**579**	235	146
Diluted earnings	**570**	233	145
Headline earnings	**576**	391	47
Diluted headline earnings	**568**	387	47
Normalised headline earnings	**568**	439	29
Diluted normalised headline earnings	**560**	434	29

Capital expenditure

Capital expenditure in 2015 amounted to R146 million (2014: R122 million) of which R42 million (2014: R30 million) was for replacement and R104 million (2014: R92 million) for expansion. The capital expenditure was mainly funded from internally generated cash resources and was expended in the following segments:

	2015			2014		
Operation	**Expand**	**Replace**	**Total**	Expand	Replace	Total
Electrical engineering	**33**	**14**	**47**	47	17	64
ICT	**33**	**15**	**48**	22	9	31
Applied electronics	**17**	**8**	**25**	23	2	25
Group services	**21**	**5**	**26**	–	2	2
Total	**104**	**42**	**146**	92	30	122

The expenditure represents 1,8% (2014: 1,6%) of revenue and 12,3% (2014: 14,5%) of free cash flow before capital expenditure and dividends.

Joint chief executive officer's and chief financial officer's review continued

Borrowing capacity

As we progress with the execution of our strategy, we are actively looking to acquire businesses which meet our strategic rationale. These are businesses which would help us to meaningfully address:

- our geographic concentration from where we derive our revenue;
- our product concentration; and
- the service offerings we are able to provide to our customers.

Our cash resources of R2,6 billion and our largely ungeared finance book of R2,1 billion in our in-house finance company, as well as our capacity to leverage our balance sheet provide us with significant capacity to invest into our existing businesses, but also to make appropriate investments into new businesses and new geographies. We will continue to measure the benefit of such investments against the merits of a share buyback or special dividends.

Dividends

Based on the financial performance for the year and the group's significant cash generation, a final dividend of 302 cents per ordinary share, representing an increase of 10%, has been declared by the board. This brings the total dividend for the year to 407 cents per share (2014: 370 cents).

Going concern

The board has considered the applicability of the going concern assumption and is of the opinion that it is appropriate for the forthcoming year.

Outlook

The group retains a concentration within the South African economic environment and as such on general performance is likely to be aligned to these macro conditions. However, the group performance is likely to be augmented by long-term contracts, specifically in applied electronics, secured during the past year. These revenues, with healthy, hard currency exposure, are expected to bolster the continuing operational performance. Reunert has further strengthened its financial position which places it well to conclude transactions that will drive growth into the medium term.

Appreciation and conclusion

The year under review has been both challenging and gratifying, as we developed our new strategy, bedded down our new leadership team and addressed the challenges presented by the economic environment under which all South African companies operate. We believe we laid a solid platform for the year ahead and look forward to accelerating the implementation of our strategy.

We would like to take this opportunity to thank the board for their support and active involvement during the past year. A special thank you to our customers and suppliers who underpin our achievements and we assure them of our continued drive to deliver superior value offerings into the future. The final thank you is for all of Reunert's employees. The passion and commitment of our people is vital to our business and their contribution is greatly appreciated.

Alan Dickson
Chief executive officer

Nick Thomson
Chief financial officer

REUNERT OVERVIEW

Who we are

Reunert manages a portfolio of businesses in the fields of electrical engineering, ICT and applied electronics. The group was established in 1888 by Theodore Reunert and Otto Lenz, and has contributed to the South African economy in numerous ways over the past 127 years. The group was listed on the JSE in 1948 and is included in the industrial goods and services (electronic and electrical equipment) sector of the JSE. The group operates mainly in South Africa with minor operations in Australia, Lesotho, Sweden, the USA and Zimbabwe. Group headquarters are located in Woodmead, Johannesburg, South Africa.

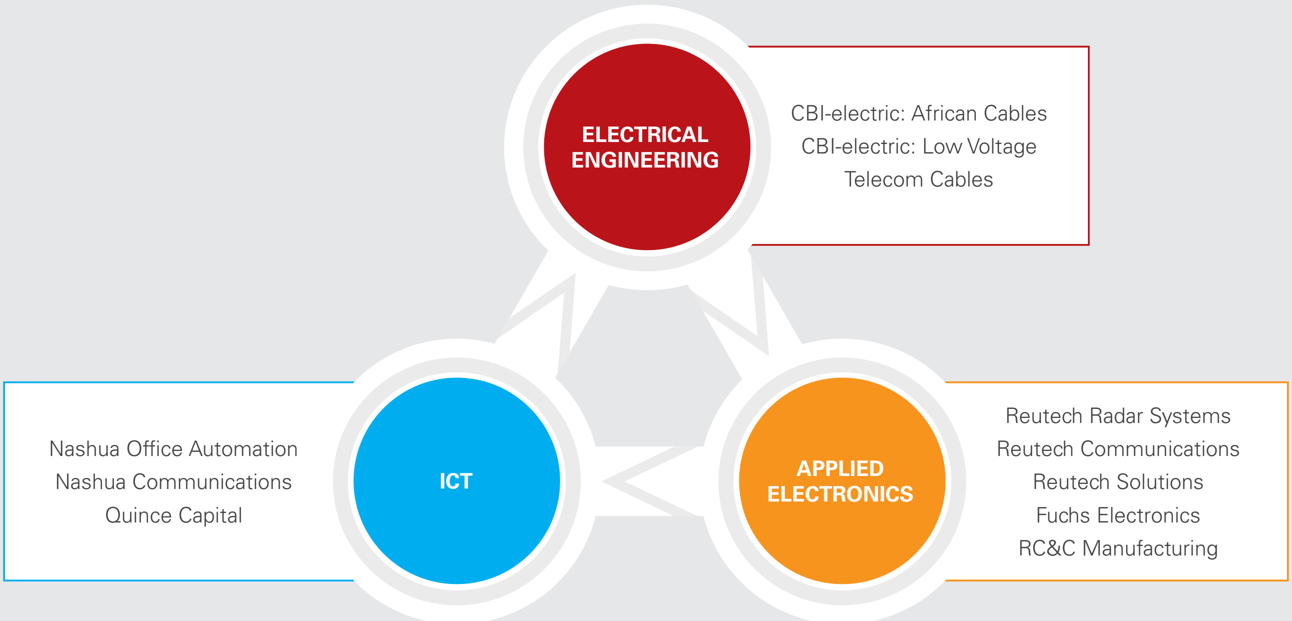
The code of ethics underpins how the group conducts business and how its employees are expected to:

- **CONDUCT** themselves honourably and in the best interests of the company;
- **ABIDE** by all laws and regulations;
- **AVOID** all conflicts of interest between work and personal affairs;
- **ACT** in good faith, with integrity and honesty;
- **FOSTER** an environment in which people are encouraged to be open;
- **RESPECT** one another and act in a non-discriminatory manner;
- **ACT** in a socially responsible way; and
- **PROTECT** the environment and its natural resources.

Product quality

Reunert has a proud legacy of quality products and services. Internationally recognised quality standards ensure that products and services in the group meet demanding requirements. The majority of its businesses are ISO 9001 certified. Employees receive ongoing training to ensure quality systems are maintained and effectively implemented.

Companies in the group holding ISO 9001 quality management accreditation



How we create value

Our business model

INPUTS

Skilled, experienced and engaged employees
Training and development
Performance assessments

Research and development
Innovation centres
Supply chain management
Legal and statutory compliance
Quality policies, procedures and standards
Risk management
Background systems

Local and imported components, products and equipment
Local networks and data centres
Manufacturing and assembly plants, testing laboratories, warehouses, distribution centres, etc

Relationships with suppliers, customers, government, etc

BUSINESS ACTIVITIES

ELECTRICAL ENGINEERING

- Designs and manufactures electrical power cables and accessories up to 400 kV.
- Installation and maintenance of medium and high-voltage cable systems.
- Low and medium-voltage electrical distribution, protection and control equipment and client-specific solutions.
- Designs and manufactures telecommunications copper and optical fibre cable and associated solutions.

Top external business drivers

- Gross public and private fixed investments.
- Energy projects (including renewables) and maintenance programmes for both public and commercial infrastructure.
- Commodity cycles.
- Business confidence.

ICT

- Distributes digital office automation equipment and document output solutions.
- Provides converged ICT solutions and services and carrier grade products, including software, consulting, systems planning and integration.
- Provides voice communication and data connectivity services.
- Provides asset-based financial solutions to Reunert-associated office automation channels.

Top external business drivers

- Impact of exchange rate fluctuations on the demand and pricing for imported hardware.
- Interest rates.
- Digitisation/technology convergence/disruptive technologies.
- GDP and business confidence.

APPLIED ELECTRONICS

- Capabilities include electronic and precision mechanical design and the high-volume production of electro-mechanical assemblies.
- Designs and develops secure radio communication systems for airborne, land and naval-based command and control applications.
- Develops and manufactures search, tracking and surface scanning radar systems and subsystems.
- Supplies turnkey solutions for logistics engineering and switching networks.

Top external business drivers

- Commodity cycles.
- Defence and security budgets.
- Technology enhancements/innovations and system life cycles.
- Exchange rates and the impact on competitor pricing.

INPUTS

BUSINESS ACTIVITIES

OUTPUTS

OUTCOMES

OUTPUTS

The group produces and provides various products and services in the electrical engineering, information communication technology and applied electronics segments.

See page 20 for a breakdown of products and markets.

OUTCOMES

R8,3 billion
revenue

R1 167 million
operating profit

5 853
employees

64%
black employees

Zero
fatalities

R40 million
invested in employee development

R88 million
invested in research and development

50 116 CO_2
tonnes scope 1 and 2 emissions

R13 million
invested in social responsibility

R37 million
invested in enterprise and supplier development

R146 million
capital expenditure

R1,8 billion
paid as employee remuneration

R1,1 billion
government taxes paid

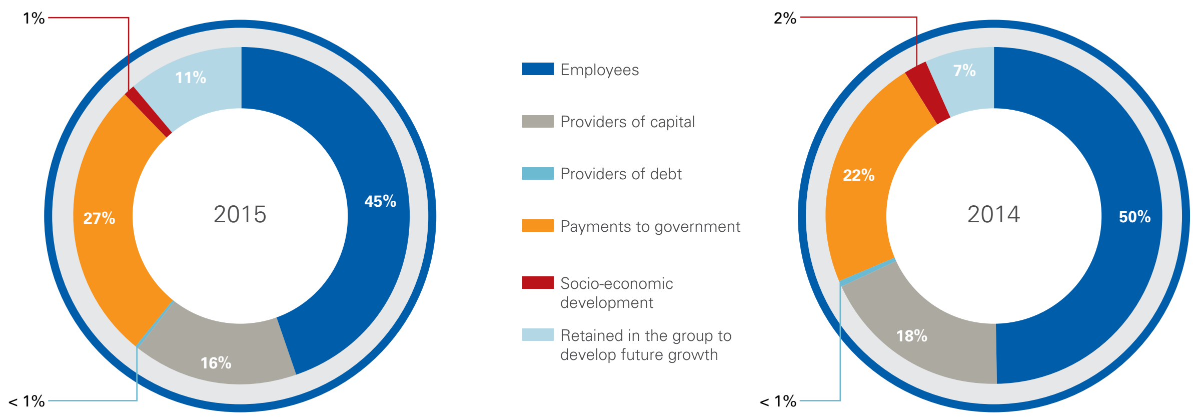
R4,5 billion
paid to suppliers

How we create value continued

Value-added statement

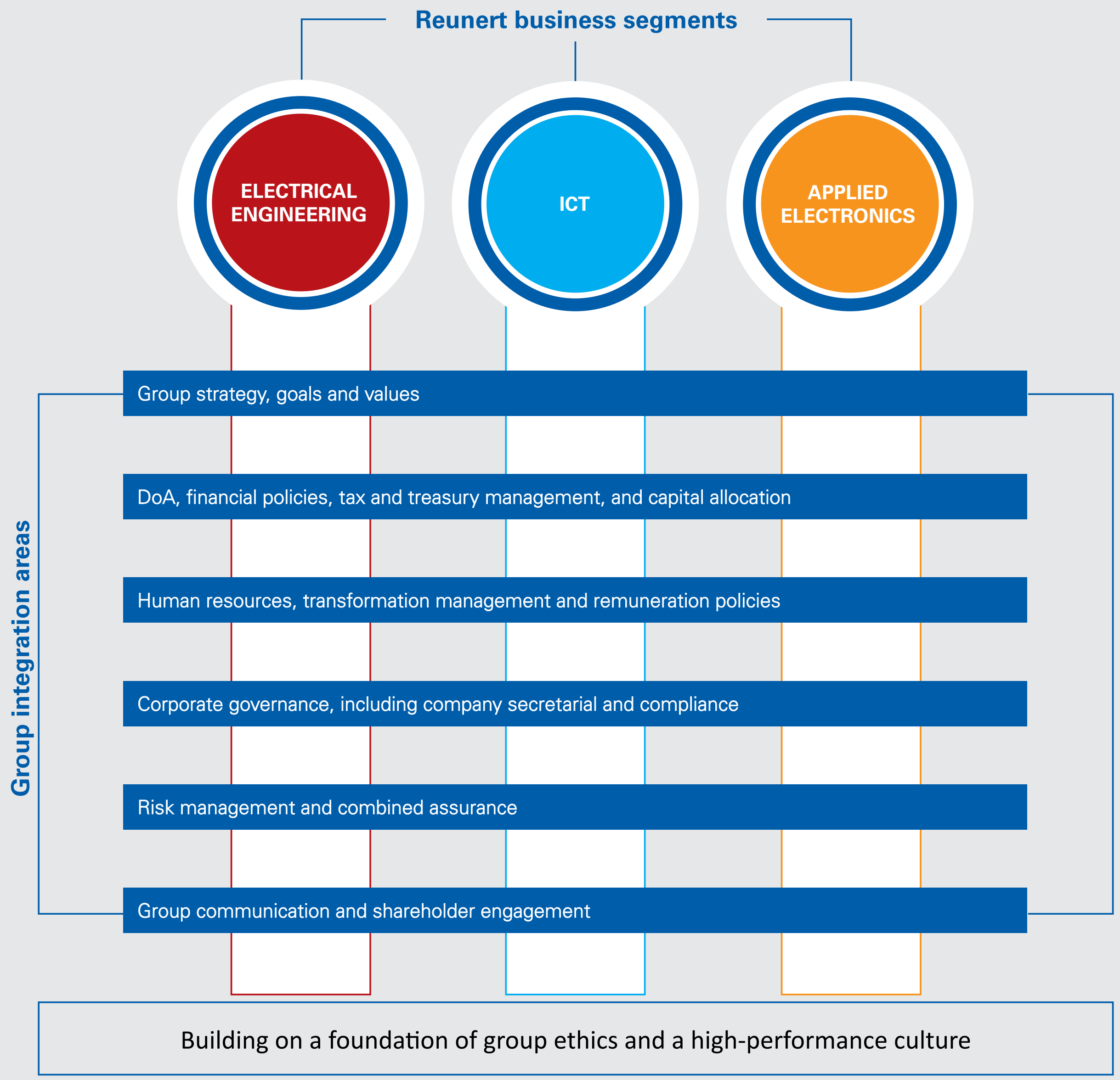
Rm	2015 continuing operations	%	2014 continuing operations	%	% change 2015 over 2014
Revenue	**8 300**		7 774		7
Paid to suppliers for materials and services	**4 486**		4 433		1
Value added	**3 814**	96	3 341	100	14
Income from investments	**151**	4	15	–	907
Total wealth created	**3 965**	100	3 356	100	18
Distributed as follows:					
Employees	**1 776**	45	1 673	50	6
Providers of capital	**629**	16	612	18	3
Providers of debt	**16**	–	25	1	(36)
Payments to government	**1 064**	27	754	22	41
Socio-economic development	**50**	1	70	2	(29)
Retained in the group to develop future growth	**430**	11	222	7	94
Total wealth distributed	**3 965**	100	3 356	100	18
Employee statistics					
Total number of employees at year-end	**5 853**		5 654		4
Revenue per employee	**1,4**		1,4		
Value added per employee	**0,7**		0,6		
Wealth created per employee	**0,7**		0,6		

Wealth distribution (%)



How we are structured

The group operates through a federal business model facilitating the preservation of entrepreneurship and vesting in responsibility for performance and execution across each of the business units. A board-approved delegation of authority (DoA) document stipulates authority levels within which management can act. While operating decisions are made by the business units, the Reunert board and executive team align business strategy and define and monitor long-term strategic plans, risks and performance. Capital allocation is controlled at group level and significant projects are approved by the board. The business units are responsible for driving their own sales and marketing strategies, customer programmes, efficiency improvements and innovation of products and services, as well as achieving agreed performance objectives.



How we are structured continued

Reunert's major business units

Reunert Ltd[1]

Electrical engineering

45%
revenue contribution

42%
operating profit contribution

2 478
employees[2]

Segment performance review on page 30.

CBI-electric: African Cables

Designs and manufactures a comprehensive range of electrical energy cables and accessories up to 400 kV. The power installations' division specialises in the installation and maintenance of medium and high-voltage cable systems.

Products
Low-voltage PVC/XLPE insulated cable, medium-voltage XLPE and paper-insulated cable, Aerial Bundled Conductor (ABC), Aluminium Conductor Steel Reinforced (ACSR) and high-voltage XLPE insulated cable.

Market sectors
Mining, utilities, commercial, contracting and industrial.

Intellectual property
Zerotox.

CBiD (cable theft prevention system).

ICT

43%
revenue contribution

47%
operating profit contribution

2 116
employees

Segment performance review on page 36.

Nashua

Nashua offers complete managed office products and services.

Distribution channels
Nashua Holdings and independent franchises, direct sales, wholesalers and dealers.

Market sectors
Corporate, government, SOEs and small and medium enterprises (SMEs).

Intellectual property
Trademark and naming rights for Nashua in the southern African region.

Products and services are provided by the business units in the ICT segments.

Office automation products are sourced from international suppliers, including Ricoh and Hewlett-Packard.

Applied electronics

12%
revenue contribution

15%
operating profit contribution

1 461
employees

Segment performance review on page 42.

Reutech Radar Systems

Develops and manufactures search and tracking radar systems and subsystems for local and export markets. Technology includes radar sensor systems used globally at mining operations.

Market sectors
Defence, mining and renewable energy.

Intellectual property
Floodlight radar system for detecting and locating moving targets in 3D.

StealthRad™.

[1] *Reunert also has group administration and property portfolios, included in the segmental analysis as "Group Services or Other." Business units not included here are PanSolutions, RC&C Manufacturing and Cafca. For a complete list refer to Annexures A and B in the annual financial statements.*

[2] *Includes 265 (50%) of the joint venture's employees.*

[3] *Joint venture with a company in the Altron group.*

CBI-electric: Low Voltage

Supplier of low and medium-voltage electrical distribution, protection and control equipment and customer-specific solutions.

Products
Circuit breakers, earth leakage, surge protection, switchgear, electricity meters, automation, motor control, wiring accessories and transformers.

Market sectors
Residential, commercial, mining, utilities, industrial, equipment manufacturers and retail.

Intellectual property
Owns the intellectual property rights to all products manufactured by the company.

CBI-electric: Telecom Cables (50%)[3]

Designs, manufactures and supplies copper and optical fibre cables.

Products
Copper and fibre telecom cables. Connectivity services are provided on a turnkey basis, including fibre ducting, splicing, training and installation.

Market sectors
Fixed and mobile network operators, petrochemical, transport, power, industrial and mining industries.

Intellectual property
Infraduct Fibreworx.

ECN

ECN is a market leader in next generation networks offering a wide range of voice, data and hosted services.

Products
IP-based telephony solutions and traditional and virtual network and switchboard PBXs.

Market sectors
Corporate and SMEs mainly in South Africa.

Nashua Communications

Provides converged ICT solutions and services and carrier grade products including software, network components and end-user devices, consulting, systems planning and integration.

Products
Offers unified communication technologies using Unify (previously Siemens).

Market sectors
Medium and large corporate customers.

Quince Capital

Trading as Quince Capital and Nashua Finance, Quince provides asset-based financial solutions to Reunert-associated office automation channels.

Products
Asset-based financial solutions.

Market sectors
Corporate, SMEs and SOEs.

Intellectual property
FinSight credit vetting system
Quince Capital®.

Reutech Communications

Specialises in secure communication systems for airborne, land and naval-based applications for command and control, blue force tracking, forward observation link and messaging services. The new generation communication systems include software-defined radios with embedded user-definable electronic counter-counter measures, data link and ad hoc networking capabilities.

Market sectors
A strategic supplier to the SANDF and an approved supplier to international customers and original equipment manufacturers (OEMs).

Intellectual property
Owns the intellectual property on export products.

Reutech Solutions

Reutech Solutions focuses on supplying turnkey solutions for logistics engineering, and switching networks. It is a value-add and channel partner for Alcatel-Lucent, LOOP and Huawei.

Market sectors
SANDF, South African Police Service, SOEs and mining sector.

Intellectual property
Registered patents and designs for Dome Light Blue/Green LED Single and Double Lights and the mine scraper winch control system.

Fuchs Electronics

Provides advanced electronic fuze technology. Capabilities include electronic and precision mechanical design and the high-volume production of electro-mechanical assemblies.

Products
Electronic fuzes.

Market sectors
Majority of products are exported to OEMs and defence ministries.

Intellectual property
Owns the intellectual property on all its products.

Where we operate

Key facts
for southern Africa

37
Nashua franchises

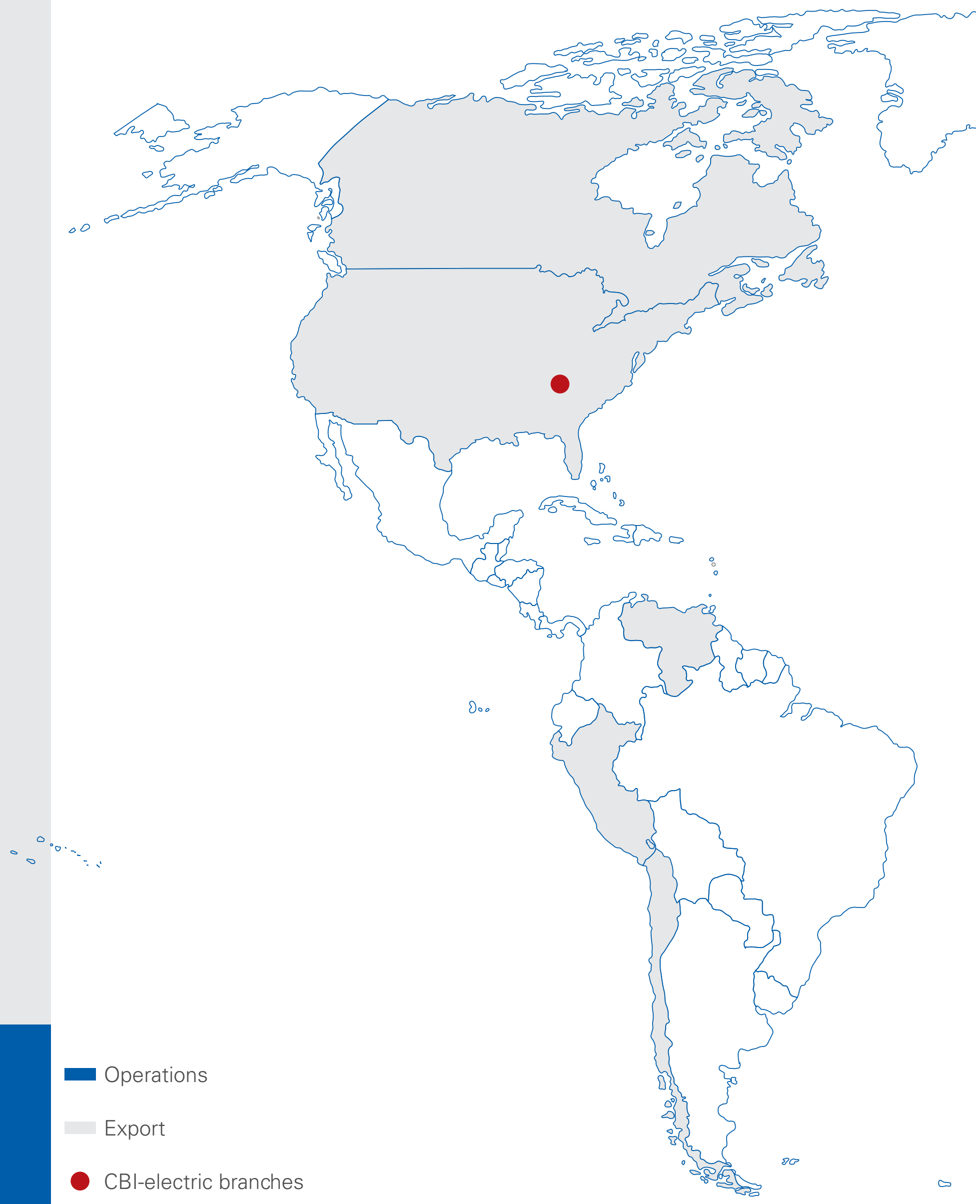
7
testing laboratories

8
innovation centres

8
data centres

11
manufacturing plants

269
independent ECN channel partners



Employees by country

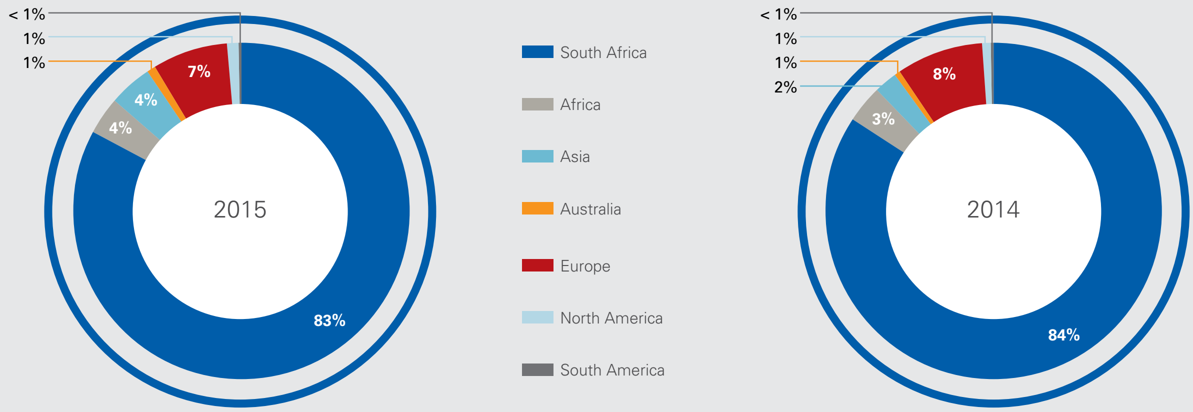
783
Lesotho

111
Sweden

40
Australia

6
United States of America

Revenue by geography (%)



STRATEGY AND RISKS

Strategy overview

Strategy development

Reunert comprises a diverse group of companies both in terms of size and business activity. Broadly speaking, the group is strategically linked through its electrical, electronic and ICT capabilities in either their core competencies and/or the markets they serve.

The group strategy was developed by taking the operating environment, material matters, identified risks and opportunities into account and with input from all the material business units across the segments. The strategy was built around key strengths, which include:

- strong market positions in the majority of the group's South African businesses;
- well-known and respected brands;
- strong operational philosophy and well-managed operations;
- proven ability to integrate systems (convergence);
- sustainable margins;
- a healthy balance sheet;
- robust risk management systems and processes; and
- electronic and engineering expertise.

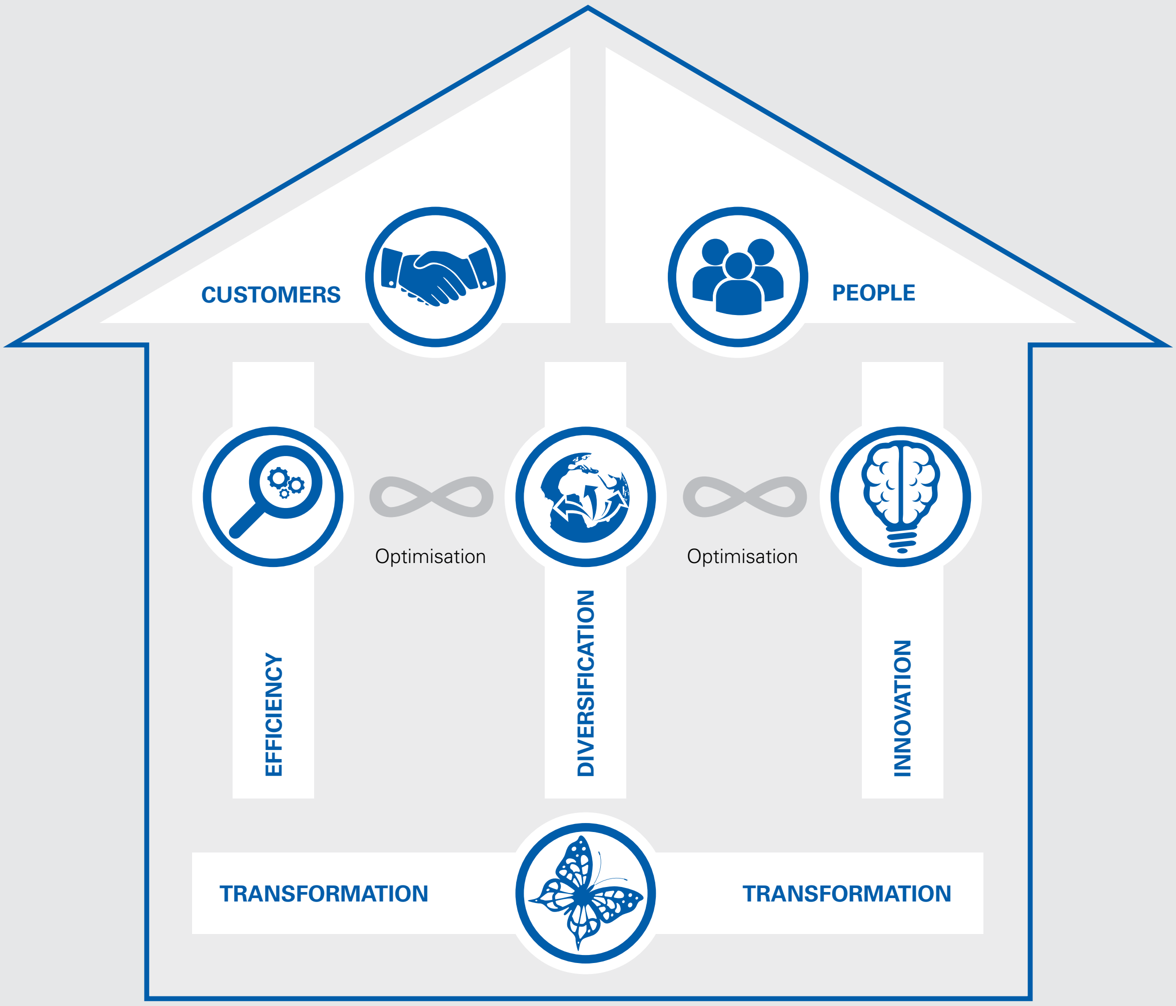
As part of the strategy formulation, the Reunert goals and strategic pillars were developed. These are consistently applied throughout the group to provide cohesion and alignment.

The business units have converted the strategy into appropriate execution plans. These execution plans are monitored through a range of key performance indicators (KPIs). These business-specific KPIs are integrated into management reports through which feedback is received and, where necessary, corrective action is implemented.

Reunert goals

The group has the following goals that align the different business segments to:

- Operate as a responsible corporate citizen with a strong set of values.
- Operate a customer-centric business.
- Move up the value chain to deliver value-added services and solutions.
- Create a culture that fosters high-performance employees and engages all employees in a meaningful manner.
- Be a leading player in the South African electrical and electronics industry. This will be evidenced by achieving and maintaining cumulative growth in total shareholder return within the top three issuers in the electrical and electronics sector of the JSE.


CUSTOMERS
PEOPLE
EFFICIENCY
Optimisation
DIVERSIFICATION
Optimisation
INNOVATION
TRANSFORMATION
TRANSFORMATION

Strategy overview continued

Strategic objectives

Reunert's ability to compete is dependent on its value offering, including pricing, the quality of customer service and the development of new and improved products and services for customers.

Our customers

Customer-centricity is a core focus area to enhance the value offering for customers. In turn, this should maximise the group's participation in the customer's spend.

Our people

Reunert promotes a high-performance culture to support its growth strategy. The group actively **engages with all employees** in a meaningful manner and motivates and recognises execution excellence. Engagement is built on honesty, transparency, teamwork and open communication. Refer to page 48 for more information on human capital.

Efficiency

The **efficiency** pillar focuses on the management of existing assets, which are expected to deliver organic growth and generate the free cash flows necessary to implement the diversification and innovation strategies of the group.

Innovation

Innovation will be supported throughout the group to drive the product, service and solution pipeline required to support sustainable growth.

Diversification

Reunert drives growth and mitigates its current concentration risk by **diversifying revenue streams**. This is centred on:

- **Geography:** Expanding the existing value offerings into carefully selected new geographic areas where the group has business experience and where there are real competitive advantages. This expansion is derived from a combination of acquisitive and organic growth.
- **New products and services:** Reunert's strong brands are leveraged to offer additional products and services to its customers within South Africa. Cross-selling opportunities are considered to provide organic growth opportunities, whereas acquisitions are the preferred method to access these market prospects.
- **Improved solution offering:** Solutions that drive margin enhancement and customer retention will be introduced continually. The move up the value chain is pursued through acquisitions to accelerate this focus area.

Transformation

Transforming Reunert focuses on people as well as business models.

Through **people transformation** Reunert will maximise its opportunity to participate in South African revenue streams by aligning its transformation objectives to those of government. This focus area builds on the human resources strategy that was approved by the board in December 2014. Refer to page 48 for more information on the transformation progress.

Reunert will **transform its business models** as required to evolve from a historical focus on products to deliver value-added services and solutions, strengthening its position in the value chain.

Segmental execution of the strategy

The segmental execution plans include the following in support of the group strategy:

Electrical engineering

- Secure bolt-on acquisitions and further develop channels to expand the group's footprint outside of South Africa.
- Enhance solutions' offerings by incorporating current products and services.
- Acquire and/or develop complementary technologies that can be distributed through existing channels.
- Advance transformation to secure and develop additional market share.
- Continue optimising manufacturing efficiencies.

ICT

- Acquire/develop complementary technologies in ICT to evolve the business to a holistic document management and managed office provider.
- Continue seeking new areas, products and services for delivery through the franchise model and expanding the franchise model into neighbouring territories.
- Expand and improve the value offering and services to attract more customers and become a single port of call.
- Continue building on customer engagements to enhance the level of service provided and to ensure clustered service offerings meet their needs.
- Improve operational efficiencies to enhance margins.

Applied electronics

- Increase the group's focus on export markets and securing long-term contracts.
- Build and strengthen partnerships with OEMs and other defence companies to gain access to new markets.
- Continue developing commercial applications using Reutech defence technologies, thereby broadening its customer base.
- Continue driving improvement in transformation objectives to ensure that Reutech is aligned with government's objectives in this regard.

Risk review

Risk management within the group is a key business discipline and is designed to balance risk and reward and protect the group against risks and uncertainties that could prevent it from achieving its strategic and operational objectives.

The board is responsible for the risk management process. Management is accountable to the board for designing, implementing and monitoring the process of risk management and for integrating it into day-to-day business activities.

Appropriate mitigation and/or remedial actions are identified and driven through a comprehensive management system.

All group companies conduct formal risk assessments and operational risk management meetings are held at least twice a year. The chief executive officer or the chief financial officer, and senior segment management, attend all operational risk management meetings. Risk assessment procedures form an integral part of management's key objectives. Internal audit attends all group risk meetings and assists in facilitating the process.

Risk management and methodology

The risk management methodology, which is based on the ISO 31000 framework, can be summarised as follows:

Monitoring risks

Risks are monitored continuously and are assessed formally twice a year. Financial risks, including financial reporting risks, are monitored by the audit committee and all other risks by the risk committee.

Identifying, defining and categorising risks

Risks at each operation are defined and classified as strategic, business process, financial, operational and compliance-related risks.

Assessing the quantitative impact and materiality of the risks should they occur

Risks are assessed based on the potential impact on the business in accordance with board-approved risk tolerance levels ranging from insignificant to catastrophic.

Assessing the probability of the risks occurring

Risks are assessed based on the likelihood of them occurring assuming that there are no controls in place. Risks are scored in a range from rare to almost certain.

Assessing the effectiveness of internal controls in place

Internal controls are recorded and assessed for each identified risk. A control effectiveness rating is assigned to each risk ranging from very effective to ineffective.

Classifying the residual risks

Residual risks are classified as high, medium and low based on their impact and likelihood of occurring, after taking into account the effectiveness of the internal controls in place.

Developing risk mitigation strategies for all identified risks

Risk mitigation strategies and action plans are developed in line with board-approved risk tolerance levels.

Reporting

Risk reporting follows the risk reviews, and is considered by the risk committee at its meetings, twice a year. Financial risks, including financial reporting risks, are reported to the audit committee.

Risk review continued

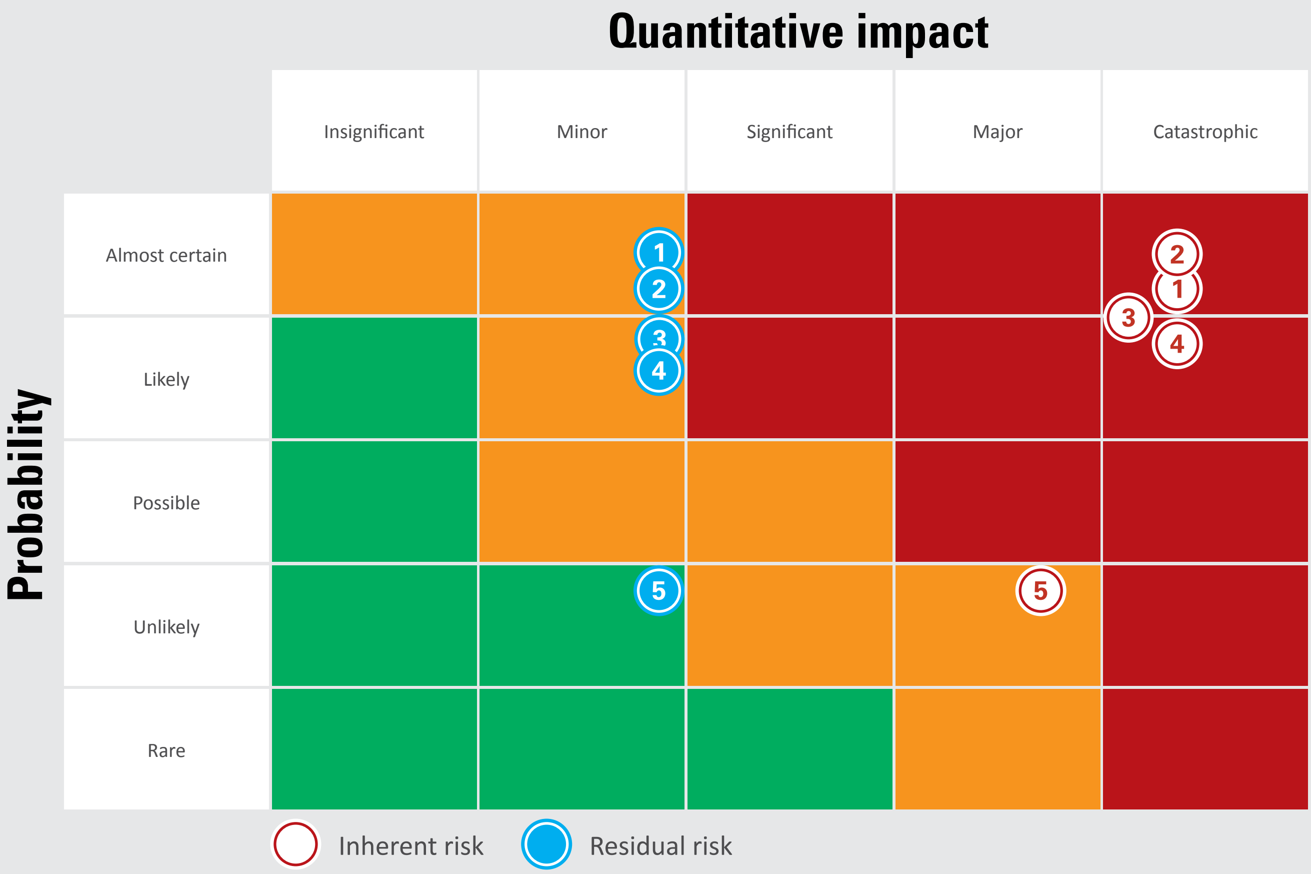
Key risks

The major strategic risks are determined through a top-down and bottom-up review process. The table below sets out the current significant risks as identified through the risk management process and outlines the risk mitigation strategies. This is linked to the applicable strategic focus areas as set out on pages 25 to 26.

	Risk	Controls and mitigating actions	Strategic focus
1	**Concentration risk** Reunert has a largely South African footprint and, consequently, its growth potential is linked to that of the local economy which is currently underperforming.	The Reunert strategy is expected to address this risk through the continued drive of efficient management of existing assets, and the diversification of revenue streams both geographically, and through the addition of value-added products and services. Refer to the diversification strategy overview on page 26 for further details.	
2	**Increased competition and commoditisation, which results in pressure on margins and slow top-line growth** Increased competition, through both imported products and pricing pressure from competitors that have low capacity use, places pressure on margins. Exchange rate volatility also results in input price increases that are not fully recoverable from customers.	Mitigation measures include: • the continued focus on business process efficiencies and cost management will provide some protection against margin degradation; • leveraging the power of group brands through improved service and brand awareness; and • the optimisation of distribution and warehousing solutions within the ICT segment to contain costs. Refer to the strategy overview on page 26 for further details.	
3	**Adherence to amended B-BBEE Codes of Good Practice** Progressive transformation is a key imperative for the group to protect its reputation, access resources, retain its licence to operate and to attract and retain skills.	The imperative to achieve appropriate B-BBEE ratings for group businesses will maximise Reunert's opportunity to participate in South African revenue streams. A tailored transformation strategy was developed and implemented to assist the group in achieving its transformation objectives. A transformation committee was established, which monitors and reviews the consequent progress. Employment equity targets for each business unit are set annually. Refer to the transformation strategy on page 48 for further details.	

	Risk	Controls and mitigating actions	Strategic focus
4	**Risk of failure to implement or poorly execute the approved strategy**	Strategy execution at business unit level is carefully monitored by the Reunert executive committee. Performance is measured against approved KPIs. An appropriate acquisition methodology was approved by the board and the investment committee follows these criteria in its assessment of all potential acquisitions. Where required, external service providers are retained to provide the group with corporate finance and legal support in assessing potential acquisitions.	
5	**Escalation in large-scale cyber-attacks and data fraud** Businesses face increasing levels of cyber-attacks, which can cause significant business disruption, and in cases, reputational damage.	IT security measures are considered critical to the group. Firewalls, virtual private network solutions and appropriate intrusion prevention software provide protection against sophisticated attacks, safeguarding critical data and information. Refer to page 73 for IT information.	

The heat map below indicates the probability and magnitude of the group's key risks before and after taking controls and mitigating actions into account.



PERFORMANCE REVIEWS:

Electrical engineering

The electrical engineering segment comprises CBI-electric: African Cables, CBI-electric: Low Voltage and CBI-electric: Telecom Cables (a joint venture). It is a diversified group of vertically integrated companies, each with a major footprint in different sectors of the electrical and telecommunications industries.

Refer to page 20 for a detailed group structure and www.cbi-electric.co.za for more on products and services.

Electrical engineering at a glance

		2015	2014	2013
Financial capital[1]				
Revenue	Rm	**4 112**	3 611	3 506
Operating profit	Rm	**520**	428	506
Total assets	Rm	**1 900**	1 923	1 935
Capital expenditure	Rm	**47**	64	105
Natural capital[2]				
Electricity consumption	MWh	**36 090**	37 969	42 948
Water consumption	Ml	**237**	247	202
CO_2e[3]	kt	**42**	42	46
Human capital[4]				
Total number of employees at year-end		**2 478**	2 518	2 604
Number of work-related fatalities		**–**	–	–
Employee turnover	%	**4**	4	3
Training spend	Rm	**15**	8	9
Social and relationship capital[5]				
Community investments	Rm	**6**	3	4
Enterprise and supplier development spend	Rm	**10**	33	20

Refer to page 48 for the group's human capital performance, page 56 for natural capital performance and page 60 for social and relationship capital.

[1] *Includes the joint venture contribution.*

[2] *Includes 50% contribution from the joint venture.*

[3] *Excludes Scope 3 emissions.*

[4] *Includes 50% of joint venture's employees, health and safety records and training spend.*

[5] *Includes 50% of the joint venture's CSI, ED and SD spend.*

Performance review

Performance against 2015 focus areas

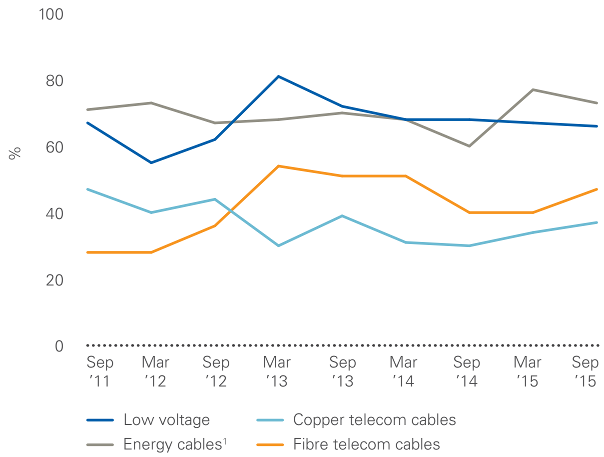
2015 focus area	Summary of performance
Increase diversification of revenue streams through: • increasing export sales into targeted geographies; • introducing new products; and • expanding solutions offerings.	The new low-voltage circuit breaker range was completed and met with good market acceptance and adoption. • the commercial range of circuit breakers was launched into Australia; and • the rail range of circuit breakers was launched worldwide. Within the energy cable business the solution capacity was successfully expanded into the 275 kV and 400 kV range. Low Voltage Solutions' offering into the renewable energy sector has not met expectations and this area of the business was restructured.
Improve efficiencies through value engineering, continued improvements in raw material sourcing and driving the best-in-class South African manufacturing efficiencies.	Manufacturing efficiencies improved within all the electrical businesses, partly due to increased production volumes. Operating cost increases were contained to below CPI levels. The segment generated healthy operating cash flows of R505 million (2014: R375 million). Despite adverse trading conditions, segment operating profit margin improved from 12% to 13%.

Electrical engineering continued

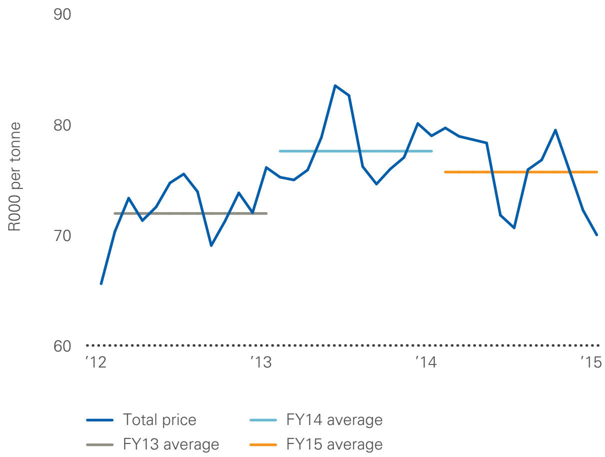
Performance overview

Electrical engineering delivered a substantially improved performance with revenue increasing by 14% to R4,1 billion (2014: R3,6 billion) and operating profit by 21% from R428 million to R520 million in the prior year. This improved performance was primarily driven by the energy cables business unit, which delivered a significantly improved result compared to the prior year.

Factory capacity utilisation



Copper price



[1] *Capacity utilisation adjusted for renewable energy cables from the 2013 year.*

Energy cables

The energy cables business unit delivered a strong performance on the back of higher production volumes, a favourable product mix and improved operating efficiencies.

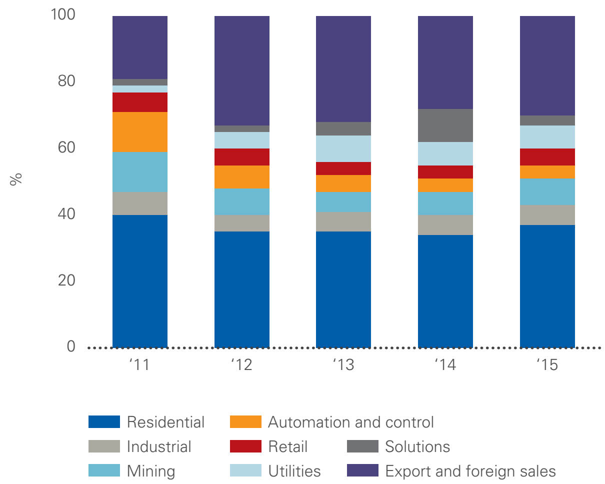
The local market recovered somewhat after the protracted labour strikes experienced in the previous year. While orders from Eskom remained subdued due to its cash flow constraints, mining volumes and certain utility customers provided the impetus for the increased volumes. New transmission project orders were received, which had a positive impact on volumes in the final quarter of the year.

The production volumes increased by 28% and factory capacity utilisation improved to 75% (2014: 60%). This increase assisted the business in improving its manufacturing efficiencies and with targeted capital expenditure and robust cost control, facilitated a reduction in operating costs. The improved efficiencies and working capital control led to a healthy cash performance.

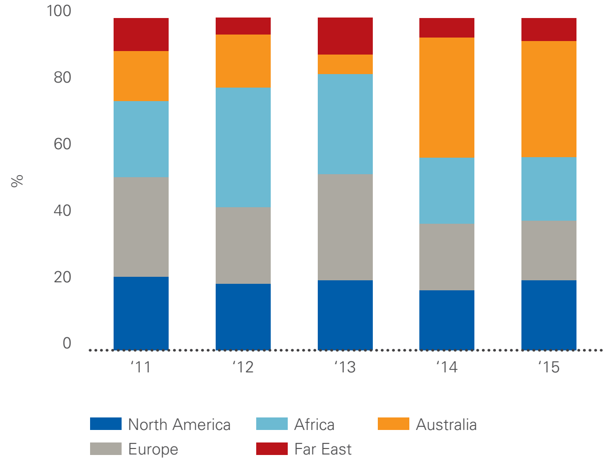
CBI-electric is now at the forefront of extra high-voltage (EHV) cable system capability in sub-Saharan Africa as CBI-electric: African Cables' contract for the design, supply, installation, and testing of the four 400 kV cable systems at Eskom's Ingula pumped-storage scheme is largely complete. It also secured the first orders for the 275 kV cable systems at the new Sebenza substation for City Power Johannesburg.

A high-voltage alternating current (HV AC) resonance mobile testing unit, which allows for the on-site testing of instaled HV cable networks, was introduced during the year. This world-class technology ensures the quality of post-installation circuits and should set the standard practice for all future South African HV circuits.

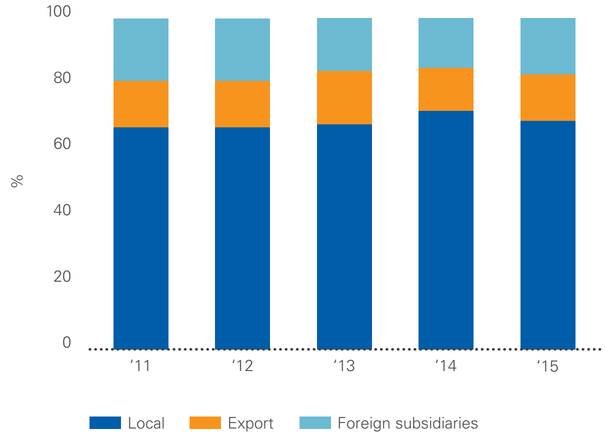
Low Voltage market segmentation



Low Voltage exports sales by region



Revenue contribution



Low Voltage

Product volumes increased by 3% and, despite continued aggressive competition, margins have withstood the pressure. The business performed well across all its primary South African market segments and market share performance was pleasing. Internationally, European markets continued to feel pressure while Africa, China, the USA and Australia delivered stable volumes. The rand depreciation, after stability for much of the year, provided some margin assistance in the final quarter.

As part of ongoing value engineering projects to improve efficiencies, the quantity and cost of raw materials used were reduced. This led to initial savings of around 5% of cost of sales with further cost-saving benefits expected for 2016.

CBI-electric successfully launched the new CBI switch and control-gear product ranges in South Africa and Australia. Low Voltage expects the range to be well accepted by the market and to contribute positively to sales in Australia. Furthermore, instead of supplying individual circuit breakers to European telecommunications customers, the group now manufactures subsystems. This has improved relationships with the direct end user and is likely to increase volumes of individual circuit breakers.

The relocation of the industrial automation and control unit to Elandsfontein, allowed CBI-electric to upgrade its panel-building facilities. As a result, efficiencies have improved which should lead to increased production volumes.

The solutions business, which supplied and installed power conversion equipment to renewable energy build-operate-transfer contractors, struggled to execute its projects successfully and profitably. Therefore, the business unit was downscaled.

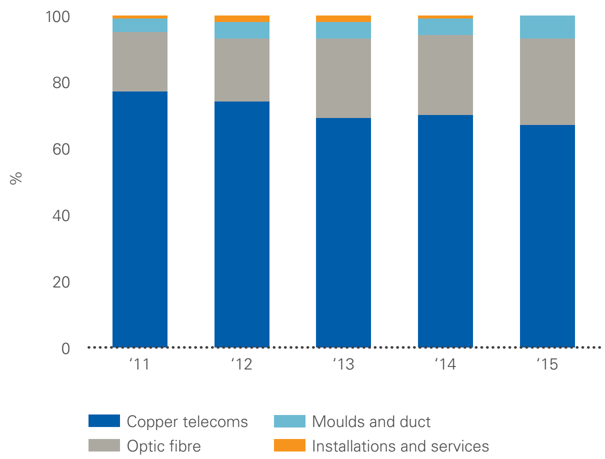
During the year, more distributors of CBI-electric counterfeit circuit breakers were criminally sentenced for contravening the Counterfeit Goods Act. The counterfeit products surfaced some years ago when CBI-electric was alerted to the fact that certain CBI-branded products had failed. The aesthetic differences between the counterfeit goods and the genuine devices were subtle. However, when the counterfeit products were tested against international safety standards they failed dismally.

The group introduced a web-based design system, which was successfully launched to the South African consulting engineering fraternity and to panel-board manufacturers improving the efficiency of its customers in the circuit designs.

Electrical engineering continued

Telecom Cables

Telecoms product mix as percentage of revenue



The telecommunications market conditions improved in certain sectors with corresponding volume increases. Copper communication cable sales volumes improved, driven by more robust market activity in the power, mining, transport and telecommunications segments. Fibre optic cable volumes also improved as the roll-out of terrestrial optical fibre networks continued. In addition, the uptake of fibre-to-the-home connectivity grew over the past year. Demand is expected to continue as more suburbs are preparing to connect through the fibre network.

The current market position improved further by the signing of an exclusive three-year contract with Telkom for the supply of copper and fibre optic cable. Telkom remains a significant customer of the business unit.

The increased volumes were manufactured with associated productivity improvements. Enhancements in process engineering lead to better raw material consumption and the overall manufacturing efficiencies reflected that good progress is being made.

Telecom Cables completed a cost-restructure exercise at the end of the previous financial year to ensure that it remains a low-cost manufacturer with sustainable profitability. The restructuring programme resulted in the rightsizing of the cost base, and improved the effective use of production assets. This contributed to cost savings during the year, which will continue into the future. In addition, various initiatives were undertaken to reduce the cost of material input, through the sourcing of new suppliers locally and internationally, including price negotiations with all suppliers.

2016 focus area	
The segment's focus areas for 2016 will align with its strategy, refer to page 26. It will include:	
Continued focus on margin controls and efficiencies.	
Geographic expansions	• Telecom and energy cables into Africa. • New circuit breaker ranges.
Market alignment with expectations of key long-term customers	• Investment is expected to result in market leading ratings on the amended B-BBEE codes. • Expand project-based offerings to meet the evolving requirements of our customers.

PERFORMANCE REVIEWS:

Information communication technologies

The ICT segment offers a range of print and communications products and services to business customers through Nashua (Office Automation), ECN, Nashua Communications, Quince Capital and PanSolutions. Nashua Mobile's customer base was sold in September 2014 with the final transfer of the underlying bases taking place in November 2014.

Nashua's strategic imperative is to use the power of the Nashua brand, its business units and its wide-reaching distribution network to transform from an office automation product supplier to an ICT provider that offers holistic document management and managed office solutions to its business customers.

Refer to page 20 for more detail on the group structure and www.nashua.co.za, www.ecn.co.za, www.quincecapital.co.za, www.nashua-communications.com and www.pansolutions.co.za for more on products and services.

ICT at a glance

		2015[1]	2014[1]	2013[1]
Financial capital				
Revenue	Rm	**3 961**	6 787	6 748
Operating profit	Rm	**577**	637	648
Total assets	Rm	**3 976**	6 399	4 464
Capital expenditure	Rm	**48**	31	42
Natural capital				
Electricity consumption	MWh	**5 072**	8 772	6 854
Water consumption	Ml	**49**	67	81
CO_2e[2]	kt	**2**	10	10
Human capital				
Total number of employees at year-end		**2 116**	2 792	3 032
Number of work-related fatalities		**–**	–	–
Employee turnover	%	**–**	13	4
Training spend	Rm	**4**	25	10
Social and relationship capital				
Community investments	Rm	**6**	3	5
Enterprise and supplier development spend	Rm	**17**	20	17

Refer to page 48 for the group's human capital performance, page 56 for natural capital performance and page 60 for social and relationship capital.

[1] *The numbers for 2014 and 2013 includes Nashua Mobile to provide a view of the impact of this operation.*

[2] *Previous years included upstream leased assets, including Nashua Mobile sites. Excludes Scope 3 emissions.*

Performance review

Performance against 2015 focus areas

2015 focus area	Summary of performance
Drive and increase market share in office automation in targeted segments.	Nashua Office Automation increased its overall market-share from an estimated 15% in 2014 to 16% in 2015. Multi-functional printer (MFP) sales grew by 11% for the period, versus a market growth of less than 3%. Colour machine sales growth far exceeded the market. On a combined basis, the Nashua segment accounts for 17% of all MFP sales in southern Africa.
Extract efficiencies throughout the Nashua segment through the implementation of shared services in logistics, technical support and back office functions.	A warehouse proof-of-concept project was implemented, which consolidated the operations of Nashua's main warehouse and a franchise into a single facility. This resulted in quicker stock turnaround times and lower overall inventory holdings, coupled with a 22% reduction in costs for the franchise involved. Further roll-out is planned for 2016. Similarly, a proof-of-concept aimed at optimising the use of technicians delivered improvements in service levels to 99,7% of service level agreements and 22% productivity improvements in the field service environment. The roll-out of this programme to other franchises is planned for 2016.
Measured expansion into targeted African territories.	Nashua experienced revenue growth of 23% in its franchises in Namibia, Botswana and Zimbabwe. An initial order was secured for a managed document solution (MDS) installation in West Africa. The group anticipates further orders from this customer. The first orders were also received from Nashua's partner in Mozambique, with good growth expected in 2016. Discussions are currently underway with additional partners in three other African countries.
Drive revenue growth in Prodoc and balance cost structures to ensure that the Swedish office automation company is sustainable.	Prodoc improved SEK revenues from continued operations by 13% during the year. Costs within continued operations decreased by 1%. During the year, a loss-making business unit was disposed of and the management team focused on ensuring that the business operations are efficient and well run.

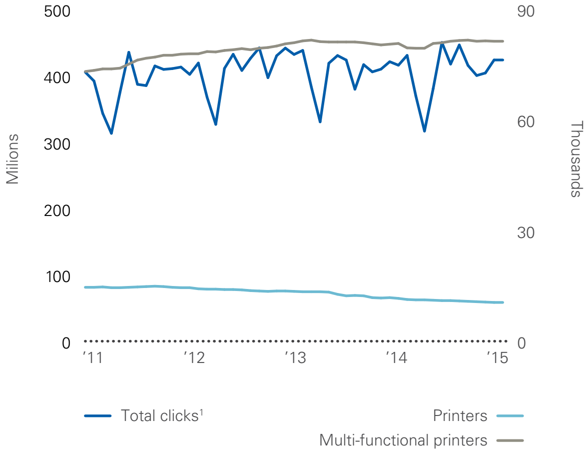
Information communication technologies continued

Performance overview

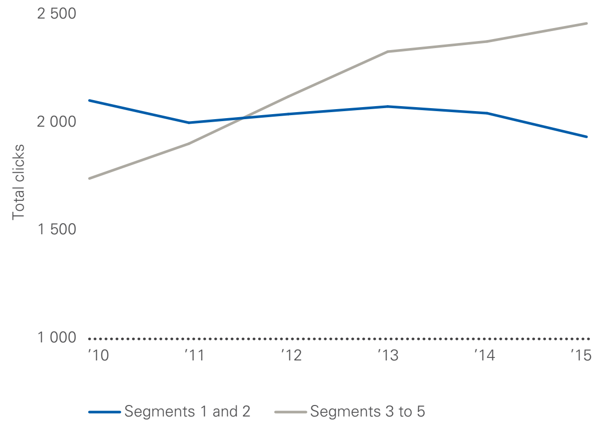
The ICT segment made solid progress. Although revenue from continuing operations was flat at R3,4 billion, operating profit net of the discontinued operation, increased by 17% from R453 million to R533 million. This was achieved through a careful evaluation of the whole supply chain and realising savings in the segment's distribution and general overhead costs.

Office Automation

Year-on-year print devices in field vs document volume



The total document volume contribution from low (segments 1 and 2) to high-end (segments 3 to 5) segment machines



[1] *Total clicks on left axis is the document volume.*

Margin pressure continued in a highly competitive office automation environment. Nashua's renewed sales efforts resulted in an improved product mix. New machine units sold increased by 11%, while the focus on colour sales resulted in a 13% increase compared to the previous year. This was accomplished through a combination of improved pricing, training and additional sales effort on these models.

Nashua increased its focus on African territories through the establishment of a dedicated African sales team for Nashua Office Automation. Although off a low base, the approach bore fruit with an overall 25% increase in sales compared to 2014. Additional distribution agreements were concluded in Mozambique and Ghana.

To achieve Nashua's objective of cross-selling its products and services through group companies, both Nashua and PanSolutions diversified revenue streams by leveraging sales channels to sell ECN's PBX and voice products and services. Nashua is now ECN's largest PBX reseller. The aim is to achieve similar success with ECN's voice products in 2016.

The South African operations embarked on a programme to consolidate warehousing and distribution channels to leverage greater efficiencies, while enhancing customer service levels. During the year, the entire supply chain was reviewed, and a proof-of-concept was launched to consolidate warehousing. This initiative was successful both in terms of cost saving and service improvements. A project is currently underway to expand the consolidation throughout the business segment by the end of the 2016 financial year.

A further project aimed at improving the productivity of Nashua's field engineers was also implemented. This project focused on optimising travel times and on effective consumable and spare part management. The initial project resulted in a 22% improvement in the engineer's productivity and planning commenced to roll the programme out to other southern African regions throughout the coming year.

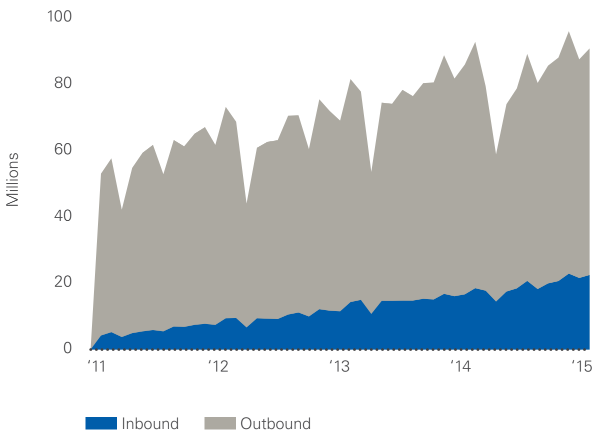
Customer satisfaction

As customer requirements evolve to fully managed print and document solutions, the group invested in developing specialised teams for these requirements. This ensures customer requirements are met, while also developing additional revenue streams in software, professional services and management fees.

Nashua embarked on a programme to improve the level of customer engagement and satisfaction. The first phase of this project included a telephonic survey of 500 customers and 10 face-to-face interviews from the top 100 customers. While giving insight into the evolving requirements of customers, the survey also yielded a good overall score from all customers. This score will be tracked in coming years and suggestions or areas of concern that arise from these surveys will be addressed as part of an ongoing improvement programme.

Voice services

ECN number of minutes per call type



The segment's diversification and innovation programme facilitated the development and release of new strategic solutions for customers and sales channels. This included the ECN cloud (or virtual) PBX offering. This innovation allows ECN to take advantage of the market shift away from capital intensive, physical PBX solutions to annuity based, virtual offerings hosted in the cloud and delivered over the ECN network. The data space commoditised rapidly however, changes in the wholesale market costs enabled ECN to provide its customers with competitive data solutions.

A national upgrade of the ECN network will commence in early 2016. This will improve the scale and quality of the backbone infrastructure and will assist in making sure that the group maintains its market-leading quality of service and efficiency. Further, the investment will assure the network's capacity and ability to deliver next generation cloud solutions as it develops.

Nashua Communications and ECN was split into two separate business units at the beginning of October 2014. Both businesses delivered improved profitability following an enhanced focus on their specific customer sectors.

Further efficiencies were obtained by combining some direct sales teams with the Nashua franchises. This led to reduced costs across the segment, while maintaining sales revenues and volumes.

On a less positive note, load-shedding during winter had a negative effect on ECN. More than 350 customer sites were disrupted over regular load-shedding periods, resulting in an estimated loss of 2,5 million voice minutes. In addition, and more costly, were the increased service calls to restore sites that did not recover correctly or where equipment was damaged. Various alternatives are currently under investigation to mitigate these problems should load-shedding recommence.

Financial services

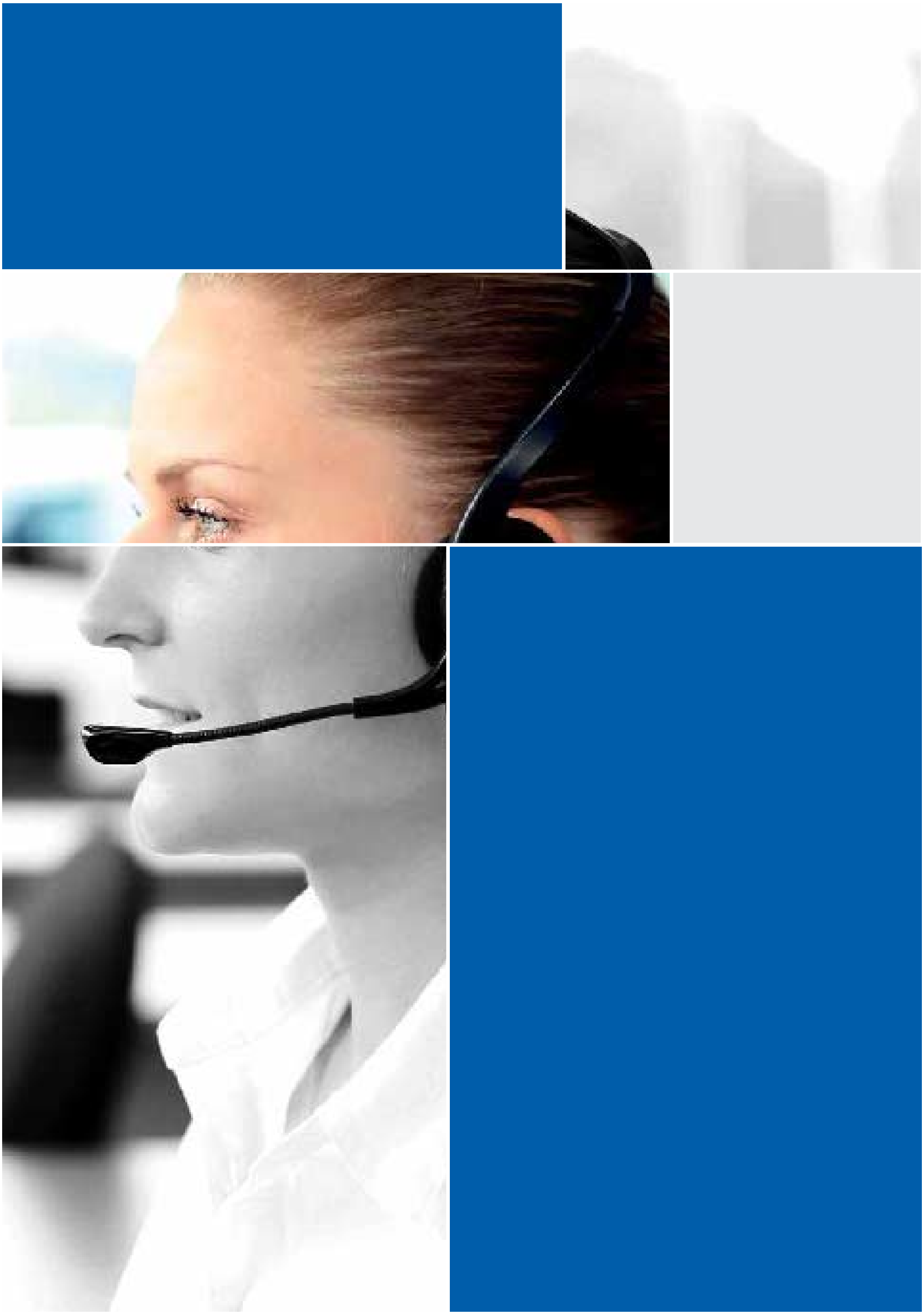
Quince Capital maintained its A+$_{(ZA)}$ long-term and A1$_{(ZA)}$ short-term rating from Global Credit Ratings. The loan book grew by 9% (2014: 8%), with recurring business accounting for 60% (2014: 63%) of all financed equipment. The loan book remains diversified with over 53 000 accounts under management.

Quince Capital is well funded and the profile consists of internal and external lines. Funding from Reunert is available to Quince Capital on commercial, arm's length terms. Quince Capital has access to R1,15 billion in external unused funding lines, which ensures financial sustainability.

Rm	2015	2014	2013	2012	2011
Nashua book	**2 145**	1 965	1 820	1 431	1 281
Average monthly discounting	**86**	81	80	65	55

Information communication technologies continued

2016 focus area	
The segment's focus areas for 2016 will align with its strategy, refer to page 26. It will include:	
Adding complementary technologies in ICT to evolve the business to a holistic document management and managed office provider	• Offer more services through same channels while integrating back-end operations. • Office automation and MPS/MDS opportunities being developed in new African countries.
Continue to leverage the Nashua franchise model	• Seek appropriate new products and services for delivery through the channel. • Expand the franchise model into other African territories. • Enhance collaboration with key OEMs.
Improve operational efficiencies to enhance margins	• ECN network optimisation project. • Segment logistics consolidation (warehouse, distribution and customer service).
Improved customer centricity	• Build on a culture of customer service through continued measurement of all engagements.



PERFORMANCE REVIEWS:

Applied electronics

Applied electronics comprises Reutech Radar Systems, Reutech Communications, Reutech Solutions and Fuchs Electronics. Reutech develops and supplies high-precision electronic products for defence and commercial applications.

Refer to page 20 for more detail on group structure and www.reutech.co.za for more on products and services.

Applied electronics at a glance

		2015	2014	2013
Financial capital				
Revenue	Rm	**1 081**	1 000	1 020
Operating profit	Rm	**181**	170	207
Total assets	Rm	**979**	651	727
Capital expenditure	Rm	**25**	25	23
Natural capital				
Electricity consumption	MWh	**5 023**	6 165	5 103
Water consumption	Ml	**51**	52	55
CO_2e[1]	kt	**6**	7	5
Human capital				
Total number of employees at year-end		**1 461**[2]	1 181	950
Number of work-related fatalities		**–**	–	–
Employee turnover	%	**–**	3	2
Training spend	Rm	**15**	4	4
Social and relationship capital				
Community investments	Rm	**2**	2	2
Enterprise and supplier development spend	Rm	**11**	8	6
Intellectual capital				
Research and development as a percentage of revenue[3]	%	**8**	7	6

Refer to page 48 for the group's human capital performance, page 56 for natural capital performance and page 60 for social and relationship capital.

[1] *Excludes Scope 3 emissions.*

[2] *The increase in employees is mainly due to an increase in temporary staff to assist with variable work load.*

[3] *Based on funded and self-funded research and development.*

Performance review

Performance against 2015 focus areas

2015 focus area	Summary of performance
Conclude order and commence the production of new generation radios for the SANDF.	The orders were concluded in February 2015. The first completed products will be ready for delivery in early 2016.
Conclude the large Asian export order for Fuchs Electronics and secure a larger market.	The order was received in the first half of 2015 and initial deliveries of the completed product were made in the last quarter of the year. The order will be completed in the coming year. Progress was made in opening additional markets through European OEMs by supplying products as part of multi-year contracts.
Secure additional technology funding from local and foreign sources to adequately support the core research and development capabilities at Reutech Radar Systems.	Additional SANDF funding was secured to ensure that the new 3D-radar can be completed and adapted to the required frequency band to match future needs. This project should be completed during 2016. The South African Navy's support for a low-cost tracker radar allowed for the successful sea-based ship testing in preparation for upcoming naval expansion programmes.

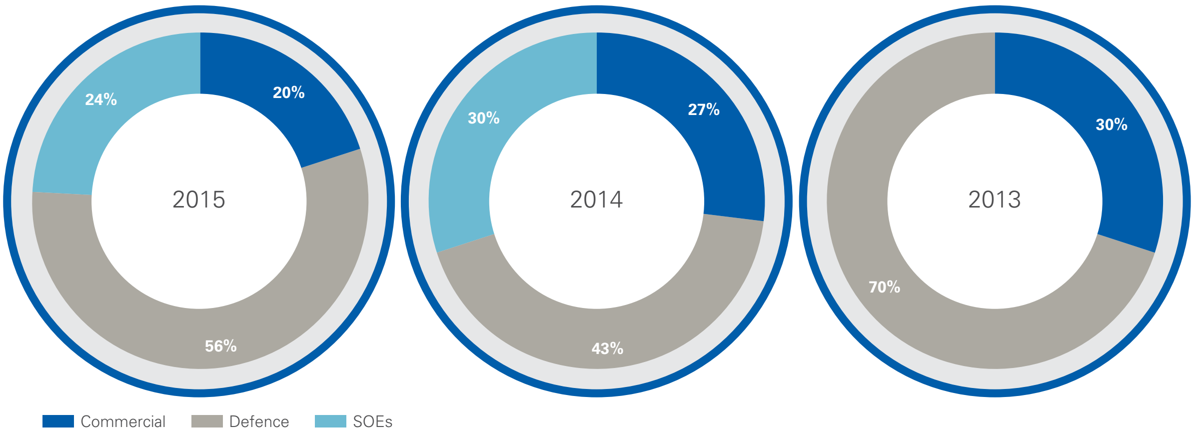
Applied electronics continued

Performance overview

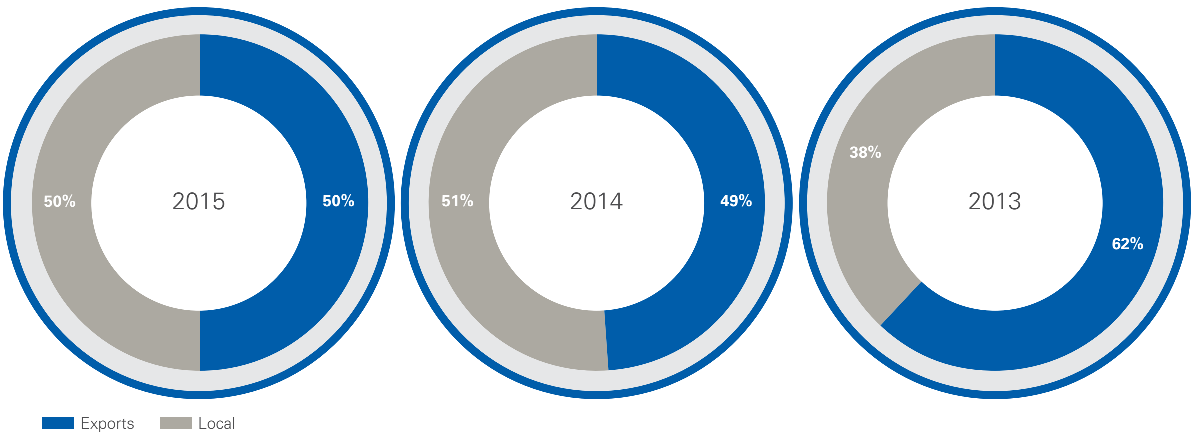
Applied electronics delivered a good result despite a slowdown in the communications and radar business units. A large fuze order contributed to an improved second half further supported by a weaker rand. Revenue for the year increased by 8% to R1,081 billion (2014: R1,0 billion) with operating profit of R181 million, 6% higher than 2014 (R170 million).

Reutech is largely a project-based operation with regular start-up and conclusion of focused programmes. Wherever possible, the segment ensures costs are variable so that short-term orders can be accommodated at acceptable production costs, even in times where large multi-year orders have not been received.

Revenue streams



Export vs local revenue



Revenue from mining radar exports was flat year-on-year. There were a number of lower-cost/lower-performance technological advances in the field of mining surveillance radars. This placed margins of traditional long-range systems under pressure due to strong price competition. Reutech responded by introducing price reductions in traditional offerings to retain market share, but also developed a proven product concept to service the shorter-range segment of the market. This new electronic scanning technology will undergo performance improvements, is more cost-effective and provides customers with greater ease of deployment, use and support.

A modest increase in the number of defence radars purchased by SANDF contributed to some growth in the defence business. No new solar tracker projects were secured and set-top box (STB) production made no contribution in 2015.

The loss of certain support work on radar maintenance in 2015 negatively affected the Solutions business unit's results despite the strong performance from stabilised platform (Rogue) exports. Overall, there was a positive trend in the coastal surveillance radar business. The SANDF placed orders for multiple units of the Spider range of lightweight modular radars used for border surveillance. This was strengthened by ongoing success in the export market for the same product. There is now scope for volume production.

Competition increased in Reutech Solutions' traditional market space where the group provides the SANDF with logistical services. Tenders were lost on price to competitors that entered the market at low margins to secure traditional business.

Increase in multi-year business

- Significant long-term orders were received for tactical radio production. The first tranche of a long-term contract, which is expected to span over more than 10 years, was secured with the SANDF. This follows the successful development of new generation tactical radios for the SANDF.
- Significant new long-term export orders were received for Rogue. This will result in continuous production of a few systems per month over the next three years, which improves supply chain efficiencies.
- A multi-year fuze production order was received and the factory will run at full capacity to the end of 2016. The favourable rand-dollar exchange rate and optimised input cost is expected to yield improved margins for the coming year.

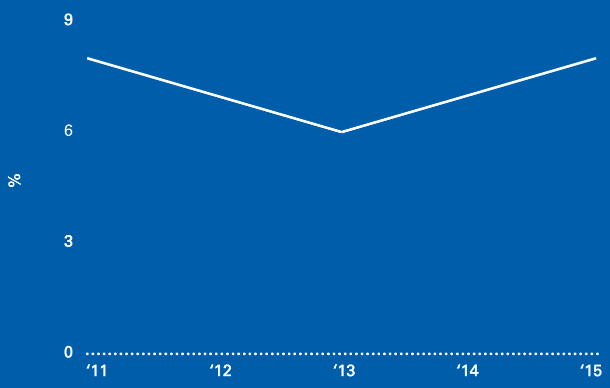
Expansion into new markets

- Significant progress was made in opening new regional markets through large, European defence equipment houses.
- The government's planned multi-year roll-out of providing set-top boxes as part of the digital migration project was delayed once again, this time through court action. Despite this, plans to start production have progressed and its empowerment partner, Divitech, is vying for production allocations for 2016.

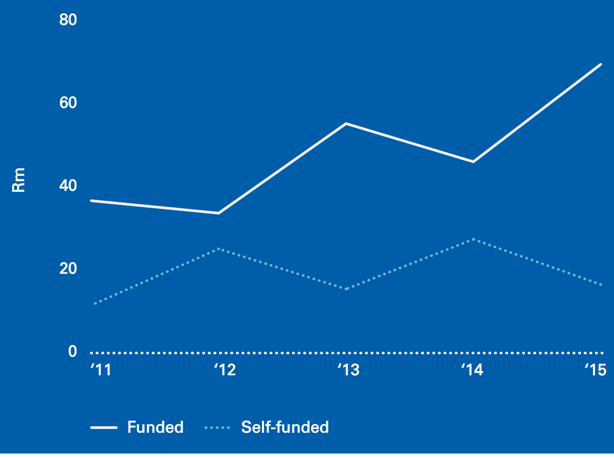
Research and development spend

Applied electronics have spent R86 million (2014: R74 million) on research and development activities.

Research and development as a percentage of revenue



Research and development funding



Applied electronics continued

New airborne radio

The first successful flight trials of the new generation airborne radio (ACR510) were conducted on a new South African aircraft, the ARLAC, that was developed jointly between the South African defence group Paramount and aviation company Aerosud. Testing on the helicopters of existing export customers will follow in 2016. The ACR510 is lighter, more cost-efficient and has full digital functionality, compared to the product currently deployed. This will position it as a product of choice for replacements in Reutech's existing customer base.

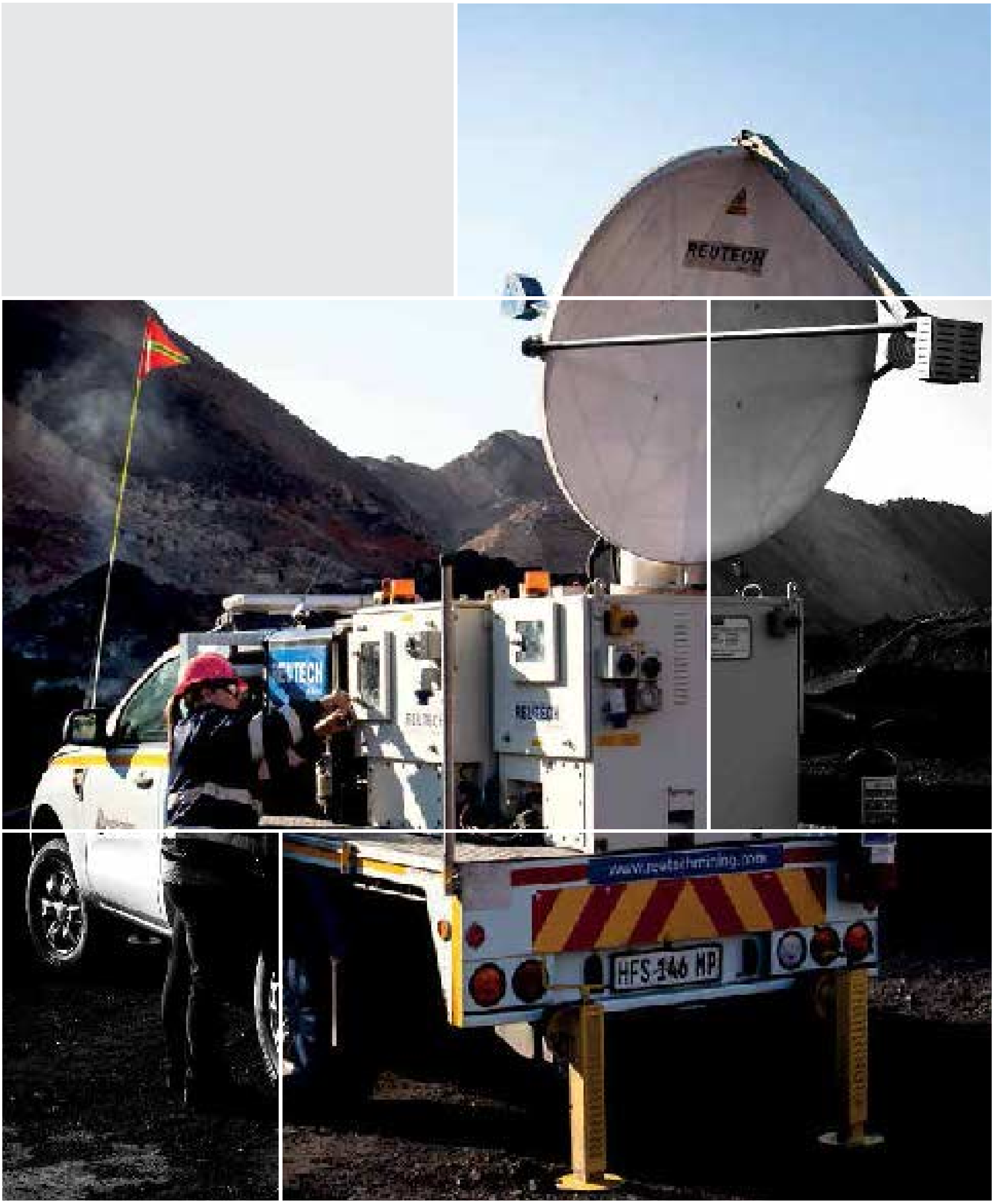
Remote stabilised platform at reasonable cost

The new Super Rogue system, displaying a light weight, modular and minimised cost design, was successfully tested with a large European defence system manufacturer in record time and without complication. This product is now available globally under a European brand.

Expansion of product range to the mining safety community

Previously only used in open cast mines for safety, a newly developed mining radar sensor was successfully tested in Canada to detect underground rock faults. This unlocked the final phase of development funding to complete the product in 2016.

2016 focus area
The segment's focus areas for 2016 will align with its strategy, refer to page 26. It will include:
Building and strengthening partnerships with OEMs and other distributors to gain access to new export markets and long-term contracts.
Continuing to develop commercial applications using in-house technologies, thereby broadening our customer base.
Continuing to drive improvement in transformation to ensure that we are aligned with South Africa's national goals.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HUMAN CAPITAL REVIEW

During the year, emphasis was placed on setting human resources policy and strategy at a group level, but still allowing for decentralised management structures to customise business-specific policies. A project is currently underway to revise policies in line with best practice and to ensure the outcomes align with the group's transformation and human resources strategies.

Transformation strategy

As part of the group's commitment to being a responsible corporate citizen, Reunert understands the importance of a multi-faceted approach to transformation, one that embraces and addresses the socio-economic challenges South Africa faces. Transformation is a pillar of the Reunert group strategy and accordingly a tailored transformation strategy was developed and implemented during the year.

The transformation strategy is managed and monitored by the group transformation committee (GTC) and all members are part of the Reunert group executive committee.

The mandate of the GTC is to:

- define the transformation policy and objectives for the group;
- identify risks and impediments to meaningful transformation and develop and implement mitigation plans; and
- ensure that all transformation initiatives are properly implemented.

To ensure that Reunert achieves its transformation targets, transformation objectives are part of all executives' KPIs.

The pillars of the transformation strategy are depicted in the graphic on the opposite page.

Reunert's transformation strategy: Working together to create a sustainable future

1

Broad-based Black Economic Empowerment (B-BBEE)

Embracing the intent of the codes

2

Human resources

Valuing group people and creating a high-performance culture

3

Sustainability

Creating long-term shared value and sustainable growth

Transformation strategy continued

B-BBEE overview

Ownership	Reunert is committed to an ownership and control structure that is consistent with the vision, objectives, spirit and intent expressed in the B-BBEE codes.
Management control Refers to management at all levels of the organisation including top, senior, middle and junior management.	One of the group's transformation objectives is to ensure diverse representation at all levels and to ensure that it complies with the requirements of the Employment Equity (EE) Act. The group focus is on diverse representation at management level. This includes involvement in daily operations and strategic decision-making at senior levels. The equity profile is reflected on page 52 and board membership is on page 67. Reunert embarked on a dual strategy to enhance skills within the group by: • sourcing the best candidates for vacancies; and • developing a pipeline through grass route level training and development.
Enterprise and supplier development	Enterprise and supplier development is core to Reunert's goal to be a responsible corporate citizen. Initiatives are geared to develop programmes that will assist suppliers in achieving sustainable, financial and operational independence. Refer to page 64 for the enterprise and supplier development overview.
Skills development	Providing training and furthering the education of employees is one of the mechanisms used to assist in the transformation process. Refer to page 51 for more information on skills development and to page 63 for the Reunert College and the Reunert bursary fund it manages.
Socio-economic development	Corporate social responsibility programmes deals mainly with development of children, through the Nashua Children's Charity Foundation (NCCF), the Reunert College and initiatives with local communities such as the Philangethemba Trust. Find more details on these programmes on page 64.

B-BBEE compliance

The group conducted an in-depth analysis of the B-BBEE codes and recognises that certain elements of the amended codes will be challenging to implement. However, management is confident that with proper planning and continued effort these challenges can be addressed.

To facilitate appropriate monitoring of compliance with the codes, the group implemented a cloud-based system that is used for ongoing gap analysis and reporting. It is pleasing to report that over the past few years, all operations have either improved or maintained their B-BBEE ratings.

B-BBEE rating per operation

Business unit	Applicable code	2015 rating	2014 rating
CBI-electric: African Cables	Generic	**2**	2
CBI-electric: Low Voltage	Generic	**4**	4
Telecom Cables	Generic	**3**	4
Nashua Office Automation	ICT sector	**3**	4
Nashua Communications	ICT sector	**3**	3
PanSolutions	ICT sector	**3**	3
Quince Capital	Generic	**3**	3
ECN[1]	ICT sector	**–**	–
Reutech Communications	ICT sector	**2**	3
Reutech Radar Systems	Generic	**4**	4
Reutech Solutions	ICT sector	**2**	2
Fuchs Electronics	Generic	**5**	5

[1] *ECN was rated with Nashua Communications during the 2014 and 2015 financial years.*

Human resources strategy

The HR strategy is people-centric and built on a core mandate to ensure the effective and meaningful management of talent within Reunert and that best talent is attracted.

The key pillars of the HR strategy are:

- talent attraction;
- talent identification;
- talent development;
- succession planning; and
- talent retention.

These pillars are underpinned by a comprehensive talent management process.

Talent management

Reunert's talent management extends beyond career and succession planning. It includes human resources policies, procedures and practices to ensure that these contribute to attracting, developing and retaining talent so that they are appropriately developed to be promoted into key positions.

This process includes the following phases:

- **Talent identification:** identifying key talent.
- **Succession planning:** assessing business requirements focusing on career progression and building capability.
- **Talent development:** developing talent for current and future business needs.
- **Talent retention:** retaining key talent, which includes top performers and critical/scarce skills.

Effective talent management is a key imperative and, when done well, contributes to improved organisational performance.

To ensure that the HR strategy is effectively implemented and executed, the group developed a set of metrics to measure improvement and success. An HR metric report is compiled on a monthly basis highlighting achievements and problem areas. Problems are analysed and solutions are generated to address these on a timely basis.

Developing our employees

Developing employees is a key pillar within the HR strategy and is a significant element for organisational success. Reunert invested R40 million (2014: R38 million) in the development of its employees over the past year. This investment is directed towards advancing the performance, skills set and competence of all employees. During the year over 5 000 (2014: 4 888) training interventions[1] were held. The business units spent 3% to 6% of their leviable payroll to advance the skills and competence of employees.

Learnerships and trainees

Learnerships are offered by many companies in the group; to unemployed individuals and to employees. Such learnerships benefit Reunert, the individual and the community as a whole. The learnership training courses are offered in the fields of electrical engineering and IT.

The group employed 97 trainees (2014: 60). The latest proven methods and how to leverage them to engage employees form part of the group's future focus.

A total of 227 learnerships[2] were provided in the group, of whom 60 are employees.

[1] *Total hours training is not available.*

[2] *Excludes 23 learners from the joint venture.*

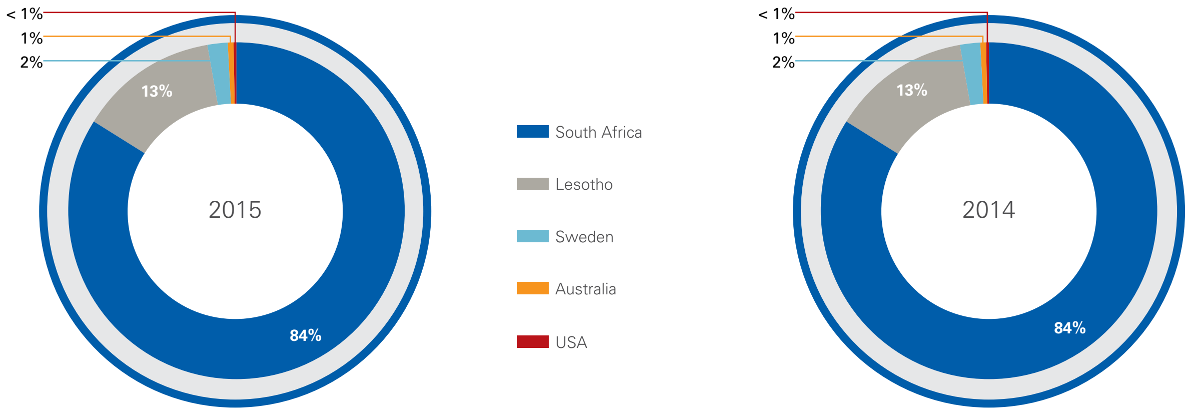
Workforce profile

At 30 September 2015, the Reunert group employed 5 853[1] employees (2014: 6 288[2]).

Non-permanent employees represented 15% of the total (2014: 14%), including 97 (2014: 60) trainees. The group's total payroll cost is R1 776 million (2014: R1 673 million), which represents 21% (2014: 22%) of total revenue.

The sale of the Nashua Mobile subscriber base and subsequent closure of the company resulted in the retrenchment of its employees. Wherever possible, affected employees were placed within the group, while network operators appointed certain, key employees. A comprehensive outplacement programme was implemented to assist employees whom were retrenched during this process.

Regional distribution of employees



Equity profile including international operations
as at 30 September 2015

	Total employees	Total male	Black male	White male	Total female	Black female	White female
Top and senior management	**302**	**233**	78	155	**69**	40	29
Professionally qualified, specialists, and middle management	**665**	**513**	161	352	**152**	68	84
Skilled technical and academically qualified junior management	**1 889**	**1 254**	640	614	**635**	355	280
Semi and unskilled	**2 144**	**938**	762	176	**1 206**	1 089	117
Total permanent	**5 000**	**2 938**	1 641	1 297	**2 062**	1 552	510
Contractors	**105**	**51**	30	21	**54**	49	5
Temporary staff	**651**	**231**	175	56	**420**	385	35
Trainees	**97**	**60**	58	2	**37**	37	
Total non-permanent	**853**	**342**	263	79	**511**	471	40
Total employees	**5 853**	**3 280**	1 904	1 376	**2 573**	2 023	550

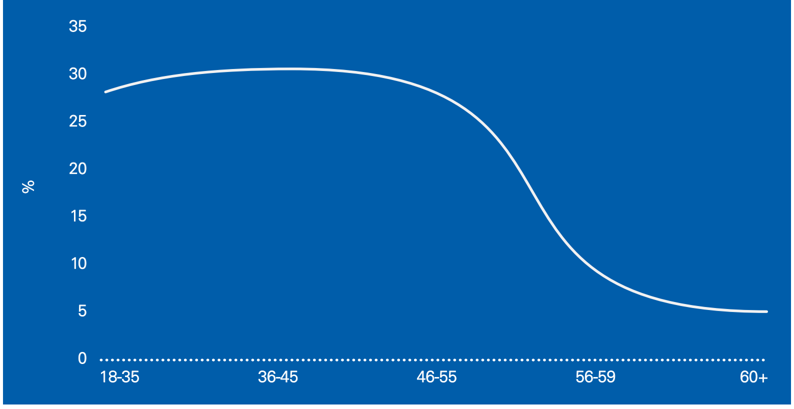
[1] *Excludes 265 employees (50%) working at the joint venture.*

[2] *Includes 634 Nashua Mobile employees at 30 September 2014, but excluded the 262 employees (50%) working at the joint venture.*

Percentage black management in South Africa

	Black male		White male		Black female		White female	
	2015 %	2014 %	**2015 %**	2014 %	**2015 %**	2014 %	**2015 %**	2014 %
Top management	**19**	14	**64**	72	**13**	6	**5**	8
Senior management	**31**	25	**42**	47	**15**	10	**12**	18
Middle management	**25**	18	**53**	60	**10**	7	**12**	16
Junior management	**35**	30	**33**	32	**17**	21	**15**	17

Average South African employee age group



Labour relations

All Reunert employees have freedom of association and the right to collective bargaining. A total of 1 395 workers (2014: 1 198) representing 26% (2014: 21%) of the total Reunert permanent workforce are union members. The majority work at the group's manufacturing plants. Maintaining a good relationship with all represented unions within the group remains a priority. During the year, there was minimal industrial action due to effective employee engagement and the expeditious resolution of issues.

The Metal and Engineering Industries Bargaining Council (MEIBC) governs the engagement between companies and unions. Wages and terms of employment for scheduled employees are negotiated at bargaining council level. Any other labour issues are managed at an operational level and involve the business unit HR executive and/or the group transformation and HR director.

Union membership[1]

	2015		2014	
Union	**Number**	**%**	Number	%
NUMSA	**811**	**15**	544	10
MEWUSA	**32**	**1**	49	1
Solidarity	**112**	**2**	121	2
SACWU	**87**	**2**	81	1
FAWU	**315**	**5**	305	5
LECAWU	**–**	**–**	51	1
Other	**38**	**1**	47	1
Total	**1 395**	**26**	1 198	21

[1] *Includes 50% of union members from the joint venture and workers in Lesotho.*

Human rights

The protection of human rights is integrated into Reunert's existing business processes and procedures.

Compliance with health and safety and other aspects of human rights, is reviewed by internal audit and an external service provider. These audits evaluate whether work environments are safe, suitable and sanitary, that employees are provided with protective clothing and that they receive necessary safety training. Areas covered include firefighting, site security, emergency planning, and occupational health and safety.

The provisions of the United Nations Universal Declaration of Human Rights and the International Labour Organization's core labour standards guide business conduct. The human rights policy is available online at www.reunert.co.za/human-rights-policy.php.

The policy was communicated to all operations. Reunert adheres to all South African legislation that covers health and safety, hours worked, wages paid and leave granted.

The group respects the human rights principles dictated by the countries in which it operates. The group is also committed to the protection and advancement of internationally proclaimed human rights wherever it operates and within its sphere of influence. In the past year, no incidents of human rights violations, child labour, or forced and compulsory labour were reported.

The group has a zero-tolerance policy for any form of discrimination, including discrimination based on religious or other beliefs, nationality, gender, race, age, sexual orientation or disabilities. Harassment in any form towards fellow employees, customers or suppliers is dealt with immediately.

Reunert protects human rights by:

- providing safe and healthy working conditions;
- guaranteeing freedom of association;
- ensuring non-discrimination in employee practices;
- ensuring that no direct or indirect forced labour or child labour is used;
- fostering opportunities for a broader and more skilled pool of workers;
- producing decent work;
- producing quality goods or services; and
- respecting the privacy of customers and workers.

Occupational health and safety

Reunert actively seeks to ensure that there are no work-related fatalities and minimal injuries and occupational illnesses by creating a safe working environment. Compliance is mandatory. The chief executive officer appoints all business unit managing directors as representatives in terms of section 16(2) of South Africa's Occupational Health and Safety Act (OHSA), which sets out their statutory health and safety responsibilities. Senior management is required to confirm their acceptance of this responsibility in writing.

The group's low injury rate has continued and over the past seven years there have been no recorded work-related fatalities. Internal audit reviewed all incidents recorded.

Two business units, CBI-electric: African Cables and Reutech Solutions, are currently certified under OHSAS 18001, while African Cables also holds an IRCA five-star grading for its business management systems.

CBI-electric has full-time clinics at its three manufacturing plants. These clinics offer workers basic health assistance and are run by the resident sister or visiting doctor. A range of medical support is available including screening tests for blood pressure, cholesterol, vision and diabetes.

Induction programmes, including health and safety, are provided for new employees, labourers and contract workers. Regular OHSA committee meetings take place at the companies and training such as firefighting and first aid is conducted as required.

Operations in the group are audited each year against the OHSA and management is provided with feedback on improvements required. Any serious transgressions are escalated to the risk committee. No material issues were reported this year.

Several group companies host employee wellness days with the assistance of medical aid providers or the Department of Health. Screening tests cover blood pressure, diabetes, cholesterol, and vision, while tuberculosis and HIV/Aids testing is also available. During the year 5 004 employees, which includes workers from Lesotho, were tested for HIV/Aids, while 324 individuals are receiving voluntary counselling.

Health and safety records[1]

	2015	2014	2013
Fatalities	**–**	–	–
First aid cases	**273**	526	1 206
Medical treatment cases	**40**	37	41
Occupational diseases reported	**–**	–	–
Work-related injuries	**63**	49	82
Lost days recorded due to injuries	**108**	338	40
Lost-time injury frequency rate	**0,55%**	0,82%	not available

[1] *Data includes 50% of the joint venture's health and safety records.*

NATURAL CAPITAL REVIEW

Environmental responsibility forms part of the group's strategic approach to sustainability and is interspersed with the group's efficiency and innovation strategic pillars. The board oversees the climate change approach and the group environmental policy was updated during the year. The policy is available at www.reunert.co.za/sustainability-environmental-policy.php.

Reunert's principal exposure to natural capital is through its manufacturing operations in electrical engineering and applied electronics. Raw materials used in the manufacturing of power and telecommunications cables and low voltage circuit breakers include copper, aluminium, steel and polyvinyl chloride (PVC). Copper is sourced from South Africa, Zambia and Germany. Copper volumes increased by more than 30%, while aluminium usage doubled due to higher production volumes. The majority of energy used is produced by Eskom and 43 580 MWh (2014: 53 195 MWh) were consumed.

The manufacturing processes are not water intensive and water management processes are in place at large manufacturing plants to recycle water.

Environmental management systems and regulatory requirements

Operations that are ISO 14001[1] accredited amounted to 44% (2014: 49%) of revenue[2]. From 2015, selected operations are subject to an independent external environmental audit that is based on ISO 14001 environmental aspects. The outcome of these assessments is reported to the social, ethics and transformation committee.

Reunert complies with all environmental regulatory requirements in the areas in which it operates. In the past year, no significant chemical, oil or fuel spills were reported that could have a negative impact on the surrounding environment. No fines or legal action were brought against the group for non-compliance with any environmental laws and regulations.

		ISO 14001	External EMS[3] audit completed
Electrical engineering	African Cables	✓	✓
	Low Voltage		✓
	Telecom Cables	✓	✓
ICT	Nashua Office Automation		
	Nashua Communications	✓	
	Quince Capital		
	ECN		
Applied electronics	Reutech Radar Systems	✓	
	Reutech Communications		
	Reutech Solutions	✓	
	Fuchs Electronics		✓

✓ Externally verified   In the process of obtaining verification

[1] *Environmental management standards developed and published by the International Organization for Standardization (ISO).*
[2] *Continuing operations including the joint venture.*
[3] *Environmental management system.*

Climate change

The group's short-term focus is on improving its reporting and on implementing appropriate energy-efficiency projects, which is motivated by rising energy costs and power shortages. In the medium to long term, strategies are focused on research and development and the adaptation of product ranges to a lower carbon environment. Developments in the energy-efficient and renewable energy industry in South Africa continue offering opportunities for Reunert to develop products and services.

No environmental or climate change risks that could have a material impact on operations were identified. Severe weather patterns might have an impact on the delivery of products or components within the supply chain. However, dual supply strategies are in place for critical product supplies.

The **CBI-electric** circuit breakers use hydraulic-magnetic technology which are more energy-efficient than competitive products due to low-resistive impedance. This enables a reduction in greenhouse gas emissions by the end-user. The product is also unaffected by changing ambient temperatures.

CBI-electric also manufacturers two load-shedding devices:

- an energy control unit; and
- a load control relay that is used as a measure to improve energy efficiency.

CBI-electric provides energy cables and inverters that link energy generated by wind farms to the Eskom distribution grid.

Nashua is implementing solutions designed to help customers lower their carbon footprint. For example, by reducing the amount of time required for devices to warm up before use, electricity consumption can be reduced significantly. Part of the solutions offering includes PaperCut MF software that help cut down the amount of paper used while maintaining efficiency and productivity.

Intelligent device management software includes unique green reporting tools designed to expertly assist businesses in their efforts to monitor and reduce their environmental impact.

As part of Nashua's commitment to greening its own business operations, the group recently started rolling out an innovative delivery solution developed by UTi distribution couriers. Through a network of physical 'drop boxes', the right parts are delivered to Nashua technicians thereby reducing the need for extensive travel and wasted time.

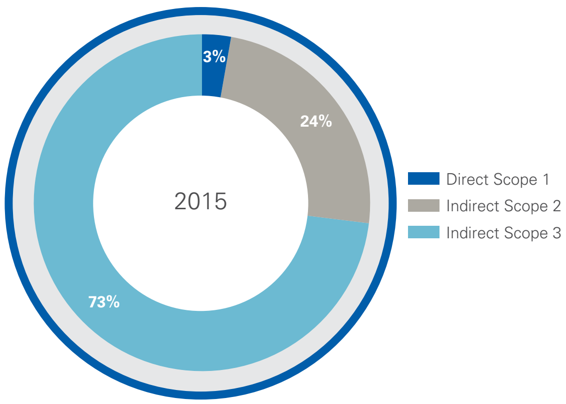
Carbon disclosure

Reunert participates in the CDP climate change and CDP water projects annually. The total measured scope 1 and 2 emissions accounted for 50 116 (2014: 58 936) tonnes of CO_2e[1].

The 15% decline is partly due to a reduced footprint after the sale of Nashua Mobile and closure of outlets, but also improved resource management as part of the group's overall focus on efficiency.

Reunert uses the GHG for emission calculations and, with the assistance of an independent external consultant, calculated the group's global carbon footprint for 2015. This report is available online at www.reunert.co.za/sustainability-carbon-footprint-reports.php.

Carbon footprint[2]



Total greenhouse gas emissions by emission source

GHG emissions by scope	Metric tonnes CO_2e from 2015	% increase/ (decrease) from 2014
Direct Scope 1	**6 100**	(20)
Stationary fuel combustion	**4 429**	17
Stationary fuel non-energy use	**15**	4
Mobile fuel combustion	**1 657**	(57)
Indirect Scope 2	**44 016**	(14)
Purchased electricity	**44 016**	(14)
Total Scope 1 and 2	**50 116**	(15)
Indirect Scope 3	**131 325**	49
Upstream leased assets	**6 516**	n/a
Material use	**1 209**	43
Water supply	**115**	(9)
Water treatment	**549**	50
Waste disposal	**168**	(38)
Business travel	**2 998**	6
Total Scope 1, 2 and 3	**181 441**	23

The increase in Scope 3 emissions are mainly due to inclusion of more data and reallocation of emissions from Scope 1 to Scope 3 in line with GHG protocol.

Training and awareness

Two internal workshops attended by representatives from the various business units provided more insight into climate change challenges and background information used in compiling carbon footprints. The in-house data management system was improved and the information of properties and assets required for the carbon footprint was updated.

The outcome from these assessments will contribute to setting 2015 as a baseline year. Targets will only be set once the energy management initiatives and other efficiency measures have been agreed.

[1] *Reunert does not expect carbon tax to have a material impact on the group.*

[2] *Includes 50% of the joint venture's carbon emissions.*

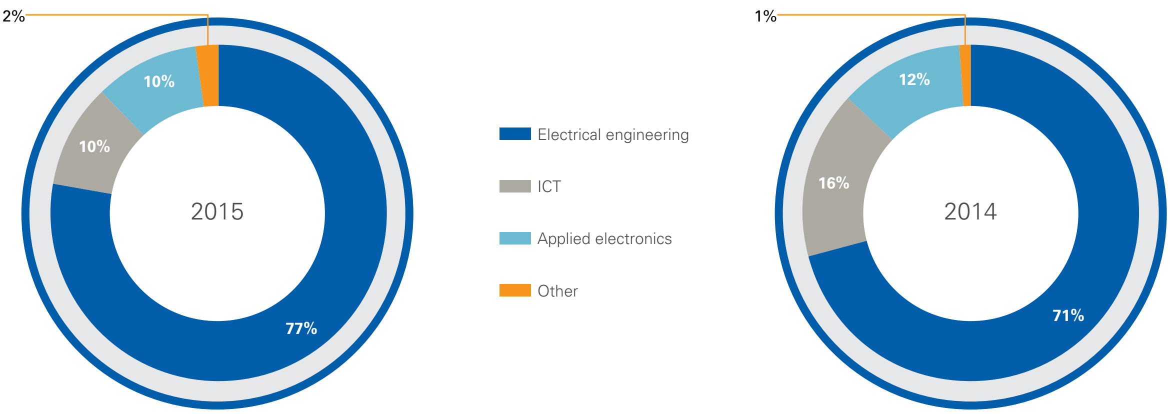
Energy

During the year, energy saving assessments were conducted under the auspices of the National Business Initiatives' private sector energy efficiency programme (PSEE) at five of the group's most energy intensive facilities. Findings from these assessments are being scrutinised and various options are under consideration that, if implemented, would contribute to minimising carbon emissions. Properties that are currently being refurbished are prioritised.

Electricity consumption reduced by 4% at primary properties, despite increased production volumes. These savings are partly due to improved energy management and installation of energy efficient lighting.

The PSEE acknowledged Reunert as playing a leading role in its commitment to energy efficiency.

Purchased electricity



Water

Although Reunert does not use significant amounts of water at production facilities and the majority of its products are not water-intensive to produce, the group ensures waste and pollution is well managed. Total water use in the group, including small amounts of borehole water, were 341 Ml (2014: 369 Ml). Factories in the electrical engineering segment recycle water up to seven times and some 97 Ml was recycled during the year.

Reunert uses potable water provided by local municipalities and no water is drawn from any recognised Ramsar wetland or nature reserve in South Africa. Water scarcity in South Africa and Lesotho is a growing concern and mitigation activities, such as improved water management systems, awareness campaigns, rain water collection or boreholes sunk, are under development to ensure contingencies for water interruptions or possible water-shedding are in place.

Total water consumption

Ml	2015	2014	2013
Electrical engineering[1]	**237**	248	202
ICT	**49**	66	81
Applied electronics	**51**	54	55
Other	**4**	1	1
Total	**341**	369	339

[1] *Includes 50% of the joint venture's water consumption.*

Waste management

Reunert continued with recycling measures during the year. Typical waste streams that are recycled include different grades of paper, cardboard, metal by-products and plastic. The majority of companies dispose of defective or obsolete electronic equipment in a responsible and environmentally-friendly way.

Improvements were made to an in-house reporting system to improve the capturing of waste management streams.

A detailed breakdown of waste disposal is provided in the carbon report that is available at www.reunert.co.za/sustainability-carbon-footprint-reports.php.

Hazardous materials

Hazardous waste produced is minimal. It is collected and either recycled or disposed of by approved suppliers under controlled conditions and is included in risk management assessments.

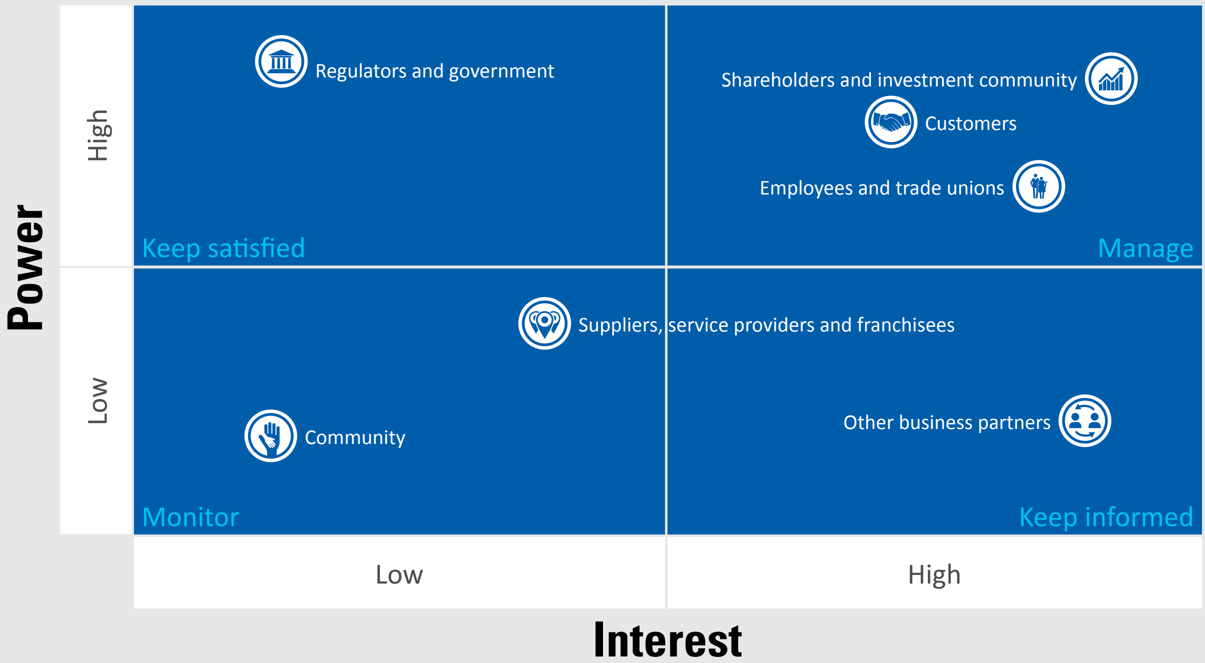
All hazardous materials are disposed of at approved sites and safe disposal certificates are received. Hazardous materials include compound-contaminated personal protection equipment, contaminated cleaning rags, solvents, fluorescent tubes, paint and oil containers or drums, rubber drive belts and waste laboratory chemicals. Healthcare waste generated at the clinics is disposed of by approved contractors and includes pathological waste, infectious waste, sharps, and chemical waste.

SOCIAL AND RELATIONSHIP CAPITAL REVIEW

Key relationships

Effective stakeholder management is an important aspect of good governance and can mitigate certain risks within the business. The group has a range of stakeholders with which it engages actively. For material matters refer to page 1, and for strategy refer to page 24.

Primary stakeholders are mapped in the matrix below. It is plotted on a power/influence scale versus the interest the stakeholder has in Reunert. The key stakeholders, engagement channels, their expectations and concerns, and the group's response are set out in the table that follows.



Stakeholder	Process of engagement	Stakeholder expectations and concerns	Group response
Shareholders and the investment community Providers and influencers of financial capital	• regular presentations, roadshows and management meetings; • financial and integrated reporting; • published results and electronic communication; and • site visits.	• sustainable growth and acceptable returns on investments; • timely response to market changes; • appropriate investment in new businesses and capacity in existing businesses; • appropriate use of surplus cash; • exposure to volatile exchange rates and commodity prices; • responsible and ethical conduct; • alignment of remuneration with performance; • segmental and performance disclosures; • sound understanding of business drivers; and • leadership and strategic direction.	• sale of Nashua Mobile subscriber bases and closing down the business; • investment in organic growth and targeting selected acquisitions; and • engagement on the structuring of the remuneration policy. Refer to page 24 for more information on group strategy.

Key relationships continued

Stakeholder	Process of engagement	Stakeholder expectations and concerns	Group response
Customers Users of products and services	• customer meetings; • focus groups; • business association meetings; and • call centres.	• delivering on promises; • quality products at competitive prices; • security of supply; • timely and effective response to customer complaints; and • service excellence.	• customer satisfaction surveys; • further improvement of customer service programmes; • offering more value-added services; • successful legal action against distributors of counterfeit products; • product innovation; and Refer to page 24 for more information on group strategy.
Employees People are the foundation of the business	• management communication channels; • performance appraisals; and • company and award functions.	• providing a stimulating and rewarding work environment; • valuing employee contributions; • training and education; • career prospects and job security; • competitive remuneration and benefits; and • workforce transformation.	• short-term and long-term incentive schemes; and • commenced phase one of a diversity programme 'winning work behaviour'. Refer to page 48 for more information on human capital.
Trade unions Represents 26% of the total workforce	• collective bargaining; and • shop-floor forums.	• job creation and sustainable businesses; • appropriate remuneration; • safe working environment and health and safety performance; • appropriate procedures and policies; and • job creation, retention and security.	• actively participate in the industry policy forum, seifsa; and • wage increases implemented for seifsa/numsa negotiated settlement. Refer to page 48 for more information on human capital.
Suppliers, service providers, franchisees and other business partners Integral to the supply chain	• meetings, presentations and workshops; • supplier forums; • equipment forums; • sales conferences; and • technical updates.	• partnerships providing growth opportunities; • long-term security of supply; • impact of low-cost imports; and • transformation requirements.	• long-term supplier agreements; • franchisee concerns about the new business model were successfully addressed; • improved relationships with original equipment manufacturers; and • negotiations on new business models and/or new empowerment structures.
Regulators and government Policy decisions that could impact the way the group conducts business	Interaction with: • Icasa; • Department of Trade and Industry; • Department of Communications; • Armscor and Denel; • Ministry of Defence; • National Conventional Arms Control Committee; • Competition Commission; and • National Intellectual Property Management Office.	• compliance with relevant laws and regulations; • continuation of core skills in South Africa; • improving South Africa's competitiveness; and • fairness for consumers.	• implementation of the transformation strategy. Refer to page 50 for a B-BBEE overview.

Corporate social investment

The group is focused on the education of youth and 63% (2014: 61%) of its CSI spend was geared towards this critical area as well as social and community contribution. Other initiatives included community projects, sport, health, safety and food security initiatives. In total, 98% (2014: 94%) of the investment was for the benefit of black beneficiaries.

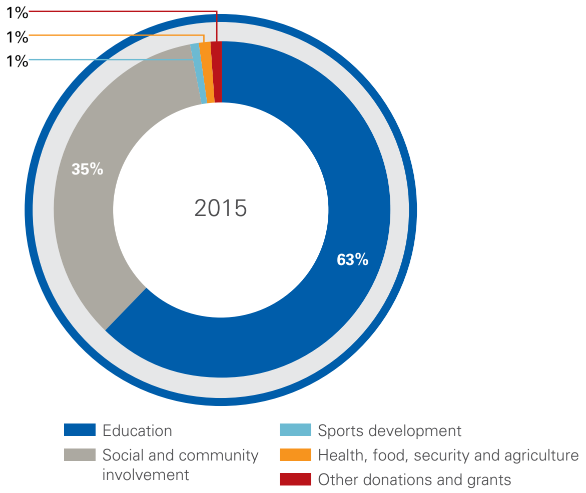
The majority of funding goes towards the Reunert College, the group's flagship project, and the NCCF. In addition, many group companies work closely with neighbouring communities. For example Reutech Communications built a computer centre in the Molweni Valley in partnership with the Philangethemba Trust. A new programme is the Intoyesizwe Community Development project, a non-profit making organisation established by Inanda Parliamentary Office and Reutech Communications to build a computer centre providing a pipeline for electronics engineering and maritime studies.

Information on other programmes are available on request.

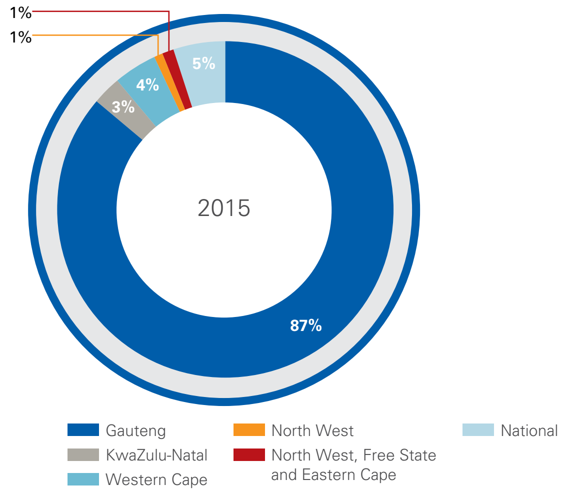
Social investment spend by segment[1]

Rm	2015	2014[2]	2013
Electrical engineering	6	3	4
ICT	6	4	5
Applied electronics	2	2	2
Other	–	–	1
Total	14	9	12

Social investment focus area



Social investment regional spend



Reunert College

Established in 1993, the college offers a bridging programme for students from previously disadvantaged communities, with the primary focus on developing talent in the fields of science, mathematics and accounting. The college is a solution-based system through which Grade 12 students can upgrade their mathematics, physical science or accounting marks.

The college is funded by contributions from companies in the Reunert group, and by external funders – the Zenex Foundation and the JSE. During the year, these contributions totalled R1,4 million and a further R6,7 million was contributed by Reunert companies.

Since 1993, 1 368 students have enrolled to complete their matric and have all passed. The current ratio is 54% male and 46% female students, while the average enrolment age is 19. This year, 72 (2014: 62) black students wrote their matric exams. The college offer ongoing mentorship to its alumni.

After successfully completing their exams, top students are eligible for a Reunert bursary. There were 47 black Reunert bursars (2014: 45) studying at universities or technical colleges in Gauteng and KwaZulu-Natal.

[1] *Includes 50% of the joint venture's contribution.*

[2] *Excludes discontinued operation.*

Corporate social investment continued

Reunert College employees have invested their own time in a service/training intervention programme that is held on a monthly basis at the college. Teachers from surrounding townships are invited to participate in training sessions in mathematics, physical science, accounting, English and life skills. The programme enabled the college to foster better relations with surrounding communities and to improve the literacy of students who may apply for enrolment at the college.

The principals in surrounding townships and schools participate in a principals' forum, held quarterly at Reunert College. Altogether 21 township schools take part in this initiative with encouraging co-operation among participants.

Nashua Children's Charity Foundation

The NCCF originated as a charity project in 2006, largely as an HIV/Aids initiative to support township schools. It has since grown steadily and today the NCCF is a registered non-profit company that supports 72 charities and an average of 15 000 children nationwide, providing some 600 000 meals per month.

The NCCF holds an Empowerdex civil society organisation certificate providing assurance that 95% of its beneficiaries are black. The foundation is registered as a public benefit organisation in terms of section 18A of the Income Tax Act, which allows contributions to be tax deductible.

The NCCF focuses on four areas – sustainable living; education; building projects; and events and outings. Its approach is to provide for identified needs rather than cash donations. For more details on the charities supported by the NCCF visit www.nashua.co.za/nccf.

Nashua invested R2,4 million during 2015 (2014: R3,2 million). The decline in contributions is mainly as a result of no more contributions from Nashua Mobile after its closure. Monthly donations to the beneficiaries include purchasing food, cleaning material and toiletries, school uniforms, educational equipment and building projects, as part of its sustainable living projects. Many Reunert employees are involved on a regular basis volunteering time to purchase food and other necessities and visiting the charities.

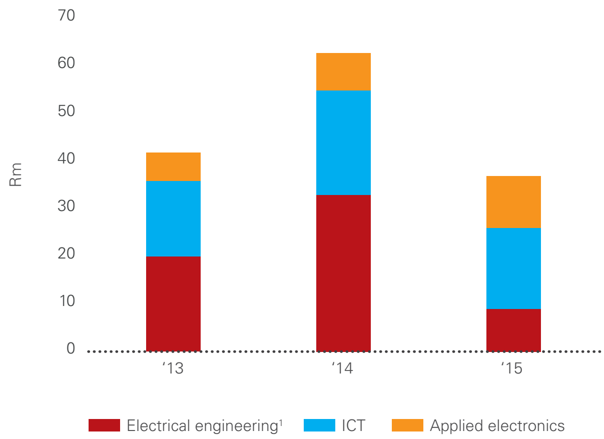
Enterprise and supplier development

The supply chain is critical to the group's success as it grows into a competitive business environment. A focus area is developing preferential procurement processes that influence behaviour of the group to buy products and services from local black entrepreneurs.

Reunert contributed R37 million (2014: R63 million) to enterprise and supplier development projects managed by the business units. Contributions include grants and direct costs incurred in supporting black entrepreneurs and discounts or loans provided. The graph shows this segmental performance.

Allocations to enterprise and supplier development in alignment with the amended codes contributed to the decline in electrical engineering's reduced spend from R33 million to R9 million in 2015.

Enterprise and supplier development



[1] *Excludes the joint venture.*

CORPORATE GOVERNANCE AND REMUNERATION:

Governance review

This report sets out some of the key principles adopted by the board relating to the governance of its activities and its interaction with stakeholders. In addition, the board remains cognisant of the requirements of Reunert's Memorandum of Incorporation, the Act and the JSE Listings Requirements.

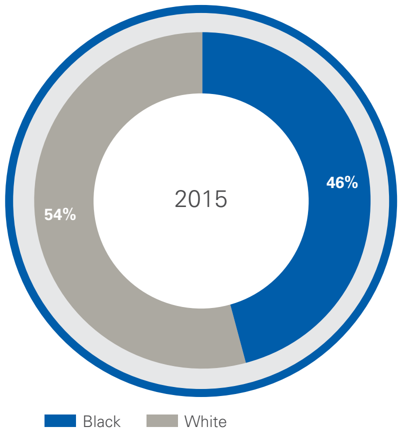
Governance structure overview

Board of directors as at 1 October 2015

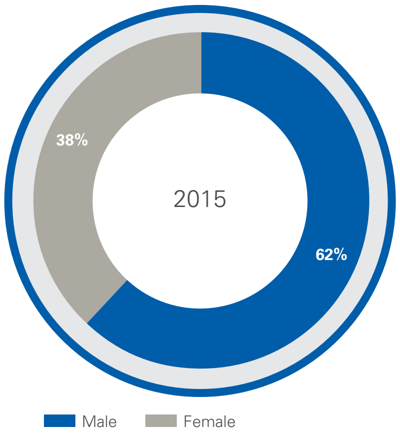
Non-executive directors		Executive directors
8 independent	**1** non-independent	**4** executives
• TS Munday (Chairman) • T Abdool-Samad • SD Jagoe • P Mahanyele • S Martin • TJ Motsohi • SG Pretorius • R van Rooyen	• NBD Orleyn[1]	• AE Dickson (Chief executive officer) • NA Thomson (Chief financial officer) • MAR Taylor • M Moodley

[1] *NDB Orleyn is not regarded as independent, due to her interest in Reunert's B-BBEE partner.*

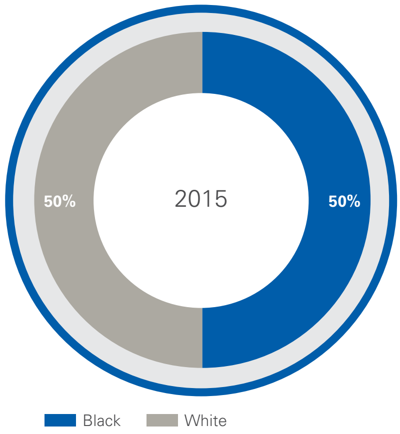
Board representation



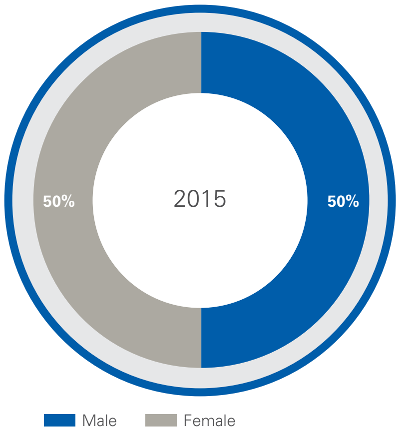
Board gender representation



Board committee chairmen – representation



Board committee chairmen – gender



Governance review continued

Length of service as board member

Less than 1 year	1 – 5 years	> 5 – 10 years	> 10 years
P Mahanyele	T Abdool-Samad	TS Munday	SD Jagoe
M Moodley	AE Dickson	TJ Motsohi	
NA Thomson	S Martin	NDB Orleyn	
	SG Pretorius	R van Rooyen	
	MAR Taylor		

A short curriculum vitae of each director is available on pages 78 to 85.

Committee structure as at 1 October 2015

REUNERT
REUNERT LIMITED

Committees

Audit committee
R van Rooyen* (INE)
T Abdool-Samad (INE)
S Martin (INE)
P Mahanyele (INE)

Investment committee
T Abdool-Samad* (INE)
SD Jagoe (INE)
TS Munday (INE)
SG Pretorius (INE)
R van Rooyen (INE)

Nominations and governance committee
TS Munday* (INE)
T Abdool-Samad (INE)
S Martin (INE)
NDB Orleyn (NE)
SG Pretorius (INE)
R van Rooyen (INE)

Remuneration committee
S Martin* (INE)
SD Jagoe (INE)
TS Munday (INE)
NDB Orleyn (NE)

Risk committee
SG Pretorius* (INE)
T Abdool-Samad (INE)
AE Dickson (E)
TJ Motsohi (INE)
TS Munday (INE)
NA Thomson (E)
R van Rooyen (INE)

Social, ethics and transformation committee
NDB Orleyn* (NE)
AE Dickson (E)
P Mahanyele (INE)
TJ Motsohi (INE)
TS Munday (INE)
SG Pretorius (INE)

Group executive committee and group transformation committee
AE Dickson* (chief executive officer)
NA Thomson (chief financial officer)
L de Jager (group finance executive)
K Louw (company secretary)
M Moodley (transformation and human resources director)
MAR Taylor (executive director)
DP van der Bijl (chief executive officer: Reutech)

* *Chairman*
INE: Independent non-executive
NE: Non-executive
E: Executive

Board

Composition, roles and responsibilities

The board of directors oversees the governance of Reunert,in accordance with the principles set out in the Act and King III. Reunert has strong corporate governance policies in place to ensure the sustainability of the business and to promote the long-term interests of stakeholders. Socially responsible governance and sound management practices are inseparable and, in all instances, legislative compliance is a minimum requirement.

Board charter

The board charter is reviewed annually, and it:

- forms part of each director's conditions of appointment;
- requires that directors conduct themselves, both professionally and personally, with integrity and in accordance with the ethics and values of the group and the laws of South Africa;
- makes the board responsible for conducting and growing the business in a sustainable manner;
- sets out the basic framework for board committees and their administration;
- prescribes a framework for engagement between the board and shareholders, as well as the board and executive management;
- explains the rights of individual directors to engage with the chairman, external professional advisors and training providers;
- requires directors to obtain written permission from the chairman before dealing in Reunert securities; and
- prescribes the internal approval process relating to SENS announcements.

The board has formal policies regarding:

- balance of power;
- board appointments;
- induction of new directors; and
- remuneration principles and reimbursement of expenses for non-executive directors.

Policies are reviewed periodically and are available at www.reunert.co.za/board-policy.php.

Balance of power

No one director has unfettered powers of decision-making and there is a balance of power among the members of the board, and between the board and management.

Among others, the balance of power policy prescribes that:

- King III recommendations on balance of power are followed (which include the recommendations that the roles of the chairman and the chief executive officer are separate and that the chairman is not a member of the audit committee);
- a framework is in place and reviewed annually detailing the manner in which authority is delegated to executive management and reserving specified matters for the board or its committees;
- the chairman of any meeting of the board or board committee must provide each director reasonable opportunity to express his or her views; and
- the chairman of the board is elected annually and may not be an executive director.

Board appointments and induction of new directors

Board appointments are made by way of a formal, fair and transparent process. The board strives for diversity of gender, race, skills and experience. The board continuously reviews the diversity of its members, likely succession requirements and the resultant need to appoint new directors.

Among others, the board appointment procedure prescribes that:

- the appointment of directors is a matter for the board as a whole;
- the board may fill a casual vacancy, subject to shareholder approval at the next annual general meeting;
- at each annual general meeting one third of the directors, including executive directors, must retire, and may be re-elected by shareholders;
- the nomination and governance committee assists the board in respect of appointments, which includes making recommendations to the board on the composition of the board and its committees and identifying and recommending suitably qualified and experienced individuals for appointment;
- any member of the board may request further information on or an interview with any proposed candidate, prior to such person's appointment to the board; and
- the board must satisfy itself that a candidate proposed for a board position does not have interests that are likely to conflict with those of Reunert.

Reunert follows a formal induction process for new directors. Induction is not a once-off process and continued support, information and advice is available to directors during their term of office. The board induction policy prescribes that:

- a formal induction programme must be provided on first appointment to the board;
- the chairman has discretion to tailor the induction programme as appropriate for each individual, taking factors such as the individual's knowledge and experience into account;
- the company secretarial function is responsible for facilitating and administering the induction process;
- relevant documents, such as Reunert's Memorandum of Incorporation, the board charter and committee terms of reference must be provided as part of the induction programme;
- new directors are provided the opportunity to visit the group's operations and meet the respective senior executives; and
- new appointees who do not have prior experience of serving on a board of a listed company are obliged to attend training on the listings requirements by Reunert's JSE sponsors.

Governance review continued

Changes to the board during the financial year

Executive directors

Chief executive officer	Following the retirement of Dave Rawlinson, Alan Dickson was appointed as chief executive officer of Reunert on 1 October 2014.
Chief financial officer	On 27 February 2015, Reunert announced the resignation of Manuela Krog (with effect from 31 March 2015). The board appointed Nick Thomson as the new chief financial officer and he joined the group on 15 June 2015. Reunert received a dispensation from the JSE in terms of which Lood de Jager, the Reunert group finance executive, acted as chief financial officer for the period between Manuela's resignation and Nick's appointment. Manuela remained with the group, in a consulting capacity, until 31 October 2015, to ensure continuity and a structured handover.
Executive director transformation and human resources	Mohini Moodley was appointed as executive director responsible for the group's transformation and human resources with effect from 31 March 2015. Mohini joined Reunert on 1 September 2013 in the position of group transformation and human resources executive.

Non-executive directors

Phuti Mahanyele	Phuti was appointed to the board with effect from 1 October 2015 and was appointed a member of the audit committee and the social, ethics and transformation committee.

Further training and continuing professional development

In addition to training, as appropriate, for new directors in terms of the board's induction policy, formal continuing professional development sessions are scheduled for the board, at least bi-annually. Individual directors and board committee members are encouraged to arrange additional training and development, as appropriate, through the company secretary.

Succession planning

The nomination and governance committee advises the board on succession planning. This function is expressly included in the terms of reference of this committee, forms part of its annual workplan and is conducted on a continuous basis.

Board evaluation

As recommended by King III and in accordance with the board charter, the performance of the board, its committees and individual directors are evaluated annually. The most recent self-assessment process was completed in August 2015. The assessment process was enhanced this year by expanding the committee questionnaires and the ambit of the peer review process.

The evaluation process comprises the following:

- responses to various questionnaires are submitted, on a confidential basis, to the company secretary for collation;
- the collated evaluation results (other than those relating to individual directors) are presented to the nomination and governance committee for consideration;
- results relating to individual directors are collated by the company secretary and provided to the chairman, for discussion with the members concerned;
- the evaluation of the chairman is coordinated by Sean Jagoe, who provides feedback to the nomination and governance committee; and
- the nomination and governance committee provides feedback to the board on the evaluation feedback, and the committee's resultant recommendations.

The 2015 evaluation indicated that there are no areas of particular concern relating to the board or members' interaction with each other.

Company secretary

The board, through the nomination and governance committee, followed a formal assessment process relating to the competence, qualifications and experience of the individual primarily responsible for company secretarial services in the group, Karen Louw. The board is satisfied that Karen's competence, qualification and experience are appropriate for the role of company secretary.

The board also assessed and satisfied itself that the company secretary – Reunert Management Services and Karen as the responsible individual – is able to maintain an arm's length relationship with the board.

More information on the assessment process followed and compliance with section 3.83(i) and (j) of the JSE Listings Requirements is contained in Reunert's King III narrative under the comments on principle 2.21. Refer to www.reunert.co.za/King-III-application-register.php.

Ethics and regulatory compliance

Other than as specifically indicated, no material incidences of unethical behaviour or non-compliance with regulatory requirements was brought to the board's attention.

Whistle-blowing facility

This facility provides employees and suppliers with the opportunity to report alleged unethical practices anonymously. The programme is managed through Deloitte's independently managed fraud tip-off line, which operates 24-hours a day, 365 days a year.

During the year, the whistle-blowing policy was updated and endorsed by the social, ethics and transformation committee. Various aspects of the policy were refined, including the required management response to reports received. Management also embarked on a campaign to raise the profile of the whistle-blowing facility and to encourage appropriate use.

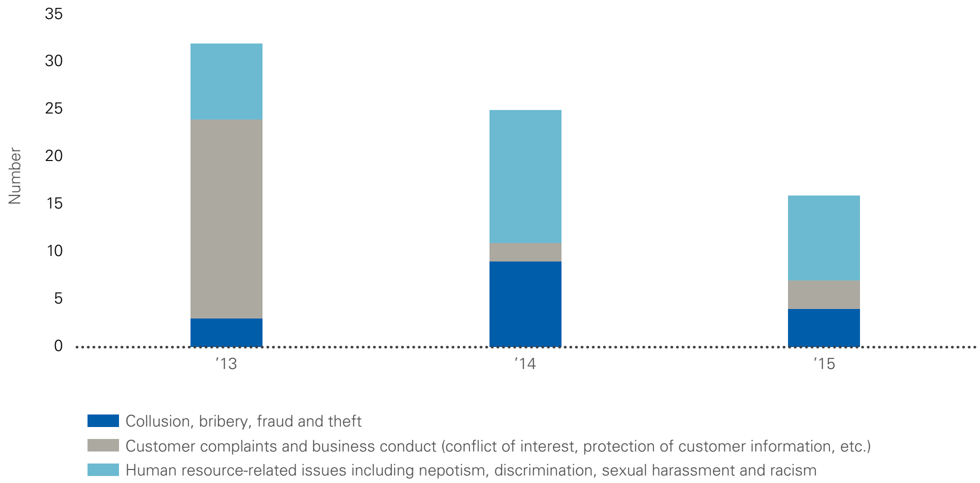
The whistle-blowing policy is guided by the Protected Disclosures Act, 2000 and section 159 of the Act. The whistle-blowing facility aims to:

- encourage the use of the appropriate reporting channels;
- create a culture of trust, which facilitates the disclosure of information relating to criminal and other unethical or irregular conduct relating to Reunert;
- provide clear guidelines for the disclosure of information and protection against reprisals as a result of such disclosure; and
- promote zero-tolerance to any criminal and other unethical or irregular conduct within Reunert.

The audit and risk committees receive information at each meeting, on matters reported and the manner in which these matters were dealt with. No major incidents of collusion, bribery, fraud or theft were reported.

Over the past three years, the following were reported and dealt with:

Contacts recorded



Competition law

During the year, the group's competition law policy was extensively reviewed. In addition to simplifying the manner in which relevant information is conveyed, the updated document also provides practical guidance on its application.

Fraud and corruption

Business processes are continuously reviewed and evaluated to identify the risk of potential corruption and fraud. Fraud risk is monitored closely by all operations and processes are continually improved to curtail and eliminate opportunities for fraud. All business units within the group are required to submit monthly defalcation reports listing cases of corruption, fraud or theft. Information in the defalcation reports is provided to the audit committee at every meeting. No significant instances of fraud or corruption were uncovered during the year.

Governance review continued

Compliance training

Reunert continued its online compliance training modules that were initiated in 2013. A core group of employees that completed the initial courses during 2013/14, attended refresher courses in 2015.

Compliance training	2015 refresher course[1]	2015	2014
Anti-corruption	4	234	1 191
Competition law	92	214	566
Consumer Protection Act	–	88	338
National Credit Act	–	–	237
Protection of Personal Information Act	–	162	670

Annual declarations

Annually, the managing directors of the business units are required to formally certify the relevant business' compliance with the Competition Act, 1998, the Prevention and Combating of Corrupt Activities Act, 2004 and other laws and regulations that are material to the relevant business.

Trading in Reunert shares

The board

In addition to the regulatory requirements to which the directors of Reunert are subject, the board charter:

- sets out the approval process relating to dealing in Reunert's securities;
- requires notification of share transactions in terms of the JSE Listings Requirements; and
- prohibits dealings in Reunert securities when aware of unpublished price sensitive information.

Annually, the members of the board are required to sign a formal declaration relating to their trading in Reunert's shares and their compliance with the relevant requirements in this regard.

Employees

An updated policy relating to share dealings and insider trading was published.

One of the objectives of this policy is to explain the regulatory requirements relating to insider trading and to emphasise that Reunert requires compliance thereto.

Conflict of interest

Declaration of interests is a standing agenda item at all meetings of the board. Directors are required to formally update their directorships and other interests that are relevant to their office as directors of Reunert at least annually. The board appointment process includes an assessment of candidates' other interests.

Where directors have an interest in particular matters discussed at board or board committee meetings, the directors are recused from the meeting and required to leave the meeting room for the duration of the relevant discussion and/or decision.

Donations and gifts

Contributions to political parties

Reunert does not contribute any funding to political parties, their elected representatives, or persons seeking political office. This includes think-tanks, trade unions and other organisations linked to the creation or support of political parties, their representatives or candidates for office.

Contributions to business institutions and professional bodies

Reunert may contribute, as it deems fit, to business institutions and professional bodies that might debate policy issues affecting group business. The social, ethics and transformation committee and/or the risk committee or the board oversees such contributions, depending on the focus and request of the specific organisation.

Gifts and entertainment

Business units have gift and entertainment policies.

Charitable donations

The majority of charitable donations are made in terms of Reunert's corporate social responsibility initiatives as discussed on page 63.

Consumer protection and customer privacy

Most of Reunert's businesses have very little direct interaction with consumers. Where consumer legislation, such as the National Credit Act, 2005 and the Consumer Protection Act, 2008, are relevant for a particular operation, management is responsible for the processes and procedures to ensure compliance thereto. Professional advice is obtained by the operations, when required, to ensure continued alignment with consumer protection legislation.

[1] *Some employees who completed the prior course elected to complete a refresher course.*

Internal audit and controls

Governance of internal audit

Internal audit functionally reports to the chairman of the audit committee and administratively to the chief financial officer. Internal audit has free and unrestricted access to the chairmen of the board, audit and risk committees. The board delegated the independent quality review of the internal audit function to the audit committee. The members of the audit committee engage directly with internal audit and believe they are best placed to perform an effective and independent review.

Internal audit operates under a terms of reference, recommended by the audit committee and approved by the board. The audit committee also approves the appointment and dismissal of the head of internal audit and assesses the internal audit team's performance, objectivity and independence.

Internal audit performs independent evaluations of the adequacy and effectiveness of internal controls, financial reporting structures and the integrity of information systems and records. The audit committee approves the annual risk-based internal audit workplan.

The internal audit function reports independently to the board on whether risk management, controls and governance processes are adequate and functioning within the group. Based on the results of these reviews, it has confirmed to the audit committee and the board that nothing has come to light that indicates material weakness in the internal control processes; whether from design, implementation or operation. Given the nature of internal audit work, certain deficiencies will always be identified and significant deficiencies are appropriately reported. Management is committed to implementing corrective action for all reported internal audit findings within an acceptable timescale. No issues were identified that would point to any concern with the group's ability to present financial statements that are free from material error.

Internal, financial and accounting controls

Financial and internal controls focus on key risk areas. The controls are designed to provide reasonable assurance that assets are safeguarded against loss and unauthorised use and that financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities.

The identification of risks and implementation and monitoring of adequate systems of internal, financial and operating controls to manage such risks are delegated to senior executive management. Financial risk management policies are communicated directly to executive management and the appropriate levels of management in the various operations.

Information technology

The IT strategy aligns with the group's strategic and business processes. Deloitte, as part of its external audit, reviewed all aspects of IT governance and performance at selected operations during the 2014 and 2015 financial years.

Due diligence was applied in taking the group's IT landscape towards an environment where IT is service orientated and aligned with business strategy. To this end:

- a dashboard was created to monitor group progress in aligning with the COBIT 5 framework;
- the IT policy framework, which is the minimum set of standards that all business units are required to adhere to, was redrafted and expanded to align with updated international standards, focusing on information security controls (ISO/IEC 27002);
- significant investment was made to address the risk of ageing hardware and definitive progress was achieved in this regard; and
- ongoing focus is directed to business continuity management and data privacy management.

The board is confident that the key IT risks were addressed and while there is room for improvement, a road map is in place to ensure IT risks are addressed according to a structured cost-benefit plan.

King III compliance

To ensure that the all of the recommended practices of King III were considered and to facilitate the narrative process as required in terms of section 8.63(a) of the JSE Listings Requirements, Reunert makes use of the Institute of Directors of Southern Africa NPC (IoDSA) Governance Assessment Instrument (GAI). Detail on Reunert's application of King III is available at www.reunert.co.za/King-III-application-register.php.

Reunert received an AAA rating for its application of the principles of King III. There is only one instance in which Reunert does not apply a principle of King III, as explained below. In most instances, Reunert also implements the King III recommended practices.

Independent external assurance not provided for sustainability information

External independent assurance is not provided over sustainability information as is recommended by Chapter 9, principle 9.3 of King III. Assurance is, however, provided by internal audit which performs appropriate procedures to assess the completeness and accuracy of non-financial information presented in the integrated report.

The board is satisfied that this internal oversight, in line with the combined assurance process followed, is sufficient to provide the required level of assurance. The requirement for external assurance is reassessed periodically.

Update on prior year's areas of improvements

The previous report indicated that Reunert needed to make some improvements to its IT governance. The progress in this regard is discussed above, in the paragraph headed "Information technology".

Governance review continued

Board committees and meeting attendance

Various committees assist the board, as set out on page 68. The board committees are governed in accordance with the principles of King III, including:

- the circulation of committee minutes to the entire board;
- the committees' formalised terms of reference are reviewed annually;
- the committees comprise a majority of non-executive directors, of whom the majority are independent;
- the performance of board committees and chairmen is evaluated annually;
- the committees may take independent professional advice within the scope of the committees' respective mandates; and
- any board member has the right to attend board committee meetings, irrespective of whether he or she is a member thereof.

All board committees (other than the investment committee), meet at least twice a year, in accordance with a predetermined schedule. Further committee meetings are arranged with the members when appropriate to deal with matters within the committees' mandate. The meetings of the investment committee are arranged on an ad hoc basis, as required to deal with the matters that fall within its mandate.

The chairman attends all board committee meetings either as a member or an invitee. The chief executive officer has a standing invitation to attend all committee meetings and other executives attend meetings where appropriate and on invitation. At the discretion of the committee chairmen, in-committee discussions are occasionally conducted without any invitees. Karen Louw serves as the secretary for all the board committees. All members of board committees are directors of Reunert.

The chairman of each committee formally reports on proceedings of each committee meeting, at the immediately succeeding board meeting. The committee makes recommendations to the board that it deems appropriate on any area within its remit, where action or improvement is needed. Minutes of all committee meetings, and minutes of executive committee meetings, are included in the information provided to the board.

The committees' terms of reference are available at www.reunert.co.za/about-corporate-governance.php.

Meeting attendance

The table below summarises the meetings attendances and relate to the attendance of members of the board or board committee only. During the course of the year the membership of some of the committees changed.

	Board	Audit committee	Investment committee	Nomination and governance committee	Remuneration committee	Risk committee	Social, ethics and transformation committee	Director to be elected or re-elected
Number of committee members	13	4	5	6	4	7	6	
Chairman	TS Munday	R van Rooyen	T Abdool-Samad	TS Munday	S Martin	SG Pretorius	NDB Orleyn	
TS Munday	5/5	3/3	6/6	5/5	3/3	2/2	2/2	
T Abdool-Samad	5/5	3/3	6/6	2/2		2/2		
AE Dickson	5/5					2/2	2/2	
SD Jagoe	5/5		6/6	3/3	3/3			Re-election
MC Krog[1]	3/3	1/1				–		
P Mahanyele[2]								Election
S Martin	5/5	3/3		2/2	3/3			Re-election
M Moodley[3]	2/2							Election
TJ Motsohi	5/5					2/2	2/2	
NDB Orleyn	5/5			5/5	3/3		2/2	Re-election
SG Pretorius	5/5		6/6	5/5		2/2	2/2	Re-election
MAR Taylor	5/5							Re-election
NA Thomson[4]	1/1					1/1		Election
R van Rooyen[5]	5/5	3/3	5/6	5/5		2/2		

[1] *Manuela Krog resigned from the board on 31 March 2015. Manuela attended all board meetings and meetings of committees of which she was a member up to the date of her resignation.*

[2] *Phuti Mahanyele was appointed to the board on 1 October 2015.*

[3] *Mohini Moodley was appointed to the board on 31 March 2015.*

[4] *Nick Thomson was appointed to the board on 15 June 2015. Nick attended all board meetings and meetings of committees of which he is a member that took place after the date of his appointment.*

[5] *Rynhard van Rooyen apologised for the meeting on 23 July 2015. This investment committee meeting was arranged at short notice and he was abroad.*

Audit committee

This committee fulfils the statutory duties of an audit committee as required in terms of section 94 of the Act. In execution of its statutory duties and pursuant to the provisions of the JSE Listings Requirements, the audit committee:

- nominated for appointment both Deloitte as the independent external auditor and Patrick Smit as the designated audit partner for the 2015 audit;
- confirmed that Deloitte and the designated audit partner are accredited by the JSE;
- approved the Deloitte engagement letter, the audit plan and the budgeted audit fees payable to Deloitte;
- satisfied itself that the auditor is independent of Reunert;
- pre-approved the non-audit services required of Deloitte;
- satisfied itself that the expertise and experience of the chief financial officer and the expertise, resources and experience of the finance function are appropriate; and
- recommended to shareholders, for consideration at the upcoming annual general meeting, the appointment of Deloitte as external auditor for the financial year ending 30 September 2016 and James Welsh as the designated audit partner.

A full report on the audit committee, in compliance with section 94(7)(f) of the Act, is contained in Reunert's annual financial statements for the year ended 30 September 2015. It provides a comprehensive overview of the committee's role and responsibilities in terms of the:

- interim and annual financial statements;
- effectiveness of the external audit function;
- internal controls and internal audit;
- financial risk management and information technology;
- legal and regulatory compliance; and
- sustainability information.

Refer to www.ir.reunert.co.za/2015/ for the annual financial statements.

During the course of 2015, the committee consisted of three independent non-executive members. Phuti Mahanyele was appointed as the fourth member of the committee on 1 October 2015.

The following individuals are required to attend the meetings of the committee but have no voting rights:

- chief executive officer;
- chief financial officer;
- group finance executive;
- head office financial manager;
- head of internal audit;
- company secretary; and
- designated audit partner.

Investment committee

The committee is a standing committee of the board, comprising five independent non-executive directors. In May 2015, Tasneem Abdool-Samad took over as chairman of the committee from Trevor Munday, on the recommendation of Trevor and the nomination and governance committee, in the interest of maintaining a balance of power on the board. Trevor remains a member of the committee.

Meetings of the committee take place on an ad hoc basis, as required to deal with matters that fall within the mandate of the committee. The committee has a dual role:

- to assist and advise executive management on opportunities identified by management and any other envisaged material transactions that are not in the ordinary course of business; and
- to make recommendations to the board and monitor, on the board's behalf, all material acquisition, merger, or disposal opportunities, non-routine material transactions and matters related thereto.

Matters dealt with by the committee often relate to potentially price sensitive information. As a result, the committee's deliberations are highly confidential and disclosure of committee discussions is managed with due regard to the relevant JSE Listings Requirements.

During the year the committee approved the investment framework that allows the business units to evaluate acquisition opportunities against a standard set of questions that deals with both quantitative aspects of a potential investment opportunity and the strategic rationale thereof.

Nomination and governance committee

The chairmen of board committees are ex officio members of the nomination and governance committee. During the year, Tasneem Abdool-Samad and Sarita Martin were appointed as chairmen of the investment committee and remuneration committee respectively, and as a result became members of the nomination and governance committee, with effect from 18 May 2015. Sean Jagoe's resignation as chairman of the remuneration committee on 18 May 2015 resulted in his resignation from the nomination and governance committee from that date. At year-end, the committee comprised six non-executive members.

The committee plays an important role in overseeing performance and independence of the board, board committees, individual board members and the company secretary. The chairman of the board chairs the committee. The mandate of the committee includes directors' affairs and governance.

Governance review continued

One of the functions of the committee is to consider information obtained through the board's performance and independence assessment process and to make recommendations to the board on corrective action required, if any. It includes the appointment or reappointment of individuals to the board or board committees, or to specific offices such as chairman of a committee.

During 2015, the committee deliberated on both executive and non-executive board positions and made recommendations to the board in this regard. These recommendations included the appointment of Nick Thomson as chief financial officer (replacing Manuela Krog) and the appointment of Phuti Mahanyele as independent non-executive director.

The independence of Sean, a board member since April 2000, was scrutinised by the board, with the assistance of the nomination and governance committee. The following factors were considered:

- Sean is primarily and extensively engaged in commercial endeavours independent of Reunert;
- Sean's familiarity is balanced by a team of more recently appointed executive and non-executive directors; and
- it is important to have a balance between new and experienced board members, the experienced board members being able to guide and mentor the newer board members.

On the recommendation by the nomination and governance committee, the board concluded that there are no relationships or circumstances likely to affect, or appearing to affect, Sean's judgement. The board further concluded that his independence of character and judgement is not in any way affected or impaired by his years of service to Reunert.

Remuneration committee

The remuneration committee ensures that Reunert's remuneration philosophy supports the strategic objectives of the group. The remuneration committee consists of four non-executive directors, three of whom are independent. On the resignation of Sean Jagoe as chairman of the committee on 18 May 2015, Sarita Martin was appointed chairman of the committee. Sean remains a member of the committee.

The chief executive officer, the transformation and human resources director and the company secretary have standing invitations to attend committee meetings.

The mandate of the committee includes the matters contemplated in principle 2.27 of King III and such related recommended practices as the board, on recommendation by the committee, deems appropriate to adopt.

The committee's mandate includes the following:

- ensuring that directors and executives are remunerated fairly and responsibly;
- disclosure of the remuneration of individual directors and prescribed officers; and
- formulation and implementation of remuneration philosophy and policies.

In the execution of its mandate, the committee, among other things:

- reviews the compensation base and propose average annual increases for Reunert and its material subsidiaries;
- approves the remuneration packages of executive directors and senior managers of Reunert and its material subsidiaries;
- approves the design of, and determines targets for, any performance-related pay schemes operated by Reunert and approves the total annual payments made under such schemes;
- reviews the design of all share incentive plans for approval by the board and shareholders. For any such plans, the committee determines each year whether awards will be made and, if so, the overall amount of such awards, and the individual awards to executive directors, senior managers and other key executives; and the performance parameters and targets to be used; and
- reviews the remuneration-related considerations in respect of senior management promotions, transfers, recruitments and terminations.

The committee aims to facilitate the attraction, retention and motivation of high-calibre employees and senior executives, while remaining compliant with the requirements of regulatory and governance bodies. It plays an important role in supporting the transformation strategy of the group and remains cognisant of its responsibility to ensure that remuneration practices in the group deliver shareholder value.

Refer to page 86 for the remuneration report.

Risk committee

This committee ensures that risk disclosure is comprehensive, timely and relevant, and that effective policies and risk management plans are in place to allow the group to achieve its strategic objectives. The risk committee provides the board with an annual written assessment on the effectiveness of risk management in the group. (The audit committee oversees financial risks.)

The committee comprises seven directors as members. The chairman of the audit committee is an ex officio member of the risk committee. Five of the members of the committee are independent and non-executive.

The chief executive and chief financial officers are executive members of the committee. The Reunert head of internal audit is a permanent invitee to the meetings.

Refer to page 27 for the risk management processes.

Social, ethics and transformation committee

This committee fulfils the statutory duties of the social and ethics committee as required in terms of section 72 of the Act and regulation 43 of the Companies Regulations. As such, the committee complies with the legislated membership and mandate requirements. In addition to its statutory duties, the committee focuses on Reunert's transformation initiatives and its implementation.

The committee consists of five non-executive directors and the chief executive officer is an executive member. The Reunert chief financial officer and transformation and human resources director are permanent invitees to the committee's meetings. Refer to page 94 for the social, ethics and transformation report.

Executive committee

The committee was reconstituted on 16 October 2014, to include the individuals reflected in the table on page 68. The chief executive officer chairs the committee. Regular meetings are scheduled and additional meetings are held when required. The minutes of executive committee meetings are circulated to the board.

The purpose of the committee is to:

- advise and assist the chief executive officer in developing and implementing group strategy;
- share and provide collective input on opportunities and risks faced by the operations in the group;
- harness the collective expertise and drive of the senior executive;
- explore synergies and drive group-wide sustainable growth;
- provide a forum for communication of relevant information between and among the functional heads of the Reunert business units and Reunert head office; and
- oversight of capital management.

The executive committee reviews the business case supporting all major capital expenditure. This review ensures that key risks are identified and that mitigation plans are in place, that the appropriate financial returns will be earned and that the planned expenditure meets the group's strategic imperatives. The executive committee then recommends the planned expenditure to the group chief executive officer and the group chief financial officer for their approval under the Reunert delegation framework

Group transformation committee

The group transformation committee was formed in February 2015 and is concerned exclusively with the implementation of the group's transformation strategy. At each meeting, the committee considers a report provided on the agreed-upon transformation metrics and discusses impediments to transformation. The committee holds monthly meetings.

Governance review continued

Board of directors and executive committee

Non-executive directors

1

TREVOR MUNDAY (66)
Chairman, independent non-executive director

Appointed to the board:
1 June 2008

Appointed chairman:
1 June 2009

2

TASNEEM ABDOOL-SAMAD (41)
Independent non-executive director

Appointed to the board:
1 July 2014

SEAN JAGOE (64)
Independent non-executive director

Appointed to the board:
20 April 2000

3

SARITA MARTIN (43)
Independent non-executive director

Appointed to the board:
1 December 2013

4

1

TREVOR MUNDAY
Chairman, independent non-executive director

Committees
- investment committee;
- nomination and governance committee (chairman);
- remuneration committee;
- risk committee; and
- social, ethics and transformation committee.

Other directorships
- Absa Bank Ltd;
- Barclays Africa Group Ltd; and
- Illovo Sugar Ltd.

Expertise
BCom

Following his formative career, Trevor held a wide range of financial and commercial management positions, both in southern Africa and Europe. In the mid-1980s, he was appointed finance and commercial director of AECI Explosives and Chemicals Ltd. In 1990, he was appointed managing director of Dulux Paints and, between 1996 and 2000, was managing director of Polifin Ltd.

In 2001 Trevor was appointed executive director and chief financial officer of Sasol Ltd, also responsible for corporate affairs and various other portfolios. Two years later he assumed global responsibility for Sasol's chemicals businesses. In 2005 and 2006, he was deputy chief executive of Sasol Ltd. Trevor retired from his executive roles at the end of 2006 and in 2007 became a non-executive director of a number of companies.

2

TASNEEM ABDOOL-SAMAD
Independent non-executive director

Committees
- audit committee;
- investment committee (chairman);
- nomination and governance committee; and
- risk committee.

Expertise
CA(SA)

Tasneem completed her BCom and Honours in Accountancy at the University of Natal. She has extensive experience as a chartered accountant and served as a partner at Deloitte from 2006 to 2014. Tasneem transitioned out of audit to head up Deloitte's advisory business in KwaZulu-Natal.

3

SEAN JAGOE
Independent non-executive director

Committees
- investment committee; and
- remuneration committee.

Other directorships
- Ceramic Industries Ltd;
- Reinet Advisors (UK) Ltd;
- Meridian Audio Ltd (UK);
- MQA Ltd (UK);
- Arendale Holdings Corporation (USA);
- Silver Sun Partners LLC (USA); and
- Kaenon, Inc. (USA).

Expertise
BSc (Eng), MBA

Sean has over 30 years' experience in banking and finance and is an executive with Reinet Ltd in London.

During his investment banking career he worked at JP Morgan, Fidelis Partners, Morgan Stanley and Rand Merchant Bank. Prior to entering investment banking, Sean worked at the Industrial Development Corporation.

4

SARITA MARTIN
Independent non-executive director

Committees
- audit committee;
- nomination and governance committee; and
- remuneration committee (chairman).

Expertise
BProc, LLB, MBA

An admitted attorney of the High Court of South Africa, Sarita started her career as a candidate attorney at the Office of the Public Defender. She left public office to join the corporate world in 1999.

Sarita held various senior positions in the fields of compliance, corporate governance and company secretariat at several listed companies including Standard Bank Ltd, African Bank Ltd, Absa Group Ltd and Anglo American Platinum Ltd.

Sarita is currently a corporate governance and board secretariat consultant, company secretary and executive coach and an IoDSA facilitator for board appraisals. She also serves as a member of the Litigation Committee of the Financial Services Board (FSB).

Governance review continued

Non-executive directors continued

5

PHUTI MAHANYELE (44)
Independent non-executive director

Appointed to the board:
1 October 2015

6

THABANG MOTSOHI (68)
Independent non-executive director

Appointed to the board:
1 June 2008

THANDI ORLEYN (59)
Non-executive director

Appointed to the board:
23 May 2007

7

BRAND PRETORIUS (67)
Independent non-executive director

Appointed to the board:
22 February 2011

8

RYNHARDT VAN ROOYEN (66)
Independent non-executive director

Appointed to the board:
1 November 2009

9

5

PHUTI MAHANYELE

Independent non-executive director

Committees

- audit committee; and
- social, ethics and transformation committee.

Other directorships[1]

- Comair

Expertise

BA Econ; MBA, EDP

Phuti Mahanyele has a BA Economics from Rutgers University, USA and an MBA from De Montfort University, Leicester, UK. She completed the Kennedy School of Government Executive Education programme 'Global Leadership and Public Policy for the 21st Century' at Harvard University in 2008.

Phuti has extensive commercial experience, which includes head of project finance South Africa at the Development Bank of Southern Africa. Prior to that, Phuti was vice-president at Fieldstone, where she joined the firm in New York in 1997 and later transferred to the South African office.

In 2004, Phuti joined Shanduka heading up the energy business. Phuti served as Shanduka Group CEO from September 2010 to November 2015.

9

RYNHARDT VAN ROOYEN

Independent non-executive director

Committees

- audit committee (chairman);
- investment committee;
- nomination and governance committee; and
- risk committee.

Expertise

CA(SA)

Rynhardt held various financial and commercial positions during his 31-year career with Sasol. At retirement in 2008, he was group general manager, a member of Sasol's group executive committee, and director and member for most of Sasol's major subsidiaries and audit committees.

He is a trustee of the Sasol Pension Fund and a member of the Sasol Pension Fund investment committee.

6

THABANG MOTSOHI

Independent non-executive director

Committees

- risk committee; and
- social, ethics and transformation committee.

Other directorships

- Lenomo Strategic Advisory Services.

Expertise

BSc

Thabang is a leading strategy consultant with over 15 years' experience helping organisations with corporate strategy development and repositioning in changing market environments. He consulted for major corporate customers such as DBSA, SA Port Operations, Stats SA, City of Tshwane, FFC, Nozala and Transnet.

Thabang spent 13 years at executive level in the Civil Aviation Directorate in Lesotho. During this time, he was elected vice-president of the African Civil Aviation Commission for the East African region. Thabang joined Transnet in 1994 and was promoted to chief transformation strategist at Transnet Group. He became chief executive of PX in 1998, a position he held until January 2000.

Thabang attended executive management programmes at the London Business School, the University of Singapore and Harvard Business School.

7

THANDI ORLEYN

Non-executive director

Committees

- nomination and governance committee;
- remuneration committee; and
- social, ethics and transformation committee (chairman).

Other directorships

- BP Southern Africa Pty Ltd (chairman);
- Ceramics Industries Ltd;
- Toyota SA Pty Ltd;
- Toyota Financial Services (South Africa) Ltd; and
- Industrial Development Corporation of South Africa Ltd.

Expertise

BJuris, BProc, LLB

Thandi is a director and shareholder of Peotona, an investment company owned and managed by four women – Thandi, Cheryl Carolus, Wendy Lucas-Bull, and Dolly Mokgatle. Thandi is an adjunct professor of law at the University of Cape Town and a member of the University Council of the University of Fort Hare. She also serves on a number of trusts and foundations.

Thandi was previously an attorney and regional director of the Legal Resources Centre, national director of the Commission for Conciliation, Mediation and Arbitration and, later, national director of a commercial law firm.

Thandi is an accredited mediator with the Centre for Effective Dispute Resolution. She is also a mediator and arbitrator for Tokiso Dispute Settlement.

8

BRAND PRETORIUS

Independent non-executive director

Committees

- investment committee;
- nomination and governance committee;
- risk committee (chairman); and
- social, ethics and transformation committee.

Other directorships

- Agrinet Ltd;
- Italtile Ltd;
- Metair Investments Ltd;
- Tata Africa Holdings; and
- Tongaat Hulett Ltd.

Expertise

MCom (Business Economics)

Brand started his career at Toyota South Africa in March 1973. Following a number of management positions in research, planning, sales and marketing, he was appointed managing director of Toyota SA Marketing in 1988. In March 1995, he joined McCarthy Motor Holdings and was promoted to chief executive officer of the holding company, McCarthy Ltd, in October 1999. He retired as an executive director of McCarthy and its controlling shareholder, Bidvest, on 1 March 2011.

Brand received numerous national marketing and leadership awards. He holds honorary professorships at the University of Johannesburg, the University of Pretoria, University of the Free State and an honorary doctorate in marketing from the Durban University of Technology.

Brand is a Fellow in Leadership at the Gordon Institute of Business Science and at the Centre for Responsible Leadership at the University of Pretoria. He serves on the Board of Trustees of the READ Educational Trust and is an ambassador for both the Valued Citizens Initiative and the national Rally to Read programme.

[1] *As outgoing CEO of Shanduka, Phuti holds several directorships, which she is in the process of resigning from. These directorships are not disclosed in this report.*

Governance review continued

Executive directors

ALAN DICKSON (45)
Chief executive director

Appointed to the board:
21 November 2013 and appointed chief executive officer effective 1 October 2014

Appointed to Reunert:
1 January 1997

NICK THOMSON (56)
Chief financial officer

Appointed to the board:
15 June 2015

Appointed to Reunert:
15 June 2015

MOHINI MOODLEY (40)
Group human resources and transformation executive director

Appointed to the board:
31 March 2015

Appointed to Reunert:
1 September 2013

MARK TAYLOR (52)
Executive director

Appointed to the board:
21 November 2013

Appointed to Reunert:
1 October 2012

1

ALAN DICKSON
Chief executive officer

Committees
- group executive committee;
- risk committee;
- social, ethics and transformation committee; and
- group transformation committee

Expertise
BSc (Eng), MSc (Eng), MBA

Alan completed a Master's degree in Electrical Engineering at the University of the Witwatersrand. He spent a short time in the consulting engineering fraternity before joining CBI-electric: African Cables as a design engineer in 1997.

Alan held several management positions in the organisation before assuming responsibility for all commercial activity in February 2000. He was appointed commercial director in 2007 a position he held until being appointed managing director in February 2009. Alan was promoted to managing director of the CBI-electric businesses on 25 October 2012.

On 21 November 2013, Alan was appointed as an executive director of the Reunert board and as the chief executive officer of Reunert on 1 October 2014.

2

NICK THOMSON
Chief financial officer

Committees
- risk committee;
- group executive committee; and
- group transformation committee.

Expertise
CA(SA)

Nick served as partner with Ernst and Young for 18 years before joining Transnet Freight Rail as chief financial officer in 2005. In addition to the normal aspects of the finance portfolio he chaired the investment committee and acquisition committees and was responsible for the negotiations of major commercial contracts.

In April 2012, Nick was appointed as group chief financial officer at Afrox Ltd. His responsibilities included the financial portfolio, treasury function, procurement and strategy. He joined Reunert as chief financial officer on 15 June 2015.

3

MOHINI MOODLEY
Group human resources and transformation executive director

Committees
- group executive committee; and
- group transformation committee.

Expertise
BA, LLB

Mohini is an admitted attorney of the High Court of South Africa and started her career within the legal profession, where she acquired experience in family, commercial and labour law.

Mohini has spent the last 13 years of her career within the human resources (HR) domain and has held executive roles in both generalist and specialist positions.

Prior to joining Reunert, Mohini spent 11 years in the retail industry at Edcon, where she held various positions at management and executive level across all disciplines of HR with specific reference to employee relations and remuneration and benefits. While at Edcon, Mohini also occupied the position of principal officer for the internal medical aid scheme and the provident fund.

4

MARK TAYLOR
Executive director

Committees
- group executive committee; and
- group transformation committee.

Expertise
Mark is an ICT industry veteran with more than two decades of experience.

Mark began his career at Nedbank becoming an IT specialist. He worked extensively in the mainframe arena in the banking industry and in the consolidation of IT systems. He was the project manager responsible for the merger of Plessey and Nedtel in 1999, and played the same role when Nedtel and Nashua merged to form Nashua Mobile in 2001. Mark served as managing director of Nashua Mobile from July 2003 to September 2008.

Prior to rejoining Nashua Mobile on 1 October 2012, Mark held various senior management positions at Vodacom including supply chain and logistics, online digital platforms and managing director of the payment services company.

Mark serves as an executive director of Reunert and heads up the Nashua segment.

Governance review continued

Group executive committee and group transformation committee

1

ALAN DICKSON (45)
Chief executive director

See executive directors

2

NICK THOMSON (56)
Chief financial officer

See executive directors

MOHINI MOODLEY (40)
Group human resources and transformation executive director

See executive directors

3

MARK TAYLOR (52)
Executive director and head of Nashua segment

See executive directors

4

PETER VAN DER BIJL (59)
Chief executive officer: Reutech

Appointed to Reunert:
17 July 2008

5

Lood de Jager (42)
Group finance executive

Appointed to Reunert:
1 June 2008

6

KAREN LOUW (41)
Group company secretarial and compliance manager

Appointed to Reunert:
1 June 2012

7

5

PETER VAN DER BIJL
Chief executive officer: Reutech

Committees
- group executive committee; and
- group transformation committee.

Expertise
MSc (Elec Eng), MSc (Aerospace)

Peter started his career at Denel (Kentron) in 1979 working on the design of military systems and progressed through various management positions to spending eight years in export marketing. Between 2000 and 2005, he was marketing director for the French design company GECI, based in Paris after which he joined African Defence Systems (a Thales subsidiary in South Africa) as general manager of the Land and Joint business. In 2008, he was appointed as chief operating officer of Reutech.

6

LOOD DE JAGER
Group finance executive

Committees
- group executive committee; and
- group transformation committee.

Expertise
CA(SA)

Lood has fulfilled various financial and operational management roles, including financial director and chief financial officer, in both listed and unlisted company environments.

Prior to his appointment as group finance executive in October 2014, Lood was financial director at Quince Capital from 2010 to 2014. While at Quince he was also responsible for the full ICT function.

In the period 2008 to 2010 he managed Reunert's internal audit function where major responsibilities included Reunert's transition to the King III codes on corporate governance.

7

KAREN LOUW
Group company secretarial and compliance manager

Committees
- group executive committee; and
- group transformation committee.

Expertise
BCom (Law), LLM (Tax), LLM (Corporate Law), Admitted Attorney of the High Court of South Africa,

Karen has more than 16 years' post-article legal experience. She has extensive experience in corporate law with a particular focus on the Act. She holds a post-graduate qualification from the Chartered Secretaries of Southern Africa in Company Secretarial and Governance Practice.

CORPORATE GOVERNANCE AND REMUNERATION:

Remuneration committee report

This remuneration report was compiled in accordance with recommendations on remuneration contained in King III.

Reunert's remuneration philosophy aims to promote a culture that supports the execution of the group strategy, superior operational performance and that is intended to align the actions of employees, by creating sustainable long-term growth of the business.

The remuneration committee has taken cognisance of the performance of the group and the value creation for shareholders during the past year by reviewing and updating the remuneration policy to reflect alignment with group strategy. Reunert focuses on responsible remuneration that is driven by sound governance principles.

The information contained in this report was approved by the board on the recommendation of the remuneration committee.

This report provides information on the 2015 financial year and presents information related to the proposed remuneration policy for the 2016 financial year. Should approval not be obtained, the prevailing remuneration policy, as approved by shareholders at the annual general meeting on 16 February 2015 will apply.

The governance section (see page 76) sets out the mandate of the committee and summarises the activities of the committee pursuant thereto.

This report is divided into the following sections:

- Section A: Reunert's remuneration philosophy and structure
- Section B: Overview of 2015 and the associated rewards
- Section C: Overview of 2016
- Section D: Service contract and earnings
- Section E: Shareholder approval

Section A: Reunert's remuneration philosophy and structure

Reunert's remuneration policy aims to ensure that executives and senior management are remunerated in a manner that supports the achievement of the strategic objectives of the group, while attracting and retaining scarce skills and rewarding high levels of performance. This is accomplished by establishing remuneration practices that are fair, reasonable and market-related, while maintaining an appropriate balance between employee and shareholder interest.

The remuneration approach that guides the salary levels of executives and senior management is aimed at achieving the median point of salaries in the sector as determined through market surveys. The incentives are based on:

- achieving the strategic objectives of the group;
- ensuring a direct correlation between growth objectives, financial performance targets and actual achievements of the group;
- recognising exceptional and value-adding performance; and
- ensuring fair and consistent remuneration practice.

Remuneration structure

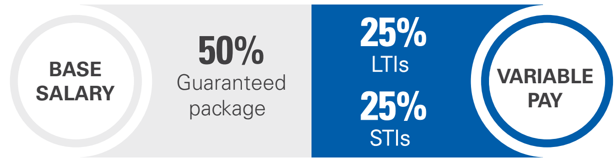
Remuneration is structured in a fair and reasonable manner, recognising individual contributions and collective results. To ensure that market-related salaries are offered to employees, the group participates in salary surveys for benchmarking purposes. There is a clear differentiation between executives and employees based on line-of-sight responsibility, accountability, competencies, work performance and scarcity of skills. To drive a pay-for-performance approach, there is an increasing element of variable pay at senior management levels.

The remuneration philosophy translates into a remuneration structure that comprises three core elements:

- Guaranteed package (GP)
- Short-term incentives (STIs) (annual)
- Long-term incentives (LTIs)

The combination of these three elements, and the clear link to performance, is intended to ensure remuneration is directly linked to performance. Executive management has the largest proportion of total annual package that is subject to performance hurdles, with the targeted pay mix as per the following diagram. This is intended to create a significant degree of alignment with shareholder interests, with the aim of driving sustainable value creation over a longer term.

Executive remuneration



Guaranteed package

Guaranteed remuneration generally consists of a base salary, fixed allowances plus company contributions towards retirement funding and health benefits.

Variable pay

Variable remuneration is earned based on the achievement of predetermined performance targets as approved by the remuneration committee. This component is therefore an important part of executives' total remuneration as the performance targets are selected to support the group's strategic objectives and to align executive's remuneration with shareholders' interest.

Remuneration committee report continued

The table below summarises Reunert's remuneration structure:

Elements	Purpose	Performance period and measures
Guaranteed package (GP)	The group aims to attract and retain individuals with talent, critical skills and an innovative and entrepreneurial bias. Benchmarking against peer companies is performed to ensure that GP is competitive and market-related.	GP is reviewed annually for every employee based on individual performance, company performance, prevailing economic conditions and benchmarks.
Short-term incentive (STI)	STIs are structured to reward the delivery of annual financial performance balanced with the achievement of strategic objectives. This ensures that the achievement of short-term financial performance is not at the expense of future growth opportunities.	Performance is evaluated annually against set objectives, which include: • financial targets constituting 70% of the STI; • strategic KPIs constituting 30% of the STI; and • EE targets and external EE appointments are used as modifiers. Total STI pay-out is multiplied by the modifier, whereby pay-outs can be impacted negatively if stipulated targets are not met. The financial KPI for executive directors will be an earnings-per-share measure and for all other executives it will be based on achieving business unit-specific operating profit targets.
Long-term incentive performance scheme (LTI)	LTIs are an integral part of the group's approach to competitive performance-based pay, and are aligned with shareholder return.	Performance is evaluated annually but vesting takes place over a four-year measurement period. Measures are provided below. There are two performance conditions: • normalised headline earnings per share for continuing operations (NHEPS CO); and • total shareholder return (TSR). Each performance criterion carries a 50% weighting and is evaluated against set measures that are determined annually by the remuneration committee.
Long-term incentive retention scheme (LTI)	Retention of key employees is critical for business continuity.	For the retention scheme there is a four to five-year period, with remaining in the employ of the group being the only criteria.

Participants	Composition and payment
All employees	GP is a fixed cost for the company and is set at around the median of relevant market data.
Executives and nominated senior level managers. At the executive level, the maximum bonus that can potentially be earned is 140% for executive directors, 130% for business unit managing directors and 100% and below for the rest of the business unit executive teams. Senior level management and below are paid incentives at lower percentages of GP. These incentives are discretionary, dependent on performance.	Payment is made annually. Performance is measured against predetermined targets. Incentives are not guaranteed – the full bonus payment is dependent on the achievement of predetermined financial and strategic targets. Incentives are self-funded from central and business unit pools (for group employees and business unit employees respectively), based on financial targets agreed by the remuneration committee. Employees may elect to purchase shares with up to 100% of the STI pay-out (i.e. gross amount). If shares are purchased and retained for at least three years, the employee will qualify for a share match of up to 100%. The share match plan (SMP) requires shareholder approval at the annual general meeting to be held on 15 February 2016.
Participants are senior management that are able to directly impact the financial performance of businesses in the group through the development and implementation of operational strategy.	Allocations are made annually, based on defined criteria (seniority of position, size of business unit and contribution of employee). The size of the allocation aims to maintain an appropriate level of employee incentives. Allocations may not exceed two times annual GP. Vesting occurs after four years if performance criteria are met.
Participants in the retention scheme are those employees who are key to the success of the group, such as technical specialists, high-potential EE candidates and key succession candidates.	Allocations are made annually and may not exceed 20% of annual GP. Vesting occurs after four years (50%) and five years (50%).

Participants in the LTI can only benefit from either the performance scheme or the retention scheme and not both schemes.

Remuneration committee report continued

Participation in all schemes is at the discretion of the remuneration committee and is generally limited to employees whose role or contribution directly influences the performance of the group.

The performance conditions of the LTI are as follows:

Performance condition 1: Growth in NHEPS	
1. NHEPS CO < = CPI	0% vesting
2. CPI < NHEPS CO < = (CPI +6,5%)	up to 100% vesting on a linear basis

Performance condition 2: Total return to shareholders
(Will be determined by position in chosen index* as stated below)

Position	% vesting
1	100
2	75
3	55
4	40
5	30
6	20
7	12,5
8	7,5
9	2,5

* *JSE Electrical and Electronics Index (J273).*

Life of scheme

The scheme will terminate after eight years from date of inception, at which time the shareholders will be requested to approve a revised LTI scheme.

Maximum participants and allocations for CSP:

Participants	• performance vesting	80
	• retention vesting	60
Number of shares to be issued	• maximum annual allocations	1 250 000 shares
	• scheme maximum allocations (over 8 years)	10 000 000 shares
Percentage of total shares in issue	• annual maximum	0,75%
	• life of scheme	6,00%

The remuneration committee has the discretion to ensure alignment between management and shareholders. In the event of a corporate action that may be in the interest of shareholders but prejudicial to management under the conditional share plan (CSP) (for example, the payment of a special dividend), the remuneration committee will exercise this discretion to ensure continued alignment. Any such change will be motivated by the remuneration committee and reported to shareholders in the next remuneration report.

Section B:
Overview of 2015 and the associated rewards

2015 Short-term incentive awards

Individual business units within each segment qualified for incentive payments by meeting targets set for the 2015 financial year.

Included in the objectives for the STI scheme was the achievement of predetermined employment equity targets, which serve as a modifier of the final pay-out.

Incentives awarded

Rm	2015	2014
STIs earned in the electrical engineering segment	**12,3**	–
STIs earned in the ICT segment	**10,9**	16,9
STIs earned in the applied electronics segment	**8,0**	7,8
STIs earned at head office	**7,5**	–
Total STIs earned in operations	**38,7**	24,7

The remuneration committee has allocated the following awards on 20 November 2015.

Actual participants and annual costs for CSP

Scheme	Performance vesting (CSP)	Retention vesting(CSP)
Participants	50	52
Number of shares to be issued	1 023 206	82 021
Percentage of total shares	0,56%	0,04%

Note: The CSP shares allocated at the remuneration committee meetings in November 2012 and 2013 are, at this stage, not expected to vest.

Section C: Overview of 2016

Linking remuneration to key objectives

The group's strategic pillars developed in 2015 will align operational imperatives. Accordingly, the performance measures for executive remuneration are linked to these strategic pillars. For the 2016 financial year, strategic KPIs are linked to the group's financial, strategic and transformation targets derived from the group's strategy.

Group strategy focuses on six strategic pillars, which are supported by KPIs as indicated in the table below.

Strategic pillars	Key objectives for 2016
People	To build an organisation that recognises and adds value to employees as success is based on results driven people who create value through continuous improvement. Reunert aims to develop a high-performance culture.
Customers	Drive market leadership through customer centricity by providing value-adding, integrated customer solutions.
Diversification	Diversify current revenue streams by: • the addition of new, early life-cycle products and services; • improving geographic diversification; and • increasing solutions-based customer offerings.
Transformation	Improve credibility and legitimacy with stakeholders by driving group transformation.
Efficiency	Improve efficiencies by continuing to refine the business model.
Innovation	Design new and advanced products and services.

2016 STI

Participants

Number of participants	Maximum incentive
92	Up to 140%

Targets for 2016

Operating profit targets after bonus award	4%	9%	15%	20%

The operating profit targets reflected above are the targets for the group. There are different operating profit targets for each business unit participating in the STI. Should Reunert, in aggregate, not meet the above target growth rates, those business units that achieve their specific targets may still earn bonuses.

In addition, a KPI bonus pool, is created for executives, which is up to a maximum of 40% of GP.

Remuneration committee report continued

Section D:
Service contracts and earnings

Executive directors

Remuneration policies affecting executive directors

All executive directors are compensated as per the remuneration policy of the company. Employment contracts of executive directors are in accordance with the group's standard terms and conditions of employment and executive directors do not have extended employment contracts or special termination benefits.

Remuneration

The remuneration of executive directors and prescribed officers for the past two financial years are reflected in the tables below:

Directors' remunerations and interests

Payable to the directors and prescribed officers of the company by the company and its subsidiaries for services as directors:

R'000	Salary	Bonus and performance related payments	Travel allowances	Retirement contributions	Medical contributions	Sub total	Deferred shares and other[4]	Fair value of share options received at issue date	Total
Executive directors									
2015									
AE Dickson[1]	**4 178**	**–**	**250**	**438**	**52**	**4 918**	**4 620**	**5 018**	**14 556**
MC Krog[2]	**1 662**	**500**	**49**	**162**	**–**	**2 373**	**–**	**–**	**2 373**
M Moodley[3]	**1 032**	**1 550**	**–**	**91**	**27**	**2 700**	**664**	**921**	**4 285**
MAR Taylor	**2 890**	**–**	**–**	**285**	**125**	**3 300**	**1 980**	**2 116**	**7 396**
NA Thomson	**1 022**	**–**	**–**	**1 115**	**32**	**2 169**	**653**	**–**	**2 822**
	10 784	**2 050**	**299**	**2 091**	**236**	**15 460**	**7 917**	**8 055**	**31 432**
2014									
DJ Rawlinson[5]	4 997	–	60	498	60	5 615	768	5 488	11 871
MC Krog	3 100	–	98	302	–	3 500	–	2 737	6 237
AE Dickson	2 518	–	132	268	48	2 966	1	2 189	5 156
MAR Taylor	2 571	4 200	–	248	114	7 133	–	2 033	9 166
	13 186	4 200	290	1 316	222	19 214	769	12 447	32 430

Executive directors do not receive additional remuneration for their attendance at board or committee meetings.

[1] *AE Dickson was appointed chief executive on 1 October 2014.*

[2] *MC Krog resigned from the board on 31 March 2015.*

[3] *M Moodley was appointed to the board on 31 March 2015.*

[4] *These incentives are payable in either cash or deferred shares, or a combination thereof, at the option of the participating employee. In 2015 the company introduced a deferred share scheme. The terms of the scheme are such that Reunert Limited shares are acquired by the employer company from the market for the participating employees, as part of the settlement of their short-term incentive entitlement. These shares are restricted in nature and cannot be sold, pledged or alienated in any way for a period of three years from date of their acquisition. The introduction of a share matching plan has been proposed and will be voted on by the company shareholders at the next annual general meeting.*

[5] *DJ Rawlinson resigned from the board on 30 September 2014 on his retirement.*

R'000	Salary	Bonus and performance related payments	Travel allowances	Retirement contributions	Medical contributions	Other	Subtotal	Fair value of share options received at issue date	Total
Prescribed officers									
2015									
CP Esterhuizen	**1 744**	**165**	**60**	**184**	**160**	**–**	**2 313**	**1 377**	**3 690**
CJ Radley	**1 532**	**100**	**120**	**159**	**34**	**–**	**1 945**	**710**	**2 655**
BA Shaw	**1 576**	**95**	**30**	**163**	**84**	**6**	**1 945**	**715**	**2 669**
Total	**4 852**	**360**	**210**	**506**	**278**	**6**	**6 212**	**2 802**	**9 014**
2014									
CP Esterhuizen	1 504	–	60	160	145	–	1 869	974	2 843
CJ Radley	1 416	2 426	120	150	47	–	4 159	–	4 159
BA Shaw	1 473	–	30	152	77	6	1 738	566	2 304
R Botha	1 125	–	111	190	38	3	1 467	–	1 467
Total	5 518	2 426	321	652	307	9	9 233	1 540	10 773

Remuneration policies affecting non-executive directors

The appointment of non-executive directors requires approval by the full board, based on proposals received from the Reunert nomination and governance committee.

Non-executive directors do not have service contracts with the company and are not eligible for any incentives from the company such as participation in long-term share-based incentive plans.

The term of office for non-executive directors is governed by the company's Memorandum of Incorporation, which requires that directors must resign every three years, but may make themselves available for re-election by shareholders.

Non-executive directors receive a standard fee for their services on the board and board committees. The remuneration committee reviews the level of fees annually and makes recommendations to the board for consideration. Fees are submitted for approval annually at the company's annual general meeting and changes are effective from 1 March each year.

Expenses

Travel and accommodation expenses of R220 000 were reimbursed to non-executive directors during the 2015 financial year and are not included in the table below.

Payments to non-executive directors made in 2015

Amounts paid to non-executive directors (from 1 October 2014 to 30 September 2015) as fees are reflected in the following table:

	COMPANY	
R'000	**2015**	**2014**
Non-executive directors		
Total paid for the year (all directors' and committee fees)		
TS Munday	**1 405**	1 184
T Abdool-Samad (appointed 1 July 2014)	**633**	106
SD Jagoe	**521**	589
S Martin (appointed 1 December 2013)	**487**	323
TJ Motsohi	**342**	357
NDB Orleyn	**543**	521
SG Pretorius	**640**	479
LM Mojela (appointed 1 April 2013; resigned 17 February 2014)	**–**	101
R van Rooyen	**709**	568
JC van der Horst (retired 17 February 2014)	**–**	111
	5 280	4 339

Section E: Shareholder approval

At the annual general meeting shareholders are being requested to:

- consider and approve Reunert's remuneration policy; and
- consider and approve the share matching plan (SMP) as part of the STI plan.

The group looks forward to welcoming stakeholders at the annual general meeting.

Sarita Martin
Chairman: Remuneration committee

CORPORATE GOVERNANCE AND REMUNERATION:

Social, ethics and transformation committee report

This report highlights important information on how the social, ethics and transformation committee has discharged its statutory duties as prescribed in section 72 of the Act, read with regulation 43, and its additional transformation mandate from the board.

The committee's terms of reference are available at http://www.reunert.co.za/about-corporate-governance.php.

The committee has a formal work plan, reviewed annually, to ensure that it monitors all the matters that fall within its mandate. During the year ended 30 September 2015, the committee approved the transformation strategy for the group. The strategy is built on three pillars demonstrating the emphasis the committee places on the aspects described below and which form part of how the group governs social, ethical, environmental and transformational performance.

Due to its strategic importance, the transformation strategy is monitored by the committee.

Pillar one: Broad-based black economic empowerment

B-BBEE is regarded as a business imperative and the committee is mandated to monitor the group's compliance and the progress made with respect to the Amended B-BBEE Codes of Good Practice (amended codes) and the ICT Sector Codes. A progress report on compliance with the amended codes is presented at every meeting.

The amended codes came into effect on 1 May 2015. Extensive analysis was conducted to ensure that companies remain compliant and have addressed previously identified challenges. The ongoing groundwork by the companies has resulted in all companies having a clear understanding of the amended codes and early planning and continuous gap analysis have proved to be beneficial. The committee is satisfied that all companies are sufficiently geared to comply with the spirit and intent of the amended codes.

Social responsibility

In line with its statutory duties, Reunert's corporate social initiatives are reported to the committee. The activities and strategy of the Reunert College, specifically, is reviewed periodically given its prominence as a CSI initiative.

Pillar two: Human resources

This pillar of the transformation strategy is formulated around the effective management of "people" (i.e. employees) within the group. The strategy is built on an integrated talent framework which focuses internally on the effective management of talent and externally on how to attract the best talent to the group.

The key initiatives of the strategy include talent identification, development and succession planning. A report that includes specific reference to equity appointments and resignations and other relevant metrics is presented to the committee at each meeting.

For more details refer to the human capital review on page 48.

Pillar three: Sustainability

The committee oversees processes and policies implemented to ensure that the group acts as a responsible corporate citizen engaging with communities and by following a precautionary approach that safeguards the environment in which it operates.

Initiatives of the group to encourage employees to behave with integrity are underpinned by the values of each business. During the year, the committee reviewed the mission, vision and values of each business unit. A process to consolidate these into a group wide set of values is underway.

United Nations Global Compact
Although not a signatory, Reunert subscribes to the 10 principles of the UN Global Compact. The group's standing in respect of these principles was presented to the committee during the year.

For more on the UN Global Compact principles, refer to page 115.

Labour relations
Labour relations is a focal point of the committee, with all members being involved in assisting management to ensure a productive and stable working environment.

There was minimal labour activity in 2015, as all companies remain progressive in their interactions with employees and their respective unions. Maintaining and building effective relationships between management, employees and the union is an imperative and the committee encourages management to continue exploring mechanisms to strengthen labour relations in the various operations.

For more on labour relations refer to page 53.

Environment and climate change
Reunert's direct impact on the environment is limited and environmental practices are focused on compliance, risk mitigation and improved efficiencies. The committee is pleased to note that some of the businesses are actively promoting energy efficiency and are providing products to a growing renewable energy sector.

A significant proportion of the group's operations are either ISO 14001 certified or in the process of obtaining certification. In addition, external environmental audits were conducted at four business units during the year. The outcome of the environmental assessments was reported to the committee.

Reunert participates in, and reports to the committee on, the annual disclosure projects – CDP climate change and CDP water projects. Details of these submissions are available online at www.reunert.co.za/sustainability-carbon-footprint-reports.php. For more on natural capital refer to page 56.

Consumer protection
The group's compliance with consumer protection regulations was carefully evaluated and confirmed during the year.

Conclusion
In addition to the social, ethics and transformation committee, key elements of the transformation strategy are also relevant to the mandates of other committees, such as the nomination and governance committee, the remuneration committee and the risk committee. The different focus areas of these committees are aligned to ensure effective management and to prevent duplication of matters.

The committee is satisfied that the group has appropriate policies, procedures, processes, plans and programmes in place to promote and sustain socio-economic development, good corporate citizenship, environmental responsibility, fair labour practices and effective customer relationships. The level of scrutiny and oversight has increased in the current year due to the introduction of the transformation committee, which has formalised group strategy in this regard.

The committee will continue reviewing all elements to oversee compliance and to encourage continuous improvement.

Thandi Orleyn
Chairman: Social, ethics and transformation committee

SUMMARISED FINANCIAL STATEMENTS

Supplementary financial data

Currency conversion table

To assist investors, the table below gives the approximate value of R1,00 against selected currencies at 30 September:

	2015	2014
US dollar	**0,0721**	0,0884
Pound sterling	**0,0475**	0,0545
Euro	**0,0644**	0,0701
Australian dollar	**0,1026**	0,1013
Japanese yen	**8,6573**	9,6993
Swedish krone	**0,6062**	0,6411
Swiss franc	**0,0703**	0,0846

Independent auditor's report on summary financial statements

To the shareholders of Reunert Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 September 2015, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited annual consolidated financial statements of Reunert Limited for the year ended 30 September 2015. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 20 November 2015. Our auditor's report on the audited annual consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited annual consolidated financial statements of Reunert Limited.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited annual consolidated financial statements of Reunert Limited for the year ended 30 September 2015, are consistent, in all material respects, with those consolidated financial statements, in accordance with the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Other reports required by the Companies Act

The "other reports required by the Companies Act" paragraph in our audit report dated 20 November 2015 states that as part of our audit of the annual consolidated financial statements for the year ended 30 September 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: Patrick Smit
Partner

20 November 2015

Building 1 and 2, Deloitte Place
The Woodlands, Woodlands Drive
Woodmead, Sandton, 2196

Summarised consolidated income statement

for the year ended 30 September 2015

Rm	Notes	2015	2014	% change
Revenue		**8 300**	7 774	7
EBITDA		**1 284**	1 125	14
Depreciation and amortisation		**117**	108	
Operating profit	2	**1 167**	1 017	15
Net interest income/(expense)	3	**135**	(10)	
Profit before abnormal items		**1 302**	1 007	29
Abnormal items		**–**	(327)	
Profit before taxation		**1 302**	680	91
Taxation		**360**	278	
Profit after taxation		**942**	402	134
Share of joint ventures' profit/(loss)		**17**	(12)	
Profit for the year from continuing operations		**959**	390	146
Profit for the year from discontinued operation	4	**42**	1 584	(97)
Profit for the year		**1 001**	1 974	(49)
Profit attributable to:				
Non-controlling interests		**7**	3	75
Equity holders of Reunert – from continuing operations		**952**	387	146
Equity holders of Reunert – from discontinued operation		**42**	1 584	(97)
Basic earnings per share from continuing operations (cents)	5 and 6	**579**	235	146
Diluted earnings per share from continuing operations (cents)	5 and 6	**570**	233	145
Basic earnings per share from discontinued operation (cents)	5 and 6	**26**	966	(97)
Diluted earnings per share from discontinued operation (cents)	5 and 6	**25**	955	(97)
Basic earnings per share (cents)	5 and 6	**604**	1 202	(50)
Diluted earnings per share (cents)	5 and 6	**595**	1 187	(50)

Cents	Notes	2015	2014	% change
Other measures of earnings per share from continuing operations				
Headline earnings per share	5 and 6	**576**	391	47
Diluted headline earnings per share	5 and 6	**568**	387	47
Normalised headline earnings per share	5 and 6	**568**	439	29
Diluted normalised headline earnings per share	5 and 6	**560**	434	29
Other measures of earnings per share				
Headline earnings per share	5 and 6	**588**	506	16
Diluted headline earnings per share	5 and 6	**579**	500	16
Normalised headline earnings per share	5 and 6	**580**	553	5
Diluted normalised headline earnings per share	5 and 6	**572**	547	5
Cash dividend per ordinary share declared		**407**	370	10

Summarised statement of comprehensive income

for the year ended 30 September 2015

Rm	2015	2014
Profit for the year	**1 001**	1 974
Other comprehensive income, net of taxation:		
Items that may be reclassified subsequently to profit or loss:		
Gains arising from translating the financial results of foreign subsidiaries	**3**	–
Total comprehensive income for the year	**1 004**	1 974
Total comprehensive income attributable to:		
Non-controlling interests	**7**	3
Equity holders of Reunert – continuing operations	**955**	387
Equity holders of Reunert – discontinued operation	**42**	1 584

Summarised consolidated balance sheet

at 30 September 2015

Rm	Notes	2015	2014
Non-current assets			
Property, plant and equipment, investment properties and intangible assets		**745**	722
Goodwill	8	**653**	649
Investments and loans	9	**95**	92
Investment in joint ventures		**158**	149
Rental and finance lease receivables		**1 463**	1 465
Deferred taxation		**92**	51
		3 206	3 128
Current assets			
Inventory and contracts in progress		**990**	984
Rental and finance lease receivables		**728**	722
Accounts receivable and taxation		**1 689**	1 436
Derivative assets	10	**22**	8
Cash and cash equivalents		**2 713**	697
Assets of discontinued operation	4	**51**	2 607
		6 193	6 454
Total assets		**9 399**	9 582
Equity attributable to equity holders of Reunert		**6 679**	6 269
Non-controlling interests		**46**	63
Total equity		**6 725**	6 332
Non-current liabilities			
Deferred taxation		**98**	121
Long-term borrowings	11	**239**	425
Non-current liabilities of discontinued operation	4	**–**	251
		337	797
Current liabilities			
Accounts payable, provisions and taxation		**2 003**	1 455
Derivative liabilities	10	**7**	4
Bank overdrafts and short-term loans		**77**	334
Current portion of long-term borrowings		**201**	9
Current liabilities of discontinued operation	4	**49**	651
		2 337	2 453
Total equity and liabilities		**9 399**	9 582

Summarised consolidated cash flow statement

for the year ended 30 September 2015

Rm	2015	2014
EBITDA	1 329	1 315
EBITDA from continuing operations	1 284	1 125
EBITDA from discontinued operation	45	190
Decrease/(increase) in net working capital	62	(44)
Other (net)	79	(93)
Cash generated from operations	1 470	1 178
Net interest	133	(6)
Taxation paid	(415)	(332)
Dividends paid (including to non-controlling interests)	(629)	(612)
Net cash flows from operating activities	559	228
Net cash flows from investing activities	1 641	(494)
Capital expenditure	(146)	(122)
Net cash flows arising from disposal of businesses	1 789	–
Net cash flows arising from acquisition of businesses	(19)	(219)
Movement in total rental and finance lease receivables	(2)	(192)
Non-current loans repaid	(5)	(2)
Dividends received	10	38
Other	14	3
Net cash flows from financing activities	21	439
Shares issued	32	27
Long-term borrowings (repaid)/raised	(3)	404
Equity transactions with non-controlling interest[1]	(21)	(16)
Government grant received relating to plant and equipment[1]	13	21
Other	–	3
Increase in net cash resources	**2 221**	173
Net cash resources at the beginning of the year	**415**	242
Net cash resources at the end of the year	**2 636**	415
Cash and cash equivalents	2 713	697
Cash and cash equivalents of discontinued operation	–	52
Bank overdrafts	–	(34)
Quince short-term borrowings	(77)	(300)
Net cash resources at the end of the year	**2 636**	415

[1] *These balances were reported as investing activities in the 2014 annual financial statements.*

The cash flow statement includes the cash flows of all operations, including the discontinued operation, which has been recorded in terms of IFRS 5 – Non-current Assets Held for Sale.

Summarised consolidated statement of changes in equity

for the year ended 30 September 2015

Rm	2015	2014
Share capital		
Balance at the beginning of the year	**294**	288
Issue of shares	**32**	27
Cancellation of issued shares	**(8)**	(21)
Balance at the end of the year	**318**	294
Share-based payment reserve		
Balance at the beginning of the year	**–**	–
Share-based payment expense	**16**	6
Transfer to retained earnings	**–**	(6)
Balance at the end of the year	**16**	–
Equity transactions with empowerment partner and non-controlling shareholders		
Balance at the beginning of the year	**–**	–
Net changes in non-controlling interests	**(10)**	(7)
Transferred to retained earnings	**10**	7
Balance at the end of the year	**–**	–
Empowerment shares*	**(276)**	(276)
Treasury shares		
Balance at the beginning of the year	**(313)**	(1 254)
Cancellation of issued shares	**313**	941
Balance at the end of the year	**–**	(313)
Foreign currency translation reserves		
Balance at the beginning of the year	**3**	2
Other comprehensive income	**3**	1
Balance at the end of the year	**6**	3
Retained earnings		
Balance at the beginning of the year	**6 561**	6 118
Profit after taxation attributable to equity holders of Reunert	**994**	1 970
Cash dividends declared and paid	**(625)**	(606)
Cancellation of issued shares	**(305)**	(920)
Transfer to reserves	**(10)**	(1)
Balance at the end of the year	**6 615**	6 561
Equity attributable to equity holders of Reunert	**6 679**	6 269
Non-controlling interests		
Balance at the beginning of the year	**63**	59
Share of total comprehensive income	**7**	3
Dividends declared and paid	**(4)**	(6)
Net changes in non-controlling interests	**(20)**	9
Settlement of non-controlling interest loan	**–**	(2)
Balance at the end of the year	**46**	63
Total equity at end of the year	**6 725**	6 332

* *These are shares held by Bargenel Investments (Pty) Ltd (Bargenel), a company sold by Reunert to an accredited empowerment partner in 2007. Until the amount owing by the empowerment partner is repaid to Reunert, Bargenel is consolidated by the group as the significant risks and rewards of ownership of the equity have not passed to the empowerment partner.*

Summarised segmental analysis

for the year ended 30 September 2015

Rm	2015	% of total	2014	% of total	% change
Revenue[1]					
Electrical engineering (CBI-electric)	**4 112**	**45**	3 611	32	14
ICT (Nashua)	**3 961**	**43**	6 787	59	(42)
Applied electronics (Reutech)	**1 081**	**12**	1 000	9	8
Other	**23**	**–**	17	–	35
Total operations	**9 177**	**100**	11 415	100	(20)
Revenue from equity accounted joint ventures (CBI-electric)	**(347)**		(293)		
Revenue from discontinued operation (Nashua)	**(530)**		(3 348)		
Revenue as reported	**8 300**		7 774		7
Operating profit					
Electrical engineering (CBI-electric)	**520**	**42**	428	36	21
ICT (Nashua)[2]	**577**	**47**	637	53	(9)
Applied electronics (Reutech)	**181**	**15**	170	14	6
Other[2]	**(42)**	**(4)**	(36)	(3)	(17)
Total operations	**1 236**	**100**	1 199	100	3
Operating (profit)/loss from equity accounted joint ventures (CBI-electric)	**(25)**		2		
Operating profit from discontinued operation (Nashua)	**(44)**		(184)		(76)
Operating profit as reported	**1 167**		1 017		15

[1] *Inter-segment revenue is immaterial and has not been separately disclosed.*

[2] *Net interest charged to Quince through the group treasury function has been eliminated in line with the consolidation principles of IFRS. This amounted to R77 million (2014: R82 million).*

Rm	2015	% of total	2014	% of total
Total assets				
Electrical engineering (CBI-electric)	**1 900**	**20**	1 923	20
ICT (Nashua)	**3 976**	**43**	6 399	67
Applied electronics (Reutech)	**979**	**10**	651	7
Other[3]	**2 544**	**27**	609	6
Total assets as reported	**9 399**	**100**	9 582	100

[3] *Other consists mainly of group treasury cash balances.*

Notes

1. Basis of preparation

These summarised consolidated financial statements were prepared in accordance with the framework concepts and the recognition and measurement criteria of IFRS and its interpretations adopted by the International Accounting Standards Boards (IASB) in issue and effective for the group at 30 September 2015 and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committees and Financial Reporting pronouncements as issued by the Financial Reporting Standards Council. This summarised consolidated information was prepared using the information as required by IAS 34 – Interim Financial Reporting, and complies with the International Financial Reporting Standards for summarised reports and the requirements of the Act. This report was compiled under the supervision of NA Thomson CA(SA) (chief financial officer).

The group's accounting policies, as per the audited financial statements for the year ended 30 September 2015, were consistently applied with those used in the prior year financial statements. These accounting policies comply with IFRS.

Rm	2015	2014
2. Operating profit		
Operating profit includes:		
– Cost of sales	**5 416**	5 144
– Other expenses excluding depreciation and amortisation	**1 652**	1 591
– Other income	**31**	68
– Realised loss on foreign exchange and derivative instruments	**(13)**	(27)
– Unrealised gain on foreign exchange and derivative instruments	**34**	45
3. Net Interest		
Interest income	**150**	14
Interest expense	**(16)**	(25)
Other	**1**	1
Total	**135**	(10)

4. Discontinued operation

As announced in the prior year, Nashua Mobile, entered into sale agreements with the mobile network operators, in terms of which it disposed of its subscriber bases. Following the major conditions precedent in the sale agreement being met, including an unconditional approval from the Competition Tribunal on 29 September 2014, the sale was recognised in the prior financial year. The customers were transferred to the purchasers with effect from December 2014.

Arising out of this, the group income statement and related notes, which are for continuing operations only, exclude the results of the Nashua Mobile discontinued operation.

Nashua Mobile is presented in the Nashua segment of the segmental analysis.

The income statement, abridged cash flows and related notes of Nashua Mobile are presented below:

Summarised income statement

Rm	2015	2014	% change
Revenue	**530**	3 348	(84)
EBITDA	**45**	190	(76)
Profit for the year	**42**	1 584	(97)

Summarised statement of cash flow

Rm	2015	2014
Net cash flows from:		
Operating activities	**(92)**	183
Investing activities	**1 789**	4
Financing activities	**–**	–
Net cash inflow	**1 697**	187

4. Discontinued operation continued

Summarised balance sheet

The major classes of assets and liabilities of Nashua Mobile at the end of the year were as follows:

Rm	2015	2014
Assets of discontinued operation	51	2 607
Non-current liabilities of discontinued operation	–	251
Current liabilities of discontinued operation	49	651
5. Number of shares used to calculate earnings per share		
Weighted average number of shares in issue used to determine basic earnings, headline earnings and normalised headline earnings per share (millions of shares)	165	164
Adjusted by the dilutive effect of unexercised share options granted (millions of shares)	2	2
Weighted average number of shares used to determine diluted basic, headline and normalised headline earnings per share (millions of shares)	167	166
6. Headline earnings		
6.1 Profit attributable to equity holders of Reunert from continuing operations	952	387
Headline earnings are determined by eliminating the effect of the following items from attributable earnings:		
Net gain on disposal of property, plant and equipment and intangible assets (after tax charge of R1 million)	(4)	–
Impairment of goodwill in subsidiaries (2014: after tax charge of Rnil)	–	246
Impairment of goodwill in equity accounted joint venture (2014: after tax charge of Rnil)	–	11
Impairment reversal recognised for property, plant and equipment (2014: charge of R1 million)	–	(2)
Headline earnings from continuing operations	948	642
Profit attributable to equity holders of Reunert from discontinued operation	42	1 584
Net gain on disposal of business (after tax charge of R18 million) (2014: charge of R264 million)	(22)	(1 397)
Headline earnings from discontinued operation	20	187
Headline earnings	968	829
6.2 Normalised headline earnings		
Headline earnings from continuing operations (refer to note 6.1)	948	642
Normalised headline earnings are determined by eliminating the effect of the following items from attributable headline earnings:		
Settlement provided in respect of ATC (after a tax credit of Rnil)	–	81
Economic interest in the settlement provided in respect of ATC attributable to non-controlling interests with outstanding equity-related loan accounts	–	(8)
Net economic interest in profit attributable to non-controlling interests with outstanding equity-related loan accounts (refer to note 7)	(13)	5
Normalised headline earnings from continuing operations	935	720
Headline earnings attributable to equity holders of Reunert from discontinued operation	20	187
Normalised headline earnings	955	907
7. Non-controlling interests with outstanding equity-related loan accounts		
Where the significant risks and rewards of ownership in respect of equity interests have not passed to the non-controlling shareholders, these are not recognised as non-controlling interests. Had the non-controlling interests been recognised, the effect would be the following:		
– Net economic interest in current year profit/(loss) that is attributable to all affected non-controlling shareholders	13	(5)

Notes continued

Rm	2015	2014
8. Goodwill		
Carrying value at the beginning of the year	**649**	792
Acquisition of businesses	**13**	263
Disposals of businesses and subsidiaries	**(6)**	–
Goodwill impaired during the year	**–**	(246)
Exchange differences on consolidation of foreign subsidiaries	**(3)**	(2)
Goodwill derecognised with discontinued operation	**–**	(158)
Carrying value at the end of the year	**653**	649
9. Investments and loans		
Loans – at cost	**81**	76
Investment in insurance cells – at fair value	**14**	14
Other unlisted investments – at cost	**–**	2
Carrying value at the end of the year	**95**	92
10. Fair Value classification and measurement		
During the year under review, the only financial instruments that the group held at fair value were:		
Derivative assets	**22**	8
Derivative liabilities	**7**	4
These were classified as Level 2 instruments in the fair value hierarchy and comprise forward exchange contracts and interest rate swaps. The fair value of these derivative financial instruments is calculated using a discounted cash flow model with the major variables being the discount rate and the spot exchange rate. The calculations were performed by major financial institutions.		
11. Long-term borrowings		
Total long-term borrowings (including finance leases)[1]	**440**	434
Less: short-term portion (including finance leases)	**(201)**	(9)
	239	425

[1] *Long-term borrowings in respect of the Quince rental book amount to R200 million (2014: R404 million).*

12. Unconsolidated subsidiary

The financial results of Cafca Ltd (Cafca), a subsidiary incorporated in Zimbabwe, have not been consolidated in the group results as the group does not have management control:

- Reunert does not have a majority vote on the board of directors of Cafca and therefore does not control the board; and
- The difficult economic circumstances in Zimbabwe have resulted in a major liquidity crisis which renders Reunert's access to economic benefits from Cafca (e.g. dividends) such that it does not have the ability to affect its variable returns through its powers over Cafca.

The amounts involved are not material to the group's results. At 30 September 2015, Cafca's retained earnings amounted to US$14 million (2014: US$12 million).

13. Related-party transactions

The group entered into various transactions with related parties, which occurred in the ordinary course of business and under terms that are no more favourable than those arranged with independent third parties.

14. Events after the reporting date

No events occurred after the reporting date that require additional disclosure or adjustment to the results presented.

15. Audit opinion

These summarised consolidated financial statements were derived from the group's consolidated financial statements and are consistent in all material respects with the group's consolidated financial statements. The directors take full responsibility for the preparation of the summarised consolidated financial statements. The auditors, Deloitte & Touche, issued unmodified audit opinions on the group's consolidated financial statements and on these summarised consolidated financial statements for the year ended 30 September 2015 and the audit opinions are available for inspection at Reunert's registered office. The audit was conducted in accordance with the International Standards on Auditing. The auditors' report does not necessarily report on all information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the issuers registered office. Any reference to future performance included in this announcement has not been reviewed or reported on by the auditors.

Supplementary information

for the year ended 30 September 2015

Rm (unless otherwise stated)	2015	2014
Net worth per share (cents)	**4 047**	3 816
Current ratio (:1)	**2,6**	2,6
Net number of ordinary shares in issue (million)	**165**	164
Number of ordinary shares in issue (million)	**184**	188
Less: Empowerment shares (million)	**(19)**	(19)
Less: Treasury shares (million)	**–**	(5)
Capital expenditure	**146**	122
– expansion	**104**	92
– replacement	**42**	30
Capital commitments in respect of property, plant and equipment	**68**	38
– contracted	**41**	22
– authorised not yet contracted	**27**	16
Commitments in respect of operating leases	**75**	75
Contingent liabilities	**–**	–

A full list of abbreviations and acronyms will be available in the audited financial statements.

SHARE OWNERSHIP ANALYSIS

as at 30 September 2015

	Number of shareholders	%	Number of shares (millions)	%
Shareholder spread				
1 – 1 000 shares	6 047	71,9	2	0,9
1 001 – 10 000 shares	1 726	20,5	6	3,0
10 001 – 100 000 shares	461	5,5	16	8,7
100 001 – 1 000 000 shares	145	1,7	43	23,6
1 000 001 shares and over	33	0,4	117	63,8
Total	8 412	100,0	184	100,0

	Number of shareholders	%	Number of shares (millions)	%
Public/non-public shareholders				
Non-public Shareholders	5	0,1	44	23,8
Strategic Holdings	1		24	13,1
Bargenel Investments (Pty) Ltd[1]	1		19	10,1
Reunert Share Option Trust	3		1	0,6
Public Shareholders	8 407	99,9	140	76,2
Total	8 412	100,0	184	100,0

	Number of shares (millions)	%
Beneficial shareholders holding 5% or more		
Public Investment Corporation Ltd	24	13,1
Bargenel Investments (Pty) Ltd[1]	19	10,1

	2015 Number of shares (millions)	2015 %	2014 Number of shares (millions)	2014 %
Major holdings through managers in excess of 5%				
Allan Gray (Pty) Ltd	**25**	**13,6**	22	11,6
Public Investment Corporation Ltd	**24**	**13,1**	23	12,3
Old Mutual Investment Group (South Africa) (Pty) Ltd	**13**	**7,3**	13	7,2
Sanlam Investment Management (Pty) Ltd	**9**	**5,0**	*	*
Coronation Fund Managers Ltd	*****	*****	9	4,9

[1] *Empowerment shares (refer to note 22 of the annual financial statements).*

* *Holdings were below 5%.*

DEFINITIONS AND FORMULAE

Average net operating assets	The average of the opening and closing balance of each year.
Average ordinary shareholders' funds	The average of the opening and closing balances of each year.
Cash flow per share (cents)	$\frac{\text{Cash flow from operating activities before dividends paid}}{\text{Weighted average shares in issue during the year}}$
Current ratio	$\frac{\text{Current assets}}{\text{Short-term non-interest bearing debt + short-term borrowings}}$
Dividend cover (times)	$\frac{\text{Normalised headline earnings per share}}{\text{Dividend per share}}$
Dividend yield (%)	$\frac{\text{Dividend per share}}{\text{Market price per share at year-end}}$
Earnings yield (%)	$\frac{\text{Normalised headline earnings per share}}{\text{Market price per share at year-end}}$
EBITDA	Earnings (operating profit) before interest, taxation, depreciation and amortisation.
Headline earnings per share	$\frac{\text{Attributable earnings adjusted in terms of SAICA Circular 02/2013}^{1}}{\text{Weighted average ordinary shares in issue during the year}}$
Market capitalisation	Market price per share × (ordinary shares in issue – treasury shares – empowerment shares)
Net asset turn	$\frac{\text{Revenue}}{\text{Average net operating assets}}$
Net borrowings	Total borrowings – (cash + cash equivalents)
Net interest cover	$\frac{\text{Operating profit}}{\text{Interest paid}}$
Net operating assets	Total assets – (cash + cash equivalents) – (current liabilities – bank overdrafts – short-term portion of long-term borrowings)
Net worth per share	$\frac{\text{Ordinary shareholders' funds}}{\text{Shares in issue at year-end – (treasury shares + empowerment shares)}}$
Normalised headline earnings per share	$\frac{\text{Attributable headline earnings – interest to empowerment partners + other items in profit directly associated with empowerment transactions ± other non-sustainable gains or losses in the income statement}}{\text{Weighted average number of shares in issue during the year}}$
Operating margin (%)	$\frac{\text{Operating profit}}{\text{Revenue}}$
Return on net operating assets (%)	$\frac{\text{Operating profit ± capital items included in headline earnings}}{\text{Average net operating assets}}$
Return on ordinary shareholders' funds (%)	$\frac{\text{Normalised headline earnings}}{\text{Average ordinary shareholders' funds}}$
Total assets	Non-current assets + current assets
Total borrowings	Interest-bearing debt
Total liabilities	Total liabilities – deferred taxation
Weighted average number of shares in issue during the year	Opening shares in issue – (treasury shares + empowerment shares) ± time weighted moves in shares in issue
Total borrowings	Interest-bearing debt.
Total liabilities	Total liabilities – deferred taxation
Weighted average number of shares in issue during the year	Opening shares in issue – (treasury shares + empowerment shares) ± time weighted moves in shares in issue

[1] *Refer note 10 of the annual financial statements.*

TEN-YEAR REVIEW

Rm	2015	2014	2013[1]	2012
Condensed balance sheets				
Assets				
Property, plant and equipment and investment property	**674**	644	631	625
Intangible assets	**71**	78	82	82
Goodwill	**653**	649	792	707
Investments and loans	**95**	92	129	64
Investments in joint ventures	**158**	149	170	–
Non-current rental and finance lease receivables	**1 463**	1 465	1 378	1 067
Deferred taxation assets	**92**	51	55	33
Cash and cash equivalents	**2 713**	697	611	697
Other current assets[2]	**3 480**	5 757	3 525	3 313
Total assets	**9 399**	9 582	7 373	6 588
Equity and liabilities				
Ordinary and preference equity holders of Reunert	**6 679**	6 269	4 878	4 443
Non-controlling interests	**46**	63	59	56
Total equity	**6 725**	6 332	4 937	4 499
Deferred taxation liabilities	**98**	121	132	127
Non-current liabilities of discontinued operation	**–**	251	–	–
Long-term borrowings	**239**	425	25	25
Quince long-term borrowings				
Quince short-term borrowings				
Current liabilities[2]	**2 337**	2 453	2 279	1 937
Total equity and liabilities	**9 399**	9 582	7 373	6 588
Condensed income statements				
Revenue	**8 300**	7 774	7 247	11 662
Operating profit	**1 167**	1 017	1 102	1 524
Net interest and dividends income	**135**	(10)	12	42
Profit before abnormal items	**1 302**	1 007	1 114	1 566
Abnormal items	**–**	(327)	–	–
Profit before taxation	**1 302**	680	1 114	1 566
Taxation	**(360)**	(278)	(313)	(483)
Profit after taxation	**942**	402	800	1 083
Share of joint ventures (losses)/profits	**17**	(12)	10	–
Profit for the year of asset held for sale	**42**	1 584	162	–
Share of associate companies' profits/(losses)	**–**	–	–	–
Profit for the year	**1 001**	1 974	972	1 083
Profit for the year attributable to:				
Non-controlling interests	**7**	3	14	16
Equity holders of Reunert	**994**	1 971	959	1 067
Headline earnings attributable to equity holders of Reunert	**968**	829	952	1 067
Condensed cash flow statements				
EBITDA	**1 329**	1 315	1 439	1 661
Changes in net working capital	**62**	(44)	(150)	(192)[3]
Cash generated from operations	**1 391**	1 271	1 289	1 469
Net interest and dividends received	**133**	(6)	16	42
Taxation paid	**(415)**	(332)	(361)	(447)
Dividends paid	**(629)**	(612)	(612)	(577)
Share buyback	**–**	–	–	–
Other (net)	**79**	(93)	(11)	26
Net cash flows from operating activities	**559**	228	321	513
Net cash flows from investing activities	**1 641**	(494)	(693)	(499)[3]
Net cash flows from financing activities	**21**	439	45	42
Net cash generated/(utilised)	**2 221**	173	(327)	56

[1] *Restated to reflect the changes in accounting standards as well accounting for Nashua Mobile as an asset held for sale.*

[2] *In years prior to 2008 inventory items were shown net of advance payments received from customers. These advance payments are now disclosed in current liabilities.*

[3] *The 2012 cash flow statement was restated to include the movement in total rental and finance lease receivables as part of investing activities instead of operating activities as this represents the group's investment in resources intended to generate future income. The cash flow movements for the years up to and including 2011 have not been restated.*

2011	2010	2009	2008	2007	2006
612	594	559	570	566	456
90	42	28	22	13	12
655	492	460	415	373	327
46	838	854	865	728	149
–	–	–	–	–	–
966	846	994	1 275	–	985
32	40	29	32	38	59
643	1 878	1 701	877	530	969
3 062	3 223	3 072	3 620	2 631	2 703
6 106	7 953	7 697	7 676	4 879	5 660
3 881	4 433	4 034	3 675	2 469	1 681
55	38	27	21	14	38
3 936	4 471	4 061	3 696	2 483	1 719
99	122	140	208	116	142
–	–	–	–	–	–
1	711	711	713	279	115
	–	–	–	–	–
	–	–	–	–	–
2 070	2 649	2 785	3 059	2 001	3 684
6 106	7 953	7 697	7 676	4 879	5 660
10 923	10 675	10 271	10 921	9 574	8 236
1 391	1 263	1 210	1 594	1 363	1 330
41	59	39	40	11	8
1 432	1 322	1 249	1 634	1 374	1 338
347	(34)	299	–	(448)	1
1 779	1 288	1 548	1 634	926	1 339
(426)	(377)	(374)	(486)	(427)	(500)
1 353	911	1 173	1 148	499	839
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	16	148	95
1 353	911	1 173	1 164	647	934
16	12	9	7	8	11
1 338	899	1 164	1 157	639	923
989	903	1 163	1 160	481	919
1 513	1 376	1 307	1 681	1 437	1 393
48	318	757	(327)	(740)	(628)
1 561	1 694	2 064	1 354	697	765
41	60	38	127	157	63
(438)	(408)	(478)	(411)	(569)	(347)
(499)	(457)	(550)	(569)	(879)	(464)
(1 128)	(126)	–	–	–	–
(2)	26	43	17	24	(4)
(465)	789	1 117	518	(570)	12
485	(313)	(131)	(921)	1 008	(186)
(641)	22	3	(380)	275	27
(621)	498	989	(783)	713	(147)

TEN-YEAR REVIEW continued

Rm		2015	2014	2013	2012
Shares					
Number of ordinary shares on which earnings per share is calculated	millions	**165**	164	163	162
Net worth per share	cents	**4 047**	3 816	2 980	2 732
Basic earnings per share	cents	**604**	1 202	588	658
Headline earnings per share	cents	**588**	506	583	658
Normalised headline earnings per share	cents	**580**	553	569	644
Dividends per share – normal	cents	**407**	370	370	370
– special	cents				
Dividend cover	times	**1,4**	1,5	1,5	1,7
Cash flow per share	cents	**722**	406	597	673[1]
Cash flow per share (excluding rental book)	cents	**722**	406	597	673[1]
Ordinary shares in issue (net of treasury shares)	millions	**165**	164	164	163
Number of transactions – JSE		**173 619**	174 939	147 988	109 185
Number of shares traded	millions	**134**	119	102	90
Value of shares traded	Rm	**8 383**	7 866	7 494	6 107
Number of shares traded as a percentage of gross issued shares		**73**	63	51	45
Market price per share					
– year end	cents	**6 100**	5 947	7 266	6 895
– highest	cents	**6 924**	8 200	8 791	8 170
– lowest	cents	**5 398**	5 567	6 200	5 700
Earnings yield	%	**10**	9	8	9
Dividend yield	%	**7**	6	5	5
Price: Earnings ratio	times	**–**	11	13	11
Market capitalisation (net of treasury shares)	Rm	**10 067**	9 774	11 897	11 215
JSE electronics sector index at 30 September		**7 781**	10 184	11 399	10 710
Other					
Number of employees		**5 853**	5 654[2]	5 553[2]	6 654
Revenue per employee	R'000	**1 418**	1 375[2]	1 305[2]	1 753
Operating profit per employee	R'000	**199**	180[2]	199[2]	229
Wealth created per employee	R'000	**681**	593[2]	696	594
Employment cost per employee	R'000	**303**	296[2]	282[2]	253
Profitability, asset management, liquidity and leverage					
EBITDA as a percentage of revenue[3]	%	**15,5**	14,5	16,8	14,2
Operating margin[4]	%	**14,1**	13,1	15,2	13,1
Net asset turn	times	**1,7**	1,7	1,6	3,1
Normalised return on ordinary shareholders' funds	%	**14,8**	18,6	19,9	25,1
Return on net operating assets	%	**23,9**	26,5	29,6	40,6
Taxation as a percentage of profit before taxation[4]	%	**27,6**	33,9	27,7	30,9
Total liabilities to total shareholders' funds[5]	%	**38,3**	49,4	47,9	43,6
Current ratio		**2,6**	2,6	1,8	2,1
Quick ratio		**2,2**	2,2	1,6	1,6
Interest cover	times	**72,9**	41,3	99,3	142,5

[1] *The 2012 information was recalculated.*

[2] *The information was restated to exclude Nashua Mobile as this is accounted for as a discontinued operation.*

[3] *The 2008 percentages have been increased by 1,3% each as a result of the NSN commission now disclosed in operating income, whereas income from NSN was previously disclosed as income from associates.*

[4] *Abnormal items, the STC on a special dividend in 2006, has been excluded in this calculation.*

[5] *These ratios have been restated in 2005 to 2007 to take account of the reallocation of the advance payments from inventory and contracts in progress to trade and other payables.*

[6] *There were no net borrowings in 2007 mainly due to Quince being equity accounted.*

2011	2010	2009	2008	2007	2006
165	179	179	178	177	175
2 401	2 502	2 258	2 060	1 390	953
809	503	652	650	362	527
598	506	652	652	272	525
590	516	500	630	570	495
330	287	253	319	314	273
					200
1,8	1,8	2,0	2,0	0,9	1,9
703	767	798	629	345	487
639	636	797	648	515	701
162	177	179	178	178	176
99 875	85 444	71 666	67 690	70 848	46 549
106	134	108	130	176	138
6 579	7 645	4 781	8 020	13 549	8 520
53	68	55	66	90	71
5 885	6 201	5 600	5 749	6 700	6 814
6 970	6 247	5 900	8 049	8 800	7 745
5 101	4 950	3 201	4 528	6 325	4 185
10	8	12	11	4	8
6	5	5	6	5	4
10	12	11	9	12	13
9 512	10 988	10 006	10 257	11 904	12 012
9 780	10 462	9 866	10 705	13 886	11 644
6 324	6 422	6 321	7 196	6 523	6 276
1 727	1 662	1 625	1 518	1 468	1 312
220	197	180	219	202	203
636	527	530	477	383	439
248	229	194	172	166	153
13,9	12,9	12,0	15,2	14,5	16,2
12,7	11,8	11,1	14,4	13,8	15,5
2,9	2,9	2,9	3,4	5,4	8,0
23,5	21,8	23,1	36,5	48,6	56,7
36,6	34,1	32,0	50,1	82,4	131,9
29,7	28,5	27,0	29,8	32,2	34,2
52,6	75,1	86,7	102,6	92,3	226,0
1,8	2,2	1,7	1,5	1,7	1,0
1,4	1,9	1,5	1,2	1,3	0,8
210,8	175,4	54,0	36,8	25,6	38,1

ABBREVIATIONS AND ACRONYMS

AFS	Annual financial statements
ACSR	Aluminium Conductor Steel Reinforced
BBEEE	Broad-based black economic empowerment
Cafca	Cafca Limited
CO_2e	Carbon dioxide equivalent
ECCM	Electronic counter-counter measures
FTE	Full-time employee
Icasa	Independent Communications Authority of South Africa
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
IP	Intellectual property/Internet protocol
IT	Information technology
JSE	JSE Limited
kV	Kilo Volt
KPI	Key performance indicator
LED	Light-emitting diode
MDS	Managed document solutions
MFP	Multi-functional printer
MSR	Movement and surveillance radar/Mining surveillance radar
NCCF	Nashua Children's Charity Foundation
NHEPS	Normalised headline earnings per share
Numsa	National Union of Metalworkers of South Africa
PBC	Panasonic Business Communications
PE	Price earnings
Prasa	Passenger Rail Agency of South Africa
Reunert	Reunert Limited
ROE	Return on equity
SANDF	South African National Defence Force
SAPS	South African Police Services
SME	Small and medium enterprise
SMME	Small, medium and micro enterprises
SOE	State-owned enterprises
Telecom Cables	CBI-electric: Aberdare ATC Telecom Cables Proprietary Limited
TSR	Total shareholder returns
USA	United States of America
VoIP	Voice over Internet Protocol

UNITED NATIONS GLOBAL COMPACT OVERVIEW

Reunert is not a signatory to the United Nations Global Compact, but support the 10 principles and group policies, procedures and processes are informed by the principles. The social, ethics and transformation committee receives regular progress reports on Reunert's levels of compliance with these principles. The table below indicates where content regarding each principle in this report can be found.

Human rights	Page reference
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Principle 2: Ensure that the group is not complicit in human rights abuses	54
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	53
Principle 4: The elimination of all forms of forced and compulsory labour	54
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Environment	
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CORPORATE INFORMATION AND ADMINISTRATION

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(Incorporated in the Republic of South Africa)
ISIN: ZAE000057428
Short name: REUNERT
JSE code: RLO
Currency: ZAR
Registration number: 1913/004355/06
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Listed: 1948
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