Remgro Limited

2017 INTEGRATED ANNUAL REPORT

CREATING SHAREHOLDER **VALUE SINCE 1948**

INVESTOR TOOLS

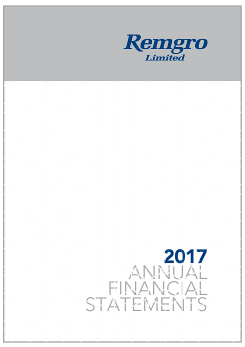
Cross-reference to relevant sections within this report

Download from our website: www.remgro.com

View more information on our website: www.remgro.com

MORE INFORMATION

This Integrated Annual Report is published as part of a set of reports in respect of the financial year ended 30 June 2017, all of which are available on the Company's website at www.remgro.com.



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REMGRO'S APPROACH TO REPORTING

The 2017 Integrated Annual Report provides a holistic view of Remgro's business model, how the Company is managed and also how it manages its investments. In this regard our main focus is to provide a complete analysis of our business to satisfy the information needs of key stakeholders that use the Integrated Annual Report.

The information provided thus aims to provide our stakeholders with a good understanding of the financial, social, environmental and economic impacts of the Group to enable them to evaluate the ability of Remgro to create and sustain value for our stakeholders.

In order to ensure that we address all the material issues that matter to us, our shareholders and other stakeholders, we also report on matters such as:

- Our business model;
- Our most significant business risks, as identified through our integrated risk management process; and
- Governance processes.

This Integrated Annual Report was prepared in accordance with International Financial Reporting Standards, the Listings Requirements of the JSE Limited, as well as the Companies Act (No. 71 of 2008), as amended. Reporting on sustainable development was done based on the principles and recommendations regarding integrated sustainability reporting as contained in the King Report on Governance for South Africa 2009 (King III). The recommendations contained in the International Integrated Reporting Framework were also noted and applied wherever possible.

This Integrated Annual Report only includes an abridged version of the Sustainable Development Report as well as summary financial statements. The detailed Sustainable Development Report and Annual Financial Statements in respect of the year under review are available on the Company's website at www.remgro.com.

Remgro has applied the majority of the principles contained in King III – a summary of all King III principles that were not applied is presented in the Corporate Governance Report on page 57. An index on the application of all King III principles is published on the Company's website at www.remgro.com.

The King Report on Corporate Governance™ for South Africa 2016 (King IV) was published on 1 November 2016 and it is effective for financial years of organisations commencing on or after 1 April 2017. The Company will implement and report on the King IV requirements in its 2018 Integrated Annual Report. However, the JSE Limited (JSE) made amendments to section 3.84 of the Listings Requirements relating to certain governance practices extracted from King IV, which are mandatory for listed companies to comply with. A summary of these amendments to the Listings Requirements and page references to the application thereof are on page 58.

SCOPE AND BOUNDARIES OF OUR REPORT

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its subsidiaries. Disclosure is therefore limited to those entities where the Group exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

Remgro only has two main operating subsidiaries, i.e. RCL Foods Limited (RCL Foods) and Wispeco Holdings Proprietary Limited (Wispeco). As RCL Foods (a 77% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rclfoods.com.

Wispeco is an unlisted wholly owned subsidiary which is operated and managed on a decentralised basis as an independent entity with an autonomous board of directors. Based on the above, as well as the fact that Wispeco only represents 1.0% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for Wispeco. This is in line with Remgro's reporting on the financial performance of its investee companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in detail in this report. However, information is provided in instances where material sustainable development issues are at stake.

Except where otherwise indicated, all disclosures relating to social and environmental performance thus only relate to Remgro's activities at its head office in Stellenbosch.

EXTERNAL AUDIT AND ASSURANCE

The consolidated annual financial statements were audited by the independent external auditors, PricewaterhouseCoopers Inc., in accordance with International Standards on Auditing. The report of the external auditors in respect of the summary consolidated annual financial statements is included on page 103 of the Integrated Annual Report.

Various other voluntary external accreditation, certification and assurance initiatives are followed in the Group, complementing the combined assurance model as covered throughout the Integrated Annual Report. We believe that this adds to the quality and reliability of the information presented. Refer to the abridged Sustainable Development Report on page 72 for further details.

SIGNIFICANT EVENTS DURING AND AFTER THE END OF THE REPORTING PERIOD

During October 2016 Remgro completed a rights issue whereby 48 110 637 new ordinary shares and 3 550 635 new B ordinary shares were issued at a subscription price of R192.50 per share for a total consideration of R9 944.8 million.

During June 2017 it was announced that Distell Group Limited (Distell) will restructure its ownership structure into a new listed entity. Remgro will retain its economic interest of 31.8%, but will, in addition, receive unlisted B shares, which will in aggregate give Remgro voting rights of 56.0%. The effective date of the transaction, which is still subject to a number of conditions precedent, is expected to be during the second half of the 2018 financial year.

Refer to the reports of the Chief Executive Officer and Chief Financial Officer on pages 20 and 25 respectively for a brief summary of these transactions. Besides the transactions above, no significant events occurred during the reporting period or after the end of the reporting period, which may have a material impact on the size, structure or ownership of the Group.

SALIENT FEATURES

R251.48
INTRINSIC NET ASSET VALUE PER SHARE

+7.6%
ORDINARY DIVIDEND PER SHARE

+32.7%
HEADLINE EARNINGS PER SHARE

-3.4%
HEADLINE EARNINGS PER SHARE
excluding once-off costs and option remeasurement

FINANCIAL

	Year ended 30 June 2017	Year ended 30 June 2016 Restated	% change
Headline earnings (million)	**R8 221**	R5 874	*40.0*
– per share (cents)	**1 485.5**	1 119.6	*32.7*
Headline earnings, excluding once-off costs and option remeasurement (million)	**R7 534**	R7 392	*1.9*
– per share (cents)	**1 361.3**	1 409.0	*(3.4)*
Dividends per share			
Ordinary (cents)	**495.00**	460.00	*7.6*
– Interim (cents)	**194.00**	185.00	*4.9*
– Final (cents)	**301.00**	275.00	*9.5*
Intrinsic net asset value per share	**R251.48**	R306.44	*(17.9)*
Remgro share price at 30 June	**R213.46**	R254.66	*(16.2)*
Percentage discount to intrinsic net asset value (%)	**15.1**	16.9	*(10.7)*

NON-FINANCIAL

	Year ended 30 June 2017	Year ended 30 June 2016
Spent on corporate social investment (CSI) (R million)		
– At the centre	**23**	24
– Share of CSI spend of investee companies	**163**	102
BBBEE scorecard contributor level	**8**	8
Continued participation in carbon disclosure project	**Yes**	Yes
Inclusion in FTSE/JSE Responsible Investment Index	**Yes**	Yes

GROUP PROFILE

OUR BUSINESS

Originally established in the 1940s by the late Dr Anton Rupert as a tobacco manufacturer, Remgro's investment portfolio has evolved substantially and currently includes more than 30 investee companies. The Company is listed on the Johannesburg Securities Exchange (JSE) operated by the JSE Limited in South Africa under the "Industrials – Diversified Industrials" sector, with the share code "REM".

REMGRO* IS AN **INVESTMENT HOLDING COMPANY**

* OR THE COMPANY

Our interests consist mainly of investments in the following industries:

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BANKING	Page 36
CONSUMER PRODUCTS	Page 38
INSURANCE	Page 41
INDUSTRIAL	Page 42
INFRASTRUCTURE	Page 47
MEDIA AND SPORT	Page 51

Group structure

AT 30 JUNE 2017

REMGRO LIMITED (PRINCIPAL INVESTMENTS – EQUITY INTEREST HELD)

HEALTHCARE

Mediclinic	44.6%

BANKING

RMBH	28.2%
FirstRand	3.9%

CONSUMER PRODUCTS

Unilever	25.8%
Distell	31.8%
RCL Foods	77.2%

INSURANCE

RMI Holdings	29.9%

INDUSTRIAL

Air Products	50.0%
Kagiso Tiso Holdings	34.9%
Total	24.9%
PGSI	37.7%
Wispeco	100%

INFRASTRUCTURE

Grindrod	23.1%
CIV group	51.0%
SEACOM	30.0%

MEDIA AND SPORT

eMedia Investments	32.3%
Premier Team Holdings (Saracens)	50.0%
Blue Bulls	50.0%
Stellenbosch Academy of Sport	100%

OTHER INVESTMENTS

Business Partners	42.8%

TREASURY AND MANAGEMENT SERVICES

Millennia Jersey – Jersey	100%
Remgro Finance Corporation	100%
Remgro Healthcare Holdings	100%
Remgro International – Jersey	100%
Remgro Jersey GBP – Jersey	100%
Remgro Management Services	100%

69 YEARS OF **DOING BUSINESS**

1940s	Remgro's founding history goes back to the forties of the previous century when the founder of the Group, Dr Anton Rupert, established in Johannesburg, South Africa, the tobacco company Voorbrand, forerunner of Rembrandt Group Limited (Rembrandt). Rembrandt was incorporated in 1948. Rembrandt thus entered the South African cigarette and tobacco industry in 1948 and in the fifties expanded abroad through the establishment of various international partnerships. Rembrandt's interests in the wine and spirits industry also date back to the 1940s when Dr Rupert and Mr D W R Hertzog founded Distillers Corporation.
1950s	Rembrandt was listed on the Johannesburg Stock Exchange in 1956.
1970s	In 1972, the overseas tobacco interests of Rembrandt were consolidated in Rothmans International, which was listed on the London Stock Exchange. Since the 1970s Rembrandt expanded its interests outside tobacco, wine and spirits with investments in various other economic sectors in South Africa, amongst which were banking and financial services, mining, printing and packaging, medical services, engineering and food interests.
1980s	The separation of local and overseas interests was effected in 1988 with the founding of Compagnie Financière Richemont AG (Richemont) – a Swiss-listed luxury goods group that included brands such as Cartier, Dunhill and Mont Blanc which then also acquired a share in Rothmans International.
1990s	During 1993, Rembrandt co-founded South Africa's first cellular telephony company Vodacom, which was eventually disposed of in 2006 by VenFin Limited (VenFin). In 1995, Rembrandt and Richemont consolidated their respective tobacco interests in Rothmans International, at the time the world's fourth largest cigarette manufacturer, which was then delisted, and then in 1999 merged these interests with those of British American Tobacco plc (BAT), the world's second largest cigarette producer. Since then the investment in BAT was held through a joint holding company in which Rembrandt (now Remgro) and Richemont held $33^1/_3$% and $66^2/_3$% respectively. Following the above restructuring, Rembrandt became a pure investment holding company.
2000	The restructuring of Rembrandt was advanced a step further in September 2000 when the South African holding structure, consisting of four listed companies, was collapsed into two listed companies, namely Remgro and VenFin. Following the restructuring, Remgro represented Rembrandt's established tobacco, financial services, mining and industrial interests, while the telecommunication and technology interests were housed in VenFin.
2008	During November 2008, Remgro unbundled its investment in BAT to its shareholders by way of an interim dividend *in specie* amounting to a total amount of R55.2 billion. Following the BAT unbundling the Group's remaining interests consisted mainly of investments in banking and financial services, printing and packaging, motor components, glass products, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products. At 30 June 2017, the value of the unbundled BAT shares has increased to R181.2 billion.
2009	During November 2009, Remgro and VenFin merged again, adding media and technology interests to the Group's investments.

Our business model

HOW THE INVESTMENTS ARE MANAGED

Remgro has a few operating subsidiaries of which the material companies are RCL Foods (listed) and Wispeco (unlisted). Due to its philosophy of decentralised management, both of these companies have autonomous boards of directors and management structures and Remgro only exerts its influence through non-executive representation on the boards of these companies.

Remgro's other investments comprise both listed and unlisted companies that are not controlled by Remgro and which are mostly associates and joint ventures due to the significant influence or joint control exercised by Remgro through its board representation in those investee companies. Where Remgro does not have board representation such investments are treated as portfolio investments.

Remgro manages its investments on a decentralised basis and its involvement is mainly focused on the provision of support rather than on being involved in the day-to-day management of business units of investees. The Remgro Limited Board considers it in the best interest of all the parties concerned to respect the decentralised business model and the fact that these businesses are conducted in separate legal entities. The support provided to the investee companies can either be in the form of strategic, financial and managerial support, or the creating of an environment for corporate transactions.

It should be emphasised that the above management philosophy is applied to all investee companies, irrespective of the level of influence that can be exercised.

Shareholder agreements are in place for Remgro's associates and joint ventures where there are also other major shareholders involved. These agreements protect its rights as shareholder and manage risk. In terms of these agreements Remgro has decision-making involvement for a defined list of material matters of the businesses of these entities, such as the appointment/removal of directors, capital structure, business strategy, large capital expenditure and mergers, acquisitions and disposals.

As a shareholder of the investee companies, Remgro also exercises its shareholder rights to ensure as far as possible that the entities concerned adhere to its requirements in respect of matters such as governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships, succession planning and sustainability.

OWNERSHIP STRUCTURE

Remgro's issued share capital consists of two classes of shares, as follows:

ORDINARY SHARES OF NO PAR VALUE	B ORDINARY SHARES OF NO PAR VALUE
LISTED ON THE JSE	**UNLISTED**
529 217 007 ordinary shares of no par value Each ordinary share has one vote	39 056 987 B ordinary shares of no par value Each B ordinary share has ten votes
	All of the unlisted B ordinary shares are held by Rupert Beleggings Proprietary Limited (previously Rembrandt Trust Proprietary Limited), a company incorporated in South Africa which is the holding vehicle for the Rupert family interests in Remgro. As at 30 June 2017, the unlisted B ordinary shares were entitled to 42.54% (2016: 42.55%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 115 and 116.

INVESTMENT PHILOSOPHY

Remgro invests in businesses that can deliver superior earnings, cash flow generation and dividend growth over the long term. This involves the acquisition of meaningful interests in companies in order to have significant influence. Sound management is an important investment criterion. Remgro focuses on the Southern African market but international opportunities will be considered with reputable partners. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible. The purpose is to ensure superior returns to shareholders by way of sustainable dividend and capital growth.

Remgro's investment strategy

- Emphasis on investments that will make a significant contribution to Remgro's earnings
- Significant influence and board representation are integral
- Preference for unlisted investments
- Investments in entities where Remgro can identify value over the long term
- Focus on South African investments and other African countries through investee companies
- Will consider investments in other countries on an opportunistic basis
- Primary sector focus:
  - Consumer products
  - Healthcare
  - Financial services
  - Infrastructure

Investment criteria (*inter alia*)

- Prevailing culture and ethics of the Board and management team
- Expected return on investment greater than Remgro's internal hurdle rate
- Environmental footprint of the enterprise
- Viability of products and services and their life cycles
- Social responsibility awareness of the enterprise
- Barriers to entry

Understanding the business of an investment holding company

GENERAL

The business of an investment holding company differs substantially from that of an operating company. In the latter case products and/or services are being sold at a certain gross profit margin, thereby creating revenue and cash inflows for the entity concerned. Strong cash flows and shareholder value are accordingly created by increasing revenue, as well as by limiting expenditure and optimising operational efficiencies, thus increasing the net profit from which dividends can be paid to shareholders.

In the case of an investment holding company no products and/or services are being sold. This, together with the specific accounting treatment that is required for different classes of investments in terms of International Financial Reporting Standards, has the effect that the net profit of an investment holding company is not always a fair reflection of its underlying cash flows and financial soundness. Similarly, the variance in net profit between reporting periods will not always be a good indication of the trend in dividends to be paid to shareholders. The value and performance of the underlying investments, rather than the activities at holding company level, will thus to a large extent determine the value created by investment holding companies for their shareholders, although dealmaking at holding company level also adds significant value, if done in a value-enduring method.

CAPITAL ALLOCATION

The most important function of an investment holding company is the allocation of capital. Capital comes in two forms, human and financial. From a human allocation point of view, we must ensure that the best people manage the businesses we invest in. Financial capital needs to be allocated in the most efficient way. Capital is expensive and not infinite.

As we deal with an uncertain future, and inevitably base capital allocation models on certain assumptions about the future, we need a margin of safety in our investment decisions.

We need to be disciplined in our allocation of capital and, if we are wrong, we should act quickly and decisively.

HOW WE MAKE OUR MONEY

In order to understand how Remgro makes its money, one first needs to understand its reported results.

Remgro's statutory reported net profit consists primarily of the following:

- Consolidated results of its operating subsidiaries, i.e. RCL Foods and Wispeco;
- Equity accounted results of its investments in associates and joint ventures, e.g. Mediclinic, FirstRand, RMBH and RMI, the four biggest contributors towards net profit;
- Profits realised on the sale/distribution of investments;
- Dividends received from investee companies not classified as subsidiaries, associates and joint ventures, e.g. the Milestone China Funds and the Pembani Remgro Infrastructure Fund;
- Interest received;
- Interest paid;
- Net corporate costs, including remuneration and other benefits paid to employees; and
- Taxation.

As is evident from the above, the dividends received from operating subsidiaries, associates and joint ventures are not included in Remgro's reported net profit. Furthermore, any profits realised on the sale/distribution of investments are also excluded from reported headline earnings.

Being an investment holding company, however, and contrary to the treatment in terms of accounting standards, the best approximation of Remgro's profit at holding company level ("at the centre") should, in our view, thus comprise the following:

- Dividends received from investee companies;
- Interest received;
- Profit/loss on the realisation of investments;
- Net corporate costs, including remuneration and other benefits paid to employees;
- Interest paid;
- Taxation paid; and
- Foreign exchange movements.

The net result of the above approximates cash generated at the centre in order to make new investments and/or pay dividends to shareholders.

Given its nature as an investment holding company and the substantial amount of cash held and managed, the control of treasury risks are regarded as very important. This includes the management of movements in foreign exchange rates and this area is covered in more detail in the Chief Financial Officer's Report on page 25. Also refer to page 28 for a detailed analysis of "cash movement at the centre" for the year under review.

Remgro further measures its performance in terms of the increase in its intrinsic net asset value. This measures the growth in the underlying value of the various investee companies. Refer to the Chief Executive Officer's Report on page 20 for a detailed analysis of Remgro's intrinsic net asset value.

DISTRIBUTIONS TO SHAREHOLDERS

Dividends to shareholders are funded from dividend income and interest received at the centre.

In terms of normal dividends to shareholders, it is the Company's objective to provide shareholders with a consistent annual dividend flow which at least protects them against inflation, throughout the economic cycles.

As in the past, in special circumstances, the Company will consider other distributions in the form of special dividends or the unbundling of investments to shareholders.

Key objectives and principal integrated risks

REMGRO'S KEY OBJECTIVES

Managing with a view to maximising value creation and sustainable growth

1

We focus on the creation of shareholder value and sustainable growth by investing in businesses that can deliver superior earnings and dividend growth over the long term.

2

This objective is underpinned by Remgro's investment philosophy and strategy and also its understanding of all risks and opportunities associated with the Group's investment portfolio and target markets.

3

These risks and opportunities are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

Doing business ethically

1

By always considering the impact of the Company's strategy on the commercial sustainability of the Company, the indirect impacts on the society in which it operates, as well as the environment, results in being a responsible corporate citizen and investor.

2

Leadership based on ethical foundations results in a culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. Consistent achievement of objectives creates trust.

3

Thereby positioning ourselves as an investment partner of choice.

PRINCIPAL INTEGRATED RISKS

Remgro's three principal risks are summarised below. A more comprehensive analysis of our risk management process is provided in the Risk Management Report, while our main financial risks, including those relating to the global economy and currencies are disclosed in the Chief Financial Officer's Report.

	RISK	CONTEXT
1	Increased country risk due to social unrest, low economic growth, the increasing current account and budget deficits and the resultant impact of lowering sovereign credit ratings.	The boards of investee companies are increasingly directing focus to addressing pressing issues such as, foreign currency risk, social instability, power supply risk, water scarcity, legislation and regulatory aspects and increased crime, by means of strategic and/or control processes.
2	Inability of boards of investee companies to timely identify disruptive technology risks or similar developments in their markets.	The sustainability of investee companies is dependent upon their ability to identify market trends and disruptive technology which can materially impact their businesses.
3	The destruction of value due to poor management of existing investments, including management at investee company level. Non-identification and assessment of suitable investment opportunities.	The successful management of investments is dependent upon a proper understanding of the businesses of the investee companies and also on identifying the appropriate Remgro executives that will represent it on the boards of the investee companies. Creating "Alpha" requires effective organic growth and judicious corporate investments.

PRINCIPAL INTEGRATED SUSTAINABILITY DRIVERS

The following aspects are considered fundamental to the sustainability of growth and wealth creation:

1

Remgro's size and influence enables it to acquire significant stakes in entities that are big enough to have a material effect on Remgro's results.

2

A strong low-geared statement of financial position enables Remgro to make new investments or to increase its stake in well-performing investments, or fund growth opportunities by means of shareholder loans.

3

The ability to add value to investee companies by means of skilled and experienced executives.

FIVE-YEAR REVIEW AND SHARE STATISTICS

CONSOLIDATED INCOME STATEMENTS

R million	Year ended 30 June 2017	Year ended 30 June 2016 Restated	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013
Profit/(loss) before taking into account the following	**886**	(757)	1 680	(18)	520
Non-recurring and capital items and impairments	**304**	(105)	408	73	(112)
Consolidated profit/(loss) before tax	**1 190**	(862)	2 088	55	408
Taxation	**(227)**	21	(395)	(57)	(261)
Consolidated profit/(loss) after tax	**963**	(841)	1 693	(2)	147
Share in after-tax profit of equity accounted investments	**7 545**	6 250	7 228	6 853	4 035
Net profit after tax	**8 508**	5 409	8 921	6 851	4 182
Non-controlling interest	**(77)**	(45)	(206)	66	(3)
Attributable net profit for the period	**8 431**	5 364	8 715	6 917	4 179
Headline earnings	**8 221**	5 874	7 996	6 635	4 196
Headline earnings per share (cents)	**1 485.5**	1 119.6	1 555.0	1 292.4	817.1
Earnings per share (cents)	**1 523.4**	1 022.4	1 694.9	1 347.3	813.8
Dividends per share (cents)					
– Ordinary	**495**	460	428	389	346

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

R million	30 June 2017	30 June 2016 Restated	30 June 2015	30 June 2014	30 June 2013
Property, plant and equipment, biological agricultural assets and investment properties	**6 797**	6 607	6 317	6 157	5 839
Investments – Equity accounted	**80 883**	78 565	57 831	52 169	45 408
Other non-current assets	**9 058**	9 486	9 418	9 306	8 684
Current assets	**22 317**	14 442	21 126	11 876	12 575
Total assets	**119 055**	109 100	94 692	79 508	72 506
Total equity	**95 302**	81 657	75 917	68 634	60 645
Non-current liabilities	**18 493**	20 821	5 404	2 199	7 827
Current liabilities	**5 260**	6 622	13 371	8 675	4 034
Total equity and liabilities	**119 055**	109 100	94 692	79 508	72 506
Net asset value per share (Rand) (attributable to equity holders)					
– at book value	**163.13**	153.13	142.12	128.56	114.25
– at intrinsic value	**251.48**	306.44	288.89	245.96	204.83

CONSOLIDATED STATEMENTS OF CASH FLOWS

R million	Year ended 30 June 2017	Year ended 30 June 2016 Restated	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013
Cash flow generated from returns on investments	**5 434**	4 387	5 226	4 380	4 555
Taxation paid	**(363)**	(328)	(397)	(135)	(236)
Cash available from operating activities	**5 071**	4 059	4 829	4 245	4 319
Dividends paid	**(2 708)**	(2 358)	(2 136)	(1 834)	(1 745)
Cash flow from operating activities	**2 363**	1 701	2 693	2 411	2 574
Net investing activities	**(6 572)**	(18 767)	(1 151)	(2 121)	(4 635)
Net financing activities	**8 553**	16 365	(1 3=49)	(818)	(170)
Net increase/(decrease) in cash and cash equivalents	**4 344**	(701)	193	(528)	(2 231)

SHARE STATISTICS

	Year ended 30 June 2017	Year ended 30 June 2016 Restated	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013
Weighted number of unlisted B ordinary shares ('000)	**38 171**	36 244	35 506	35 506	35 506
JSE Limited					
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	**515 252**	488 384	478 695	477 898	478 020
Market capitalisation at end of period (R million) – ordinary shares only	**112 967**	122 519	123 134	110 654	91 386
Price (cents per share)					
– Last day of period	**21 346**	25 466	25 594	23 000	18 995
– Highest	**27 026**	28 106	28 190	23 000	20 107
– Lowest	**20 273**	21 455	21 850	18 000	13 168
Number of shares traded ('000)	**328 691**	281 917	202 660	254 250	231 837
Value of shares traded (R million)	**74 685**	70 671	58 994	39 935	41 975
Shares traded/weighted number of ordinary shares (%)	**63.8**	57.7	49.1	42.4	53.2
Number of transactions	**1 122 177**	859 300	780 733	501 423	436 606

DIRECTORATE AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P RUPERT (67)

APPOINTED: 18 August 2000

CHAIRMAN

Directorships: Mr Rupert is the Chairman of Compagnie Financière Richemont SA and the Chairman of Reinet Investments Manager SA, the management company of Reinet Investments S.C.A. He studied economics and company law at Stellenbosch University and has had an extensive career in international business, banking and finance. After working for Chase Manhattan Bank and Lazard Frères in New York he founded Rand Merchant Bank Limited in 1979. In 1985 he joined the Rembrandt Group. He holds honorary doctorates in Law, Economics and Commerce, is the Chancellor of Stellenbosch University and Chairman of the Peace Parks Foundation.

E DE LA H HERTZOG (67)

APPOINTED: 18 August 2000

DEPUTY CHAIRMAN

Directorships: Non-executive Chairman of Mediclinic International plc. He obtained a Master of Medicine degree, a Fellowship of the Faculty of Anaesthesiologists and a PhD (*honoris causa*). He is a past Chairman of the Council of Stellenbosch University and has served as non-executive Deputy Chairman of Remgro since June 2005.

J MALHERBE (61)

APPOINTED: 11 October 2006

DEPUTY CHAIRMAN

Directorships: Compagnie Financière Richemont SA and Reinet Investments Manager SA. He qualified as a Chartered Accountant and worked with a predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank Limited in 1985. He joined the Rembrandt Group in 1990 and was appointed as non-executive Co-Deputy Chairman of Remgro in November 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

S E N DE BRUYN SEBOTSA (45)

APPOINTED: 16 March 2015

Directorships: Co-founder of Identity Capital Partners Proprietary Limited in 2008. She has 15 years' experience as a director of companies having served on the boards of FirstRand Limited, Anglo American Platinum Limited, Mr Price Group Limited and Dimension Data (South Africa) Proprietary Limited. She is currently a non-executive Director of RMB Holdings Limited, RMI Holdings Limited and Discovery Limited. Sonja is also Chairman of the Ethos Mid Market Fund. She was previously a Trustee of the National Empowerment Fund and a member of the Presidential Working Group on BEE. Sonja has contributed to the debate on women's empowerment, BEE, transformation, privatisations and the economy through publications, articles and interviews. She is the Chairman of the Audit and Risk Committee and member of the Social and Ethics Committee.

G T FERREIRA (69)

APPOINTED: 4 November 2009

LEAD INDEPENDENT DIRECTOR

Directorships: Currently the Chairman of RMB Holdings Limited and RMI Holdings Limited. He has been involved in the financial services sector since graduating with commerce degrees from Stellenbosch University. Previous chairmanships include AIG (SA) Proprietary Limited, FirstRand Limited, FirstRand Bank Limited, Rand Merchant Bank Limited and the Merchant Bankers Association of South Africa. Previous directorships include Anglo American Corporation Limited, FirstRand Limited, First National Bank Limited, GlenRand MIB Limited, the Industrial Development Corporation, Lenco Limited, Malbak Limited and Momentum Life Limited. He is a member of the Investment Committee and the Remuneration and Nomination Committee.

P K HARRIS (67)

APPOINTED: 28 November 2001

Directorships: Non-executive Director of FirstRand Limited, FirstRand Bank Limited, RMB Holdings Limited and RMI Holdings Limited. Mr Harris is a member of the Remuneration and Nomination Committee and the Investment Committee. He graduated from Stellenbosch University with an MComm in Economics and Finance. He co-founded Rand Consolidated Investments, which merged with Rand Merchant Bank Limited in 1985. He was a founding board member of FirstRand after the merger of the financial services interests of Anglo American Corporation of South Africa and RMB Holdings Limited and CEO until his retirement in 2009.

N P MAGEZA (62)

APPOINTED: 4 November 2009

Directorships: Previously the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK, as well as a director of a number of companies including Anglo American Platinum Limited, MTN Group Limited, RCL Foods Limited and Sappi Limited. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors. He is a member of the Audit and Risk Committee and the Social and Ethics Committee.

EXECUTIVE DIRECTORS

J J DURAND (50)

CHIEF EXECUTIVE OFFICER

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 21

Directorships: Distell Group Limited, FirstRand Limited, Mediclinic International plc, RCL Foods Limited, RMB Holdings Limited and RMI Holdings Limited.

W E BÜHRMANN (62)

INVESTMENTS

BComm, CTA, CA(SA)
Years of service with the Group: 30

Directorships: Chairman of Invenfin Proprietary Limited as well as a director of Pembani Remgro Infrastructure Managers Proprietary Limited.

M LUBBE (47)

COMPLIANCE AND SOCIAL CORPORATE INVESTMENTS

BA
Years of service with the Group: 23

Directorships: Mrs Lubbe was appointed as executive director of Remgro in September 2016 and is responsible for Compliance and Corporate Social Investments of the Company.

Experience: She joined the Company in 1994 and joined the Secretarial Division in 1996. She was appointed Company Secretary of Remgro Limited and VenFin Limited in November 2001. She was appointed as the Remgro Limited Donations Committee Chairman in March 2013.

She acts as Board member of Remgro Limited's wholly owned subsidiaries as well as the board of Historical Homes of SA Limited.

N J WILLIAMS (52)

CHIEF FINANCIAL OFFICER

BComm (Hons), CA(SA)
Years of service with the Group: 23

Directorships: Business Partners Limited, eMedia Investments Proprietary Limited and Total South Africa Proprietary Limited.

P J MOLEKETI (60)

APPOINTED: 4 November 2009

Directorships: A former Deputy Minister of Finance of the Republic of South Africa and Gauteng Province MEC of Finance and Economic Affairs as well as a director of a number of companies including Brait South Africa, Development Bank of South Africa, Harith Fund Managers, MMI Holdings Limited and Vodacom Group Limited. He holds postgraduate economics and management qualifications from the University of London and Harvard Business School and has extensive international exposure, extensive strategic leadership skills and in-depth corporate governance experience in both the public and private sectors. He is a member of the Audit and Risk Committee.

M MOROBE (60)

APPOINTED: 18 June 2007

Directorships: In 2013, after finishing a seven-year stint as CEO of Kagiso Media Limited, Mr Morobe assumed the role of Chairman and National Director of the Programme to Improve Learner Outcomes (PILO). PILO is currently a lead service provider to the National Education Collaboration Trust. A committed social and development activist, Mr Morobe has since his release from Robben Island in 1982, continued to involve himself – apart from previous roles in the public service, Chairman and CEO of the Financial and Fiscal Commission (1994 – 2004) and private sector – with various social causes, mainly relating to youth development, environment and conservation. He served until 2015 on the boards of the Steve Biko Foundation, City Year South Africa and Food and Trees for Africa. He currently still serves as a non-executive director on the board of WWF-SA. Mr Morobe was in 2014 also appointed to the Board of Directors of RMB Holdings Limited. He is also Chairman of the Social and Ethics Committee.

F ROBERTSON (62)

APPOINTED: 28 March 2001

Directorships: Executive Chairman of Brimstone Investment Corporation Limited. Mr Robertson and his business partner formed Brimstone Investments Corporation Limited, which is now listed on the JSE. He is also Chairman of Commlife Holdings Proprietary Limited, Lion of Africa Insurance Company Limited, Lion of Africa Life Assurance Company Limited, House of Monatic and Sea Harvest Corporation Proprietary Limited. He serves as non-executive director on the boards of Aon Re Africa Proprietary Limited, Old Mutual Emerging Markets Limited, Novus Holdings Limited and Swiss Re Life and Health Africa Limited. He also serves as Chairman of the Board of Trustees of the University of the Western Cape Foundation. He is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. Fred is the recipient of an Honorary Doctorate in Philosophy from the University of the Western Cape.

MEMBERS OF COMMITTEES

AUDIT AND RISK COMMITTEE

S E N De Bruyn Sebotsa (Chairman)
N P Mageza
P J Moleketi
F Robertson

INVESTMENT COMMITTEE

J P Rupert (Chairman)
J J Durand
G T Ferreira
P K Harris
J Malherbe
N J Williams

MANAGEMENT BOARD

J J Durand (Chairman)
W E Bührmann
P R Louw
M Lubbe
P J Uys
N J Williams

REMUNERATION AND NOMINATION COMMITTEE

J P Rupert (Chairman)
G T Ferreira
P K Harris
F Robertson

SOCIAL AND ETHICS COMMITTEE

M Morobe (Chairman)
S E N De Bruyn Sebotsa
N P Mageza
P R Louw
P J Uys

EXECUTIVE MANAGEMENT STRUCTURE

HOW REMGRO IS MANAGED

The Remgro Limited Board of Directors ultimately leads and controls the Group in all issues of a material or strategic nature, which can impact the reputation and performance of the Group. The Management Board is a subcommittee of the Remgro Board that is mainly responsible for determining policies, monitoring and managing existing investments, identifying and recommending new investment opportunities and executing the decisions and strategy of the Board. Other issues, as mandated by the Board, are dealt with at senior management level as permitted in terms of a formal delegation of authority that directs limits of delegation and approval mandates.

The Management Board, together with senior management, also aims to instil a culture of compliance and good governance throughout the Remgro Group. As at 30 June 2017 the Management Board comprised six members, being all four executive directors as well as Messrs Pieter Louw and Pieter Uys.

The schematic presentation presented below in Figure 1 provides more detail on the day-to-day responsibilities and delegated authorities of the individual members of the Management Board.

Committee structure

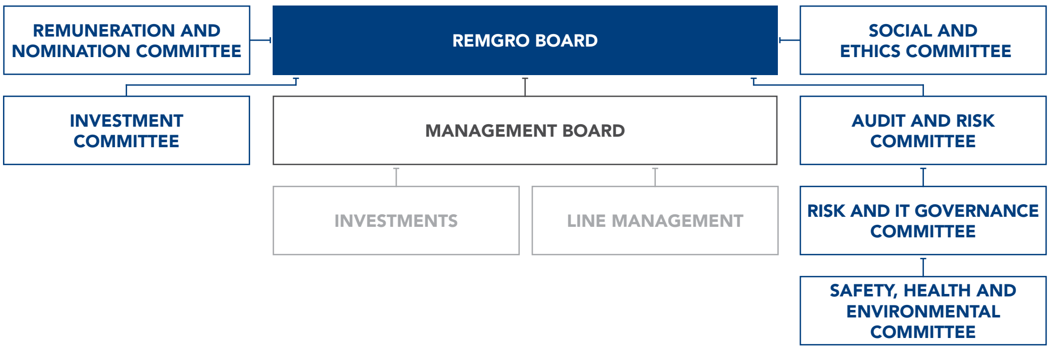
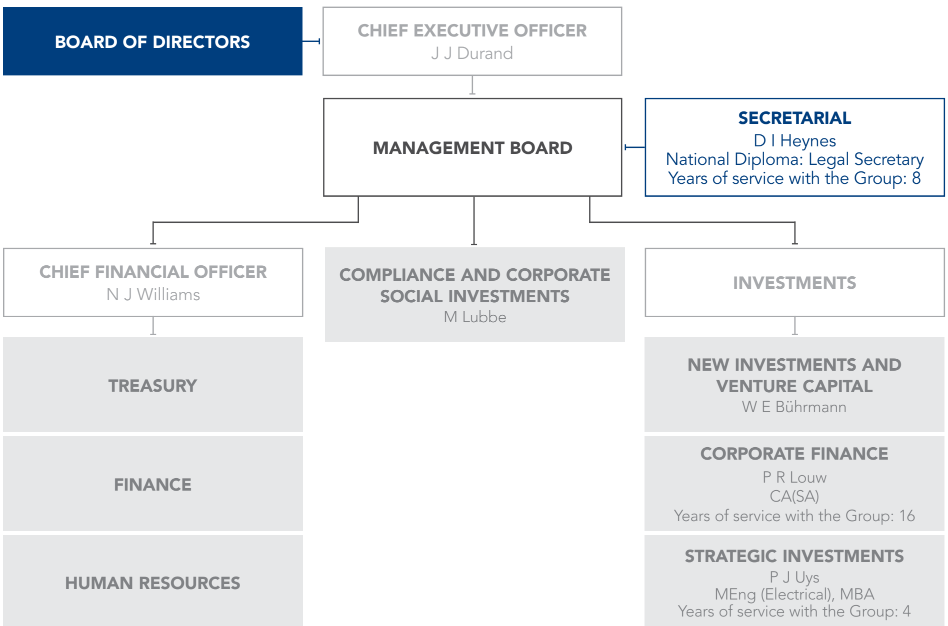


Figure 1



D I HEYNES

P R LOUW

P J UYS

SHAREHOLDERS' DIARY AND COMPANY INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual General Meeting	Wednesday, 29 November 2017

Financial reports

Announcement of interim results	March
Interim report	March
Announcement of annual results	September
Annual financial statements	October

Dividends

Interim dividend	
– declared	March
– paid	April
Final dividend	
– declared	September
– paid	November

Final dividend No. 34

Ordinary dividend per share	301 cents
Last day to trade in order to participate in the dividend	Tuesday, 14 November 2017
Shares trade ex dividend	Wednesday, 15 November 2017
Record date	Friday, 17 November 2017
Payment date	Monday, 20 November 2017

COMPANY INFORMATION

Company Secretary
D I Heynes

Business address and registered office
Millennia Park
16 Stellentia Avenue
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

Transfer Secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

PO Box 61051
Marshalltown
2107

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

Listing
JSE Limited
Sector: Industrials – Diversified Industrials

Sponsor
Rand Merchant Bank
(A division of FirstRand Bank Limited)

Website
www.remgro.com

REMGRO IS FULLY COMMITTED to managing its business in a sustainable way and upholding THE HIGHEST STANDARDS OF ETHICS AND CORPORATE GOVERNANCE PRACTICES

JOHANN RUPERT
CHAIRMAN

ECONOMIC OVERVIEW

The global economy is strengthening with a broad-based upturn in GDP growth momentum. At the same time, global inflation remains contained. This is a positive combination for emerging market economies, including South Africa, as it suggests that developed country central banks will keep policy interest rates at low levels in the near future. At the same time, improved global demand conditions and constrained supply drove the rise in major commodity prices so far in 2017.

As has been the case for the last number of years, domestic constraints are preventing South Africa from fully benefiting from the improved global economic environment. After two consecutive quarters of GDP decline, South Africa exited a technical recession in the second quarter of 2017 with GDP growing at a faster than expected rate of 2.5% q-o-q (seasonally adjusted and annualised). The second quarter figure represented a notable recovery from the (upwardly) revised GDP decline of 0.6% q-o-q during the first quarter. Despite the improved quarterly GDP profile, the annual (seasonally adjusted) GDP growth rate moderated to 0.5% y-o-y in the second quarter, down from the 0.7% recorded in the first quarter. The second quarter GDP recovery was driven by the secondary and tertiary sectors. The former expanded by 1.9% q-o-q after a large contraction of 3.3% during the first quarter of 2017.

A couple of flare-ups aside, the rand exchange rate absorbed the cabinet reshuffle and credit rating downgrades quite well in the second quarter. Indeed, at R13.22/$, the currency averaged more or less a similar level as was the case in the first quarter of 2017. The rand has remained resilient in the third quarter. While it is always a challenge to single out specific currency drivers, a number of factors may help to explain the rand's resilience. In general, it is probably fair to say that the supportive global conditions trumped domestic concerns and that this largely explains the rand's robust recent performance.

The rand exchange rate should continue to be supported by the global environment. Developed country central banks are likely to move very slowly in the process of monetary policy normalisation. This will continue to provide some scope for capital inflows to emerging markets, albeit most likely not to the same extent as experienced in the first half of 2017. The greater concern is the potential for domestic issues to drive the currency weaker. The release of the Medium-Term Budget Policy Statement on 25 October and the ANC's December elective conference are important events that may shape the currency's fortunes towards the end of the year.

After reaching a peak of 6.7% y-o-y in December 2016, consumer inflation moderated to 4.6% in July 2017. The key driver of the inflation easing was the food component. After rising to 12% y-o-y in December 2016, the rate of increase for food prices eased, reaching levels just below 7% in July. The resilient rand implies less pressure on the exchange rate sensitive components of the CPI, including transport, clothing and textiles, as well as durable goods such as electronic appliances and new vehicles. Combined with the overall favourable food price dynamics, the rand is the major reason why the inflation outlook has improved.

Against the overwhelming financial market consensus for an unchanged repo rate, the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) reduced the policy interest rate by 25 bps to 6.75% (prime rate down to 10.25%) on 20 July. The statement that accompanied the decision revealed that four MPC members voted for an interest rate reduction with two preferring to keep the rate on hold. This marks a significant shift from the previous (May) meeting when only one member opted for a cut.

The financial markets are pricing in further interest rate cuts totalling 75 bps over the next 12 to 18 months. As a result of the fiscal and political risks, the likelihood of a further credit rating downgrade in the next 12 months remains high. Against this backdrop, and despite the leeway provided by low global interest rates, there does not seem to be much scope for further domestic interest rate relief.

CORPORATE GOVERNANCE AND SUSTAINABILITY

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. The Board of Directors is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable.

Our governance framework is based on the principles contained in King III and we are satisfied that the Company has met the majority of the principles during the year under review. We further believe that the Board's current members possess the required collective skills, experience and diversity to carry out its responsibilities, to achieve the Group's objectives and create shareholder value over the long term.

FINANCIAL PERFORMANCE AND INVESTMENT ACTIVITIES

During October 2016 Remgro completed a rights issue whereby 48 110 637 new ordinary shares and 3 550 635 new B ordinary shares were issued at a subscription price of R192.50 per share for a total consideration of R9 944.8 million. The rationale of the rights issue was to provide the Company with cash resources and flexibility to capitalise on attractive investment opportunities and continue to support and facilitate the growth ambitions of its portfolio companies. Further information regarding these opportunities will be made public at an appropriate time if any of them materialise. Any surplus cash not utilised for strategic opportunities may also be used to repay Remgro's existing debt to ensure an efficient and robust statement of financial position with sufficient flexibility for future growth opportunities.

For the year to 30 June 2017, headline earnings increased by 40.0% from R5 874 million to R8 221 million, while headline earnings per share (HEPS) increased by 32.7% from 1 119.6 cents to 1 485.5 cents. The difference in the increase between headline earnings and HEPS is attributed to the impact of the rights issue.

Included in headline earnings for the comparative year are once-off transaction costs incurred with the Mediclinic International Limited (Mediclinic) rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million, as well as a negative fair value adjustment of R730 million, relating to the increase in value of the bondholders' exchange option (accounted for as a derivative liability) of the exchangeable bonds. The year under review includes a positive fair value adjustment of R687 million. Excluding these items, headline earnings increased by 1.9% from R7 392 million to R7 534 million, while HEPS decreased by 3.4% from 1 409.0 cents to 1 361.3 cents.

Remgro's intrinsic net asset value per share decreased by 17.9% from R306.44 at 30 June 2016 to R251.48 at 30 June 2017. The biggest contributor to this decrease was Mediclinic, whose share of intrinsic net asset value (before any potential CGT) decreased by 40.4% year on year from R69.7 billion to R41.6 billion, as well as the dilutive effect of the rights issue. As at 30 June 2017, 22% of Remgro's intrinsic net asset value was represented by unlisted investments (2016: 17%).

During June 2017 it was announced that Distell Group Limited (Distell) will restructure its ownership structure into a new listed entity. Remgro will retain its economic interest of 31.8%, but will, in addition, receive unlisted B shares, which will in aggregate give Remgro voting rights of 56.0%. The effective date of the transaction, which is still subject to a number of conditions precedent, is expected to be during the second half of the 2018 financial year.

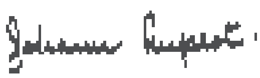
DIRECTORATE

Mrs Mariza Lubbe has been appointed by the Board as executive director on 20 September 2016 and her appointment has been ratified by the Board on 1 December 2016. Following Mrs Lubbe's appointment as a director, she resigned as Remgro's Company Secretary. Ms Danielle Heynes has been appointed as Company Secretary in her place with effect from the close of business on 20 September 2016.

Mr Herman Wessels retired as an independent non-executive director on 1 December 2016.

ACKNOWLEDGEMENTS

We extend our sincere appreciation to all who contributed to the performance of the Group over the past year: the shareholders for their continued confidence; the managing directors and all colleagues in the various group companies for their co-operation and support; all other directors, officials and employees for their dedication; and all parties concerned for services rendered.



Johann Rupert
Chairman

Stellenbosch
20 September 2017

CHIEF EXECUTIVE OFFICER'S REPORT

REMGRO'S INTRINSIC NET ASSET VALUE AMOUNTS TO **R251.48 PER SHARE**

JANNIE DURAND
CHIEF EXECUTIVE OFFICER

INTRODUCTION

Remgro's intrinsic net asset value is the best indicator of the value added for our shareholders. For the year under review the intrinsic net asset value per share has decreased by 17.9% from R306.44 at 30 June 2016 to R251.48 at 30 June 2017, mainly due to a 40.4% drop in the market value of the Mediclinic investment, as well as the dilutive effect of the rights issue. Over the same period the JSE all share index has decreased by 1.2%, while Remgro's share price decreased by 16.2%. Refer to the tables on page 22 where the relative performances are set out in more detail.

This report aims to provide shareholders with a better understanding of the methodology behind the calculation of the intrinsic net asset value, especially relating to the valuation of our unlisted investments. A summary of our investing activities during the year under review is also provided.

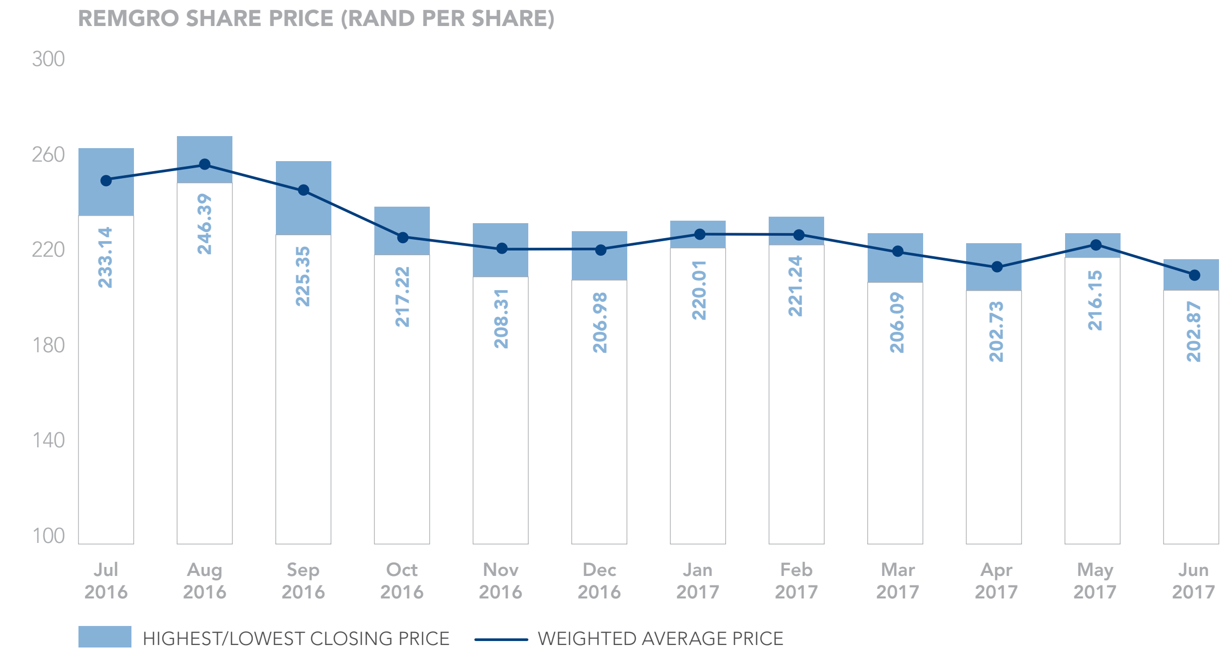
The intrinsic net asset value is also presented as part of the Group's segment information in the audited annual financial statements and for comparative purposes, the prior year's information is also presented.

INTRINSIC NET ASSET VALUE

The intrinsic net asset value of the Group includes valuations of all investments, incorporating subsidiaries and associates and joint ventures, either at listed market value or, in the case of unlisted investments, at directors' valuation. The net assets of other wholly owned subsidiaries consist mainly of monetary items (included at book value) and property (included at fair value).

The following factors are taken into account in determining the directors' valuation of unlisted investments:

- Cash flow projections
- Growth potential and risk
- Market value and earnings yield of similar listed shares, taking into account that the marketability of unlisted investments is limited and, in some cases, also the tradeability
- Profit history
- Underlying net asset value



It is Remgro's policy not to apply a control premium to the valuation of investments where it holds a majority interest. Where Remgro holds a minority interest a tradeability discount is applied.

Remgro's unlisted investments were valued as follows:

INVESTMENT	VALUATION METHODOLOGY
Air Products	Discounted cash flow method
Business Partners	Net asset value
CIV group	Discounted cash flow method
Kagiso Tiso Holdings	Annual external valuation
PGSI	Discounted cash flow method
PRIF	Annual external valuation
eMedia Investments	Comparable market price
SEACOM	Discounted cash flow method
Total	Discounted cash flow method
Unilever	Discounted cash flow method
Wispeco	Discounted cash flow method

Refer to the table on page 24 for a detailed analysis of Remgro's intrinsic net asset value.

RELATIVE PERFORMANCE OF INTRINSIC NET ASSET VALUE AND REMGRO INTERNAL RATE OF RETURN (IRR)

The tables below compare the relative performance of the Remgro intrinsic net asset value per share with certain selected JSE indices. Dividends paid by Remgro were not taken into account.

	30 June 2017	30 June 2016	30 June 2015	30 June 2014	30 June 2013
Intrinsic net asset value – Rand per share	**251.48**	306.44	288.89	245.96	204.83
JSE – All share index	**51 611**	52 218	51 807	50 945	39 578
– Fin & Ind 30 index	**73 184**	73 134	71 344	63 467	48 801
– Financial 15 index	**14 470**	14 715	16 498	14 501	11 176
– Healthcare	**7 538**	10 025	9 765	8 307	6 822
Remgro share price (Rand)	**213.46**	254.66	255.94	230.00	189.95

Relative performance	Year 30 June 2017 (% year on year)	Period from 28 October 2008 to 30 June 2017 (% compounded per annum)
Intrinsic net asset value	**(17.9)**	**13.4**
JSE – All share index	**(1.2)**	**12.5**
– Fin & Ind 30 index	**0.1**	**17.1**
– Financial 15 index	**(1.7)**	**11.7**
– Healthcare	**(24.8)**	**22.3**
Remgro share price	**(16.2)**	**15.5**

The following table compares Remgro's IRR with that of certain selected JSE indices. For this purpose it has been assumed that dividends have been reinvested in either Remgro shares or in the particular index, depending on the specific calculation.

	IRR from 28 October 2008 to 30 June 2017 (% compounded per annum)
JSE – All share index	**15.8**
– Fin & Ind 30 index	**20.4**
– Financial 15 index	**16.4**
– Healthcare	**23.9**
Remgro share	**18.6**

The following table compares the value at 30 June 2017 of R100 invested on 28 October 2008 in either the relevant index or a Remgro share. For this purpose it has been assumed that dividends have been reinvested in either Remgro shares or in the particular index, depending on the specific calculation.

	R100 invested on 28 October 2008 until 30 June 2017 (Rand)
JSE – All share index	**357**
– Fin & Ind 30 index	**502**
– Financial 15 index	**373**
– Healthcare	**640**
Remgro share	**440**

INVESTMENT ACTIVITIES

During September 2016 Remgro subscribed for an additional 12 353 shares in Community Investment Ventures Holdings Proprietary Limited (CIVH) for a total amount of R329.3 million in terms of a CIVH rights issue. As a result of the share subscription, Remgro's interest in CIVH increased marginally to 51.0% on 30 June 2017 (2016: 50.9%).

During June 2017 it was announced that Distell Group Limited (Distell) will restructure its multi-tiered ownership structure (the Proposed Transaction) and in order to give effect to the Proposed Transaction, Remgro will, through a number of inter-conditional steps, exchange its existing 50% shareholding in Remgro-Capevin Investments Proprietary Limited (RCI) for additional ordinary shares in Capevin Holdings Limited (Capevin) (RCI Exchange). Remgro currently holds 19.0% of the ordinary shares in Capevin and after the RCI Exchange, Remgro will hold 59.5% in Capevin. Following the RCI Exchange, Remgro will exchange its entire Capevin shareholding for ordinary shares in a new listed entity (New Distell), which entity will be substantially similar to the current Distell. Remgro will, in addition, also receive unlisted B shares in New Distell, which shares will be linked to those New Distell ordinary shares acquired by Remgro by virtue of the RCI Exchange, resulting in Remgro replicating RCI's current 52.8% voting rights in Distell. The unlisted B shares will only carry voting rights in New Distell and will have no economic participation. The Proposed Transaction will have no impact on Remgro's intrinsic asset value and Remgro will retain its economic interest in Distell. Post implementation of the Proposed Transaction, Remgro will, in aggregate, have voting rights of 56.0% in New Distell. The Proposed Transaction is still subject to a number of conditions precedent, *inter alia* Distell and Capevin shareholders' approvals, which is expected to be on 27 October 2017, as well as the approval of the relevant competition authorities.

The following table represents the cash effects of Remgro's investing activities for the year to 30 June 2017. These activities exclude the investing activities of Remgro's operating subsidiaries, i.e. RCL Foods Limited and Wispeco Holdings Limited.

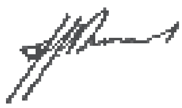
Investments made and loans granted	R million
Existing investee companies	
CIV group	329
Capevin	265
Invenfin	235
PRIF	58
Premier Team Holdings	38
Other	72
	997

Investments sold and loans repaid	R million
CIV group (loan)	45
Milestone Capital Funds (offshore)	42
PRIF	15
Other	12
	114

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2017.

Investment commitments	R million
PRIF	395
Milestone Capital Funds (offshore)	79
Invenfin	77
Other	29
	580



Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2017

INTRINSIC NET ASSET VALUE

R million	30 June 2017 Book value	30 June 2017 Intrinsic value	30 June 2016 Book value Restated	30 June 2016 Intrinsic value
Healthcare				
Mediclinic	33 763	41 568	33 629	69 691
Banking				
RMBH	14 016	23 350	13 132	22 356
FirstRand	5 010	10 365	4 652	9 857
Consumer products				
Unilever	3 737	10 702	3 589	10 650
Distell(1)	3 727	9 556	3 500	10 723
RCL Foods	7 553	10 173	7 272	9 278
Insurance				
RMI Holdings	7 277	17 532	7 157	18 526
Industrial				
Air Products	1 047	4 298	933	4 241
KTH	1 684	2 466	1 631	2 723
Total	1 640	2 167	1 575	1 879
PGSI	643	643	734	734
Wispeco	821	1 368	702	1 055
Infrastructure				
Grindrod	1 915	1 915	1 986	1 986
CIV group	2 242	4 829	1 871	3 166
SEACOM	321	896	655	1 043
Other infrastructure interests	520	520	540	540
Media and sport				
eMedia Investments	1 147	1 424	1 116	1 342
Other media and sport interests	365	319	328	328
Other investments	3 947	3 932	3 737	3 717
Central treasury				
Cash at the centre(2)	12 223	12 223	3 778	3 778
Debt at the centre	(13 907)	(13 907)	(16 452)	(16 452)
Other net corporate assets	2 741	3 164	2 779	3 149
Intrinsic net asset value (INAV)	92 432	149 503	78 844	164 310
Potential CGT liability(3)		(7 010)		(6 526)
INAV after tax	92 432	142 493	78 844	157 784
Issued shares after deduction of shares repurchased (million)	566.6	566.6	514.9	514.9
INAV after tax per share (Rand)	163.13	251.48	153.13	306.44
Remgro share price (Rand)		213.46		254.66
Percentage discount to INAV		15.1		16.9

(1) *Includes the investment in Capevin Holdings Limited.*
(2) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods and Wispeco).*
(3) *The potential capital gains tax (CGT) liability is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments "available-for-sale" is included in "other net corporate assets" above.*
(4) *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at directors' valuation and the listed investments are shown at stock exchange prices.*

CHIEF FINANCIAL OFFICER'S REPORT

REMGRO'S HEADLINE EARNINGS, excluding once-off costs and option remeasurement, **INCREASED BY 1.9%**

NEVILLE WILLIAMS
CHIEF FINANCIAL OFFICER

INTRODUCTION

Due to Remgro being an investment holding company, traditional measurements of performance, such as sales or gross profit, are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic net asset value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts are used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

RESULTS

HEADLINE EARNINGS

For the year to 30 June 2017, headline earnings increased by 40.0% from R5 874 million to R8 221 million, while headline earnings per share (HEPS) increased by 32.7% from 1 119.6 cents to 1 485.5 cents. The difference in the increase between headline earnings and HEPS is attributed to the impact of the rights issue during the year under review.

Included in headline earnings for the comparative year are once-off transaction costs incurred with the Mediclinic International Limited (Mediclinic) rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million ("once-off costs"), as well as a negative fair value adjustment of R730 million, relating to the increase in value of the bondholders' exchange option of the bonds ("option remeasurement"). The year under review includes a positive fair value adjustment of R687 million. Excluding these items, headline earnings increased by 1.9% from R7 392 million to R7 534 million, while HEPS decreased by 3.4% from 1 409.0 cents to 1 361.3 cents. The increase in headline earnings, excluding once-off costs and option remeasurement, is mainly due to higher contributions from the banking and insurance platforms, KTH and higher interest income, partly offset by lower earnings from RCL Foods and higher finance costs.

COMMENTARY ON REPORTING PLATFORMS' PERFORMANCE

HEALTHCARE

Mediclinic's contribution to Remgro's headline earnings amounted to R1 875 million (2016: R1 566 million), representing an increase of 19.7%. It should be noted that Mediclinic's results for the comparative period include once-off transaction costs incurred with the Al Noor transaction amounting to R891 million (Remgro's portion being R386 million). Excluding these once-off items Mediclinic's contribution to Remgro's headline earnings would have decreased by 3.9% from R1 952 million to R1 875 million. This decrease is mainly due to the strengthening of the rand against the British pound. In British pound terms Mediclinic's contribution, excluding once-off transaction costs, increased by 8.2% mainly due to Remgro's increased interest in Mediclinic (42.1% to 44.6%), the inclusion of the results of Al Noor and Spire Healthcare Group plc (Spire) for the full 12 months and a strong performance in Switzerland, as well as good organic growth in Southern Africa. The increase is partly offset by the underperforming Middle East business, which was impacted by a number of operational and regulatory factors, doctor vacancies and delayed facility openings.

BANKING

The headline earnings contribution from the banking division amounted to R3 163 million (2016: R2 989 million), representing an increase of 5.8%. FirstRand and RMBH reported headline earnings growth of 6.1% and 5.7% respectively. On a normalised basis, which excludes certain non-operational and accounting anomalies, FirstRand and RMBH reported earnings growth of 7.1% and 6.6% respectively. These increases are mainly due to growth in both net interest income, underpinned by good growth in deposits and a positive endowment on the back of higher average interest rates, and non-interest revenue due to strong growth in fee and commission income at FNB and from realisations in RMB's private equity portfolio at marginally higher levels. This growth in earnings was partly offset by an increase in credit impairment charges.

CONSUMER PRODUCTS

The contribution from consumer products to Remgro's headline earnings amounted to R1 354 million (2016: R1 605 million), representing a decrease of 15.6%. RCL Foods' contribution to Remgro's headline earnings decreased by 34.3% to R424 million (2016: R645 million). During the comparative period RCL Foods' results were positively impacted by the release of a R163 million provision raised for uncertain tax disputes as part of the Foodcorp acquisition, as well as a R119 million gain on the exercise of the Zam Chick and Zamhatch put options. On a normalised basis, RCL Foods reported headline earnings growth of 7.7%. The Sugar business benefited from price increases which helped offset reduced volumes, while the Chicken business was impacted by a massive oversupply in the local market caused by local production and dumping of imported chicken. Unilever's contribution to Remgro's headline earnings decreased by 2.6% to R449 million (2016: R461 million). This decrease is mainly the result of lower tax allowances following the completion of manufacturing investments, as well as a

SALIENT FEATURES

	Year ended 30 June 2017	Year ended 30 June 2016 Restated	% change
Headline earnings (R million)	**8 221**	5 874	*40.0*
– per share (cents)	**1 485.5**	1 119.6	*32.7*
Headline earnings, excluding once-off costs and option remeasurement (R million)	**7 534**	7 392	*1.9*
– per share (cents)	**1 361.3**	1 409.0	*(3.4)*
Earnings (R million)	**8 431**	5 364	*57.2*
– per share (cents)	**1 523.4**	1 022.4	*49.0*
Dividends per share (cents)			
Ordinary	**495.00**	460.00	*7.6*
– Interim	**194.00**	185.00	*4.9*
– Final	**301.00**	275.00	*9.5*
Intrinsic net asset value per share (Rand)	**251.48**	306.44	*(17.9)*

CONTRIBUTION TO HEADLINE EARNINGS BY REPORTING PLATFORM

R million	Year ended 30 June 2017	% change	Year ended 30 June 2016 Restated
Healthcare	**1 875**	*19.7*	1 566
Banking	**3 163**	*5.8*	2 989
Consumer products	**1 354**	*(15.6)*	1 605
Insurance	**1 041**	*17.2*	888
Industrial	**750**	*45.1*	517
Infrastructure	**36**	*500.0*	6
Media and sport	**(58)**	*(61.1)*	(36)
Other investments	**70**	*4.5*	67
Central treasury			
– Finance income	**349**	*179.2*	125
– Finance costs	**(903)**	*(3.6)*	(872)
– Option remeasurement	**687**	*194.1*	(730)
Other net corporate costs	**(143)**	*43.0*	(251)
Headline earnings	**8 221**	*40.0*	5 874
Once-off costs	**–**		788
Option remeasurement	**(687)**		730
Headline earnings, excluding once-off costs and option remeasurement	**7 534**	*1.9*	7 392

Refer to the composition of headline earnings on page 31 for further information.

weakening trade environment. Distell's contribution to headline earnings, which includes the investment in Capevin Holdings, amounted to R481 million (2016: R499 million). Distell's results were negatively impacted by a stronger rand, particularly against the British pound, as well as intense competition and pressure on consumers. Distell reported headline earnings growth, adjusted for foreign exchange movements, at 7.4%.

INSURANCE

RMI Holdings' contribution to headline earnings increased by 17.2% to R1 041 million (2016: R888 million). On a normalised basis, RMI Holdings reported an increase of 16.4% in earnings mainly due to OUTsurance and Discovery, which achieved earnings growth of 25.7% and 8.2% respectively. The strong result by OUTsurance was driven by favourable claims experienced across the group, as well as a significant improvement in the cost-to-income ratio, particularly at Youi due to scale benefits and cost efficiencies. With effect from 1 March 2017 RMI Holdings acquired a 29.9% stake in Hastings Group Holdings plc (Hastings), a fast-growing agile digital general insurance provider operating principally in the UK motor market. The contribution from Hastings were partially offset by higher funding costs relating to the acquisition.

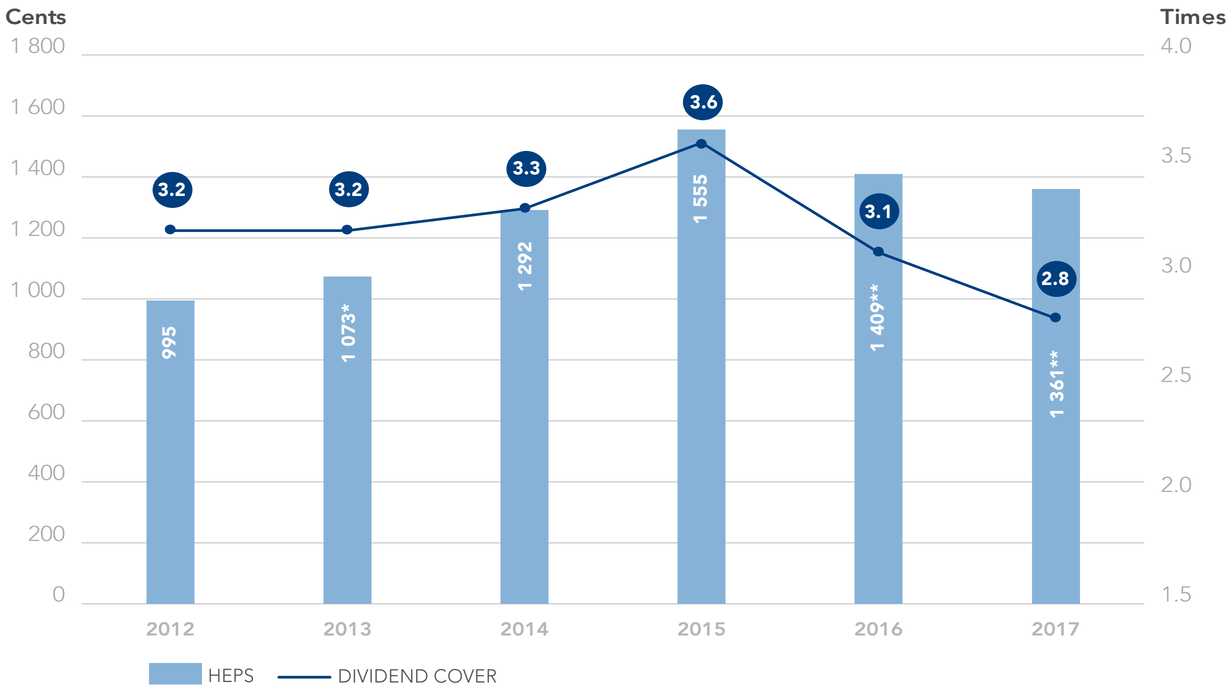
INDUSTRIAL

Total's contribution to Remgro's headline earnings amounted to R224 million (2016: R291 million). The decrease is mainly due to a lower refining margin. Remgro's share of the results of KTH amounted to a profit of R34 million (2016: loss of R229 million). In the comparative period, KTH's results were negatively impacted by unfavourable fair value adjustments relating to its investments in Exxaro Resources Limited and MMI Holdings Limited preference shares. Air Products' and Wispeco's contribution to headline earnings amounted to R298 million and R169 million respectively (2016: R275 million and R144 million), while PGSI contributed R25 million to Remgro's headline earnings (2016: R36 million).

INFRASTRUCTURE

Grindrod's contribution to Remgro's headline earnings amounted to a loss of R48 million (2016: a loss of R45 million). The increased loss is mainly due to the underperformance of the rail assembly businesses resulting from a lack in demand for locomotives, continued uncertainty in the mining sector and low levels of activity in Southern Africa. The increased loss is partly offset by an improvement in dry-bulk shipping rates and commodity markets, as well as the Agricultural businesses. For the year under review the CIV group contributed R110 million to headline earnings

DIVIDEND COVER (HEPS: HEADLINE EARNINGS PER SHARE)



* *HEPS, excluding Mediclinic refinancing cost (restated)*
** *HEPS, excluding once-off costs and option remeasurement*

(2016: R64 million). This increase is mainly due to solid growth in annuity revenue. Remgro's share of SEACOM's loss amounted to R33 million (2016: loss of R33 million).

MEDIA AND SPORT

Media and sport primarily consist of the interests in eMedia Investments and various sport interests, including interests in rugby franchises, as well as the Stellenbosch Academy of Sport. eMedia Investments' contribution to Remgro's headline earnings increased to R49 million (2016: R28 million), mainly due to higher advertising revenue as a result of an improvement in market share. The increase is partly offset by higher business development costs, as well as continued investment into the multichannel business.

OTHER INVESTMENTS

The contribution from other investments to headline earnings amounted to R70 million (2016: R67 million), of which Business Partners' contribution was R54 million (2016: R48 million).

CENTRAL TREASURY AND OTHER NET CORPORATE COSTS

Finance income amounted to R349 million (2016: R125 million). This increase is mainly due to higher average cash balances as a result of the Remgro rights issue. Finance costs mainly consist of funding costs amounting to R893 million (2016: R466 million) and once-off transaction costs in the comparative period amounting to R402 million, which relate to the Mediclinic rights issue and Al Noor transaction. The positive fair value adjustment of R687 million relates to the decrease in the value of the exchange option of the exchangeable bonds (2016: negative fair value adjustment of R730 million). Other net corporate costs amounted to R143 million (2016: R251 million). The comparative period includes transaction and funding costs amounting to R115 million relating to Remgro's acquisition of Spire. These costs were recouped from Mediclinic as part of the Spire disposal consideration, outside headline earnings.

EARNINGS

Earnings increased by 57.2% to R8 431 million (2016: R5 364 million). This increase is mainly the result of the positive fair value adjustment relating to the decrease in value of the exchange option of the exchangeable bonds amounting to R687 million (2016: negative fair value adjustment of R730 million) and the once-off transaction costs in the comparative period amounting to R788 million, which relate to the Mediclinic rights issue and Al Noor transaction. The comparative period also includes an impairment of the investment in Grindrod (R1 861 million), Remgro's portion of the impairments in Grindrod's Rail and Shipping divisions (R577 million) and Remgro's portion of an impairment in RCL Foods' Milling business (R439 million), offset by a profit of R2 262 million realised on the dilution of Remgro's interest in Mediclinic as part of the Al Noor transaction.

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

On 30 June 2017 Remgro's cash at the centre amounted to R12 223 million (2016: R3 778 million), of which 35% was invested offshore (2016: 55%). The cash is held in different currencies of which approximately 65% was held in SA rand, 32% in USA dollar and 3% in British pound.

During the year $188 million and £50 million was transferred from local cash to the offshore cash at a SA rand/USA dollar exchange rate of R13.83 and a SA rand/GBP exchange rate of R17.25 respectively. Foreign exchange losses amounting to R414 million (2016: R213 million) were accounted for during the year under review, mainly as a result of the strengthening of the SA rand against the USA dollar from R14.70 = $1.00 at 30 June 2016, to R13.11 = $1.00 at 30 June 2017. For accounting purposes these exchange movements are accounted for directly in equity.

Remgro's offshore cash is earmarked for potential new investments and the expansion of existing offshore investments (USA dollar), as well as to service foreign debt (British pound).

RIGHTS ISSUE

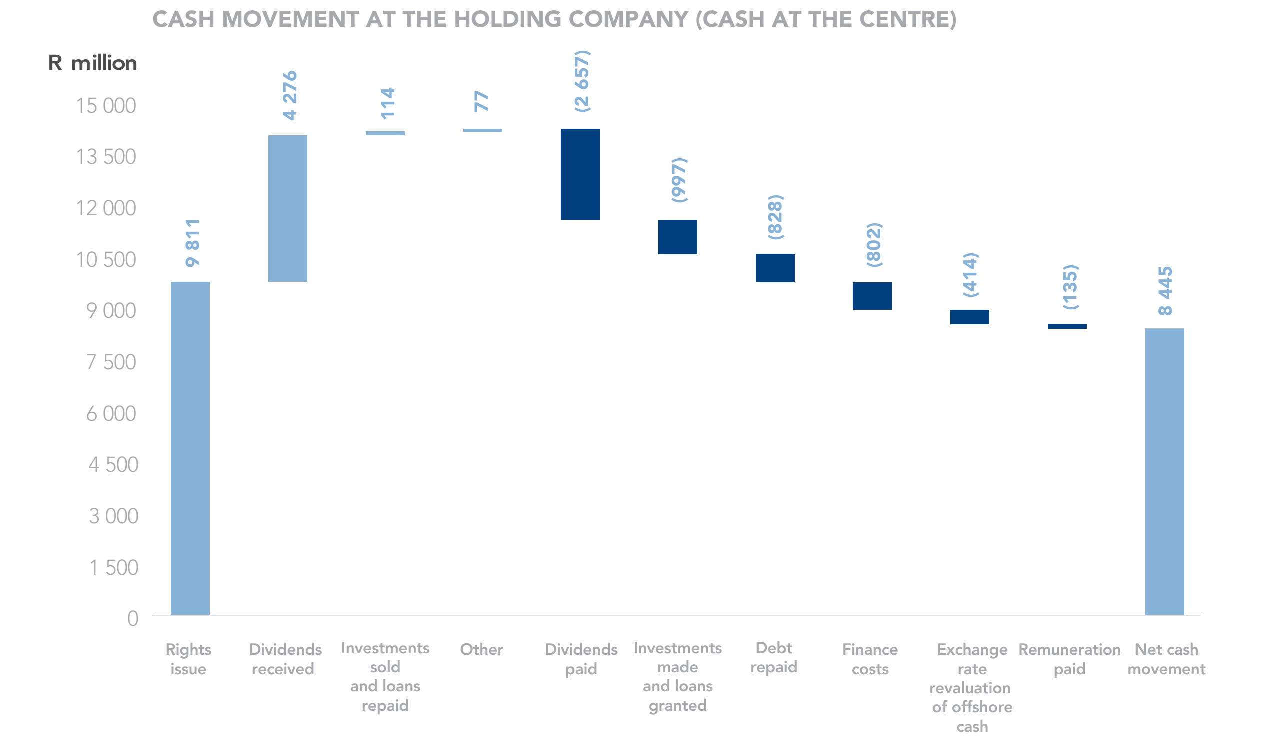
During October 2016 Remgro completed a rights issue whereby 48 110 637 new ordinary shares and 3 550 635 new B ordinary shares were issued at a subscription price of R192.50 per share for a total consideration of R9 944.8 million. The offer to the ordinary shareholders was made in the ratio of 10 rights issue shares for every 100 ordinary shares held on the record date of the rights issue, representing an aggregate amount of R9 261.3 million. In order to maintain the current level of voting rights of Rupert Beleggings Proprietary Limited (Rupert Beleggings) in Remgro, and to contribute to the new equity capital being raised, Remgro offered Rupert Beleggings the right to subscribe for 3 550 635 B ordinary shares, representing an aggregate amount of R683.5 million. In terms of IAS 33 paragraph 26, an adjustment to the weighted average number of shares in issue for the comparative period is required as the shares were issued at a discount to the Remgro share price on the day before the announcement (being R243.29 per share). Consequently, the comparable weighted number of shares in issue was adjusted by 9 994 195 shares to account for the deemed dilutive effect of the rights issue.

EXTERNAL FUNDING

On 13 January 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare Holdings Proprietary Limited (Remgro Healthcare)) issued fixed rate cumulative redeemable preference shares amounting to R3.5 billion to fund its participation in a Mediclinic International Limited rights issue as part of the Spire acquisition. These preference shares have a tenure of four years and the dividend rate is fixed at 7.7%, payable semi-annually.

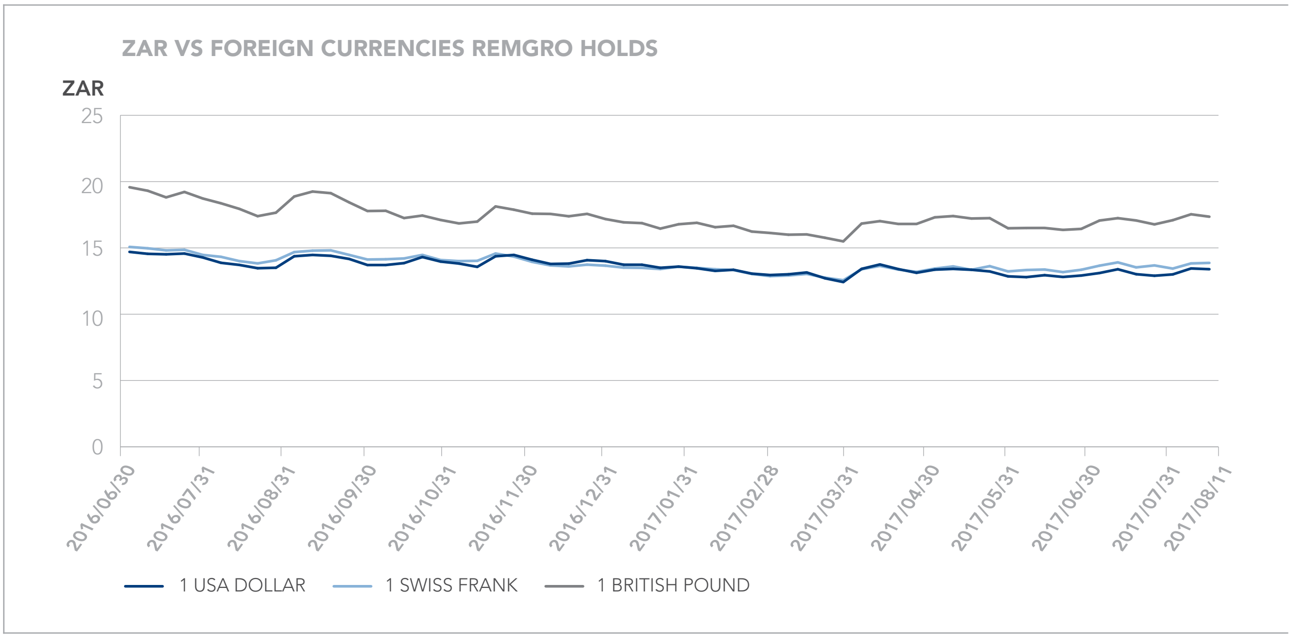
The Al Noor transaction was funded with local bridge financing of £200.0 million (or R4.3 billion), as well as foreign bridge financing of £400.0 million. On 16 March 2016 Remgro (through its wholly owned subsidiary, Remgro Healthcare)

	30 June 2017 Currency value million	30 June 2017 Exchange rate	30 June 2017 R million	30 June 2016 R million
USA dollar	294.6	13.1062	3 862	1 509
British pound	22.7	17.0648	388	528
Swiss franc	0.4	13.6612	5	4
SA rand			7 968	1 737
			12 223	3 778



Closing exchange rates	30 June 2017	30 June 2016	Movement %
USD/ZAR	13.1062	14.6994	*10.8*
EUR/ZAR	14.9701	16.3107	*8.2*
GBP/ZAR	17.0648	19.5756	*12.8*
CHF/ZAR	13.6612	15.0750	*9.4*

Average exchange rates	Year ended 30 June 2017	Year ended 30 June 2016	Movement %
USD/ZAR	13.5915	14.4940	*6.2*
EUR/ZAR	14.8204	16.0853	*7.9*
GBP/ZAR	17.2386	21.4340	*19.6*
CHF/ZAR	13.7121	14.7804	*7.2*



replaced the local bridge facility with newly issued fixed rate cumulative redeemable preference shares amounting to R4.4 billion. The preference shares have a tenure of five years and a fixed dividend rate of 8.3%, payable semi-annually. On 22 March 2016 Remgro (through its wholly owned subsidiary, Remgro Jersey GBP Limited) replaced £350.0 million of the foreign bridge facility by issuing exchangeable bonds with a tenure of five years and a fixed coupon rate of 2.625%, payable semi-annually. The exchangeable bonds are exchangeable into approximately 30.9 million Mediclinic shares and/or cash, and the exchange price for the bonds is £11.3086 per Mediclinic plc share, representing a 30% premium above the weighted average price on the London Stock Exchange (LSE) between launch and pricing of the bond offering. Upon exchange or redemption of the bonds, Remgro will have the discretionary right to deliver an amount in cash or shares or a combination of cash and shares. The bonds were included for trading on the open market (Freiverkehr) segment of the Frankfurt Stock Exchange on 23 March 2016. During November 2016 Remgro repaid the remainder of the foreign bridge facility of £50.0 million.

DIVIDENDS

The final dividend per share was determined at 301 cents (2016: 275 cents). Total ordinary dividends per share in respect of the year to 30 June 2017 therefore amounted to 495 cents (2016: 460 cents).

The dividend is covered 3.0 times by headline earnings against 2.4 times the previous year.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share at 30 June 2017 was R251.48 compared to R306.44 on 30 June 2016. Refer to the Chief Executive Officer's Report on page 20 for a detailed discussion regarding Remgro's intrinsic net asset value and its relative performance with certain selected JSE indices.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied to both years presented, with the exception of the adoption of the amendments to *IAS 16: Property, Plant and Equipment* and *IAS 41: Agriculture*. These amendments have to be applied retrospectively and, accordingly, the comparative results were restated as more fully set out in note 15 to the summary annual financial statements on page 112.

RISK MANAGEMENT

The Company has implemented a comprehensive Risk Management Policy that is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management – Integrated Framework and complies with the recommendations of King III. A comprehensive risk management structure furthermore ensures the effective and efficient management of risk within the Group.

Remgro's risk management process is summarised in the Risk Management Report on page 64, as well as in note 13 to the comprehensive annual financial statements on page 80 that is published on the Company's website at www.remgro.com.

Neville Williams
Chief Financial Officer

Stellenbosch
20 September 2017

COMPOSITION OF HEADLINE EARNINGS

R million	Year ended 30 June 2017	% change	Year ended 30 June 2016 Restated
Healthcare			
Mediclinic	**1 875**	*19.7*	1 566
Banking			
RMBH	**2 232**	*5.7*	2 112
FirstRand	**931**	*6.2*	877
Consumer products			
Unilever	**449**	*(2.6)*	461
Distell[(1)]	**481**	*(3.6)*	499
RCL Foods	**424**	*(34.3)*	645
Insurance			
RMI Holdings	**1 041**	*17.2*	888
Industrial			
Air Products	**298**	*8.4*	275
KTH	**34**	*114.8*	(229)
Total	**224**	*(23.0)*	291
PGSI	**25**	*(30.6)*	36
Wispeco	**169**	*17.4*	144
Infrastructure			
Grindrod	**(48)**	*(6.7)*	(45)
CIV group	**110**	*71.9*	64
SEACOM	**(33)**	–	(33)
Other infrastructure interests	**7**	*(65.0)*	20
Media and sport			
eMedia Investments	**49**	*75.0*	28
Other media and sport interests	**(107)**	*(67.2)*	(64)
Other investments	**70**	*4.5*	67
Central treasury			
Finance income	**349**	*179.2*	125
Finance costs[(2)]	**(216)**	*86.5*	(1 602)
Other net corporate costs	**(143)**	*43.0*	(251)
Headline earnings	**8 221**	*40.0*	5 874
Weighted number of shares (million)	**553.4**	*5.5*	524.6
Headline earnings per share (cents)	**1 485.5**	*32.7*	1 119.6

[(1)] *Includes the investment in Capevin Holdings Limited.*
[(2)] *Finance costs for the year under review include a positive option remeasurement of R687 million. The prior year includes a negative option remeasurement of R730 million and once-off costs of R402 million.*

INVESTMENT REVIEWS

INVESTING IN SECTORS THAT **HAVE A SOLID TRACK RECORD**

HEALTHCARE

MEDICLINIC

BANKING

RMB

FIRSTRAND

CONSUMER PRODUCTS

Unilever

DISTELL

RCL FOODS

INSURANCE

RMI

INDUSTRIAL

AIR PRODUCTS

kth

TOTAL

INFRASTRUCTURE

WISPECO Aluminium

GRINDROD LIMITED

CIV HOLDINGS

SEACOM

MEDIA AND SPORT

OTHER INVESTMENTS

Healthcare

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Mediclinic	**1 875**	1 566

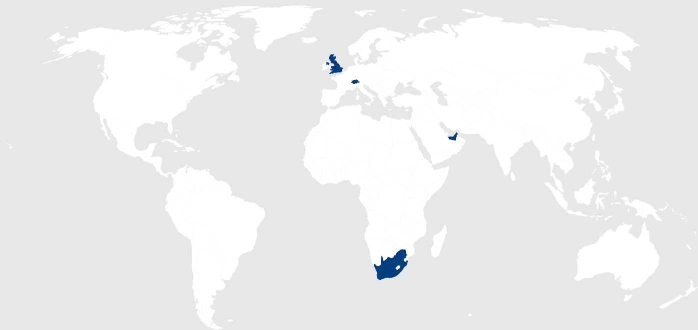
MEDICLINIC INTERNATIONAL

EFFECTIVE INTEREST

44.6%

PROFILE

Mediclinic's business consists of the provision of comprehensive, high-quality hospital services on a cost-effective basis in Southern Africa, the United Arab Emirates, Switzerland and the United Kingdom.



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa

OTHER: Switzerland, United Arab Emirates, United Kingdom

CORPORATE INFORMATION

Market cap at 30 June 2017
£5 465 million/R93 256 million

Primary listing:
London Stock Exchange
Secondary listing: JSE Limited

Chief Executive Officer
D P Meintjes

Remgro nominated directors
J J Durand, P J Uys (alternate)

Website
www.mediclinic.com

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2017 £ million	%
Revenue	**2 749**	**30.5**
Operating profit	**362**	**25.7**
Underlying earnings	**229**	**4.6**

SUSTAINABILITY MEASURES

CSI/Training spend
£38 million

Number of employees
32 625

BBBEE status
Non-compliant

Environmental aspect
Scope 1 and 2 emissions of 181 468 tonnes CO_2e

MEDICLINIC INTERNATIONAL PLC (MEDICLINIC)

Mediclinic has a March year-end and therefore the results for the 12 months to 31 March 2017 have been equity accounted in Remgro's results for the year under review. Mediclinic's contribution to Remgro's headline earnings for the year under review amounted to R1 875 million (2016: R1 566 million; R1 952 million excluding once-off items and transaction costs).

Mediclinic's turnover for the financial year ended 31 March 2017 increased by 30% to £2 749 million (2016: £2 107 million). Underlying earnings before interest, tax, depreciation and amortisation (underlying EBITDA) increased by 17% from £428 million to £501 million, while underlying margins declined from 20.4% to 18.2%.

Mediclinic has an interest of 100% in Hirslanden, the holding company of the largest private hospital group in Switzerland. Hirslanden's revenue for the year under review increased by 3% to CHF1 704 million (2016: CHF1 657 million) and underlying EBITDA was 5% higher at CHF340 million (2016: CHF325 million). The underlying EBITDA margin increased from 19.7% to 20.0% due to several productivity measures and cost-saving initiatives implemented during the year and an underlying tariff provision release of CHF8 million.

Mediclinic Southern Africa's revenue increased by 7% to R14 367 million (2016: R13 450 million) for the year under review, mainly due to a 0.8% increase in bed-days sold and a 5.8% increase in the average income per bed-day. Underlying EBITDA increased by 6% to R3 049 million (2016: R2 877 million), resulting in the underlying EBITDA margin decreasing from 21.4% to 21.2% due to the ongoing shift in mix towards medical versus surgical cases, wage and cost inflation, higher price increases on pharmaceuticals (sold at zero margin) and investment in additional clinical personnel.

Mediclinic Middle East owns and operates the Welcare Hospital and the City Hospital (the Dubai business), as well as the Al Noor Hospital Group (the Abu Dhabi business) that was acquired on 15 February 2016. The Mediclinic Middle East results represent the combined business for the 2017 financial year, while the Abu Dhabi business's results were only included from the acquisition date in the comparative period. Revenue increased by 72% to AED3 109 million (2016: AED1 544 million) for the year under review, which resulted from a 5% increase in revenue from the Dubai business, as well as including the Abu Dhabi business for the full financial year. Underlying EBITDA decreased by 5% to AED364 million (2016: AED384 million), while the underlying EBITDA margin decreased from 21.3% to 11.7%. These decreases were due to unexpected regulatory changes in Abu Dhabi, a decline in patient volumes in Abu Dhabi, increased competition and doctor vacancies. The regulatory changes have since then been reversed.

The group remains uniquely positioned across four diverse international operating platforms and continues to invest for growth across these platforms.

Banking

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
RMBH	**2 232**	2 112
FirstRand	**931**	877
	3 163	2 989

EFFECTIVE INTEREST

28.2%

PROFILE

RMBH is a focused investment holding company, holding a 34.1% interest in FirstRand, generally regarded as Southern Africa's pre-eminent banking group. During 2016, RMBH expanded its investment strategy by establishing a property investment business, RMH Property.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa (directly)

Refer to FirstRand for indirect exposure

CORPORATE INFORMATION

Market cap at 30 June 2017
R82 938 million

Listed on the JSE Limited

Chief Executive Officer
H L Bosman

Remgro nominated directors
J J Durand, F Knoetze (alternate)

Website
www.rmh-online.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Headline earnings	**7 927**	**5.7**
Normalised headline earnings	**8 166**	**6.6**

SUSTAINABILITY MEASURES

Refer to FirstRand as RMBH is only an investment holding company.

RMB HOLDINGS LIMITED (RMBH)

RMBH's main asset is a fully diluted interest of 34.1% in FirstRand Limited, and its performance is therefore primarily related to that of FirstRand Limited. The extension of the investment strategy into property involved the acquisition of a 27.5% interest in Atterbury Property Holdings Proprietary Limited (Atterbury), a 34.1% interest in Propertuity Development Proprietary Limited (Propertuity), an urban renewal business and a 40% interest in Genesis Properties Three Proprietary Limited (Genesis Properties), a mezzanine debt and equity funding business.

RMBH's contribution to Remgro's headline earnings for the year under review increased to R2 232 million (2016: R2 112 million) due to good operational performances of all three of the main FirstRand brands (FNB, RMB and WesBank). FirstRand's contribution to RMBH's normalised headline earnings amounted to R8 334 million (2016: R7 783 million), while the newly established RMH Property contributed R8 million.

FIRSTRAND

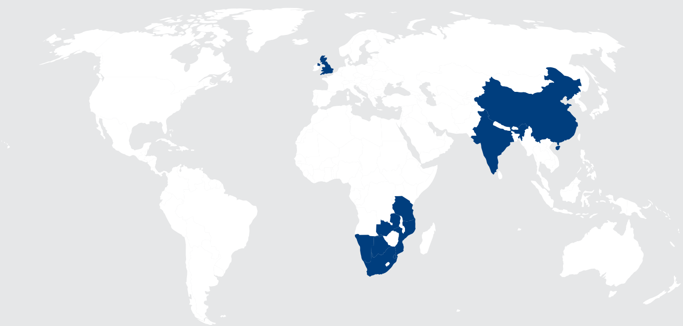
EFFECTIVE DIRECT INTEREST

3.9%

(total effective interest: 13.5%)

PROFILE

FirstRand's portfolio of franchises comprises FNB, RMB, WesBank and Ashburton Investments and provides a universal set of transactional, lending, investment and insurance products and services. The franchises operate in markets and segments where they can deliver competitive and differentiated client-centric value propositions, leveraging the relevant distribution channels, product skills, licences and operating platforms of the wider group. Strategy is executed on the back of disruptive and innovative thinking, underpinned by an owner-manager culture combined with the disciplined allocation of financial resources.



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Tanzania, Zambia, Mozambique, BLNS countries, Nigeria

OTHER: China, United Kingdom, India

CORPORATE INFORMATION

Market cap at 30 June 2017
R264 487 million

Listed on the JSE Limited

Chief Executive Officer
J P Burger

Remgro nominated directors
J J Durand, F Knoetze

Website
www.firstrand.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Operating income	77 785	8.3
Operating profit	33 200	10.1
Headline earnings	23 762	6.1
Normalised headline earnings	24 471	7.1

SUSTAINABILITY MEASURES

CSI/Training spend
R216 million

Number of employees
44 916

BBBEE status
Level 2

Environmental aspect
Total emissions of tonnes CO_2e (scope 1, 2 and 3)
Carbon emissions (tonnes, South Africa only): 258 878

FIRSTRAND LIMITED (FIRSTRAND)

FirstRand's contribution to Remgro's headline earnings represents Remgro's 3.9% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's 28.2% interest in RMBH. The contribution of FirstRand to Remgro's headline earnings for the year under review increased to R931 million (2016: R877 million).

FirstRand's headline earnings for its year ended 30 June 2017 increased by 6.1% to R23 762 million (2016: R22 387 million), as all its businesses delivered resilient performances characterised by quality top-line growth, improved cost management and ongoing conservatism. The group's net interest income and non-interest revenue grew by 7% and 8% respectively year on year, while operating expenses increased by 7%.

The group believes that normalised earnings more accurately reflect operational performance and therefore headline earnings are adjusted to take into account non-operational items and accounting anomalies.

FirstRand's normalised earnings for the year under review increased by 7.1% to R24 471 million (2016: R22 855 million). FNB's contribution to normalised earnings increased by 5.3% to R12 947 million (2016: R12 294 million). This was driven by a strong performance from its domestic business underpinned by solid non-interest revenue growth on the back of ongoing customer gains and growth in transactional volumes, and high-quality net interest income growth. FNB's rest of Africa portfolios delivered a mixed performance.

RMB contributed R6 955 million (2016: R6 287 million) to FirstRand's normalised earnings, representing an increase of 10.6% from the previous year, with private equity realisations contributing more than R1.9 billion to income. WesBank's contribution to normalised earnings increased by 1.8% to R3 996 million (2016: R3 927 million), delivering a solid performance off a high base. The local operations remained resilient given the credit cycle, while the earnings in rand terms from the United Kingdom business were negatively impacted by the currency appreciation.

Consumer products

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Unilever	**449**	461
Distell	**481**	499
RCL Foods	**424**	645
	1 354	1 605

EFFECTIVE INTEREST

25.8%

PROFILE

Unilever manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include *Robertsons*, *Rama*, *Flora*, *Lipton*, *Joko*, *Sunlight*, *Omo*, *Surf*, *Vaseline* and *Lux*.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Lesotho, Swaziland, Botswana, Namibia

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R41 561 million

Unlisted

Chief Executive Officer
L O Marquet

Remgro nominated director
J J du Toit

Website
www.unilever.co.za

FINANCIAL HIGHLIGHTS

Unilever is a private company and its detailed financial information is not disclosed due to restrictions on disclosure as agreed among its shareholders.

SUSTAINABILITY MEASURES

CSI/Training spend
R86 million

Number of employees
3 177

BBBEE status
Non-compliant

Environmental aspect
Scope 1 and 2 emissions of 139 258 tonnes CO_2e

UNILEVER SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED (UNILEVER)

Unilever has a 31 December year-end, but its results for the 12 months to 30 June 2017 have been equity accounted in Remgro's results for the year under review. Unilever's contribution to Remgro's headline earnings for the year under review decreased to R449 million (2016: R461 million).

Unilever's restructuring costs for the 12 months under review amounted to R104 million (2016: R83 million) driven mainly by reorganisation across the business to improve efficiencies.

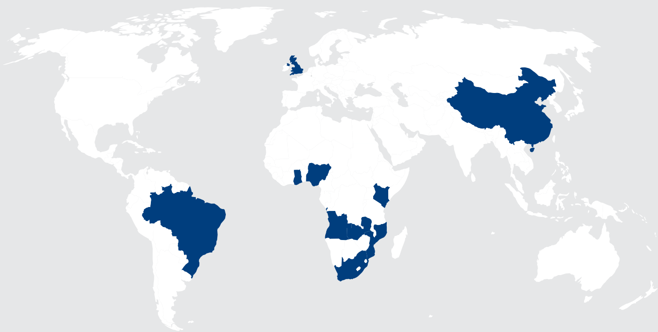
Unilever's net profit for the 12 months to 30 June 2017 decreased to R1 733 million (2016: R1 780 million).

EFFECTIVE INTEREST

31.8%

PROFILE

Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Angola, Kenya, Ghana, Nigeria, Mozambique, Zambia
OTHER: UK/Europe, Taiwan, China, Brazil

CORPORATE INFORMATION

Market cap at 30 June 2017
R30 058 million

Listed on the JSE Limited

Chief Executive Officer
R M Rushton

Remgro nominated directors
J J Durand, P R Louw (alternate)

Website
www.distell.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Revenue	22 259	3.7
Operating profit	2 067	(12.1)
Headline earnings	1 553	(3.6)

SUSTAINABILITY MEASURES

CSI/Training spend
R53 million

Number of employees
4 871

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 163 474 tonnes CO_2e

DISTELL GROUP LIMITED (DISTELL)

Distell has a June year-end and therefore its results for the 12 months ended 30 June 2017 have been included in Remgro's results for the year under review. Distell's contribution to Remgro's headline earnings for the year under review, which includes Remgro's indirect interest in Distell held through Capevin Holdings Limited, decreased by 3.6% to R481 million (2016: R499 million).

Distell's reported headline earnings for its year ended 30 June 2017 decreased by 3.6% to R1 553 million (2016: R1 611 million), mainly due to the stronger rand. Headline earnings adjusted for foreign currency movements increased by 7.3% to R1 600 million (2016: R1 491 million).

Distell reported for its year ended 30 June 2017 that turnover increased by 3.7% to R22 259 million (2016: R21 470 million). Sales volume and revenue growth in the South African market remained muted as the country is in a technical recession and with intensified competition and corporate action. The latter half of the year showed early signs of a recovery as volumes grew by 5% over the comparative period. The rest of Africa delivered mixed results amid continued economic uncertainty and lower income from commodities. Revenue was maintained on sales volumes, which were down by 5.2%. Certain focus markets recorded strong growth, but overall performance was negatively impacted by challenging macroeconomic conditions in Angola. Revenue derived from overseas markets showed resilience amid more challenging trading conditions and the consolidation of multinational competitors entrenching their dominant positions. Revenue and earnings from international operations were negatively impacted by a stronger rand, which appreciated by 11% against the basket of currencies of countries with which Distell trades. Revenue derived from operations outside of South Africa comprises 30.8% of Distell's revenue.

EFFECTIVE INTEREST

77.2%

PROFILE

RCL Foods is a holding company with diversified interests that focuses on three segments: Consumer (Chicken, Grocery, Pies, Beverages and Speciality business units), Sugar & Milling (Sugar, Animal Feed and Millbake business units) and Logistics.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Swaziland, Namibia, Botswana, Zambia

CORPORATE INFORMATION

Market cap at 30 June 2017
R13 180 million

Listed on the JSE Limited

Chief Executive Officer
M Dally

Remgro nominated directors
H J Carse, J J Durand, P R Louw

Website
www.rclfoods.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Revenue	24 951	(0.3)
Operating profit	777	145.1
Headline earnings	549	(34.1)

SUSTAINABILITY MEASURES

Training spend
R40 million

CSI spend
R13 million

Number of employees
20 111

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 1 079 989 tonnes CO_2e

RCL FOODS LIMITED (RCL FOODS)

For the year ended 30 June 2017, RCL Foods reported headline earnings from continuing operations amounting to R549 million (2016: R833 million). Remgro's share of the headline earnings of RCL Foods amounted to R424 million (2016: R645 million) for the year under review.

Severe drought conditions and a lack of economic growth over the past two years have intersected to create a tough environment for consumers and businesses alike. Demand and volumes have become constricted and record drought-related hikes in input costs could in many cases not be passed on, leading to contracting margins. Poultry imports, and more recently, rapidly increasing sugar imports, have been adding pressure to domestic supplies.

Against this negative background, a highlight of the year has been a higher sugar price, which has compensated for the drought-related decline in production volumes. Similarly, the increased engagement and understanding among industry players and government in response to the poultry crisis will hopefully create a platform for a healthier industry going forward.

It should be noted that the prior period's headline earnings included the release of a R163 million provision for uncertain taxation disputes raised as part of the Foodcorp acquisition that was concluded in RCL Foods' favour.

RCL Foods' total revenue for the year under review declined 0.3% to R24.95 billion (2016: R25.03 billion).

The Consumer division's revenue increased by 1.5% to R13.5 billion (2016: R13.3 billion). The Chicken business unit's EBITDA declined by 63.9% to R57 million largely due to the impact of the oversupplied retail poultry market. The remaining Groceries business units' EBITDA declined by 16.9% to R449 million largely due to challenges in the Beverages and Speciality business units.

While the Sugar & Milling division's revenue declined 2.7% to R14.5 billion (2016: R14.9 billion), EBITDA increased by 38.5% to R1 036 million (2016: R748 million). Sugar's EBITDA increased by 119.5% to R507 million (2016: R231 million) due to favourable sugar prices and an improved channel mix, which compensated for the drought-induced decline in production volumes (down 289 603 tonnes). In addition, Sugar also benefited from the R158 million insurance receipt for the Pongola silo. Animal Feed and Millbake's EBITDA declined as both business units were negatively impacted by high raw material input costs and lower volumes.

Revenue from the Logistics division increased by 2.3% to R2 033 million (2016: R1 987 million), with EBITDA declining 22.2% to R203 million (2016: R261 million). The generally muted economic environment and resulting subdued consumer spending, coupled with significant disruptions in the chicken industry, served to constrain growth during the period.

Insurance

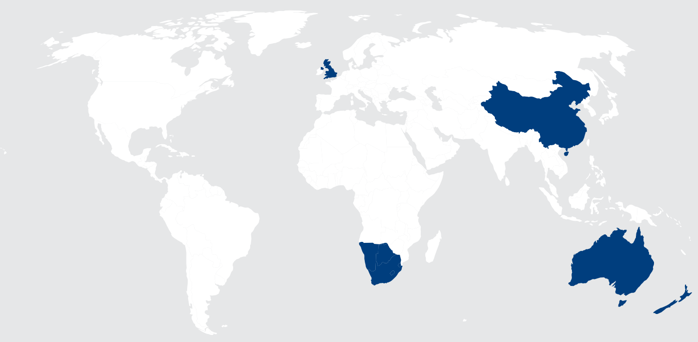
CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
RMI Holdings	**1 041**	888

EFFECTIVE INTEREST

29.9%

PROFILE

Rand Merchant Investment Holdings Limited (RMI) is an investment holding company with an investment team of experienced, alternative-thinking financial services specialists who actively partner smart and industry-changing management teams by being a shareholder of influence.



MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, BLNS countries
OTHER: China, United Kingdom, Australia, New Zealand, Singapore

CORPORATE INFORMATION

Market cap at 30 June 2017
R58 707 million

Listed on the JSE Limited

Chief Executive Officer
H L Bosman

Remgro nominated directors
J J Durand, F Knoetze (alternate)

Website
www.rmih.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Income	**14 845**	**5.4**
Headline earnings	**3 441**	**17.3**
Normalised headline earnings	**3 897**	**16.4**

SUSTAINABILITY MEASURES

Refer to websites of major underlying investments as RMI is an investment holding company.

www.discovery.co.za

www.mmiholdings.com

www.outsurance.co.za

RMI HOLDINGS LIMITED (RMI)

RMI's contribution to Remgro's headline earnings for the year under review increased to R1 041 million (2016: R888 million).

The underlying investments of RMI (with percentage interest in brackets) include Discovery (25.1%), MMI Holdings (25.7%), OUTsurance (88.5%), Hastings (29.9%), RMI Investment Managers (100%), AlphaCode and its first two next-generation investments, Merchant Capital (25.1%) and Entersekt.

Discovery services the healthcare funding and insurance markets in South Africa, the United Kingdom, United States of America, China, Australia and Singapore. MMI was formed from the merger of Metropolitan and Momentum, focusing on long-term insurance, short-term insurance, asset management, healthcare administration and employee benefits. OUTsurance is a direct personal lines and small business short-term insurer and has also expanded into Australia and New Zealand under the Youi brand. RMI Investment Managers continues to build out its portfolio of affiliate asset managers as it looks to identify, partner and grow world-class asset managers, while Merchant Capital is launching new products and partnerships to further entrench itself into the SME segment. The interest in Hastings, which is a UK-listed short-term insurer, was acquired on 1 March 2017.

RMI's reported headline earnings from continuing operations for its year ended 30 June 2017 increased by 18.9% to R3 480 million (2016: R2 927 million). However, RMI believes that normalised earnings more accurately reflect operational performance, and therefore headline earnings are adjusted to take into account non-recurring items and accounting anomalies. RMI's normalised earnings for the year under review increased by 16.4% to R3 897 million (2016: R3 348 million).

Discovery's contribution to normalised earnings increased by 8.2% to R1 167 million (2016: R1 079 million). The increase was driven by the performance of its three established South African businesses, as well as VitalityLife in the United Kingdom. Overall earnings growth was strained by the increased finance charges due to funding of new business acquisition cost. MMI's contribution to normalised earnings increased by 1.4% to R816 million (2016: R805 million) due to the impact of weak investment market returns over the past two years on asset-based fees and the negative underwriting experience on group disability business.

Normalised earnings from OUTsurance increased by 25.7% to R2 092 million (2016: R1 664 million),mainly due to favourable claims experience across the group. The cost-to-income ratio improved from 26.2% to 25.8%, primarily due to efficiency gains from Youi and OUTsurance Life. There was also a significant reduction in the start-up loss at Youi New Zealand. Hastings' contribution to normalised earnings since its acquisition amounted to R246 million.

Industrial

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Air Products	298	275
KTH	34	(229)
Total	224	291
PGSI	25	36
Wispeco	169	144
	750	517

EFFECTIVE INTEREST

50%

PROFILE

Air Products produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users. Air Products also distributes industrial gases and chemicals, together with ancillary equipment, to the merchant market. The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Zambia

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R8 596 million

Unlisted

Chief Executive Officer
R Richardson

Remgro nominated directors
H J Carse, J J du Toit

Website
www.airproductsafrica.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 September 2016 R million	%
Revenue	2 696	8.3
Operating profit	828	7.3
Headline earnings	567	10.5

SUSTAINABILITY MEASURES

CSI/Training spend
R6 million

Number of employees
575

BBBEE status
Level 8

AIR PRODUCTS SOUTH AFRICA PROPRIETARY LIMITED (AIR PRODUCTS)

Air Products has a September year-end, but its results for the 12 months ended 31 March 2017 have been included in Remgro's results for the period under review. Air Products' contribution to Remgro's headline earnings for the period under review increased by 8.2% to R298 million (2016: R275 million).

Turnover for Air Products' 12 months ended 31 March 2017 increased by 6.9% to R2 791 million (2016: R2 612 million), while the company's operating profit for the same period increased by 4.9% to R857 million (2016: R817 million).

Air Products is the largest manufacturer of industrial gases in Southern Africa and also imports and distributes a variety of specialty gases and chemical products that are supplied to a wide range of industries including steel, chemicals, oil refining, resource minerals, glass, pulp and paper, food packaging as well as general manufacturing, fabrication and welding.

Trading conditions continued to be subdued during the period, with both volumes and pricing under some pressure, particularly in the manufacturing and resource minerals sectors.

EFFECTIVE INTEREST

34.9%

PROFILE

KTH is an established black economic controlled company with a focus on investment banking services, media and strategic investments. Its major investments include Kagiso Media Limited, MMI Holdings Limited and Servest Group Proprietary Limited.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Ghana, Nigeria

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R7 186 million

Unlisted

Chief Executive Officer
V Nkonyeni

Remgro nominated directors
J J du Toit, P J Uys

Website
www.kagiso.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Income	1 815	19.0
Operating profit	928	Nm
Headline earnings	98	115.0

Nm = Not meaningful

SUSTAINABILITY MEASURES

CSI/Training spend
R4 million

Number of employees
35

BBBEE status
Level 4

KAGISO TISO HOLDINGS PROPRIETARY LIMITED (KTH)

KTH is a leading black-owned investment company with a strong and diversified asset portfolio covering the resources, industrial, media, financial services, healthcare, property and information technology sectors.

KTH's contribution to Remgro's headline earnings for the year under review amounted to R34 million (2016: R229 million headline loss). The increased earnings were mainly driven by KTH's attributable share of positive fair value adjustments on its equity investments in Exxaro Resources Limited (R52 million), AECI Limited (R65 million) and Aveng Limited (R19 million), offset by a negative adjustment on the MMI Holdings Limited's convertible preference shares (R104 million). During the prior year KTH's headline loss included negative fair value adjustments from MMI Holdings Limited's convertible preference shares (R285 million), Exxaro Resources Limited (R167 million) and AECI Limited (R99 million).

Income from equity accounted investments decreased to R119 million (2016: R347 million), partly due to the disposal of Idwala Industrial Holdings Proprietary Limited and Metropolitan Healthcare Corporate Limited, as well as lower contributions from other equity accounted investments due to the difficult macroeconomic conditions. The major contributor of equity accounted earnings was MMI Holdings Limited.

Net finance costs decreased to R373 million (2016: R409 million) mainly due to lower debt levels.

TOTAL

EFFECTIVE INTEREST

24.9%

PROFILE

Subsidiary of Total (France). Total's business is the refining and marketing of petroleum and petroleum products in South Africa, as well as distribution to neighbouring countries. The company holds a 36% equity interest in National Petroleum Refiners of South Africa Proprietary Limited (Natref).

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, BLNS countries

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R8 703 million

Unlisted

Chief Executive Officer
P Y Sachet

Remgro nominated directors
R Ndlovu, N J Williams

Website
www.total.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2016 R million	%
Turnover	49 492	(5.2)
Operating profit	1 699	12.4
Headline earnings	1 356	12.5

SUSTAINABILITY MEASURES

CSI/Training spend
R47 million

Number of employees
864

BBBEE status
Level 3

Environmental aspect*
Scope 1 and 2 emissions of 9 264 tonnes CO_2e (Dec 2015)

* *Excludes emissions from Natref.*

TOTAL SOUTH AFRICA PROPRIETARY LIMITED (TOTAL)

Total has a December year-end, but its results for the 12 months to 30 June 2017 have been included in Remgro's results for the year under review. Total's contribution to Remgro's headline earnings for the year under review amounted to R224 million (2016: R291 million).

The results were impacted by unfavourable stock revaluations of R454 million (2016: R491 million) as the international oil price decreased from US$48.3 per barrel, at 30 June 2016, to US$46.5 per barrel at 30 June 2017.

Total's turnover for the 12 months ended 30 June 2017 increased by 10% to R53 866 million (2016: R48 940 million). The increase in turnover is mainly due to increased volumes sold in the mining and commercial sectors, which carry a lower margin.

The company has continued with its investments regarding health, safety, environment and quality (HSEQ) constraints to comply with increased stringent legislation and developing group requirements. The key focus areas are environmental compliance, transport and construction contractors' compliance. An aggressive realignment of HSEQ structures has taken place with HSEQ resources now being deployed at all levels in Total's Operational Departments to ensure better delivery and control of these initiatives.

Natref experienced lower refining margins compared to the previous period due to a less favourable economic environment and lower refinery availability due to both planned and unplanned shutdowns.

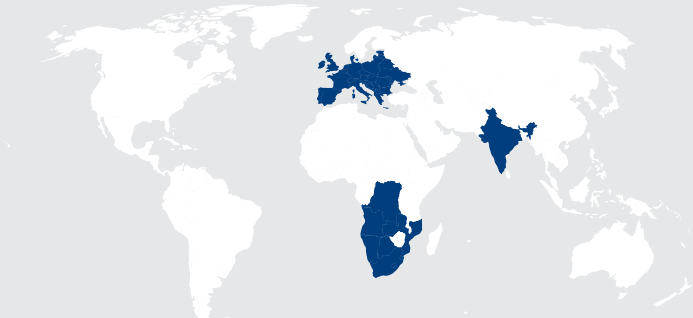
PGSI
PGSI Limited

EFFECTIVE INTEREST

37.7%

PROFILE

PGSI holds an interest of 90% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products.



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, BLNS countries, Mozambique, Angola, DRC, Zambia

OTHER: Exports to India and Europe

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R1 704 million

Unlisted

Chief Executive Officer
C Bromley

Remgro nominated directors
S J de Villiers, J J du Toit

Website
www.pggroup.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2016 R million	%
Revenue	4 245	11.7
Operating profit	282	127.4
Headline earnings	118	103.4

SUSTAINABILITY MEASURES

CSI/Training spend
R45 million

Number of employees
4 263

BBBEE status
Level 8

Environmental aspect
Total GHG emissions of 172 732 tonnes CO_2e

PGSI LIMITED (PGSI)

PGSI has a December year-end, but its results for the 12 months ended 30 June 2017 have been included in Remgro's results for the year under review. PGSI's contribution to Remgro's headline earnings for the year under review amounted to R25 million (2016: R36 million).

PGSI's turnover for the period under review increased by 5.4% to R4 173 million (2016: R3 958 million). The group's normalised operating profit, which excludes the impact of asset impairments, decreased from R223 million to R206 million, mainly due to the stronger rand and low economic activity.

The group's main operating subsidiary in South Africa, PG Group, manufactures and supplies glass for the building and automotive industries. The building sector remains depressed, reporting a decline in building activity over the prior year, resulting in a decline in revenue during the period. The strong rand, particularly in the first six months of 2017 also negatively impacted export profitability.

The market conditions in the automotive businesses also remain difficult. This sector has been negatively impacted by the economic climate, with pressures on consumers, lower volumes of claims from the insurance sector and weak demand in export markets. New local vehicle sales have been declining for the past 12 months. While the company expects to secure new supply contracts with the OEM assembly operations, it does not foresee significant growth in this area. The company's automotive manufacturing and distribution businesses reported a decline in profits in the period, while the automotive retail operations have seen positive growth over the prior period's results, driven by increased volumes from the low-priced Safevue product offering as well as efficiencies achieved through the automotive supply chain.

While the economic climate remains challenging, the group has made good progress in the areas of cost reduction, manufacturing quality and performance efficiencies. The initiatives to focus on market requirement and improve the service offering to its customers are progressing well.

WISPECO Aluminium

EFFECTIVE INTEREST

100%

PROFILE

Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Namibia

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R1 368 million

Unlisted

Chief Executive Officer
H Rolfes

Remgro nominated directors
S J de Villiers, J J du Toit

Website
www.wispeco.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Revenue	2 232	6.0
Operating profit	233	9.4
Headline earnings	169	17.4

SUSTAINABILITY MEASURES

CSI/Training spend
R18 million

Number of employees
1 439

BBBEE status
Level 6

Environmental aspect
Scope 1 and 2 emissions of 50 792 tonnes CO_2e

WISPECO HOLDINGS PROPRIETARY LIMITED (WISPECO)

Wispeco's turnover for the year ended 30 June 2017 increased by 6.0% to R2 232 million (2016: R2 105 million). The average selling price was slightly higher while sales volumes remained flat compared to the previous year. Continued improvements in efficiencies and productivity supported profit growth. Headline earnings for the year under review increased by 17.4% to R169 million (2016: R144 million). Intense price competition remains prevalent at all levels of the industry.

Wispeco continues to invest in state-of-the-art technologies as part of its drive to become a world-class manufacturer of aluminium extrusions. The company utilised its capacity and flexible shift systems to offer short make-to-order lead times and maximise customer service. The year ahead will see further investments in cutting-edge technologies. At the end of the 2017 financial year, Wispeco acquired two aluminium stockist outlets in Namibia, these being the company's first footprint across the border.

The company's *Crealco* range of architectural products sets the trend in Southern Africa for the use of aluminium in buildings. The product range is continuously being expanded and improved to meet changing market needs. The *Crealco* brand carries the reputation for being the preferred choice of specification by architects and building designers. The modern *Crealco* range is supported by various software solutions allowing fit-for-purpose and cost-effective design as well as compliance assurance to national standards while at the same time allowing designers more freedom to express creativity.

Wispeco continues its externally focused training initiatives to upskill disabled and previously disadvantaged youths with the aim of finding employment in the aluminium industry. Internal training programmes target productivity improvement and development of skills to support future growth.

Infrastructure

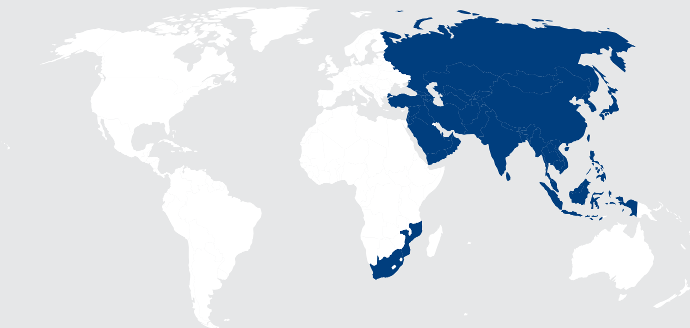
CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Grindrod	**(48)**	(45)
CIV group	**110**	64
SEACOM	**(33)**	(33)
Other	**7**	20
	36	6

EFFECTIVE INTEREST

23.1%

PROFILE

Grindrod is an integrated freight logistics and shipping service provider and its business involves the movement of cargo by road, rail, sea and air, utilising specialised assets and infrastructure, including vehicles, locomotives, ships, ports, terminals, warehouses and depots. Grindrod Bank is the third business unit in the Grindrod group.



MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa, Mozambique
OTHER: Asia

CORPORATE INFORMATION

Market cap at 30 June 2017
R8 309 million

Listed on the JSE Limited

Chief Executive Officer
A Olivier (succeeded by M J Hankinson subsequent to 31 July 2017 as interim executive chairman)

Remgro nominated directors
P J Uys, R Ndlovu (alternate)

Website
www.grindrod.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2016 R million	%
Revenue	9 032	(11.4)
Operating profit	(115)	(127.2)
Headline earnings	(460)	(182.3)

SUSTAINABILITY MEASURES

CSI/Training spend
R21 million

Number of employees
3 469

BBBEE status
Level 3

Environmental aspect
Scope 1 and 2 emissions of 444 695 tonnes CO_2e

GRINDROD LIMITED (GRINDROD)

Grindrod has a December year-end, but its results for the 12 months to 30 June 2017 have been included in Remgro's results for the year under review. The company's contribution to Remgro's headline earnings for the year under review amounted to a loss of R48 million (2016: loss of R45 million). This loss is mainly attributable to the results of the rail assembly business.

Grindrod experienced improved trading conditions during the period and reported a headline profit of R126 million (excluding the headline loss of R255 million from the rail assembly business held for sale) during the first half of 2017. The Maputo Port and agricultural logistics business experienced higher volumes, which was also supported by higher commodity prices. The warehousing and transportation businesses, while not profitable, continue their turnaround and reduced their losses markedly. The dry-bulk fleet is operating above the daily ship running cost, but the rates in the tanker market remain depressed.

Capital expenditure for the six months to 30 June 2017 amounted to R355 million, of which 81% was expansionary and the remainder for maintenance and replacement projects.

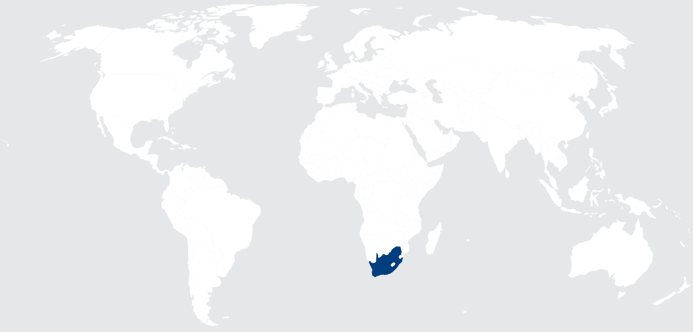
CIV HOLDINGS

EFFECTIVE INTEREST

51.0%

PROFILE

CIV Holdings is an investment holding company with its major asset being Dark Fibre Africa (DFA) that builds, owns, maintains and monitors its fibre-optic network and related infrastructure.



MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R9 462 million

Chief Executive Officer of DFA
M W Mulder

Remgro nominated directors
R Ndlovu, P J Uys

Website
www.dfafrica.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2017 R million	%
Revenue	1 631	37.2
Operating profit	428	0.5
Headline earnings	153	125.0

SUSTAINABILITY MEASURES

CSI/Training spend
R3 million

Number of employees
703

BBBEE status
Level 4

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIV GROUP)

Remgro has an effective interest of 51.0% in the CIV group, which is active in the telecommunications and information technology sectors. The key operating company of the group is DFA, which constructs and owns fibre-optic networks.

The CIV group has a March year-end and therefore its results for the 12 months ended 31 March 2017 have been included in Remgro's results for the year under review. The CIV group's contribution to Remgro's headline earnings for the year under review amounted to R110 million (2016: R64 million).

DFA's revenue for the financial year ended 31 March 2017 increased by 37% year on year to R1 630 million (2016: R1 188 million) mainly as a result of solid growth of 29% in annuity revenue. DFA's EBITDA for the period under review increased by 24% to R1 071 million. The current book value of the fibre-optic network is in excess of R6.6 billion. DFA has thus far secured an annuity income in excess of R115 million per month, with the majority thereof being on long-term contracts with customers.

DFA owns fibre network rings in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria, as well as rings in smaller metros, such as East London, Polokwane, Tlokwe, Emalahleni and George, to name a few. The company also installs Fibre-to-the-Business (FTTB) and Fibre-to-the-Home (FTTH) networks. At 31 March 2017, a total distance of 9 854 km (31 March 2016: 9 144 km) of fibre network had been completed in the major metropolitan areas and on long-haul routes. The network uptime for the year under review was 99.9884%.

The DFA revenue model adapts to the customers' needs, and DFA offers flexible payment profiles, with a mix of an upfront amount and a monthly annuity, or solely annuity based with multi-year contracts of mostly up to 15 years. The future value of the current annuity contracts is in excess of R11.5 billion.

EFFECTIVE INTEREST

30%

PROFILE

SEACOM provides high-capacity local and international fibre optic connectivity, internet and cloud services to the wholesale and enterprise markets in Southern and East Africa.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Mauritius, Mozambique, Tanzania, Kenya, Uganda

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R2 987 million

Unlisted

Chief Executive Officer
B Clatterbuck

Remgro nominated directors
H J Carse, P J Uys

Website
www.seacom.mu

FINANCIAL HIGHLIGHTS

SEACOM is a private company and its detailed financial information is not disclosed due to restrictions on disclosure as agreed among its shareholders.

SUSTAINABILITY MEASURES

CSI/Training spend
R3 million

Number of employees
174

SEACOM CAPITAL LIMITED (SEACOM)

Remgro has an effective economic interest of 30% in SEACOM, which operates an international and local fibre optic network to connect Southern and Eastern Africa with Europe and Asia.

SEACOM has a December year-end, but the results for the 12 months to 30 June 2017 have been included in Remgro's results for the year under review. SEACOM's contribution to Remgro's headline earnings for the year under review amounted to a loss of R33 million (2016: R33 million). The loss is mainly due to costs associated with the repair of subsea cable faults, conservative provisioning for doubtful debts in specific regions, the introduction of a long-term management incentive scheme and higher financing costs associated with a term loan.

SEACOM provides high-capacity international and local bandwidth services to customers in the form of International Private Line, IP Transit, internet access and cloud services. These services are sold under 12 to 36-month lease contracts, as well as 10 to 15-year indefeasible right of use (IRU) contracts, which generally include annual maintenance charges over the term. Revenue from IRUs is accounted for over the full term of each respective contract.

SEACOM maintains a proactive approach to ensuring profitability by expanding its network and products to meet market demand, and introducing a more diversified product range that allows it to capture increased market share by offering a better value proposition.

The company continues to expand and grow business in the Enterprise market where metro and last-mile fibre solutions are offered to business customers, providing internet, metro-ethernet and cloud services.

Increasing use of data and cloud services is ensuring that demand continues to grow. SEACOM's ability to adapt to the rapidly evolving data market, and to respond to ever-increasing demand for faster and more reliable data services, is critical to maintain its ongoing competitive positioning.

OTHER INFRASTRUCTURE INTERESTS

KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

45.4%

EFFECTIVE INTEREST

PROFILE

KIEF is a fund that aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure.

Website: www.kagiso.com

PRIMCO AND PRIF

25% (PRIMCO) & **16.2%** (PRIF)

EFFECTIVE INTEREST

PROFILE

Pembani Remgro Infrastructure Managers Proprietary Limited (PRIMCO) is the advisor to Pembani Remgro Infrastructure Fund I (PRIF), a fund focusing on private sector investment in infrastructure across the African continent.

Website: www.pembani-remgro.com

Media and sport

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
eMedia Investments	**49**	28
Other	**(107)**	(64)
	(58)	(36)

EFFECTIVE INTEREST

32.3%

PROFILE

eMedia Investments has a range of media interests, of which e.tv is the most significant. e.tv is the only independent free-to-air television broadcaster in South Africa.

MAJOR GEOGRAPHIC PRESENCE
AFRICA: South Africa

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R4 407 million

Unlisted

Acting Chief Executive Officer
T G Govender

Remgro nominated directors
H J Carse, N J Williams

Website
www.etv.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2017 R million	%
Revenue	**2 583**	**6.9**
Operating profit	**304**	**3.1**
Headline earnings	**152**	**76.7**

SUSTAINABILITY MEASURES

CSI/Training spend
R7 million

Number of employees
1 489

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 5 868 tonnes CO_2e

eMEDIA INVESTMENTS PROPRIETARY LIMITED (eMEDIA INVESTMENTS)

Remgro has an effective interest of 32.3% in eMedia Investments that has a range of media interests, which include South Africa's only private free-to-air television channel, e.tv, its sister news service, eNews Channel Africa (eNCA), free-to-air satellite platform Platco Digital, Gauteng-based radio station, Yfm, and various studio facilities and production businesses.

eMedia Investments has a March year-end and therefore its results for the year to 31 March 2017 have been included in Remgro's results for the period under review. eMedia Investments' contribution to Remgro's headline earnings for the period under review amounted to R49 million (2016: R28 million).

eMedia Investments reported a profit from continuing operations of R161.5 million (2016: R128.5 million) for the year under review.

The year ended 31 March 2017 has seen e.tv's market share remain constant, but it improved in middle to upper-income households. This improvement in a key segment increased e.tv's revenue by R74 million (6%) year on year. A shift to include "high-end" international series and movies and recent deals concluded with Warner, Disney, Sony and CBS has assisted in clawing back and maintaining the market share that had been lost previously. This, however, has increased programming costs by 8%. Other costs were well maintained and e.tv has shown a good recovery from its previous position.

eSat.tv (eNCA) continues to perform well and continues to be the most watched 24-hour news channel on DStv with over 50% market share.

eMedia Investments' results include losses of R307 million from the continued investment into the multichannel businesses from which very little revenue is currently being derived. The OpenView HD platform has increased the number of activated set-top boxes by 100.1% to 778 160 (31 March 2016: 388 812). With this ever-improving roll-out and when DTT starts, the group will be in a good position to increase its revenue base.

OTHER MEDIA AND SPORT INTERESTS

THE BLUE BULLS COMPANY PROPRIETARY LIMITED (BLUE BULLS)

50%

EFFECTIVE INTEREST

PROFILE

Blue Bulls manages the Blue Bulls professional Rugby Union, Loftus Versfeld and certain amateur and management actions and activities of the Blue Bulls Rugby Union.

Website: www.thebulls.co.za

PREMIER TEAM HOLDINGS LIMITED (PTH) AND SARACENS COPTHALL LLP

50%

EFFECTIVE INTEREST

PROFILE

PTH is a sports and leisure group based in the United Kingdom.

Saracens Copthall owns a sport stadium in North West London.

Website: www.mbnpromotions.co.uk

STELLENBOSCH ACADEMY OF SPORT

100%

EFFECTIVE INTEREST

PROFILE

Stellenbosch Academy of Sport provides local and international sport teams and athletes with a world-class training and preparation environment.

Website: www.sastraining.co.za

Other investments

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Business Partners	**54**	48
Other	**16**	19
	70	67

EFFECTIVE INTEREST

42.8%

PROFILE

Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises (SMEs) mainly in South Africa.

MAJOR GEOGRAPHIC PRESENCE

AFRICA: South Africa, Kenya, Namibia, Zambia, Malawi, Rwanda

CORPORATE INFORMATION

Equity valuation at 30 June 2017
R2 859 million

Unlisted

Chief Executive Officer
B Bierman

Remgro nominated directors
F Knoetze, R Ndlovu, N J Williams

Website
www.businesspartners.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2017 R million	%
Revenue	613	11.9
Operating profit	292	12.3
Headline earnings	127	12.4

SUSTAINABILITY MEASURES

CSI/Training spend
R8 million

Number of employees
269

BBBEE status
Level 3

Environmental aspect
Scope 1 and 2 emissions of 557 713 tonnes CO_2e saved

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Business Partners has a March year-end and therefore its results for the 12 months to 31 March 2017 have been equity accounted in Remgro's results for the year under review. Headline earnings attributable to Remgro for the year under review amounted to R54 million (2016: R48 million).

Business Partners' headline earnings for the 12 months ended 31 March 2017 amounted to R127 million (2016: R113 million), an increase of 12.4%. The increase is mainly due to higher investment income and property revenue, which was partially offset by higher credit losses.

The risk in the investment portfolio has increased over the period. Investments with repayment obligations in arrear increased from 15% of the investment portfolio at 31 March 2016 to 20% at 31 March 2017, a reflection of the adverse economic and difficult trading conditions experienced by small and medium enterprises.

During the year under review, funding for 327 (2016: 372) investment projects amounting to R1 147 million (2016: R1 107 million) was approved.

CAXTON CTP LIMITED (CAXTON) (Indirectly held through FundCo and BidCo structure)

5.7%

EFFECTIVE INTEREST

PROFILE

Caxton is one of the largest publishers and printers of books, magazines, newspapers and commercial print in South Africa.

Website: www.caxton.co.za

GEMS II AND III (GEMS)

5.1% & 8.2%

EFFECTIVE INTEREST

PROFILE

GEMS, based in Hong Kong, is a private equity fund management group that makes investments in the Asia Pacific Region.

Website: www.gems.com.hk

INVENFIN PROPRIETARY LIMITED (INVENFIN)

100%

EFFECTIVE INTEREST

PROFILE

Invenfin focuses on smaller early-stage investments.

Website: www.invenfin.com

MILESTONE CAPITAL II, III, MILESTONE CAPITAL INVESTMENTS HOLDINGS AND MILESTONE CAPITAL STRATEGIC HOLDINGS

8.1%, 28.1%, 7.5% & 36.1%

EFFECTIVE INTEREST

PROFILE

Milestone Capital, based in mainland Hong Kong, is a China-focused private equity investment firm.

Website: www.mcmchina.com

VERITAS

3.7%

EFFECTIVE INTEREST

PROFILE

Veritas is Israel's oldest venture capital firm and primarily invests in seed-stage technology companies.

Website: www.veritasvc.com

Corporate finance

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2017 R million	30 June 2016 R million
Central treasury		
– Finance income	**349**	125
– Finance costs	**(216)**	(1 602)
Net corporate cost	**(143)**	(251)
	(10)	(1 728)

MILLENNIA JERSEY LIMITED – JERSEY, REMGRO FINANCE CORPORATION PROPRIETARY LIMITED, REMGRO HEALTHCARE HOLDINGS PROPRIETARY LIMITED, REMGRO INTERNATIONAL LIMITED – JERSEY, REMGRO JERSEY GBP LIMITED – JERSEY AND REMGRO MANAGEMENT SERVICES LIMITED

EFFECTIVE INTEREST

100%

PROFILE

Responsible for Remgro's central treasury function as well as management and support services.

Unlisted companies

Finance income amounted to R349 million (2016: R125 million). This increase is mainly due to higher average cash balances as a result of the Remgro rights issue. Finance costs mainly consist of funding costs amounting to R893 million (2016: R466 million) and once-off transaction costs in the comparative period amounting to R402 million, which relate to the Mediclinic rights issue and Al Noor transaction. The positive fair value adjustment of R687 million, relates to the decrease in the value of the exchange option of the exchangeable bonds (2016: negative fair value adjustment of R730 million). Other net corporate costs amounted to R143 million (2016: R251 million). The comparative period includes transaction and funding costs amounting to R115 million relating to Remgro's acquisition of Spire. These costs were recouped from Mediclinic as part of the Spire disposal consideration, outside headline earnings.

CORPORATE GOVERNANCE REPORT

GOVERNANCE FRAMEWORK

THE KING REPORT ON GOVERNANCE FOR SOUTH AFRICA 2009 (KING III)

Remgro is committed to the highest level of corporate governance, integrity and ethics. The Board of Directors (the Board) is ultimately responsible for ensuring that governance standards are set and met and it is therein assisted by senior management who aim to instil a culture of compliance and good governance throughout the Remgro Group. This is underscored by sound and visible leadership characterised by the ethical values of responsibility, accountability, fairness and transparency. Sound corporate governance structures and processes are being applied and are considered by the Board to be pivotal to delivering sustainable growth in the interest of all stakeholders.

As a responsible investor, the Board advocates adherence to sound governance principles by all entities Remgro is invested in by using its significant influence to ensure that all Remgro's listed subsidiaries, joint ventures and associates endorse the principles contained in King III. Effective corporate governance forms part of Remgro's investment assessment criteria which are further monitored on a continuous basis by non-executive board representation on those investee companies' boards. To this end the Remgro policy may be used as a benchmark.

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its wholly owned subsidiaries. Remgro's main wholly owned operating subsidiary is Wispeco. Wispeco is operated and managed as an independent entity with an autonomous board of directors, however, the composition of its board does not comply with the independence requirements of King III due to the size of the business. Remgro's representatives on the board of that company, however, ensure that sound corporate governance and sustainability practices are followed by Wispeco through the adoption and implementation of Remgro's policies, processes and procedures.

Remgro's other wholly owned subsidiaries, excluding Wispeco referred to above, are not operating companies and are administered by Remgro Management Services Limited (RMS). The members of Remgro's Management Board are also the directors of RMS. RMS renders management and support services to Remgro and certain of its subsidiaries, joint ventures and associates and partially recovers its costs through fees for services rendered. The net costs of RMS are part of the corporate costs of Remgro.

The Board is satisfied that Remgro has met the majority of the principles contained in King III throughout the year under review. Where a principle of King III has not been adhered to as specified, this is explained where relevant. **For ease of reference, however, a summary of all the principles of King III that were not applied is presented below.**

- The Chairman of the Board, Mr Johann Rupert, is not an independent non-executive director but, given his knowledge of the business and his commercial experience, the Board deems this arrangement not only as appropriate but also essential for achieving the business objectives of Remgro.
- The Chairman of the Board acts as *ex officio* chairman of the Remuneration and Nomination Committee. Although he is not independent the Board is supportive of his chairmanship of the Remuneration and Nomination Committee given the necessity to align the Company's remuneration approach with corporate strategy. The Chairman receives no remuneration or fees from Remgro.
- The Board and subcommittees are evaluated annually, but have decided not to disclose the overview of the appraisal process, results and action plans in the Integrated Annual Report due to the potential sensitive nature thereof.
- In terms of the Board's annual evaluation process, directors are not evaluated individually. Independent non-executive directors are, however, evaluated individually with regard to their independence and specifically the independence of the directors serving on the Board for more than nine years.
- In terms of King III, the Integrated Annual Report should disclose the terms of reference of the Board committees; however, only a summary of the terms is disclosed in the Integrated Annual Report. The complete terms of reference of Board committees are available on the Company's website at www.remgro.com.
- The Board does not believe that directors should earn attendance fees in addition to a base fee. Many directors add significant value to the Group outside of the formal Board and Committee meetings, sometimes greater than they might do within the confines of a formal meeting.
- The Board does not intend to institute a formal dispute resolution process as it believes that the existing processes within the Group operate satisfactorily and do not require a more formal and separate mechanism. Shareholders have remedies in terms of the Companies Act.
- The King III Report recommends that the Company's Sustainable Development Report be audited by an independent external professional party. Remgro's Sustainable Development Report has not been audited but verification of the key sustainability indicators has been obtained through agreed upon procedures performed by internal audit and independent service providers.

An index on the Company's application of each King III principle is published on the Company's website at www.remgro.com.

THE KING REPORT ON CORPORATE GOVERNANCE™ FOR SOUTH AFRICA 2016 (KING IV)

King IV was published on 1 November 2016 and it is effective for financial years of organisations commencing on or after 1 April 2017. The Company will implement and report on the King IV requirements in its 2018 Integrated Annual Report. However, the JSE Limited (JSE) made amendments to section 3.84 of the Listings Requirements relating to certain governance practices extracted from King IV, which are mandatory for listed companies to comply with. The JSE requires listed companies to comply with these mandatory governance practices in all documents (circulars and annual reports) submitted to the JSE on or after 1 October 2017, having the effect that these mandatory governance practices apply to this Integrated Annual Report. A summary of these amendments to the Listings Requirements and page references to the application thereof in this Integrated Annual Report are as follows:

- Listed companies are required to have a separate audit committee, a committee responsible for remuneration and a social and ethics committee. The Company complies with these requirements. The relevant details in respect of the committees of the Company are set out on page 60.
- The aforementioned committees must comprise at least three members and the composition thereof must comply with the requirements of the Companies Act and should be considered in accordance with the recommended practices in King IV on an apply and explain basis. Note that the composition of the Company's Audit and Risk Committee and the Social and Ethics Committee complies with the Companies Act requirements. In addition, the composition of the Company's Audit and Risk Committee, Remuneration and Nomination Committee and Social and Ethics Committee complies with the recommended practices in King IV. The composition of the relevant committees and attendance at the relevant committee meetings are set out on page 63.
- There is a clarification that independent directors need to be determined holistically, and on a substance over form basis in accordance with the indicators provided in Sections 94(4(a) and (b) of the Companies Act and King IV. Independence of directors was determined holistically and on a substance over form basis as required by the Listings Requirements, and is set out on page 85.
- Notwithstanding its duties pursuant to Section 94 of the Companies Act, the audit committee must also ensure that the issuer has established appropriate financial reporting procedures, and that these procedures are operating. Remgro's Audit and Risk Committee has various aspects included in its mandate to ensure that the proper reporting processes are adequately documented, implemented, complied with, overseen by appropriate management and independently assessed. The committee's mandate is available for inspection on Remgro's website.
- The Board is still required to evaluate the Company Secretary's competence, qualifications and experience, but no evaluation is required on the Company Secretary's independence. The evaluation of the Company Secretary is set out on page 60.
- A requirement to insert a race diversity policy at Board level, which is only effective in respect of annual reports issued on or after 1 June 2018. On 20 September 2017, the Board approved a Policy on the Promotion of Race Diversity, more details of which are set out on page 60.
- A non-binding vote is required on the Remuneration Policy and Remuneration Implementation Report of the Company and the measures that the Board commits to take in the event that either the Remuneration Policy or the Remuneration Implementation Report, or both, are voted against by 25% or more of the votes exercised on the relevant resolutions. The non-binding votes in respect of the Remuneration Policy and Remuneration Implementation Report are provided for in the Notice to Shareholders on page 120 and the engagement with shareholders in the event of a 25% of more vote against the reports is set out on page 86.

OTHER REQUIREMENTS

The Board is further satisfied that the Company has met the requirements of the Companies Act and the Listings Requirements of the JSE Limited. Compliance with all relevant laws, regulations, accepted standards or codes is integral to the Group's risk management process and is monitored on a continuous basis. As in previous years there has been no major non-compliance by, or fines or prosecutions against the Group during the year under review.

Since the launch of the JSE's Socially Responsible Investment (SRI) Index, Remgro measured the effectiveness of its governance processes by means of continuous successful participation in the SRI Index. During June 2015 the JSE partnered with FTSE Russell and launched the FTSE/JSE Responsible Investment Index (RII) on 12 October 2015. Remgro has been included in this Index and the governance practices of RCL Foods Limited, being Remgro's largest and only listed subsidiary, as well as those of Wispeco, are incorporated.

BOARD OF DIRECTORS

BOARD CHARTER AND RESPONSIBILITIES

The Board has a formal charter which:

- identifies, defines and records the responsibilities, functions and composition of the Board; and
- serves as a reference for new directors.

All directors of Remgro have endorsed the charter and a copy of the charter is available for inspection on Remgro's website.

Key responsibilities in terms of the charter include the following:

- ensuring that the Board's composition incorporates the necessary skills and experience;
- appointment of new directors;
- the annual appointment and evaluation of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO);
- addressing all aspects that are of a strategic or material nature or that can impact the reputation of Remgro;
- directing the ethical standards, strategy and operations of the Group to build a sustainable business, while considering the short and long-term impact of the Group's strategy on the economy, society and the environment;
- monitoring compliance with laws and regulations and codes of best business practice;
- ensuring that relevant and accurate information is timeously communicated to stakeholders;
- ultimate responsibility for the strategic direction, risk appetite, performance and affairs of Remgro;

- approval of new investments or extension of existing investments for amounts more than R500 million, as well as the disposal of existing investments for amounts more than R500 million;
- monitoring the operational and investment performance of Remgro;
- empowerment of executive management to implement operational and investment plans and strategies in terms of delegated authorities;
- risk management and IT governance;
- ensuring that sustainability reporting is integrated with financial reporting;
- the promotion of good governance by its subsidiaries, including the adoption and implementation of Remgro's policies, processes and procedures by subsidiaries;
- ensure that the remuneration of directors and senior management is determined in terms of the Remuneration Policy; and
- at least twice a year, consider the going concern status of Remgro.

The Board is satisfied that it has discharged its duties and obligations as described in the Board charter during the past financial year. Only minor amendments were made to the Board charter during the year under review.

Remgro has a fully functional Board that leads and controls the Group. All issues of a material or strategic nature, or which can impact on the reputation of the Group, are referred to the Board. Other issues are dealt with by the Management Board and/or the Investment Committee, or by senior management as permitted in terms of a formal delegation of authority. The Board meets at least five times a year and follows an annual work plan to ensure that all relevant matters are dealt with. Members of the Board and subcommittees receive an agenda, together with supporting documentation, at least one week prior to each meeting in order to enable them to be fully prepared. All directors have unlimited access to the services of the Company Secretary and senior management, as well as to all Company records.

COMPOSITION OF THE BOARD

Details of the directors of the Company appear on pages 14 to 15 of the Integrated Annual Report.

The composition of the Board reflects a balance of executive and non-executive directors, of whom the majority are independent, in order to ensure that there is a clear balance of authority so that no one individual has unfettered decision-making powers. As at year-end the Board consisted of four executive and 10 non-executive directors of whom seven were independent. Non-executive directors are selected to serve on the Board for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy. The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors who have served on the Board for more than nine years, is subject to a rigorous review by the Board.

Executive directors contribute their insight to day-to-day operations, thereby enabling the Board to identify goals, provide direction and determine the feasibility and sustainability of the strategies proposed. These directors are generally responsible for implementing all operational decisions.

The Board will not comprise fewer than six or more than 19 directors, or any other number as the Board may from time to time determine. The Board is satisfied that its current members possess the required collective skills and experience to carry out its responsibilities, to achieve the Group's objectives and create shareholder value over the long term. In terms of the Memorandum of Incorporation of the Company at least one third of the directors must resign annually on a rotation basis, but may make themselves available for re-election for a further term. The directors to retire shall be those who have been longest in office since their last election. A director who has already held his office for a period of three years since his last election shall retire at such meeting.

The roles and responsibilities of the Chairman of the Board and the CEO are separated. The Chairman, the Deputy Chairmen, the CEO and the CFO are all elected and/or appointed on an annual basis.

As mentioned earlier, the Chairman of the Board is not an independent director. The Board acknowledges the principle in the King Report to appoint an independent non-executive director as Chairman but, given the responsibility of the Board to focus on performance in directing the commercial and economic fortunes of Remgro, this arrangement is deemed not only appropriate, but also essential. In compliance with King III and the JSE Listings Requirements, the Board has appointed Mr G T Ferreira as Lead Independent Director (LID). The main function of the LID is, *inter alia*, to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. The LID is appointed by the Board on an annual basis.

The CEO, Mr Jannie Durand, is responsible for the day-to-day management of the Company and he is assisted in this regard by Mr Neville Williams (CFO). Between the two of them they have 44 years of service working for Remgro and Remgro-related businesses.

EVALUATION OF THE BOARD, SUBCOMMITTEES AND INDIVIDUAL DIRECTORS

The Board and subcommittees are evaluated annually by their members. The results of these evaluations are not disclosed in the Integrated Annual Report, but the nomination for reappointment of directors only occurs after the evaluation of the performance of the Board. The Board determines its functions, duties and performance criteria, as well as those for subcommittees, to serve as a benchmark for the performance appraisals.

The Board is satisfied with the independence of independent non-executive directors, including the independence of Messrs Fred Robertson and Paul Harris, who have served on the Board for 17 years, as well as Mr Murphy Morobe, who has served on the Board for 10 years. Based on the evaluation there is no evidence of any circumstances and/or relationships that will impair their judgement, and their independence is in no way affected by the length of service.

INDUCTION OF NEW DIRECTORS

Newly appointed Board members are formally informed of their fiduciary duties by the Company Secretary. Upon their appointment directors receive an induction pack consisting of, *inter alia*, agendas and minutes of the two most recent Board and subcommittee meetings (if applicable), latest annual financial statements and Integrated Annual Report, the Company's code of conduct regarding insider trading, Group structure, Board charter and subcommittee mandates, etc. in order to inform them of existing matters and risks that are currently being addressed as well as to provide them with a general understanding of the Group. New Board members are also invited to have induction meetings with executive directors and senior management. In addition new members will also receive information on the JSE Listings Requirements and the obligations therein imposed upon directors.

Members of the Board, subcommittees and individual directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense, with prior notification to the CEO or Company Secretary.

COMPANY SECRETARY'S ROLE AND RESPONSIBILITIES

All directors have unlimited access to the services of the Company Secretary, Ms Danielle Heynes, who is responsible to the Board for ensuring that proper corporate governance principles are adhered to and that Board orientation or training is given when appropriate.

The Company Secretary is furthermore responsible for ensuring the proper administration of the proceedings and matters relating to the Board, the Company and the shareholders of Remgro in accordance with applicable legislation and procedures.

The Board annually evaluates the competence and effectiveness of the Company Secretary, as required by the JSE Listings Requirements. The evaluation process includes an assessment by each Board member of the Company Secretary's eligibility, skills, knowledge and execution of duties. The Board has considered and is satisfied that the Company Secretary is competent and has the necessary experience to effectively execute her duties. A brief curriculum vitae of the Company Secretary is included in the Integrated Annual Report on page 16.

BOARD COMMITTEES

The Board has established subcommittees to assist it in discharging its duties and responsibilities. Each committee has its own mandate/terms of reference that defines its powers and duties. Copies of these mandates and terms of reference, which are reviewed on an annual basis, are available on Remgro's website.

The minutes of committee meetings are included in the agendas of subsequent Board meetings and issues that require the Board's attention or a Board resolution are highlighted and included as separate agenda items. Notwithstanding the delegation of functions to Board committees, the Board remains ultimately responsible for the proper fulfilment of such functions, except for the functions of the Audit and Risk Committee relating to the appointment, fees and terms of engagement of the external auditor.

REMUNERATION AND NOMINATION COMMITTEE

The committee consists of four non-executive directors, three of whom are independent. The Company Chairman, Mr Johann Rupert, is also the chairman of the committee, while the head of human resources acts as secretary. The CEO attends all committee meetings by invitation. The composition of and attendance at committee meetings are set out on page 63.

Meetings of the committee are held periodically (but at least once a year) in order to advise the Board on matters such as the remuneration principles and terms of employment of all directors and Management Board members, the Board structure and composition, directors' remuneration and long-term incentive schemes and succession plans for the Board, CEO and other Management Board appointments.

The committee is responsible for developing and reviewing the Group's policies with regard to remuneration, gender diversity and race diversity. During the year, the committee reviewed its mandate and the Remuneration Policy, and adopted a gender diversity policy, which the Board approved. There were no amendments to the committee's mandate during the year under review. The committee also adopted a race diversity policy, which the Board approved on 20 September 2017. The gender and race diversity policies apply to the Board only and although formal targets are not set, the committee pursues all opportunities to enhance the gender and race diversity of the Board.

Remgro's remuneration principles are set out in the Remuneration Report on pages 81 to 91 of the Integrated Annual Report. The Remuneration Policy and Remuneration Implementation Report will be tabled for separate non-binding advisory votes on the Company's forthcoming Annual General Meeting on 29 November 2017.

AUDIT AND RISK COMMITTEE

The committee is governed by a mandate that includes the recommendations of King III and the requirements of the Companies Act. The committee consists of four independent non-executive directors, elected by Remgro's shareholders on recommendation by the Board, and is chaired by Ms S E N De Bruyn Sebotsa. The committee meets at least four times a year and the CEO, CFO and the head of internal audit attend all meetings, *ex officio*. The composition of and attendance at committee meetings are set out on page 63.

The main role of the committee is to assist the Board in discharging its responsibilities regarding the following:

- risk management;
- internal controls;
- internal financial controls, accounting systems and information;
- the effectiveness of the CFO and financial function;
- accounting policies;
- internal and external audit;
- information technology systems;
- protection of assets;
- public reporting; and
- to monitor compliance with laws, rules, codes of conduct and standards.

The annual appointment of the external auditor, the approval of its terms of engagement and audit approach, as well as the approval of fees relating to audit services and non-audit services are also performed by the committee. These responsibilities apply to Remgro and its subsidiaries administered by RMS.

The Audit and Risk Committee meets at least once per year with the external and internal auditors and executive management to ensure that their efforts relating to risk management and internal control are properly coordinated.

The committee furthermore evaluates the effectiveness of its subcommittee, the Risk and IT Governance Committee. This committee's mandate includes the maintenance of the Risk Management Policy and plan, establishment and maintenance of an operational risk register, information technology risk management, legal compliance and occupational health and safety. A Financial Statements Committee, which is not an official subcommittee of the Audit and Risk Committee, was also established. Its tasks include the revision of Remgro's Integrated Annual Report (including the annual financial statements) prior to submission thereof to the Audit and Risk Committee. Both of these committees are chaired by Remgro's CFO and the chairman of the Audit and Risk Committee attends the meetings by invitation.

The committee is also responsible for ensuring that the combined assurance model introduced by King III is applied to provide a coordinated approach to all assurance activities. In particular the committee:

- will ensure that the combined assurance received is appropriate to address all the significant risks facing the Company; and
- monitors the relationship between the external service providers and the Company.

The committee's report describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2017 is included in the Integrated Annual Report on pages 96 to 97.

INVESTMENT COMMITTEE

The Investment Committee comprises four non-executive directors, of whom two are independent, as well as the CEO and the CFO. The committee is chaired by Mr Johann Rupert and meets when required for significant investment decisions. The composition of the committee is set out on page 63.

The duties and responsibilities of the committee are:

- to consider and, if appropriate, approve:
  - new investments up to an amount of not more than R500 million;
  - the extension of existing investments for amounts between R100 million and R500 million;
  - the disposal of existing investments for amounts between R100 million and R500 million; and
- to consider and make recommendations to the Board regarding investment decisions amounting to more than R500 million.

During the year under review all decisions taken by the Investment Committee were approved by written resolution.

MANAGEMENT BOARD

The Management Board consists of all four executive directors as well as two members of senior management, Messrs Pieter Louw and Pieter Uys. The committee meets on a monthly basis and the duties and responsibilities of committee members are in addition to their duties and responsibilities as members of the Board (in the case of members who are directors) and/or their other duties as executives. The composition of and attendance at committee meetings are set out on page 63.

The key duties and responsibilities of the committee are as follows:

- development of operational and investment plans and strategies for Remgro for submission to the Board and the implementation thereof once approved;
- evaluating and monitoring of existing Group investments;
- extension of existing investments up to an amount of not more than R100 million;
- the disposal of existing investments with a carrying value not exceeding R100 million;
- recommendation of all new investments, the extension of existing investments for more than R100 million and the disposal of existing investments for more than R100 million to the Investment Committee and the Board for approval;
- appropriate reporting in respect of existing investments to the Board; and
- nomination of representatives of Remgro as directors on the boards of investee companies, for approval by the Board.

SOCIAL AND ETHICS COMMITTEE

The committee's responsibilities are governed by a formal mandate as approved by the Board and the main objectives of the committee are to:

- assist the Board in monitoring the Group's performance as a good and responsible corporate citizen by the monitoring of its sustainable development practices; and
- perform the statutory duties of a Social and Ethics Committee in terms of the Companies Act and other functions assigned to it by the Board.

The composition of and attendance at committee meetings are set out on page 63.

The committee's report describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2017 is included in the Integrated Annual Report on pages 70 to 71.

DEALING IN SECURITIES

In accordance with the Listings Requirements of the JSE, the Company has adopted a code of conduct for insider trading. During price-sensitive or closed periods directors and designated employees are prohibited from dealing in Remgro's securities. In terms of the Group's policy closed periods lasts from the end of a financial reporting period until the publication of financial results for that period. A closed period is also applicable when the Company has issued a cautionary announcement to its shareholders.

Directors and designated employees may only deal in Remgro's securities outside the closed period, with the approval of the Chairman or the CEO. In addition, directors and designated employees are prohibited from dealing in the securities of listed investee companies unless permission has been obtained from the Chairman or the CEO.

CONFLICTS OF INTERESTS

Mechanisms are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest. Directors are required to disclose their personal financial interests, and those of persons related to them, in contracts or other matters in which Remgro has a material interest or which are to be considered at a Board meeting. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

All information acquired by directors in the performance of their duties, which is not disclosed publicly, is treated as confidential. Directors may not use, or appear to use, such information for personal advantage or for the advantage of third parties.

All directors of the Company are required to comply with the Remgro Code of Ethics, the provisions of the Financial Markets Act, 2012 and the requirements of the JSE Limited regarding inside information, dealings in securities and the disclosure of such dealings.

The activities and conduct of executive directors and senior management who act in a non-executive capacity on the boards of investee companies are governed by formal guidelines as approved by the Board.

PRICE SENSITIVE INFORMATION

During the year under review, the Board approved an internal Price Sensitive Information Policy, which deals with the determination of price sensitive information, the maintenance of confidentiality and the prompt dissemination of such information. The purpose of the policy is to ensure that price sensitive information is kept confidential up to the time of publication, through the electronic news service established by the JSE (SENS), and follows the general principle of the JSE Listings Requirements that shareholders should enjoy fair and equal treatment.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has a comprehensive risk management system, which incorporates continuous risk assessment, evaluation and internal control embedment. The Group's reporting on its risk management process and systems of internal control is included in the Risk Management Report on page 64 of the Integrated Annual Report.

EXTERNAL AUDIT

In terms of the JSE Listings Requirements, the external auditor of all listed companies and their major subsidiaries should be accredited with the JSE. Remgro's external auditor, PricewaterhouseCoopers Inc. is accredited as such with the JSE. The external auditor attends all Audit and Risk Committee meetings and has direct access to the chairman of the Audit and Risk Committee and the Chairman of the Group.

Non-audit services provided by the external auditor are approved by the Audit and Risk Committee and relate mainly to tax matters. These services are effected by a department that is independent of the audit partners.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the importance of keeping shareholders and the investor community informed of developments in Remgro's business. Communication with shareholders is based on the principles of timely, balanced, clear and transparent information. Both positive and negative aspects of financial and non-financial information are provided. Interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO and CFO. The most recent and historic financial and other information is also published on the Company's website. Further information regarding Remgro's initiatives on communication with all of its stakeholders is provided in the Sustainable Development Report.

ATTENDANCE AT MEETINGS OF MEMBERS

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board
Number of meetings held[1]	5	4	1	2	11
Attendance by directors					
Non-executive directors					
J P Rupert	5	–	1	–	–
E de la H Hertzog	5	–	–	–	–
J Malherbe	5	–	–	–	–
Independent non-executive directors					
G T Ferreira	4	–	1	–	–
P K Harris	3	–	0	–	–
N P Mageza[2]	5	4	–	1	–
P J Moleketi	5	3	–	–	–
M Morobe[3]	5	–	–	1	–
F Robertson	5	3	1	–	–
S E N De Bruyn Sebotsa[4]	5	4	–	1	–
H Wessels[5]	1	1	–	1	–
Executive directors and Management Board					
J J Durand	5	–	–	–	10
W E Bührmann	5	–	–	–	10
M Lubbe[6]	4	–	–	–	9
P R Louw	–	–	–	2	11
P J Uys	–	–	–	1	10
N J Williams	5	–	–	–	10

[1] *All decisions taken by the Investment Committee during the year under review were approved by written resolution.*
[2] *Mr N P Mageza was appointed as a member of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since his appointment.*
[3] *Mr M Morobe was appointed as Chairman of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since his appointment.*
[4] *Ms S E N De Bruyn Sebotsa was appointed as a member of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since her appointment.*
[5] *Mr H Wessels retired as director from 1 December 2016.*
[6] *Mrs M Lubbe was appointed as a director and a member of the Management Board with effect from 20 September 2016 and attended all the meetings since her appointment.*

BUSINESS RESCUE PROCEEDINGS

An internal business rescue policy has been formulated and approved by the Board. Given the nature of Remgro as an investment holding company, the actual consideration of Business Rescue Proceedings is part of the legal compliance policy approved by the Board.

Business Rescue Proceedings at investee companies are the responsibility of the boards of these entities as required by the Companies Act. Remgro has, as part of its risk management framework, processes in place to timeously identify and address underperforming investments.

RISK MANAGEMENT REPORT

INTRODUCTION

The Board is ultimately accountable for the risk management process and system of internal control within Remgro. The Board has reviewed the comprehensive Risk Management Policy and plan, which have been implemented by management. This incorporates continuous risk and opportunity identification and assessment and internal control embedment as well as risk reduction and insurance strategies.

The Audit and Risk Committee is mandated to monitor the effectiveness of the risk management process and systems of internal control and is supported in this regard by its subcommittee, the Risk and IT Governance Committee. The Group's internal and external auditors, along with management and certain external consultants, are tasked to render combined assurance reports to the Audit and Risk Committee.

Ethical leadership and human capital are the cornerstones of Remgro's risk management philosophy as these ensure entrepreneurial flair, sound corporate reputation and effective governance.

The risk management process in Remgro comprises the arrangement of resources to ensure the achievement of strategy and business plans, including the exploitation of available opportunities that meet the risk appetite criteria set by the Board. Risk profiles inherent to existing activities and investments are furthermore maintained within the approved risk tolerance levels, thereby optimising the risk return parameters for the creation of sustainable growth and value for shareholders and other stakeholders.

Strategic risk assessment includes the consideration of probable future scenarios taking cognisance of *inter alia*, political, environmental, social, technological, economical and legislative developments in both the Remgro environment as well as the market sectors that it invests in.

REPORT PARAMETERS

Due to the nature and magnitude of Remgro's investment portfolio, this report focuses on the activities of the Company and its subsidiaries, save where such entities are JSE-listed entities and the relevant information is readily available to stakeholders, or the materiality of such information is deemed insufficient to warrant detailed disclosure. As a result, this report contains risk management information of the Company, Remgro Management Services Limited (Remgro's service company) and V&R Management Services AG*.

* *A wholly owned subsidiary, registered and managed in Switzerland, rendering administrative, accounting and treasury services for Remgro's foreign subsidiaries and third parties.*

RISK MANAGEMENT PROCESS

The Risk Management Policy is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management – Integrated Framework and complies with the recommendations of the King Report on Governance for South Africa 2009 (King III). This policy defines the objectives, methodology, process and responsibilities of the various risk management role players in the Company. The Risk Management policy is subject to annual review and any proposed amendments are submitted to the Audit and Risk Committee for consideration and recommendation to the Board for approval. Both the COSO Risk Management Framework and the King Report on Corporate Governance™ will be updated during the following review process.

Remgro is an investment holding company and as such the risk management process takes cognisance of risks and opportunities within the Company as well as the risks and opportunities inherent to its investment portfolio.

The table below summarises the salient control objectives and related controls included in the Remgro risk register:

KEY CONTROL OBJECTIVES	KEY CONTROLS
The appointment and retention of suitably skilled and experienced directors and officers possessing the required values and drive.	Effective functioning of the Remuneration and Nomination Committee. Performance assessments and committee evaluations. Strong ethical leadership.
Ethical and visible leadership via governance structures and related processes.	Anti-corruption procedures. Embedded system of values and ethics and maintenance thereof via visible leadership. Formalised ethics policies and codes of conduct. Corporate culture focused on excellence in execution and fairness in dealing and transparency in reporting. Comprehensive and King III compliant corporate governance structures and systems.
Adoption and implementation of appropriate long-term strategy within approved risk appetite duly communicated and delegated to the executive.	Effective Management Board supported by executive management and an experienced investment division. Dedicated focus on external risks such as country and economic risk.
Maintaining the significance of Remgro's corporate presence in the investment environment as this enables it to acquire meaningful stakes in selected investment opportunities.	A conservative business approach with long-term investment criteria focused on growth, sustainability and liquidity. Corporate actions are aligned with the long-term strategy and responsible investment criteria.
Ensuring that opportunity risks are managed to avoid lost investment opportunities that meet Remgro's stringent investment criteria.	Good corporate reputation and brand as investor of choice. Skilled and experienced investment division with efficient operational processes and controls. Effective support structures and negotiation processes supported by proven due diligence processes. Workgroups focused at future scanning and key investment strategy objectives reporting to the Management Board.
Available liquidity to fund new investments and further support successful investments.	Conservative cash administration and well-managed and secure treasury environment. Borrowing facilities in place.
Effective group structuring to house existing and new investments.	Appropriate control structures supported by skilled and experienced legal and corporate tax specialists.
Effective management of underlying investments and ensuring that Remgro's investment criteria are maintained and the Group's rights are protected.*	Comprehensive shareholder agreements are concluded at time of investment. This facilitates effective control or significant influence over the executive management teams in the underlying investee companies and ensures that strategies, goals and deliverables are met and that salient risks are duly managed. Detailed reporting, review and management structures are implemented to ensure timely, accurate and reliable information used in decision-making processes. The early identification of abnormal investee risk profiles through internal processes.

* *As stated in the "Group Profile" section of this report, Remgro is not involved in the day-to-day management of investee activities but does have non-executive representation on these autonomous boards via shareholder agreements. These bodies are responsible for risk management at investee level.*

KEY CONTROL OBJECTIVES	KEY CONTROLS
Effective internal operations, including secretarial, financial, human resources and all other departmental activities in the service company and wholly owned subsidiaries under the control of the management of the service company.	Skilled and experienced managers regularly review policies and practices governing internal controls designed to ensure the consistent achievement of relevant objectives.
Given the significance of treasury, the following salient objectives are integrated into the Treasury Committee's (a management committee chaired by the Chief Financial Officer (CFO), also comprising the Chief Executive Officer (CEO) and other senior managers) mandate: • Liquidity requirements and risk appetite are formalised and linked to realised returns on treasury funds • Terms of trade with banks are reviewed to ensure adequate risk sharing • Payment systems are secured • Information is secured • FAIS (Financial Advisory and Intermediary Services Act, 2002) and FICA (Financial Intelligence Centre Act, 2001) legislation is complied with • The following treasury risks are specifically managed: – Liquidity risk – Instrument risk (derivatives) – Investment credit risk (credit limits and spread of cash between approved institutions) – Foreign currency risk (spread and composition of approved currency exposures) – Interest rate risk	A formalised Treasury Policy is maintained by the Treasury Committee and amendments are submitted to the Board for approval. Skilled staff is employed in the treasury department and comprehensive internal controls are deployed and complied with. The treasury department is subject to quarterly FAIS and FICA reviews from the FSB (Financial Services Board) approved external compliance officer. In addition, the treasury department (back and front office) are subject to regular internal audit reviews and a year-end review by the external auditor.
Accurate, transparent and reliable reporting and interaction with stakeholders.	Formalised stakeholder and communication policies. Effective internal financial controls. Comprehensive combined assurance plans and processes. Structured and considered integrated reporting.
Full compliance with taxation and other relevant legislation and industry practices.	Employment of tax experts and consultation with independent tax and legal professionals. Legal Compliance Policy linked to expert legal advice.
Reliable and secure information systems to support business objectives and requirements.	Effective outsource agreement with a credible vendor and service levels supporting cost-efficient, secure and available systems and networks. IT Governance Policy supported by procedures over key activities such as business continuity, information security, document retention and user acceptable usage policies.
Due consideration and support to sustainability matters such as BBBEE, environmental management and social corporate support.	Board guidelines to the Corporate Social Investment function. Effective Social and Ethics Committee. BBBEE policies and mandates. Safety, health and environmental management included under the ambit of the Risk and IT Governance Committee with formalised policies. Successful participation in Carbon Disclosure Project (CDP) and inclusion in FTSE/JSE Responsible Investment Index. Ethics governance and anti-corruption processes.

Material external risks include uncertainty on government ability to deliver on its mandate and the sustained global economic downturn impacting on market confidence and global, regional and local stability.

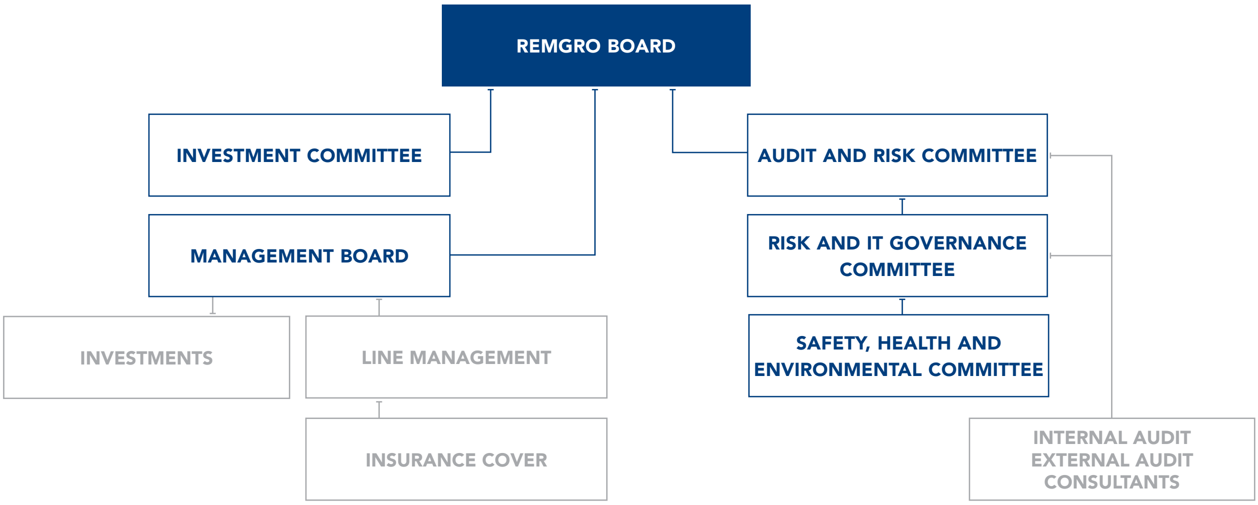
Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above processes.

RISK MANAGEMENT STRUCTURE

The following structure has been implemented and maintained in the Company to ensure the effective and efficient management of risk and opportunity within the Company.

In the structure below the function of the Chief Risk Officer is shared amongst the following individuals:

- The CEO reports directly to the Board on an ongoing basis as regards the risks that may impact the effective and efficient execution of its strategy.
- The CFO, as chairman of the Risk and IT Governance Committee, is responsible for the induction of risk management into the daily activities of the Company, including the drafting, review and maintenance of the Risk Register and Risk Management Policy and plan.
- The head of internal audit attends meetings of the Risk and IT Governance Committee and renders independent assurance regarding the effectiveness of this committee's activities as well as the system of internal control.



RISK TOLERANCE LEVELS

The Remgro Board has formalised and approved the risk tolerance levels to define the Board's risk appetite and to ensure that all risks within the Group are managed within the limits so defined.

Remgro, due to the nature of its core activities, deals with risk tolerance levels in the following three risk categories using dedicated and bespoke methodologies:

INVESTMENTS

Risk tolerance levels are set in accordance with the cost of funding the investments (WACC) as adjusted with a risk weighting (Beta) to ensure a sustainable and positive risk return environment.

TREASURY

Given the liquidity requirements to support performing investments and to seize new investment opportunities, the risk tolerance levels and linked returns for cash held in South Africa and internationally are measured in terms of lending rates achieved by major banks in the money market, including but not limited to STeFI (Short Term Fixed Interest) or LIBOR (London Interbank Offered Rate), as well as compliance with minimum credit ratings set for approved counterparties. This is continuously monitored and reassessed given prevailing market volatilities, risk and, at times, negative returns on cash in certain international money markets.

Foreign currency risk and capital preservation risk in an adverse economic climate are mitigated by means of conservative policies regarding hedging strategies and counterparty vetting.

The treasury funds are invested as per a Board-approved Treasury Policy which deals with counterparty (credit) risk, liquidity risk, interest rate risk, currency risk, instrument risk and commercial risk (terms of trade), as well as the policies deployed to safeguard cash and liquid assets.

The Treasury Committee is furthermore tasked to assess liquidity requirements, considering the identified investment opportunities, and to recommend funding instruments to the Board if so required.

OTHER

This category includes risks associated with unplanned loss to assets, exposure to liabilities, fidelity, business interruption and other operational risk.

In these instances the Board has, in addition to stringent internal controls, adopted a conservative approach by taking sufficient insurance cover to mitigate the anticipated maximum loss should risk realise in these categories.

RISK APPETITE

Risk appetite is defined as the risk that the Company is prepared or willing to accept without further mitigating action being put in place or the amount and nature of risk the Company is willing to accept in pursuit of objectives. This is also defined as the risk propensity of the Board in pursuing the creation of sustainable wealth.

The following qualitative and quantitative factors are considered by the Board in evaluating risk appetite:

- risk and return profile of the current investment portfolio;
- availability of cash resources and other liquid (available for sale) assets;
- available funding opportunities;
- risk return profile of prospective opportunities;
- financial ratios relevant to measuring performance, including *inter alia*:
  - Intrinsic Net Asset Value (INAV)
  - return on INAV relative to comparable risk investments
  - dividend policy;
- international and local economic cycles and trends;
- foreign currency rates and trends; and
- materiality of risks with reference to the INAV of the Group.

RISK-BEARING CAPACITY

Risk-bearing capacity is defined as a monetary value which is used as a yardstick, measuring the maximum loss the Company can endure without exposing it to the point where its existence and going concern status is under threat, given an equivalent loss.

Given the nature of Remgro's INAV composition, i.e. equity investments, net excess cash and the size of debt at holding company level, there are no known current exposures that could jeopardise the going concern status of the Group.

UNEXPECTED OR UNUSUAL RISK EXPERIENCES

The risk management process is furthermore also externally focused to ensure the timely identification of new emerging risks and the assessment of the effectiveness of risk responses thereto.

IT GOVERNANCE

The Company reviews its IT Governance Policy annually, which is aligned with the limited technology needs of an investment holding company. This policy is further supplemented by governance-based policies such as the Acceptable IT Use policy and information confidentiality policies.

The head of IT reports to the Group Financial Manager and IT-related matters are addressed by an IT Steering Committee comprising senior management. The IT risk register is considered by the Risk and IT Governance Committee and progress on IT and control-related projects is monitored via the Risk and IT Governance Committee by the Audit and Risk Committee.

The Company has outsourced its IT operations to a credible service provider via a comprehensive Service Level Agreement. The Service Level Agreement of the operator, which deals with, *inter alia*, key deliverables such as system and user support, system availability, cyber risk management, virus protection, telephony and other general controls, is reviewed annually and compliance monitored. IT service management is based on the international ITIL (Information Technology Infrastructure Library) framework.

The IT risk management process is included into the combined assurance process of the Company and aligned to COBIT (Control Objectives for Information and Related Technologies). A business continuity plan has been formalised and successful tests performed on the back-up and disaster recovery process.

LEGAL COMPLIANCE

The Board, as part of its ethical leadership commitment, approved a Legal Compliance Policy and confirmed that there are sufficient management capacity and controls in place to ensure that all relevant laws and salient industry practices are complied with.

The administration of the Legal Compliance System is vested in an official with the appropriate legal qualifications. Members of senior management of the Company are informed on a regular basis of all relevant new legislation and amendments. Compliance controls also vest with senior management who are required to report to the Risk and IT Governance Committee on a regular basis regarding their compliance using a control self-assessment methodology. This process is incorporated into the annual combined assurance plan.

INTERNAL CONTROL AND INTERNAL AUDIT

The Group has implemented and maintained a comprehensive system of internal controls to mitigate the risks in the enterprise and to ensure that the Group's objectives are consistently achieved. Internal controls are based on the principle of acceptable risk being inherent to the design and implementation of a cost-effective system of internal control. The system includes monitoring mechanisms and mitigation processes to augment deficiencies when they are detected. This system is benchmarked against the COSO Internal Control – Integrated Framework.

The internal audit function is employed by Remgro Management Services Limited and the head of internal audit, Mr Deon Annandale, reports to the chairman of the Audit and Risk Committee and functionally to the CFO. The department complies with the requirements of King III and the International Standards for the Professional Practice of Internal Auditing. The department maintains a three-tier Quality Assurance and Improvement Programme as prescribed by the IIA. This comprises a self-assessment process with Independent External Validation being performed by an international external audit firm, other than the Group's external auditors, over a three-year rotational cycle.

The internal audit plans, as approved by the Audit and Risk Committee, are designed following a risk-based assurance approach and are focused on adding value to the control environment while rendering independent assurance to the Audit and Risk Committee and to the Board on, *inter alia*: the effectiveness of internal financial control; the effectiveness of internal control over operational and compliance activities; the adequacy of governance systems, including the "tone at the top"; the effectiveness of the combined assurance process and risk management process.

The function is furthermore strategically aligned to the creation and preservation of value.

The internal audit department also renders independent internal audit and risk management services to certain Group companies who elect to outsource the function. In these instances dedicated processes are maintained to ensure the independent functioning of the department, including its fiduciary duty to the respective Group companies and the safeguarding of their proprietary information.

When required, specialist skills are insourced to assist with information technology and forensic services.

EFFECTIVENESS OF RISK MANAGEMENT PROCESS AND SYSTEM OF INTERNAL CONTROL

The Board, via the Audit and Risk Committee, has considered the documented policies, procedures and independent assurance reports and is satisfied that the internal control process and risk management process implemented in the Group are effective.

The Board is not aware of any exposure or position that could culminate in the residual risk profile of the Group exceeding the risk-bearing capacity limits set by the Board.

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the committee) assists the Board in monitoring Remgro's performance as a good and responsible corporate citizen. This report by the committee is prepared in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act), and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2017.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises five suitably skilled and experienced members appointed by the Board, as set out in the table below. The chairman of the committee is Mr Murphy Morobe, an independent non-executive director. In terms of the committee's mandate, at least two meetings should be held annually.

COMPOSITION OF THE COMMITTEE

Committee member*	Number of meetings held	Number of meetings attended
M Morobe (chairman)[(1)]	2	1
S E N De Bruyn Sebotsa[(2)]	2	1
N P Mageza[(3)]	2	1
P R Louw	2	2
P J Uys	2	1
H Wessels[(4)]	2	1

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 14 to 15 of the Integrated Annual Report, while the qualifications of Messrs P R Louw and P J Uys (who are members of the Management Board and also prescribed officers in terms of the Companies Act) are presented on page 16.*

(1) *Mr M Morobe was appointed as chairman of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since his appointment.*

(2) *Ms S E N De Bruyn Sebotsa was appointed as a member of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since her appointment.*

(3) *Mr N P Mageza was appointed as a member of the Social and Ethics Committee with effect from 1 December 2016 and attended all the meetings since his appointment.*

(4) *Mr H Wessels retired as director and chairman with effect from 1 December 2016.*

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities are governed by a formal mandate as approved by the Board. The mandate is subject to an annual review by the Board.

The main objective of the committee is to assist the Board in monitoring the Group's performance as a good and responsible corporate citizen. This is done by monitoring the sustainable development practices of the Group as set out below, thereby assisting the Board in achieving one of its values of doing business ethically.

Remgro's main wholly owned operating subsidiary is Wispeco. Wispeco has established its own Social and Ethics Committee which operates independently from this committee. Remgro's representatives on the board of Wispeco also have a standing invitation to attend the meetings of that committee, *ex officio*. The minutes of these meetings, as well as those of the Social and Ethics Committee of RCL Foods are included in the agenda of this committee as a standing item.

The committee is satisfied that it has fulfilled all its duties during the year under review, as further detailed below.

POLICY REVIEW

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment, governance and reporting of the Group's sustainable development performance and for making recommendations to management and/or the Board in this regard. During the year, the committee reviewed its mandate, as well as the Company's Code of Ethics, Gifts Policy, Social Media Policy, HIV/Aids Policy and Safety, Health and Environmental (SHE) Management Policy. There were no amendments to the committee's mandate during the year under review.

MONITORING OF SUSTAINABLE DEVELOPMENT PRACTICES

In the execution of its duties, the committee has reviewed the sustainable development practices of the Group, specifically relating to:

- ethics and compliance;
- corporate social investment;
- stakeholder relations;
- broad-based black economic empowerment;
- health and public safety;
- labour relations and working conditions;
- training and skills development;
- management of the Group's environmental impacts; and
- human rights and child labour.

The committee's monitoring role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, as well as labour and employment. The report on the application of the King Report on Governance for South Africa 2009 (King III) principles as published on the Company's website, was also reviewed and approved by the committee.

The committee further monitors Remgro's participation and results achieved in external surveys in respect of any sustainability aspect pertaining to the Group. In this regard the committee noted the external recognition and achievements by the Group, as reported on page 72 of the Integrated Annual Report.

PUBLIC REPORTING AND ASSURANCE

The committee, together with the Audit and Risk Committee, is responsible for reviewing and approving the sustainability content included in the Integrated Annual Report and published on the Company's website, as well as determining and making recommendations on the need for external assurance of the Group's public reporting on its sustainable development performance. The committee has reviewed the content of the abridged Sustainable Development Report included in the Integrated Annual Report and the detailed Sustainable Development Report published on the Company's website, and has recommended it for approval by the Board.

The committee is also required to report through one of its members to the Company's shareholders on the matters within its mandate at the Company's Annual General Meeting to be held on 29 November 2017. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 118, shareholders are referred to this report by the committee, read with the detailed Sustainable Development Report published on the Company's website. Any specific questions to the committee may be sent to the Company Secretary prior to the meeting.

Murphy Morobe
Chairman of the Social and Ethics Committee

Stellenbosch
20 September 2017

ABRIDGED SUSTAINABLE DEVELOPMENT REPORT

The three pillars of sustainable development, namely economic, social and environmental sustainability practices, have always been part of Remgro's core values.

INTRODUCTION

Remgro's value system incorporates the guidelines drawn up by its founder, Dr Rupert, nearly 60 years ago for doing business successfully. These guidelines include the following:

- ***Honesty*** – because it lasts the longest
- ***Correctness*** – because it creates trust with friends and opponents
- ***Courtesy*** – which means dignity without pride and friendliness without subservience
- ***Service*** – in every respect to your client, your fellow man, your country
- ***Mutual support*** – so that you push others up the ladder of success while climbing yourself, because if you pull others down, you will also fall
- ***Trust*** – the belief that all will work out well if everyone is doing their duty

Remgro believes that these values incorporate the spirit in which it strives to be a good corporate citizen. From the above it is evident that the three pillars of sustainable development, namely economic, social and environmental sustainability practices, have always been part of Remgro's core values.

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. While corporate governance, risk management and IT governance are addressed in the Corporate Governance and Risk Management Reports, the Sustainable Development Report provides a better understanding of Remgro's efforts on the social and environmental front in order to achieve its key objectives of maximising value creation over the short, medium and long term, while doing business ethically. Refer to the table below for the external recognition and achievements during the reporting period in this regard.

Sustainability highlights

1
Successful participation in the FTSE/JSE Responsible Investment Index

2
Continued participation in the Carbon Disclosure Project (CDP)

3
Continued membership of the Ethics Institute of South Africa

4
Obtaining our level 8 contributor status in terms of the BBBEE scorecard

View this full report online at www.remgro.com

COMBINED ASSURANCE

ASSURANCE OUTPUT	BUSINESS PROCESSES ASSURED	PROVIDER
Independent external auditor's report	Financial reporting	PricewaterhouseCoopers Inc.
Internal audit reports	Risk-based selection of audit areas	Remgro Risk Management and Internal audit
Internal risk management	All key business risk areas	Internal management reviews, assisted by Remgro Risk Management and Internal audit
BBBEE contributor verification	Broad-based black economic empowerment	Empowerdex
External calculation of carbon footprint	Carbon footprint calculation	Carbon Calculated, assisted by an independent consultant

EXTERNAL ASSURANCE

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as King III and the integrated reporting guidelines, for the external assurance of selected non-financial information. We further acknowledge our accountability to our stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBBEE scorecard verification, Carbon Disclosure Project (CDP) verification), as illustrated in the table above. We believe that these assurance methods provide the necessary assurance over the quality and reliability of the information presented. The different options and levels of external assurance available are continuously being reassessed to determine the way forward on external assurance.

MANAGEMENT APPROACH TO SUSTAINABILITY

Remgro's Board is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable. In this regard the Board has delegated the general oversight and reporting of sustainability to the Audit and Risk Committee, assisted by the Social and Ethics Committee. The role and function of this committee is dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 57 and 70 of the Integrated Annual Report respectively.

ETHICS AND COMPLIANCE

ETHICS

The Board believes that ethical behaviour stems from appropriate value systems inherent to the people in the Company's employ as directed and supported by visual ethical leadership and a values-driven corporate culture. Leadership based on ethical foundations results in a culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. The Board therefore retains the responsibility to establish and maintain a culture of honesty, transparency, fairness, responsibility and accountability in order to position the Company as an investment partner of choice. This is underscored by ethical leadership as ethics cannot be regulated but stems from personal conviction.

In this regard the Company has adopted a Code of Ethics (the code) that provides a framework of ethical practices and business conduct that are applicable to all directors and employees. The code is available to all employees on Remgro's in-house intranet and a copy is provided to all new employees. The code as well as a formal Gifts Policy also provides strict policies regarding gifts, invitations or favours received from suppliers or any other party. The offering of favours to gain unfair commercial advantages is also strictly prohibited.

The Audit and Risk Committee monitors compliance with the code and addresses instances of fraud or irregularities. The Group has an effective fraud prevention and detection process and ensures compliance and risk mitigation. No material investigations were concluded during the reporting period.

The Company has implemented an ***Ethics line*** to enable any employee or other stakeholder to report knowledge of perceived and alleged irregular or unethical behaviour in a confidential and controlled environment. The Ethics line is managed by an independent third party and is available on a 24-hour basis. During the year under review no calls were received through the Ethics line which related to alleged governance breaches or ethical anomalies at Remgro. Where calls are received which relate to alleged irregularities at investee companies, such calls are directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

Remgro Ethics Hotline 0800 86 4726
or email ethicsline@kpmg.co.za

COMPETITION

The Group supports and adheres to the relevant competition and anti-trust laws applicable in the various jurisdictions in which the Group operates. During the year no enquiries regarding anti-competitive, anti-trust or similar conduct were received which resulted in fines being levied.

COMPLIANCE

During the year under review there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes, and no significant fines were imposed either.

STAKEHOLDER RELATIONS

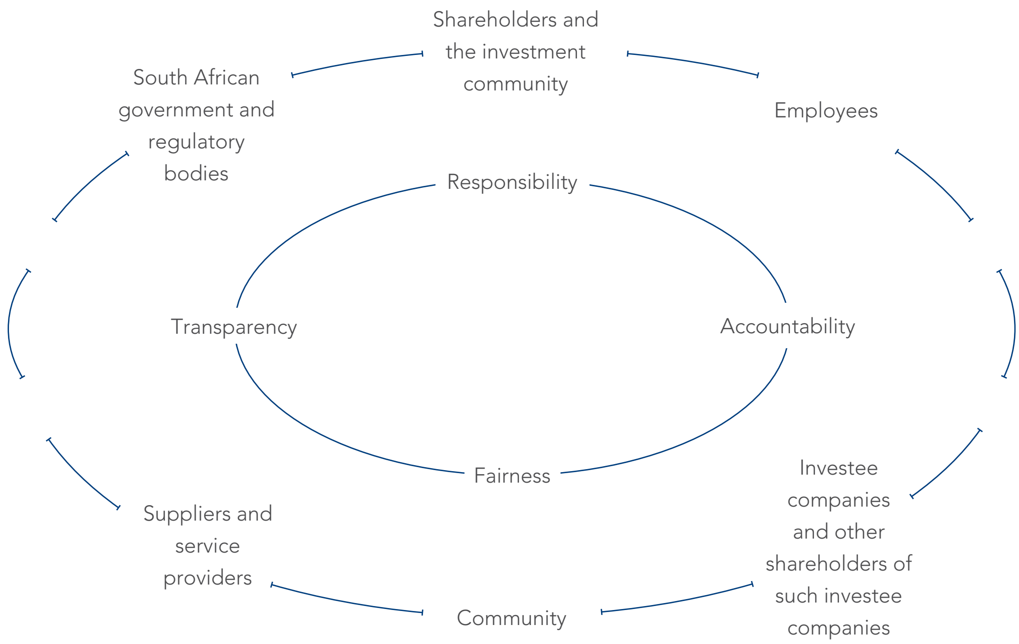
Our relationship with all our stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics:

- ***Responsibility***, for the assets and actions of the Company
- ***Accountability***, for justifying its decisions and actions to shareholders and other stakeholders
- ***Fairness***, in considering the legitimate interest of stakeholders
- ***Transparency***, in disclosing information in a manner that enables stakeholders to make informed decisions about the Company's performance and sustainability

Remgro's Board is the ultimate custodian of its corporate reputation and stakeholder relationships. In this regard a formal Stakeholder Policy sets out the approach and strategy of Remgro with respect to stakeholder engagements, ensuring that the approach takes into account corporate governance guidelines.

Remgro utilises a wide variety of communication methods to ensure that its communication with stakeholders is clear and understandable, as well as transparent, balanced and truthful, and sets out all relevant facts, whether positive or negative. Care is taken to ensure that engagement with stakeholders is, where appropriate, not just one-way communication but constructive, partnership-based engagement. This ensures that all legitimate stakeholder expectations are identified and addressed as far as possible.

Remgro, like other organisations, has many economic impacts on our stakeholders through, amongst other things, the generation and distribution of value, the creation of employment opportunities, remunerating our employees fairly and competitively, and our corporate social investment. We continuously manage these and engage with our stakeholders on matters relevant to them, as reported elsewhere in this report.



SHAREHOLDERS AND THE INVESTMENT COMMUNITY

Remgro's primary objective is to maximise value creation and sustainable growth and in this regard particular care is taken to ensure that all shareholders, or classes of shareholders, are treated equitably. Special care is taken to protect minority shareholders from actions by or in the interest of the principal shareholder that may be to their detriment. In this regard the Lead Independent Director acts as chairman during meetings in situations where the independence of the existing Chairman may be potentially conflicted.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's general meetings where topical matters are discussed openly. Further interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO and CFO. The investment community is also welcome to contact senior management directly.

The most recent and historic financial and other information are published on the Company's website at www.remgro.com.

EMPLOYEES

In order for Remgro to be able to achieve its main objectives it is essential to attract and retain employees of the highest calibre. Our employees are treated fairly and remunerated competitively and Remgro strives to afford all staff the opportunity to realise their full potential. During corporate actions special care is taken to ensure that employees belonging to the Remgro Equity Settled Share Appreciation Right Scheme are not treated more favourably than ordinary shareholders.

As Remgro is an investment holding company with a small staff complement at head office level, communication with employees is kept informal and is conducted through a variety of media, including email updates, the in-house intranet, Remgro website, information sessions and notice boards. Care is taken that all communication with shareholders is also communicated to employees.

INVESTEE COMPANIES AND OTHER SHAREHOLDERS OF SUCH INVESTEE COMPANIES

Remgro's performance is directly linked to the performance of the underlying investee companies and accordingly communication with those entities and co-shareholders is regarded as very important. Relationships with investee companies are managed principally through board representation, with Remgro directors or senior management acting as non-executive directors on the investee companies' boards. These representatives interact with the directors and senior management of investee companies at investee companies' board meetings and, as and when necessary, representatives of investee companies are encouraged to arrange to meet with Remgro senior management to discuss their business. All dealings with co-shareholders in the investee companies are done fairly in terms of the underlying shareholders' agreements and Remgro strives to add value to these investments.

COMMUNITY

Corporate citizenship, the commitment of a business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but undeniably forms an integral part of the environment in which it operates.

In its relationship with the community Remgro strives to be a value partner and in this regard its involvement in the community focuses on eradicating the effects of poverty and investing in young people from disadvantaged communities in the belief that such an investment will provide sound dividends far into the future. Remgro's corporate social investment initiatives and donations are discussed in more detail in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

SUPPLIERS AND SERVICE PROVIDERS

Remgro believes in building long-term partnerships with service providers through establishing a relationship of mutual trust and respect. Various criteria play a role in selecting suitable service providers, such as compliance to quality standards (if applicable), the stability and proven track record of the organisation and available support network.

As Remgro is an investment holding company its cost structure is constantly measured against that of unit trusts to ensure that its shareholders are not prejudiced. As part of managing corporate costs good relationships are maintained with suppliers and service providers.

SOUTH AFRICAN GOVERNMENT AND REGULATORY BODIES

An open and honest relationship is maintained with the government and relevant regulatory bodies. In this regard communication is on an *ad hoc* basis as and when the need arises and usually in the form of formal meetings. Regulatory bodies like National Treasury, the South African Reserve Bank (SARB) and the JSE Limited are kept up to date regarding corporate actions in accordance with all applicable laws and regulations. Annual meetings are held with the SARB in order to keep them up to date regarding Remgro's offshore activities.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

INTRODUCTION

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries, associates and joint venture initiatives in this regard. To the extent that Remgro's subsidiaries, joint ventures and associates implemented BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated costs and benefits thereof.

Remgro measures its BBBEE status against the generic scorecard criteria set by the Department of Trade and Industry. In terms of the latest assessment of Remgro's BBBEE status performed during September 2017, Remgro obtained a score of 55.19 (2016: 55.11), thereby obtaining a level 8 contributor status. The details of the assessment are fully set out in Figure 1 and includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods and Wispeco.

EQUITY OWNERSHIP

Verification of BBBEE ownership is governed by the amended Codes of Good Practice on BBBEE (the Code) which were gazetted on 11 October 2013 in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act (No. 53 of 2003). The methodology followed for the verification and certification of Remgro's contributions to BBBEE ownership was taken from the provisions of Code Series 100, Statement 102 – Recognition of Sale of Assets.

It should be noted that, in addition to the above, there is also black ownership included in the shareholdings in Remgro held by institutional investors (refer to page 115 of the Integrated Annual Report where Remgro's major shareholders are disclosed). During the year under review, an exercise was done to determine and accordingly include the indirect black ownership through these mandated investments.

Although Remgro's BBBEE score includes the initiatives of RCL Foods and Wispeco, the discussion below regarding the other elements of the generic scorecard criteria only relate to the activities at Remgro's head office in Stellenbosch. For more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" on the next page.

Figure 1

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	8.61
Management and control	Percentage black persons in executive management and/or executive board committees	19	6.71
Skills development	Skills development expenditure as a proportion of total payroll	20	9.18
Enterprise and supplier development	Procurement from black-owned and empowered enterprises as a proportion of total assets, as well as the average value of supplier development and enterprise development contributions as a percentage of net profit after tax	40	25.69
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00
Total score		**109**	**55.19**

MANAGEMENT CONTROL

The Board transformed considerably during the past years, with five of the ten non-executive directors (50%) being black. On Management Board level, one of the six members is black.

EMPLOYMENT EQUITY

Employment equity represents Remgro's most significant transformation challenge. An annual labour plan is submitted to the Department of Labour where Remgro's transformation objectives are set out in detail. Although efforts are focused on improving the Company's black representation at management level, low staff turnover and limited organic growth remain limiting factors. More detail regarding employment equity is presented on page 78.

Remgro's summarised employment equity report as at 31 August 2017 is presented in Figure 2 and sets out the distribution by race of permanent employees per occupation level.

SKILLS DEVELOPMENT

Remgro complies with the requirements of the Skills Development Act in terms of which a fixed percentage of its payroll is paid as a training levy to the South African Revenue Service. An annual report concerning all the training which has taken place in the Company is also submitted to the relevant SETA.

PREFERENTIAL PROCUREMENT

As Remgro is not an operating company it has a small procurement function and its procurement profile is characterised by a high service component as opposed to materials purchased. Remgro purchases more than half of its goods and services from BBBEE accredited vendors. The improvement of the preferential procurement score remains a focus area for Remgro.

ENTERPRISE AND SOCIO-ECONOMIC DEVELOPMENT

A considerable amount of time and resources are spent internally on business development and corporate social investment (CSI) initiatives. Further details regarding the Company's CSI initiatives are provided on page 79.

BBBEE AT INVESTEE COMPANIES

Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's investee companies is presented in the "Investment reviews" section on page 32 of the Integrated Annual Report.

Further details regarding the BBBEE status of Remgro's operating subsidiaries are provided in the section dealing with "Sustainability at operating subsidiaries" in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

Figure 2

SUMMARISED EMPLOYMENT EQUITY REPORT (AS AT 31 AUGUST 2017)

	Male				Female				Foreign nationals		
Occupational levels	**A**	**C**	**I**	**W**	**A**	**C**	**I**	**W**	**Male**	**Female**	**Total**
Top management	0	1	0	4	0	0	0	1	0	0	**6**
Senior management	1	2	0	13	0	0	0	3	0	0	**19**
Professionally qualified and experienced specialists and mid-management	0	0	2	17	1	2	0	9	0	0	**31**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	8	1	12	0	7	1	27	0	0	**59**
Semi-skilled and discretionary decision-making	20	22	0	0	7	9	0	0	0	0	**58**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**24**	**33**	**3**	**46**	**8**	**18**	**1**	**40**	**0**	**0**	**173**
Temporary employees	0	0	0	0	0	0	0	0	0	0	**0**
Grand total	**24**	**33**	**3**	**46**	**8**	**18**	**1**	**40**	**0**	**0**	**173**

A = African C = Coloured I = Indian W = White

OUR PEOPLE

EMPLOYEE COMPOSITION

Remgro believes that the quality of its staff represents an important sustainable advantage. Being an investment holding company, it has a relatively small staff complement, with only 172 people being employed as at 30 June 2017 (2016: 170 employees). Refer to Figure 3 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 5.2%, compared to 5.3% for the comparative year to 30 June 2016. The turnover rates were calculated by using the total number of employees at year-end. By only taking into account resignations (thus avoidable employee turnover), the above numbers reduce to 0.6% for 2017 and 1.2% for 2016.

RECRUITMENT AND SELECTION POLICY

In order to ensure that Remgro remains an investment partner of choice it is imperative to attract, select and retain employees of the highest calibre. In this regard the Company will at all times endeavour to appoint the best candidate in a position. Remgro believes that all persons are entitled to equal employment opportunities and accordingly no unfair discrimination against employees or applicants based on gender, race, religion or any other factor is allowed.

EMPLOYMENT EQUITY

Remgro endorses the principles of the Employment Equity Act, and in this regard its employment equity policy strives to offer equal opportunities to all employees and aims at identifying suitable individuals and developing and compensating them in line with their performance, dedication and loyalty. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

EMPLOYEE REMUNERATION

Our objective is to reward our employees fairly and competitively, according to their capabilities, skills, responsibilities and performance levels. The level of salaries we pay is one of a number of elements in our strategy to retain, motivate and, where necessary, recruit high-quality people. In addition, Remgro also offers its staff a stimulating working environment. Remgro has a formal Remuneration Policy that sets out the remuneration principles for the organisation as a whole. Refer to the Remuneration Report on page 81 of the Integrated Annual Report where Remgro's remuneration principles are set out in detail.

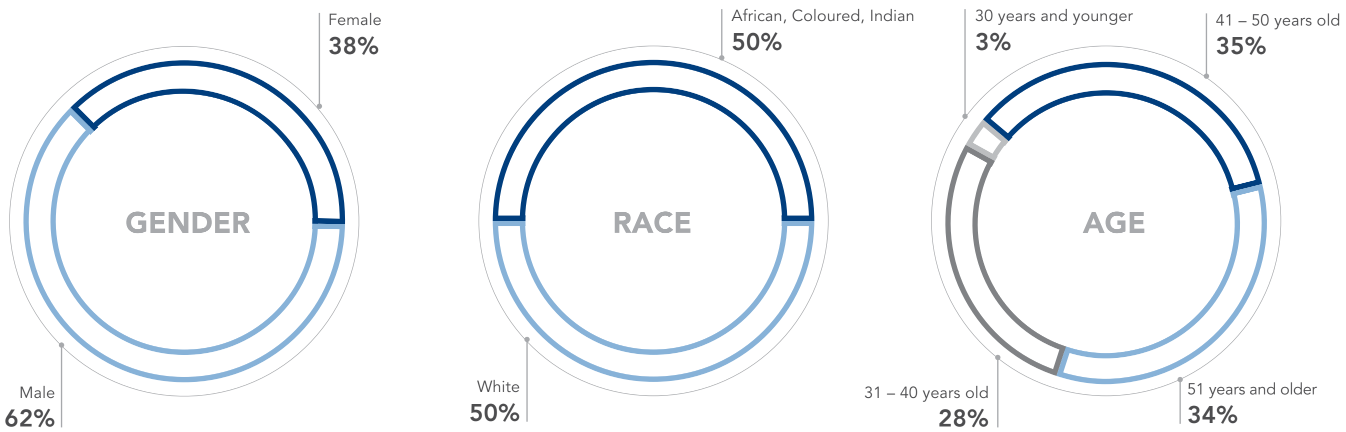
Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition employees are also offered medical insurance and study assistance.

TRAINING AND SKILLS DEVELOPMENT

The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend

Figure 3

COMPOSITION OF EMPLOYEES (AS AT 30 JUNE 2017)



training programmes which will better equip them to do their jobs. During the past few years numerous workshops and training sessions on King III, King IV, Anti-Corruption practices and the Competition Act were held to ensure that its directors and management are equipped to implement and practise sound corporate governance at all levels where they are involved.

HEALTH AND SAFETY

The Company has a duly constituted Health and Safety Committee, as required by the Occupational Health and Safety Act. The committee is a subcommittee of the Risk and IT Governance Committee and ensures that the Company provides and maintains a safe and healthy risk-free environment for staff and visitors by identifying risks and ensuring that controls designed to mitigate these risks are effective and complied with.

HIV/AIDS

From an investment holding company perspective, the risk of HIV/Aids comprises two elements:

GROUP RISK

Given the potential impact of HIV/Aids on the markets, on human capital, cost of employment and on the operational processes of the various businesses invested in, this risk is managed within the governance structures of the various investee companies. The progress of these policies and strategies is monitored against best practice standards. More information regarding the management of HIV/Aids by Remgro's operating subsidiaries is provided in the section on "Sustainability at operating subsidiaries" in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

COMPANY RISK

Remgro has a formal HIV/Aids Policy and is committed to actively manage the pandemic, and the business risks associated with it. The policy makes provision, *inter alia*, for the following:

- Compliance with all legal requirements as far as HIV/Aids is concerned
- No discrimination against employees or potential employees based on their HIV status
- Strict confidentiality of information on the HIV status of employees
- General measures to prevent accidental infection

Remedi Medical Aid Scheme, of which most of Remgro's staff are members, has a management plan for HIV/Aids in which employees can choose to participate.

INVESTING IN THE COMMUNITY

Remgro's corporate social investment initiatives and donations programme cover a broad spectrum of society and can be summarised as follows:

- Community development
- Cultural development
- Entrepreneurship, training and education
- Environment
- Healthcare
- Sport development

Remgro aims to maintain a corporate social investment (CSI) spend of approximately 2.5% of its net free cash flow annually. In this regard an official donations committee meets regularly to consider and approve grants to institutions in need. Donations to qualifying institutions are made on an annual basis for a specific period and, although such contributions cover a wide range, there are two noticeable exceptions: political parties and religious institutions. Remgro respects its employees' choice to participate in these institutions, but does not exercise a choice itself.

During the year under review Remgro's CSI spend amounted to R23 million (2016: R24 million), as set out in the table below.

Summary of CSI spend	Year 30 June 2017 R million	Year 30 June 2016 R million
Community development	6	6
Cultural development	3	3
Entrepreneurship, training and education	10	10
Environment	2	2
Healthcare	1	2
Sport development	1	1
	23	24

Further details regarding Remgro's CSI initiatives can be found in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's two main operating subsidiaries, namely RCL Foods and Wispeco, are operated and managed on a decentralised basis as independent entities with autonomous boards of directors.

Please refer to the detailed Sustainable Development Report published on the Company's website at www.remgro.com for further details regarding the social and environmental performance of these subsidiaries.

ENVIRONMENT

Remgro recognises that many of its investments are dependent on healthy and functioning ecosystem services and that these services are increasingly under pressure from a quantity and quality perspective. Hence, Remgro continuously analyses its impact on the environment, its response to changing environmental realities and the pursuit of new opportunities that might arise as a result of responsible environmental management.

In order to manage its impact on the environment, Remgro has implemented an Environmental Management Policy (the Policy). The Policy includes Remgro Management Services Limited (RMS – its service company), RCL Foods and Wispeco. The Remgro Board is ultimately responsible for the implementation of the Policy, but delegates its responsibilities to the Risk and IT Governance Committee (a subcommittee of the Audit and Risk Committee) and the Social and Ethics Committee which are responsible to review and recommend the approval of environmental procedures implemented and maintained by RMS. With regard to RCL Foods and Wispeco, it is the responsibility of Remgro's representatives on the boards of these companies to obtain assurance regarding the effectiveness and efficiency of its respective environmental management processes. As such, Remgro conducts annual environmental risk reviews on its subsidiaries and incorporates environmental performance into its various risk management frameworks.

Further details regarding Remgro's initiatives to minimise its impact on the environment is presented in the detailed Sustainable Development Report published on the Company's website at www.remgro.com.

FEEDBACK

We welcome any feedback on Remgro's sustainable development practices and this report. In this regard please contact:

The Company Secretary
Danielle Heynes
Tel: +27 (0)21 888 3373, Fax: +27 (0)86 581 0061
Email: dh@remgro.com
Postal address: PO Box 456, Stellenbosch 7599

REMUNERATION REPORT

BACKGROUND STATEMENT

Remgro's remuneration philosophy is supported by its business strategy, namely a long-term approach to deliver value in a sustainable manner.

Due to the nature of the business, the remuneration framework, on an organisation-wide basis, provides for guaranteed remuneration (i.e. salary and benefits) and a long-term share plan, which only render value should the share price and market capitalisation increase. As an investment holding company the Remuneration and Nomination Committee (the committee) views increased market capitalisation, sustainable growth in share price and above-average dividend yield as a critical metric to deliver value to shareholders over time. In line with this approach Remgro does not pay short-term incentives (i.e. cash bonuses) and believes that management's decision-making should be long-term focused and aligned with this philosophy that they should be rewarded where value is demonstrated, without excessive risk-taking in the short term. This two tier approach makes the Remgro Remuneration Policy focused and avoids unnecessary layers of complexity.

Remgro has a diversified portfolio of investments across industries, which include: healthcare, banking, consumer products, insurance, industrial and infrastructure.

Constraint consumer spending, droughts, weak commodity prices, the recent credit downgrade and challenging trading conditions have impacted investee companies' earnings to varying degrees. Consequently, this has to an extent influenced Remgro's share price. However, in line with our approach of long-term value creation our long-term incentive instrument remains the share appreciation rights instrument which vests three to five years after grant date and the participant has a further window of between two to four years after vesting to exercise (i.e. crystallise) any benefit. Not only does this long-term view align with shareholders through challenging market conditions, it also supports retention of key management.

Remgro observes the King Report on Corporate Governance™ for South Africa 2016 (King IV) principles in relation to Remuneration Policy and disclosure. Although the committee acknowledges that the full King IV is effective from the 2018 financial year, commencing 1 July 2017, the committee has already adopted, where appropriate, certain elements thereof. The committee will also engage with shareholders regarding the Remuneration Policy to the extent required.

This committee is of the view that Remgro's Remuneration Policy continues to achieve its stated objectives. At the 2017 Annual General Meeting Remgro will put its Remuneration Policy and Remuneration Implementation Report to a non-binding advisory shareholder vote (see resolution numbers 14 and 15 in the Notice to Shareholders on page 118) and the committee looks forward to a positive outcome in this regard.

REMUNERATION POLICY

The Remuneration Policy provides an overview of Remgro's remuneration principles for the organisation as a whole. The information provided in this policy has been approved by the Board on recommendation by the committee.

GOVERNANCE

The functioning of this dedicated Board committee is well established within Remgro's mode of operation. In essence it is the committee's role to ensure fair and responsible remuneration across the Company and that the disclosure of remuneration is accurate, complete and transparent.

The committee is governed by a mandate that incorporates best practice governance recommendations and serves to assist members of this committee in the execution of their role and responsibilities.

The members of the committee for the year under review were:

- Mr J P Rupert (chairman)
- Mr P K Harris
- Mr G T Ferreira
- Mr F Robertson

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

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

The committee formally met once during the year and had three further engagements via round robin discussions and decisions. The details on the attendance of the formal meetings are set out in the Corporate Governance Report on page 63.

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

In respect of its nomination function –

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

In respect of its remuneration function –

- Oversee the fair, responsible and transparent setting and administering of remuneration of all directors, Management Board members and other employees;
- Oversee the establishment of a Remuneration Policy;
- Advise on the fees of non-executive directors, for approval by shareholders at the Annual General Meeting;
- Ensure that remuneration, in cash, share appreciation rights (SARs) and other elements, meets Remgro's needs and strategic objectives and are administered in accordance with the shareholder-approved plan rules; and
- Oversee the preparation and recommending to the Board of the Remuneration Report to be included in the Integrated Annual Report.

The committee is satisfied that it has carried out its responsibilities for the year in compliance with its mandate.

REMUNERATION PRINCIPLES

The Remuneration Policy is aligned with the Company's approach of rewarding all employees fairly, responsibly and competitively, according to their capabilities, skills, responsibilities and level of performance.

Key remuneration principles embedded in the Remuneration Policy are:

- Alignment with the overall business strategy, objectives and values of Remgro;
- Remuneration design which supports the interests of shareholders;
- Mechanisms for ensuring that executive remuneration is fair and responsible in the context of overall Company remuneration;
- Remuneration design which supports the retention and attraction of key talent and supports succession planning;
- Compliance with best practice remuneration governance standards including prevailing labour law legislation from time to time;
- Recognising and encouraging exceptional and value-added performance in line with a performance-based culture;
- Ensuring that remuneration structures are consistent with the Company's long-term requirements and decision-making; and
- Protecting the Company's rights by means of standard contracts of employment.

COMPONENTS OF REMUNERATION

Remgro has two components of remuneration, namely fixed remuneration (which includes benefits) and long-term incentives in the form of its SAR scheme. Remgro does not pay short-term incentives and believes that management's decision-making should be long-term focused and aligned with the philosophy that they should be rewarded where value is demonstrated, without excessive risk-taking in the short term. The details of these two components are outlined below:

FIXED REMUNERATION

WHAT DOES THIS CONTAIN?

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

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

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

VARIABLE REMUNERATION (SARs SCHEME ONLY)

PURPOSE

Remgro Equity Settled Share Appreciation Rights Scheme ("SAR Scheme") is the only variable pay mechanism. This is an equity settled scheme and all employees are awarded rights to the long-term growth in the Remgro share price and market capitalisation of the Company. This design ensures alignment between personal wealth creation and corporate strategy and supports long-term employee retention.

ELIGIBILITY

All permanent employees of the Company participate in the SAR Scheme.

FIXED REMUNERATION

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

Under specific circumstances Remgro also offers employees post-retirement medical benefits. All details in this regard is disclosed in the Annual Financial Statements.

Only employees who are required to travel for business purposes receive travel allowances, which is funded from their total guaranteed packages.

HOW IS TOTAL GUARANTEED PACKAGE BENCHMARKED?

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

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

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

ANNUAL REVIEW PROCESS

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

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

The CEO, who attends all committee meetings by invitation, can propose increases to the guaranteed remuneration packages, excluding his own, during such review meetings.

VARIABLE REMUNERATION (SARs SCHEME ONLY)

DETERMINATION OF VALUE

Participants in the SAR Scheme are remunerated with Remgro shares to the value of the appreciation of their rights to a specific number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date.

VESTING AND EXERCISE OF SARs

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

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

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

AWARD QUANTUM

The committee makes awards in terms of the SAR Scheme to participants, based on a multiple of total guaranteed package. The set multiples are determined by reference to participants' job grade, role, exceptional contribution of the participant, the need to attract and/or retain key talent and the value added by the participant for Remgro and shareholders.

Such awards are made from time to time and are disclosed in detail. Refer to the Remuneration Implementation Report on page 87.

PERFORMANCE CONDITIONS FOR SAR

The SAR Scheme has an inherent performance condition in that the Remgro share price on grant date has to increase before any value is realised by participants. The general trend by companies in the South African and international market has been to move away from SAR design to full share type plans which always deliver value, no matter whether market capitalisation is increased. However, in line with Remgro's business strategy as an investment holding company, Remgro believes a SAR scheme best serves the Company's and shareholders' needs. With a SAR, value is only created dependent on performance of underlying investments and as such no value is created for participants, unless shareholders receive incremental value. Taking into account the current trading conditions and economic environment, certain SAR grants have grant prices which exceed Remgro's current share price. The SAR Scheme provides direct correlation between participants and shareholders as can be seen over the last two years. Therefore, no additional financial performance conditions are imposed for the vesting of SARs.

FIXED REMUNERATION

FAIR AND RESPONSIBLE REMUNERATION ACROSS THE COMPANY

Remgro is committed to the principle of fair and responsible remuneration for the whole Company. Actions in this regard include:

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

VARIABLE REMUNERATION (SARs SCHEME ONLY)

EARLY TERMINATION OF EMPLOYMENT PROVISIONS

In the event of resignation or dismissal for just cause all unexercised SARs will be forfeited.

Subject to the discretion of the committee, in the event of death, disability, retrenchment or retirement (or early retirement) unvested SARs will become exercisable within 12 months from termination of employment.

CHANGE OF CONTROL

In the event of a change of control of the Company, unvested SARs will become exercisable immediately (to the extent the SARs grant prices are less than the share price at the change of control date).

VARIATION OF SHARE CAPITAL

In the event of any corporate action which results in a variation of the Company's share capital the committee has the discretion to adjust SAR grants to ensure that participants are not prejudiced.

DILUTION LIMITS

INDIVIDUAL BASIS

No grant will be made to a single participant if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs granted to the participant may be exercised, shall exceed 2 197 399 Remgro ordinary shares.

OVERALL BASIS

Similarly, no grant will be made if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs may be exercised, shall exceed 21 000 000 Remgro ordinary shares.

SETTLEMENT CONSIDERATIONS

If it is assumed that all of the participants to the SAR Scheme exercise all options awarded to them on 1 July 2017, Remgro will have to deliver 0.6 million shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2017 of R213.46. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 0.9 million shares and 0.5 million shares, respectively.

At 30 June 2017 Remgro held sufficient treasury shares to settle its obligations to deliver shares to the SAR Scheme participants.

EXECUTIVE EMPLOYMENT CONTRACTS

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

NON-EXECUTIVE DIRECTORS' REMUNERATION

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors, who have served on the Board for more than nine years, is subject to a rigorous review by the Board. The Board is satisfied with the independence of independent non-executive directors, including the independence of Messrs Fred Robertson and Paul Harris, who have served on the Board for 17 years, as well as Mr Murphy Morobe, who has served on the Board for 10 years. Based on the evaluation there is no evidence of any circumstances and/or relationships that will impair their judgement, and their independence is in no way affected by the length of service.

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

The annual fees payable to independent non-executive directors for the period commencing on 1 July 2016 were approved by shareholders at the 2016 Annual General Meeting on 1 December 2016.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr J P Rupert, Dr E de la H Hertzog and Mr J Malherbe are regarded as non-independent non-executive directors.

The Chairman receives no emoluments or fees from Remgro, whilst Dr Hertzog and Mr Malherbe receive the approved annual board and committee fees paid to independent non-executive directors.

As in the case of independent non-executive directors, these directors do not participate in the Company's long-term incentive plan. It should, however, be noted that, subsequent to the acquisition of VenFin Limited during November 2009, Remgro SARs were awarded to Mr J Malherbe to compensate him for the cancellation of the VenFin Share Appreciation Right Scheme. Mr Malherbe does not qualify for any further allocation of SARs and the last tranche of these SARs vested in December 2016.

Details of the fee structure proposed for the period 1 July 2017 to 30 June 2018 are set out on the next page. During the annual review of the fees of non-executive directors, it became evident that the fee for the Audit and Risk Committee members is lagging the market. Therefore, the proposed increase for these members are to provide greater alignment with the market and exceeds the standard increase percentage.

Remgro has not differentiated in the past between fees payable to a chair and the other members of a committee. Such differentiation is in line with best practice, therefore for the 2018 financial year a different fee for committee chairs is proposed.

Also see special shareholders resolution 1 in the Notice to Shareholders on page 118.

The proposed fee structure payable to non-executive directors for the year ending 30 June 2018 is presented in the table below.

Type of fee (R)	Current fee for the year ended 30 June 2017	Proposed fee for the year ending 30 June 2018
Board member	321 000	345 000
Chairman: Audit and Risk Committee	214 000	260 000
Member: Audit and Risk Committee	107 000	130 000
Member: Remuneration and Nomination Committee	53 500	57 500
Chairman: Social and Ethics Committee	53 500	100 000
Member: Social and Ethics Committee	53 500	57 500

SHAREHOLDER ENGAGEMENT AND NON-BINDING VOTE

The Remuneration Policy and Implementation Report are respectively tabled for separate non-binding advisory votes by the shareholders at the 2017 Annual General Meeting.

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

REMUNERATION IMPLEMENTATION REPORT

(The information on pages 87 to 91 was audited)

TOTAL REMUNERATION (SINGLE FIGURE)

The tables below provide information on the single-figure remuneration for executive directors and prescribed officers, which comprise of a fixed annual amount, as well as the indicative value of SARs that vested during the year, irrespective of it being exercised or not.

EXECUTIVE DIRECTORS

R'000	Fees	Salaries	Retirement fund	Other benefits[4]	Fixed remune-ration	Indicative value of SARs[5]	Total
30 June 2017							
W E Bührmann	**321**	**3 000**	**659**	**314**	**4 294**	**2 593**	**6 887**
J J Durand	**321**	**10 506**	**2 147**	**344**	**13 318**	**7 338**	**20 656**
M Lubbe[1]	**241**	**1 179**	**263**	**272**	**1 955**	**402**	**2 357**
N J Williams[2]	**321**	**3 417**	**741**	**339**	**4 818**	**2 159**	**6 977**
Subtotal	**1 204**	**18 102**	**3 810**	**1 269**	**24 385**	**12 492**	**36 877**
30 June 2016							
W E Bührmann	300	2 800	615	297	4 012	4 770	8 782
L Crouse[2]	225	5 540	1 035	236	7 036	38 223	45 259
J J Durand	300	9 815	2 006	322	12 443	22 065	34 508
N J Williams[3]	75	650	173	80	978	–	978
Subtotal	900	18 805	3 829	935	24 469	65 058	89 527

(1) *Mrs M Lubbe was appointed as executive director with effect from 20 September 2016.*
(2) *Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016.*
(3) *Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.*
(4) *Benefits include medical scheme contributions and vehicle benefits.*
(5) *Exercisable value at year-end of SARs that vested during the year. Note that the vested, but unexercised, SARs form part of the balance of SARs accepted at year-end in the Long-term Incentives Outcomes on page 88.*

PRESCRIBED OFFICERS

R'000	Salaries	Retirement fund	Other benefits[3]	Fixed remune-ration	Indicative value of SARs[5]	Total
30 June 2017						
P R Louw	**2 399**	**476**	**339**	**3 214**	**661**	**3 875**
P J Uys	**5 144**	**1 020**	**339**	**6 503**	**2 667**	**9 170**
Total	**7 543**	**1 496**	**678**	**9 717**	**3 328**	**13 045**
30 June 2016						
P R Louw[1]	455	111	80	646	–	646
P J Uys	4 694	931	319	5 944	5 205	11 149
N J Williams[2]	1 997	385	239	2 621	4 956	7 577
Total	7 146	1 427	638	9 211	10 161	19 372

(1) *Mr P R Louw was appointed on 1 April 2016.*
(2) *Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016.*
(3) *Benefits include medical scheme contributions and vehicle benefits.*
(4) *Both Messrs P R Louw and P J Uys are members of the Management Board, as well as the Social and Ethics Committee.*
(5) *Exercisable value at year-end of SARs that vested during the year. Note that the vested, but unexercised, SARs form part of the balance of SARs accepted at year-end in the Long-term Incentives Outcomes on page 90.*

LONG-TERM INCENTIVES OUTCOMES

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

The tables below provide information on a director and prescribed officer basis of long-term incentives (SARs) granted and accepted during the year and the indicative value of SARs not yet exercised (outstanding SARs). It also illustrates the cash value of SARs exercised during the year.

DIRECTORS

Participant	Balance of SARs accepted as at 30 June 2016	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	SARs transferred during the year[2]	Offer price[3] (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[4] (R'000)	Balance of SARs accepted as at 30 June 2017	Fair value of SARs as at 30 June 2017[5] (R'000)
Executive											
W E Bührmann	23 548				92.83	(23 548)	31/05/2017	220.40	3 004	–	–
	98 817				142.04					98 817	7 719
	25 485				185.07					25 485	1 470
	8 958				245.53					8 958	366
	26 470				262.77					26 470	1 110
	–	82 971	5 804		209.11					82 971	4 786
L Crouse[6]	23 587					(23 587)	31/03/2017	–	–	–	–
J J Durand	157 262				92.83					157 262	19 029
	271 258				142.04					271 258	21 188
	93 128				185.07					93 128	5 372
	108 468				245.53					108 468	4 437
	192 676				262.77					192 676	8 079
	–	150 872	10 554		209.11					150 872	8 702
M Lubbe[2]	–			20 620	92.83	(20 620)	05/04/2017	205.69	2 327	–	–
	–			13 961	142.04					13 961	1 090
	–			7 444	185.07					7 444	429
	–			4 011	245.53					4 011	164
	–			8 036	262.77					8 036	337
	–	65 632	4 591		209.11					65 632	3 786
N J Williams	18 076				73.67	(18 076)	07/12/2016	207.00	2 410	–	–
	19 768				92.83					19 768	2 392
	81 901				142.04					81 901	6 397
	22 221				185.07					22 221	1 282
	16 430				245.53					16 430	672
	27 492				262.77					27 492	1 153
	–	98 716	6 905		209.11					98 716	5 694
Subtotal	1 215 545	398 191	27 854	54 072		(85 831)			7 741	1 581 977	105 654
Non-executive											
J Malherbe[7]	50 506				73.67	(50 506)	06/12/2016	209.73	6 872	–	–
Subtotal	50 506	–	–	–		(50 506)			6 872	–	–
Total	1 266 051	398 191	27 854	54 072		(136 337)			14 613	1 581 977	105 654

[1] *SARs were offered on 1 December 2016.*

[2] *Mrs M Lubbe was appointed as executive director with effect from 20 September 2016. SARs transferred refer to the balance of SARs granted and accepted by her prior to 20 September 2016.*

[3] *In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the Remgro rights issue was reduced to ensure that participants were placed in substantially the same position as they were prior to the right issue.*

[4] *This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.*

[5] *Fair value was calculated using the standard binomial pricing model. Note that the vested, but unexercised SARs, used in the calculation of the indicative value of SARs reflected in the total remuneration (single figure section) on page 87, are also included in this fair value calculation.*

[6] *Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all their SARs granted to them at any time within 12 months after the date of retirement or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier. The 23 587 SARs expired on 31 March 2017 as the Remgro share price was less than the offer price.*

[7] *Subsequent to the acquisition of VenFin Limited during November 2009, Remgro SARs were awarded to Mr J Malherbe to compensate him for the cancellation of the VenFin Share Appreciation Right Scheme. Mr Malherbe does not qualify for any further allocation of SARs.*

Participant	Balance of SARs accepted as at 30 June 2015	SARs accepted during the year[1]	Fair value of SARs on offer date (R'000)	SARs trans-ferred during the year[2]	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[3] (R'000)	Balance of SARs accepted as at 30 June 2016	Fair value of SARs as at 30 June 2016[4] (R'000)
Executive											
W E Bührmann	23 548				97.55					23 548	3 734
	98 817				147.25					98 817	11 737
	25 485				191.70					25 485	2 429
	8 958				253.53					8 958	637
	–	26 470	2 142		272.00					26 470	1 948
L Crouse[5]	51 865				97.55	(51 865)	22/03/2016	259.66	8 408	–	–
	94 652				147.25	(94 652)	22/03/2016	259.66	10 640	–	–
	189 300				147.25	(189 300)	04/04/2016	250.94	19 629	–	–
	79 144				191.70	(79 144)	04/04/2016	250.94	4 688	–	–
	23 587				253.53					23 587	1 676
J J Durand	157 262				97.55					157 262	24 941
	271 258				147.25					271 258	32 220
	93 128				191.70					93 128	8 877
	108 468				253.53					108 468	7 709
	–	192 676	15 591		272.00					192 676	14 177
N J Williams[2]	–			18 076	78.30					18 076	3 192
	–			19 768	97.55					19 768	3 135
	–			81 901	147.25					81 901	9 728
	–			22 221	191.70					22 221	2 118
	–			16 430	253.53					16 430	1 168
	–			27 492	272.00					27 492	2 023
Subtotal	1 225 472	219 146	17 733	185 888		(414 961)			43 365	1 215 545	131 449
Non-executive											
J Malherbe[6]	50 506				78.30					50 506	8 920
	6 949				75.38	(6 949)	03/11/2015	279.00	1 415	–	–
Subtotal	57 455	–	–	–		(6 949)			1 415	50 506	8 920
Total	1 282 927	219 146	17 733	185 888		(421 910)			44 780	1 266 051	140 369

(1) SARs were offered on 24 November 2015.

(2) Mr N J Williams was appointed as Chief Financial Officer with effect from 1 April 2016. SARs transferred refer to the balance of SARs granted and accepted by him prior to 1 April 2016.

(3) This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.

(4) Fair value was calculated using the standard binomial pricing model. Note that the vested, but unexercised SARs, used in the calculation of the indicative value of SARs reflected in the total remuneration (single figure section) on page 87, are also included in this fair value calculation.

(5) Mr L Crouse retired as Chief Financial Officer with effect from 31 March 2016. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all their SARs granted to them at any time within 12 months after the date of retirement or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier.

(6) Subsequent to the acquisition of VenFin Limited during November 2009, Remgro SARs were awarded to Mr J Malherbe to compensate him for the cancellation of the VenFin Share Appreciation Right Scheme. Mr Malherbe does not qualify for any further allocation of SARs.

PRESCRIBED OFFICERS

Participant	Balance of SARs accepted as at 30 June 2016	SARs accepted during the year[(1)]	Fair value of SARs on offer date (R'000)	Offer price[(2)] (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[(3)] (R'000)	Balance of SARs accepted as at 30 June 2017	Fair value of SARs as at 30 June 2017[(4)] (R'000)
P R Louw	27 432			92.83					27 432	3 319
	22 646			142.04					22 646	1 769
	12 944			185.07					12 944	747
	5 952			245.53					5 952	243
	9 497			262.77					9 497	398
	–	91 120	6 374	209.11					91 120	5 256
P J Uys	218 400			177.24					218 400	17 059
	3 325			185.07					3 325	192
	14 774			245.53					14 774	604
	11 533			262.77					11 533	484
	–	91 463	6 398	209.11					91 463	5 276
Total	326 503	182 583	12 772		–			–	509 086	35 347

[(1)] SARs were offered on 1 December 2016.
[(2)] In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the Remgro rights issue was reduced to ensure that participants were placed in substantially the same position as they were prior to the right issue.
[(3)] This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.
[(4)] Fair value was calculated using the standard binomial pricing model. Note that the vested, but unexercised SARs, used in the calculation of the indicative value of SARs reflected in the total remuneration (single figure section) on page 87, are also included in this fair value calculation.

Participant	Balance of SARs accepted as at 30 June 2015	SARs accepted during the year[(1)]	Fair value of SARs on offer date (R'000)	SARs transferred during the year[(2)]	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[(3)] (R'000)	Balance of SARs accepted as at 30 June 2016	Fair value of SARs as at 30 June 2016[(4)] (R'000)
P R Louw[(2)]	–			27 432	97.55					27 432	4 350
	–			22 646	147.25					22 646	2 690
	–			12 944	191.70					12 944	1 234
	–			5 952	253.53					5 952	423
	–			9 497	272.00					9 497	699
P J Uys	218 400				183.15					218 400	20 482
	3 325				191.70					3 325	317
	14 774				253.53					14 774	1 050
		11 533	933		272.00					11 533	849
N J Williams[(2)]	18 076			(18 076)	78.30					–	–
	25 768			(19 768)	97.55	(6 000)	26/10/2015	278.58	1 086	–	–
	81 901			(81 901)	147.25					–	–
	22 221			(22 221)	191.70					–	–
	16 430			(16 430)	253.53					–	–
		27 492	2 225	(27 492)	272.00					–	–
Total	400 895	39 025	3 158	(107 417)		(6 000)			1 086	326 503	32 094

[(1)] SARs were offered on 24 November 2015.
[(2)] With effect from 1 April 2016, Mr N J Williams was appointed as Chief Financial Officer and Mr P R Louw was appointed as member of the Management Board. SARs transferred refer to the balance of SARs granted and accepted by them prior to 1 April 2016.
[(3)] This refers to the increase in value of the SAR Scheme shares of the indicated participants from the offer date to the date of payment and delivery.
[(4)] Fair value was calculated using the standard binomial pricing model. Note that the vested, but unexercised SARs, used in the calculation of the indicative value of SARs reflected in the total remuneration (single figure section) on page 87, are also included in this fair value calculation.

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' fees for the 2017 financial year, which were approved by the shareholders, are disclosed below (on an individual basis).

Type of fee (R)	Fee for the year ended 30 June 2017	Fee for the year ended 30 June 2016
Board member	**321 000**	300 000
Chairman of the Audit and Risk Committee	**214 000**	200 000
Member of the Audit and Risk Committee	**107 000**	100 000
Member of the Remuneration and Nomination Committee	**53 500**	50 000
Member of the Social and Ethics Committee	**53 500**	50 000

The actual fees paid to non-executive directors are disclosed below (on an individual basis).

R'000	Fee for the year ended 30 June 2017	Fee for the year ended 30 June 2016
Non-executive (independent)		
G T Ferreira	**375**	350
P K Harris	**375**	350
N P Mageza[(1)]	**455**	400
P J Moleketi	**428**	400
M Morobe	**348**	300
F Robertson	**482**	450
S E N De Bruyn Sebotsa[(2)]	**508**	350
H Wessels[(3)]	**390**	684
Subtotal	**3 361**	3 284
Non-executive (non-independent)		
E de la H Hertzog	**321**	300
J Malherbe	**321**	300
J P Rupert[(4)]	**–**	–
Subtotal	**642**	600
Total	**4 003**	3 884

(1) *During the year under review Mr N P Mageza also received R538 000 (2016: R502 000) as director's fees from RCL Foods Limited, a subsidiary of Remgro Limited.*
(2) *Ms S E N De Bruyn Sebotsa was appointed as independent non-executive director with effect from 16 March 2015.*
(3) *In addition to his director's fees and fee as chairman of the Audit and Risk Committee and chairman of the Social and Ethics Committee, an amount of R96 000 (2016: R134 400) was also paid to Mr H Wessels during the year under review for his attendance of meetings of subcommittees of the Audit and Risk Committee.*
(4) *Mr J P Rupert receives no emoluments.*

FIXED REMUNERATION REVIEW

During the year under review, the executive directors and members of the Management Board received an average salary increase of 7.5% (2016: 7.3%), compared to an average salary increase paid to general staff of 7.5% (2016: 7.1%). Mr Jannie Durand received an average salary increase of 7.0% (2016: 7.0%).

Johann Rupert
Chairman of the Remuneration and Nomination Committee

Stellenbosch
20 September 2017

Remgro Limited

2017 SUMMARY FINANCIAL STATEMENTS

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SHAREHOLDERS' ACTIONS REQUIRED

AUDIT AND RISK COMMITTEE REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

This report by the Audit and Risk Committee (the committee), as appointed by the shareholders in respect of the year under review, is prepared in accordance with the recommendations of King III and the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act) and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2017.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises four independent non-executive directors (as set out in the table below) and is chaired by Ms S E N De Bruyn Sebotsa. All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least four meetings should be held annually.

COMPOSITION OF THE COMMITTEE

Committee member*	Number of meetings held	Number of meetings attended
S E N De Bruyn Sebotsa (chairman)[(1)]	4	4
N P Mageza	4	4
P J Moleketi	4	3
F Robertson	4	3
H Wessels[(2)]	4	1

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 14 and 15 of the Integrated Annual Report.*

(1) *Ms S E N De Bruyn Sebotsa was appointed as chairman of the Audit and Risk Committee with effect from 1 December 2016.*

(2) *Mr H Wessels retired as director and chairman with effect from 1 December 2016.*

The Chief Executive Officer, Chief Financial Officer, head of internal audit and representatives of the external auditors attend the committee meetings by invitation. Committee agendas provide for confidential meetings between committee members and the internal and external auditors, as well as management.

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board.

The committee is satisfied that it has fulfilled all of its duties during the financial year under review, as further detailed below.

The committee has also satisfied itself that there are effective audit committees functioning at Wispeco, Remgro's principal wholly owned operating subsidiary, and the Company's significant non-wholly owned subsidiaries, associates and joint ventures, whose minutes of meetings held are also included in the committee's agenda.

More information about the functioning of the committee and the matters dealt with in this report can be found in the Corporate Governance Report and Risk Management Report.

STATUTORY DUTIES

In the conduct of its duties, the committee has performed the following statutory duties:

- Nominated PricewaterhouseCoopers Inc. and Mr Hein Döman, who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial year ended 30 June 2017
- Determined the fees to be paid to the external auditor and their terms of engagement
- Ensured that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- Determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly owned subsidiaries administered by Remgro Management Services Limited (RMS)
- Pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries administered by RMS

EXTERNAL AUDIT

The committee is satisfied that the Company's external auditor, PricewaterhouseCoopers Inc., is independent of the Company and is therefore able to conduct their audit functions without any influence from the Company.

A formal policy governs the process whereby the external auditor of the Company is considered for non-audit services. In terms of the policy, the committee is responsible for determining the nature and extent of any non-audit services that the external auditor may provide and also to pre-approve any proposed contract with the external auditor for the provision of non-audit services.

INTERNAL FINANCIAL CONTROL AND ACCOUNTING SYSTEMS

The committee is responsible for assessing the systems of internal financial controls and accounting systems of the Company and its wholly owned subsidiaries administered by RMS. In this regard the committee has evaluated reports on the effectiveness of the systems of internal financial controls conducted by the internal audit function, considered information provided by management and held discussions with the external auditor on the results of their audit. The committee is of the opinion that the systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements. In support of the aforementioned the committee also received reports from the internal audit function regarding the effectiveness of the combined assurance process and fraud prevention and detection measures in place.

The Remgro executives serving on the boards of investee companies (RCL Foods, Wispeco and associates and joint ventures) are responsible for executing the Company's significant influence to ensure that effective internal controls are implemented and complied with.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer (CFO), Mr Neville Williams, whose curriculum vitae appears on page 15 of the Integrated Annual Report.

The committee has furthermore considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of the senior members of management responsible for the financial function.

FINANCIAL STATEMENTS AND GOING CONCERN

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The committee has also reviewed a documented assessment by management of the going concern premise of the Company before recommending to the Board that the Company will be a going concern in the foreseeable future.

RISK MANAGEMENT

The committee has assigned oversight of the risk management function to the Risk and IT Governance Committee, which is a subcommittee of the committee. The mandate of this committee includes the maintenance of the Risk Management Policy and plan, establishment of an operational Risk Register, information technology risk management, legal compliance and occupational health and safety. The Risk and IT Governance Committee is chaired by the CFO and the fifteen other members are all senior managers of the Company. The chairman of the committee attends the Risk and IT Governance Committee meetings as an *ex officio* member to ensure the effective functioning of this committee and that appropriate risk information is shared with the committee.

INTERNAL AUDIT

The Company's internal audit division is an effective independent appraisal function and forms an integral part of the Enterprise-wide Risk Management system that provides assurance on the effectiveness of the Company's system of internal control. The internal audit division of the Company is staffed by qualified and experienced personnel and services all of Remgro's wholly owned subsidiaries administered by RMS, as well as Wispeco. In addition, the internal audit division also performs independent internal audit work for other investee companies such as Dark Fibre Africa, Mediclinic, RMB Holdings, RMI Holdings, SEACOM and Business Partners.

During the year under review the committee considered and recommended the internal audit charter for approval by the Board. The committee further considered the internal audit quality assurance plan and the performance of the internal audit function. Further details on the Group's internal audit functions are provided in the Risk Management Report.

COMPLIANCE

The committee is responsible for reviewing any major breach of relevant legal and regulatory requirements. The committee is satisfied that there has been no material non-compliance with laws and regulations.

The committee is also satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

RECOMMENDATION TO THE BOARD

The committee has reviewed and considered the Integrated Annual Report, including the comprehensive Annual Financial Statements and Sustainable Development Report published on the Company's website at www.remgro.com, and has recommended it for approval by the Board.

Sonja De Bruyn Sebotsa
Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2017

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2017

Dear Shareholder

The Board has pleasure in reporting on the activities and financial results for the year under review.

NATURE OF ACTIVITIES

The Company is an investment holding company. Cash income is derived mainly from dividends and interest. The consolidated annual financial statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associates and joint ventures.

The Group's interests consist mainly of investments in healthcare; banking; consumer products; insurance; industrial; infrastructure as well as media and sport.

RESULTS

Year ended	30 June 2017	30 June 2016 Restated
Headline earnings (R million)	**8 221**	5 874
– per share (cents)	**1 485.5**	1 119.6
– diluted (cents)	**1 479.5**	1 115.0
Headline earnings, excluding once-off costs and option remeasurement (R million)	**7 534**	7 392
– per share (cents)	**1 361.3**	1 409.0
– diluted (cents)	**1 355.5**	1 404.4
Earnings – net profit for the year (R million)	**8 431**	5 364
– per share (cents)	**1 523.4**	1 022.4
– diluted (cents)	**1 517.2**	1 018.5
Dividends (R million)	**2 813**	2 518
– ordinary – per share (cents)	**495.00**	460.00

A final dividend of 301 cents (2016: 275 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend is subject to dividend tax.

INVESTMENT ACTIVITIES

The most important investment activities during the year under review were as follows:

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIVH)

During September 2016 Remgro subscribed for an additional 12 353 shares in CIVH for a total amount of R329.3 million in terms of a CIVH rights issue. As a result of the share subscription, Remgro's interest in CIVH increased marginally to 51.0% on 30 June 2017 (2016: 50.9%).

CAPEVIN HOLDINGS LIMITED (CAPEVIN)

During May 2017 Remgro acquired a further 30 667 156 Capevin shares for a total amount of R264.5 million. This transaction increased Remgro's effective interest in Capevin to 19.0% (2016: 15.6%).

INVENFIN PROPRIETARY LIMITED (INVENFIN)

During July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80.0 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit.

During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50.2 million.

PEMBANI REMGRO INFRASTRUCTURE FUND (PRIF)

On 15 August 2016 PRIF had its final close, which resulted in Remgro receiving a capital distribution of R14.6 million, as well as an income distribution of R3.8 million. During the year under review Remgro also invested a further R58.0 million in PRIF, thereby increasing its cumulative investment to R255.2 million. As at 30 June 2017 the remaining commitment to PRIF amounted to R394.8 million.

OTHER

Other smaller investments amounted to R215 million.

EVENTS AFTER YEAR-END

DISTELL GROUP LIMITED (DISTELL)

During June 2017 it was announced that Distell will restructure its multi-tiered ownership structure (the Proposed Transaction) and in order to give effect to the Proposed Transaction, Remgro will, through a number of inter-conditional steps, exchange its existing 50% shareholding in Remgro-Capevin Investments Proprietary Limited (RCI) for additional ordinary shares in Capevin Holdings Limited (Capevin) (RCI Exchange). Remgro currently holds 19.0% of the ordinary shares in Capevin and after the RCI Exchange, Remgro will hold 59.5% in Capevin. Following the RCI Exchange, Remgro will exchange its entire Capevin shareholding for ordinary shares in a new listed entity (New Distell), which entity will be substantially similar to the current Distell. Remgro will, in addition, also receive unlisted B shares in New Distell, which shares will be linked to those New Distell ordinary shares acquired by Remgro in virtue of the RCI Exchange, resulting in Remgro replicating RCI's current 52.8% voting rights in Distell. The unlisted B shares will only carry voting rights in New Distell and will have no economic participation. The Proposed Transaction will have no impact on Remgro's intrinsic asset value and Remgro will retain its economic interest in Distell. Post implementation of the Proposed

Transaction, Remgro will, in aggregate, have voting rights of 56.0% in New Distell. The Proposed Transaction is still subject to a number of conditions precedent, *inter alia* Distell and Capevin shareholders' approvals, which is expected to be on 27 October 2017, as well as the approval of the relevant competition authorities.

RMI HOLDINGS LIMITED (RMI HOLDINGS)

On 19 September 2017 RMI Holdings declared its final dividend for the year ended 30 June 2017, which included an alternative to the cash dividend of either receiving a scrip distribution or reinvesting the cash dividend by subscribing for new RMI Holdings ordinary shares. Remgro has committed to reinvesting its cash dividend amounting to R292.3 million, by electing the reinvestment alternative, in order to receive 7 691 641 new RMI Holdings ordinary shares at R38.00 per share.

Other than the above-mentioned transactions, there were no other significant transactions subsequent to 30 June 2017.

RIGHTS ISSUE

During October 2016 Remgro completed a rights issue whereby 48 110 637 new ordinary shares and 3 550 635 new B ordinary shares were issued at a subscription price of R192.50 per share for a total consideration of R9 944.8 million. The offer to the ordinary shareholders was made in the ratio of 10 rights issue shares for every 100 ordinary shares held on the record date of the rights issue, representing an aggregate amount of R9 261.3 million. In order to maintain the current level of voting rights of Rupert Beleggings Proprietary Limited (Rupert Beleggings) in Remgro, and to contribute to the new equity capital being raised, Remgro offered Rupert Beleggings the right to subscribe for 3 550 635 B ordinary shares, representing an aggregate amount of R683.5 million. In terms of IAS 33 paragraph 26, an adjustment to the weighted average number of shares in issue for the comparative period is required as the shares were issued at a discount to the Remgro share price on the day before the announcement (being R243.29 per share). Consequently, the comparable weighted number of shares in issue was adjusted by 9 994 195 shares to account for the deemed dilutive effect of the rights issue. Refer to note 15 for full detail on the restatement of comparative numbers.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2017 were as follows:

R million	30 June 2017 Local	 Offshore	 Total	30 June 2016
Per consolidated statement of financial position	**5 260**	**2 264**	**7 524**	3 569
Investment in money market funds	**3 815**	**2 073**	**5 888**	1 050
Less: Cash of operating subsidiaries	**(1 170)**	**(19)**	**(1 189)**	(841)
Cash at the centre	**7 905**	**4 318**	**12 223**	3 778

On 30 June 2017, approximately 48% (R5 888 million) of the available cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the statement of financial position. Refer to note 5.1 to the annual financial statements that is published on the Company's website at www.remgro.com for further details.

GROUP FINANCIAL REVIEW

CHANGE IN ACCOUNTING POLICY

With effect from 1 July 2016 Remgro adopted the amendments to *IAS 16: Property, Plant and Equipment* and *IAS 41: Agriculture*. These amendments have to be applied retrospectively and accordingly the reported results of the comparative period were restated. The restatements pertain to the reclassification of bearer plants from biological assets to property, plant and equipment, the transfer of the remaining non-current biological assets (being the produce) to current biological assets and the measurement of the reclassified assets under the appropriate accounting treatment. Refer to the note 15 for full detail on the restatement of comparative numbers.

STATEMENT OF FINANCIAL POSITION

The analysis of "Equity employed" and of "Source of headline earnings" below reflects the sectors into which the Group's investments have been classified. No adjustment has been made where investments are active mainly in one sector but also have interests in other sectors.

	30 June 2017 R million	30 June 2017 R per share	30 June 2016 R million Restated	30 June 2016 R per share Restated
Equity employed				
Attributable to equity holders	**92 432**	**163.13**	78 844	153.13
Employment of equity				
Healthcare	**33 763**	**59.59**	33 629	65.31
Banking	**19 026**	**33.58**	17 784	34.54
Consumer products	**15 017**	**26.50**	14 361	27.89
Insurance	**7 277**	**12.84**	7 157	13.90
Industrial	**5 835**	**10.30**	5 575	10.83
Infrastructure	**4 998**	**8.82**	5 052	9.81
Media and sport	**1 512**	**2.67**	1 444	2.80
Other investments	**3 947**	**6.97**	3 737	7.26
Central treasury				
– Cash at the centre	**12 223**	**21.57**	3 778	7.34
– Debt at the centre	**(13 907)**	**(24.54)**	(16 452)	(31.95)
Other net corporate assets	**2 741**	**4.83**	2 779	5.40
	92 432	**163.13**	78 844	153.13

INCOME STATEMENT

	30 June 2017 R million	30 June 2017 %	30 June 2016 R million Restated	30 June 2016 % Restated
Source of headline earnings				
Healthcare	**1 875**	**23**	1 566	27
Banking	**3 163**	**38**	2 989	51
Consumer products	**1 354**	**17**	1 605	27
Insurance	**1 041**	**13**	888	15
Industrial	**750**	**9**	517	9
Infrastructure	**36**	**1**	6	–
Media and sport	**(58)**	**(1)**	(36)	(1)
Other investments	**70**	**1**	67	1
Central treasury				
– Finance income	**349**	**4**	125	2
– Finance costs	**(216)**	**(3)**	(1 602)	(27)
Other net corporate costs	**(143)**	**(2)**	(251)	(4)
	8 221	**100**	5 874	100

R million	30 June 2017	30 June 2016 Restated
Composition of headline earnings		
Subsidiaries	**429**	(994)
Profits	**1 230**	807
Losses	**(801)**	(1 801)
Associates and joint ventures	**7 792**	6 868
Profits	**7 950**	7 252
Losses	**(158)**	(384)
	8 221	5 874

SHARE INCENTIVE SCHEME

Remgro currently has one long-term incentive plan, i.e. the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme). In terms of the SAR Scheme, participants are offered Remgro ordinary shares to the value of the appreciation of their rights to a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

The earliest intervals at which the share appreciation rights are exercisable are as follows:

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

Refer to note 9 to the annual financial statements that is published on the Company's website at www.remgro.com for further details on the SAR Scheme.

TREASURY SHARES

At 30 June 2016, 1 725 393 Remgro ordinary shares (0.4%) were held as treasury shares by a wholly owned subsidiary of Remgro. As previously reported, these shares were acquired for the purpose of hedging Remgro's share incentive scheme.

During the year under review 224 542 Remgro ordinary shares were utilised to settle Remgro's obligation towards share scheme participants who exercised the rights granted to them. Remgro also followed its rights with respect to treasury shares it held when it completed the rights issue during October 2016 and subscribed for 165 787 Remgro ordinary shares, at R192.50 per share, for a total amount of R32 million.

At 30 June 2017, 1 666 638 Remgro ordinary shares (0.3%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rupert Beleggings Proprietary Limited (Rupert Beleggings) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.54% (2016: 42.55%) of the total votes.

An analysis of the shareholders appears on pages 115 and 116.

SUBSIDIARIES AND INVESTMENTS

Particulars of subsidiaries and equity accounted investments are disclosed in note 14 of the annual financial statements. that is published on the Company's website at www.remgro.com.

DIRECTORS

The names of the directors appear on pages 14 to 15 of the Integrated Annual Report.

Mrs M Lubbe has been appointed as an executive director of Remgro on 20 September 2016 and the Board has ratified her appointment on 1 December 2016. Mrs M Lubbe's appointment will in terms of the Company's Memorandum of Incorporation have to be confirmed by the shareholders at the next Annual General Meeting.

The Board wishes to welcome Mrs M Lubbe as a director to the Company.

Mr H Wessels has retired as an independent non-executive director from the Board of Remgro from 1 December 2016.

The Board wishes to thank him for his valuable contribution over many years.

In terms of the provision of the Memorandum of Incorporation, Messrs W E Bührmann, G T Ferreira, N P Mageza, P J Moleketi and F Robertson retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2017 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 2.57% (2016: 2.55%).

Mr J P Rupert is a director of Rupert Beleggings which owns all the issued unlisted B ordinary shares.

An analysis of directors' interests in the issued capital of the Company appears on page 117.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R5.2 million (2016: R4.8 million).

ACQUISITION OF SHARES OF THE COMPANY

It is recommended that a general authority be granted to the Board to acquire, should circumstances warrant it, the Company's own shares and to approve the acquisition of shares in the Company by any of its subsidiaries, subject to the provisions of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited.

A special resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 118 of the Integrated Annual Report.

AUTHORITY TO PLACE ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

It is recommended that a general authority be granted to the Board to allot and issue ordinary shares, subject to the provisions of the Companies Act (No. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited, provided that the aggregate number of ordinary shares to be allotted and issued is limited to 5% of the number of the unissued ordinary shares in the authorised share capital of the Company (being 23 539 150 ordinary shares). This authority cannot be used to issue shares for cash.

An ordinary resolution to grant this general authority to the Board is incorporated in the notice of the Annual General Meeting that appears on page 118 of the Integrated Annual Report.

DECLARATION OF CASH DIVIDEND

DECLARATION OF CASH DIVIDEND NO. 34

Notice is hereby given that a final gross dividend of 301 cents (2016: 275 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2017.

A dividend withholding tax of 20% or 60.2 cents per share will be applicable, resulting in a net dividend of 240.8 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2017 therefore amounts to 495 cents, compared to 460 cents for the year ended 30 June 2016.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

PAYMENT

The final dividend is payable on Monday, 20 November 2017, to shareholders of the Company registered at the close of business on Friday, 17 November 2017.

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 November 2017, and Friday, 17 November 2017, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer issued. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for pay out.

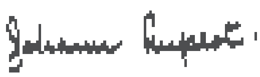
SECRETARY

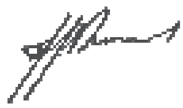
The name and address of the Company Secretary appears on page 16 of the Integrated Annual Report.

APPROVAL

The comprehensive annual financial statements published on the Company's website at www.remgro.com, as well as the summary annual financial statements set out on pages 104 to 117 have been approved by the Board.

Signed on behalf of the Board of Directors.





Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2017

INDEPENDENT AUDITOR'S REPORT

ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF REMGRO LIMITED

OPINION

The summary consolidated financial statements of Remgro Limited, set out on pages 104 to 117 of the Integrated Annual Report, which comprise the summary consolidated statement of financial position as at 30 June 2017, and the summary consolidated income statement and 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 consolidated financial statements of Remgro Limited for the year ended 30 June 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by 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 and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 20 September 2017. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with *International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: N H Döman
Registered Auditor

Stellenbosch
20 September 2017

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2017

R million	Notes	30 June 2017	30 June 2016 Restated*	1 July 2015 Restated*
ASSETS				
Non-current assets				
Property, plant and equipment		**6 668**	6 500	5 985
Investment properties		**129**	107	51
Intangible assets		**4 927**	4 993	5 710
Investments – Equity accounted	4	**80 883**	78 565	57 831
– Available-for-sale		**3 345**	3 408	2 493
Retirement benefits		**201**	163	220
Loans		**562**	880	977
Deferred taxation		**23**	42	18
		96 738	94 658	73 285
Current assets		**22 317**	14 442	21 407
Inventories		**3 055**	3 274	3 118
Biological agricultural assets		**791**	968	830
Debtors and short-term loans		**4 885**	5 503	3 837
Investment in money market funds		**5 888**	1 050	986
Cash and cash equivalents		**7 524**	3 569	4 050
Other current assets		**85**	49	52
		22 228	14 413	12 873
Assets held for sale		**89**	29	8 534
Total assets		**119 055**	109 100	94 692
EQUITY AND LIABILITIES				
Stated capital		**13 416**	3 605	3 605
Reserves		**79 235**	75 456	69 781
Treasury shares		**(219)**	(217)	(272)
Shareholders' equity		**92 432**	78 844	73 114
Non-controlling interest		**2 870**	2 813	2 803
Total equity		**95 302**	81 657	75 917
Non-current liabilities		**18 493**	20 821	5 404
Retirement benefits		**173**	202	227
Long-term loans	5	**16 446**	17 799	3 547
Deferred taxation		**1 511**	1 623	1 630
Derivative instruments		**363**	1 197	–
Current liabilities		**5 260**	6 622	13 371
Trade and other payables		**4 710**	4 833	4 469
Short-term loans		**480**	1 660	366
Other current liabilities		**69**	129	69
		5 259	6 622	4 904
Liabilities held for sale		**1**	–	8 467
Total equity and liabilities		**119 055**	109 100	94 692

* *For details of the restatement refer to note 15.*

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

R million	Notes	30 June 2017	30 June 2016 Restated*
Sales		**27 600**	27 697
Inventory expenses		**(16 138)**	(16 959)
Staff costs		**(4 972)**	(4 578)
Depreciation		**(752)**	(727)
Other net operating expenses		**(4 978)**	(4 921)
Trading profit		**760**	512
Dividend income		**61**	77
Interest received		**633**	287
Fair value adjustment on exchangeable bonds' option*		**687**	(730)
Finance costs		**(1 255)**	(903)
Net impairment of investments, loans, assets and goodwill		**105**	(2 556)
Profit on sale and dilution of investments		**199**	2 451
Consolidated profit/(loss) before tax		**1 190**	(862)
Taxation		**(227)**	21
Consolidated profit/(loss) after tax		**963**	(841)
Share of after-tax profit of equity accounted investments	11	**7 545**	6 250
Net profit for the year		**8 508**	5 409
Attributable to:			
Equity holders		**8 431**	5 364
Non-controlling interest		**77**	45
		8 508	5 409

* *For details of the restatement refer to note 15.*

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

R million	30 June 2017	30 June 2016 Restated
Net profit for the year	**8 508**	5 409
Other comprehensive income, net of tax	**(2 097)**	2 579
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	**(4 477)**	1 745
Fair value adjustments for the year	**69**	534
Deferred taxation on fair value adjustments	**21**	(112)
Reclassification of other comprehensive income to the income statement	**(20)**	(951)
Other comprehensive income of equity accounted investments	**2 245**	1 652
Items that will not be reclassified to the income statement:		
Remeasurement of post-employment benefit obligations	**68**	19
Deferred taxation on remeasurement of post-employment benefit obligations	**(19)**	(6)
Change in reserves of equity accounted investments	**16**	(302)
Total comprehensive income for the year	**6 411**	7 988
Total comprehensive income attributable to:		
Equity holders	**6 338**	7 943
Non-controlling interest	**73**	45
	6 411	7 988

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

R million	30 June 2017	30 June 2016 Restated
Balance at 1 July	**81 657**	75 917
Total comprehensive income for the year	**6 411**	7 988
Dividends paid	**(2 708)**	(2 358)
Transactions with non-controlling shareholders	**18**	31
Other movements	**18**	15
Long-term share incentive scheme reserve	**127**	64
Shares issued	**9 945**	–
Share issue costs	**(134)**	–
Purchase of treasury shares by wholly owned subsidiary	**(32)**	–
Balance at the end of the year	**95 302**	81 657

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

R million	30 June 2017	30 June 2016 Restated
Cash generated from operations	**2 874**	1 413
Taxation paid	**(363)**	(328)
Dividends received	**4 163**	3 547
Finance costs	**(1 179)**	(795)
Cash available from operating activities	**5 495**	3 837
Dividends paid	**(2 708)**	(2 358)
Net cash inflow from operating activities	**2 787**	1 479
Investing activities	**(6 572)**	(18 767)
Financing activities	**8 553**	16 365
Net increase/(decrease) in cash and cash equivalents	**4 768**	(923)
Exchange rate profit/(loss) on foreign cash	**(424)**	222
Cash and cash equivalents at the beginning of the year	**3 128**	3 829
Cash and cash equivalents at the end of the year	**7 472**	3 128
Cash and cash equivalents – per statement of financial position	**7 524**	3 569
Bank overdraft	**(52)**	(441)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1. BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34: Interim Financial Reporting.*

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of the adoption of the amendments to *IAS 16: Property, Plant and Equipment* and *IAS 41: Agriculture*. These amendments have to be applied retrospectively and accordingly the reported results of the comparative year were restated. The restatements pertain to the reclassification of bearer plants from biological assets to property, plant and equipment, the transfer of the remaining non-current biological assets (being the produce) to current biological assets and the measurement of the reclassified assets under the appropriate accounting treatment. Refer to note 15 for further detail. The financial statements have been prepared under the supervision of the Chief Financial Officer, Neville Williams CA(SA).

The summary consolidated financial statements do not contain all the information and disclosures required in the consolidated financial statements. The summary consolidated financial statements have been extracted from the audited consolidated financial statements upon which PricewaterhouseCoopers Inc. has issued an unqualified report. The audited consolidated financial statements and the unqualified audit report are available for inspection at the registered office of the Company.

2. HEADLINE EARNINGS RECONCILIATION

R million	30 June 2017	30 June 2016 Restated
Net profit for the year attributable to equity holders (earnings)	**8 431**	5 364
Plus/(minus):		
– Net impairment of equity accounted investments*	**(302)**	1 862
– Impairment of available-for-sale investments	**5**	–
– Net impairment of property, plant and equipment	**181**	37
– Impairment of intangible assets*	**–**	644
– Impairment of assets held for sale	**–**	7
– Profit on sale and dilution of equity accounted investments**	**(199)**	(2 349)
– Profit on sale of available-for-sale investments	**–**	(153)
– Recycling of foreign currency translation reserves	**–**	51
– Net (surplus)/loss on disposal of property, plant and equipment	**(110)**	10
– Loss on disposal of biological agricultural assets	**–**	9
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**223**	633
– Net surplus on disposal of property, plant and equipment	**(19)**	(27)
– Profit on the sale of investments	**(325)**	(216)
– Net impairment of investments, assets and goodwill	**668**	809
– Other non-recurring and capital items	**(101)**	67
– Taxation effect of adjustments	**5**	(92)
– Non-controlling interest	**(13)**	(149)
Headline earnings	**8 221**	5 874
Once-off costs	**–**	788
Option remeasurement	**(687)**	730
Headline earnings, excluding once-off costs and option remeasurement***	**7 534**	7 392

* *For the year under review "Net impairment of equity accounted investments" primarily consists of a reversal of impairment of the investment in Grindrod of R478 million (2016: impairment of the investment in Grindrod of R1 861 million). For the previous year "Impairment of intangible assets" primarily consists of an impairment in RCL Foods' Milling business amounting to R643 million.*

** *For the previous year "Profit on sale and dilution of equity accounted investments" primarily consists of a profit of R2 262 million realised on the dilution of Remgro's interest in Mediclinic as part of the Al Noor transaction.*

*** *Included in headline earnings is a positive fair value adjustment of R687 million (2016: negative fair value adjustment of R730 million), relating to the change in value of the bondholders' exchange option (accounted for as a derivative liability) of the bonds ("option remeasurement") that were issued during March 2016 to partially refinance the foreign bridge funding that was raised for the Al Noor transaction. The bonds are exchangeable into Mediclinic plc shares and/or cash and fair value adjustments on the option (reflecting inter alia the movement in the underlying Mediclinic plc share price) are expected to cause volatility in headline earnings during its five-year term.*

Included in headline earnings for the prior year are once-off transaction costs incurred with the Mediclinic rights issue and Al Noor Hospitals Group plc (Al Noor) transaction amounting to R788 million, of which R402 million was Remgro's own costs and R386 million was Remgro's share of Mediclinic's transaction costs ("once-off costs").

3. EARNINGS AND DIVIDENDS

Cents	30 June 2017	30 June 2016 Restated
Headline earnings per share		
– Basic	**1 485.5**	1 119.6
– Diluted	**1 479.5**	1 115.0
Headline earnings per share, excluding once-off costs and option remeasurement		
– Basic	**1 361.3**	1 409.0
– Diluted	**1 355.5**	1 404.4
Earnings per share		
– Basic	**1 523.4**	1 022.4
– Diluted	**1 517.2**	1 018.5
Dividends per share		
Ordinary	**495.00**	460.00
– Interim	**194.00**	185.00
– Final	**301.00**	275.00

4. INVESTMENTS

R million		
Equity accounted investments		
Associates	**75 392**	73 418
Joint ventures	**5 491**	5 147
	80 883	78 565

EQUITY ACCOUNTED INVESTMENT RECONCILIATION

Carrying value at the beginning of the year	**78 565**	57 831
Share of net attributable profit	**7 545**	6 250
Dividends received	**(3 861)**	(3 900)
Investment in Mediclinic	**–**	18 246
Dilutionary effects	**196**	1 886
Exchange rate differences	**(4 947)**	(1 274)
Grindrod impairment reversal/(impairment)	**478**	(1 861)
Movements on reserves	**2 256**	1 350
Other movements	**651**	37
Carrying value at the end of the year	**80 883**	78 565

5. LONG-TERM LOANS

20 000 Class A 7.7% cumulative redeemable preference shares	**3 512**	3 512
10 000 Class B 8.3% cumulative redeemable preference shares	**4 382**	4 382
Exchangeable bonds with an effective interest rate of 4.5%	**5 650**	6 380
Various other loans	**3 127**	3 672
	16 671	17 946
Short-term portion of long-term loans	**(225)**	(147)
	16 446	17 799

	R million	30 June 2017	30 June 2016 Restated
6.	**ADDITIONS TO AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT**	**1 228**	1 295
7.	**CAPITAL AND INVESTMENT COMMITMENTS**	**1 247**	1 999
	(Including amounts authorised but not yet contracted for)		
8.	**GUARANTEES AND CONTINGENT LIABILITIES**	**26**	241
9.	**DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTMENTS SET OFF AGAINST INVESTMENTS**	**3 861**	3 900
10.	**DIVIDENDS RECEIVED FROM ASSOCIATE CLASSIFIED AS ASSET HELD FOR SALE**	**–**	149
11.	**EQUITY ACCOUNTED INVESTMENTS**		
	Share of after-tax profit of equity accounted investments		
	Profit before taking into account impairments, non-recurring and capital items	**10 066**	8 875
	Net impairment of investments, assets and goodwill	**(668)**	(809)
	Profit on the sale of investments	**325**	216
	Other non-recurring and capital items	**101**	(67)
	Profit before tax and non-controlling interest	**9 824**	8 215
	Taxation	**(1 895)**	(1 709)
	Non-controlling interest	**(384)**	(256)
		7 545	6 250

12. FAIR VALUE REMEASUREMENTS

The following methods and assumptions are used to determine the fair value of each class of financial instruments:

- Financial instruments available-for-sale and investment in money market funds: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies, being discounted cash flow, liquidation valuation or actual net asset value of the investment.
- Derivative instruments: The fair value of derivative instruments is determined by using appropriate valuation methodologies and mark-to-market valuations.

Financial instruments measured at fair value are disclosed by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. FAIR VALUE REMEASUREMENTS (continued)

The following table illustrates the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2017				
Assets				
Available-for-sale	**1 178**	**–**	**2 167**	**3 345**
Derivative instruments	**–**	**1**	**–**	**1**
Investment in money market funds	**5 888**	**–**	**–**	**5 888**
	7 066	**1**	**2 167**	**9 234**
Liabilities				
Non-current derivative instruments	**–**	**363**	**–**	**363**
Current derivative instruments	**–**	**13**	**49**	**62**
	–	**376**	**49**	**425**
30 June 2016				
Assets				
Available-for-sale	1 260	–	2 148	3 408
Derivative instruments	–	8	–	8
Investment in money market funds	1 050	–	–	1 050
	2 310	8	2 148	4 466
Liabilities				
Non-current derivative instruments	–	1 197	–	1 197
Current derivative instruments	–	63	54	117
	–	1 260	54	1 314

The following tables illustrate the reconciliation of the carrying value of level 3 assets and liabilities from the beginning to the end of the year:

R million	30 June 2017	30 June 2016
Assets: Available-for-sale		
Balances at the beginning of the year	**2 148**	1 591
Additions	**119**	174
Disposals	**(67)**	(53)
Exchange rate adjustments	**(178)**	236
Fair value adjustments through comprehensive income	**145**	200
Balances at the end of the year	**2 167**	2 148
Liabilities: Derivative instruments		
Balances at the beginning of the year	**54**	–
Remeasurements	**(5)**	–
Additions	**–**	54
Balances at the end of the year	**49**	54

There were no transfers between the different levels.

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone), the Kagiso Infrastructure Empowerment Fund (KIEF) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 554 million, R272 million and R246 million respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' valuation methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of listed investments (40%), cash and cash equivalents (4%) and unlisted investments (56%). Unlisted investments included at recent transaction prices in Milestone's fair value amounted to R606 million, while its remaining eight unlisted investments were valued at R264 million and is considered to be immaterial. KIEF's investments were valued using the discounted cash flow method or the agreed exit price. PRIF's main assets are the investments in ETG Group and Nova Lumos. ETG Group was valued using appropriate revenue and earnings multiples based on peer group companies to determine a price-to-book valuation, while Nova Lumos was recently acquired and therefore valued at its cost price.

Changes in the valuation assumptions of the above unlisted investments will not have a significant impact on Remgro's financial statements as the underlying assets of the funds in which Remgro made its investments are widely spread.

13. RELATED PARTY TRANSACTIONS

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIVH)

During September 2016 Remgro subscribed for an additional 12 353 shares in CIVH for a total amount of R329.3 million in terms of a CIVH rights issue. As a result of the share subscription, Remgro's interest in CIVH increased marginally to 51.0% on 30 June 2017 (2016: 50.9%).

CAPEVIN HOLDINGS LIMITED (CAPEVIN)

During May 2017 Remgro acquired a further 30 667 156 Capevin shares for a total amount of R264.5 million. This transaction increased Remgro's effective interest in Capevin to 19.0% (2016: 15.6%).

INVENFIN PROPRIETARY LIMITED (INVENFIN)

During July 2016 Remgro (through its wholly owned subsidiary, Invenfin) acquired a 30% stake in Dynamic Commodities Proprietary Limited (Dynamic Commodities) for R80.0 million. Dynamic Commodities is an export-focused company that produces high-quality frozen desserts, snacks and value-added "fresh frozen" fruit.

During August 2016, Invenfin also acquired a 30% stake in Joya Brands Proprietary Limited, a sweets manufacturer, for R50.2 million.

OTHER

For other related party transactions refer to notes 4, 9, 10 and 11.

14. EVENTS AFTER YEAR-END

DISTELL GROUP LIMITED (DISTELL)

During June 2017 it was announced that Distell will restructure its multi-tiered ownership structure (the Proposed Transaction) and in order to give effect to the Proposed Transaction, Remgro will, through a number of inter-conditional steps, exchange its existing 50% shareholding in Remgro-Capevin Investments Proprietary Limited (RCI) for additional ordinary shares in Capevin Holdings Limited (Capevin) (RCI Exchange). Remgro currently holds 19.0% of the ordinary shares in Capevin and after the RCI Exchange, Remgro will hold 59.5% in Capevin. Following the RCI Exchange, Remgro will exchange its entire Capevin shareholding for ordinary shares in a new listed entity (New Distell), which entity will be substantially similar to the current Distell. Remgro will, in addition, also receive unlisted B shares in New Distell, which shares will be linked to those New Distell ordinary shares acquired by Remgro in virtue of the RCI Exchange, resulting in Remgro replicating RCI's current 52.8% voting rights in Distell. The unlisted B shares will only carry voting rights in New Distell and will have no economic participation. The Proposed Transaction will have no impact on Remgro's intrinsic asset value and Remgro will retain its economic interest in Distell. Post implementation of the Proposed Transaction, Remgro will, in aggregate, have voting rights of 56.0% in New Distell. The Proposed Transaction is still subject to a number of conditions precedent, *inter alia* Distell and Capevin shareholders' approvals, which is expected to be on 27 October 2017, as well as the approval of the relevant competition authorities.

RMI HOLDINGS LIMITED (RMI HOLDINGS)

On 19 September 2017 RMI Holdings declared its final dividend for the year ended 30 June 2017, which included an alternative to the cash dividend of either receiving a scrip distribution or reinvesting the cash dividend by subscribing for new RMI Holdings ordinary shares. Remgro has committed to reinvesting its cash dividend amounting to R292.3 million, by electing the reinvestment alternative, in order to receive 7 691 641 new RMI Holdings ordinary shares at R38.00 per share.

Other than the above-mentioned transactions, there were no other significant transactions subsequent to 30 June 2017.

15. RESTATEMENT OF COMPARATIVE NUMBERS

The 30 June 2016 results were restated due to a change in accounting policy, as well as a rights issue.

CHANGE IN ACCOUNTING POLICY

With effect from 1 July 2016 Remgro adopted the amendments to *IAS 16: Property, Plant and Equipment* and *IAS 41: Agriculture*. These amendments have to be applied retrospectively and accordingly the reported results of the comparative period were restated. The restatements pertain to the reclassification of bearer plants from biological assets to property, plant and equipment, the transfer of the remaining non-current biological assets (being the produce) to current biological assets and the measurement of the reclassified assets under the appropriate accounting treatment.

RIGHTS ISSUE

During October 2016 Remgro completed a rights issue whereby 48 110 637 new ordinary shares and 3 550 635 new B ordinary shares were issued at a subscription price of R192.50 per share for a total consideration of R9 944.8 million. In terms of IAS 33 paragraph 26, an adjustment to the weighted average number of shares in issue for the comparative period is required as the shares were issued at a discount to the Remgro share price on the day before the announcement (being R243.29 per share). Consequently, the comparable weighted number of shares in issue was adjusted by 9 994 195 shares to account for the deemed dilutive effect of the rights issue.

PRESENTATION OF INCOME STATEMENT

The fair value adjustment on the exchangeable bonds' option was included in "Other net operating expenses" in the 2016 income statement. In order to improve disclosure this item is now shown separately.

RESTATEMENT OF COMPARATIVE NUMBERS ON 1 JULY 2015

R million	As at 1 July 2015 as previously reported	Adjustments	As at 1 July 2015 Restated
Impact on statement of financial position*			
ASSETS			
Property, plant and equipment	5 716	269	5 985
Non-current assets – Biological agricultural assets	550	(550)	–
Current assets – Biological agricultural assets	549	281	830
Total assets	94 692	–	94 692

* *There was no impact on shareholders' equity on 1 July 2015 as all affected entities elected to use the carrying value of bearer plants on that date as the deemed cost thereof as permitted by IFRS.*

15. RESTATEMENT OF COMPARATIVE NUMBERS (continued)

RESTATEMENT OF COMPARATIVE NUMBERS FOR THE 2016 FINANCIAL YEAR

R million	For the year ended 30 June 2016 as previously reported	Adjustments	For the year ended 30 June 2016 Restated
Impact on income statement			
Depreciation	(670)	(57)	(727)
Fair value adjustment on exchangeable bonds' option	–	(730)	(730)
Other net operating expenses	(5 647)	726	(4 921)
Taxation	4	17	21
Net profit for the year	5 453	(44)	5 409
Attributable to:			
Equity holders (earnings)	5 386	(22)	5 364
Non-controlling interest	67	(22)	45
		(44)	
Impact on headline earnings			
Headline earnings	5 887	(13)	5 874
Headline earnings, excluding once-off costs and option remeasurement	7 405	(13)	7 392
Impact on earnings per share (cents)			
Headline earnings	1 143.9	(24.3)	1 119.6
Headline earnings, excluding once-off costs and option remeasurement	1 438.9	(29.9)	1 409.0
Earnings	1 046.6	(24.2)	1 022.4
Impact on statement of comprehensive income			
Net profit for the year	5 453	(44)	5 409
Total comprehensive income for the year	8 032	(44)	7 988
Total comprehensive income attributable to:			
Equity holders	7 965	(22)	7 943
Non-controlling interest	67	(22)	45
		(44)	
Impact on statement of cash flows			
Cash flows from operating activities	1 457	22	1 479
Cash flows from investing activities	(18 745)	(22)	(18 767)

R million	As at 30 June 2016 as previously reported	Adjustments	As at 30 June 2016 Restated
Impact on statement of financial position			
ASSETS			
Property, plant and equipment	6 292	208	6 500
Non-current assets – Biological agricultural assets	625	(625)	–
Current assets – Biological agricultural assets	612	356	968
Total assets	109 161	(61)	109 100
LIABILITIES			
Deferred taxation	1 640	(17)	1 623
Total liabilities	27 460	(17)	27 443
EQUITY			
Distributable reserves	44 324	(22)	44 302
Non-controlling interest	2 835	(22)	2 813
Total equity	81 701	(44)	81 657

ANNEXURE A

SEGMENT REPORT
FOR THE YEAR ENDED 30 JUNE 2017

R million	Year ended 30 June 2017 Headline earnings(1)	30 June 2017 Net assets Book value(2)	Intrinsic value	Year ended 30 June 2016 Headline earnings(1) Restated*	30 June 2016 Net assets Book value(2) Restated*	Intrinsic value
Healthcare						
Mediclinic	**1 875**	**33 763**	**41 568**	1 566	33 629	69 691
Banking						
RMBH	**2 232**	**14 016**	**23 350**	2 112	13 132	22 356
FirstRand	**931**	**5 010**	**10 365**	877	4 652	9 857
Consumer products						
Unilever	**449**	**3 737**	**10 702**	461	3 589	10 650
Distell	**481**	**3 727**	**9 556**	499	3 500	10 723
RCL Foods*	**424**	**7 553**	**10 173**	645	7 272	9 278
Insurance						
RMI Holdings	**1 041**	**7 277**	**17 532**	888	7 157	18 526
Industrial						
Air Products	**298**	**1 047**	**4 298**	275	933	4 241
KTH	**34**	**1 684**	**2 466**	(229)	1 631	2 723
Total	**224**	**1 640**	**2 167**	291	1 575	1 879
PGSI	**25**	**643**	**643**	36	734	734
Wispeco	**169**	**821**	**1 368**	144	702	1 055
Infrastructure						
Grindrod	**(48)**	**1 915**	**1 915**	(45)	1 986	1 986
CIV group	**110**	**2 242**	**4 829**	64	1 871	3 166
SEACOM	**(33)**	**321**	**896**	(33)	655	1 043
Other infrastructure interests	**7**	**520**	**520**	20	540	540
Media and sport						
eMedia Investments	**49**	**1 147**	**1 424**	28	1 116	1 342
Other media and sport interests	**(107)**	**365**	**319**	(64)	328	328
Other investments	**70**	**3 947**	**3 932**	67	3 737	3 717
Central treasury						
Cash at the centre/Finance income	**349**	**12 223**	**12 223**	125	3 778	3 778
Debt at the centre/Finance costs	**(216)**	**(13 907)**	**(13 907)**	(1 602)	(16 452)	(16 452)
Other net corporate costs/assets	**(143)**	**2 741**	**3 164**	(251)	2 779	3 149
	8 221	**92 432**	**149 503**	5 874	78 844	164 310
Potential CGT liability			**(7 010)**			(6 526)
Total		**92 432**	**142 493**		78 844	157 784

Additional segmental information is disclosed in note 12.1 in the annual financial statements that is published on the Company's website at www.remgro.com.

(1) *Refer to note 2 for the calculation of headline earnings.*
(2) *Total book value equals shareholders' equity.*
* *For details of the restatement refer to note 15.*

SHAREHOLDERS' INFORMATION

STATISTICS AT 30 JUNE 2017

	30 June 2017 %	30 June 2017 Number of shares	30 June 2016 %	30 June 2016 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Corporation	**15.30**	**80 947 607**	16.22	78 014 765
Other	**84.70**	**448 269 400**	83.78	403 091 605
	100.00	**529 217 007**	100.00	481 106 370
B ordinary shares				
Rupert Beleggings Proprietary Limited	**100.00**	**39 056 987**	100.00	35 506 352
Total		**568 273 994**		516 612 722

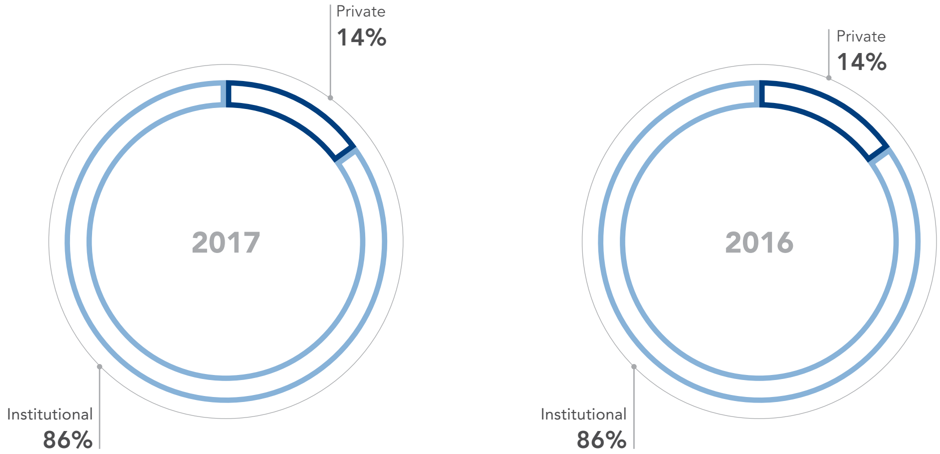
No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2017.

	30 June 2017	30 June 2016	30 June 2015	30 June 2014
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**64 552**	60 890	59 141	53 874
Percentage of shareholders	**99.88**	99.85	99.86	99.83
Number of shares	**512 476 207**	465 687 383	465 119 986	464 263 605
Percentage of shares issued	**96.84**	96.80	96.68	96.50
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**78**	90	84	91
Percentage of shareholders	**0.12**	0.15	0.14	0.17
Number of shares	**16 740 800**	15 418 987	15 986 384	16 842 765
Percentage of shares issued	**3.16**	3.20	3.32	3.50
Number of shareholders	**64 630**	60 980	59 225	53 965

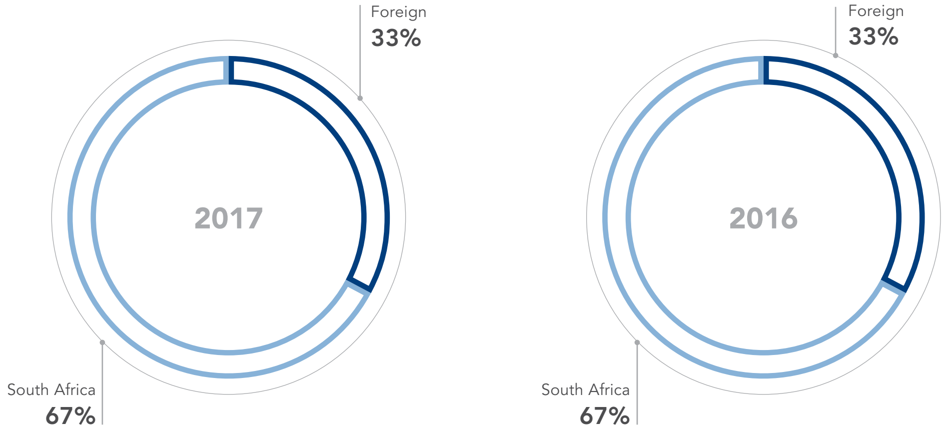
	30 June 2017	30 June 2016 Restated	30 June 2015	30 June 2014
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value	**529 217 007**	481 106 370	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value	**39 056 987**	35 506 352	35 506 352	35 506 352
Total number of shares in issue	**568 273 994**	516 612 722	516 612 722	516 612 722
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(1 666 638)**	(1 725 393)	(2 169 558)	(2 960 766)
	566 607 356	514 887 329	514 443 164	513 651 956
Weighted number of shares	**553 423 346**	524 628 257	514 200 979	513 404 676

ADDITIONAL INFORMATION

INSTITUTIONAL AND PRIVATE SHAREHOLDING IN REMGRO LIMITED ORDINARY SHARES



FOREIGN AND LOCAL SHAREHOLDING IN REMGRO LIMITED ORDINARY SHARES



INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

ORDINARY SHARES

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2017				
W E Bührmann	–	290 400	–	290 400
J J Durand	–	842 776	8 250	851 026
G T Ferreira	174 488	–	616 000	790 488
P K Harris	–	186 030	–	186 030
E de la H Hertzog	288 081	2 124 995	142 982	2 556 058
M Lubbe	32 184	–	–	32 184
J Malherbe	48 670	–	1 158 631	1 207 301
N P Mageza	–	296	–	296
P J Moleketi	1 243	–	19 718	20 961
M Morobe	–	633	–	633
F Robertson	–	5 500	–	5 500
J P Rupert	–	–	7 553 865	7 553 865
S E N De Bruyn Sebotsa	497	–	–	497
N J Williams	22 643	–	66 000	88 643
	567 806	3 450 630	9 565 446	13 583 882

On 1 December 2016, when Mr H Wessels retired, his associates held 4 950 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2016				
W E Bührmann	–	264 000	–	264 000
J J Durand	–	742 524	7 500	750 024
G T Ferreira	158 625	–	560 000	718 625
P K Harris	–	169 118	–	169 118
E de la H Hertzog	261 892	1 931 814	129 984	2 323 690
J Malherbe	26 826	–	1 053 301	1 080 127
P J Moleketi	1 130	–	9 925	11 055
M Morobe	–	575	–	575
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	6 867 150	6 867 150
S E N De Bruyn Sebotsa	450	–	–	450
H Wessels	–	–	4 500	4 500
N J Williams	10 000	–	60 000	70 000
	458 923	3 113 031	8 692 360	12 264 314

B ORDINARY SHARES

Mr J P Rupert is a director of Rupert Beleggings Proprietary Limited which owns all the issued unlisted B ordinary shares.

Since the end of the financial year to the date of this report the interests of the directors remained unchanged.

NOTICE TO SHAREHOLDERS

The 2017 Annual General Meeting of Remgro Limited (the Company) will be held on Wednesday, 29 November 2017, at 10:30 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130, to, if approved, pass the following ordinary and special resolutions with or without modification:

1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

ORDINARY RESOLUTION NUMBER 1

Resolved that the audited annual financial statements, including the Report of the Board of Directors of the Company (Board), the Independent Auditor's Report and the Audit and Risk Committee Report, of the Company and its Group (Group) for the financial year ended 30 June 2017 be accepted and approved.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 1

In terms of the provisions of section 30(3)(d) of the Companies Act (No. 71 of 2008), as amended (Companies Act), the Company's annual financial statements and the Group annual financial statements have to be presented to the shareholders at the Annual General Meeting for consideration.

The complete audited annual financial statements, including the Report of the Board, the Independent Auditor's Report and the Audit and Risk Committee Report, of the Company and the Group for the financial year ended 30 June 2017 are published on the Company's website at www.remgro.com. The Report of the Board, the Independent Auditor's Report, the Audit and Risk Committee Report and the summary annual financial statements are included in the Integrated Annual Report on pages 98, 103, 96 and 93 respectively.

2. REAPPOINTMENT OF AUDITOR

ORDINARY RESOLUTION NUMBER 2

Resolved that the reappointment of PricewaterhouseCoopers Inc., who is independent from the Company, as the Company's auditor, as nominated by the Company's Audit and Risk Committee, be approved and to note that the individual registered auditor who will perform the function of auditor during the financial year ending 30 June 2018, is Mr A Wentzel.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 2

In terms of the provisions of section 90(1) of the Companies Act, a public company shall at each Annual General Meeting appoint an auditor to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting of the Company.

3. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 3

Resolved that Mr W E Bührmann who retires in terms of clause 27.4.3.1 of the Company's Memorandum of Incorporation (Memorandum of Incorporation) and who has offered himself for re-election, be re-elected as a director of the Company.

4. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 4

Resolved that Mr G T Ferreira who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

5. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 5

Resolved that Mr N P Mageza who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 6

Resolved that Mr P J Moleketi who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 7

Resolved that Mr F Robertson who retires in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself for re-election, be re-elected as a director of the Company.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 3 TO 7

In terms of the provisions of clause 27.4.3 of the Memorandum of Incorporation, one-third of the directors, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third are required to retire at each Annual General Meeting. Directors may offer themselves for re-election. Biographical details of all directors of the Company are set out on pages 14 and 15 of the Integrated Annual Report.

8. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 8

Resolved that the appointment of Mrs M Lubbe as a director of the Company be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 8

In terms of the provisions of clause 27.3.7 of the Memorandum of Incorporation, the Board has the power to appoint any person as director, provided that such appointment must be confirmed by the shareholders at the next Annual General Meeting of the Company.

9. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 9

Resolved that, subject to the passing of Ordinary Resolution Number 5, Mr N P Mageza, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

10. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 10

Resolved that, subject to the passing of Ordinary Resolution Number 6, Mr P J Moleketi, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

11. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 11

Resolved that, subject to the passing of Ordinary Resolution Number 7, Mr F Robertson, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

12. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 12

Resolved that Ms S E N De Bruyn Sebotsa, being eligible and offering herself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2018.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 9 TO 12

In terms of the provisions of section 94(2) of the Companies Act, a public company shall at every Annual General Meeting elect an Audit Committee comprising at least three members. Brief curricula vitae of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on pages 14 and 15 of the Integrated Annual Report. As is evident from the curricula vitae of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

13. GENERAL AUTHORITY TO PLACE ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

ORDINARY RESOLUTION NUMBER 13

Resolved that the unissued ordinary shares in the authorised share capital of the Company be and is hereby placed under the control of the Board, who is hereby authorised, as a general authority in terms of the Memorandum of Incorporation, to allot and issue any such shares upon such terms and conditions as the Board in their sole discretion may deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the listings requirements of the exchange operated by JSE Limited (JSE) (Listings Requirements), to the extent applicable, provided that the aggregate number of ordinary shares to be allotted and issued in terms of this Ordinary Resolution Number 13 is limited to 5% of the number of the unissued ordinary shares in the authorised share capital of the Company at the date of this Notice of Annual General Meeting (being 23 539 150 ordinary shares).

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTION NUMBER 13

Clause 6.7 of the Memorandum of Incorporation provides that the Board may resolve to issue authorised shares, but only to the extent that such issue has been approved by the shareholders in general meeting, either by way of a general or specific authority. The purpose of Ordinary Resolution Number 13 is to provide such general authority, which shall remain subject to the provisions of and all limitations contained in the Companies Act, the Memorandum of Incorporation and the Listings Requirements, to the extent applicable. The authority in terms of Ordinary Resolution Number 13 cannot be used to issue shares for cash as contemplated in the Listings Requirements.

14. NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

ORDINARY RESOLUTION NUMBER 14

Resolved that the Company's Remuneration Policy, as set out in the Remuneration Report on page 81 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote.

15. NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT

ORDINARY RESOLUTION NUMBER 15

Resolved that the Company's Implementation Report in regard to its Remuneration Policy, as set out in the Remuneration Report on page 81 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 14 AND 15

In terms of the Listings Requirements, the Company's Remuneration Policy and Implementation Report in regard to its Remuneration Policy must be tabled every year for separate non-binding advisory votes by the shareholders of the Company at the Annual General Meeting. In the event that any of Ordinary Resolutions Numbers 14 or 15 is voted against by 25% or more of the votes exercised on them, the Company shall engage with the dissenting shareholders in the manner set out in the Remuneration Report on page 81 of the Integrated Annual Report.

16. APPROVAL OF DIRECTORS' REMUNERATION

SPECIAL RESOLUTION NUMBER 1

Resolved that directors' fees for services rendered (excluding VAT) as directors for the financial year ending 30 June 2018 be determined on the following basis:

Type of fee (R)	Proposed fee for the year ending 30 June 2018	Fee for the year ended 30 June 2017
Board member	345 000	321 000
Chairman of the Audit and Risk Committee	260 000	214 000
Member of the Audit and Risk Committee	130 000	107 000
Member of the Remuneration and Nomination Committee	57 500	53 500
Chairman of the Social and Ethics Committee	100 000	53 500
Member of the Social and Ethics Committee	57 500	53 500

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 1

The reason for and the effect of Special Resolution Number 1 is to approve the remuneration payable by the Company to its directors for their services as directors of the Company for the financial year ending 30 June 2018.

17. GENERAL AUTHORITY TO REPURCHASE SHARES

SPECIAL RESOLUTION NUMBER 2

Resolved that the Board be and is hereby authorised, by way of a renewable general authority in terms of the provisions of the Listings Requirements and as permitted in terms of the Memorandum of Incorporation, to approve the purchase of its own ordinary shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, upon such terms and conditions as the Board may from time to time determine, provided that:

- this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the trading system of the JSE and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty (reported trades are prohibited);
- an announcement complying with paragraph 11.27 of the Listings Requirements be published by the Company (i) when the Company and/or its subsidiaries have cumulatively repurchased 3% of the ordinary shares in issue as at the time when the general authority was given (the initial number) and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 10% of the Company's issued ordinary share capital as at the beginning of the financial year, provided that the acquisition of ordinary shares as treasury shares by a subsidiary of the Company shall not be effected to the extent that in aggregate more than 10% of the number of issued ordinary shares of the Company at the relevant times are held by or for the benefit of the subsidiaries of the Company taken together;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed to the JSE, as required, prior to the commencement of the prohibited period;
- prior to the repurchase, a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company and its subsidiaries satisfy the solvency and liquidity test contemplated in the Companies Act, and that since the test was done there have been no material changes to the financial position of the Group; and
- such repurchases will be subject to the applicable provisions of the Companies Act, the Memorandum of Incorporation, the Listings Requirements and the Exchange Control Regulations 1961.

It is the intention of the Board to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it in their opinion.

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless –

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the general repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest audited annual Group financial statements;

- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the general repurchase; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase.

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 2

The reason for and the effect of Special Resolution Number 2 is to grant the Board a general authority to approve the Company's repurchase of its own ordinary shares and to permit a subsidiary of the Company to purchase ordinary shares in the Company.

For the purposes of considering Special Resolution Number 2 and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Integrated Annual Report, in which this Notice of Annual General Meeting is included, at the places indicated:

- Major shareholders (page 115);
- Share capital of the Company (pages 47 of the Annual Financial Statements and 115 of the Integrated Annual Report).

The directors, whose names are set out on pages 14 and 15 of the Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 2 and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable queries in this regard and that this resolution contains all information required by law and the Listings Requirements.

There has been no material change in the financial or trading position of the Company and the Group that has occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published.

18. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SECURITIES IN THE COMPANY OR IN RELATED OR INTER-RELATED COMPANIES

SPECIAL RESOLUTION NUMBER 3

Resolved that the Board be and is hereby authorised in terms of section 44(3)(a)(ii) of the Companies Act as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 3), to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any related or inter-related company of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act) and/or to any financier of the Company or any of its related or inter-related companies for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company of the Company, or for the purchase of any securities of the Company or a related or inter-related company of the Company, on the terms and conditions and for the amounts that the Board may determine.

The Board undertakes that it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –

- immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The main purpose for this authority is to grant the Board the authority to authorise the Company to provide financial assistance to the financiers of the Group for the purposes of the subscription and/or purchase of securities in subsidiaries of the Company, to fund the activities of the Group.

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 3

The reason for and the effect of Special Resolution Number 3 is to provide a general authority to the Board for the Company to provide financial assistance to its related and inter-related companies and/or the financiers of the Group for the purposes of the subscription of options and/or securities, issued or to be issued by the Company or its related or inter-related companies, or for the purchase of any securities of the Company or its related or inter-related companies, to fund the activities of the Group.

19. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

SPECIAL RESOLUTION NUMBER 4

Resolved that the Board be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 4), to authorise the Company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any related or inter-related company or corporation of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the Board may determine.

The main purpose for this authority is to grant the Board the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees –
  - within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

ADDITIONAL INFORMATION IN RESPECT OF SPECIAL RESOLUTION NUMBER 4

The reason for and the effect of Special Resolution Number 4 is to provide a general authority to the Board for the Company to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts.

NOTICE TO SHAREHOLDERS OF THE COMPANY IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT OF A RESOLUTION ADOPTED BY THE BOARD AUTHORISING THE COMPANY TO PROVIDE DIRECT OR INDIRECT FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

- By the time this Notice of the Annual General Meeting is delivered to shareholders, the Board will have adopted a resolution (Section 45 Board Resolution) authorising the Company to provide, at any time and from time to time during the period commencing on the date on which Special Resolution Number 4 is adopted until the date of the next Annual General Meeting of the Company, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company. The financial assistance will entail loans and other financial assistance to subsidiaries of the Company (being related or inter-related companies of the Company) for purposes of funding the activities of the Group.
- The Section 45 Board Resolution will be effective only if and to the extent that Special Resolution Number 4 is adopted by the shareholders and the provision of any such financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (1) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act; and that (2) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act.

- Inasmuch as the Section 45 Board Resolution contemplates that such financial assistance will, in the aggregate, exceed 0.1% of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders. The Company does not have any employees represented by a trade union.

20. REPORT BY SOCIAL AND ETHICS COMMITTEE

The Company's Social and Ethics Committee Report, included on page 70 of the Integrated Annual Report, read with the detailed Sustainable Development Report published on the Company's website at www.remgro.com, will serve as the Social and Ethics Committee's Report to the Company's shareholders on the matters within its mandate at the Annual General Meeting. Any specific questions to the Committee may be sent to the Company Secretary prior to the Annual General Meeting.

And to transact any other business that may be transacted at an Annual General Meeting.

RECORD DATES

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to receive this Notice of the Annual General Meeting is Friday, 13 October 2017.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 24 November 2017, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Tuesday, 21 November 2017.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 15 contained in this Notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements. Ordinary Resolutions Number 14 and 15 are non-binding advisory votes.

Special Resolutions Numbers 1 to 4 contained in this Notice of Annual General Meeting require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements.

Equity securities held by a share trust or scheme of the Company will not have their votes taken into account for the purposes of resolutions passed in terms of the Listings Requirements. Shares held as treasury shares may also not vote.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Annual General Meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a shareholder of the Company. Proxy forms must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 27 November 2017, at 10:30 (South African time) for administrative purposes, provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held and every holder of B ordinary shares shall be entitled to 10 votes per B ordinary share held.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement –

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Shareholders or their proxies or representatives may participate in (but not vote at) the meeting by way of telephone conference call, and if they wish to do so:

- must contact the Company Secretary (by email at the address dh@remgro.com) by no later than five business days prior to the Annual General Meeting in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the meeting. Shareholders and their proxies or their representatives will not be able to vote telephonically at the meeting and will still need to appoint a proxy or representative to vote on their behalf at the meeting.

PROOF OF IDENTIFICATION REQUIRED

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A green barcoded identification document or a barcoded identification smart card issued by the South African Department of Home Affairs, a driver's licence or a passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board of Directors.

D I Heynes
Company Secretary

Stellenbosch
20 September 2017

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM ISIN: ZAE000026480)
(the Company)

FORM OF PROXY

THIS FORM OF PROXY IS ONLY FOR USE BY:

1. **REGISTERED SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND**
2. **REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S UNCERTIFICATED SECURITIES REGISTER.***

* See explanatory note 3 overleaf.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company (shareholder) and who are unable to attend the 2017 Annual General Meeting of the Company to be held on Wednesday, 29 November 2017, at 10:30 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 (the Annual General Meeting).

I/We ____

being the holder(s) of ______________________ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. ____ or, failing him/her,

2. ____ or, failing him/her,

3. the chairman of the Annual General Meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the Annual General Meeting and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
Ordinary resolutions	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Election of director – Mr W E Bührmann			
4. Election of director – Mr G T Ferreira			
5. Election of director – Mr N P Mageza			
6. Election of director – Mr P J Moleketi			
7. Election of director – Mr F Robertson			
8. Election of director – Mrs M Lubbe			
9. Appointment of member of the Audit and Risk Committee – Mr N P Mageza			
10. Appointment of member of the Audit and Risk Committee – Mr P J Moleketi			
11. Appointment of member of the Audit and Risk Committee – Mr F Robertson			
12. Appointment of member of the Audit and Risk Committee – Ms S E N De Bruyn Sebotsa			
13. General authority to place ordinary shares under the control of the directors			
14. Non-binding advisory vote on Remuneration Policy			
15. Non-binding advisory vote on Remuneration Implementation Report			
Special resolutions			
1. Approval of directors' remuneration			
2. General authority to repurchase shares			
3. General authority to provide financial assistance for the subscription and/or purchase of securities in the Company or in related or inter-related companies			
4. General authority to provide financial assistance to related and inter-related companies and corporations			

Signed at ______________________________ on ______________________________ 2017

Signature(s) ____

Assisted by ____
(where applicable)

Please read the notes and instructions overleaf.

NOTES

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered shareholder of the Company.
2. On a show of hands, every person present and entitled to exercise voting rights shall be entitled to one vote, irrespective of the number of votes that person would otherwise be entitled to exercise. On a poll, every holder of ordinary shares shall be entitled to one vote per ordinary share held and every holder of B ordinary shares shall be entitled to 10 votes per B ordinary share held.
3. Shareholders whose uncertificated shares are registered in their "own name" are shareholders who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Limited as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertificated shares are to be registered in the electronic uncertificated securities register **in their own names**.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided overleaf, with or without deleting "the chairman of the Annual General Meeting", but any such deletion must be initialled by the shareholder. Should this space(s) be left blank, the proxy will be exercised by the chairman of the Annual General Meeting. The person whose name appears first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she thinks fit in respect of all the shareholder's exercisable votes. A shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
4. The completed forms of proxy must be lodged with the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 27 November 2017, at 10:30 (South African time) for administrative purposes, provided that any form of proxy not delivered to the Transfer Secretary by this time may be handed to the chairman of the Annual General Meeting at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairman of the Annual General Meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act (No. 71 of 2008), as amended, and accordingly a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.
8. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
9. The chairman of the Annual General Meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a shareholder wishes to vote.

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