INTEGRATED ANNUAL REPORT 2020

Remgro Limited

Originally established in the 1940s by the late Dr Anton Rupert,

REMGRO AIMS TO BE THE TRUSTED INVESTMENT COMPANY OF CHOICE THAT CONSISTENTLY CREATES SUSTAINABLE STAKEHOLDER VALUE.

The hexagonal theme used in this year's Integrated Annual Report draws inspiration from the hexagonal honeycomb structure that bees use to build one of the most effective and durable structures in nature. This shape represents the multi-dimensionality of our business and our people that work together in an organic way to bring forth prosperity to all our stakeholders.

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

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01 OVERVIEW OF **BUSINESS**

REMGRO INVESTS IN BUSINESSES THAT CAN DELIVER SUPERIOR EARNINGS, CASH FLOW GENERATION AND DIVIDENDS OVER THE LONG TERM.

REMGRO'S APPROACH TO **REPORTING**

The 2020 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 presented 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 sustainable 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 and opportunities, as identified through our integrated risk management process; and
- Governance processes.

REPORTING SUITE

The table below contains the Remgro reporting suite information detailing the assurances obtained and frameworks applied to each report.

SUITE	APPLIED PRINCIPLES AND FRAMEWORKS	ASSURANCE OBTAINED
Integrated Annual Report	• IIRC <IR> Framework • King IV Report on Corporate Governance™ for South Africa (2016) (King IV™) • Companies Act (No. 71 of 2008), as amended (Companies Act) • JSE Limited Listings Requirements	• Reviewed by: – Management – Internal audit/Finance – Audit and Risk Committee – Board – JSE sponsor
Consolidated Annual Financial Statements	• International Financial Reporting Standards (IFRS) • Companies Act • JSE Listings Requirements	Independent audit opinion by PricewaterhouseCoopers Inc.
Sustainable Development Report	No specific framework applied	• Reviewed by: – Management – Internal audit/Finance – Social and Ethics Committee and Audit and Risk Committee – Board • Carbon Disclosure Project (CDP) verification of certain non-financial indicators
Annual results presentation	Not applicable	• Reviewed by: – Management – Finance – Executive directors – Investor Relations
BBBEE certificate	Department of Trade and Industry's generic Code of Good Practice	AQRate Proprietary Limited

REMGRO IS AN INVESTMENT HOLDING COMPANY AND ACCORDINGLY ALL REFERENCES TO "THE GROUP" IN THIS CONTEXT DENOTE THE COMPANY AND ITS SUBSIDIARIES.

King IV, which was published on 1 November 2016, contains a set of principles that are fundamental to good governance, as well as related leading recommended practices. The JSE Limited has incorporated certain of King IV's recommended practices in the JSE Listings Requirements, with the effect that some of King IV's recommended practices are in fact mandatory in respect of companies listed on the JSE (such as Remgro). The Board is satisfied that the Company has applied the principles contained in King IV during the year under review. The Corporate Governance Report on page 65 explains how Remgro has applied the principles enumerated in King IV with reference to Remgro's own practices.

REPORTING BOUNDARY

1 INTEGRATED REPORTING BOUNDARY

Includes the financial and non-financial boundaries as explained below. Furthermore, material matters as they relate to stakeholder concerns, risks and opportunities and governance matters, are included in the disclosures of this report.

2 FINANCIAL BOUNDARY

Remgro is an investment holding company and accordingly all financial data in the summarised financial statements includes associates and joint ventures on an equity accounted basis and subsidiaries on a consolidated basis.

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 *IFRS 13* "Fair Value" valuation.

Refer to page 25.

3 NON-FINANCIAL INFORMATION BOUNDARY

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.

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.

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 has four main operating subsidiaries, i.e. RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco). As RCL Foods and Distell are listed on the JSE, detailed information regarding their financial, sustainability and social performance is available on their websites at www.rclfoods.com and www.distell.co.za respectively.

Siqalo Foods and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous Boards of Directors. Based on the above, as well as the fact that Siqalo Foods and Wispeco represent only 6.8% and 0.9% of Remgro's intrinsic net asset value, respectively, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for Siqalo Foods and 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.

SIGNIFICANT EVENTS DURING AND AFTER THE END OF THE REPORTING PERIOD

The Covid-19 pandemic and various levels of lockdown have affected and will continue to affect every investee company. Management teams' focus remains on protecting the sustainability of their businesses through operational resilience, responding and adapting to the disruptive environment and liquidity risk management.

On 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling) and retain its 3.9% direct interest in FirstRand Limited (FirstRand). The interest in RMH amounting to R23 855 million was distributed to shareholders on 8 June 2020 in the ratio of 0.69939 RMH ordinary shares for every 1 Remgro share held. At that date, Remgro also ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income.

Refer to the reports of the Chief Executive Officer and Chief Financial Officer on pages 25 and 30 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.

BOARD APPROVAL STATEMENT

The Board, supported by the Audit and Risk Committee, acknowledges its responsibility to ensure the integrity and completeness of the report. The Board applied its collective mind to the preparation and presentation of the report. We believe that the report has been prepared in accordance with the <IR> framework and it provides a balanced and appropriate representation of the Company.

The Board approved the 2020 Integrated Annual Report on 28 September 2020.

SALIENT FEATURES

Total headline earnings per share

down by 61.3%

Headline earnings per share from continuing operations

down by 68.7%

Ordinary dividend per share

down by 53.0%

Intrinsic net asset value per share

R154.47

FINANCIAL

	Year ended 30 June 2020	Year ended 30 June 2019	% change
Total headline earnings (R million)	**3 167**	8 195	*(61.4)*
– per share (cents)	**560.6**	1 448.9	*(61.3)*
Headline earnings from continuing operations (R million)	**1 737**	5 551	*(68.7)*
– per share (cents)	**307.5**	981.4	*(68.7)*
Dividends per share			
Ordinary (cents)	**265.00**	564.00	*(53.0)*
– Interim (cents)	**215.00**	215.00	–
– Final (cents)	**50.00**	349.00	*(85.7)*
Intrinsic net asset value per share (R)*	**154.47**	233.03	*(33.7)*
Remgro share price at 30 June (R)*	**99.90**	187.90	*(46.8)*
Percentage discount to intrinsic net asset value (%)	**35.3**	19.4	*(1 590 bps)*

* *Decrease reflects the RMH Unbundling and negative impact of Covid-19 on market values (listeds) and fair values (unlisteds) of underlying investee companies.*

OTHER INFORMATION

	Year ended 30 June 2020	Year ended 30 June 2019
Spent on corporate social investment (CSI) at the centre (R million)	**25**	24
Sukuma donation (R million)*	**500**	–
BBBEE scorecard contributor level	**6**	7
Continued participation in carbon disclosure project	**Yes**	Yes
Inclusion in FTSE/JSE Responsible Investment Index	**Yes**	Yes

* *In addition to the annual CSI spend, a once-off donation of R500 million was also made to The South African SME Relief Trust (Sukuma donation).*

GROUP **PROFILE**

GROUP STRUCTURE AT 30 JUNE 2020

REMGRO LIMITED PRINCIPAL INVESTMENTS – EQUITY INTEREST HELD

Our interests consist mainly of investments in the following industries:

Originally established in the 1940s by the late Dr Anton Rupert, Remgro's investment portfolio has evolved substantially and currently includes investee companies across seven platforms. The Company is listed on the Johannesburg Securities Exchange (JSE), operated by the JSE Limited in South Africa under the "Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services" sector, with the share code "REM". Our interests consist mainly of investments in the financial services, healthcare, consumer products, industrial, infrastructure and media and sport industries.

- Equity accounted investment
- Subsidiary
- Investment at fair value through other comprehensive income
- Listed entity
- Number of Remgro nominated director/s; alternates excluded

(1) Voting rights in Distell equal 56.4%.
(2) Voting rights in Blue Bulls equal 36.7%.

REMGRO IS A DIVERSIFIED INVESTMENT HOLDING COMPANY WITH THE VISION TO BE **THE TRUSTED INVESTMENT COMPANY OF CHOICE** THAT CONSISTENTLY CREATES SUSTAINABLE STAKEHOLDER VALUE.

INDUSTRIAL	INFRASTRUCTURE	MEDIA AND SPORT	OTHER INVESTMENTS	TREASURY AND MANAGEMENT SERVICES
Air Products 50.0%	Community Investment Ventures Holdings 54.7%	e 32.3%	44.1%	Millennia Jersey – Jersey 100%
Total 24.9%	Grindrod 23.3%	Blue Bulls (2) 50.0%		Remgro Finance Corporation 100%
kth 36.3%	Grindrod Shipping 22.8%	Stellenbosch Academy of Sport 100%		Remgro Healthcare Holdings 100%
Wispeco Aluminium 100%	SEACOM 30.0%	Stellenbosch Football Club 100%		Remgro International – Jersey 100%
PGSI Limited 37.7%				Remgro Jersey GBP – Jersey 100%
				Remgro Management Services (FSP 30 549) 100%
				V&R Management Services – Switzerland 100%

CREATING SHAREHOLDER VALUE SINCE 1948

1940s

Remgro's founding history goes back to the forties of the previous century when the founder of the Group, Dr Anton Rupert, established the tobacco company Voorbrand, forerunner of Rembrandt Group Limited (Rembrandt) in Johannesburg, South Africa. 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 (Remgro's predecessor) and Richemont held $33\frac{1}{3}\%$ and $66\frac{2}{3}\%$ 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.

ORY

2008

During November 2008, Remgro unbundled its investment in BAT to its shareholders by way of an interim dividend *in specie* amounting to 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 2020, the value of the unbundled BAT shares has increased to R138.4 billion.

2009

During November 2009 Remgro and VenFin merged again, adding media and technology interests to the Group's investments.

2016

Remgro facilitated Mediclinic International Limited's (Mediclinic) acquisition of a 29.9% stake in Spire Healthcare Group plc during June 2015 and subsequently participated in a Mediclinic rights issue. Mediclinic and Al Noor Hospitals Group plc combined in February 2016.

2017

During October 2016 Remgro completed a rights issue for a total consideration of R9 945 million, in order to have cash resources and flexibility to capitalise on investment opportunities.

2018

In July 2018, Remgro disposed of its 25.75% shareholding in Unilever South Africa Proprietary Limited (Unilever) in exchange for Unilever's Spreads business in Southern Africa, now Siqalo Foods, for R7 000 million, as well as a cash consideration of R4 900 million.

2020

During June 2020, Remgro unbundled its 28.2% investment in RMB Holdings Limited (RMH) to its shareholders by way of an interim dividend *in specie* amounting to R23.9 billion. Following the unbundling the Group's remaining interest in banking consists of a 4.0% direct interest in FirstRand.

OUR **BUSINESS MODEL**

HOW THE INVESTMENTS ARE MANAGED

Remgro has a few operating subsidiaries of which the material companies are RCL Foods (listed), Distell (listed), Siqalo Foods (unlisted) and Wispeco (unlisted). Due to its philosophy of decentralised management, 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 the right to board representation, such investments are treated as portfolio investments (investments at fair value through other comprehensive income).

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 risks. 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 or removal of directors, capital structure, business strategy, large capital expenditure and mergers, acquisitions and disposals.

As a responsible 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 LISTED ON THE JSE	529 217 007 ordinary shares of no par value Each ordinary share has one vote
B ORDINARY SHARES OF NO PAR VALUE UNLISTED	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, a company incorporated in South Africa which is the holding vehicle for the Rupert family interests in Remgro. As at 30 June 2020, the unlisted B ordinary shares were entitled to 42.62% (2019: 42.62%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 144 and 145.

INVESTMENT PHILOSOPHY

Remgro invests in businesses that can have the potential to 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 grow Remgro's intrinsic net asset value by investing in a good balance of young growth companies and more established cash-generating companies 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 sustainable 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
  - Infrastructure
  - Healthcare
  - Financial services

INVESTMENT CRITERIA (*inter alia*)

- Prevailing culture and ethics of the Board and management team
- Expected return on investment in excess of 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 **REMGRO**

UNDERSTANDING REMGRO'S STATUTORY REPORTING ON NET PROFIT

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, Distell, Wispeco and Siqalo Foods;
- Equity accounted results of its investments in associates and joint ventures, e.g. Mediclinic, RMI, Air Products and Total, as well as RMH and FirstRand (until the unbundling and reclassification respectively);
- Profit/loss on the realisation of investments;
- Net impairment of investments;
- Dividends received from investee companies not classified as subsidiaries, associates and joint ventures, e.g. FirstRand (since its reclassification from an associate to an investment at fair value through other comprehensive income), 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.

CAPITAL ALLOCATION – THE MOST IMPORTANT FUNCTION OF REMGRO

Capital is expensive and not infinite. As we deal with an uncertain future, exacerbated by the Covid-19 pandemic, 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.

INVESTMENT HOLDING COMPANY

WHAT WE BRING TO THE INVESTEE COMPANIES, IRRESPECTIVE OF OUR LEVEL OF INFLUENCE:

- Strategic input
- Capital allocation
  - Financial capital to further growth
  - Manufactured capital
  - Human capital in management support
  - Relationship capital in identification of opportunity
  - Intellectual capital
  - Environmental capital
- Treasury services (as required)
- Dealmaking ability (environment for corporate transactions)
- Decentralised management approach
- Internal audit and risk services (as required)
- Formal and informal associations, providing our investee companies with opportunities to benefit from a wider network

INVESTMENTS

The value and performance of the underlying investments, rather than the activities at holding company level, will determine to a large extent the value created for an investment holding company's shareholders, although dealmaking at holding company level can also add significant value.

THE BEST APPROXIMATION OF REMGRO'S PROFIT AT HOLDING COMPANY LEVEL (AT THE CENTRE) COMPRISES:

+

- Dividends received from investee companies
- Interest received

−

- Net impairment of investments
- Net corporate costs, including remuneration and other benefits paid to employees
- Interest paid
- Taxation paid

±

- Profit/loss on the realisation of investments
- Foreign exchange rate movements

=

HOW WE MAKE OUR MONEY

=

AND HOW WE DISTRIBUTE IT AGAIN

CAPITAL ALLOCATION IN NEW AND EXISTING INVESTMENTS

+

DISTRIBUTION 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, which is covered in the Chief Financial Officer's (CFO) Report on page 30.

DISTRIBUTION TO SHAREHOLDERS

Distribution is funded from dividend income and interest received at the centre. Our normal dividend objective is to provide shareholders with a consistent annual dividend flow which at least protects them against inflation. As in the past, in special circumstances, Remgro will consider other distributions in the form of special dividends, share buy-backs or the unbundling of investments to shareholders.

MEASURING SUCCESS THROUGH INTRINSIC VALUE

Remgro further measures its performance in terms of the increase in its intrinsic net asset value. This measures the growth in the value of the various underlying investee companies, measured by listed market value or, in the case of unlisted investments, applying the principles of *IFRS 13: Fair Value Measurement*. Refer to the Chief Executive Officer's Report on page 25 for a detailed analysis of Remgro's intrinsic net asset value, briefly citing the differences between an *IFRS 13* valuation and a transactional valuation.

KEY OBJECTIVES AND PRINCIPAL **INTEGRATED RISKS**

MANAGING WITH A VIEW TO **MAXIMISE VALUE CREATION** AND **SUSTAINABLE GROWTH**

REMGRO'S KEY OBJECTIVES

1. Remgro focuses 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, whilst seeking appropriate investment opportunities.

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 its commercial sustainability, the indirect impacts on the society in which it operates, as well as the environment, results in Remgro 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, whilst ethical environments also foster high staff morale.

3. By always striving to "do the right thing" Remgro positions itself as the trusted investment partner of choice.

PRINCIPAL INTEGRATED RISKS

Remgro's four principal risks are summarised below. A more comprehensive analysis of our risk management process is provided in the Risk and Opportunities Management Report, while our main financial risks, including those relating to the global economy and currencies, are disclosed in the CFO's Report. The impact of the Covid-19 pandemic on external risk and opportunity along with the implications for Remgro's Six Capitals and risk appetite is also specifically addressed in the Risk and Opportunities Management Report on page 77.

	RISK/OPPORTUNITY	CONTEXT
1	South African country risk due to sustained social unrest, low economic growth, the increasing current account and budget deficits and the resultant impact of lowering sovereign credit ratings. During the year under review these were further exacerbated by the global Covid-19 pandemic. In particular, regulatory response and socio-economic impacts, net of fiscal relief measures, impeded growth scenarios.	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. Increased emphasis on relationship capital and stakeholder interaction.
2	Inability of boards of investee companies to identify and respond to disruptive technology risks timeously and opportunities or similar political, environmental, social, regulatory or economic developments in their markets. Inadequate capacity to innovate can impede competitive ability.	The sustainability of investee companies is dependent upon their ability to identify and respond to market trends and other disruptive impacts in the markets or their business model, which can materially impact their businesses. Optimising the utilisation of human, intellectual, manufactured and relationship capital.
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.
4	Remgro seeks suitable investment opportunities, taking cognisance of its risk appetite and available investment capacity to give effect to its investment mandate and value creation strategy.	During the year Remgro unbundled its interest in RMB Holdings Limited. This, along with the financial impact of Covid-19 on various investees and potential investment opportunities required a reflection on risk appetite. Remgro has various projects focused on, *inter alia*, business resilience, stakeholder relations, human capital enhancement and innovation.

THE FOLLOWING ASPECTS ARE CONSIDERED FUNDAMENTAL TO THE **SUSTAINABILITY OF GROWTH** AND **WEALTH CREATION**

PRINCIPAL INTEGRATED SUSTAINABILITY DRIVERS

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. Remgro's standing as a responsible investor of choice facilitates investment opportunities.
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	Remgro has the ability to add value to investee companies by means of skilled and experienced executives.

DIRECTORATE AND MEMBERS OF COMMITTEES

J P Rupert | J Malherbe | P J Neethling | A E Rupert

J J Durand | M Lubbe | N J Williams

NON-EXECUTIVE DIRECTORS

J P Rupert (70)
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. He served as Chancellor of Stellenbosch University from 2009 to 2019 and is Chairman of the Peace Parks Foundation.

J Malherbe (64)
Appointed: 11 October 2006

DEPUTY CHAIRMAN

Directorships: Mr Malherbe is a director of Compagnie Financière Richemont SA, Pension Insurance Corporation Group Limited 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 and is a member of the Investment Committee.

P J Neethling (35)
Appointed: 28 November 2019

Directorships: Mr Neethling serves as an alternate director to Mr J J Durand on the Board of RCL Foods Limited. He was an Investment Executive in the corporate finance division of Remgro Management Services Limited, a wholly owned subsidiary of Remgro and has acquired extensive business experience through a number of other directorships. He holds a BComm (Hons) degree in Financial and Investment Management from Stellenbosch University.

A E Rupert (32)
Appointed: 29 November 2018

Directorships: Mr Anton Rupert has served as non-executive Director on the Board of Compagnie Financière Richemont SA since 2017 and is a member of their Strategic Security and Nominations Committee. He brings valuable insight into changing consumer behaviour in digital marketing and web-based commerce and has had extensive exposure to all of the Group's businesses since 2009.

EXECUTIVE DIRECTORS

J J Durand (53)

CHIEF EXECUTIVE OFFICER

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 24

Directorships: Mr Durand was appointed as Chief Executive Officer of Remgro in May 2012 and has served on the board of various Remgro investee companies. He is currently Chairman of Distell Group Holdings Limited, RCL Foods Limited and Rand Merchant Investment Holdings Limited and also serves on the board of Mediclinic International plc. He previously served in the Group as Remgro's Chief Investment Officer and also as the Financial Director and Chief Executive Officer of VenFin Limited.

M Lubbe (50)

COMPLIANCE AND CORPORATE SOCIAL INVESTMENTS

BA
Years of service with the Group: 26

Directorships: Ms Lubbe was appointed as executive Director of Remgro in September 2016 and is responsible for Compliance and Corporate Social Investments of the Company. She acts as Board member of Remgro Limited's wholly owned subsidiaries as well as the board of Historical Homes of SA Limited. She serves as a non-executive Director on the board of Business Partners Limited.

N J Williams (55)

CHIEF FINANCIAL OFFICER

BComm (Hons), CA(SA)
Years of service with the Group: 26

Directorships: Mr Williams was appointed as Chief Financial Officer of Remgro in April 2016 and has served on the board of various Remgro investee companies. He currently serves as a director of Air Products South Africa Proprietary Limited, Business Partners Limited, eMedia Investments Proprietary Limited and Total South Africa Proprietary Limited. He previously served in the Group as Remgro's Head of Corporate Finance and also as the Chief Financial Officer of VenFin Limited.

Members of committees

AUDIT AND RISK COMMITTEE
S E N De Bruyn (Chairman), N P Mageza, P J Moleketi, F Robertson

INVESTMENT COMMITTEE
J P Rupert (Chairman), J J Durand, P K Harris, J Malherbe, G G Nieuwoudt, N J Williams

S E N De Bruyn | P K Harris | N P Mageza | P J Moleketi | M Morobe | G G Nieuwoudt | K M S Rantloane | F Robertson

INDEPENDENT NON-EXECUTIVE DIRECTORS

S E N De Bruyn (48)
Appointed: 16 March 2015

LEAD INDEPENDENT DIRECTOR

Directorships: Ms De Bruyn was co-founder of Identity Capital Partners Proprietary Limited in 2008. She has 18 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, Rand Merchant Investment Holdings Limited and Discovery Limited. Ms De Bruyn is also Chairman of the Ethos Mid Market Fund and a Member of the JP Morgan EMEA Advisory Council. She was previously a Trustee of the National Empowerment Fund and a member of the Presidential Working Group on BEE. She 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 a member of the Social and Ethics Committee.

P K Harris (70)
Appointed: 28 November 2001

Directorships: Mr Harris serves as non-executive Director of Rand Merchant Investment Holdings Limited. 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 Limited 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. Mr Harris is a member of the Investment Committee and the Remuneration and Nomination Committee.

N P Mageza (65)
Appointed: 4 November 2009

Directorships: Mr Mageza was 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, 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.

P J Moleketi (63)
Appointed: 4 November 2009

Directorships: Mr Moleketi is 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 several companies listed on the JSE Limited. He is non-executive Chairman of Harith Fund Managers and PPC 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 and the Remuneration and Nomination Committee.

M Morobe (63)
Appointed: 18 June 2007

Directorships: Mr Morobe is currently the National Director of the Programme to Improve Learner Outcomes (PILO), a position he assumed in 2013 after seven years as CEO of then JSE listed Kagiso Media Limited. He has a 48 year career spanning the worlds of student activism, trade unionism, work in the non-governmental sector, politics, the public sector, conservation and the corporate sector. Always seeking fresh challenges, Mr Morobe was in 1994 appointed as the first CEO and Chairman of the Financial and Fiscal Commission established in terms of the Constitution of South Africa to make recommendations to Parliament regarding the equitable sharing of nationally collected revenue between national, provincial and local government. He remained in the post until 2004 when he joined the Presidency as Head of Communications, a role he played until 2006 when he took up an opportunity to join Kagiso Media Limited as CEO. In-between his formal employment roles, he also served in various board capacities, both in the non-governmental and private sectors, *inter alia*, the Council on Higher Education (1999–2000); Chairman South African National Parks Board (1999–2005); Chairman Ernst & Young (SA) (2001–2005); Chairman Johannesburg Housing Company (2003–2006). Currently, Mr Morobe serves as a non-executive Director of RMB Holdings Limited and Rand Merchant Investment Holdings Limited, and serves on the board of the DG Murray Trust. He is Chairman of the Social and Ethics Committee.

G G Nieuwoudt (44)
Appointed: 28 November 2019

Directorships: Mr Nieuwoudt is the founder and managing partner of Southern Right Capital. He serves as an independent advisor on Stanlib Multi-Manager's Alternative Assets Investment Committee and is a non-executive Director of Empiric Managed Capital Advisors and Accumulus Funds. Previously, he served as the Director of Alternative Investment Solutions at Edmond de Rothschild Capital Holdings, London and managing partner and portfolio manager at Silver Creek Capital UK LLP. He is a CFA Charterholder and holds a BComm degree in Mathematics from Stellenbosch University. He serves as a member of the Investment Committee.

K M S Rantloane (39)
Alternate independent non-executive Director to P K Harris
Appointed: 28 November 2019

Directorships: Mr Rantloane is the founding CEO of Ata Capital and is currently a Director of Rain Group Holdings Proprietary Limited, Southern African Venture Capital and Private Equity Association, SLG Proprietary Limited, Masana Petroleum Solutions Proprietary Limited, Imbewu Capital Partners Proprietary Limited and a trustee of the Click Foundation. Prior to this he was Head of Debt Capital Markets at Deutsche Bank AG, Johannesburg. He began his career with Rand Merchant Bank Limited and served as Executive Assistant to the CEOs of FirstRand Limited and FirstRand Bank Limited. He holds a BSc (Hons) degree from the University of Cape Town and a FRM designation from the Global Association of Risk Professionals.

F Robertson (65)
Appointed: 28 March 2001

DEPUTY CHAIRMAN

Directorships: Mr Robertson is Executive Chairman of Brimstone Investment Corporation Limited. He and his business partner formed Brimstone Investment Corporation Limited, which is listed on the JSE Limited. He is also Chairman of Sea Harvest Group Limited, Lion of Africa Insurance Company Limited and Lion of Africa Life Assurance Company Limited. He serves as non-executive Director on the boards of Aon Re Africa Proprietary Limited, 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. Mr Robertson is the recipient of an Honorary Doctorate in Philosophy from the University of the Western Cape. He is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee. He was appointed as non-executive Co-Deputy Chairman of Remgro in November 2019.

MANAGEMENT BOARD
J J Durand (Chairman), P R Louw, M Lubbe, P J Uys, N J Williams

REMUNERATION AND NOMINATION COMMITTEE
J P Rupert (Chairman), P K Harris, P J Moleketi, F Robertson

SOCIAL AND ETHICS COMMITTEE
M Morobe (Chairman), S E N De Bruyn, P R Louw, N P Mageza, 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 ethical behaviour and good governance throughout the Remgro Group. As at 30 June 2020 the Management Board comprised five members, being all three executive directors as well as Messrs Pieter Louw and Pieter Uys. Mr Raymond Ndlovu has accepted the position of CEO at Community Investment Ventures Holdings Proprietary Limited and therefore resigned as a member of the Management Board with effect from 28 November 2019.

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

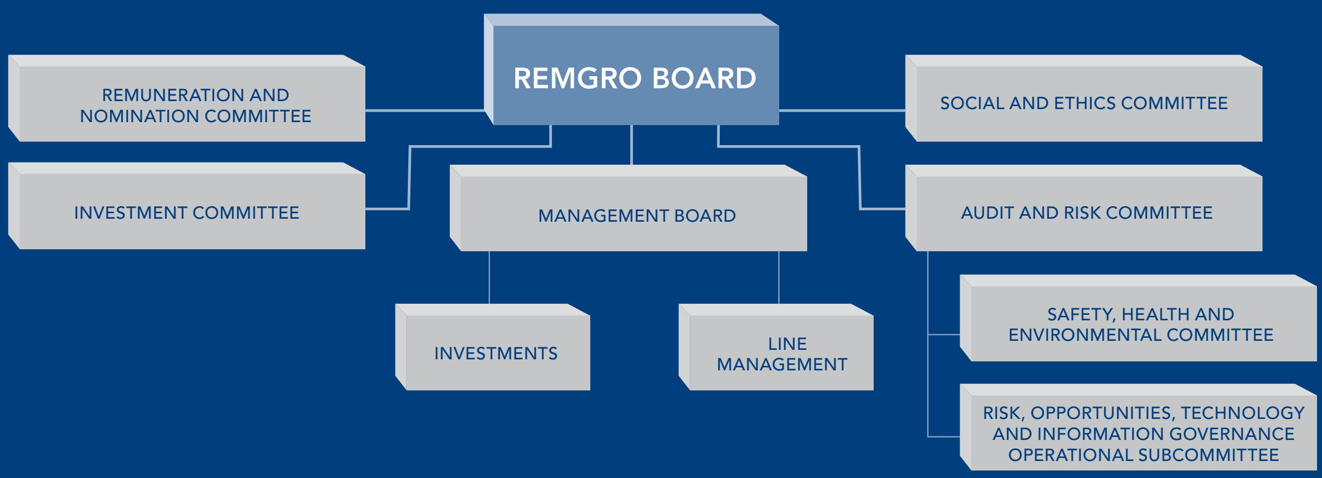
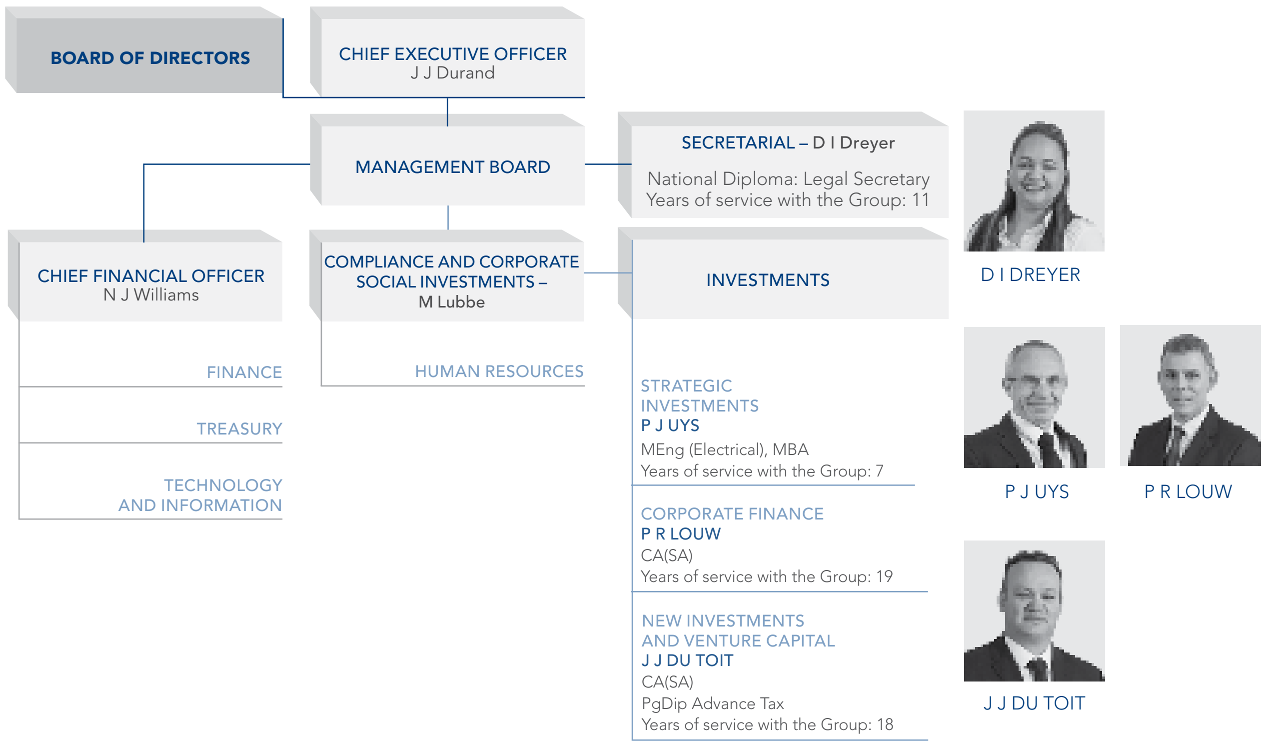


FIGURE 1



SHAREHOLDERS' DIARY AND COMPANY INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual General Meeting	Monday, 30 November 2020

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. 40

Ordinary dividend per share	50 cents
Last day to trade in order to participate in the dividend	Tuesday, 10 November 2020
Shares trade ex dividend	Wednesday, 11 November 2020
Record date	Friday, 13 November 2020
Payment date	Monday, 16 November 2020

COMPANY INFORMATION

Company Secretary
D I Dreyer

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

Private Bag X9000
Saxonwold
2132

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

Listing
JSE Limited
Sector: Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services

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

Website
www.remgro.com

02 REPORTS TO **SHAREHOLDERS**

REMGRO'S INVESTMENT THESIS REMAINS INTACT AND WE BELIEVE WE HAVE AN ATTRACTIVE PORTFOLIO OF ASSETS, THE ABILITY TO ADAPT TO A CHANGING ENVIRONMENT AND MEANINGFUL CAPACITY FOR FURTHER GROWTH AND SHAREHOLDER VALUE CREATION.

CHAIRMAN'S REPORT

Johann Rupert
Chairman

COVID-19 IMPACT

The Covid-19 pandemic and the resulting lockdown measures have brought desperation and devastation upon millions. In South Africa, lives and livelihoods have been lost, with household finances decimated and many going hungry in large parts of our country. The pandemic has evolved into the worst unemployment crisis in modern time and consequently, as lives are inevitably linked to livelihoods, a humanitarian disaster. Multidisciplinary research group Pandemic Data and Analytics (PANDA) predict that the years of life lost due to the dire effect of the extended lockdown on our economy will far exceed the loss of lives from the virus, dispelling the false dichotomy of "lives versus livelihood".

These are calamitous consequences for a country that was already facing many challenges with weak economic fundamentals before the onslaught of this crisis. The very fabric of South African society has been attacked with the continual dislodgement of risk perceptions of the virus from actual risks.

The imposition of the extended strict lockdown measures has threatened the survivability of many businesses, forcing them to restructure or close down. In response to the majority of South African Small and Medium Enterprises (SMEs) experiencing financial and operational stress due to the Covid-19 pandemic, Remgro donated R500 million to The South African SME Relief Trust (The SA SME Relief Trust). The SA SME Relief Trust established The Sukuma Fund within days of lockdown to provide emergency relief to small businesses and is administered by Business Partners Limited. By the middle of August 2020, financial assistance of more than R750 million had been committed to more than 3 400 small businesses, positively affecting more than 31 000 employees.

The Remgro Management Board also voluntarily decided to forego 30% of their salaries for the months of April, May and June 2020. The savings to the Company generated from this reduction in salaries was also paid to The Sukuma Fund.

This crisis is one of unknown unknowns and managing the crisis is the number one priority for us and all of our investee companies. Our focus is on the factors within our control, the health and well-being of our people, ensuring that our investments have the most robust financial positions to support business continuity and making sure that underlying investee companies that are in a position to offer help to the country are enabled to do so. Remgro would like to thank its underlying investees for the support and assistance offered to the country during this crisis in the spirit of being a force for good.

The pandemic and lockdown measures have had a widespread direct and indirect impact on most of Remgro's underlying investee companies. The economy has and will certainly continue to suffer severe short to medium term hardship, with the long-term impact difficult to predict, but we have faith in our Group's ability, largely due to our prudent investment strategy and low gearing ratios, to weather this storm and overcome the unique challenges that this crisis presents.

RMH UNBUNDLING

During June 2020, Remgro completed the unbundling of its 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling) to its shareholders. Remgro has a history of efficiently unbundling investments that have reached a matured profile and a certain level of independency – the metaphorical child leaving home – and although the RMH Unbundling marked the end of an era, it is also considered as an inflection point for Remgro.

Mediclinic International plc has replaced the banking investment (being the interests in FirstRand Limited and RMH) as our largest investment and our portfolio has been rebalanced with an increase in the unlisted investments' weighting, which remains in line with our investment philosophy.

Remgro's investment thesis remains intact and we believe we have an attractive portfolio of assets, the ability to adapt to a changing environment and meaningful capacity for further growth and shareholder value creation.

FINANCIAL PERFORMANCE

As a result of the RMH Unbundling, earnings and headline earnings measures are presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation.

For the year to 30 June 2020, total headline earnings decreased by 61.4% from R8 195 million to R3 167 million, while total headline earnings per share (HEPS) decreased by 61.3% from 1 448.9 cents to 560.6 cents. Headline earnings and HEPS from continuing operations decreased by 68.7% from R5 551 million to R1 737 million and from 981.4 cents to 307.5 cents, respectively.

Remgro's intrinsic net asset value per share decreased by 33.7% from R233.03 at 30 June 2019 to R154.47 at 30 June 2020. The closing share price at 30 June 2020 was R99.90 (30 June 2019: R187.90), representing a discount of 35.3% (30 June 2019: 19.4%) to the intrinsic net asset value. As at 30 June 2020, 38% of Remgro's underlying investee companies was represented by unlisted investments (2019: 23%).

DIVIDEND

The Board has approved a final dividend of 50 cents (2019: 349 cents) per share. The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic. The total ordinary dividends per share in respect of the year to 30 June 2020 thus amounted to 265 cents (2019: 564 cents).

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 the King IV Report on Corporate Governance for South Africa (2016) and we are satisfied that the Company has applied those 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.

CHANGES TO THE DIRECTORATE AND MANAGEMENT

On 28 November 2019, various changes were made to the Board.

Two long-serving non-executive directors retired, namely Dr E de la H Hertzog as co-deputy Chairman and Mr G T Ferreira as the lead independent non-executive director. The Board will miss their knowledgeable contributions and would like to thank them for their wise counsel and valuable support during their tenure.

Mr F Robertson was appointed as co-deputy Chairman alongside Mr J Malherbe and Ms S E N De Bruyn was appointed as the lead independent non-executive director of the Board. Mr P J Moleketi was appointed as a member of the Remuneration and Nomination Committee.

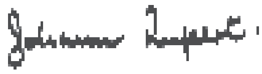
Mr P J Neethling was appointed as non-executive director and Mr G G Nieuwoudt as an independent non-executive director and member of the Investment Committee. Mr K M S Rantloane was appointed as an alternate independent non-executive director to Mr P K Harris. The Board wishes to welcome Messrs P J Neethling, G G Nieuwoudt and K M S Rantloane as directors to the Company, whose biographical details can be found on pages 18 and 19.

On 28 November 2019 Mr Raymond Ndlovu accepted the position of CEO at Community Investment Ventures Holdings Proprietary Limited and therefore resigned as a member of the Remgro Management Board. We wish to extend our appreciation to Mr Ndlovu for his contribution to the Management Board and wish him success in his new role.

IN CLOSING

Our thoughts and deepest sympathies are with those families who have lost loved ones to this pandemic. We wish you strength, support and comfort during this most difficult time.

We thank the shareholders for their continued confidence amidst uncertainty; the managing directors and all our colleagues in the various investee companies for their role in safeguarding their people and businesses and their wider contribution to the communities they operate in; all other directors, officials and employees for their dedication and perseverance; and all parties that have rendered services during this period.



Johann Rupert
Chairman

Stellenbosch
28 September 2020

CHIEF EXECUTIVE OFFICER'S REPORT

GREAT COMPANIES ARE DIFFERENTIATED BY HOW WELL THEY CAN **ADAPT TO A CHANGING ENVIRONMENT.**

Jannie Durand
Chief Executive Officer

INTRODUCTION

The onslaught of the Covid-19 pandemic has undoubtedly changed our economic, political and social environments faster than anyone would have anticipated prior to its outbreak. It has forced individuals and companies alike to re-evaluate the manner in which we interact and the way in which we will continue to do business going forward.

While Covid-19 has forced change on us all, 2020 has also been another major inflection point for Remgro following the unbundling of our interests in RMB Holdings Limited (RMH) as further detailed below (RMH Unbundling). As with previous inflection points in Remgro's history (the previous major one being the unbundling of Remgro's interests in British American Tobacco plc in 2008), this provides Remgro with another opportunity to reshape its trajectory while continuing to drive value creation through a portfolio that has now been rebalanced with an increase in the unlisted investments' weighting.

Since Remgro's inception in 1948 (then Rembrandt) it has strived to be the trusted investment company of choice that consistently creates sustainable stakeholder value, and by most measures it has done exactly that owing largely to the values that drive the way we do business and our ability to navigate the ever changing environment around us.

While Covid-19 has certainly put us to the test, we remain confident in the agility of our portfolio not only to overcome the unique challenges that this crisis has presented, but also to take hold of the various opportunities that every crisis inevitably provides.

While Remgro's intrinsic net asset value remains the most appropriate indicator of the value added for our shareholders, the rest of this report aims to provide (i) an overview of the relative performance of Remgro's intrinsic net asset value per share and internal rate of return measured against selected JSE indices; (ii) a summary of our investment activities and commitments for the year; and (iii) commentary on the prevailing economic climate.

INTRINSIC NET ASSET VALUE

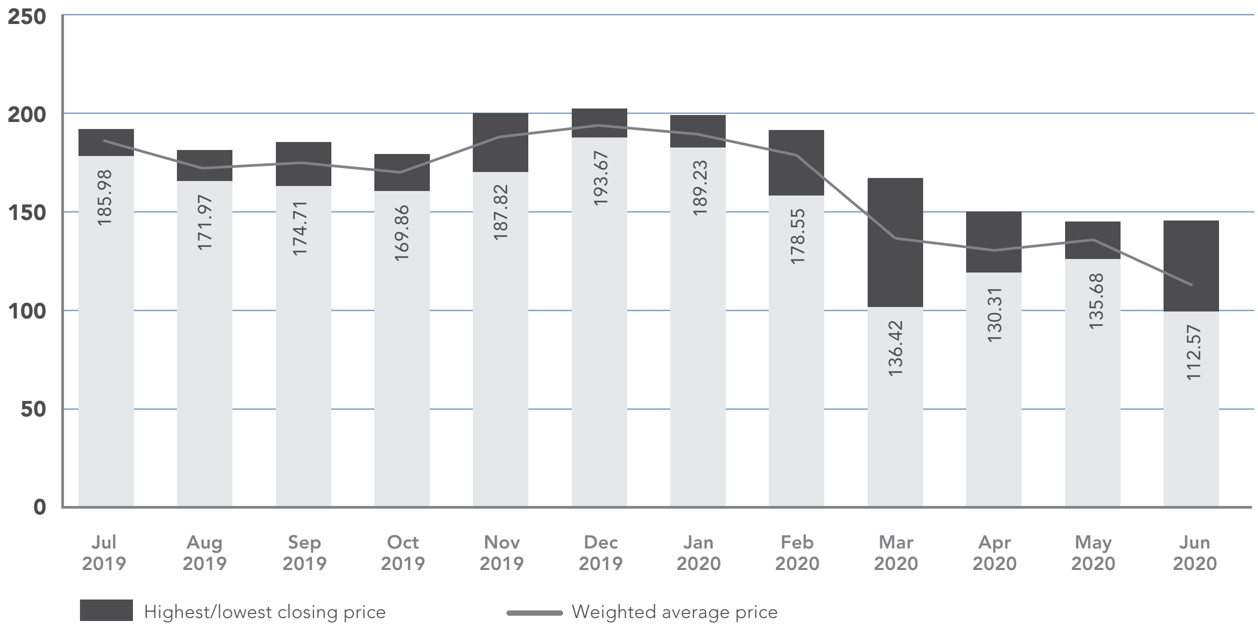
Remgro's intrinsic net asset value per share decreased by 33.7% from R233.03 at 30 June 2019 to R154.47 at 30 June 2020. The decrease reflects the impact of the RMH Unbundling and the negative impact of the Covid-19 pandemic on market values (listeds) and fair values (unlisteds) of underlying investee companies. The closing share price at 30 June 2020 was R99.90 (30 June 2019: R187.90), representing a discount of 35.3% (30 June 2019: 19.4%) to the intrinsic net asset value.

The intrinsic net asset value of the Group includes valuations of all investments, incorporating subsidiaries, associates and joint ventures, either at listed market value, or in the case of unlisted investments, other inputs for the assets that are not based on observable market data.

Guidance in completing the valuations is obtained from *IFRS 13: Fair Value Measurement*, where *Fair Value* is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that a hypothetical transaction to sell an asset takes place in the principal market, or in its absence, the most advantageous market for the asset.

The values derived from the valuation exercise performed at measurement date fall within the *IFRS 13* framework, which requires that, in the context of discounted cash flow valuations, the equity beta, capital structure and cost of debt be determined based on information obtained for similar assets or market participants, after certain adjustments are made. This impacts on the weighted average cost of capital (WACC) used when discounting the cash flows for purposes of the *IFRS 13* valuation and is expected to be different from those applied in

REMGRO SHARE PRICE (RAND PER SHARE)



a transactional valuation approach as the target or actual inputs are replaced with inputs derived from considering the position of hypothetical market participants. Consequently, a valuation derived by applying the *IFRS 13* framework is expected to differ from a transactional valuation.

SIGNIFICANT INVESTMENT ACTIVITIES

On 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMH (RMH Unbundling) and retain its 3.9% direct interest in FirstRand Limited (FirstRand). On 8 June 2020 Remgro distributed 397 447 747 ordinary shares in RMH amounting to R23 855 million in the ratio of 0.69939 RMH ordinary shares for every 1 Remgro share held. At that date, Remgro also ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income.

With the RMH unbundling, Remgro's investment view on its 3.9% stake in FirstRand has changed, and the stake is now viewed as a portfolio investment. In line with this view it was decided to enter into a hedging transaction on part of this stake, whilst still maintaining full downside risk and upside potential on the majority of the stake. Remgro entered into a zero cost collar hedging transaction with Nedbank Limited (Nedbank) during June 2020 for 60 000 000 of the FirstRand shares that it owns. At the same time, Remgro entered into a script lending transaction with Nedbank to optimise the pricing of the zero cost collar. Remgro will be allowed to vote these shares at the FirstRand Annual General Meeting and is entitled to any dividends declared. However, all dividends received on FirstRand shares for which Nedbank holds a direct or indirect short position for the purpose of hedging its exposure under the zero cost collar (up to a maximum of 60 000 000 FirstRand shares), will be transferred to Nedbank. The reference price of the zero cost collar is R40.51 and it expires in two years. The strike prices vary between R36.46 and R51.97 on the put options and call options, respectively. These FirstRand shares are hedged on a 1:1 basis and the zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income. The zero cost collar was valued as an asset at R101 million on 30 June 2020.

During the year under review, Remgro invested a further $2 million in Milestone China Opportunities Fund III (Milestone III) and received distributions of $46 million, thereby increasing its cumulative investment to $100 million and cumulative distributions received to $71 million. As at 30 June 2020 the fair value of Remgro's investment in Milestone III amounted to $72 million.

The following table represents the cash effects of Remgro's investment activities for the year to 30 June 2020. These activities exclude the investing activities of Remgro's operating subsidiaries, i.e. RCL Foods Limited, Distell Group Holdings Limited, Siqalo Foods Proprietary Limited and Wispeco Holdings Proprietary Limited.

Investments made and loans granted	R million
Invenfin Proprietary Limited	131
RCL Foods	100
Pembani Remgro Infrastructure Fund	62
Other	185
	478

Investments sold and loans repaid	R million
Milestone Capital Funds (offshore)	692
JHL Biotech, Inc. bonds (offshore)	166
Other	21
	879

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2020.

Investment commitments	R million
Pembani Remgro Infrastructure Fund	278
Invenfin Proprietary Limited	171
Other	37
	486

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

The table below compares the Remgro intrinsic net asset value per share with certain selected JSE indices at 30 June during the last five years. The material decrease in the Remgro share price and intrinsic net asset value reflects the unbundling of Remgro's interest in RMH on 8 June 2020, as well as the negative impact of the Covid-19 pandemic.

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Intrinsic net asset value – Rand per share	**154.47**	233.03	256.97	251.48	306.44
JSE – All share index	**54 362**	58 204	57 611	51 611	52 218
– Fin & Ind 30 index	**70 975**	77 459	78 391	73 184	73 134
– Financial 15 index	**10 034**	16 993	16 139	14 470	14 715
– Healthcare	**3 894**	3 861	6 800	7 538	10 025
Remgro share price (Rand)	**99.90**	187.90	204.29	213.46	254.66

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

	One year 30 June 2020 (% year on year)	Five years 30 June 2020 (% compounded per annum)	IRR from 28 October 2008 to 30 June 2020 (% compounded per annum)
JSE – All share index	**(3.3)**	**4.2**	**12.9**
– Fin & Ind 30 index	**(5.5)**	**2.7**	**15.3**
– Financial 15 index	**(36.9)**	**(4.8)**	**10.0**
– Healthcare	**2.9**	**(15.3)**	**11.4**
Remgro share	**(24.6)**	**(9.2)**	**10.3**

ECONOMIC COMMENTARY AND OUTLOOK

Even before the unprecedented economic collapse brought about by measures to contain the Covid-19 pandemic, the South African economy was in deep trouble. The country suffered technical recessions (defined by two consecutive quarters of declining GDP) in 2018 and 2019. Furthermore, at the start of 2020, South Africa was already experiencing by far the longest business cycle downswing on record. Since the end of 2013, general economic activity had been weaker than the long-term trend.

Against this depressed economic backdrop, government revenue was unable to keep pace with rising expenditure. This resulted in sharp rising public sector debt levels, forcing multiple downgrades of South Africa's creditworthiness by the major credit rating agencies. And then the Covid-19 pandemic reached our shores in March 2020. The non-pharmaceutical interventions implemented to contain the spread of the virus meant that South Africa experienced meaningful restrictions on movement and economic activity for the entire second quarter of 2020. This was also true in most other parts of the world.

South Africa has felt the full brunt of the health pandemic, with the number of confirmed domestic Covid-19 cases amongst the highest in the world. Fortunately, most likely because of a young population, South Africa has seen fewer Covid-19-related deaths compared to many other countries. Further positive news is that by late July the country in all likelihood reached the peak of new infections. This was earlier than initially expected. The number of active Covid-19 cases has already declined sharply from a peak of about 170 000 at the end of July. This allowed government to open up the economy further in the latter part of August. But the damage had already been done.

Statistics South Africa reported that quarterly GDP contracted by a record 16.4% in the second quarter. The decline was worse than in most of South Africa's peer countries, as well as our major trading partners. As the economy reopened from the strict Level 5 lockdown in April and demand started to recover, pre-existing growth constraints resurfaced. These include Eskom's long-lasting inability to meet the country's electricity requirements.

On a positive note, incoming data for July indicates that the initial bounce back from the second quarter GDP crash could be faster than earlier estimates. However, the overall level of activity is likely to remain below the pre-Covid-19 experience for some time. The notable pre-Covid-19 vulnerabilities, a strict (and in some cases irrational) lockdown, and limited fiscal headroom to support livelihoods highlight the risk of more lasting damage from the pandemic than may be the case in other parts of the world. Therefore, the medium-term GDP recovery is likely to be protracted. Corporates (through soft fixed investment outlays) and consumers (by avoiding big-ticket purchases) are expected to remain cautious spenders in the foreseeable future.

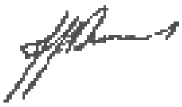
The outlook for the global economy remains intricately tied to the course of the Covid-19 pandemic. Absent a vaccine, the risk of renewed flare-ups, as recently experienced in Europe and some Asian countries, remains. In all, while the outlook may not be as dire as assumed before, excluding China, economic activity in South Africa's major export markets is set to remain below pre-Covid-19 levels for a while still. This is expected to limit the recovery in local export volumes.

CONCLUSION

While the economic outlook for the short to medium term is grim, Remgro stays committed to ensuring that its balance sheet is resilient and that it remains focused on making the best of that which is within its control in these uncertain times.

I would like to express my sincere condolences to our colleagues and their families that have lost loved ones during the pandemic. I would also specifically like to thank my colleagues at Remgro and our underlying investee companies for their incredible efforts shown on various levels to help combat the impact of the virus and for standing up as active participants for positive change in the various societies in which they operate.

I am also excited by the increased focus within our Group on doing business sustainably and in line with the highest ethical standards to ensure a Remgro that is "fit for the future". For more information on the various initiatives being implemented within the Group in this regard, please refer to our Abridged Sustainable Development Report on page 105.



Jannie Durand
Chief Executive Officer

Stellenbosch
28 September 2020

Remgro's unlisted investments were valued as follows:

INVESTMENT	VALUATION METHODOLOGY
Air Products	Discounted cash flow method
Business Partners	Net asset value
CIVH	Discounted cash flow method
Kagiso Tiso Holdings	Sum-of-the-parts (external valuation)
PGSI	Discounted cash flow method
PRIF	Sum-of-the-parts
eMedia Investments	Comparable market price
SEACOM	Discounted cash flow method
Total	Discounted cash flow method
Siqalo Foods	Discounted cash flow method
Wispeco	Discounted cash flow method

INTRINSIC NET ASSET VALUE

	30 June 2020		30 June 2019	
R million	**Book value**	**Intrinsic value[1]**	Book value	Intrinsic value[1]
Financial services[2]				
RMI	**9 736**	**13 708**	9 335	15 947
FirstRand[3]	**7 068**	**7 068**	5 825	15 069
RMH	**–**	**–**	16 245	33 545
Healthcare				
Mediclinic[4]	**27 443**	**18 769**	24 019	17 891
Consumer products				
RCL Foods[4]	**7 189**	**6 029**	7 968	7 960
Distell[4]	**7 128**	**5 330**	9 055	9 060
Siqalo Foods[4]	**6 285**	**6 145**	6 164	6 164
Industrial				
Air Products	**1 264**	**3 979**	1 093	4 264
Total	**2 029**	**2 515**	2 174	2 722
KTH	**1 601**	**1 961**	1 816	2 127
Wispeco[4]	**1 008**	**810**	933	866
PGSI	**205**	**309**	302	302
Infrastructure				
CIVH	**4 458**	**10 584**	5 064	8 403
Grindrod	**532**	**532**	1 049	1 049
Grindrod Shipping	**208**	**208**	292	292
SEACOM	**8**	**909**	–	912
Other infrastructure interests	**370**	**376**	259	259
Media and sport				
eMedia Investments	**805**	**947**	773	773
Other media and sport interests	**321**	**321**	269	267
Other investments	**4 400**	**4 439**	4 620	4 795
Central treasury				
Cash at the centre[5]	**17 073**	**17 073**	15 727	15 727
Debt at the centre	**(15 288)**	**(15 288)**	(13 919)	(13 919)
Other net corporate assets	**2 930**	**3 599**	2 034	2 499
Intrinsic net asset value (INAV)	**86 773**	**90 323**	101 097	136 974
Potential CGT liability[6]		**(3 050)**		(5 327)
INAV after tax	**86 773**	**87 273**	101 097	131 647
Issued shares after deduction of shares repurchased (million)	**565.0**	**565.0**	564.9	564.9
INAV after tax per share (Rand)	**153.59**	**154.47**	178.95	233.03
Remgro share price (Rand)		**99.90**		187.90
Percentage discount to INAV		**35.3**		19.4

(1) *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at IFRS 13 valuations and the listed investments are shown at stock exchange prices.*

(2) *Refer to the change in reporting platforms on page 30.*

(3) *On 8 June 2020 the investment in FirstRand was reclassified from an associate investment to an investment at fair value through other comprehensive income. The 30 June 2020 intrinsic value for FirstRand includes the investment at market value, deferred capital gains tax (CGT) on the investment and the zero cost collar hedge on 60 000 000 FirstRand shares.*

(4) *Remgro determined the recoverable amounts for Mediclinic, RCL Foods, Distell, Siqalo Foods and Wispeco which are in excess of the investments' carrying values.*

(5) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods, Distell, Siqalo Foods and Wispeco).*

(6) *The potential 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. Apart from FirstRand, the deferred CGT on investments at fair value through other comprehensive income is included in "other net corporate assets" above.*

CHIEF FINANCIAL OFFICER'S REPORT

REMGRO'S RESULTS IMPACTED BY THE **UNBUNDLING OF RMH** AND THE COVID-19 PANDEMIC.

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

COMPARISON WITH PRIOR YEAR

As a result of the unbundling of Remgro's 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling), earnings and headline earnings measures are presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019). Discontinued operations for the prior year also includes the profit realised on the disposal of Unilever South Africa Holdings Proprietary Limited (Unilever).

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand Limited (FirstRand), due to among others the RMH Unbundling, and therefore the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income (FirstRand Reclassification). For the year under review the investment in FirstRand was equity accounted until 8 June 2020. In future only dividend income will be accounted for FirstRand in the income statement.

During the year under review the platforms under which the results of investee companies are being reported, were changed. Previously RMH and FirstRand were classified under *Banking* and Rand Merchant Investment Holdings Limited (RMI) was classified under *Insurance*. As a result of the RMH Unbundling, these investee companies are included under the *Financial services* platform. Comparative figures have been presented accordingly.

HEADLINE EARNINGS

For the year to 30 June 2020, total headline earnings decreased by 61.4% from R8 195 million to R3 167 million, while total headline earnings per share (HEPS) decreased by 61.3% from 1 448.9 cents to 560.6 cents. Headline earnings and HEPS from continuing operations decreased by 68.7% from R5 551 million to R1 737 million and from 981.4 cents to 307.5 cents, respectively. Headline earnings and HEPS from discontinued operations decreased by 45.9% from R2 644 million to R1 430 million and from 467.5 cents to 253.1 cents, respectively.

The decrease in headline earnings from continuing operations is mainly due to the negative impact that the Covid-19 pandemic and the resultant lockdown measures had on the earnings of RMI, FirstRand, Total South Africa Proprietary Limited (Total), Kagiso Tiso Holdings Proprietary Limited (KTH), Distell Group Holdings Limited (Distell) and RCL Foods Limited (RCL Foods), as well as lower interest income, increased losses from Community Investment Ventures Holdings Proprietary Limited (CIVH) as they expand their fibre network footprint, organically and acquisitively, and a once-off donation of R500 million to The South African SME Relief Trust (Sukuma donation).

COMMENTARY ON REPORTING PLATFORMS' PERFORMANCE

FINANCIAL SERVICES

RMI's contribution to Remgro's headline earnings decreased by 48.4% to R599 million (2019: R1 161 million). On a normalised basis, which excludes certain anomalies (*inter alia* the effect of material interest rate volatility in South Africa and the United Kingdom, resulting in a substantial negative effect on discounted cash flow valuations and earnings at Discovery Life), RMI reported a decrease of 24.4% in earnings mainly due to lower earnings by Discovery Holdings Limited (Discovery) (down by 25.6%) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (down by 50.5%). Both Discovery and Momentum Metropolitan raised significant provisions for future claims and lapses as a result of the Covid-19 pandemic. The earnings of OUTsurance Holdings Limited (OUTsurance) and Hastings Group Holdings plc decreased by 7.2% and 11.4%, respectively. OUTsurance's decrease is mainly due to unrealised investment losses on its equity portfolio, the impact of the bushfires and natural catastrophes in Australia and business interruption claims.

The headline earnings contribution from FirstRand and RMH amounted to R657 million and R1 430 million (2019: R1 093 million and R2 644 million), respectively. As result of the RMH Unbundling and FirstRand Reclassification, RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019) and FirstRand was equity accounted until 8 June 2020, respectively.

SALIENT FEATURES

	Year ended 30 June 2020	Year ended 30 June 2019	*% change*
Total headline earnings (R million)	**3 167**	8 195	*(61.4)*
– per share (cents)	**560.6**	1 448.9	*(61.3)*
Headline earnings from continuing operations (R million)	**1 737**	5 551	*(68.7)*
– per share (cents)	**307.5**	981.4	*(68.7)*
Earnings (R million)	**6 646**	7 319	*(9.2)*
– per share (cents)	**1 176.4**	1 294.0	*(9.1)*
Dividends per share (cents)			
Ordinary	**265.00**	564.00	*(53.0)*
– Interim	**215.00**	215.00	–
– Final	**50.00**	349.00	*(85.7)*
Intrinsic net asset value per share (Rand)	**154.47**	233.03	*(33.7)*

CONTRIBUTION TO HEADLINE EARNINGS BY REPORTING PLATFORM

R million	**Year ended 30 June 2020**	*% change*	Year ended 30 June 2019
Financial services	**2 686**	*(45.2)*	4 898
Healthcare	**1 655**	*(2.2)*	1 693
Consumer products	**545**	*(40.6)*	918
Industrial	**103**	*(89.1)*	944
Infrastructure	**(716)**	*(311.5)*	(174)
Media and sport	**97**	*385.0*	20
Other investments	**(66)**	*(269.2)*	39
Central treasury			
– Finance income	**479**	*(36.6)*	755
– Finance costs	**(951)**	*(15.6)*	(823)
– Option remeasurement	**2**	*(98.2)*	112
Other net corporate costs	**(667)**	*(256.7)*	(187)
Total headline earnings	**3 167**	*(61.4)*	8 195
Discontinued operations	**(1 430)**		(2 644)
Headline earnings from continuing operations	**1 737**	*(68.7)*	5 551

Refer to the composition of headline earnings on page 37 for further information.

For the twelve months to 30 June 2020, FirstRand reported a decrease in headline earnings of 37.9%. On a normalised basis, which excludes certain non-operational and accounting anomalies, and is a better reflection of underlying performance, FirstRand reported a decrease in earnings of 38.1%. The main driver of this decline in earnings is the materially higher than expected credit provisions and credit impairment charge, driven by the forward-looking economic assumptions required under *IFRS 9*. As a result of the impact of Covid-19, FirstRand reported a significant increase in credit provisioning levels of R15 billion for the year ended 30 June 2020 (2019: R5 billion increase). Whilst the credit impairment charge of R24 billion (2019: R11 billion) represents the most significant driver of the decline in earnings, further pressures include the negative endowment impact as a result of interest rate cuts and margin pressure, subdued non-interest revenue growth due to lower absolute volumes during the lockdown period, and depressed new business origination. In addition, FirstRand has conservatively provided for a sharp increase in retrenchment claims as well as elevated death claims in its insurance business, taking account of the latest epidemiological and economic outlooks.

HEALTHCARE

Mediclinic International plc's (Mediclinic) contribution to Remgro's headline earnings amounted to R1 655 million (2019: R1 693 million), representing a decrease of 2.2%. Mediclinic uses adjusted earnings, which removes volatility associated with certain types of exceptional income and charges, in evaluating performance and as a method to provide its shareholders with clear and consistent reporting. For the year under review the main difference between adjusted earnings and headline earnings related to a tax credit in respect of a reduction in Swiss statutory tax rates, whereas the comparative year included a tax credit in respect of Hirslanden properties. Furthermore, Mediclinic adopted *IFRS 16: Leases* during the period under review and, for comparative purposes, also presented its results on a pre-*IFRS 16* basis. Remgro's portion of Mediclinic's pre-*IFRS 16* adjusted earnings amounted to R1 521 million (2019: R1 591 million), representing a decrease of 4.4%.

In British pound terms, Mediclinic reported a decrease in pre-*IFRS 16* adjusted earnings of 8.1%, reflecting the weakening of the average SA rand exchange rate against the British pound. This decrease is mainly due to the effect of the Covid-19 pandemic in March 2020 and increased depreciation charges associated with infrastructure and technology investments, partly offset by an increase of 5.2% in revenue, reflecting balanced organic growth and incremental acquisitions. Mediclinic's performance was in line with expectations despite the sudden impact of Covid-19 on March patient volumes. All three divisions (Switzerland, Southern Africa and the Middle East) were affected in March 2020, typically Mediclinic's strongest month, by the onset of the pandemic. Hirslanden continued to make excellent progress in adapting the business to the regulatory changes affecting the Swiss healthcare system and growing across the continuum of care. It has continued to implement its day case clinic strategy which focuses on a conveniently located, more efficient, lower-cost service delivery model.

All three divisions implemented Covid-19 lockdown measures during March 2020, which included the suspension of elective procedures. Since the relaxing of these measures during the quarter ended 30 June 2020, patient volumes and occupancy have gradually improved.

CONSUMER PRODUCTS

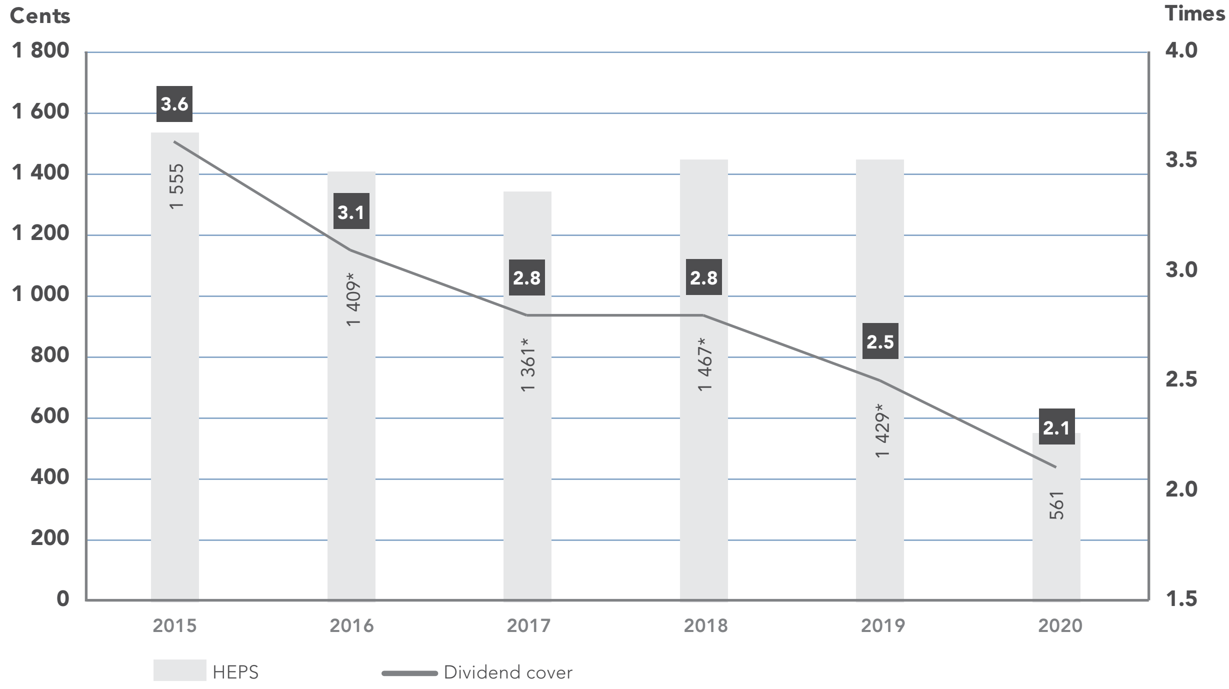
The contribution from consumer products to Remgro's headline earnings amounted to R545 million (2019: R918 million), representing a decrease of 40.6%.

RCL Foods' contribution to Remgro's headline earnings decreased by 63.8% to R92 million (2019: R254 million). RCL Foods' headline earnings was materially impacted by the Covid-19 pandemic and national lockdown in the last quarter of the year under review. RCL Foods' Chicken and Vector Logistics businesses have been impacted the most by the lockdown, largely due to the closing of Quick Service Restaurants (QSRs). This resulted in considerable revenue loss in what are largely fixed cost businesses, significantly higher stock holding of chicken and an increase in associated costs. Vector Logistics also incurred additional costs to service the take-on of Imperial Logistics' cold chain business, thereby becoming the largest frozen logistics player in South Africa. Beverages and Pies' predominantly on-the-go consumption also suffered, somewhat countered by increasing volumes across the rest of the portfolio. RCL Foods' direct cost impact of Covid-19 to date in terms of additional costs, amounted to R267 million. Sugar has delivered a significant improvement in profitability. The implementation of the Health Promotion Levy (sugar tax) has brought about substantial and permanent reduction in industrial demand. However, retail demand improved significantly during the year. Lower imports also contributed to a successful shift in sales mix, weighted towards higher priced local sales.

Distell's contribution to headline earnings amounted to R165 million (2019: R459 million), representing a decrease of 64.1%. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. These abnormal transactions included retrenchment and restructuring costs, as well as credit loss provisions relating to USD denominated savings bonds with the Reserve Bank of Zimbabwe. Distell reported a decrease in normalised earnings of 74.0%, mainly due to a decrease of 14.6% in revenue to R22.4 billion on 22.5% lower volumes, resulting from the Covid-19 restrictions. Domestic revenue decreased by 18.2% while volumes declined by 25.5% and in other African markets revenue decreased by 3.0% while volumes declined by 14.7%, mainly due to a 19.1% decline in volumes in BLNE countries. Revenue in international markets outside Africa decreased by 8.8% while volumes declined by 13.1%. The expected credit losses on trade and other receivables increased by R69 million and the provision for obsolete and slow-moving inventory increased by R124 million, due to the alcohol sales ban, as certain products have a limited shelf life. In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R47 million (2019: R47 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018.

The headline earnings contribution from Siqalo Foods Proprietary Limited (Siqalo Foods) amounted to R414 million (2019: R332 million), representing an increase of 24.7%. In terms of a transition agreement with Unilever, Siqalo Foods received an after tax finalisation amount of R31 million from Unilever. Excluding the finalisation amount, Siqalo Foods' contribution to headline earnings increased from R332 million to R383 million (or 15.4%) mainly due to higher sales price realisations and lower overheads, partly offset by a decrease in volumes. In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R79 million (2019: R80 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018.

DIVIDEND COVER (HEPS: HEADLINE EARNINGS PER SHARE)



* *HEPS, excluding once-off costs and option remeasurement*

INDUSTRIAL

Air Products South Africa Proprietary Limited's (Air Products) contribution to Remgro's headline earnings decreased by 2.9% to R333 million (2019: R343 million). This decrease is mainly due to difficult trading conditions with subdued demand in most sectors of the business and pressure on pricing.

Total's contribution to Remgro's headline earnings amounted to a loss of R20 million (2019: profit of R328 million). Included in the contribution to headline earnings for the year under review are unfavourable stock revaluations amounting to R229 million (2019: unfavourable stock revaluations amounting to R1 million). These revaluations are the result of the volatility in the Brent Crude price and the rand exchange rate. Excluding these revaluations, the contribution decreased by 36.5% from R329 million to R209 million. This decrease is mainly due to the impact of the Covid-19 lockdown, which resulted in a significant drop in volumes in the retail network, mining and commercial sectors, as well as the closure of the Natref refinery during lockdown.

KTH's contribution to headline earnings amounted to a loss of R164 million (2019: profit of R161 million). This decrease is mainly due to negative fair value adjustments on its investment in Actom Investment Holdings Proprietary Limited of R260 million (2019: positive fair value adjustments of R132 million), as well as lower equity accounted income from its investment in Momentum Metropolitan.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to headline earnings amounted to R80 million (2019: R121 million), while PGSI Limited (PGSI) contributed a loss of R126 million to Remgro's headline earnings (2019: a loss of R9 million). Both investees were materially affected by the Covid-19 pandemic and various levels of lockdown from 27 March 2020. Although operations commenced from the beginning of May 2020, demand was subdued for the rest of the financial year.

INFRASTRUCTURE

CIVH's contribution to Remgro's headline earnings amounted to a loss of R649 million (2019: loss of R204 million). This decrease is mainly due to significant transaction and funding costs incurred relating to the acquisition of a further 65.1% stake in Vumatel Proprietary Limited (Vumatel) during May 2019, as well as additional losses (ten months) accounted for Vumatel due to the interest acquired. CIVH's results were also negatively impacted by prudent credit provision due to the uncertainties created by the Covid-19 pandemic. Despite the increase in losses, Dark Fibre Africa Proprietary Limited's (DFA) revenue increased by 5.0%, as its annuity income grew to in excess of R179 million per month at 31 March 2020 (31 March 2019: R159 million). DFA's contribution was negatively impacted by higher depreciation and finance costs as a result of the expanding network. Vumatel's revenue increased by 80.0% to R1.5 billion compared to the prior year, driven by accumulated subscriber uptake growth. However, its results were also negatively impacted by higher depreciation and finance costs driven by the expanding network.

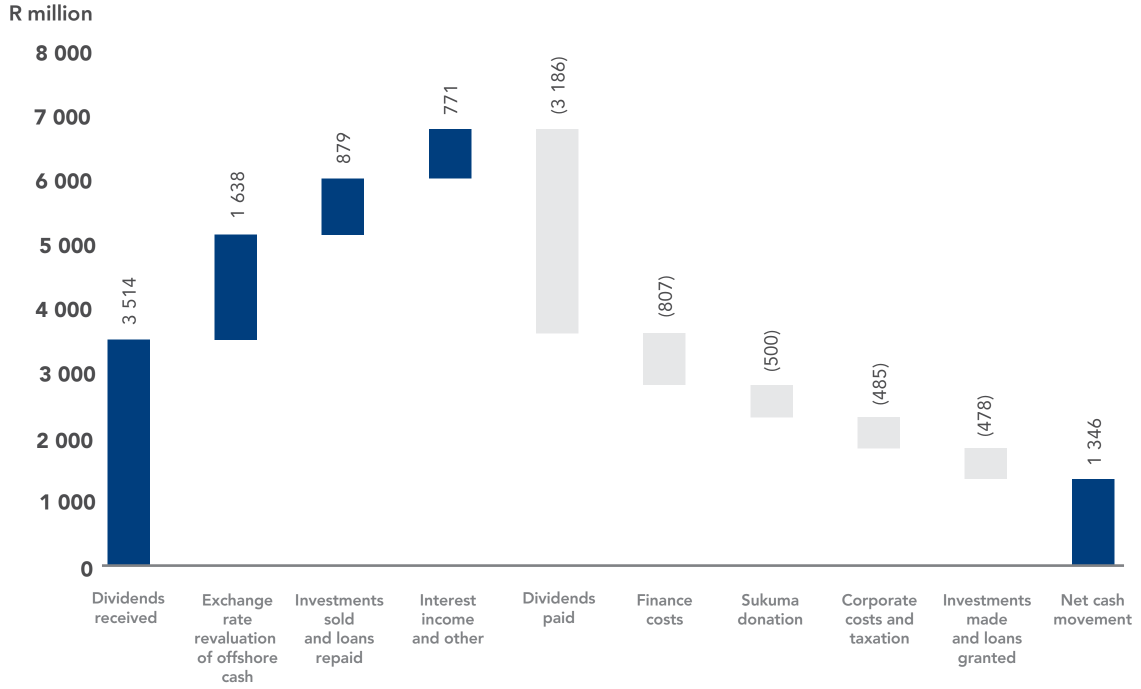
Grindrod Limited's (Grindrod) contribution to Remgro's headline earnings amounted to a loss of R12 million (2019: profit of R72 million). The decrease is mainly due to negative fair value adjustments on Grindrod's private equity portfolio (accounted for as a discontinued operation) and a mark-to-market loss on Grindrod Shipping Holdings Limited (Grindrod Shipping) shares (which are being accounted for through the consolidation of Grindrod's BBBEE structure). Grindrod's trading profit from continuing operations had a resilient performance despite the negative impact of the Covid-19 pandemic.

Grindrod Shipping's contribution to Remgro's headline earnings amounted to a loss of R46 million (2019: loss of R65 million). The improvement in Grindrod Shipping's results is mainly due to higher tanker earnings and a foreign exchange profit on an inter-company loan (compared to losses in the comparative period).

CASH AT THE CENTRE

	30 June 2020 Currency value million	30 June 2020 Exchange rate	30 June 2020 R million	30 June 2019 R million
SA rand			**6 721**	9 108
British pound	**352.9**	**21.4537**	**7 572**	2 063
USA dollar	**159.7**	**17.3475**	**2 770**	4 550
Swiss franc	**0.6**	**18.3145**	**10**	6
			17 073	15 727

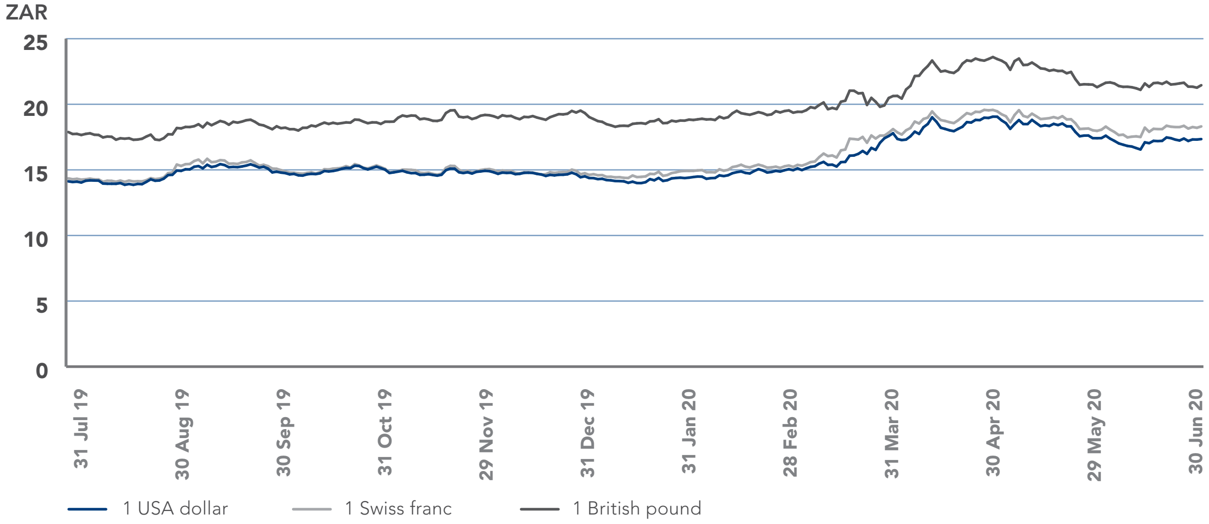
CASH MOVEMENT AT THE HOLDING COMPANY (CASH AT THE CENTRE)



Closing exchange rates	30 June 2020	30 June 2019	*Movement %*
USD/ZAR	**17.3475**	14.0682	*(23.3)*
GBP/ZAR	**21.4537**	17.8775	*(20.0)*
CHF/ZAR	**18.3145**	14.4221	*(27.0)*

Average exchange rates	Year ended 30 June 2020	Year ended 30 June 2019	*Movement %*
USD/ZAR	**15.6594**	14.1865	*(10.4)*
GBP/ZAR	**19.7171**	18.3618	*(7.4)*
CHF/ZAR	**16.0512**	14.2635	*(12.5)*

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



This was partly offset by weaker rates in the drybulk business, as well as higher net interest expenses.

SEACOM Capital Limited's (SEACOM) contribution to headline earnings amounted to a loss of R10 million (2019: a loss of R2 million).

MEDIA AND SPORT

Media and sport primarily consist of the interests in eMedia Investments Proprietary Limited (eMedia Investments) and various sport interests, including an interest in the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited.

eMedia Investments' contribution to Remgro's headline earnings increased to R78 million (2019: R39 million). This increase is mainly due to an increase in advertising revenue, assisted by an increase in market share, despite the tough economic environment and difficult trading conditions in the advertising market. eMedia Investments continues to invest into the multi-channel business (Openview and e.tv multi-channel) with Openview set-top box activations growing at an average of approximately 35 000 per month. The set-top boxes were in excess of 2.0 million at 30 June 2020 (30 June 2019: 1.7 million). The investment into the multi-channel business decreased from R330 million to R283 million mainly due to the reduction in subsidy costs, as well as increased revenue due to increased market share.

OTHER INVESTMENTS

The contribution from other investments to headline earnings amounted to a loss of R66 million (2019: profit of R39 million). This decrease is mainly due to the equity accounted losses of Bos Brands Proprietary Limited amounting to R85 million (2019: losses of R61 million), as well as a lower contribution from Business Partners Limited of R25 million (2019: R65 million), mainly due to higher credit loss provisions resulting from the negative impact of the Covid-19 pandemic on its SME client base.

CENTRAL TREASURY AND OTHER NET CORPORATE COSTS

Finance income amounted to R479 million (2019: R755 million). This decrease is mainly due to lower local interest earned, resulting from local cash being expatriated during May 2019 (£100 million) and August 2019 (£70 million), as well as the 250 basis points reduction in the South African repo rate, announced since March 2020. Finance costs amounted to R951 million (2019: R823 million). The positive fair value adjustment of R2 million (2019: R112 million) relates to the decrease in the value of the bondholders' exchange option of the exchangeable bonds.

Other net corporate costs amounted to R667 million (2019: R187 million). This increase is mainly due to the Sukuma donation amounting to R500 million.

EARNINGS

Total earnings decreased by 9.2% to R6 646 million (2019: R7 319 million). It should be noted that apart from the decrease in headline earnings discussed above (down by R5 028 million), earnings includes other once-off items, which cause comparability of earnings to be challenging. These are:

- the accounting profit realised on the RMH Unbundling and FirstRand Reclassification totaling R11 588 million (2019: profit realised on the Unilever disposal of R8 318 million);
- Remgro's portion of the impairment of Mediclinic's assets in Switzerland and the Middle East and its investment in Spire Healthcare Group plc (Spire) of R4 330 million (2019: R2 873 million);
- the impairment of goodwill of R1 809 relating to Remgro's investment in Distell (2019: R888 million relating to Remgro's investment in Siqalo Foods);
- Remgro's portion of the impairments of RCL Foods' underlying divisions of R970 million (2019: R428 million);
- the impairment of Remgro's investments in Mediclinic (R3 898 million) and PGSI (R378 million) in the 2019 financial year;

- the impairment of Remgro's investments in Grindrod of R596 million (2019: R300 million) and Grindrod Shipping of R112 million (2019: R277 million); and
- Remgro's portion of the gain on bargain purchase of R191 million arising from RCL Foods' take-on of Imperial Logistics.

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

On 30 June 2020 Remgro's cash at the centre amounted to R17 073 million (2019: R15 727 million), of which 61% was invested offshore (2019: 43%). The cash is held in different currencies of which approximately 40% was held in SA rand, 16% in USA dollar and 44% in British pound.

During the year £70 million was transferred from local cash to offshore cash at a SA rand/British pound exchange rate of R17.79 = £1.00. Foreign exchange profits amounting to R1 638 million (2019: R38 million) were accounted for during the year under review, due to the weakening of the SA rand against the USA dollar from R14.07 = $1.00 at 30 June 2019, to R17.35 = $1.00 at 30 June 2020, and the weakening of the SA rand against the British pound from R17.88 = £1.00 at 30 June 2019, to R21.45 = £1.00 at 30 June 2020. 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).

EXTERNAL FUNDING

During the 2016 financial year Remgro (through its wholly owned subsidiary Remgro Healthcare Holdings Proprietary Limited (RHH)) issued Class A preference shares of R3.5 billion (four-year tenure and a fixed dividend rate of 7.7%) and Class B preference shares of R4.4 billion (five-year tenure and a fixed dividend rate of 8.3%). During March 2019 the maturity date of the Class A preference shares was extended to 15 January 2024 (at a fixed dividend rate of 7.5% effective from 17 June 2019) and the Class B preference shares was extended to 17 March 2025 (at a fixed dividend rate of 7.8% effective from 16 March 2021).

During the 2016 financial year Remgro also issued exchangeable bonds (through its wholly owned subsidiary, Remgro Jersey GBP Limited) amounting to £350.0 million. The exchangeable bonds have 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 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. On 30 June 2020 the bonds traded at 97.43% (2019: 97.25%) of nominal value. The maturity date of the bonds is 22 March 2021, and therefore classified as short-term debt.

DIVIDENDS

The final dividend per share was determined at 50 cents (2019: 349 cents). The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic (actual and estimated) on cash earnings at the centre. Total ordinary dividends per share in respect of the year to 30 June 2020 therefore amounted to 265 cents (2019: 564 cents), representing a decrease of 53.0%.

The dividend is covered 2.1 times by headline earnings against 2.5 times the previous year.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share at 30 June 2020 was R154.47 compared to R233.03 on 30 June 2019. The decrease reflects the impact of the RMH Unbundling and the negative impact of the Covid-19 pandemic on market values (listeds) and fair values (unlisteds) of underlying investee companies. Refer to the Chief Executive Officer's Report on page 25 for a detailed discussion regarding Remgro's intrinsic net asset value and its relative performance with certain selected JSE indices.

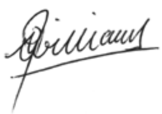
ACCOUNTING POLICIES

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 implementation of *IFRS 16: Leases*. Refer to "Change in accounting policies" for further detail on the implementation of this standard as more fully set out in note 2 to the summary Annual Financial Statements on page 130.

RISK AND OPPORTUNITIES MANAGEMENT

The Company has implemented a comprehensive Risk and Opportunities 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 the King IV Report on Corporate Governance for South Africa (2016). An extensive risk and opportunities management structure furthermore ensures the effective and efficient management of risk and opportunities within the Group.

Remgro's risk and opportunities management process is summarised in the Risk and Opportunities Management Report on page 77, as well as in note 13 to the comprehensive Annual Financial Statements that is published on the Company's website at www.remgro.com.



Neville Williams
Chief Financial Officer

Stellenbosch
28 September 2020

COMPOSITION OF TOTAL HEADLINE EARNINGS

R million	Year ended 30 June 2020	% change	Year ended 30 June 2019
Financial services[1]			
RMI	**599**	*(48.4)*	1 161
FirstRand	**657**	*(39.9)*	1 093
RMH	**1 430**	*(45.9)*	2 644
Healthcare			
Mediclinic	**1 655**	*(2.2)*	1 693
Consumer products			
RCL Foods	**92**	*(63.8)*	254
Distell – entity contribution	**165**	*(64.1)*	459
– *IFRS 3* charge[2]	**(47)**	–	(47)
Siqalo Foods – entity contribution	**414**	*24.7*	332
– *IFRS 3* charge[2]	**(79)**	*1.3*	(80)
Industrial			
Air Products	**333**	*(2.9)*	343
Total	**(20)**	*(106.1)*	328
KTH	**(164)**	*(201.9)*	161
Wispeco	**80**	*(33.9)*	121
PGSI	**(126)**	*(1 300.0)*	(9)
Infrastructure			
CIVH	**(649)**	*(218.1)*	(204)
Grindrod	**(12)**	*(116.7)*	72
Grindrod Shipping	**(46)**	*29.2*	(65)
SEACOM	**(10)**	*(400.0)*	(2)
Other infrastructure interests	**1**	*(96.0)*	25
Media and sport			
eMedia Investments	**78**	*100.0*	39
Other media and sport interests	**19**	*200.0*	(19)
Other investments	**(66)**	*(269.2)*	39
Central treasury			
Finance income	**479**	*(36.6)*	755
Finance costs	**(951)**	*(15.6)*	(823)
Option remeasurement	**2**	*(98.2)*	112
Other net corporate costs	**(667)**	*(256.7)*	(187)
Total headline earnings	**3 167**	*(61.4)*	8 195
Weighted number of shares (million)	**565.0**	*(0.1)*	565.6
Total headline earnings per share (cents)	**560.6**	*(61.3)*	1 448.9

(1) *Refer to the change in reporting platforms on page 30.*
(2) *IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro obtained control over these entities.*

INVESTMENT REVIEWS

THE PURPOSE BEHIND **REMGRO'S INVESTMENTS** IS TO ENSURE SUPERIOR RETURNS TO SHAREHOLDERS BY WAY OF **SUSTAINABLE DIVIDEND** AND **CAPITAL GROWTH.**

INVESTING IN SECTORS

THAT HAVE A SOLID TRACK RECORD

FINANCIAL SERVICES
- RMI
- FIRSTRAND

HEALTHCARE
- MEDICLINIC

CONSUMER PRODUCTS
- RCL FOODS
- DISTELL
- SIQALO FOODS

INDUSTRIAL
- AIR PRODUCTS
- TOTAL
- kth
- WISPECO Aluminium
- PGSI

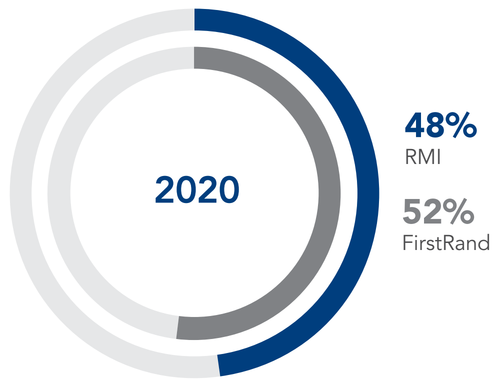
INFRASTRUCTURE
- GRINDROD
- GRINDROD SHIPPING
- SEACOM

MEDIA AND SPORT

OTHER INVESTMENTS

FINANCIAL SERVICES

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
RMI	599	1 161
FirstRand	657	1 093
	1 256	2 254



RMI OPTIMISE DIVERSIFY MODERNISE

PROFILE: RMI is an investment holding company with an investment team of experienced, alternative-thinking financial services specialists. RMI actively partners smart and industry-changing management teams by being a shareholder of influence.

Effective interest **30.6%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R44 729 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 2020 R million	%
Income	16 486	3.8
Headline earnings	1 956	(48.5)
Normalised headline earnings	3 086	(24.4)

SUSTAINABILITY MEASURES

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

www.discovery.co.za
www.momentummetropolitan.com
www.outsurance.co.za

RAND MERCHANT INVESTMENT HOLDINGS LIMITED (RMI)

RMI's contribution to Remgro's headline earnings decreased by 48.4% to R599 million (2019: R1 161 million).

The underlying investments of RMI (with percentage interest in brackets) include Discovery (25.0%), Momentum Metropolitan (27.3%), OUTsurance (89.1%), Hastings (29.7%), RMI Investment Managers (100%) and AlphaCode (100%).

Discovery is a pioneering market leader with uniquely positioned businesses in the healthcare, long- and short-term insurance, wellness and banking industries in South Africa, the United Kingdom (UK) and China, amongst others. Hastings is a UK-listed, fast-growing, agile, digitally-focused general short-term insurance provider to the UK car, van, bike and home insurance market. Momentum Metropolitan is an insurance-based financial services group whose core businesses offer long- and short-term insurance, asset management, savings, investment, healthcare administration and employee benefits. OUTsurance provides short- and long-term insurance products in South Africa and short-term insurance products in Australia and Namibia. RMI Investment Managers' affiliate model enables the company to access a differentiated part of the investment management industry by investing in and partnering with independent investment managers, as well as specialist investment teams.

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 decreased by 24.4% to R3 086 million (2019: R4 081 million) mainly due to lower earnings by Discovery (down by 25.6%) and Momentum Metropolitan (down by 50.5%).

Discovery's normalised earnings decreased by 26% for the year ended 30 June 2020. A provision of R3.4 billion (R2.3 billion net of discretionary margin offset) was made for future claims and lapses as a result of the Covid-19 pandemic.

RMI included normalised earnings of R486 million from Hastings for the year ended 30 June 2020, representing a decrease of 12%. Hastings' gross written premiums for its six months ended 30 June 2020 increased by 3% to £514.9 million (2019: £499.2 million), while adjusted operating profit after tax increased by 31% to £78.3 million (2019: £59.7 million). This was predominantly driven by policy growth and the improvement in the loss ratio, offset to an extent by customer actions in light of Covid-19, including the waiving of fees, reduced policy adjustments and increased operating expenditure for IT enhancements to support employees working from home.

Momentum Metropolitan recorded a 51% decrease in diluted normalised earnings to R1.5 billion for the year under review. This was largely attributable to additional provisions raised, with a net negative impact of R983 million for potential adverse Covid-19 related claims experience and policyholder lapses and withdrawals. Furthermore, the partial recovery of investment markets during the last quarter of the financial year did not fully offset the impact of severe market-related losses reported in the third quarter of the financial year.

OUTsurance's normalised earnings, including its stake in Hastings, decreased by 8% to R2.4 billion. Excluding its share in Hastings, OUTsurance's normalised earnings decreased by 7% to R2.2 billion, mainly attributable to the unrealised investment losses on the group's equity portfolio, the impact of the bushfires and natural catastrophes in Australia and business interruption claims of R198 million paid and provided for in OUTsurance Business. OUTsurance's operating profit increased by 2% for the year under review, driven by improved operational profitability in the South African short-term insurance operation on account of premium growth over the last year.

FIRSTRAND

PROFILE: FirstRand's portfolio of integrated financial services businesses comprises FNB, RMB, WesBank, Aldermore and Ashburton Investments. The group operates in South Africa, certain markets in sub-Saharan Africa and the United Kingdom, and offers a universal set of transactional, lending, investment and insurance products and services. FirstRand can provide its customers with differentiated and competitive value propositions due to its unique and highly flexible model of leveraging the most appropriate brand, distribution channel, licence and operating platform available within the portfolio. This approach, which is underpinned by the disciplined allocation of financial resources and enabled by disruptive digital and data platforms, allows the group to fully optimise the franchise value of its portfolio.

Effective interest **4.0%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R213 497 million

Listed on the JSE Limited

Chief Executive Officer
A P Pullinger

Remgro nominated directors
F Knoetze, J P Burger

Website
www.firstrand.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2020 R million	%
Operating income	105 305	0.9
Operating profit	25 266	(36.8)
Headline earnings	17 326	(37.9)
Normalised earnings	17 265	(38.1)

SUSTAINABILITY MEASURES

Refer to www.firstrand.co.za for details.

FIRSTRAND LIMITED (FIRSTRAND)

FirstRand's contribution to Remgro's headline earnings represents Remgro's 3.9% direct interest (as at the beginning of the financial year) in FirstRand and excludes the indirect contribution from FirstRand through the investment Remgro previously held in RMH. The contribution of FirstRand to Remgro's headline earnings for the year under review decreased to R657 million (2019: R1 093 million).

FirstRand's headline earnings for its year ended 30 June 2020 decreased by 37.9% to R17 326 million (2019: R27 887 million).

FirstRand 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 results for the year to 30 June 2020 reflect the extremely difficult operating environment, with normalised earnings decreasing 38% to R17.3 billion compared to 30 June 2019. Return on equity (ROE) declined to 12.9%. (June 2019: 22.8%). Most of these declines were due to the much higher than expected credit impairment charge, driven by forward-looking economic assumptions required under *IFRS 9*. FirstRand reported a significant increase in credit provisioning levels of R15 billion for the year ended 30 June 2020 (2019: R5 billion increase). Whilst the credit impairment charge of R24 billion (2019: R11 billion) represents the most significant driver of the decline in earnings, further pressures include the negative endowment impact as a result of interest rate cuts and margin pressure, subdued non-interest revenue growth due to lower absolute volumes during the lockdown period and depressed new business origination.

In addition, FirstRand has conservatively provided for a sharp increase in retrenchment claims, as well as elevated death claims in its insurance business, taking account of the latest epidemiological and economic outlooks.

HEALTHCARE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
Mediclinic	1 655	1 693

MEDICLINIC INTERNATIONAL

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.

Effective interest **44.6%**

CORPORATE INFORMATION

Market cap at 30 June 2020
£1 951 million

Primary listing:
London Stock Exchange

Secondary listing:
JSE Limited

Chief Executive Officer
R van der Merwe

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

Website
www.mediclinic.com

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2020 £ million	%
Revenue	3 083	5.2
Operating loss	(184)	(327.2)
Adjusted earnings	177	(10.6)

SUSTAINABILITY MEASURES

CSI/Training spend
R115 million

Number of employees
33 140

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 240 405 tonnes CO_2e

MEDICLINIC INTERNATIONAL PLC (MEDICLINIC)

Mediclinic has a March year-end and the results for the 12 months to 31 March 2020 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 655 million (2019: R1 693 million).

The following commentary is based on pre-*IFRS 16* numbers in order to enable comparability between financial years.

Mediclinic's turnover for the financial year ended 31 March 2020 increased by 5% to £3 083 million (2019: £2 932 million). Pre-*IFRS 16* adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 3% from £493 million to £480 million, while adjusted EBITDA margin declined from 16.8% to 15.6%. The Covid-19 pandemic had an impact on the Mediclinic results for March 2020, following restrictions on elective surgeries.

Mediclinic has a 100% shareholding in Hirslanden, the holding company of the largest private acute care hospital group in Switzerland. Hirslanden's revenue for the year under review increased by 1% to CHF1 804 million (2019: CHF1 778 million) and adjusted EBITDA was 7% lower at CHF266 million (2019: CHF285 million). The adjusted EBITDA margin decreased from 16.0% to 14.8%. The business is making progress in adapting to the regulatory changes affecting the Swiss healthcare system and continues to grow its day case clinic strategy.

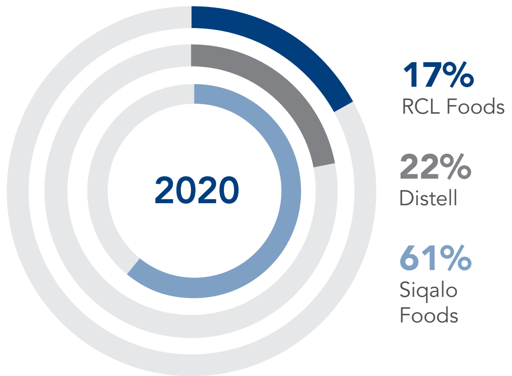
Mediclinic Southern Africa's revenue increased by 7% to R17 031 million (2019: R15 960 million) for the year under review. Adjusted EBITDA increased to R3 388 million (2019: R3 385 million), while the adjusted EBITDA margin decreased from 21.2% to 19.9%, which reflects the cost of initiatives to enhance clinical standards and to expand across the continuum of care.

At 31 March 2020, Mediclinic Middle East owned and operated seven hospitals and 20 clinics with a total of 926 beds in Dubai and Abu Dhabi. Revenue increased by 6% to AED3 445 million (2019: AED3 262 million) for the year under review. Adjusted EBITDA decreased by 1% to AED422 million (2019: AED425 million), while the adjusted EBITDA margin decreased from 13.0% to 12.3%. Revenue growth was under pressure as a result of the difficult macroeconomic conditions and a very competitive environment, as well as Covid-19 lockdowns.

All three divisions implemented Covid-19 lockdown measures during March 2020, which included the suspension of elective procedures. Since the relaxing of these measures during April and May 2020, patient volumes and occupancy have gradually improved.

CONSUMER PRODUCTS

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
RCL Foods	**92**	254
Distell – entity contribution	**165**	459
– *IFRS 3* charge	**(47)**	(47)
Siqalo Foods – entity contribution	**414**	332
– *IFRS 3* charge	**(79)**	(80)
	545	918



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.

Effective interest **77.1%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R7 817 million

Listed on the JSE Limited

Chief Executive Officer
M Dally

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

Website
www.rclfoods.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2020 R million	%
Revenue	**27 804**	**7.4**
Operating loss	**(806)**	**n/m**
Headline earnings	**114**	**(65.3)**

* *n/m – not meaningful.*

SUSTAINABILITY MEASURES

CSI/Training spend
R29 million

Number of employees
20 823

BBBEE status
Level 3

Environmental aspect
Scope 1 and 2 emissions of 1 039 798 tonnes CO_2e

RCL FOODS LIMITED (RCL FOODS)

For the year ended 30 June 2020, RCL Foods' headline earnings decreased by 65.3% to R114 million (2019: R329 million). Remgro's share of the headline earnings of RCL Foods amounted to R92 million (2019: R254 million) for the year under review.

The company's headline earnings result was materially impacted by the Covid-19 pandemic and national lockdown in the last quarter of the current financial year, with the most significant impact of the pandemic on Chicken and Vector Logistics, largely due to the closing of quick service restaurants (QSR).

RCL Foods' revenue for the year ended June 2020 increased 7.4% to R27.8 billion (2019: R25.9 billion). The increase was largely due to higher prices in Sugar and higher Vector revenue resulting from the take-on of Siqalo Foods in March 2019.

The restructuring into one Food Division, comprising the four logically grouped business units of Groceries, Baking, Chicken and Sugar, was implemented earlier this financial year, with a shift towards a value focus. Groceries delivered a strong performance, driven by volume growth, especially in Pet Food, Peanut Butter and Rusks. Revenue from Baking increased by 2.7% on the prior year, largely driven by higher volumes in bread, buns and rolls. Chicken revenue increased by 2.1% on the prior year driven by higher volumes. The volume growth was partially offset by lower pricing as a result of the national lockdown with QSR volumes being redirected to the Retail Wholesale channel at lower prices or being held in stock. Sugar has delivered a significant improvement in profitability, albeit off a low base, while its revenue increased by 15.3%, driven by higher sugar sales volumes, increased prices and improved mix.

The current financial period has been a watershed year for Vector Logistics. The successful take-on of Siqalo Foods in the first half of the year and the acquisition of Imperial Logistics' cold chain business in the second half, were the main drivers of top line growth.

DISTELL

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

Effective interest **31.8%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R16 761 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 2020 R million	%
Revenue	22 370	(14.6)
Operating profit	981	(44.2)
Headline earnings	517	(63.9)

SUSTAINABILITY MEASURES

CSI/Training spend
R25 million

Number of employees
4 845

BBBEE status
Level 4

Environmental aspect
Scope 1 and 2 emissions of 130 299 tonnes CO_2e

DISTELL GROUP HOLDINGS LIMITED (DISTELL)

Distell's contribution to Remgro's headline earnings for the year under review amounted to R165 million (2019: R459 million). Including an additional *IFRS 3* charge accounted for at Remgro level, Distell contributed R117 million (2019: R412 million).

Distell's reported headline earnings for its year ended 30 June 2020 decreased by 64.1% to R517 million (2019: R1 441 million).

The restrictions imposed on the sale of alcohol as a part of government's strategy to curb the spread of the Covid-19 virus reduced the trading year by nearly 20%. As a result, the group lost approximately 100 million litres in sales volumes and R4.3 billion in revenue due to the lockdown restrictions that were imposed in various countries and, in particular, its largest market, South Africa. Revenue declined by 14.6% to R22.4 billion on 22.5% lower volumes. Revenue excluding excise duty decreased by 15.8%.

Key gin and vodka brands performed well in a competitive environment with spirits enjoying some growth after the first South African ban on liquor sales was lifted. The broader wine category was also impacted by restrictions although the category saw a resurgence in consumer purchases following the lifting of restrictions. Increased competition and discounting in a growing ready-to-drink (RTD) category continued. However, Savanna continued its strong momentum against competitors, validating Distell's focus on building brand equity over aggressive price discounting. New innovations in Esprit and Savanna Non-Alcoholic recorded strong performances during the year. The group also generated a total of R25 million in revenue from the sales of ethanol and sanitiser in the reported period.

In African markets, outside South Africa, revenue declined by 3.0% on lower sales volumes, which were down by 14.7%, mainly as a result of a 19.1% decline in volumes in Botswana, Lesotho, Namibia and Eswatini. Volumes in international markets outside Africa declined by 13.1% and revenue by 8.8%, respectively.

PROFILE: Siqalo Foods manufactures spreads which it sells under market-leading trade marks.

Effective interest **100%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R6 145 million

Unlisted

Managing Director
A Mahoney

Remgro nominated directors
J J du Toit, M Rabie

Website
www.siqalofoods.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2020 R million	%
Revenue	2 712	3.3
Operating profit	515	15.2
Headline earnings	414	24.7

SUSTAINABILITY MEASURES

CSI/Training spend
R4 million

Number of employees
300

Environmental aspect
Scope 1 and 2 emissions of 247 652 tonnes CO_2e

SIQALO FOODS PROPRIETARY LIMITED (SIQALO FOODS)

Siqalo Foods manufactures spreads, which are sold under market-leading trade marks such as *Rama*, *Flora*, *Stork* and *Rondo* within the Southern African customs union territories.

Siqalo Foods' contribution to Remgro's headline earnings for the year under review amounted to R414 million (30 June 2019: R332 million), excluding additional *IFRS 3* amortisation of R79 million (30 June 2019: R80 million). Siqalo Foods received an after tax finalisation amount of R31 million from Unilever. Excluding the finalisation amount Siqalo Foods' contribution to headline earnings increased from R332 million to R383 million (or 15.4%). During a challenging, turbulent year impacted by the Covid-19 pandemic as well as the weak South African rand impacting on imported raw materials (resulting in a price increase taken in September 2019), Siqalo Foods experienced a 3.3% decline in volumes compared to the prior year. Good cost management enabled the business to increase its operational EBITDA by 13.7%. The business continues to deliver good results in line with prior years driven by its market leading brands. On 30 June 2020, Siqalo Foods had a combined 12-month moving average value market share of 70.2%. Siqalo Foods remains committed to grow its brands and volumes in 2021 while maintaining its profit margins during the subdued economic conditions.

Two contracts are in place with RCL Foods. Vector Logistics provides the distribution, sales and merchandising, while a management services contract governs certain services that RCL Foods Shared Services platform provide to Siqalo Foods on an arm's length basis. The result is an innovative, alternative business model, leveraging the capabilities within the wider Remgro Group of companies.

INDUSTRIAL

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
Air Products	**333**	343
Total	**(20)**	328
KTH	**(164)**	161
Wispeco	**80**	121
PGSI	**(126)**	(9)
	103	944

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, together with ancillary equipment, to the merchant market. The other 50% of the ordinary shares are held by Air Products and Chemicals Incorporated, a USA company.

Effective interest **50.0%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R7 958 million

Unlisted

Chief Executive Officer
R Richardson

Remgro nominated directors
H J Carse, N J Williams

Website
www.airproductsafrica.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 September 2019 R million	%
Revenue	**3 217**	**6.6**
Operating profit	**946**	**4.5**
Headline earnings	**677**	**5.8**

SUSTAINABILITY MEASURES

CSI/Training spend
R16 million

Number of employees
670

BBBEE status
Level 4

AIR PRODUCTS SOUTH AFRICA PROPRIETARY LIMITED (AIR PRODUCTS)

Air Products has a September year-end, but its results for the twelve months ended 31 March 2020 have been included in Remgro's results for the year under review. Air Products' contribution to Remgro's headline earnings for the period under review decreased by 2.9% to R333 million (2019: R343 million).

Turnover for Air Products' twelve months ended 31 March 2020 increased by 2.7% to R3 232 million (2019: R3 148 million), while the company's operating profit for the same period decreased by 3.6% to R930 million (2019: R964 million).

Air Products is the largest manufacturer of industrial gases in Southern Africa and also imports and distributes a variety of specialty gases 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 for the period under review were difficult. Continued weakness in manufacturing and most other sectors of the economy saw subdued demand for the company's products, and pressure on pricing.

Since 31 March 2020 to 30 June 2020, the business operations, as well as most of Air Products' major customers were disrupted by the Covid-19 pandemic and resultant lockdown regulations. This resulted into a significant reduction in volumes sold, leading to a commensurate decrease in operating profits.

Since 30 June 2020, Air Products experienced a recovery to slightly below pre-Covid-19 levels by major customers, as well as package gas and liquid customers.

TOTAL

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).

Effective interest **24.9%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R10 100 million

Unlisted

Chief Executive Officer
M Kane-Garcia

Remgro nominated directors
M Morobe, N J Williams

Website
www.total.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2019 R million	%
Revenue	73 944	6.0
Operating profit	2 147	18.0
Headline earnings	1 582	14.8

SUSTAINABILITY MEASURES

CSI/Training spend
R52 million

Number of employees
719

BBBEE status
Level 1

Environmental aspect
Scope 1 and 2 emissions of 13 254 tonnes CO_2e

TOTAL SOUTH AFRICA PROPRIETARY LIMITED (TOTAL)

Total has a December year-end, but its results for the 12 months to 30 June 2020 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 a loss of R20 million (2019: R328 million profit).

The results were impacted by unfavourable stock revaluations of R1 277 million (2019: R2 million, unfavourable), as the international oil price decreased from $64.1 per barrel, at 30 June 2019, to $40.1 per barrel at 30 June 2020.

Total's turnover for the 12 months ended 30 June 2020 decreased by 14.4% to R64 605 million (2019: R75 432 million). The decrease in turnover is mainly due to Covid-19 government lockdown impact on sales volumes sold in the mining and commercial sectors at a lower average basic fuel price compared to prior period.

The company has continued with its investments regarding health, safety and environment (HSE) to comply with increased stringent legislation and developing group requirements. The key focus areas are environmental compliance as well as health and safety compliance by staff, transporters and construction contractors.

Natref's results deteriorated for the period under review, as the fourth quarter of the current period was severely impacted by the refinery shutdown from mid-April to mid-June due to absence of demand resulting from Covid-19.

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, Momentum Metropolitan Holdings Limited and Servest Group Proprietary Limited.

Effective interest **36.3%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R5 401 million

Unlisted

Chief Executive Officer
P J Makosholo

Remgro nominated directors
S Crouse, P J Uys

Website
www.kagiso.com

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2020 R million	%
Revenue	1 456	(9.0)
Operating loss	(488)	(382.1)
Headline loss	(452)	(207.4)

SUSTAINABILITY MEASURES

CSI/Training spend
R0.3 million

Number of employees
16

KAGISO TISO HOLDINGS PROPRIETARY LIMITED (KTH)

KTH is a leading black-owned investment holding company with a strong and diversified asset portfolio comprising a mix of listed and private investments in the media, financial services, industrial, services and healthcare sectors.

KTH's contribution to Remgro's headline earnings for the year amounted to a loss of R164 million (2019: profit of R161 million). The decrease in KTH's headline earnings was mainly as a result of negative fair value adjustments on its shareholder loans to Actom Investment Holdings Proprietary Limited (Actom) (R260 million), shareholder loan in MeCure Healthcare Limited (R60 million) and Momentum Metropolitan Holdings Limited (MMH) (R69 million).

Net finance costs for the period amounted to R105 million (2019: R105 million).

KTH's earnings for the year amounted to a loss of R610 million (2019: loss of R90 million) due to the following:

- Income from equity accounted investments decreased to a loss of R55 million (2019: profit R244 million), mainly due to a loss accounted from Servest Group Proprietary Limited (Servest) (R109 million) due to stock impairments and the recognition of a guarantee obligation. In addition, equity accounted results from MMH decreased significantly from R129 million to R10 million.
- The investment in Fidelity Bank (Ghana) Limited (Fidelity) was reclassified in terms of *IFRS 5* and recognised a profit from discontinued operations (R84 million). KTH will dispose its entire investment structure in Fidelity as part of an agreed shareholder transaction. In the previous period Fidelity contributed equity accounted earnings of R96 million.
- Significant impairments were recognised on Servest, Kaya FM Proprietary Limited, as well as goodwill relating to Urban Brew Studios Proprietary Limited and MediaMark Proprietary Limited during the period totalling R215 million.

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

Effective interest **100%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R810 million

Unlisted

Chief Executive Officer
H Rolfes

Remgro nominated directors
N R Boonzaier, S J de Villiers

Website
www.wispeco.co.za

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2020 R million	%
Revenue	1 991	(16.2)
Operating profit	106	(26.9)
Headline earnings	80	(33.9)

SUSTAINABILITY MEASURES

CSI/Training spend
R4 million

Number of employees
1 330

BBBEE status
Level 5

Environmental aspect
Scope 1 and 2 emissions of 39 330 tonnes CO_2e

WISPECO HOLDINGS PROPRIETARY LIMITED (WISPECO)

Wispeco's turnover for the year ended 30 June 2020 decreased by 16.2 % to R1 991 million (2019: R2 376 million). The decrease can mainly be attributed to the Covid-19 pandemic that disrupted business operations during the extended national lockdown in South Africa. Operations were shut down for the month of April, resumed at 50% in May and returned to full manning during June under the national risk adjusted strategy framework. The reduction in turnover also negatively impacted on headline earnings, being the main contributor for the decrease of 33.9% to R80 million (2019: R121 million). In general, the Southern African demand for aluminium extrusions remained stagnant in the past year while price competition prevails.

Wispeco continues along its journey to be world class in the manufacturing of aluminium extrusions as is evidenced by the installation and commissioning a new state-of-the-art billet casting plant and two modern extrusion lines in Alrode. The focus for the year ahead will be on maximising the benefits from these investments. Wispeco remains committed to maintain the shortest possible make-to-order lead times thereby maximising the customer service experience.

The company's Crealco range of architectural products remains firmly established as the benchmark for aluminium windows and doors in South Africa. The brand carries the reputation of being the preferred choice for specification by architects and signifies novelty and quality. The range is widely supplied and supported by a network of owned and independent distributors across Southern Africa. Wispeco's class-leading design software (offered to its customers) continuously evolves to support modern customisation and cost-effective design whilst ensuring compliance to building regulations.

PROFILE: PGSI holds an interest of 80% in PG Group Holdings (2019: 90%). The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products.

Effective interest **37.7%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R819 million

Unlisted

Chief Executive Officer (PG Group)
C Bromley

Remgro nominated directors (PG Group)
S J de Villiers, J J du Toit

Website
www.pggroup.co.za

FINANCIAL HIGHLIGHTS

	Year ended 25 December 2019 R million	%
Revenue	4 093	(4.9)
Operating profit	32	(64.7)
Headline loss	(99)	(194.1)

SUSTAINABILITY MEASURES

CSI spend
R1.5 million

Training spend
R18.6 million

Number of employees
3 620

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 155 351 tonnes CO_2e

PGSI LIMITED (PGSI)

PGSI has a December year-end, but its results for the 12 months ended 30 June 2020 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 a loss of R126 million (2019: loss of R9 million).

PGSI's turnover for the period under review decreased by 22% to R3 388 million (2019: R4 331 million). The group's operating profit decreased from R265 million to R103 million. The results were significantly negatively impacted by the Covid-19 State of Disaster and lockdown in the last quarter of the period.

The group's main operating subsidiary in South Africa, PG Group, manufactures and supplies glass for the building and automotive industries. Both sectors had reported significantly weak demand with the domestic economy in recession even prior to the Covid-19 outbreak.

The results reflect the impact of the weak domestic market, and the overcapacity in global glass markets which has resulted in significant competition from low-priced imported product. Economic pressures on consumers also negatively affected the automotive sector where new vehicle sales are slow, and there have been significantly lower claims from the Insurance sector.

The group is embarking on a number of initiatives to improve efficiencies and reduce the costs to market, which are critical to compete in the current difficult economic climate.

INFRASTRUCTURE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
CIVH	**(649)**	(204)
Grindrod	**(12)**	72
Grindrod Shipping	**(46)**	(65)
SEACOM	**(10)**	(2)
Other	**1**	25
	(716)	(174)

PROFILE: CIVH is active in the telecommunications and information technology sectors. The key operating companies of the group are Dark Fibre Africa Proprietary Limited (DFA) and Vumatel Proprietary Limited (Vumatel), which constructs and owns fibre-optic networks.

Effective interest **54.7%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R19 353 million

Chief Executive Officer of DFA
M W Mulder

Chief Executive Officer of Vumatel
D Mare

Remgro nominated directors
C W Ceasar, P J Uys

Website
www.dfafrica.co.za
www.vumatel.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2020 R million	%
Revenue	**3 704**	**57.7**
Operating profit	**608**	**150.2**
Headline loss	**(1 269)**	**(173.5)**

SUSTAINABILITY MEASURES

CSI/Training spend
R22 million

Number of employees
1 084

BBBEE status
DFA: Level 2

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIVH)

CIVH is active in the telecommunications and information technology sectors and is the holding company of a group of companies of which DFA and Vumatel are its largest operating subsidiaries.

DFA is the premier open-access fibre infrastructure and connectivity provider in South Africa. It builds, installs, manages and maintains a fibre network to transmit metro and long haul telecommunications traffic, which is leased to its customers (Telecommunication Companies and Internet Service Providers (ISPs)) using an open access wholesale commercial model. DFA has in excess of 12 000 km of fibre assets in the ground and owns fibre networks in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria, as well as in 25 smaller metros, such as East London, Polokwane, Tlokwe, Emalahleni and George, to name a few.

Vumatel is an open-access fibre provider at the last mile level and provides Fibre-to-the-Home (FTTH) products and services to ISPs. Vumatel installs FTTH in residential suburbs and has in excess of 18 000 km of fibre assets. After the fibre has been installed, Vumatel leases its infrastructure to Internet Service Providers (ISPs), who then provide broadband retail internet services to the end customers.

CIVH has a March year-end and therefore its results for the 12 months ended 31 March 2020 have been included in Remgro's results for the year under review. CIVH's contribution to Remgro's headline earnings for the year under review amounted to a loss of R649 million compared to a headline loss incurred of R204 million in the prior year. The reason for the significant increase in the loss was due to significant transaction and funding costs incurred related to the Vumatel acquisition during the current financial year, as well as consolidating ten months of Vumatel's accounting losses. The group results were also negatively impacted by prudent credit provisioning due to the uncertainties created by Covid-19.

The group is however highly cash generative and reinvested in excess of R2 billion of operating cash flow during the year into expanding its operations and network footprint.

CIVH has undertaken significant corporate actions during the year under review, which includes amongst others increasing its investment in Vumatel from 34.9% to 100% during May 2019 and restructuring the separate debt packages of DFA and Vumatel during December 2019 into an optimal group-wide debt facility with capacity for further growth capital expenditure.

Vumatel became the FTTH South African market leader in homes passed and active subscribers achieving approximately 40% in both verticals respectively. Infrastructure initiatives allowed the business to successfully commercialise fibre into the Lower LSM areas under the Reach product offering and it successfully launched its Reach pre-paid platform. In addition to driving uptake on the current deployed infrastructure, key focus areas in the year included the extension of its Active Ethernet and Gigabit Passive Optic Network (GPON) in Ekurhuleni and Cape Town while creating expansion capability into new Reach areas such as Mitchells Plain, Vosloorus and Soweto.

Vumatel group revenue for the period increased by 80% to R1.5 billion compared to the prior year, driven by accumulated subscriber uptake growth for the year.

DFA's current book value of the fibre optic network is in excess of R9.7 billion. The network uptime for the year under review was 99.985%, and mean time to repair was less than 2.5 hours, well above industry standards. 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 (excluding orders) is in excess of R11.6 billion.

DFA group revenue for the financial year ended 31 March 2020 increased by 5% year on year to R2 465 million (2019: R2 349 million), as its annuity income grew to in excess of R179 million per month at 31 March 2020 (31 March 2019: R159 million), with the majority thereof from long-term contracts with customers.

Vumatel initiated the registration of an independent CSI Foundation with the objective of creating sustainable eco-systems in the communities in which the business operates in. The goal is to contribute meaningfully and sustainably to these communities leading to strong ties with communities that talk to the essence of the Vuma brand, a distinction that will set Vuma apart from the competition in a manner not easily replicated. Focus areas include education, safety, environment and healthcare. The business will also continue with the Vuma schools project, where 372 schools have been connected to date in areas where fibre has been deployed – providing every school that Vumatel passes with a free 1Gbps service offering.

DFA achieved a level 2 BBBEE rating for the year. Critical gaps in infrastructure development e.g. rural school connectivity remain DFA's ongoing key focus of CSI, so that it is able to bridge the digital divide in high poverty areas. The positive impact is on providing student access to e-learning and ultimately, new job creation and access to the economy.

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

Effective interest **23.3%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R2 286 million

Listed on the JSE Limited

Chief Executive Officer
A G Waller

Remgro nominated directors
P J Uys, W O van Wyk (alternate)

Website
www.grindrod.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2019 R million	%
Revenue	3 873	11.7
Operating profit	527	28.9
Headline earnings	55	(93.0)

SUSTAINABILITY MEASURES

CSI/Training spend
R15 million

Number of employees
4 746

BBBEE status
Level 2

Environmental aspect
Scope 1, 2 and 3 emissions of 15 000 tonnes CO_2e

GRINDROD LIMITED (GRINDROD)

Grindrod has a December year-end, however its results for the 12 months to 30 June 2020 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 R12 million (2019: a loss of R72 million).

Continuing operations generated headline earnings amounting to R23 million for the first half of 2020, compared to R165 million in 2019.

The Maputo Port maintained its earnings level as it benefited from a weaker US dollar against the rand offsetting the impact of a 5% drop in its volume from 9.3 million tonnes in 2019 to 8.8 million tonnes. The Matola Terminal benefited from a resilient iron ore price, assisted by demand from China, resulting in volumes up 13% compared to June 2019. The Seafreight business and its landside container operation achieved earnings growth of 30% on 2019. Clearing and Forwarding showed good earnings growth and Rail Logistics improved after restructuring initiatives. The Road transportation businesses continued to be impacted by a highly competitive and declining volume market, and exposure to reduced economic growth in South Africa.

Grindrod Bank continues to operate cautiously during this time, ensuring it remains compliant on its liquidity cover and capital adequacy ratios. The advances book has been carefully assessed to ensure that adequate provisions are in place to cover loans where security values may have been compromised due to Covid-19.

PROFILE: Grindrod Shipping is a shipping service provider and owns a fleet of freight ships.

Effective interest **22.8%**

CORPORATE INFORMATION

Market cap at 30 June 2020
R913 million

Primary Listing
New York Stock Exchange

Secondary Listing
JSE Limited

Chief Executive Officer
M R Wade

Remgro nominated directors
P J Uys, W O van Wyk (alternate)

Website
www.grinshipping.com

FINANCIAL HIGHLIGHTS

	Year ended 31 December 2019 $ million	%
Revenue	331	3.8
Gross profit	21	86.6
Loss attributable to shareholders	(21)	0.0

SUSTAINABILITY MEASURES

CSI/Training spend
R3 million

Number of employees
699

GRINDROD SHIPPING HOLDINGS LIMITED (GRINDROD SHIPPING)

Grindrod Shipping has a December year-end, however its results for the 12 months to 30 June 2020 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 R46 million (2019: R65 million loss).

Grindrod Shipping reported its results for the six months ended 30 June 2020. Revenue was flat with a slight decrease from $167.2 million for the six months ended 30 June 2019 to $167.1 million for the six months ended 30 June 2020. The largest component of revenue is vessel revenue. Vessel revenue decreased by $19.7 million, or approximately 13.3%, from $147.7 million for the six months ended 30 June 2019 to $128.0 million for the six months ended 30 June 2020. Improved charter rates in the tanker market were offset by a decrease in the charter rates in the drybulk market during the first half of 2020. During this period, ships sale revenue increased from $16.5 million to $37.9 million.

Gross profit increased by $3.0 million, or 50.8%, from $5.9 million for the six months ended 30 June 2019 to $8.9 million for the six months ended 30 June 2020. This was mainly due to the lower charter hire costs as drybulk charter rates decreased in the first half of 2020, as well as the decrease in pool distributions to third parties following the purchase and consolidation of the company's IVS Bulk business.

Grindrod Shipping's headline loss for the six months ended 30 June 2020 amounted to $6.3 million (2019: $14.4 million).

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.

Effective interest **30.0%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R3 030 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
US$0.3 million

Number of employees
292

SEACOM CAPITAL LIMITED (SEACOM)

Remgro has an effective economic interest of 30% in SEACOM, which operates and markets fibre-optic based telecommunication systems through metropolitan, regional and international route networks in Southern and East Africa.

SEACOM has a December year-end, and therefore the results for the 12 months to 30 June 2020 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 R10 million loss (2019: R2 million loss). Higher imputed interest costs due to the impact of the adoption of *IFRS 15* impacted the group's profitability in the prior year.

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. The company continues to expand and grow business in the Enterprise and Service Provider market offering national long haul, metro and last-mile fibre solutions to customers, providing high-capacity Internet, Metro Ethernet and cloud services.

There has been an increased demand in the use of data and cloud services. SEACOM's ability to adapt to the rapidly evolving data market and invest in its submarine and terrestrial network allow it to respond to an ever-increasing demand for faster and more reliable data services and is critical to maintain its ongoing competitive positioning.

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. Organic growth and acquisitions in the year under review have contributed to SEACOM's continued growth.

OTHER INFRASTRUCTURE INTERESTS

PEMBANI • REMGRO

PEMBANI REMGRO INFRASTRUCTURE FUND I

PRIMCO AND PRIF

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

Effective interest (PRIMCO) **25%**

Effective interest (PRIF) **16.2%**

MEDIA AND SPORT

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
eMedia Investments	78	39
Other	19	(19)
	97	20

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

Effective interest **32.3%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R2 931 million

Unlisted

Chief Executive Officer
M K I Sherrif

Remgro nominated directors
H J Carse, N J Williams

Website
www.etv.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2020 R million	%
Revenue	2 506	6.4
Operating profit	319	45.0
Headline earnings	243	97.6

SUSTAINABILITY MEASURES

CSI/Training spend
R36 million

Number of employees
1 106

BBBEE status
Level 2

Environmental aspect
Scope 1 and 2 emissions of 8 525 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 channels (e.tv, eMovies, eExtra, eToonz and eReality), eNews Channel Africa (eNCA), free-to-air satellite platform Openview, 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 2020 have been included in Remgro's results for the year under review. eMedia Investments' contribution to Remgro's headline earnings for the period under review amounted to R78 million (2019: R39 million).

eMedia's share of television audience grew to 24.6% (March 2019: 24.1%), while e.tv's share of prime-time remained consistent. This was driven by the performances of all the channel's daily shows, i.e. Imbewu: The Seed, Scandal and Rhythm City. e.tv will introduce a new local daily show in the 2021 financial year.

The Openview platform has increased the number of activated set-top boxes to 1 992 844 at 31 March 2020 (31 March 2019: 1 574 395), with approximately 35 000 monthly activations. Advertising revenue on the platform increased from R132 million in 2019 to R194 million in 2020. The number of activated set-top boxes exceeded 2 million at 30 June 2020.

eNCA continues to be the most watched 24-hour news channel in the country (among LSM 8 to 10) with 47% of the market share. While advertising revenue remains under pressure, costs are being well maintained.

With the sale and closure of certain non-core assets during the year, the eMedia is now focused on its core businesses of broadcasting, content creation and being a platform and technology provider.

OTHER MEDIA AND SPORT INTERESTS

THE BLUE BULLS COMPANY PROPRIETARY LIMITED (BLUE BULLS)

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

Effective interest **50.0%**

Stellenbosch Academy of Sport

STELLENBOSCH ACADEMY OF SPORT PROPRIETARY LIMITED

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

Effective interest **100%**

STELLENBOSCH FOOTBALL CLUB PROPRIETARY LIMITED

PROFILE: The Stellenbosch Football Club participates in the South African Premier Soccer League. The investment in the club enhances Remgro and Stellenbosch Academy of Sport's local community engagement.

WEBSITE: www.stellenboschfc.com

Effective interest **100%**

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
Business Partners	25	65
Other	(91)	(26)
	(66)	39

PROFILE: Business Partners is principally engaged in investing capital, knowledge and skill in viable small and medium sized enterprises (SMEs). The company invests in SMEs by providing funding, support and mentoring to entrepreneurs.

Effective interest **44.1%**

CORPORATE INFORMATION

Equity valuation at 30 June 2020
R2 717 million

Unlisted

Chief Executive Officer
B Bierman

Remgro nominated directors
C W Ceasar, M Lubbe, N J Williams

Website
www.businesspartners.co.za

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2020 R million	%
Revenue	495	(18.7)
Operating profit	80	77.8
Headline earnings	59	(61.2)

SUSTAINABILITY MEASURES

CSI/Training spend
R8 million

Number of employees
249

BBBEE status
Level 4

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

Business Partners has a March year-end and therefore its results for the 12 months to 31 March 2020 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 R25 million (2019: R65 million).

Business Partners' headline earnings for the twelve months ended 31 March 2020 amounted to R59 million (2019: R152 million), while profit attributable to shareholders decreased by 75.1% from R213 million to R53 million. The decrease in profit is mainly due to a decrease in investment income and gains.

The impact of Covid-19 on the results of Business Partners was substantial and affected the two primary assets classes materially through the expected credit losses raised on the investment portfolio and the revaluation of the investment property portfolio.

The expected credit losses required an additional impairment charge of R84 million to account for the economic devastation caused by the fight against the virus increasing the impairment percentage from 9.5% to 12.4% of the gross portfolio value.

Net credit losses increased by 184.6% to R148 million (2019: R52 million). The impact of the virus on the economy, and specifically on asset prices, resulted in a devaluation of the investment property portfolio amounting to R64 million.

In providing financial support to SME entrepreneurs, the company's key development impact objective is the employment that is facilitated or unlocked by the capital provided. Business Partners facilitated 16 440 job opportunities during the year under review (2019: 18 817).

Subsequent to 31 March 2020, Business Partners administered The South African SME Relief Trust (or the Sukuma Relief Programme) funded by Remgro and the Rupert Family to bring relief in the wake of the Covid-19 pandemic, as well as implemented and developed its own relief measures for its SME clients to assist in overcoming the economic challenges presented by Covid-19.

OTHER INVESTMENTS (continued)

CAXTON&CTP

CAXTON CTP LIMITED (CAXTON) (INDIRECTLY HELD THROUGH FUNDCO AND BIDCO STRUCTURE)

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

Effective interest **6.0%**

invenfin

INVENFIN PROPRIETARY LIMITED (INVENFIN)

PROFILE: Invenfin focuses on smaller early-stage investments.

WEBSITE: www.invenfin.com

Effective interest **100%**

MILESTONE CAPITAL III AND MILESTONE CAPITAL INVESTMENTS HOLDINGS

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

WEBSITE: www.mcmchina.com

Effective interest **28.1%**

7.5%

PRESCIENT

PRESCIENT CHINA EQUITY FUND

PROFILE: Prescient, which uses a systematic, quantitative approach to seek long-term capital growth, invests in listed stocks in the Chinese market and is benchmarked to the Shanghai Shenzhen CSI 300 index.

WEBSITE: www.prescient.co.za

CORPORATE FINANCE

CONTRIBUTION TO HEADLINE EARNINGS	30 June 2020 R million	30 June 2019 R million
Central treasury		
– Finance income	**479**	755
– Finance costs	**(951)**	(823)
– Option remeasurement	**2**	112
Net corporate cost	**(667)**	(187)
	(1 137)	(143)

MILLENNIA JERSEY LIMITED – JERSEY
REMGRO FINANCE CORPORATION PROPRIETARY LIMITED
REMGRO HEALTHCARE HOLDINGS PROPRIETARY LIMITED
REMGRO INTERNATIONAL LIMITED – JERSEY
REMGRO JERSEY GBP LIMITED – JERSEY
REMGRO MANAGEMENT SERVICES LIMITED
V&R MANAGEMENT SERVICES AG – SWITZERLAND

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

Unlisted companies

Finance income amounted to R479 million (2019: R755 million). This decrease is mainly due to lower local interest earned, resulting from local cash being expatriated during May 2019 (£100 million) and August 2019 (£70 million), as well as the 250 basis points reduction in the South African repo rate, announced since March 2020. Finance costs amounted to R951 million (2019: R823 million). The positive fair value adjustment of R2 million (2019: R112 million) relates to the decrease in the value of the bondholders' exchange option of the exchangeable bonds.

Other net corporate costs amounted to R667 million (2019: R187 million). This increase is mainly due to the Sukuma donation amounting to R500 million.

03 **GOVERNANCE** AND **SUSTAINABILITY**

REMGRO BELIEVES IN **TRANSPARENCY**, IN DISCLOSING INFORMATION IN A MANNER THAT ENABLES STAKEHOLDERS TO MAKE **INFORMED DECISIONS** ABOUT THE COMPANY'S **PERFORMANCE AND SUSTAINABILITY**.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Remgro Limited (Remgro) is committed to the highest level of corporate governance, integrity and ethics. The Board of Directors of Remgro (the Board) is ultimately responsible for ensuring that corporate governance standards are set and met and is therein assisted by senior management, who aims to instil a culture of compliance and good governance in Remgro and its subsidiaries (Remgro Group).

The King IV Report on Corporate Governance for South Africa (King IV), which was published on 1 November 2016, contains a set of principles that are fundamental to good governance, as well as related leading recommended practices. The JSE Limited has incorporated certain of King IV's recommended practices in the JSE Listings Requirements.

The Board is satisfied that Remgro has applied the principles contained in King IV during the year under review. This Corporate Governance Report explains in the form of a narrative account how Remgro has applied the principles enumerated in King IV with reference to the practices applied by Remgro. This report aims to provide Remgro's stakeholders with a good understanding of Remgro's governance structures and processes to enable them to evaluate the ability of Remgro to create and sustain value.

The Board confirms its compliance with the Companies Act (No. 71 of 2008), as amended, (Companies Act) and the Company's Memorandum of Incorporation for the reporting period.

LEADERSHIP

The Board endeavours to lead ethically and effectively in prioritising the following outcomes advocated by King IV: an ethical culture, good performance, effective control and legitimacy. This is underscored by sound and visible leadership, which is characterised by the ethical values of honesty, integrity, competence, responsibility, accountability, correctness, fairness, diversity and transparency. Sound corporate governance structures and processes are being applied and are considered by the Board to be pivotal to delivering sustainable value in the interest of all stakeholders, along with innovation and sound business acumen.

The Board is responsible for setting the direction on ethical standards, strategy and operations of the Remgro Group by applying integrated stakeholder thought processes harnessed by appropriate diversity, to build a sustainable business, while considering the impact of Remgro Group's strategy on the economy, society and environment (collectively, the "triple context").

As a responsible investor, the Board advocates adherence to sound ethics and governance 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 and apply the principles contained in King IV. Effective corporate governance forms part of Remgro's investment assessment criteria, which is further monitored on a continuous basis by non-executive board representation on its investee companies' boards. To this end, Remgro's corporate governance policies may be used as a benchmark, where appropriate.

Doing business ethically is one of Remgro's key objectives, and is supported by the management of ethics as recorded in its Code of Ethics, which is strictly enforced. Effective leadership is to be exhibited in order to achieve Remgro's strategic objectives and positive outcomes.

Each individual member on the Board is suitably qualified and has extensive relevant experience. The Board, as a whole, is evaluated annually by its members.

To ensure that the individual directors exercise their powers and perform their functions in good faith and for a proper purpose, in the best interest of Remgro and with care, skill and diligence, Board members are required to disclose any potential conflict of interest which is to be considered at board meetings, and are required to recuse themselves from relevant discussions when a conflict exists. Remgro has appointed an independent, non-executive director as the Lead Independent Director (LID) to act as chairman during meetings in situations where the Chairman of the Board has a conflict of interest. The LID is involved in the evaluation of the Chairman.

ORGANISATIONAL ETHICS

The Board believes that ethical behaviour stems from appropriate value systems inherent to the people in Remgro's employ, as directed and supported by visual ethical leadership and a value-driven corporate culture. Leadership, based on ethical foundations, results in a culture of ethical and moral behaviour and compliance.

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

THE BOARD IS ULTIMATELY RESPONSIBLE FOR ENSURING THAT **CORPORATE GOVERNANCE STANDARDS ARE SET AND MET.**

The Board, however, retains the responsibility to establish and maintain a culture of integrity, competence, correctness, honesty, transparency, fairness, responsibility, diversity and accountability, to position Remgro as an investment partner of choice.

Remgro has adopted a Code of Ethics that provides a framework of ethical practices and business conduct that is applicable to all directors and employees, and addresses the key ethical risks of Remgro. The code is available to all employees on Remgro's intranet and a copy thereof is provided to all new employees. The Code of Ethics as well as a formal Gifts Policy provide strict policies regarding gifts, invitations or favours received from suppliers or any other party. The offering of benefits to gain unfair advantages is strictly prohibited.

Remgro's ethical standards are applied to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers.

The Board provides for sanctions and remedies in instances where Remgro's ethical standards are breached. The actual adherence to ethical standards by employees and other stakeholders cannot be regulated but stems from personal conviction. However, the Audit and Risk Committee monitors fraud risk and related processes and the Social and Ethics Committee monitors compliance with the Code of Ethics and addresses instances of non-compliance, should such ever occur.

The Remgro Group has effective anti-bribery, corruption and fraud prevention and detection processes and ensures compliance and risk mitigation. No investigations were concluded during the reporting period.

Remgro has implemented a whistleblowing process to enable employees and third parties to report any perceived or alleged irregular or unethical behaviour in a confidential and controlled environment. Reports are monitored and managed with regular feedback to the Audit and Risk Committee. A 24-hour anonymous Ethics Hotline is managed by an independent external service provider and can be accessed telephonically or via email. During the year under review no alleged incident was received. Where calls are to be received which relate to alleged irregularities at investee companies, such calls will be directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

An overview of the key areas of focus relating to organisational ethics during the reporting period and planned areas of future focus are disclosed in the Social and Ethics Committee Report, read with the committee's charter.

RESPONSIBLE CORPORATE CITIZENSHIP

The Board is ultimately responsible for Remgro's corporate citizenship. The Social and Ethics Committee assists the Board in ensuring that Remgro is and remains a good and responsible corporate citizen. The Board oversees and monitors, on an ongoing basis, how the consequences of Remgro's strategies, activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring function is performed in relation to the triple context within which Remgro operates.

The Social and Ethics Committee is responsible for reviewing and recommending for approval the annual sustainability content included in Remgro's Integrated Annual Report or published on Remgro's website. The Social and Ethics Committee, per mandate, is also responsible for the monitoring of the effectiveness of the sustainable development practices of the Remgro Group as set out below, thereby assisting the Board in achieving one of its values of doing business ethically.

Remgro's sustainability development practices include: ethics and compliance; corporate social investment (CSI); stakeholder relations; broad-based black economic empowerment (BBBEE); health and public safety; labour relations and working conditions; employment equity, training and skills development; management of the Remgro Group's environmental impacts, human rights and prohibition against child labour. The Social and Ethics Committee's oversight role 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.

Remgro reviews its Code of Ethics, Gifts Policy, Social Media Policy, HIV/Aids Policy and Safety, Health and Environmental Management Policy (SHE Management Policy) annually, in light of the principles and recommended practices of King IV.

The Social and Ethics Committee further monitors Remgro's participation and results achieved in external surveys, being the FTSE/JSE Responsible Investment Index and the Carbon Disclosure Project (CDP). In this regard the Social and Ethics Committee notes the external recognition and achievements by the Remgro Group.

Remgro believes that honesty, correctness, courtesy, service, mutual support and trust incorporate the spirit in which it strives to be a good corporate citizen. Workplace, economic, social and environmental sustainability practices, have always been part of Remgro's core values. 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, while doing business ethically.

Corporate citizenship includes the commitment of a business to contribute to sustainable economic development, and endorses the principle that no business exists in isolation but 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 CSI initiatives and donations programme covers a broad spectrum of society and can be summarised as follows: community development; cultural development; entrepreneurship, training and education; environment; healthcare and sport development.

Remgro aims to maintain a 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, no donations are made to political parties or religious institutions. Remgro respects its employees' choice to participate in these institutions, but does not exercise a choice itself.

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages Remgro's subsidiaries', associates' and joint ventures' initiatives in this regard. To the extent that Remgro's subsidiaries, joint ventures and associates implement 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 2020, Remgro, including its subsidiaries, RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco), obtained a score of 72.70, thereby obtaining a level 6 contributor status.

Further, the Board has transformed over time. With the inclusion of Remgro's one alternate non-executive director, six of the 12 non-executive directors (50%) are black persons, and seven of all 15 directors (47%) are black persons. On Management Board level, one of the five members (20%) is a black person. Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation and facilitation of corporate actions in these investee companies. Employment equity represents Remgro's most significant transformation challenge. An annual labour plan is submitted to the Department of Labour, wherein Remgro's transformation objectives are set out in detail. Although efforts are focused on improving black representation at Remgro's management level, low staff turnover and limited organic growth remain limiting factors.

Remgro complies with the requirements of the Skills Development Act (No. 97 of 1998), 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 Remgro is submitted to the Sector Education Training Authority.

As Remgro (excluding its subsidiaries RCL Foods, Distell, Siqalo Foods and Wispeco) is not an operating company, it has a small procurement function and its procurement profile is characterised by a high professional service component as opposed to materials purchased. Remgro purchases more than half of its goods and services from BBBEE-accredited vendors. The improvement of Remgro's preferential procurement score remains a focus area for Remgro.

Remgro recognises that many of its investments are dependent on a healthy and functioning ecosystem and that this system is 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 the SHE Management Policy, which is reviewed annually, and which applies to Remgro Management Services Limited (RMS). The Board is ultimately responsible for the implementation of the SHE Management Policy, but delegates its responsibilities to the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (ROTIG) (which is a subcommittee of the Audit and Risk Committee) and the Social and Ethics Committee, which committees are responsible to review and recommend the approval of environmental procedures implemented and maintained by RMS. With regard to RCL Foods, Siqalo Foods, Wispeco and Distell, it is the responsibility of Remgro's representatives on the boards of these companies to obtain assurance regarding the effectiveness and efficiency of their respective environmental and social management processes.

The Board also focuses on legal and regulatory compliance as it 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 and associates endorse and apply the principles contained in King IV. The Board annually reviews the application status of King IV's principles.

Remgro's tax policy entrenches the Group's focus in managing Remgro's tax affairs to: (1) ensure full compliance with tax laws and regulations, in whichever jurisdiction Remgro has interests, (2) ensure that Remgro's tax affairs are congruent with responsible corporate citizenship, and (3) take account of related reputational repercussions. Remgro acknowledges that it has a responsibility not only to its shareholders, but to a larger group of stakeholders that includes tax authorities. In discharging this onus, Remgro co-operates with tax authorities by: (1) adhering both to the letter and spirit of the prevailing tax laws and regulations, and (2) cultivating accountable relationships with tax authorities.

The Board also ensures that Remgro complies with and adheres to the Constitution of South Africa, the law, leading standards, and adherence to its own codes of conduct and policies.

Further details regarding Remgro's sustainability practices, including an overview of the key areas of focus during the reporting period, highlights on sustainability and planned areas of future focus can be found in the Sustainable Development Report, which is available on Remgro's website.

STRATEGY AND PERFORMANCE

Remgro's Board is ultimately accountable for the performance of Remgro, appreciating that strategy, risk, performance and sustainability are inseparable. The Board provides strategic direction by proposing, discussing and questioning, whilst evaluating and approving, plans and strategies based on the values and objectives of Remgro and stakeholder interests and expectations. The Board furthermore oversees the Remgro Group's corporate actions via the Investment Committee, which is supported by an approved delegation of authority.

The Board's formal Board Charter, which is available on Remgro's website, defines key responsibilities of the Board, including *inter alia* directing the ethical standards, strategy and operations of the Remgro Group to build a sustainable business, while considering the impact of the Remgro Group's strategy on the triple context.

The Board has delegated the formulation and development of Remgro's strategy to the Management Board, and has approved the policies and operational plans developed by management to give effect to the approved strategy. The Management Board's mandate is available on Remgro's website. The Management Board is furthermore supported by various senior management work streams, including one focused on new and disruptive technologies.

The Board has approved, oversees and continually assesses Remgro's strategy, the risks, opportunities and other significant matters connected to the triple context in which Remgro operates; as well as the extent to which the proposed strategy depends on the resources and relationships connected to the various forms of capital (being, financial, manufactured, human, intellectual, natural, social and relationship capital, as applicable) (capitals), the legitimate and reasonable needs, interests and expectations of stakeholders, and the increase, decrease or transformation of the various forms of capitals, that may result from the execution of the proposed strategy.

As part of its oversight of performance, the Board is alert to the general viability of Remgro and its status as a going concern, which is considered at least twice a year. 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.

REPORTING

The Board has approved management's determination of the reporting frameworks, including reporting standards and legal compliance, such as *inter alia* the International Financial Reporting Standards, the JSE Listings Requirements, as well as the Companies Act and the principles of the International Integrated Reporting Framework to the extent applicable.

The Board has approved management's bases for determining materiality for the purpose of deciding which information should be included in external reports. The Board issues the following external reports: the Integrated Annual Report, the Chairman's Report, the Chief Executive Officer's (CEO) Report, the Chief Financial Officer's (CFO) Report, the Report of the Board of Directors, the Corporate Governance Report, the Social and Ethics Committee Report, the Sustainable Development Report, the Risk and Opportunities Management Report, the Audit and Risk Committee Report and the Remuneration Report, in order to meet the legitimate and reasonable information needs of material stakeholders.

Remgro's Integrated Annual Report focuses on substance-over-form, and provides a holistic view of Remgro's business model, how Remgro is managed and also how it manages its investments. Remgro's main focus is to provide a complete analysis of its business to satisfy the information needs of key stakeholders that make use of the Integrated Annual Report.

Sufficient controls are in place to ensure relevant, reliable and accurate reporting. The Social and Ethics Committee is responsible to review and recommend for approval the annual sustainability content included in the Integrated Annual Report or published on Remgro's website. The Audit and Risk Committee reviews the entire Integrated Annual Report and makes a recommendation to the Board regarding same. An external audit and various other assurance processes are used, as disclosed herein, to ensure that information provided to stakeholders is reliable. The Board is satisfied with the integrity of its external reports.

Remgro ensures that the relevant corporate governance disclosures required in terms of King IV, the Integrated Annual Report, Annual Financial Statements and Remgro's external reports are made available to stakeholders, and are published on its intranet and/or its website (as appropriate). The Integrated Annual Report, which is a standalone 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 Remgro's website at www.remgro.com. Remgro furthermore refers to its participation in the JSE Responsible Investment Index, which uses the FTSE Russell's ESG Ratings, for disclosure benchmarking.

PRIMARY ROLE AND RESPONSIBILITIES OF THE BOARD

Remgro has a fully functional Board that leads and controls the Remgro Group. The Board Charter 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 Board Charter, which is regularly reviewed to guide its effective functioning.

During the year under review, the Board reviewed its Board Charter, in light of the principles and recommended practices of King IV. The Board is satisfied that it has discharged its duties and obligations as described in the Board Charter during the year under review.

One of the key responsibilities of directors and members of senior management serving in a non-executive capacity on the boards of Remgro's subsidiaries and other investee companies is the promotion of good governance by these companies, including, where appropriate, the adoption and implementation of principles and controls included in Remgro's policies. The activities of the directors and senior management serving on the boards of investee companies are furthermore governed by formal guidelines as approved by the Board.

The Board meets at least five times a year and follows an annual work plan to ensure that all relevant matters are dealt with. The Chairman meets with Remgro's CEO in between meetings throughout the year to discuss important issues. Members of the Board and its 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 for meetings.

All directors have unlimited access to the services of the Company Secretary and senior management, as well as to all Remgro's company records. The Company Secretary provides continuous guidance on corporate governance-related matters.

The Board has approved the protocol to be followed in the event that it or any of its members or committees need to obtain independent, external professional advice at Remgro's expense, on matters within the scope of their duties, with prior notification to the CEO or the Company Secretary. The Board has also approved the protocol to be followed by its non-executive members for requisitioning documentation from, and arranging meetings with, management, i.e. by the relaying of requests to a member of the Management Board or the Company Secretary who will be responsible for providing the necessary documentation and/or arranging the necessary meetings.

BOARD COMPOSITION

COMPOSITION

In compliance with the recommended practices of King IV, the Board consists of 14 directors and one alternate director, three of whom are executive and 12 of whom are non-executive directors. Eight of the non-executive directors are independent. The composition of the Board reflects a balance between executive and non-executive directors, in order to ensure that there is a clear division of responsibilities so that no one individual has unfettered decision-making powers.

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.

Non-executive directors, on the other hand, are selected to serve on the Board for their broader knowledge, skills and experience, which is needed to govern Remgro; and they are expected to contribute effectively to decision-making and the formulation of policy.

The Board promotes diversity in its membership across a variety of attributes, including field of knowledge, skills and experience, age, culture, race and gender. The Remuneration and Nomination Committee has adopted race and gender diversity policies. The policy on the promotion of race diversity and the gender diversity policy apply only to the Board and although formal targets are not set, the Remuneration and Nomination Committee pursues all opportunities to enhance the gender and race diversity of the Board. The Board has transformed, with six of the 12 non-executive directors (50%) being black persons, seven of all 15 directors (47%) being black persons, and two of all 15 directors (13%) being females and, on Management Board level, one of the five members (20%) is a black person, and one of the five members is a female.

The Board is satisfied that its current members possess the required collective knowledge, skills and experience to carry out its responsibilities, to achieve the Remgro Group's objectives and create shareholder value over the long term. Details on each individual director can be found on pages 18 to 19 of the Integrated Annual Report.

NOMINATION, ELECTION AND APPOINTMENTS

There is a formal and transparent process for appointments to the Board. The appointment of directors is a function of the entire Board, based on recommendations made by the Remuneration and Nomination Committee.

When considering nominations, the Board considers the collective knowledge, skills and experience required by the Board, the diversity of the Board and whether the candidate meets the appropriate fit and proper criteria.

ATTENDANCE AT MEETINGS OF MEMBERS

	BOARD	AUDIT AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE	SOCIAL AND ETHICS COMMITTEE	MANAGE-MENT BOARD
Number of meetings held[(1)]	**6**	**4**	**2**	**3**	**15**
Attendance by directors					
Non-executive directors					
J P Rupert	5	–	2	–	–
E de la H Hertzog[(2)]	1	–	–	–	–
J Malherbe	5	–	2	–	–
P J Neethling[(3)]	4	–	–	–	–
A E Rupert	4	–	–	–	–
Independent non-executive directors					
S E N De Bruyn	6	4	–	2	–
G T Ferreira[(4)]	2	–	1	–	–
P K Harris	4	–	2	–	–
N P Mageza	6	4	–	3	–
P J Moleketi[(5)]	6	4	1	–	–
M Morobe	5	–	–	3	–
G G Nieuwoudt[(6)]	4	–	–	–	–
K M S Rantloane (Alt)[(7)]	4	–	–	–	–
F Robertson	6	4	2	–	–
Executive directors and Management Board					
J J Durand	6	–	–	–	15
P R Louw	–	–	–	3	15
M Lubbe	6	–	–	–	15
R S M Ndlovu[(8)]	–	–	–	–	5
P J Uys	–	–	–	3	13
N J Williams	6	–	–	–	15

(1) *There was no physical meeting held by the Investment Committee during the year under review.*
(2) *Dr E de la H Hertzog retired as a director from 28 November 2019.*
(3) *Mr P J Neethling was appointed as a non-executive director with effect from 28 November 2019 and attended all the meetings since his appointment.*
(4) *Mr G T Ferreira retired as a director from 28 November 2019.*
(5) *Mr P J Moleketi was appointed as a member of the Remuneration and Nomination Committee with effect from 28 November 2019 and attended all the meetings since his appointment.*
(6) *Mr G G Nieuwoudt was appointed as a non-executive director with effect from 28 November 2019 and attended all the meetings since his appointment.*
(7) *Mr K M S Rantloane was appointed as an alternate non-executive director for Mr P K Harris with effect from 28 November 2019 and attended all the meetings since his appointment.*
(8) *Mr R S M Ndlovu resigned as a member of the Management Board with effect from 28 November 2019.*

The candidates for non-executive members of the Board must provide the Board with details of their professional commitments and confirm that the candidate has sufficient time available to fulfil the responsibilities as member of the Board. All nominated candidates' backgrounds are independently investigated, and their qualifications independently verified.

A brief professional profile of each candidate standing for election at the Annual General Meeting, including details of existing professional commitments, accompanies the notice of the Annual General Meeting, together with a statement from the Board confirming that it supports the candidate's election and/or re-election.

Newly appointed directors follow an extensive induction programme coordinated by the Company Secretary upon their appointment, to ensure that they are able to make a maximum contribution in a shorter amount of time. The induction programme includes the provision of an induction pack consisting of, *inter alia*, agendas and minutes of the two most recent Board and subcommittee meetings, the latest Annual Financial Statements and Integrated Annual Report, Remgro's Code of Ethics, induction meetings with executive directors and senior management (if requested) as well as information on the JSE Listings Requirements. This process ensures that new directors obtain a good understanding of Remgro's core business and their fiduciary duties.

Regular briefings on legal and corporate governance developments, and risks and changes in the external environment of Remgro, are provided to directors.

In terms of the Memorandum of Incorporation of Remgro, 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 or her office for a period of three years since his or her last election shall retire at such meeting.

Nomination for re-election only occurs after the evaluation of the performance of the Board and is therefore based on the director's past performance, including attendance at Board meetings and its committee meetings, the director's contribution and his or her objectivity of business judgement calls. The Board has established a succession plan for its directorship.

INDEPENDENCE AND CONFLICTS

The independence of non-executive directors who are categorised as independent is reviewed annually; and the independence of independent 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 assesses independence in light of any interest, position, association or relationship, which when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in the decision-making of a non-executive director who is categorised as independent. The tenure of each director is disclosed on pages 18 to 19 of the Integrated Annual Report.

Each director must submit to the Board a declaration of all financial, economic and other interests held in Remgro by the director and his or her related parties whenever there are significant changes and as soon as they become aware of it. At the beginning of each Board meeting, Board members and committee members are also required to disclose any conflict of interest in respect of a matter on the agenda. Any such conflicts are proactively managed as determined by the Board, subject to legal provisions.

All information not disclosed publicly, which directors acquire in the performance of their duties must be treated as confidential and may not be used for personal advantage or for the advantage of third parties. In this regard, directors must comply with *inter alia* Remgro's Code of Ethics, the provisions of the Financial Market Act (No. 19 of 2012) (regarding "inside information"), and the JSE Listings Requirements (regarding "price-sensitive information"), in any disclosure of information, dealings in securities and the disclosure of such dealings.

CHAIRMAN

The Chairman is elected by the Board on an annual basis, along with two deputy chairmen. The roles and responsibilities of the Chairman is documented in the Board Charter and is separate from that of the CEO.

The Chairman of the Board, Mr Johann Rupert, is not an independent director. The Board acknowledges the recommended practice of King IV to appoint an independent non-executive director as Chairman, but given his knowledge of the business and his commercial experience and 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 for achieving the business objectives of Remgro. However, in compliance with King IV and the JSE Listings Requirements, the Board has appointed Ms S E N De Bruyn as the 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 responsibilities of the LID are documented in the Board Charter. The LID is appointed by the Board on an annual basis.

The Board is satisfied with the number of outside professional positions that the Chairman holds, and is confident that such positions do not hinder him from performing his duties. The Board has established a succession plan for the position of chairman.

COMMITTEES OF THE BOARD

The Board delegates certain roles and responsibilities to individual directors and to standing or *ad hoc* board committees. The Board, however, understands that delegation of its responsibilities to a committee or a particular director will not by or of itself constitute a discharge of the Board's accountability.

Specific responsibilities are delegated to the Board's subcommittees, which have defined tasks in terms of approved mandates. The delegation to committees has been recorded by means of formal terms of reference for each committee, which terms of reference are reviewed annually by the Board. Feedback on the committees' activities is submitted to the Board at each Board meeting following the relevant committee meeting.

Members of the executive and senior management are invited to attend committee meetings either by standing invitation or on an *ad hoc* basis to provide pertinent information and insights in their areas of responsibility.

AUDIT AND RISK COMMITTEE

Remgro has appointed an Audit and Risk Committee, which consists of four suitably skilled and experienced independent non-executive directors. One of the members of the committee is appointed by the Board to chair the committee.

The Audit and Risk Committee is responsible for the oversight of Remgro Group's Integrated Annual Report, internal financial controls and accounting systems, internal audit, external audit, risk and opportunities management, the financial statements and any other intended releases of price-sensitive information for external distribution or publication, including those required by any regulatory or statutory authority. The Audit and Risk Committee is responsible to ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.

The responsibilities of the Audit and Risk Committee are codified in a formal terms of reference, which is reviewed at least annually and which is available on Remgro's website. During the year under review, the Board reviewed the terms of reference of the Audit and Risk Committee, in light of the principles and recommended practices of King IV. An Audit and Risk Committee Report is published each year describing how the committee has discharged its duties.

The Board believes that the current members of the Audit and Risk Committee are suitably skilled and experienced. The CEO and CFO are not members of the Audit and Risk Committee, but attend meetings by invitation, if needed, to contribute pertinent insights and information.

The Audit and Risk Committee annually performs a review of Remgro's CFO and the finance function. Remgro has appointed an executive financial director, being the CFO of Remgro (Mr Neville Williams). The Audit and Risk Committee is satisfied as to the appropriateness of the expertise and experience of the financial director.

The Audit and Risk Committee meets annually with the internal and external auditors, respectively, without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.

The Audit and Risk Committee has, during the year under review, nominated independent external auditors, PricewaterhouseCoopers Inc. (PwC), approved its fee and determined its terms of engagement. The appointment was presented to the shareholders of Remgro at the Annual General Meeting for approval. The Committee is satisfied that Remgro's external auditors are independent of Remgro and are thereby able to conduct their audit functions without any undue influence. The designated external audit partner rotates every five years. PwC has been the auditor of the Company for 52 years. The business of the Company was previously transacted through Rembrandt Group Limited of which, based on available statutory records, PwC and its predecessor firms have been the external auditor for 72 years. The committee is satisfied with PwC's independence from the Company, notwithstanding its tenure as external auditor.

In terms of the requirements of the Independent Regulatory Board for Auditors, the Company is obliged to rotate its external auditor for the 2024 financial year. The committee has already taken steps to ensure that audit firm rotation is implemented in time.

The Audit and Risk Committee meets at least four times during a reporting period. The effectiveness of the Audit and Risk Committee is evaluated on an annual basis by way of self-evaluation and an evaluation by the Board.

The Audit and Risk Committee provides feedback to the Board at each board meeting following an Audit and Risk Committee meeting. Reporting to shareholders is done through the Audit and Risk Committee Report included in the Integrated Annual Report on pages 116 to 118.

The Audit and Risk Committee is satisfied that Remgro has established appropriate financial reporting procedures and that those procedures are operating; and the committee is satisfied that it has fulfilled its responsibilities in terms of its terms of reference. The Board is also satisfied that the Audit and Risk Committee has executed its responsibilities.

SOCIAL AND ETHICS COMMITTEE

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 Social and Ethics Committee oversees and reports on Remgro's ethics, sustainable development and stakeholder relationships; and ensures that Remgro is and remains a good and responsible corporate citizen. The role and responsibilities of the Social and Ethics Committee are codified in a charter (which is available on Remgro's website), which charter is reviewed at least annually; and was reviewed during the reporting period, in light of the principles and recommended practices of King IV. A Social and Ethics Committee Report is published each year describing how the committee has discharged its duties.

The Social and Ethics Committee currently consists of five members, which include executive and non-executive members, with a majority being independent non-executive directors. The Board believes that the current members of the committee are suitably skilled and experienced.

The Social and Ethics Committee meets at least twice during a reporting period. The effectiveness of the Social and Ethics Committee is evaluated on an annual basis by way of self-evaluation and an evaluation by the Board.

Reporting to shareholders is done through the Social and Ethics Committee Report, which is included in the Integrated Annual Report on pages 103 to 104. The Social and Ethics Committee is satisfied that it has fulfilled its responsibilities in terms of its charter. The Board is also satisfied that the Social and Ethics Committee has executed its responsibilities.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee consists of four members. All members of the Remuneration and Nomination Committee are non-executive directors, with the majority being categorised as independent. The Chairman acts as *ex officio* chairman of the Remuneration and Nomination Committee. Although he is not independent, the Board is supportive of his chairmanship given the necessity to align Remgro's remuneration approach with corporate strategy, and the fact that he receives no remuneration from Remgro.

The Remuneration and Nomination Committee meets at least once a year. The CEO attends all meetings of the committee *ex officio*. The Remuneration and Nomination Committee's mandate (which is available on Remgro's website) is reviewed annually and the committee's effectiveness is assessed in terms thereof. The Remuneration and Nomination Committee is satisfied that it has fulfilled its responsibilities in terms of its terms of reference. The Board is also satisfied that the Remuneration and Nomination Committee has executed its responsibilities.

PERFORMANCE EVALUATIONS

The Board and the independence of the independent non-executive directors are evaluated annually by the LID and the Board. The performance of directors are not evaluated on an individual basis. The subcommittees of the Board are self-evaluated annually by their members with feedback to the Board, as well as by the Board itself.

The Board determines its functions, duties and performance criteria (which *inter alia* takes the principles and recommended practices of King IV into consideration), as well as those for subcommittees, to serve as a benchmark for the performance appraisals. The Board has 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.

The Board is satisfied with the independence of the independent non-executive directors, including the independence of Messrs Fred Robertson (appointed 28 March 2001), Paul Harris (appointed 28 November 2001), Murphy Morobe (appointed 18 June 2007), Peter Mageza (appointed 4 November 2009) and Jabu Moleketi (appointed 4 November 2009), who each has served on the Remgro Board for nine years. Based on an evaluation of the aforementioned directors, there is no evidence of any circumstances or relationships that will impair their judgement, and the Board is satisfied that their independence is in no way affected by their length of service.

As mentioned above, the Board has appointed a LID to lead the evaluation of the Chairman's performance.

The Board is satisfied that the evaluation process has the effect of continuously improving Remgro's performance and effectiveness.

APPOINTMENT AND DELEGATION TO MANAGEMENT

The Board delegates authority in a manner that articulates its direction on reservation and delegation of power. The Board ultimately leads and controls the Remgro Group in all issues of a material or strategic nature, which can impact the reputation and performance of the Remgro Group. 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 is satisfied that its delegation of authority contributes to role clarity and the effective exercise of authority and responsibilities.

MANAGEMENT BOARD

The Management Board is a subcommittee of the 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 approved by the Board. The Management Board's mandate is available on Remgro's website. During the year under review, the Board reviewed the Management Board's mandate, in light of the principles and recommended practices of King IV.

The Management Board currently comprises five members, being all three executive directors on the Board as well as Messrs Pieter Louw and Pieter Uys. The CEO is the chairman of the Management Board. The Management Board meets on a monthly basis to ensure the proper execution of its responsibilities. The effectiveness of the Management Board is evaluated on an annual basis by way of a self-evaluation process and an evaluation by the Board.

INVESTMENT COMMITTEE

The Investment Committee is a subcommittee of the Board that is responsible for considering and approving new investments, the extension and disposal of existing investments, and to consider and make recommendations to the Board regarding all other investments falling outside its mandate, which mandate is available on Remgro's website. During the year under review, the Board reviewed the Investment Committee mandate, in light of the principles and recommended practices of King IV.

The Investment Committee comprises six members, being four non-executive directors as well as the CEO and CFO. The chairman of the Board is the chairman of the Investment Committee. The Investment Committee meets on an *ad hoc* basis. The effectiveness of the Investment Committee is evaluated on an annual basis by way of a self-evaluation process and an evaluation by the Board.

CEO AND CFO ROLES

The CEO and the CFO are appointed by the Board on an annual basis and are *ex officio* members of the Board. The CEO, Mr Jannie Durand, is responsible for the day-to-day management of Remgro and he is assisted in this regard by Mr Neville Williams, the CFO of Remgro. Between them they have 50 years of service working for Remgro and Remgro-related businesses, and are both individuals with the necessary competence, character and authority, and are adequately resourced to fulfil their roles.

The CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the chief link between the Management Board and the Board. The CEO is accountable and reports to the Board, and the Board evaluates the CEO's performance annually. The CEO takes up additional professional positions, the majority of which can be found on page 18 of the Integrated Annual Report.

The Board has a succession plan, which is reviewed periodically, for the position of CEO and the remaining members of the Management Board, in order to ensure continuity of executive leadership.

COMPANY SECRETARY

The appointment of the Company Secretary has been approved by the Board, and the Board is responsible for the removal of the Company Secretary. Ms Danielle Dreyer is the Company Secretary of Remgro and is a full-time employee of Remgro.

The Company Secretary has unfettered access to the Board but is not a member of the Board. The Company Secretary is responsible for providing guidance to the Board collectively, and to the directors individually, with regards to their duties, responsibilities and powers and making them aware of legislation and regulations relevant to Remgro. All directors have unlimited access to the services of the Company Secretary. The Board is satisfied that the arrangements in place to access these services are effective.

The Company Secretary is furthermore responsible to ensure that proper corporate governance principles are adhered to and that Board orientation or training is given, when appropriate, based on annual performance evaluations. The Company Secretary ensures the proper administration of the proceedings and matters relating to the Board, Remgro and the shareholders of Remgro in accordance with applicable legislation and procedures.

The Company Secretary reports to the Board through the Chairman on all statutory duties and functions performed in connection with the Board. Regarding other duties and administrative matters, the Company Secretary reports to executive management.

The Board conducts an annual evaluation of the Company Secretary's competence, qualifications and experience, as required by the JSE Listings Requirements. The evaluation process includes an assessment by each member of the Board of the Company Secretary's eligibility, skills, knowledge and execution of duties. The Board is satisfied that the Company Secretary has the necessary competence, qualifications, experience, gravitas and objectivity to provide independent guidance and support at the highest level of decision-making in Remgro.

RISK AND OPPORTUNITIES GOVERNANCE

The Board is ultimately accountable for the Remgro Group's risk and opportunities management process and system of internal control. The Board has implemented and maintained a comprehensive risk and opportunities management system, which incorporates continuous risk and opportunity identification and assessment, evaluation and internal control embedment.

The risk and opportunities management process entails the planning, arranging and controlling of activities and resources to minimise the negative impacts of risks to levels that can be tolerated by Remgro, as well as to optimise the opportunities presented by certain risks. In addition, the processes assess strategic risk and the alignment of strategy to the mission and vision of Remgro. As Remgro is an investment holding company, the risk and opportunities management process takes cognisance of risks and opportunities within Remgro as well as the risks and opportunities inherent to its investment portfolio.

The Board has evaluated and agreed on the nature and extent of the risks that Remgro is willing to take in pursuit of its strategic objectives. The Board formalises and approves risk appetite, risk-bearing capacity and risk-tolerance levels on an annual basis.

The Audit and Risk Committee is integral in the implementation of the enterprise-wide Risk and Opportunities Management Policy, as it is mandated by the Board to monitor the risk and opportunities management processes and systems of internal control for Remgro and its wholly owned subsidiaries. The Audit and Risk Committee provides feedback to the Board on the effectiveness of the Remgro Group's risk and opportunities management processes, at least annually.

The Risk and Opportunities Management Policy defines the objectives, methodology, processes and responsibilities of the various management role players in Remgro. The Risk and Opportunities Management Policy seeks to, *inter alia*, assess the risks and opportunities emanating from the triple context in which Remgro operates and the capitals that Remgro use and affect to optimise performance and resource deployment. The Risk and Opportunities Management Policy is subject to annual review and any proposed amendments are submitted to the Audit and Risk Committee for consideration and thereafter for recommendation to the Board for approval. During the year under review, the Board reviewed the Risk and Opportunities Management Policy in light of the principles and recommended practices of King IV and the 2017 COSO Enterprise Risk Management Framework.

The Audit and Risk Committee has assigned oversight of the operational risk and opportunities management function to the ROTIG Committee, which is a subcommittee of the Audit and Risk Committee. The mandate of the ROTIG Committee includes the maintenance of the Risk and Opportunities Management Policy, establishment of an operational risk and opportunities register, technology and information risk management, legal compliance and occupational health and safety. During the year under review, the Audit and Risk Committee reviewed the ROTIG Committee's mandate in light of the principles and recommended practices of King IV.

An annual independent internal audit review is done regarding the effectiveness of the ROTIG Committee, which is part of the risk and opportunities management process approved by the Board. The ROTIG Committee furthermore assessed its performance against its mandate and reported the positive results of this assessment to the Audit and Risk Committee.

The ROTIG Committee is chaired by the CFO and the 15 other members are all senior managers of Remgro. The chairman of the Audit and Risk Committee has a standing invitation to attend the meetings as an *ex officio* member to ensure the effective functioning of this committee and that appropriate risk information is shared with the committee.

The Remgro Group's risk and opportunities assessment, which includes all companies in the Remgro investment portfolio, is assessed by the Management Board.

Remgro's internal audit division is an effective independent appraisal function and forms an integral part of the enterprise-wide risk and opportunities management system that provides assurance on the effectiveness of Remgro's system of internal control. The Audit and Risk Committee has, during the year under review, evaluated reports on the effectiveness of the systems of internal 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.

Further details on Remgro's risk management function are contained in the Risk and Opportunities Management Report, which is included on pages 77 to 83 in the Integrated Annual Report. The Audit and Risk Committee is satisfied that the system, as well as the process of risk and opportunities management, is effective.

Remgro has a duly constituted Health and Safety Committee, as required by the Occupational Health and Safety Act (No. 85 of 1993). The committee is a subcommittee of the ROTIG Committee and ensures that Remgro 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. It further monitors environmental practices.

An overview of the key areas of focus during the reporting period, planned areas of future focus as well as the objectives, and the key risks that Remgro faces are contained in the Risk and Opportunities Management Report.

TECHNOLOGY AND INFORMATION GOVERNANCE

The Board and executive management are well informed about the role of technology and information and its impact on Remgro's business, taking into account the relatively limited technology needs of an investment holding company.

The ROTIG Committee considers the technology and information risk register on a regular basis, while the progress on technology and information and control-related projects are monitored directly by the Audit and Risk Committee itself. The Board exercises oversight over these committees and is satisfied that technology and information is properly managed and that it is aligned with the objectives of the Remgro Group's business.

Remgro has a Technology and Information Governance Policy that is reviewed annually, amongst others, in light of the principles and recommended practices of King IV and is supplemented by governance-based policies such as the Technology and Information Acceptable Use Policy and Information Security Policy.

The head of Technology and Information reports to the Remgro CFO and technology and information-related matters are addressed by a Technology and Information Steering Committee, comprising the head of Technology and Information and six other members of senior management. This committee also reports to the ROTIG Committee on the progress regarding technology and information-related projects. The ROTIG Committee in turn considers and monitors the progress on technology and information-related projects. The Technology and Information Steering Committee is also responsible for monitoring adherence to the Technology and Information Governance Policy. The head of Legal was appointed as the Information Officer in terms of Protection of Personal Information (POPIA) legislation. The project introduced to ensure POPIA compliance will report to the Technology and Information Steering Committee in line with the Committee's role to lead and promote technology and information governance.

Remgro has outsourced its Technology and Information operations to credible service providers through comprehensive Service Level Agreements. The Service Level Agreements of the service providers, 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 its compliance monitored. Technology and information service management is based on the international Information Technology Infrastructure Library (ITIL) framework. The services of a Security Operations Centre was also implemented to monitor cyber risk.

Technology and information risk management is fully integrated and included in Remgro's combined assurance process. A business continuity plan has been formalised and successful tests performed on the back-up and disaster recovery processes. Detailed feedback on the Remgro Group's technology and information risks is provided to the ROTIG Committee and the Audit and Risk Committee.

Information security policies are in place throughout Remgro regulating, *inter alia*, the processing and protection of own and third-party information. When required, specialist skills are insourced to assist with information technology services.

An overview of the key areas of focus during the reporting period and planned areas of future focus can be found in the Risk and Opportunities Management Report on page 77 of the Integrated Annual Report.

COMPLIANCE

Compliance with laws, rules, regulations and relevant codes is integral to Remgro's risk and opportunities management process. The Audit and Risk Committee is responsible to, *inter alia*, ensure that an appropriate compliance framework is in place, that non-compliance is reported and to review any major breach of relevant legal and regulatory requirements. The Social and Ethics Committee has also been mandated to monitor the effectiveness of compliance management in the Remgro Group.

The Audit and Risk Committee monitors compliance with the Code of Ethics and addresses instances of fraud or irregularities. The Remgro Group has an effective anti-corruption, fraud prevention and detection process and ensures compliance and risk mitigation. There were no alleged incidents reported during the year.

During the year under review, the Board has reviewed Remgro's Legal Compliance Policy and Framework in light of the principles and recommended practices of King IV. The Board has confirmed that there is sufficient management capacity and controls in place to ensure that all relevant laws and industry practices are complied with. The Legal Compliance Policy and Framework identifies which non-binding rules, codes and standards have been adopted by Remgro.

The Legal department updates management regularly on all changes in relevant legislation and regulations and legal compliance is managed and monitored on an ongoing basis and reported on to the Audit and Risk Committee.

Compliance controls also vest with senior management, who are required to report to the ROTIG Committee on a regular basis regarding their compliance using a control self-assessment methodology. This process is incorporated into the annual combined assurance plan.

The Company Secretary is responsible for providing guidance to the Board collectively, and to the directors individually, with regards to their duties, responsibilities and powers; making them aware of legislation and regulations relevant to Remgro. The Company Secretary is responsible to ensure the proper administration of Board proceedings and matters in accordance with applicable legislation and procedures.

Legal compliance is a standing agenda item for Board meetings. Feedback on the Remgro Group's legal and regulatory risks is provided to the Audit and Risk Committee on a regular basis. The Board oversees that compliance is understood not only for the obligations it creates, but also for the rights and protections it affords, that compliance management is to be understood taking a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another; and that compliance entails continual monitoring of the regulatory environment and appropriate responses to changes and developments.

Ms Mariza Lubbe, as an executive director, is responsible for compliance and corporate social investments. In her duties relating to compliance she monitors Remgro's responsibilities in terms of the Companies Act, the JSE Listings Requirements and King IV, as well as the proper and lawful implementation of Remgro's corporate actions.

REMUNERATION

Remgro's Remuneration and Nomination Committee is responsible for, *inter alia*, the establishment of a remuneration policy, overseeing the setting and administering of the remuneration of all directors, Management Board members and other employees, as well as the compensation of non-executive directors (which compensation is ultimately approved by the shareholders by special resolution before payment thereof).

The Remuneration and Nomination Committee advises 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.

Remgro has a formal Remuneration Policy that sets out the remuneration principles for the organisation as a whole. The Remuneration Policy is aligned with Remgro's approach of rewarding all employees fairly and competitively, according to their capabilities, skills, responsibilities and level of performance. The level of salaries to employees is one of a number of elements in its strategy to retain, motivate and, where necessary, recruit high-quality people.

The Remuneration Report provides an overview and understanding of Remgro's remuneration principles, policy and practices. The remuneration of directors and prescribed officers is disclosed in the Remuneration Report on page 84 of the Integrated Annual Report. The Board has decided that independent non-executive directors should not be remunerated by means of a base fee and attendance fee in respect of their Board and committee obligations. The fee paid to non-executive directors is thus a fixed annual fee. This was decided as many directors add significant value to the Remgro Group outside of the formal Board and committee meetings, sometimes greater than they might do within the confines of a formal meeting.

With effect from 2017, Remgro tables its Remuneration Policy and Remuneration Implementation Report for separate non-binding advisory votes by shareholders at its Annual General Meetings. In the event of a 25% or more dissenting vote on the Remuneration Policy or Remuneration Implementation Report (or both) the Remuneration and Nomination Committee will engage with the dissenting shareholders as recommended by King IV.

Remgro's Remuneration Policy and Remuneration Implementation Report were tabled for separate non-binding advisory votes at Remgro's Annual General Meeting held on 28 November 2019. At the meeting, 93.99% and 94.97% of the ordinary shareholders, which excludes the votes of the B ordinary shareholders, voted in favour of the Remuneration Policy and Remuneration Implementation Report, respectively.

ASSURANCE

COMBINED ASSURANCE

The Board acknowledges its accountability to its 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 and Carbon Disclosure Project verification). Remgro believes that these assurance methods provide the necessary assurance over the quality and reliability of the information presented. The different options and levels of independent assurance available are continuously being reassessed to ensure optimised assurance.

The consolidated Annual Financial Statements of Remgro were audited by the independent external auditors, PricewaterhouseCoopers Inc., in accordance with International Standards on Auditing. Remgro acknowledges the increasing requirements from investors and regulatory and other guidelines, such as King IV and the integrated reporting guidelines, for the external assurance of selected non-financial information.

The Audit and Risk Committee is responsible to ensure that the combined assurance model is applied to provide a coordinated approach to all assurance activities, and that the combined assurance received is appropriate to address all the significant risks facing Remgro. It is also responsible to monitor the relationship between external service providers and Remgro. Various other voluntary external accreditation, certification and assurance initiatives are followed in the Remgro Group.

Remgro has implemented an enterprise-wide risk and opportunities management system that forms part of the overall combined assurance plan. Technology and information risk and opportunities management is fully integrated and included in Remgro's combined assurance process.

The Board is satisfied that a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that these support the objectives for assurance.

The Board's direction takes into account legal requirements in relation to assurance and whether assurance should be applied to the underlying data used to prepare a report, or to the process for preparing and presenting a report, or both. In determining how to assure external reports, consideration is given to whether the nature, scope and extent of assurance are suited to the intended audience and purpose of a report; and the evaluation of the underlying subject matter of the report. The Board is satisfied that the external reports of Remgro meet the recommended practices of King IV.

INTERNAL AUDIT

Internal audit forms an integral part of Remgro's enterprise-wide risk and opportunities management system to provide assurance on the effectiveness of Remgro's risk and opportunities management process and system of internal control. The internal audit function is independent from management with unfettered access to the Audit and Risk Committee and executive management.

Remgro's Chief Audit Executive (CAE) provides an annual written assessment to the Audit and Risk Committee on the effectiveness of the Remgro Group's governance, system of internal controls and risk and opportunities management. The Audit and Risk Committee is satisfied with the independence, quality and scope of the internal audit process.

Reports on the effectiveness of Remgro's internal controls are included in the Risk and Opportunities Management Report and the Audit and Risk Committee Report. The Audit and Risk Committee has, *inter alia*, considered the reports from the internal and external auditors and satisfied itself about the adequacy and effectiveness of the Remgro Group's systems of internal control.

During the year under review, the Audit and Risk Committee reviewed the Internal Audit Mandate for approval by the Board, in light of the principles and recommended practices of King IV.

The Board continuously monitors that internal audit follows a comprehensive quality assurance and improvement process, regularly reviews Remgro's risk profile and approves the risk-based annual internal audit work plan accordingly.

The Audit and Risk Committee has appointed Mr Deon Annandale as Remgro's CAE. The Board is satisfied with the attributes, objectivity and independence of the CAE, and that the CAE has the necessary gravitas and competence. The CAE is invited to attend meetings of the Management Board, as and when required, in addition to standing invitations to the ROTIG and Treasury Committees' meetings and the investment strategy conference.

An external, independent quality review of the internal audit function is conducted at least once every three years.

STAKEHOLDER-INCLUSIVE APPROACH

The Board is the ultimate custodian of its corporate reputation and stakeholder relationships. Remgro's relationship with all its stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics: integrity, competence, responsibility, accountability, fairness and transparency. Remgro has adopted a stakeholder policy, which sets out the approach and strategy of Remgro with respect to stakeholder engagements, ensuring that the approach takes into account corporate governance guidelines.

During the year under review, the Board reviewed the Group governance framework, which articulates and gives effect to its direction on relationships and the exercise of authority across the Remgro Group, in recognising group companies as being stakeholders of Remgro.

Remgro's main stakeholders are its shareholders and the investment community, its employees, its investee companies and the other shareholders of such investee companies, the community and environment in which it operates, its suppliers and service providers and the South African Government and regulatory bodies. The expectations of these stakeholders are taken into account in determining the areas reported on throughout the Sustainable Development Report.

Effective communication with shareholders and other stakeholders is fundamental in maintaining Remgro's reputation as an investment partner of choice. 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.

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 Annual 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 encouraged to contact the Remgro Investor Relations Manager directly for any investor related queries. The most recent and historic financial and other information is published on the Company's website.

The Board is available to engage at the Annual General Meeting of Remgro and to respond to shareholders' queries on how the Board executed its governance duties. The designated partner of the external audit firm also attends the Annual General Meeting. The results of Remgro's Annual General Meeting are publicly available on the Stock Exchange News Service (SENS).

Remgro, like other organisations, has many economic impacts on its stakeholders through, *inter alia*, the generation and distribution of value, the creation of employment opportunities, remunerating employees fairly and competitively, paying taxes and CSI initiatives. Remgro continuously manages these impacts and engages with stakeholders on matters relevant to them.

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 shareholders that may be to their detriment. In this regard Remgro has appointed a LID to act as chairman during meetings in situations when the Chairman has a conflict of interest.

The Board has not instituted a formal dispute resolution process in relation to shareholders, as it believes that the existing processes within the Remgro Group operate satisfactorily and do not require a more formal and separate mechanism. In addition, shareholders may use relevant remedies in terms of the Companies Act.

An overview of the key areas of focus during the reporting period and planned areas of future focus in relation to stakeholder inclusivity can be viewed in the Abridged Sustainable Development Report on page 105 of the Integrated Annual Report.

CONCLUSION

The Board is satisfied with the application by Remgro of the principles enshrined in King IV and has demonstrated its application of the 16 applicable King IV principles herein. Remgro is committed to ensuring that corporate governance is adhered to and that corporate governance processes are continuously reviewed to ensure that it remains effective and compliant.

RISK AND OPPORTUNITIES MANAGEMENT REPORT

INTRODUCTION

The Board is ultimately accountable for the risk and opportunities management process and system of internal control within Remgro. The Board has reviewed the comprehensive Risk and Opportunities Management Policy and plan, which has been implemented by management. This plan incorporates continuous risk and opportunity identification and assessment, 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, Opportunities, Technology and Information Governance Operational Subcommittee (ROTIG). 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 and opportunities management philosophy as these ensure entrepreneurial aptitude, sound corporate reputation and effective governance. The financial, manufactured, intellectual, social and relationship and natural assets furthermore form part of the Six Capitals concept referred to in the King IV Report on Corporate Governance for South Africa (2016) (King IV). These categories of capitals, their interrelations and utilisation, to varying degrees, form an intricate part of the risk and opportunities process within the Company.

The risk and opportunities management process in Remgro comprises the arrangement of resources to ensure the achievement of the Company's stated mission along with its aligned 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, economic and legislative developments in both the Remgro environment as well as the global environment and 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 otherwise readily available to stakeholders, or the materiality of such information is deemed insufficient to warrant detailed disclosure. As a result, this report contains risk and opportunities 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 and Opportunities 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 King IV. This policy defines the objectives, methodology, processes and responsibilities of the various risk and opportunities management role players in the Company. The Risk and Opportunities 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.

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

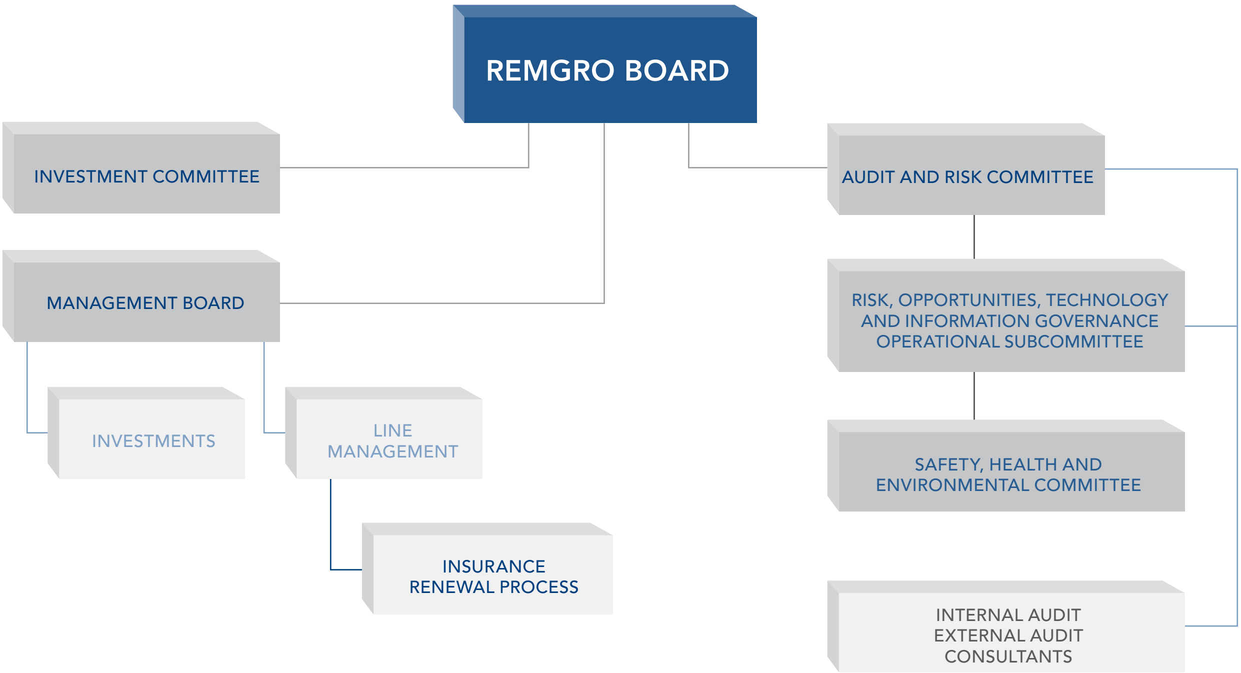
The table below summarises the salient control objectives and related controls included in the Remgro risk register:

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 evaluations. Strong ethical leadership. Continuous skills and attribute development aligned with business developments and corporate values. "Staying Future Fit" project and projects supporting the Management Board.
Ethical and visible leadership via governance structures and related processes maintaining Remgro's reputation as a good corporate citizen and a socially and environmentally responsible investor.	Anti-corruption and fraud prevention and detection procedures. Embedded system of values and ethics and maintenance thereof via visible leadership and ethical competence refresher training. Formalised ethics management policies and codes of conduct. Formalised tax, environmental and social policies. Corporate culture focused on excellence in execution, fairness in dealing and transparency in reporting. Comprehensive and King IV compliant corporate governance structures and systems. Effective and credible investor and stakeholder communications. Effective functioning of the Social and Ethics Committee. Business strategies aligned with Corporate mission based on stakeholder-inclusive principles. Effective functioning of the Audit and Risk Committee. Effective internal control, combined assurance, risk management and reporting processes.
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 risks and opportunities associated with global and local political, socio-economic, legislative and technological developments. Adequate design and implementation of appropriate risk responses; the establishment and implementation of business resilience and continuity arrangements that allow Remgro to operate under conditions of volatility, and to withstand and recover from acute shocks and enhance enterprise resilience. Effective assessment of risks and opportunities emanating from the triple context in which Remgro operates (i.e. the economy, society and environment) and the capitals that Remgro uses and effects (i.e. financial, manufactured, intellectual, human, social and relationship and natural) to optimise performance and resource deployment. Workgroups focused at future scanning and key investment strategy objectives and six capital enhancement reporting to the Management Board.

KEY CONTROL OBJECTIVES	KEY CONTROLS
Maintaining the significance of Remgro's corporate presence in the investment environment as this enables it to acquire meaningful stakes in selected investment opportunities thereby striving vigorously to meet Remgro's investment philosophy of investing in businesses that can deliver superior earnings, cash flow generation and dividend growth over the long term.	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. Comprehensive networks and robust processes focused on investment opportunity identification, and risk-based due diligence reviews, guided by responsible investment considerations. Effective functioning of the Investment Committee. Effective investor relations and corporate communications.
Ensuring that opportunity risks are managed to avoid lost investment opportunities that meet Remgro's stringent investment criteria.	Skilled and experienced investment division with efficient operational processes and controls. Effective support structures and negotiation processes supported by proven due diligence processes. Robust deal implementation and secretarial and legal support and compliance processes. Ensuring that the corporate culture of Remgro does not inhibit responsible risk and opportunities taking. Board oversight and executive monitoring of performance against investment plans and strategies.
Available liquidity to fund new investments and further support successful investments.	Effective functioning of the Treasury Committee. Conservative cash administration and well-managed and secure treasury environment. Maintaining appropriate borrowing facilities. Maintaining a strong balance sheet.
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, including environmental, social and governance standards and expectations 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.
Effective internal operations, including secretarial, financial, human resources, compliance 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.

* *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
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 and cyber risk mitigated • 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 and component criteria) – 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 Financial Sector Conduct Authority (FSCA) approved external compliance officer. In addition, the treasury department (back and front office) is 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. Adequate and transparent risk and opportunities disclosure and reporting. Effective functioning of the Audit and Risk Committee.
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. Tax Policy. Effective Compliance Policy and procedures.
Reliable and secure information and technology 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. Technology and Information Governance Policy supported by procedures over key activities such as business continuity, information and cyber 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 ROTIG Committee with formalised policies. Successful participation in Carbon Disclosure Project (CDP) and inclusion in FTSE/JSE Responsible Investment Index.



Material external risks include uncertainty on the Government's ability to deliver on its mandate and the sustained global economic downturn intensified by the impacts of the Covid-19 global pandemic 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.

Remgro timely identifies and comprehensively mitigates disruption risk and realises opportunities associated with the next industrial revolution.

RISK AND OPPORTUNITIES MANAGEMENT STRUCTURE

The above structure has been implemented and maintained to ensure the effective and efficient management of risk and opportunities within the Company.

The function of the Chief Risk Officer is shared amongst the following individuals:

- The CEO reports directly to the Board on an ongoing basis with regards to the risks that may impact the effective and efficient execution of its strategy.
- The CFO, as chairman of the ROTIG Committee, is responsible for the induction of risk and opportunities management into the daily activities of the Company, including the drafting, review and maintenance of the Company risk register and Risk and Opportunities Management Policy and plan.
- The Chief Audit Executive (CAE) attends meetings of the Management Board and ROTIG Committee and renders independent assurance regarding the effectiveness of this committee's activities as well as the risk management process and 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 losses 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-return profile of the current investment portfolio;
- availability of cash resources and other liquid assets that could easily be converted into cash;
- available funding opportunities;
- risk-return profile of prospective opportunities;
- financial metrics relevant to measuring performance, including as well as:
  - Intrinsic Net Asset Value (INAV);
  - return on INAV relative to comparable risk investments;
  - dividend policy;
  - free cash flow; and
  - gearing ratios
- international and local economic cycles and trends;
- foreign currency rates and trends;
- materiality of risks with reference to the INAV of the Group;
- risk management capability and maturity; and
- resource allocation and strategy.

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

TECHNOLOGY AND INFORMATION GOVERNANCE

The Company reviews its Technology and Information 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 Technology and Information Use Policy and information confidentiality policies.

The head of Technology and Information reports to the CFO and technology and information related matters are addressed by a Technology and Information Steering Committee comprising senior management. The Technology and Information risk register is considered by the ROTIG Committee and progress on technology and information and control-related projects is monitored via the ROTIG Committee by the Audit and Risk Committee.

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

The technology and information risk management process is included in 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 compliance with all relevant laws and salient industry practices.

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 Social and Ethics 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 timely 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 CAE, 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 IV 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 Institute of Internal Auditors. 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, every three years.

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 and rendering insight into emerging risk.

The internal audit department also renders independent internal audit and risk and opportunities 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 AND OPPORTUNITIES 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 and opportunities 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.

OVERVIEW OF FOCUS AREAS

The following comprised focus areas during the year under review:

- Covid-19 and related implications, including business resilience;
- Emerging risks including global and local political and economic developments and trends;
- Robustness of fraud prevention and detection processes given the magnitude and prevalence of reported irregularities;
- Developments in international financial reporting standards;
- Auditor rotation developments and reputation damage suffered by certain audit firms;
- Material transactions in the financial year;
- Effectiveness of the risk and opportunities and combined assurance processes;
- Opinions on the effectiveness of the control environment;
- Terms and assurance plans of both internal and external audit;
- External reporting, both financial and non-financial; and
- Technology and information governance.

The above aspects will be repeated in the agenda as regards focus areas given the Group's Governance Standards and aligned Committee Mandate.

REMUNERATION REPORT

BACKGROUND STATEMENT

Remgro's remuneration philosophy is guided 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 fixed remuneration (i.e. salary and benefits) and a long-term share plan, which only renders value if stretching performance conditions (where applicable) are met. As an investment holding company, the Remuneration and Nomination Committee (the committee) views increased market capitalisation, sustainable growth in the share price and above-average dividend yield as critical metrics 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. It is aligned with the philosophy that they should be rewarded where value creation 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. Our remuneration philosophy and policy are further detailed in the second section of this report.

CONTEXT AND KEY DECISIONS TAKEN

Remgro has a diversified portfolio of investments across industries, which include financial services, healthcare, consumer products, industrial, infrastructure, as well as media and sport. During the year under review, the Company unbundled its investment in RMB Holdings Limited (RMH) by way of a dividend *in specie* (RMH Unbundling).

The weak domestic macroenvironment, characterised by low economic growth, continued high levels of unemployment and rand volatility persisted during the financial year. Continued poor performance from state-owned entities (SOEs), particularly Eskom, and the resulting downgrade of our economy to junk status contributed significantly to weakened overall trading conditions.

The most significant impact on the economy as a whole as well as the Remgro share price during the reporting period was the outbreak of Covid-19 in China and the resulting global pandemic leading up to the announcement of a State of Disaster in South Africa. Local and global economies almost completely halted at certain stages and the local lockdown regulations at different levels seriously affected the majority of Remgro's investee companies' operations and earnings.

Mainly because of macroeconomic conditions outside of the control of management, the long-term incentive (LTI) plans have not yielded any or very little value to participants in the last number of years. The recent negative impact of Covid-19 on the global and local economy, currency and market volatility and on the operations of specific investee companies (i.e. ban on selling of liquor and significant reduction in non-Covid-19 related hospitalisation), it seems unlikely that any of the current "in-flight" LTI awards will yield the expected value from these plans.

The committee deliberated extensively on the impact of the Covid-19 pandemic, the RMH Unbundling and the macro-economic conditions on all elements of remuneration during the year and a summary of these decisions and the other main actions and deliberations are provided below:

TOTAL GUARANTEED PACKAGE (TGP)

In order to mitigate against the impact of Covid-19 on the remuneration of employees, and in line with Remgro's philosophy on fair and responsible remuneration, the following actions, among others, were taken:

- The members of the Management Board voluntarily agreed to reduce their TGP by 30% for the months of April, May and June in solidarity to the serious impact that the initial lockdown and lockdown level five had on the economy, our investee companies, small businesses and the people of South Africa in general. The Company then decided to donate this saving to The South African SME Relief Trust (or the Sukuma Relief Programme) in support of Small and Medium enterprises.
- No salary increases were proposed and approved for members of the Management Board and management level employees for the 2021 financial year. Non-management employees received cost of living related salary adjustments of between 4.5% and 5.0% for the 2021 financial year.
- The majority of employees were able to continue to work from home during the initial Covid-19 lockdown levels and the Company continued to pay full salaries to all employees. Employees that were not able to productively work remotely or were not able to work at all were required to utilise accrued annual leave during this time.

LONG-TERM INCENTIVE (LTI) PLANS

- Evaluation of effectiveness of non-guaranteed remuneration

  In the absence of any short-term incentive (STI) arrangements and the limited effectiveness of guaranteed remuneration, the LTI plans are critical to attract, motivate and retain employees across the Company, and not only at Management Board level. These LTI plans are not currently delivering value to participants that, in turn, results in the LTI plans being less effective as a tool with which to motivate and retain employees and could lead to a loss of talent.

  Management, in consultation with their external advisor, is currently considering a number of alternatives to discharge their responsibility to ensure employees stay engaged and motivated and that the Company can continue to attract and retain the best employees.

- Granting of LTI awards

  Remgro issued a cautionary announcement in November 2019 with regards to the RMH Unbundling which resulted in the Company entering a cautionary period. The 2018 Rules of the Remgro Equity Settled Conditional Share Plan (CSP) and Remgro Share Appreciation Rights Plan (SAR Plan) regard prohibited periods (which include cautionary periods) as a restriction which prevents the Company from making new awards to employees. The Company was prevented from making the planned annual awards in December 2019. While the restrictions were lifted in April 2020, the Company decided to postpone the making of the 2019 awards further due to the uncertainties of the impact of Covid-19 on investee companies and Remgro as a whole.

  This position was reviewed at the June 2020 Remuneration and Nomination Committee meeting and it was decided to further postpone the making of these awards to the latter part of 2020.

NON-EXECUTIVE DIRECTORS' (NED) FEES

With consideration to the impact of Covid-19, the RMH Unbundling as well as the decision not to grant increases to the Management Board and other managers, the committee approved not to increase the NED fees for the 2021 financial year.

ASSESSMENT OF THE IMPLICATION OF THE RMH UNBUNDLING ON THE REMGRO SHARE PLANS

The impact of the adjustments to the Remgro share plans are set out on pages 92 and 93 in the Implementation Report.

MALUS AND CLAWBACK POLICY

The committee commenced with the introduction of Malus and Clawback into the Remgro remuneration framework. The committee is in the process of finalising the formal Malus and Clawback Policy, the implementation of which will be ongoing for the 2021 financial year.

VOTING RESULTS AND SHAREHOLDER ENGAGEMENT

At the Annual General Meeting (AGM) held on 28 November 2019, Remgro's Remuneration Policy received a favourable vote by Ordinary Shareholders of 93.99% and the Remuneration Implementation Report received a favourable vote by Ordinary Shareholders of 94.97%.

The committee remains committed to ongoing engagement with shareholders and welcomes any comment they may wish to provide.

The committee is of the view that during the 2020 financial year, Remgro's Remuneration Policy achieved its stated objectives. At the 2020 AGM Remgro will put its Remuneration Policy and Remuneration Implementation Report to two separate non-binding advisory shareholder votes (see ordinary resolutions numbers 16 and 17 in the Notice to shareholders on page 151) and the committee looks forward to a positive outcome in this regard.

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;
- 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.

FUTURE AREAS OF FOCUS

During the 2021 financial year the committee will focus on the following forward-looking considerations:

- To review the short-, medium- and long-term impact of recent corporate activities and the Covid-19 pandemic on reward principles and practices to enable our ability to attract, retain and motivate all employees.
- To review the performance measures and targets for each of the approved LTI arrangements to ensure they remain relevant for future awards.
- To finalise and implement the Malus and Clawback Policy.

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. This Remuneration Policy will be put to a non-binding advisory vote by shareholders at the next AGM on 30 November 2020.

GOVERNANCE

The committee is appointed by the Board with delegated powers and 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, by way of policy making and implementation, and that the disclosure of remuneration is accurate, complete and transparent. Ultimate responsibility remains with the Board.

The committee is governed by a mandate, reviewed and approved by the Board annually, 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 (independent non-executive director);
- Mr G T Ferreira (lead independent non-executive director) – retired at the 28 November 2019 committee meeting;
- Mr P J Moleketi (independent non-executive director) – appointed to the committee on 28 November 2019; and
- Mr F Robertson (independent non-executive director).

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

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

The committee formally met twice during the year and had four 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 69.

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

In respect of its nomination function –

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

In respect of its remuneration function –

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

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

During the 2020 financial year, the committee has engaged external remuneration consultant PricewaterhouseCoopers Inc. (PwC) as well as management and the Board in conducting their duties and responsibilities.

The committee considered the advice, opinions and services received by PwC during the 2020 financial year. The committee is satisfied and regard PwC as being wholly objective and independent.

COMPONENTS OF REMUNERATION

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

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

The details of the components are outlined below:

FIXED REMUNERATION

PURPOSE

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

WHAT DOES THIS CONTAIN?

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

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

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

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

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

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

HOW IS THE TGP BENCHMARKED?

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

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

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

ANNUAL REVIEW PROCESS

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

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

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

SHARE APPRECIATION RIGHTS PLAN	CONDITIONAL SHARE PLAN

PURPOSE

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

HOW DOES IT WORK?

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

WHO QUALIFIES TO PARTICIPATE?

Share Appreciation Rights Plan	Conditional Share Plan
All permanent employees of the Company may participate in the SAR Plan, although it is anticipated that it will be used for executive directors and employees at senior executive level only. All permanent employees previously participated in the SAR Scheme.	All permanent employees of the Company may participate in the CSP.

DETERMINATION OF VALUE/ALLOCATION

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

For the year under review, the following face value award multiples were approved by the committee:

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

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

For all other participants, 100% of the award is under the CSP. These awards are subject to retention conditions only.

These multiples are within current market parameters.

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

Refer to the Remuneration Implementation Report on page 92 for previous SARs and CSPs awarded.

DIVIDEND EQUIVALENTS

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

VARIABLE REMUNERATION

SHARE APPRECIATION RIGHTS PLAN

VESTING AND EXERCISE/SETTLEMENT

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

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

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

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

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

PERFORMANCE CONDITIONS

The SAR Plan has an embedded performance hurdle whereby participants will only benefit if there is long-term share price appreciation and thus value creation for Remgro shareholders. Following feedback from shareholders, awards made after 30 June 2019 will be subject to these additional prospective financial performance conditions:

- The vesting of 50% of such awards will depend on the growth in the intrinsic net asset value (INAV) outperforming a predefined "real growth" benchmark. For 100% vesting, growth in INAV will need to equal or exceed the value calculated as South Africa's consumer price index (CPI) inflation rate plus South Africa's gross domestic product (GDP) growth rate plus an additional 1.25%, as measured over the three financial years. For 30% vesting, growth in INAV will need to equal or exceed the value calculated as CPI inflation rate. For performance between these points linear vesting will apply; and
- The vesting of 50% of such awards will depend on the growth in the free cash flow at the centre outperforming a predefined "real growth" benchmark. For 100% vesting, growth in the free cash flow at the centre will need to equal or exceed the value calculated as CPI inflation rate plus an additional 1.25%, as measured over the three financial years. For 30% vesting, growth in free cash flow at the centre will need to equal or exceed the value calculated as CPI inflation rate. For performance between these points linear vesting will apply.

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

These performance conditions will apply to executive directors and other members of the Management Board (prescribed officers).

CONDITIONAL SHARE PLAN

VESTING AND EXERCISE/SETTLEMENT

Awards under the CSP will vest as follows:

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

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

PERFORMANCE CONDITIONS

The CSP will be subject to the following prospective financial performance conditions:

- The vesting of 50% of such awards will depend on the growth in the INAV outperforming a predefined "real growth" benchmark. For 100% vesting, growth in INAV will need to equal or exceed the value calculated as South Africa's CPI inflation rate plus South Africa's GDP growth rate plus an additional 1.25%, as measured over the three financial years. For 30% vesting, growth in INAV will need to equal or exceed the value calculated as CPI inflation rate. For performance between these points linear vesting will apply; and
- The vesting of 50% of such awards will depend on the growth in the free cash flow at the centre outperforming a predefined "real growth" benchmark. For 100% vesting, growth in the free cash flow at the centre will need to equal or exceed the value calculated as CPI inflation rate plus an additional 1.25%, as measured over the three financial years. For 30% vesting, growth in free cash flow at the centre will need to equal or exceed the value calculated as CPI inflation rate. For performance between these points linear vesting will apply.

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

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

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

VARIABLE REMUNERATION

SHARE APPRECIATION RIGHTS PLAN | CONDITIONAL SHARE PLAN

EARLY TERMINATION OF EMPLOYMENT

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

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

CHANGE OF CONTROL

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

VARIATION IN SHARE CAPITAL

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

DILUTION LIMITS

Individual basis

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

Overall basis

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

SETTLEMENT CONSIDERATIONS

If it is assumed that all of the participants to the SAR Plan exercise all options awarded to them on 1 July 2020, Remgro will have to deliver nil shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2020 of R99.90. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be nil shares and nil shares, respectively.

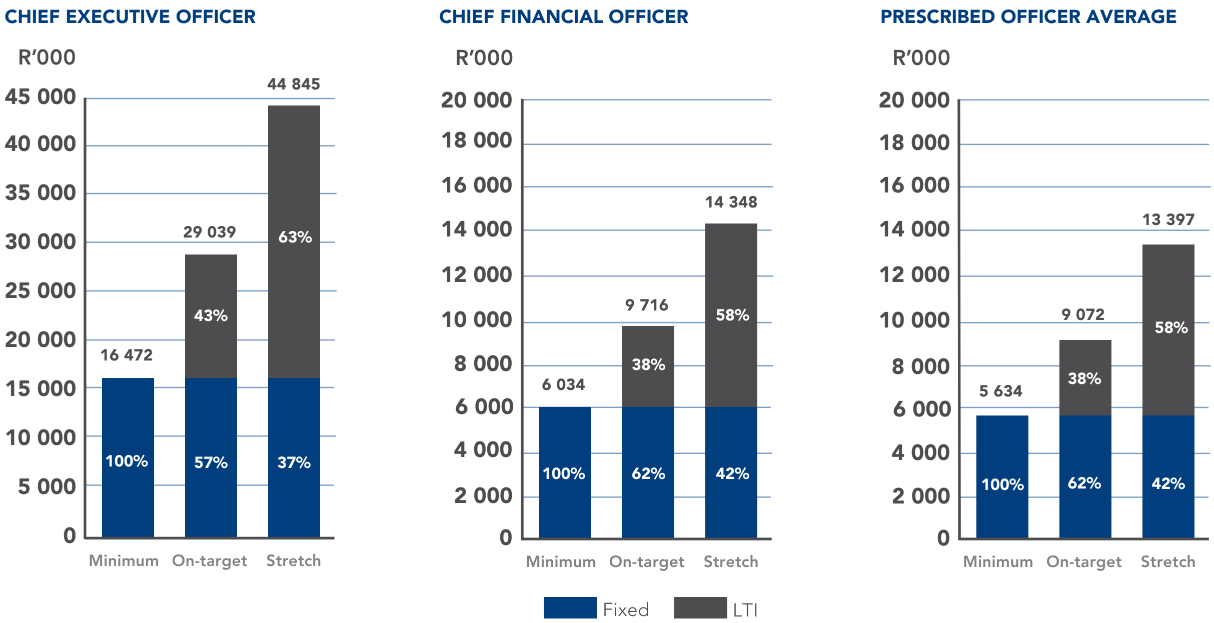
If it is assumed that all awards made under the CSP vest on 1 July 2020 in full, Remgro will have to deliver 476 142 shares in order to settle its obligations.

At 30 June 2020 Remgro held sufficient treasury shares to settle its obligations to deliver shares to LTI participants.

SCENARIOS OF POSSIBLE TOTAL REMUNERATION OUTCOMES

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

ELEMENT	MINIMUM	ON-TARGET	STRETCH
TGP	TGP as at 30 June 2021, see page 93. Benefits assumed in line with those paid in the 2020 financial year.		
LTI	Nil	The maximum number of instruments granted in the 2019 financial year that might vest multiplied by the fair value on grant over the grant period, multiplied by the on-target vesting expectation of 60%.	The maximum number of instruments granted in the 2019 financial year that might vest multiplied by the share value based on a 100% increase in the fair value on grant over the grant period for SARs and the grant price for CSPs.



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.

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 respect of unvested and unexercised SARs in terms of legislation, and the consequences in respect of unexercised SARs and/or unvested CSP awards will be governed by the rules of the SAR Plan (or previous SAR Scheme) and CSP based on the reasons for the termination of employment.

NON-EXECUTIVE DIRECTORS' REMUNERATION

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors, who have served on the Board for more than nine years, is subject to a rigorous review by the Board. The Board is satisfied with the independence of the independent, non-executive directors, including the independence of Messrs F Robertson, P K Harris and M Morobe, who each has served on the Board for 19 years, 18 years and 13 years respectively. 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 are then validated through a focused secondary survey among a selected group of companies. Non-executive director fees are approved by shareholders at the Company's AGM by special resolution prior to payment. Remgro also pays for all travelling and accommodation expenses reasonably and properly incurred in order to attend meetings.

The annual fees payable to independent non-executive directors for the period commencing on 1 July 2019 were approved by shareholders at the AGM on 28 November 2019.

NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

The proposed fee structure payable to non-executive directors for the year ending 30 June 2021 is presented in the table below. Also see Special Resolution Number 1 in the Notice to shareholders on page 151.

Type of fee (Rand)	**Current fee for the year ended 30 June 2020**	Proposed fee for the year ending 30 June 2021	*% Change*
Board member	**R390 000**	R390 000	*0*
Chairman of the Audit and Risk Committee	**R297 000**	R297 000	*0*
Member of the Audit and Risk Committee	**R147 500**	R147 500	*0*
Member of the Remuneration and Nomination Committee	**R65 500**	R65 500	*0*
Chairman of the Social and Ethics Committee	**R120 000**	R120 000	*0*
Member of the Social and Ethics Committee	**R65 500**	R65 500	*0*
Meeting fee for *ad hoc* Committees (i.e. Investment- and Treasury Committee)	**R25 000**	R25 000	*0*

Fees are excluding VAT.

SHAREHOLDER ENGAGEMENT AND NON-BINDING ADVISORY VOTE

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

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

REMUNERATION IMPLEMENTATION REPORT

The Remuneration Implementation Report provides details on how Remgro implemented its Remuneration Policy during the 2020 financial year. (The information on pages 93 to 102 was audited). This Remuneration Implementation Report will be put to a non-binding advisory vote by shareholders at the next AGM on 30 November 2020.

FIXED REMUNERATION REVIEW

As discussed in the Background Statement section of this report, the executive directors and other members of the Management Board will receive an average salary increase of 0% (2019: 3.4%) for the 2021 financial year, compared to an average salary increase awarded to general staff of 1.35% (2019: 6.3%). Employees at management levels also received a 0% increase and at non-management levels a cost of living adjustment of between 4.5% and 5.0% was awarded. The annual salaries for executive directors and other members of the Management Board for the 2021 financial year will remain unchanged from the 2020 financial year:

	Annual salary as at		
R'000	**30 June 2020**	30 June 2021[(1)]	*% Change*
J J Durand	**14 762**	14 762	*0*
M Lubbe	**3 287**	3 287	*0*
N J Williams	**6 034**	6 034	*0*
P R Louw[(2)]	**3 901**	3 901	*0*
P J Uys[(2)]	**7 375**	7 375	*0*

(1) *The Remuneration and Nomination Committee approved a 0% increase for executive directors and prescribed officers.*
(2) *Prescribed officers.*

SHORT-TERM INCENTIVES OUTCOME

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

LONG-TERM INCENTIVES OUTCOME

- LTI awards made
  As discussed in the context section, no new LTI awards were made or accepted during the year under review.
- SAR awards vesting
  Awards granted prior to 2018 under the SAR Scheme did not have performance conditions attached. Based on the methodology set out in King IV, the awards therefore included in the single figure of remuneration are those which vest and become exercisable in the 12 months after year-end. The share price at year-end used to calculate the value in the table on page 94 is R99.90, being the Remgro closing price on 30 June 2020.
- RMH Unbundling
  The committee had to consider the implications that this corporate action had for participants of the different Remgro LTI plans and decide on:
  - the award prices of the various awards "in-flight" under the SAR Scheme and SAR Plan in terms of the rules of the plans;
  - the adjustment to the number of conditional awards under the CSP reflected in the relevant grant and in terms of the rules of the plan; and
  - the impact on performance conditions applicable to specific awards and specific participants.
- Adjustment to awards
  During its deliberations, the committee considered market best practices applicable to similar corporate activities, the materiality of the RMH Unbundling, the financial implications as well as the rules governing the different LTI plans to determine the appropriate adjustment in the award prices of the "in-flight" SARs and additional awards under the CSP. The main principles underpinning management's calculation of these adjustments was for participants to be in a similar position as shareholders through "participation" in the value unlock of corporate actions in order to ensure alignment as well as to comply with the rules of the LTI plans to ensure participants are in a substantially similar position and/or to be no worse off than before the corporate action. In essence, the value of the unbundled RMH shares as a portion of the combined value of the Remgro and RMH shares, as at the close of business on the first day after the last day to trade, was used to determine the adjustments to the respective incentive schemes.

  In accordance with paragraph 14.3(d) of the JSE Listings Requirements, Remgro's auditors, PwC, independently reviewed the principles and reasonability underpinning the proposed adjustments to establish whether these are aligned to the LTI plan rules and calculated the actual adjustment to each individual award with different award, vesting and expiry dates.

  In their conclusion and following the approval by the executive directors and the committee, PwC confirmed that they were of the view that the adjustments to the award prices and the number of awards (under the CSP) were sufficient to fully compensate the beneficiaries of the share incentives for the corporate action and in accordance with the rules and the provisions of the scheme.
- Performance conditions
  Management in consultation with the PwC actuaries and remuneration consultants are in the process of reviewing the performance conditions of those awards where these are applicable. The performance conditions (INAV growth and growth of free cash flow) are growth-type conditions from the base as calculated when these awards were made. Due to the material impact of the RMH Unbundling on these performance conditions, the base value of these measures will have to be adjusted to account for the RMH Unbundling in both measures. Management will request the external auditors to test these adjusted base calculations for reasonability.
- Extension of expiry periods
  The rules of the different LTI plans compel the Company to delay the vesting of any awards under prohibited periods and to extend the expiry period of awards that would ordinarily have expired during these prohibited periods. In light hereof, and due to the Company entering prohibited periods as a result of the RMH Unbundling, the finalisation of the Remgro and RMH implementation activities and the Company's financial year-end closed period, the expiry period of specific awards that were set to expire on 29 November 2019, 3 April 2020 and 1 July 2020 were extended to 30 November 2020.

LONG-TERM INCENTIVES OUTCOME (continued)

The following table represents the single figure LTI:

Participant	Offer date	Offer price (Rand)	Adjusted offer price[1] (Rand)	Number of SARs vesting in 12 months after year-end	Value of shares[2] (R'000)	Value of shares included in single-figure table (R'000)
J J Durand	24-Nov-15	272.00	170.38	64 225	(4 527)	–
	01-Dec-16	209.11	125.95	50 290	(1 311)	–
	14-Dec-17	206.35	118.86	44 103	(837)	–
	Total LTI vesting				(6 675)	–
M Lubbe	24-Nov-15	272.00	170.38	2 678	(189)	–
	01-Dec-16	209.11	125.95	21 877	(570)	–
	14-Dec-17	206.35	118.86	5 161	(98)	–
	Total LTI vesting				(857)	–
N J Williams	24-Nov-15	272.00	170.38	9 164	(646)	–
	01-Dec-16	209.11	125.95	32 905	(858)	–
	14-Dec-17	206.35	118.86	18 559	(352)	–
	Total LTI vesting				(1 856)	–
P R Louw	24-Nov-15	272.00	170.38	3 165	(224)	–
	01-Dec-16	209.11	125.95	30 373	(792)	–
	14-Dec-17	206.35	118.86	6 767	(129)	–
	Total LTI vesting				(1 145)	–
P J Uys	24-Nov-15	272.00	170.38	3 844	(271)	–
	01-Dec-16	209.11	125.95	30 487	(795)	–
	14-Dec-17	206.35	118.86	28 646	(544)	–
	Total LTI vesting				(1 610)	–

(1) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions. For the year under review offer prices were reduced by between R47.82 and R92.69 (depending on the offer date) as a result of the RMH Unbundling.*

(2) *Negative amounts indicate the extent to which awards are "under water". Negative amounts are not reported as negative amounts in the single-figure remuneration table on the next page.*

TOTAL REMUNERATION (SINGLE FIGURE)

The tables below provide information on the single figure remuneration for executive directors and prescribed officers, which comprises a fixed annual amount, as well as the value of the shares vesting 12 months after year-end.

EXECUTIVE DIRECTORS

R'000	Fees	Salaries	Retirement fund	Other benefits[1]	Fixed remune-ration[2]	LTI[3]	Total
30 June 2020							
J J Durand	**390**	**10 751**	**2 194**	**398**	**13 733**	**–**	**13 733**
M Lubbe	**390**	**1 834**	**435**	**410**	**3 069**	**–**	**3 069**
N J Williams	**390**	**3 975**	**857**	**403**	**5 625**	**–**	**5 625**
Total	**1 170**	**16 560**	**3 486**	**1 211**	**22 427**	**–**	**22 427**
30 June 2019							
J J Durand	368	11 286	2 296	372	14 322	–	14 322
M Lubbe	368	1 837	437	385	3 027	–	3 027
N J Williams	368	4 201	906	379	5 854	–	5 854
Total	1 104	17 324	3 639	1 136	23 203	–	23 203

(1) *Benefits include medical scheme contributions, vehicle benefits and UIF contributions.*
(2) *Salary reduction of 30% due to Covid-19 during April, May and June 2020 for all executive directors.*
(3) *LTI includes SARs which vest and become exercisable in the 12 months following the end of the reporting period.*

PRESCRIBED OFFICERS

R'000	Salaries	Retirement fund	Other benefits[2]	Fixed remune-ration[3]	LTI[4]	Total
30 June 2020						
P R Louw	**2 688**	**529**	**410**	**3 627**	**–**	**3 627**
R S M Ndlovu[1]	**1 169**	**211**	**167**	**1 547**	**–**	**1 547**
P J Uys	**5 366**	**1 064**	**389**	**6 819**	**–**	**6 819**
Total	**9 223**	**1 804**	**966**	**11 993**	**–**	**11 993**
30 June 2019						
P R Louw	2 758	547	385	3 690	–	3 690
R S M Ndlovu	2 379	472	379	3 230	–	3 230
P J Uys	6 070	1 156	385	7 611	–	7 611
Total	11 207	2 175	1 149	14 531	–	14 531

(1) *Mr R S M Ndlovu resigned on 30 November 2019.*
(2) *Benefits include medical scheme contributions, vehicle benefits and UIF contributions.*
(3) *Salary reduction of 30% due to Covid-19 during April, May and June 2020 for all prescribed officers.*
(4) *LTI includes SARs which vest and become exercisable in the 12 months following the end of the reporting period.*
(5) *Messrs P R Louw and P J Uys are members of the Management Board and the Social and Ethics Committee.*

LONG-TERM INCENTIVES SUMMARY

The tables below provide information on a director and prescribed officer basis of 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.

SHARE APPRECIATION RIGHTS (SARs)

DIRECTORS

Participant	Offer date[1]	Offer price[2] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2019	Adjusted offer price[3] (Rand)	SARs accepted/ (exercised or expired) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2020[5]	Fair value of SARs as at 30 June 2020[6] (R'000)
Executive											
J J Durand	29-Nov-12[7]	147.25	271 258	10 763	271 258	94.22				271 258	3 439
	04-Dec-13	191.70	93 128	5 064	93 128	127.40				93 128	262
	26-Nov-14	253.53	108 468	7 442	108 468	164.57				108 468	463
	24-Nov-15	272.00	192 676	15 591	192 676	170.38				192 676	888
	01-Dec-16	209.11	150 872	10 554	150 872	125.95				150 872	2 076
	14-Dec-17	206.35	132 309	9 705	132 309	118.86				132 309	2 290
	05-Dec-18	205.07	87 135	5 436	87 135	112.38				87 135	1 851
M Lubbe	29-Nov-12[7]	147.25	13 961	554	13 961	94.22				13 961	177
	04-Dec-13	191.70	7 444	405	7 444	127.40				7 444	21
	26-Nov-14	253.53	4 011	275	4 011	164.57				4 011	17
	24-Nov-15	272.00	8 036	650	8 036	170.38				8 036	37
	01-Dec-16	209.11	65 632	4 591	65 632	125.95				65 632	903
	14-Dec-17	206.35	15 481	1 136	15 481	118.86				15 481	268
	05-Dec-18	205.07	14 648	914	14 648	112.38				14 648	311
N J Williams	29-Nov-12[7]	147.25	81 901	3 250	81 901	94.22				81 901	1 038
	04-Dec-13	191.70	22 221	1 208	22 221	127.40				22 221	63
	26-Nov-14	253.53	16 430	1 127	16 430	164.57				16 430	70
	24-Nov-15	272.00	27 492	2 225	27 492	170.38				27 492	127
	01-Dec-16	209.11	98 716	6 905	98 716	125.95				98 716	1 358
	14-Dec-17	206.35	55 677	4 084	55 677	118.86				55 677	964
	05-Dec-18	205.07	28 465	1 776	28 465	112.38				28 465	605
Total					1 495 961		–		–	1 495 961	17 228

(1) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

(2) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

(3) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions. For the year under review offer prices were reduced by between R47.82 and R92.69 (depending on the offer date) as a result of the RMH Unbundling.*

(4) *This refers to the increase in value of the SARs of the indicated participants from the offer date to the date of exercise.*

(5) *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

(6) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

(7) *The expiry dates of these awards were extended because of restrictions under prohibited periods.* *Refer to page 93 for more context.*

DIRECTORS (continued)

Participant	Offer date[2]	Offer price[3] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2018	Adjusted offer price (Rand)	SARs accepted/ (exercised or expired) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[4] (R'000)	Balance of SARs accepted as at 30 June 2019[5]	Fair value of SARs as at 30 June 2019[6] (R'000)
Executive											
W E Bührmann[1]	29-Nov-12	147.25	98 817	3 921	98 817	142.04	(98 817)	203.00	6 024	–	–
	04-Dec-13	191.70	25 485	1 386	25 485	185.07	(25 485)	203.00	457	–	–
	26-Nov-14	253.53	8 958	615	8 958	245.53	(8 958)			–	–
	24-Nov-15	272.00	26 470	2 142	26 470	262.77	(26 470)			–	–
	01-Dec-16	209.11	82 971	5 804	82 971	209.11	(82 971)			–	–
J J Durand	29-Nov-12	147.25	271 258	10 763	271 258	142.04				271 258	12 849
	04-Dec-13	191.70	93 128	5 064	93 128	185.07				93 128	2 321
	26-Nov-14	253.53	108 468	7 442	108 468	245.53				108 468	1 415
	24-Nov-15	272.00	192 676	15 591	192 676	262.77				192 676	2 859
	01-Dec-16	209.11	150 872	10 554	150 872	209.11				150 872	5 001
	14-Dec-17	206.35	132 309	9 705	132 309	206.35				132 309	5 656
	05-Dec-18	205.07	87 135	5 436	–	205.07	87 135			87 135	2 489
M Lubbe	29-Nov-12	147.25	13 961	554	13 961	142.04				13 961	661
	04-Dec-13	191.70	7 444	405	7 444	185.07				7 444	185
	26-Nov-14	253.53	4 011	275	4 011	245.53				4 011	52
	24-Nov-15	272.00	8 036	650	8 036	262.77				8 036	119
	01-Dec-16	209.11	65 632	4 591	65 632	209.11				65 632	2 175
	14-Dec-17	206.35	15 481	1 136	15 481	206.35				15 481	662
	05-Dec-18	205.07	14 648	914	–	205.07	14 648			14 648	418
N J Williams	29-Nov-12	147.25	81 901	3 250	81 901	142.04				81 901	3 880
	04-Dec-13	191.70	22 221	1 208	22 221	185.07				22 221	554
	26-Nov-14	253.53	16 430	1 127	16 430	245.53				16 430	214
	24-Nov-15	272.00	27 492	2 225	27 492	262.77				27 492	408
	01-Dec-16	209.11	98 716	6 905	98 716	209.11				98 716	3 272
	14-Dec-17	206.35	55 677	4 084	55 677	206.35				55 677	2 380
	05-Dec-18	205.07	28 465	1 776	–	205.07	28 465			28 465	813
Total					1 608 414		(112 453)		6 481	1 495 961	48 383

(1) *Mr W E Bührmann retired on 30 April 2018. 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 8 958 (R245.53), 26 470 (R262.77) and 82 971 (R209.11) SARs expired on 30 April 2019 as the Remgro share price was less than the adjusted offer price on the last day that it could be exercised.*

(2) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after the grant date, upon which date unexercised SARs lapse.*

(3) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

(4) *This refers to the increase in value of the SARs of the indicated participants from the offer date to the date of exercise.*

(5) *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

(6) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

LONG-TERM INCENTIVES SUMMARY (continued)

SHARE APPRECIATION RIGHTS (SARs) (continued)

PRESCRIBED OFFICERS

Participant	Offer date[2]	Offer price[3] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2019	Adjusted offer price[4] (Rand)	SARs expired during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[5] (R'000)	Balance of SARs accepted as at 30 June 2020[6]	Fair value of SARs as at 30 June 2020[7] (R'000)
P R Louw	29-Nov-12[8]	147.25	22 646	899	22 646	94.22				22 646	287
	04-Dec-13	191.70	12 944	704	12 944	127.40				12 944	36
	26-Nov-14	253.53	5 952	408	5 952	164.57				5 952	25
	24-Nov-15	272.00	9 497	768	9 497	170.38				9 497	44
	01-Dec-16	209.11	91 120	6 374	91 120	125.95				91 120	1 254
	14-Dec-17	206.35	20 301	1 489	20 301	118.86				20 301	351
	05-Dec-18	205.07	17 881	1 116	17 881	112.38				17 881	380
R S M Ndlovu[1]	04-Dec-13[8]	191.70	375	20	375	185.07	(375)			–	–
	26-Nov-14	253.53	1 080	74	1 080	245.53	(1 080)			–	–
	24-Nov-15	272.00	10 699	866	10 699	262.77	(10 699)			–	–
	01-Dec-16	209.11	15 605	1 092	15 605	209.11	(15 605)			–	–
	14-Dec-17	206.35	10 267	753	10 267	206.35	(10 267)			–	–
	05-Dec-18	205.07	15 665	977	15 665	205.07	(15 665)			–	–
P J Uys	02-Apr-13[8]	183.15	218 400	10 519	218 400	121.67				218 400	796
	04-Dec-13	191.70	3 325	181	3 325	127.40				3 325	9
	26-Nov-14	253.53	14 774	1 014	14 774	164.57				14 774	63
	24-Nov-15	272.00	11 533	933	11 533	170.38				11 533	53
	01-Dec-16	209.11	91 463	6 398	91 463	125.95				91 463	1 258
	14-Dec-17	206.35	85 936	6 303	85 936	118.86				85 936	1 488
	05-Dec-18	205.07	35 822	2 235	35 822	112.38				35 822	761
Total					695 285		(53 691)		–	641 594	6 805

(1) *Mr R S M Ndlovu resigned on 30 November 2019 and forfeited all SARs.*

(2) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after grant date, upon which date unexercised SARs lapse.*

(3) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

(4) *In terms of the rules of the share schemes, the offer price of SARs that were awarded prior to unbundlings, rights issues, special dividends, etc., was reduced to ensure that the participants were placed in substantially the same position as they were prior to such corporate actions. For the year under review offer prices were reduced by between R47.82 and R92.69 (depending on the offer date) as a result of the RMH Unbundling. The offer prices of Mr R S M Ndlovu's SARs were not adjusted due to his resignation.*

(5) *This refers to the increase in value of the SARs of the indicated participants from the offer date to the date of exercise.*

(6) *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

(7) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

(8) *The expiry dates of these awards were extended because of restrictions under prohibited periods. Refer to page 93 for more context.*

PRESCRIBED OFFICERS (continued)

Participant	Offer date[(1)]	Offer price[(2)] (Rand)	Number of SARs offered and accepted	Fair value of SARs on offer date (R'000)	Balance of SARs accepted as at 30 June 2018	Adjusted offer price (Rand)	SARs accepted/ (exercised) during the year	Share price on exercise date (Rand)	Cash value of SARs exercised during the year[(3)] (R'000)	Balance of SARs accepted as at 30 June 2019[(4)]	Fair value of SARs as at 30 June 2019[(5)] (R'000)
P R Louw	29-Nov-12	147.25	22 646	899	22 646	142.04				22 646	1 073
	04-Dec-13	191.70	12 944	704	12 944	185.07				12 944	323
	26-Nov-14	253.53	5 952	408	5 952	245.53				5 952	78
	24-Nov-15	272.00	9 497	768	9 497	262.77				9 497	141
	01-Dec-16	209.11	91 120	6 374	91 120	209.11				91 120	3 020
	14-Dec-17	206.35	20 301	1 489	20 301	206.35				20 301	868
	05-Dec-18	205.07	17 881	1 116	–	205.07	17 881			17 881	511
R S M Ndlovu	04-Dec-13	191.70	375	20	375	185.07				375	9
	26-Nov-14	253.53	1 080	74	1 080	245.53				1 080	14
	24-Nov-15	272.00	10 699	866	10 699	262.77				10 699	159
	01-Dec-16	209.11	15 605	1 092	15 605	209.11				15 605	517
	14-Dec-17	206.35	10 267	753	10 267	206.35				10 267	439
	05-Dec-18	205.07	15 665	977	–	205.07	15 665			15 665	448
P J Uys	02-Apr-13	183.15	218 400	10 519	218 400	177.24				218 400	4 963
	04-Dec-13	191.70	3 325	181	3 325	185.07				3 325	83
	26-Nov-14	253.53	14 774	1 014	14 774	245.53				14 774	193
	24-Nov-15	272.00	11 533	933	11 533	262.77				11 533	171
	01-Dec-16	209.11	91 463	6 398	91 463	209.11				91 463	3 032
	14-Dec-17	206.35	85 936	6 303	85 936	206.35				85 936	3 673
	05-Dec-18	205.07	35 822	2 235	–	205.07	35 822			35 822	1 024
Total					625 917		69 368		–	695 285	20 739

(1) *Unless otherwise indicated, one-third of the SARs are exercisable after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date. All SARs must be exercised within seven years after grant date, upon which date unexercised SARs lapse.*

(2) *Offer price of SARs granted before December 2018 is equal to the face value on grant date. Offer price of SARs granted from December 2018 onwards is the five-day VWAP on offer date.*

(3) *This refers to the increase in value of the SARs of the indicated participants from the offer date to the date of exercise.*

(4) *SARs offered from December 2018 onwards, have performance conditions and reflect the number of SARs as if performance conditions were fully met.*

(5) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

LONG-TERM INCENTIVES SUMMARY (continued)

The tables below provide information on a director and prescribed officer basis of CSPs granted and accepted during the year. It also illustrates the cash value of CSPs vested during the year.

CONDITIONAL SHARE PLAN SHARES (CSPs)

DIRECTORS

Participant	Offer date[(1)]	Offer price[(2)] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2019	Additional CSPs with RMH Unbundling[(3)]	Share price on vesting date[(4)] (Rand)	Cash value of CSPs vesting in year[(5)] (R'000)	Balance of CSPs accepted as at 30 June 2020[(6, 7)]	Fair value of CSPs as at 30 June 2020[(8)] (R'000)
Executive										
J J Durand	**05-Dec-18**	**205.07**	**87 135**	**15 933**	87 135	**32 972**			**120 107**	**2 551**
M Lubbe	**05-Dec-18**	**205.07**	**14 648**	**2 678**	14 648	**5 543**			**20 191**	**429**
N J Williams	**05-Dec-18**	**205.07**	**28 465**	**5 205**	28 465	**10 772**			**39 237**	**834**
Total					130 248	**49 287**		**–**	**179 535**	**3 814**

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *As a result of the RMH Unbundling, additional CSPs, being a factor of 0.3784 of the CSPs held, were allocated during the year.*
(4) *Five-day VWAP of Remgro on vesting date.*
(5) *This refers to the total value of the CSP shares on vesting.*
(6) *CSPs have performance conditions and reflect the number of CSP shares as if performance conditions were fully met.*
(7) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(8) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

Participant	Offer date[(1)]	Offer price[(2)] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2018	CSPs accepted during the year	Share price on vesting date[(3)] (Rand)	Cash value of CSPs vesting in year[(4)] (R'000)	Balance of CSPs accepted as at 30 June 2019[(5, 6)]	Fair value of CSPs as at 30 June 2019[(7)] (R'000)
Executive										
J J Durand	05-Dec-18	205.07	87 135	15 933	–	87 135			87 135	9 030
M Lubbe	05-Dec-18	205.07	14 648	2 678	–	14 648			14 648	1 518
N J Williams	05-Dec-18	205.07	28 465	5 205	–	28 465			28 465	2 950
Total					–	130 248		–	130 248	13 498

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *Five-day VWAP of Remgro on vesting date.*
(4) *This refers to the total value of the CSP shares on vesting.*
(5) *CSPs have performance conditions and reflect the number of CSP shares as if performance conditions were fully met.*
(6) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(7) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

PRESCRIBED OFFICERS

Participant	Offer date[(2)]	Offer price[(3)] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2019	Additional CSPs with RMH Unbundling[(4)] and (forfeited)	Share price on vesting date[(5)] (Rand)	Cash value of CSPs vesting in year[(6)] (R'000)	Balance of CSPs accepted as at 30 June 2020[(7, 8)]	Fair value of CSPs as at 30 June 2020[(9)] (R'000)
P R Louw	**05-Dec-18**	**205.07**	**17 881**	**3 270**	17 881	**6 767**			**24 648**	**524**
R S M Ndlovu[(1)]	**05-Dec-18**	**205.07**	**15 665**	**2 864**	15 665	**(15 665)**			**–**	**–**
P J Uys	**05-Dec-18**	**205.07**	**35 822**	**6 550**	35 822	**13 556**			**49 378**	**1 049**
Total					69 368	**4 658**		**–**	**74 026**	**1 573**

(1) *Mr R S M Ndlovu resigned on 30 November 2019 and forfeited all CSPs.*
(2) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(3) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(4) *As a result of the RMH Unbundling, additional CSPs, being a factor of 0.3784 of the CSPs held, were allocated during the year.*
(5) *Five-day VWAP of Remgro on vesting date.*
(6) *This refers to the total value of the CSP shares on vesting date.*
(7) *CSPs have performance conditions and reflect the number of CSP shares as if performance conditions were fully met.*
(8) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(9) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

Participant	Offer date[(1)]	Offer price[(2)] (Rand)	Number of CSPs offered and accepted	Fair value of CSPs on offer date (R'000)	Balance of CSPs accepted as at 30 June 2018	CSPs accepted during the year	Share price on vesting date[(3)] (Rand)	Cash value of CSPs vesting in year[(4)] (R'000)	Balance of CSPs accepted as at 30 June 2019[(5, 6)]	Fair value of CSPs as at 30 June 2019[(7)] (R'000)
P R Louw	05-Dec-18	205.07	17 881	3 270	–	17 881			17 881	1 853
R S M Ndlovu	05-Dec-18	205.07	15 665	2 864	–	15 665			15 665	1 624
P J Uys	05-Dec-18	205.07	35 822	6 550	–	35 822			35 822	3 712
Total					–	69 368		–	69 368	7 189

(1) *Unless otherwise indicated, one-third of the CSPs vest, after the third anniversary of the grant date, an additional third after the fourth anniversary of the grant date and the remainder after the fifth anniversary of the grant date.*
(2) *Offer price of CSPs granted is the five-day VWAP on offer date.*
(3) *Five-day VWAP of Remgro on vesting date.*
(4) *This refers to the total value of the CSP shares on vesting date.*
(5) *CSPs have performance conditions and reflect the number of CSP shares as if performance conditions were fully met.*
(6) *Dividend equivalents will be accumulated and delivered in shares upon vesting.*
(7) *Fair value was calculated using the standard binomial pricing model. The estimated vesting percentage is considered to be the on-target performance level of 60%.*

NON-EXECUTIVE DIRECTORS' FEES

The non-executive directors' fees for the 2020 financial year, which were approved by the shareholders, are disclosed below (on a designation basis).

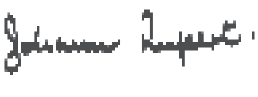
Type of fee (Rand)	Fee for the year ended 30 June 2020	Fee for the year ended 30 June 2019
Board member	**390 000**	367 500
Chairman of the Audit and Risk Committee	**297 000**	280 000
Member of the Audit and Risk Committee	**147 500**	138 500
Member of the Remuneration and Nomination Committee	**65 500**	61 500
Chairman of the Social and Ethics Committee	**120 000**	112 500
Member of the Social and Ethics Committee	**65 500**	61 500
Meeting fee for *ad-hoc* Committees	**25 000**	24 000

Fees are excluding VAT.

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

R'000	Fee for the year ended 30 June 2020	Fee for the year ended 30 June 2019
Non-executive (independent)		
S E N De Bruyn	**753**	709
G T Ferreira[(1)]	**228**	429
P K Harris	**456**	429
N P Mageza[(2)]	**603**	568
P J Moleketi[(3)]	**576**	506
M Morobe	**510**	480
G G Nieuwoudt[(4)]	**228**	–
F Robertson	**603**	568
Subtotal	**3 957**	3 689
Non-executive (non-independent)		
E de la H Hertzog[(1)]	**195**	368
J Malherbe	**390**	368
P J Neethling[(4, 5)]	**–**	–
A E Rupert[(5)]	**–**	–
J P Rupert[(5)]	**–**	–
Subtotal	**585**	736
Total	**4 542**	4 425

(1) *Mr G T Ferreira and Dr E de la H Hertzog retired on 28 November 2019.*
(2) *During the year under review Mr N P Mageza also received R704 000 (2019: R697 000) as director's fees from RCL Foods Limited, a subsidiary of Remgro Limited.*
(3) *Mr P J Moleketi was appointed as a member of the Remuneration and Nomination Committee with effect from 28 November 2019.*
(4) *Messrs G G Nieuwoudt and P J Neethling were appointed as non-executive directors with effect from 28 November 2019.*
(5) *Messrs A E Rupert, J P Rupert and P J Neethling receive no emoluments.*



Johann Rupert
Chairman of the Remuneration and Nomination Committee

Stellenbosch
28 September 2020

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the committee) assists the Board in overseeing and reporting on Remgro's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships. 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 the King IV Report on Corporate Governance for South Africa (2016) (King IV), and describes *inter alia* 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 2020.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises five suitably skilled and experienced members appointed by the Board, the majority of whom are, as recommended in King IV, neither involved in the day-to-day management of Remgro's business or been so involved at any time during the previous four financial years. The members of the committee for the period under review are 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 charter, at least two meetings should be held during each financial year.

COMPOSITION OF THE COMMITTEE

Committee member*	Number of meetings held	Number of meetings attended
M Morobe (Chairman)	3	3
S E N De Bruyn	3	2
N P Mageza	3	3
P R Louw	3	3
P J Uys	3	3

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 18 to 19 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 20.*

ROLE AND RESPONSIBILITIES

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

The main objectives of the committee are to assist the Board in monitoring the Group's performance in respect of ethics, responsible corporate citizenship, sustainable development, compliance and stakeholder relationships. This is done by *inter alia* monitoring the sustainable development practices of the Group as set out below, thereby assisting the Board in achieving its objectives of doing business ethically and sustainably.

Remgro's main wholly owned operating subsidiaries are Wispeco Holdings Proprietary Limited (Wispeco) and Siqalo Foods Proprietary Limited. 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 Committees of RCL Foods Limited (RCL Foods) and Distell Group Holdings Limited (Distell) are included in the agenda of this committee as a standing item. During the year under review, the aforementioned companies submitted reports (where applicable) of their respective Social and Ethics Committees' activities to this committee.

Furthermore, during the year under review, Distell, RCL Foods and Wispeco gave presentations to the committee and reported specifically on gender diversity, corporate governance in general, environmental, social and governance initiatives, as well as the effect of the Covid-19 pandemic on their respective businesses.

The committee is thus satisfied that it has fulfilled all its duties in accordance with its yearly programme, 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 under review, the committee reviewed its charter, as well as the Company's Code of Ethics, Gifts Policy, Social Media Policy, HIV/Aids Policy and Safety, Health and Environmental Management Policy.

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 anti-child labour principles.

The committee's oversight 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, employment equity, the environment, health and public safety, consumer relationships, as well as labour and employment.

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 105 of the Integrated Annual Report.

PUBLIC REPORTING AND ASSURANCE

The committee, together with the Audit and Risk Committee, is responsible for reviewing for approval of the sustainability content included in the Integrated Annual Report and published on the Company's website at www.remgro.com. The committee is also involved in determining and making recommendations on the need for external assurance of the Group's public reporting on its sustainable development performance. To this extent, 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 at www.remgro.com, 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 30 November 2020. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 147, shareholders are referred to this report by the committee, read with the detailed Sustainable Development Report published on the Company's website at www.remgro.com. Any specific questions to the committee may be sent to the Company Secretary prior to the meeting. Committee members will be attending the Annual General Meeting to deal with any questions.

Murphy Morobe
Chairman of the Social and Ethics Committee

Stellenbosch
28 September 2020

ABRIDGED SUSTAINABLE DEVELOPMENT REPORT

SUSTAINABILITY HIGHLIGHTS

SUCCESSFUL INCLUSION IN THE

FTSE/JSE RESPONSIBLE INVESTMENT INDEX ON 30 JUNE 2020

CONTINUED PARTICIPATION IN THE

CARBON DISCLOSURE PROJECT (CDP)

CONTINUED MEMBERSHIP OF THE

ETHICS INSTITUTE OF SOUTH AFRICA

OBTAINING OUR **LEVEL 6** CONTRIBUTOR STATUS IN TERMS OF THE

BBBEE SCORECARD

INSTALLATION OF

A SOLAR ENERGY SYSTEM AT THE REMGRO HEAD OFFICE

View the full report online at www.remgro.com

"OUR **TRUE POWER** DOES NOT LIE IN OUR SAMENESS, BUT IN OUR **RICH DIVERSITY**: DIVERSITY OF FAUNA AND FLORA; PEOPLE AND CULTURES."

Dr Anton Rupert

INTRODUCTION

Remgro's value system incorporates the guidelines for doing business successfully drawn up by its founder, Dr Rupert, nearly 60 years ago. These values 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 human being, 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
- ***Accountability*** – that people are responsible for their actions and the diligence wherewith they administer the Company's assets and information
- ***Diversity*** – to build partnerships with people from a range of different social and ethnic backgrounds

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 system of values and, flowing therefrom, Remgro acknowledges its social and environmental responsibility. Remgro intentionally interacts and responds to the opportunities and challenges presented by the dynamic system created by these three pillars and the capital at its disposal, including the financial, manufactured, intellectual, human, social and relationship and environmental capitals.

Remgro is fully committed to managing its business sustainably and upholding the highest standards of ethics and corporate governance practices. While corporate governance, risk and opportunities management and technology and information governance are addressed in the Corporate Governance and Risk and Opportunities Management Reports, the Sustainable Development Report provides a better understanding of Remgro's efforts on the social and environmental front as it pursues the maximisation of value creation over the short, medium and long term. Refer to the sustainability highlights on the previous page for Remgro's external recognition and achievements during the reporting period in this regard.

REMGRO GROUP PRINCIPLES

As a Company, Remgro has a responsibility to motivate the Remgro Group Companies to always conduct their businesses within the ambit of the law and with integrity. Remgro Group Companies are encouraged to develop and implement such company policies, procedures, training and internal reporting structures to reflect the expression of their commitment to these principles throughout their organisations. Remgro believes that the application of these principles will contribute towards achieving greater tolerance and better understanding amongst people, and advance the culture of peace.

Accordingly, Group Companies are encouraged to:

- Express their support for universal human rights and, particularly, those of their employees, the communities within which they operate, and parties with whom they do business.
- Promote equal opportunity for their employees at all levels of the Company with due sensitivity to issues of colour, race, gender, age, ethnicity or religious beliefs, and to eschew any conduct that could manifest in the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse.
- Respect their employees' rights to freedom of association.
- Compensate their employees fairly so as to enable them to meet at least their basic needs and to provide them opportunities to improve their skills and capabilities to raise their standard of living.
- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.

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 and opportunities management	All key business risk and opportunities areas	Internal management reviews, assisted by Remgro Risk Management and Internal Audit
BBBEE contributor verification	Broad-based black economic empowerment	AQRate Proprietary Limited
External calculation of carbon footprint	Carbon footprint calculation	Carbon Calculated, assisted by an independent consultant
Safety, Health and Environmental procedures	OSH Act and related compliance	EHS Green Leaf Consultancy

- Promote fair competition including respect for intellectual and other property rights, and not offer, pay or accept bribes.
- Work with governments and communities in which they do business to improve the quality of life in those communities particularly with respect to their educational, cultural, economic and social well-being.
- Provide affordable medical support to all employees.
- Promote the application of these principles by those with whom they do business.

EXTERNAL ASSURANCE

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as the King IV Report on Corporate Governance for South Africa (2016) (King IV) 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 on page 106. 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'S 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 these committees are dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 65 and 103 of the Integrated Annual Report respectively.

ETHICS, COMPETITION 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 value-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, integrity, competence, transparency, fairness, responsibility and accountability in order to position the Company as an investment partner of choice that strives to create sustainable stakeholder value over the long term. 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 provide strict policies regarding gifts, invitations or favours received from suppliers or any other parties. The offering of favours and/or gifts to gain unfair commercial advantages is also strictly prohibited.

The Group furthermore requires ethical behaviour from its suppliers and business partners and ensures that terms of trade and related agreements enforce ethical behaviour along with responsible environmental consumption and compliance with legislation enshrining human rights.

The Audit and Risk Committee monitors compliance with the code and addresses among other things, any instances of fraud or irregularities that may arise. 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 hotline*** 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 hotline is managed by an independent third party and is available on a 24-hour basis. During the year no alleged incidents were reported. Where calls may be received which relate to alleged irregularities at investee companies, the system provides for those to be 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 222 536
or email remgro@tip-offs.com

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 under review 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 fines were imposed in this regard.

In addition there were no incidents of alleged infringement of any human rights or environmental malpractices reported or identified.

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, and which values assist the effective leadership by the Remgro Board in achieving strategic objectives and positive outcomes over time:

- ***Integrity***, in acting ethically beyond mere compliance
- ***Competence***, in ensuring due care, skill and diligence are exercised
- ***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 framework for Remgro with respect to stakeholder engagements, ensuring that the approach takes into account appropriate 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 an economic impact on its stakeholders through, amongst other things, the generation and distribution of value, the creation of employment opportunities, remunerating employees fairly and competitively, and our corporate social investment. Stakeholders are continuously engaged on matters relevant to them, as reported on elsewhere in this report.

SHAREHOLDERS AND THE INVESTMENT COMMUNITY

In pursuing its primary objective to maximise value creation and sustainable growth, Remgro takes particular care 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 Annual 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 Chief Executive Officer and Chief Financial Officer. The investment community is encouraged to contact the Remgro investor relations manager directly for any investor related queries. The investor relations contact details are available on the investor segment of the Company's website.

The most recent and historic financial and other information is 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, Share Appreciation Rights (SAR) Plan and Conditional Share Plan (CSP) 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 generally kept informal and is conducted through a variety of channels, including email updates, the in-house intranet, Remgro website, information sessions, digital conferences and notice boards. Care is taken that all communication with shareholders is also communicated to employees.

The Company recently started with a "Staying Future Fit" (SFF) change management programme focusing on a number of specifically identified initiatives identified through employee focus groups. These initiatives *inter alia* included the following:

- Workshops on diversity, inclusivity, trust and teamwork
- Targeted functional and leadership development
- Formalised and efficient communication channels
- Robust personal development and performance management processes.

Prior to the Covid-19 lockdown the SFF journey gained a lot of momentum and many of the initiatives were either implemented or in the process of being finalised for implementation. During the lockdown the Management Board and Senior Management started with a process to enhance the SFF change management programme to support and grow the Company post the RMH Unbundling and the Covid-19 pandemic. These changes will be finalised and rolled-out to the organisation in the new financial year.

INVESTEE COMPANIES AND OTHER SHAREHOLDERS OF SUCH INVESTEE COMPANIES

Remgro's performance is directly linked to the performance of its 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 on an ongoing basis throughout the year as 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 and to which it owes certain responsibilities.

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, the stability and proven track record of the organisation, BBBEE status and available support network.

As part of ensuring alignment of its service providers with Remgro company values, Remgro has implemented a process to update Service Level Agreements with key suppliers to reflect its expectations regarding environmental responsibility, compliance with human rights and anti-corruption policies.

As Remgro is an investment holding company it has been determined that its cost structure be 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 is usually in the form of formal meetings. Regulatory bodies such as National Treasury, the South African Reserve Bank (SARB) and the JSE Limited (JSE) are kept up to date regarding corporate actions in accordance with all applicable laws and

FIGURE 1

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	18.30
Management control	Percentage black persons in executive management and/or executive board committees	19	6.92
Skills development	Skills development expenditure as a proportion of total payroll	20	12.83
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	29.65
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00
Total score		**109**	**72.70**

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 implement BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated benefits and costs 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 2020, Remgro obtained a score of 72.70 (2019: 72.95), thereby obtaining a level 6 contributor status. The details of the assessment are fully set out in Figure 1 on the previous page and includes the BBBEE initiatives of Remgro's main independent operating subsidiaries, RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco).

EQUITY OWNERSHIP

Verification of BBBEE ownership is governed by the amended Codes of Good Practice on BBBEE, 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).

It should be noted that black ownership would be included in the shareholdings in Remgro held by institutional investors (refer to page 144 of the Integrated Annual Report where Remgro's major shareholders are disclosed). An annual exercise is undertaken to determine and accordingly include the indirect black ownership through these mandated investments. Furthermore, the provisions of Code Series 100, Statement 102 – Recognition of Sale of Assets, as well as the exclusion of foreign operations, are also taken into account.

Remgro's equity ownership score is as follows:

Verified equity ownership score	Target score	**30 June 2020**	30 June 2019
Voting rights black people	4.00	**3.08**	2.85
Voting rights black women	2.00	**1.88**	1.65
Economic interest black people	4.00	**3.14**	2.82
Economic interest black women	2.00	**1.98**	1.74
Economic interest of black designated groups	3.00	**3.00**	3.00
Black new entrants	2.00	**–**	–
Net value	8.00	**5.22**	4.70
	25.00	**18.30**	16.76

Although Remgro's BBBEE score includes the initiatives of RCL Foods, Distell, Siqalo Foods and Wispeco, the discussion below regarding the other elements of the generic scorecard criteria only relates 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 page 111.

MANAGEMENT CONTROL

The Board transformed over time, with five of the eleven non-executive directors (45%) being black persons. On Management Board level, one of the five members is a black person.

EMPLOYMENT EQUITY

Employment equity represents Remgro's most significant transformation challenge. A five-year Employment Equity plan is submitted to the Department of Employment and Labour where Remgro's transformation objectives are set out in detail. Progress against this five-year plan is reported on annually to the Department of Employment and Labour. 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 111.

Remgro's summarised employment equity as at 30 June 2020 is presented in Figure 2 on the next page 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 (No. 97 of 1998) 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.

"IT IS THEREFORE IMPERATIVE TO **ATTRACT, SELECT AND RETAIN EMPLOYEES** OF THE HIGHEST CALIBRE."

FIGURE 2

SUMMARISED EMPLOYMENT EQUITY REPORT (AS AT 30 JUNE 2020)

	MALE				FEMALE				FN		TOTAL
OCCUPATIONAL LEVELS	A	C	I	W	A	C	I	W	M	F	
TOP MANAGEMENT	–	1	–	3	–	–	–	1	–	–	5
SENIOR MANAGEMENT	–	2	–	13	–	–	1	3	–	–	19
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID-MANAGEMENT	–	1	2	20	2	3	–	9	–	–	37
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMEN AND SUPERINTENDENTS	4	12	–	12	2	10	1	25	–	–	66
SEMI-SKILLED AND DISCRETIONARY DECISION-MAKING	20	19	–	1	5	7	–	–	–	–	52
GRAND TOTAL	24	35	2	49	9	20	2	38	–	–	179

A | African C | Coloured I | Indian W | White FN | Foreign Nationals M | Male F | Female

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 113.

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 38 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.

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 179 people being employed as at 30 June 2020 (2019: 184 employees). Refer to Figure 3 on page 112 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 10.6%, compared to 5.4% for the comparative year to 30 June 2019. 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 6.1% for 2020 and 2.2% for 2019.

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. The Company recruitment and selection process is designed not to judge a candidate by his/her inherent characteristics that could lead to discrimination against employees or applicants based on gender, race, religion or any other factor as defined in employment legislation.

EMPLOYMENT EQUITY

Remgro endorses the principles of the Employment Equity (EE) Act (No. 55 of 1998) 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, for historic reasons, may fit the criteria of "previously disadvantaged persons".

During the 2018 financial year a process was concluded to revitalise and enhance the consultative EE structures in preparation of the consultation process to develop a new EE plan as required by the Act. The consultation process, through these established structures, ensured a much more inclusive engagement process. Through this inclusive engagement process a new EE plan was developed, approved by the Social and Ethics Committee and submitted to the Department of Employment and Labour. Annually progress against the plan is reported to the Department of Labour and the Social and Ethics Committee.

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 84 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

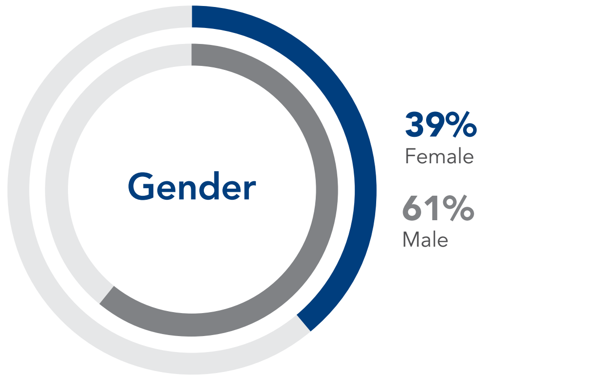
The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend training programmes which will better equip them to do their jobs. During the past few years workshops and training sessions on King IV, Anti-corruption practices, the pending Protection of Personal Information legislation and the Competition Act (No. 89 of 1998) were held to ensure that Remgro's directors, management and employees are equipped to implement and practise sound corporate governance at all levels where they are involved.

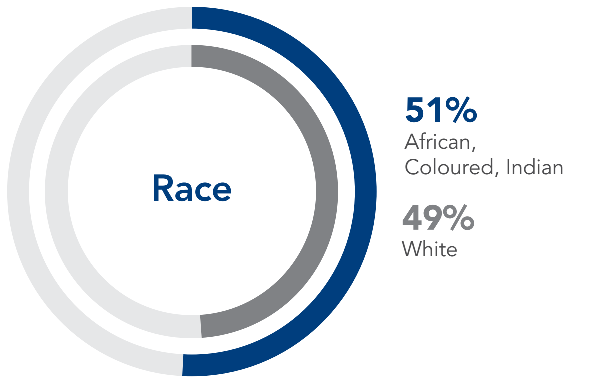
HEALTH AND SAFETY

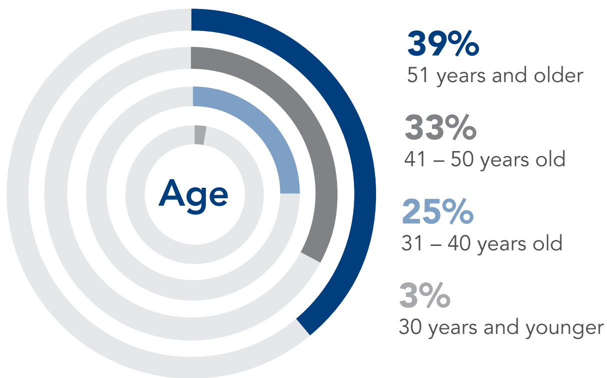
The Company has a duly constituted Health and Safety Committee, as required by the Occupational Health and Safety Act (No. 85 of 1993). The committee is a subcommittee of the Risk, Opportunities, Technology and Information Governance Operational Subcommittee and ensures that the Company provides and 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.

FIGURE 3

COMPOSITION OF EMPLOYEES (AS AT 30 JUNE 2020)







COVID-19

To ensure a safe environment for staff and visitors during the Covid-19 pandemic, a formal Covid-19 Preparedness and Response Plan was prepared and continues to be implemented. The plan makes provision, *inter alia*, for the following:

- Compliance with all legal requirements as far as Covid-19 is concerned
- Enabling all employees to work from home as far as possible
- Precautionary measures put in place at Company premises to contain the spread of the virus
- General Covid-19 awareness campaigns

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 relevant policies and strategies is monitored against best practice standards.

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 may choose to participate.

INVESTING IN THE COMMUNITY

During the year under review Remgro made two notable donations, which are not included under Remgro's annual corporate social investment (CSI) below.

A once-off donation of R500 million was made to The South African SME Relief Trust in support of the Sukuma Relief Fund. This Fund was created to provide financial assistance and relief to Small and Medium Enterprises adversely affected by measures taken to contain the spread of the Covid-19 pandemic. By the middle of August 2020, financial assistance of more than R750 million had been committed to more than 3 400 small businesses, positively affecting more than 31 000 employees.

An amount of R25 million was committed to the Khaya Lam project, of which R9 million was allocated during the year under review. This project aims to facilitate the granting of title deeds to qualifying township residents through helping them to break through the bureaucratic lock-jam which has deprived them of this entitlement. The underlying belief of this initiative is that the acquisition of title deeds will provide the owners with unambiguous rights of access to tradeable property assets and thus facilitate their entry into the formal markets. The initiative is currently focused to the Western Cape where it was kicked off.

Remgro's CSI 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 CSI spending of approximately 2.5% of its net free cash flow annually. In this regard, an official CSI 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 R25 million (2019: R24 million), as set out in the table below.

Summary of CSI spend	**Year ended 30 June 2020 R million**	Year ended 30 June 2019 R million
Community development	**6**	7
Cultural development	**3**	3
Entrepreneurship, training and education	**11**	10
Environment	**2**	2
Healthcare	**–**	1
Sport development	**3**	1
	25	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 four main operating subsidiaries, namely RCL Foods, Distell, Siqalo 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

All Remgro businesses are dependent, in one way or another, on environmental resources for the manufacture, packaging and distribution of products which then drive economic growth through their respective value chains. To this end, the subsidiary companies over which Remgro has oversight view environmental sustainability as being both the responsible management of their environmental impact and, also, managing the risks and opportunities that the natural environment presents to their businesses. These issues include climate change, energy supply, quantity and quality of water supply, and waste management services.

In line with the Remgro Safety, Health and Environment (SHE) Policy, the Remgro Board has overall responsibility for environmental practices implemented and maintained by Remgro Management Services Limited (RMS – the Service Company), and these are overseen by both the Social and Ethics Committee and the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (a sub-committee of the Audit and Risk Committee). The SHE Policy commits Remgro and its subsidiaries, managed and administered by the Service Company, to full regulatory compliance; minimisation of environmental impact; participation in relevant reporting outputs; responsible environmental investment; and, transparency in environmental reporting procedures.

At a separate operating subsidiary level (i.e. RCL Foods, Siqalo Foods, Distell and Wispeco), responsibility is devolved to the executives who are expected to manage their environmental impact in accordance with the expectations of the Remgro SHE Policy. They are also expected to set their own targets for improved environmental performance and to report on their environmental impact to their boards, on which Remgro has direct representation. As separately listed companies on the JSE, RCL Foods and Distell also report publicly through their annual integrated and sustainability reports and into third-party reporting initiatives such as the CDP (formerly "Carbon Disclosure Project") on its climate change and water impacts.

Further details regarding Remgro's initiatives to minimise its impact on the environment are 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:

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Email: ddreyer@remgro.com
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Stellenbosch 7599

04 **FINANCIAL** REPORT

THE **GLOBAL MACROECONOMIC ENVIRONMENT** IMPACTED REMGRO'S RESULTS.

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 principles of the King IV Report on Corporate Governance for South Africa (2016) (King IV) 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 2020.

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. 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 (Chairman)	4	4
N P Mageza	4	4
P J Moleketi	4	4
F Robertson	4	4

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 18 and 19 of the Integrated Annual Report.*

The Chief Executive Officer, Chief Financial Officer (CFO), head of internal audit, other members of senior management and representatives of the external auditors of the Company 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 responsibilities of the Audit and Risk Committee are codified in a formal terms of reference, which is reviewed at least annually and which is available on Remgro's website at www.remgro.com. During the year under review, the Board reviewed the terms of reference of the Audit and Risk Committee, in light of the principles and recommended practices of King IV.

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 boards and audit committees (where applicable) functioning at Remgro's significant operating subsidiaries (RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), Siqalo Foods Proprietary Limited (Siqalo Foods) and Wispeco Holdings Proprietary Limited (Wispeco)), 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 and Opportunities Management Report.

STATUTORY DUTIES

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

- Nominated PricewaterhouseCoopers Inc. (PwC) (with Mr Anton Wentzel as designated partner), 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 2020
- 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, PwC, is independent of the Company and is therefore able to conduct its audit functions without any influence from the Company. The designated external audit partner rotates every five years.

PwC has been the auditor of the Company for 52 years. The business of the Company was previously transacted through Rembrandt Group Limited of which, based on available statutory records, PwC and its predecessor firms have been the external auditor for 72 years. The committee is satisfied with PwC's independence from the Company, notwithstanding its tenure as external auditor.

PwC has confirmed its compliance with the ethical requirements regarding independence and is considered independent with respect to the Group as required by the codes endorsed and administered by the Independent Regulatory Board for Auditors, the South African Institute of Chartered Accountants and the International Federation of Accountants. As required by section 3.84(g)(iii) of the JSE Listings Requirements, the committee obtained the information listed in paragraph 22.15(h) of the JSE Listings Requirements and satisfied itself that the external auditor and audit partner, Mr Anton Wentzel, have the necessary accreditation and are suitable for re-appointment. The committee nominated, for approval at the Annual General Meeting on 30 November 2020, PwC as external auditor for the 2021 financial year. The committee is also satisfied that the designated partner is not on the JSE's list of disqualified individuals.

In terms of the requirements of the Independent Regulatory Board for Auditors, the Company is obliged to rotate its external auditor for the 2024 financial year. The committee has already taken steps to ensure that audit firm rotation is implemented in time.

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 to pre-approve any proposed contract with the external auditor for the provision of non-audit services. For the year under review, non-audit services related mainly to normal tax services. The extent of these services was within the committee's pre-approved amount.

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 form 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 anti-corruption, fraud prevention and detection measures in place.

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

EXPERTISE AND EXPERIENCE OF THE CFO AND FINANCE FUNCTION

The committee has considered and satisfied itself of the appropriateness of the expertise and experience of the CFO, Mr Neville Williams, whose *curriculum vitae* appears on page 18 of the Integrated Annual Report.

The committee has furthermore considered and 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 standalone and consolidated financial statements of the Company, and is satisfied that they comply with International Financial Reporting Standards (IFRS) and the Companies Act, and that the accounting policies used are appropriate. In particular, the committee considered the following significant issues, identified by the management team and the external auditors, and is satisfied that these issues have been appropriately accounted for in the Annual Financial Statements:

- **Accuracy of accounting for FirstRand Limited (FirstRand) and RMB Holdings Limited (RMH)**

  On 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMH (RMH Unbundling). Remgro's investment in RMH was previously classified as an associate and accounted for using the equity method, but with effect from 31 March 2020 the investment met the criteria to be classified as a disposal group under *IFRS 5* and was classified as a non-current asset held for distribution. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020. As a result of the RMH Unbundling, earnings and headline earnings measures are also presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the accounting profit realised on the RMH Unbundling.

  FirstRand was equity accounted until 8 June 2020, the date on which Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to a financial asset at fair value through other comprehensive income realising an accounting profit on the reclassification (FirstRand Reclassification).

  The committee considered the assumptions and key judgements made by management in accounting for the investments in RMH and FirstRand, as well as the RMH Unbundling and FirstRand Reclassification. The committee is further satisfied with the accounting treatment thereof as detailed in note 10.11 to the Annual Financial Statements that is published on the Company's website at www.remgro.com.

- **Valuation of investments and consideration of possible impairments**

  The intrinsic net asset value (INAV) is one of the measures used to assess shareholder value created. Investee companies, which represent operating segments, are valued and included in the INAV. The committee considered the methodologies, assumptions and judgements applied by management in determining the intrinsic value of assets and is satisfied that the approach taken was appropriate.

  The committee further considered the methodologies, assumptions and judgements applied by management in determining the impairment of assets, whose carrying values exceed its intrinsic values, and is satisfied that the approach taken was appropriate. The most significant assets tested in this regard being Remgro's investment in Mediclinic International plc (Mediclinic) and the goodwill and indefinite life intangible assets that originated from the acquisition of Distell and Siqalo Foods.

  Refer to notes 2, 4.4 and 10.3 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further detail.

- **Accounting for equity accounted investments**
  The Company holds significant investments which are equity accounted for in terms of *IAS 28: Investments in Associates and Joint Ventures*. Some of the equity accounted investments have year-ends which are non-coterminous with that of the Company, the most significant investment in this regard being Mediclinic. These investments are equity accounted from results for a financial period ended within three months from the Group's financial year-end. Significant transactions that occur after the equity accounted investments' period-end, but before the Company's year-end, are accounted for in Remgro's consolidated financial statements. Significant adjustments for the current year related to dividends received from equity accounted investments and the conversion of Mediclinic's financial information from its presentation currency (British pound) to the Company's presentation currency as at 30 June 2020. The committee considered these transactions and is satisfied with the accounting treatment thereof. Refer to note 4.1 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further detail.

- **Going concern**
  The committee has reviewed a documented assessment by management of the going concern premise of the Company. Based on the facts and circumstances known and the possible scenarios about how the Covid-19 pandemic and various levels of lockdown could evolve, management and the committee determined that there is not a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern, and therefore the committee recommended to the Board that the Company will be a going concern in the foreseeable future.

RISK AND OPPORTUNITIES MANAGEMENT

The committee has assigned oversight of the risk and opportunities management function to the Risk, Opportunities, Technology and Information Governance Operational Subcommittee (the ROTIG Committee), which is a subcommittee of the committee. The mandate of the ROTIG Committee includes the maintenance of the Risk Management and Opportunities Policy and plan, establishment of an operational Risk and Opportunities Register, technology and information risk management, legal compliance and occupational health and safety. The ROTIG Committee is chaired by the CFO and the 15 other members are all senior managers of the Company. The chairman of the committee attends the ROTIG Committee meetings as an *ex officio* member to ensure the effective functioning of the ROTIG 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 and Opportunities Management system that provides assurance on the effectiveness of the Company's system of internal control. The committee has appointed Mr Deon Annandale as Remgro's Chief Audit Executive (CAE). The committee is satisfied with the attributes, objectivity and independence of the CAE, and that the CAE has the necessary gravitas and competence. 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 Community Investment Ventures Holdings Proprietary Limited, RMH, Rand Merchant Investment Holdings Limited, SEACOM Capital Limited and Business Partners Limited.

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, and is satisfied that the internal audit function conforms to a recognised industry code of ethics. Further details on the Group's internal audit functions are provided in the Risk and Opportunities Management Report on page 77.

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 during the year under review.

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
Chairman of the Audit and Risk Committee

Stellenbosch
28 September 2020

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2020

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 financial services; healthcare; consumer products; industrial; infrastructure as well as media and sport.

RESULTS

Year ended	30 June 2020	30 June 2019
Total headline earnings (R million)	**3 167**	8 195
– per share (cents)	**560.6**	1 448.9
– diluted (cents)	**558.4**	1 445.9
Headline earnings from continuing operations (R million)*	**1 737**	5 551
– per share (cents)	**307.5**	981.4
– diluted (cents)	**305.6**	978.8
Earnings – net profit for the year (R million)	**6 646**	7 319
– per share (cents)	**1 176.4**	1 294.0
– diluted (cents)	**1 173.6**	1 292.0
Dividends (R million)**	**1 506**	3 205
– ordinary – per share (cents)	**265.00**	564.00

* *Headline earnings from continuing operations is calculated by excluding the equity accounted income of RMB Holdings Limited due to the unbundling of the investment.*

** *A final dividend of 50 cents (2019: 349 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 material investment activities during the year under review were as follows:

FIRSTRAND LIMITED (FIRSTRAND) AND RMB HOLDINGS LIMITED (RMH)

On 19 November 2019, Remgro announced its intention to pursue the distribution to shareholders, in full or in part, of Remgro's exposure to FirstRand and RMH. In parallel with this, RMH announced that it had made the strategic decision to restructure the RMH portfolio of assets and liabilities, which would include the distribution of its shareholding in FirstRand to its shareholders (FirstRand Unbundling).

However, on 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMH (RMH Unbundling) and during April 2020 a detailed terms announcement was distributed to shareholders. Remgro's investment in RMH was previously classified as an associate and accounted for using the equity method. With effect from 31 March 2020 the investment met the criteria to be classified as a disposal group under *IFRS 5* and was classified as a non-current asset held for distribution. On 8 June 2020 Remgro distributed 397 447 747 ordinary shares in RMH to shareholders in the ratio of 0.69939 RMH ordinary shares for every 1 Remgro share held. The market value of the interim dividend *in specie* amounted to R23 855 million and an accounting profit of R7 360 million was realised on the distribution.

On 31 March 2020 Remgro also announced that it will retain its 3.9% direct interest in FirstRand (being 219 828 140 FirstRand ordinary shares). Remgro's investment in FirstRand was previously classified as an associate and accounted for using the equity method. With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was classified as a financial asset at fair value through other comprehensive income. In future only dividend income will be accounted for FirstRand in the income statement. The market value of the investment on that date amounted to R9 927 million and an accounting profit of R4 228 million was realised on the reclassification of the investment.

With the RMH Unbundling, Remgro's investment view on its 3.9% stake in FirstRand has changed, and the stake is now viewed as a portfolio investment. In line with this view it was decided to enter into a hedging transaction on part of this stake, whilst still maintaining full downside risk and upside potential on the majority of the stake. Remgro entered into a zero cost collar hedging transaction with Nedbank Limited (Nedbank) during June 2020 for 60 000 000 of the FirstRand shares that it owns. At the same time, Remgro entered into a script lending transaction with Nedbank to optimise the pricing of the zero cost collar. Remgro will be allowed to vote these shares at the FirstRand Annual General Meeting and is entitled to any dividends declared. However, all dividends received on FirstRand shares for which Nedbank holds a direct or indirect short position for the purpose of hedging its exposure under the zero cost collar (to maximum of 60 000 000 FirstRand shares), will be transferred to Nedbank. The reference price of the zero cost collar is R40.51 and it expires in two years. The strike prices vary between R36.46 and R51.97 on the put options and call options, respectively. These FirstRand shares are hedged on a 1:1 basis and the zero cost collar is recognised at fair value with changes in the fair value accounted for in other comprehensive income. The zero cost collar was valued as an asset at R101 million on 30 June 2020.

On 8 June 2020, 3 297 213 Remgro ordinary shares were held as treasury shares. As a result of the RMH Unbundling, Remgro received 2 306 037 RMH ordinary shares, which also qualified Remgro to receive 3 025 266 FirstRand ordinary shares on 29 June 2020 as a result of the FirstRand Unbundling. Both these investments were classified as financial assets at fair value through other comprehensive income and only dividend income will in the future be accounted for in the income statement.

MILESTONE CHINA FUNDS

During the year under review, Remgro invested a further $2 million in Milestone China Opportunities Fund III (Milestone III) and received distributions of $46 million, thereby increasing its cumulative investment to $100 million and cumulative distributions received to $71 million. As at 30 June 2020 the fair value of Remgro's investment in Milestone III amounted to $72 million.

During the prior year Remgro received JHL Biotech, Inc. bonds (JHL bonds), valued at $10 million, from its disposal of its investment in Milestone Capital Strategic Holdings Limited. The JHL bonds were redeemed during January 2020 for a total consideration of $12 million.

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIVH)

During the 2019 financial year Remgro advanced a loan amounting to R100 million to CIVH and earned underwriting fees of R58 million on a CIVH rights issue. As previously reported, the loan and outstanding amount of the underwriting fee would be converted to CIVH shares. On 31 March 2020 Remgro invested a further R167 million in CIVH in exchange for the loan and outstanding underwriting fee, which marginally increased Remgro's interest in CIVH to 54.7% (2019: 54.4%).

RCL FOODS LIMITED (RCL FOODS)

During June 2020 Remgro acquired a further 10 573 857 RCL Foods shares for a total amount of R100 million. At 30 June 2020 Remgro's effective interest in RCL Foods was 77.1% (2019: 77.5%).

PEMBANI REMGRO INFRASTRUCTURE FUND (PRIF)

During the year under review Remgro invested a further R62 million in PRIF, thereby increasing its cumulative investment to R372 million. As at 30 June 2020 the fair value of Remgro's investment in PRIF amounted to R341 million and remaining commitment to PRIF amounted to R278 million.

INVENFIN PROPRIETARY LIMITED (INVENFIN)

During the year under review Invenfin (a wholly owned subsidiary of Remgro) invested a further R103 million in Bos Brands Proprietary Limited.

OTHER

Other smaller investments amounted to R180 million.

EVENTS AFTER YEAR-END

DISTELL GROUP HOLDINGS LIMITED (DISTELL)

On 12 July 2020 the South African government announced new measures to curb the spread of Covid-19. These measures included a ban on the sale of alcoholic beverages, which was lifted again from 18 August 2020 when Distell was allowed to trade again. Distell was still allowed to manufacture products in South Africa during the ban on the sale of alcohol and to continue with its normal export activities. Other major territories in which Distell operates have not been impacted to this extent and was able to trade mostly normally in line with general economic constraints in the various territories. Distell evaluated the adverse consequences of the alcohol ban on its liquidity forecast and concluded that it remains a going concern.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2020.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2020 were as follows:

R million	30 June 2020 Local	30 June 2020 Offshore	30 June 2020 Total	30 June 2019
Per consolidated statement of financial position	**4 313**	**11 318**	**15 631**	12 662
Investment in money market funds	**4 945**	**–**	**4 945**	5 175
Less: Cash of operating subsidiaries	**(2 553)**	**(950)**	**(3 503)**	(2 110)
Cash at the centre	**6 705**	**10 368**	**17 073**	15 727

On 30 June 2020, approximately 25% (R4 350 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 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further details.

GROUP FINANCIAL REVIEW

COMPARISON WITH PRIOR YEAR

As a result of the unbundling of Remgro's 28.2% interest in RMH, earnings and headline earnings measures are presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019). Discontinued operations for the prior year also includes the profit realised on the disposal of Unilever South Africa Holdings Proprietary Limited (Unilever).

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and therefore the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income (FirstRand Reclassification). For the year under review the investment in FirstRand was equity accounted until 8 June 2020. In future only dividend income will be accounted for FirstRand in the income statement.

During the year under review the platforms under which the results of investee companies are being reported, were changed. Previously RMH and FirstRand were classified under *Banking* and Rand Merchant Investment Holdings Limited (RMI) was classified under *Insurance*. As a result of the RMH Unbundling, these investee companies are included under the *Financial services* platform. Comparative figures have been presented accordingly.

COVID-19

The Covid-19 pandemic caused a severe downturn in the global economy, as is evident from the decrease in headline earnings from continuing operations to R1 737 million (2019: R5 551 million) (refer to notes 3.1 and 3.2 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further details). This event also served as an impairment indicator and, accordingly, all non-financial assets were tested for impairment. Significant impairment losses were accounted for property, plant and equipment, intangible assets and investments. Refer to notes 10.1, 10.3 and 4.4 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further details. Furthermore, the grim financial outlook impacted debtors' ability to repay their debts, thus leading to increased expected credit losses on loans and receivables (refer to notes 10.5 and 13.2 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further detail). As an indirect consequence of the pandemic, the value of assets measured at fair value also decreased in line with the global recession.

The Board will continue to monitor the effects of the Covid-19 pandemic on the Group. Based on the facts and circumstances known and the possible scenarios about how the Covid-19 pandemic and various levels of lockdown could evolve, management has determined that there is not a material uncertainty that may cast significant doubt upon Remgro's ability to continue as a going concern.

CHANGE IN ACCOUNTING POLICY

During the year under review, Remgro adopted *IFRS 16: Leases* retrospectively from 1 July 2019, but has not restated comparatives for the 30 June 2019 reporting period as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 July 2019.

On adoption of *IFRS 16*, the Group recognised lease liabilities in relation to leases that had previously been classified as operating leases under the principles of *IAS 17: Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2019. Under *IAS 17*, operating lease payments were expensed on a straight-line basis. Under *IFRS 16*, lease liabilities with corresponding right-of-use assets are recognised. Finance charges are accrued on the lease liabilities and the right-of-use assets are depreciated over their useful lives. Lease repayments are accounted for against the lease liabilities.

Refer to note 17 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for the full impact of the adoption.

STATEMENT OF FINANCIAL POSITION

The analysis of "Equity employed" and "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 2020		30 June 2019	
	R million	**R per share**	R million	R per share
Equity employed				
Attributable to equity holders	**86 773**	**153.59**	101 097	178.95
Employment of equity				
Financial services	**16 804**	**29.74**	31 405	55.59
Healthcare	**27 443**	**48.57**	24 019	42.52
Consumer products	**20 602**	**36.47**	23 187	41.04
Industrial	**6 107**	**10.81**	6 318	11.18
Infrastructure	**5 576**	**9.87**	6 664	11.80
Media and sport	**1 126**	**1.99**	1 042	1.84
Other investments	**4 400**	**7.79**	4 620	8.18
Central treasury				
– Cash at the centre	**17 073**	**30.22**	15 727	27.84
– Debt at the centre	**(15 288)**	**(27.06)**	(13 919)	(24.64)
Other net corporate assets	**2 930**	**5.19**	2 034	3.60
	86 773	**153.59**	101 097	178.95

INCOME STATEMENT

	30 June 2020		30 June 2019	
	R million	**%**	R million	%
Source of headline earnings				
Financial services	**2 686**	**85**	4 898	60
Healthcare	**1 655**	**52**	1 693	21
Consumer products	**545**	**17**	918	11
Industrial	**103**	**3**	944	12
Infrastructure	**(716)**	**(23)**	(174)	(2)
Media and sport	**97**	**3**	20	–
Other investments	**(66)**	**(2)**	39	–
Central treasury				
– Finance income	**479**	**15**	755	9
– Finance costs	**(951)**	**(30)**	(823)	(10)
– Option remeasurement	**2**	**–**	112	1
Other net corporate costs	**(667)**	**(20)**	(187)	(2)
	3 167	**100**	8 195	100

R million	**30 June 2020**	30 June 2019
Composition of headline earnings		
Subsidiaries	**(713)**	763
Profits	**783**	1 612
Losses	**(1 496)**	(849)
Associates and joint ventures	**3 880**	7 432
Profits	**5 060**	7 835
Losses	**(1 180)**	(403)
	3 167	8 195

SHARE INCENTIVE SCHEMES

Remgro currently has three long-term incentive plans, i.e. the old Remgro Equity Settled Share Appreciation Right Scheme (SAR Scheme), the Remgro Share Appreciation Rights Plan (SAR Plan) and the Remgro Equity Settled Conditional Share Plan (CSP).

In terms of the SAR Scheme and SAR Plan, 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 vest and are exercisable are as follows:

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

In terms of the CSP, participants are awarded Remgro ordinary shares that will vest as follows:

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

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

Refer to note 8 to the Annual Financial Statements that is published on the Company's website at www.remgro.com for further details on both schemes.

TREASURY SHARES

At 30 June 2019, 3 334 936 Remgro ordinary shares (0.6%) 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 schemes.

During the year under review 37 723 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants.

At 30 June 2020, 3 297 213 Remgro ordinary shares (0.6%) 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 42.62% (2019: 42.62%) of the total votes.

An analysis of the shareholders appears on pages 144 and 145.

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 18 to 19 of the Integrated Annual Report.

The following changes were effective 28 November 2019:

- Dr E de la H Hertzog retired as co-deputy Chairman and non-executive director from the Board;
- Mr G T Ferreira retired as the lead independent non-executive director from the Board;
- Mr F Robertson was appointed as co-deputy Chairman with Mr J Malherbe;
- Ms S E N De Bruyn was appointed as the lead independent non-executive director of the Board;
- Mr P J Neethling was appointed as a non-executive director, which director'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;
- Mr G G Nieuwoudt was appointed as an independent non-executive director and member of the Investment Committee, which director'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;
- Mr K M S Rantloane was appointed as an alternate independent non-executive director to Mr P K Harris, which alternate director'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; and
- Mr P J Moleketi was appointed as a member of the Remuneration and Nomination Committee.

The Board wishes to thank Dr E de la H Hertzog and Mr G T Ferreira for their valuable contributions over many years and wishes to welcome Messrs P J Neethling and G G Nieuwoudt as directors to the Company and Mr K M S Rantloane as an alternate director to Mr P K Harris.

In terms of the provision of the Memorandum of Incorporation, Mses S E N De Bruyn and M Lubbe, Messrs M Morobe, J P Rupert and N J Williams retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2020 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 3.37% (2019: 2.53%).

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 146.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R5.7 million (2019: R5.5 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 147 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, the Memorandum of Incorporation and the Listings Requirements of the exchange operated by 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 147 of the Integrated Annual Report.

DECLARATION OF CASH DIVIDEND

DECLARATION OF CASH DIVIDEND NO. 40

Notice is hereby given that a final gross dividend of 50 cents (2019: 349 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 2020. The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic.

A dividend withholding tax of 20% or 10 cents per share will be applicable, resulting in a net dividend of 40 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 2020 therefore amounts to 265 cents, compared to 564 cents for the year ended 30 June 2019.

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, 16 November 2020, to shareholders of the Company registered at the close of business on Friday, 13 November 2020.

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 November 2020, and Friday, 13 November 2020, 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 payout.

SECRETARY

The name and address of the Company Secretary appears on page 21 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 126 to 140 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
28 September 2020

REPORT OF THE **INDEPENDENT AUDITOR**

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 126 to 140 of the Integrated Annual Report 2020, which comprise the summary consolidated statement of financial position as at 30 June 2020, 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 2020.

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 28 September 2020. 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.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the 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.

Director: A Wentzel
Registered Auditor

Stellenbosch
28 September 2020

STATEMENT OF
FINANCIAL POSITION

AT 30 JUNE 2020

R million	Notes	30 June 2020[1]	30 June 2019
ASSETS			
Non-current assets			
Property, plant and equipment		**16 845**	14 541
Investment properties		**109**	119
Intangible assets	6	**21 067**	24 024
Investments – Equity accounted	7	**50 991**	71 183
– Financial assets at fair value through other comprehensive income (FVOCI)[2]		**12 505**	3 727
Financial assets at fair value through profit and loss (FVPL)		**309**	147
Hedge derivatives		**101**	–
Retirement benefits		**868**	748
Long-term loans and debtors		**181**	311
Deferred taxation		**190**	199
		103 166	114 999
Current assets		**43 933**	40 539
Inventories		**12 032**	12 034
Biological agricultural assets		**805**	866
Debtors and short-term loans		**9 958**	9 543
Financial assets at FVPL		**11**	148
Taxation		**258**	108
Investment in money market funds		**4 945**	5 175
Cash and cash equivalents		**15 631**	12 662
		43 640	40 536
Assets held for sale		**293**	3
Total assets		**147 099**	155 538
EQUITY AND LIABILITIES			
Stated capital		**13 416**	13 416
Reserves		**73 921**	88 251
Treasury shares		**(564)**	(570)
Shareholders' equity		**86 773**	101 097
Non-controlling interest		**14 670**	15 092
Total equity		**101 443**	116 189
Non-current liabilities		**23 139**	26 770
Retirement benefits		**141**	186
Long-term loans	8	**15 167**	21 020
Lease liabilities		**1 725**	–
Deferred taxation		**6 106**	5 563
Financial liability at FVPL		**–**	1
Current liabilities		**22 517**	12 579
Trade and other payables		**11 616**	11 106
Short-term loans[3]		**10 158**	1 376
Lease liabilities		**310**	–
Financial liabilities at FVPL		**279**	54
Taxation		**154**	43
Total equity and liabilities		**147 099**	155 538

(1) *Refer to "Change in accounting policies" on page 130 for the impact of the implementation of new accounting standards.*
(2) *With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at FVOCI.*
(3) *As the exchangeable bonds of £350 million have a maturity date of 22 March 2021, they were classified as short-term loans during the 2020 financial year.*

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

R million	Notes	30 June 2020	30 June 2019
CONTINUING OPERATIONS			
Revenue	14	**54 732**	56 968
Inventory expenses		**(32 291)**	(33 606)
Staff costs		**(8 451)**	(8 576)
Depreciation		**(1 682)**	(1 303)
Other net operating expenses		**(10 763)**	(10 205)
Trading profit		**1 545**	3 278
Dividend income		**45**	78
Interest received		**862**	1 268
Fair value adjustment on exchangeable bonds' option		**2**	112
Finance costs		**(1 876)**	(1 477)
Net impairment of investments, assets and goodwill		**(4 234)**	(7 218)
Loss allowances on loans		**(290)**	(274)
Bargain purchase gain		**278**	–
Profit on sale and dilution of investments		**4 220**	137
Consolidated profit/(loss) before tax		**552**	(4 096)
Taxation		**(452)**	(987)
Consolidated profit/(loss) after tax		**100**	(5 083)
Share of after-tax profit/(loss) of equity accounted investments	7	**(2 272)**	1 708
Net loss for the year from continuing operations		**(2 172)**	(3 375)
DISCONTINUED OPERATIONS[(1)]			
Profit for the year from discontinued operations		**8 755**	11 127
Net profit for the year		**6 583**	7 752
Attributable to:			
Equity holders		**6 646**	7 319
Continuing operations		**(2 109)**	(3 808)
Discontinued operations		**8 755**	11 127
Non-controlling interest		**(63)**	433
		6 583	7 752

(1) *On 31 March 2020 the investment in RMH was transferred from "investment – equity accounted" to "assets held for distribution" (refer to "Related party transactions" on page 139). Profit from discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. The prior year also includes the profit realised on the disposal of Unilever.*

STATEMENT OF
COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

R million	30 June 2020	30 June 2019
Net profit for the year	**6 583**	7 752
Other comprehensive income, net of tax	**6 554**	55
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	**6 880**	(377)
Fair value adjustments for the year	**(3)**	(25)
Deferred taxation on fair value adjustments	**6**	7
Reclassification of other comprehensive income to the income statement	**(1 073)**	(90)
Other comprehensive income of equity accounted investments	**2 671**	1 232
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	**(1 210)**	206
Deferred taxation on fair value adjustments	**(668)**	57
Remeasurement of post-employment benefit obligations	**133**	23
Deferred taxation on remeasurement of post-employment benefit obligations	**(37)**	(7)
Change in reserves of equity accounted investments	**(145)**	(971)
Total comprehensive income for the year	**13 137**	7 807
Total comprehensive income attributable to:		
Equity holders	**12 900**	7 423
Non-controlling interest	**237**	384
	13 137	7 807

STATEMENT OF
CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

R million	30 June 2020	30 June 2019
Balance at the beginning of the year	**116 189**	112 330
Change in accounting policies[1]	**(323)**	–
Restated balance at the beginning of the year	**115 866**	112 330
Total comprehensive income for the year	**13 137**	7 807
Dividends paid	**(3 883)**	(3 759)
Dividends *in specie*	**(23 716)**	–
Transactions with non-controlling shareholders	**58**	(9)
Other movements	**(25)**	11
Long-term share incentive scheme reserve	**6**	205
Purchase of treasury shares by wholly owned subsidiary	**–**	(396)
Balance at the end of the year	**101 443**	116 189

(1) *Refer to "Change in accounting policies" on page 130 for the impact of the implementation of new accounting standards.*

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

R million	30 June 2020	30 June 2019
Cash flows – operating activities		
Cash generated from operations	**4 340**	4 372
Interest received	**777**	1 256
Taxation paid	**(772)**	(1 217)
Dividends received[1]	**2 984**	3 381
Finance costs	**(1 592)**	(1 492)
Cash available from operating activities	**5 737**	6 300
Dividends paid	**(3 883)**	(3 759)
Cash inflow from operating activities	**1 854**	2 541
Cash flows – investing activities		
Investment in property, plant and equipment and other assets	**(2 467)**	(2 636)
Proceeds on disposal of property, plant and equipment and intangible assets	**131**	69
Proceeds on disposal of assets held for sale[2]	**10**	5 084
Businesses acquired	**110**	(61)
Proceeds on disposal of investments and loans	**925**	1 004
Additions to investments and loans[3]	**(417)**	(4 484)
Investment in money market funds	**(2 275)**	(1 179)
Withdrawal of money market funds	**2 505**	–
Cash outflow from investing activities	**(1 478)**	(2 203)
Cash flows – financing activities		
Loans repaid	**(11)**	(600)
Lease payments	**(406)**	–
Purchase of treasury shares	**–**	(396)
Other movements	**166**	180
Cash outflow from financing activities	**(251)**	(816)
Net increase/(decrease) in cash and cash equivalents	**125**	(478)
Exchange rate profit on foreign cash	**1 549**	38
Cash and cash equivalents at the beginning of the year	**11 545**	11 985
Cash and cash equivalents at the end of the year	**13 219**	11 545
Cash and cash equivalents – per statement of financial position	**15 631**	12 662
Bank overdraft	**(2 412)**	(1 117)

(1) *The dividend received from RMI in the comparative year in respect of the reinvestment alternative amounting to R300 million was not included in "Dividends received" and "Additions to investments and loans" for cash flow purposes.*
(2) *The comparative year includes the R4 900 million cash received on the disposal of the investment in Unilever.*
(3) *The comparative year includes the investments in CIVH and Prescient amounting to R3 683 million.*

NOTES TO THE **SUMMARY FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2020

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 implementation of *IFRS 16: Leases*. Refer to "Change in accounting policies" for further detail on the implementation of this standard. During the year under review various other interpretations and amendments became effective, but their implementation had no impact on the results of either the current or prior years. 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. CHANGE IN ACCOUNTING POLICIES

The Group adopted *IFRS 16: Leases* retrospectively from 1 July 2019, but has not restated comparatives for the 30 June 2019 reporting period as permitted under the specific transition provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 July 2019.

On adoption of *IFRS 16*, the Group recognised lease liabilities in relation to leases that had previously been classified as operating leases under the principles of *IAS 17: Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 July 2019. The weighted average incremental borrowing rates applied to the lease liabilities on 1 July 2019 were as follows for each major subsidiary:

Distell	8.7%
RCL Foods	8.6%
Wispeco	10.0%

Under *IAS 17*, operating lease payments were expensed on a straight-line basis. Under *IFRS 16*, lease liabilities with corresponding right-of-use assets are recognised. Finance charges are accrued on the lease liabilities and the right-of-use assets are depreciated over their useful lives. Lease repayments are accounted for against the lease liabilities.

A number of transition options are available to lessees under *IFRS 16*. The Group applied the modified retrospective approach where two options are available on a lease-by-lease basis:

- The lease liability is measured at the present value of the remaining lease payments over the period of the lease at the incremental borrowing rate measured at 1 July 2019. The right-of-use asset is measured retrospectively as if *IFRS 16* had always been applied with an adjustment to retained earnings.
- The lease liability is measured at the present value of the remaining lease payments over the period of the lease at the incremental borrowing rate measured at 1 July 2019. The right-of-use asset is measured at an amount equal to the lease liability, adjusted for prepayments.

As allowed under *IFRS 16*, the right-of-use assets were determined to be equal to their respective lease liabilities.

In applying *IFRS 16* for the first time, the Group has used the following practical expedients as permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Accounting for operating leases with a remaining lease term of less than 12 months at 1 July 2019 as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2. CHANGE IN ACCOUNTING POLICIES (continued)

Significant judgements:

- The most significant judgements required for the implementation of *IFRS 16* relate to variable rental payments on RCL Foods Limited's (RCL Foods) contract grower property and equipment, solar panels and sugar cane farms, as well as accounting for leases with extensions and termination options by that subsidiary. These assessments will be reviewed if significant events or changes in circumstances occur. During the current financial period there were no revisions of lease terms resulting from changes in management's assessment of extension or termination options.

The change in accounting policy affected the following items on the statement of financial position on 1 July 2019:

R million	Increase/ (decrease)
Property, plant and equipment	1 474
Debtors and short-term loans	(1)
Trade and other payables	(30)
Lease liabilities	1 705
Long-term loans	(181)
Short-term loans	(21)
Net impact on retained earnings	–

Reconciliation of operating lease commitments disclosed in the 2019 Annual Financial Statements to the lease liability recognised on 1 July 2019:

R million	Increase/ (decrease)
Operating lease commitments disclosed as at 30 June 2019	1 125
Discounted using the lessee's incremental borrowing rate at 1 July 2019	(194)
	931
Less: Short-term leases not recognised as a liability	(41)
Less: Low-value leases not recognised as a liability	(24)
Adjustments as a result of a different treatment of extension and termination options	309
Arrangements containing a lease	126
Finance lease liabilities recognised as at 30 June 2019	202
Contracts reassessed as lease contracts	208
Other	(6)
Lease liabilities recognised as at 1 July 2019	1 705
Of which are:	
Non-current lease liabilities	1 383
Current lease liabilities	322
	1 705

The main contributors to Remgro's adoption of *IFRS 16* were RCL Foods and Distell Group Holdings Limited (Distell).

The Group's equity accounted investments also implemented *IFRS 16* on the same basis as stated above. The impact of their adoption of *IFRS 16* on the statement of financial position on 1 July 2019 was as follows:

R million	Decrease
Investments – Equity accounted	323
Equity accounted reserves	323

3. COMPARISON WITH THE PRIOR YEAR

As a result of the unbundling of Remgro's 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling), earnings and headline earnings measures are presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH for both financial years presented, as well as the profit realised on the RMH Unbundling. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019). Discontinued operations for the prior year also includes the profit realised on the disposal of Unilever South Africa Holdings Proprietary Limited (Unilever).

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand Limited (FirstRand), due to among others the RMH Unbundling, and therefore the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income (FirstRand Reclassification). For the year under review the investment in FirstRand was equity accounted until 8 June 2020. In future only dividend income will be accounted for FirstRand in the income statement.

During the year under review the platforms under which the results of investee companies are being reported, were changed. Previously RMH and FirstRand were classified under *Banking* and Rand Merchant Investment Holdings Limited (RMI) was classified under *Insurance*. As a result of the RMH Unbundling, these investee companies are included under the *Financial services* platform. Comparative figures have been presented accordingly.

4. HEADLINE EARNINGS RECONCILIATION

R million	30 June 2020	30 June 2019
CONTINUING OPERATIONS		
Net loss for the year attributable to equity holders (earnings)	**(2 109)**	(3 808)
– Impairment of equity accounted investments[1]	**930**	5 533
– Reversal of impairment of equity accounted investments	**(73)**	–
– Impairment of property, plant and equipment	**639**	757
– Reversal of impairment of property, plant and equipment	**(2)**	(3)
– Impairment of investment properties	**10**	–
– Impairment of intangible and other assets[2]	**2 730**	931
– Bargain purchase gain	**(278)**	–
– Profit on sale and dilution of equity accounted investments[3]	**(4 241)**	(60)
– Loss on sale and dilution of equity accounted investments	**21**	16
– Profit on disposal of property, plant and equipment	**(56)**	(208)
– Loss on disposal of property, plant and equipment	**18**	39
– Recycling of foreign currency translation reserves	**–**	(90)
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**4 725**	3 427
– Loss on disposal of property, plant and equipment	**16**	12
– Profit on sale of investments	**(130)**	(250)
– Loss on sale of investments	**8**	16
– Impairment of investments, assets and goodwill[4]	**4 810**	3 666
– Recycling of foreign currency translation reserves	**–**	(6)
– Other headline earnings adjustable items	**21**	(11)
– Taxation effect of adjustments	**(204)**	(514)
– Non-controlling interest	**(373)**	(469)
Headline earnings from continuing operations	**1 737**	5 551
DISCONTINUED OPERATIONS		
Net profit for the year attributable to equity holders (earnings)	**8 755**	11 127
– Profit on sale of equity accounted investments[5]	**(7 360)**	(8 318)
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**35**	(165)
– Profit on disposal of property, plant and equipment	**–**	(5)
– Loss/(profit) on sale of investments	**35**	(287)
– Impairment of investments, assets and goodwill	**–**	63
– Taxation effect of adjustments	**–**	64
Headline earnings from discontinued operations	**1 430**	2 644
Total headline earnings from continuing and discontinued operations	**3 167**	8 195

(1) *Refer to "Net impairments of equity accounted investments" on page 134 for further detail.*
(2) *Refer to "Intangible assets" on page 133 for further detail.*
(3) *"Profit on sale and dilution of equity accounted investments" for the year under review includes the profit realised on the FirstRand Reclassification of R4 228 million.*
(4) *"Impairment of investments, assets and goodwill" from equity accounted investments for the year under review includes Remgro's portion of the impairments of Mediclinic's assets in Switzerland and the Middle East, as well as its investment in Spire of R4 330 million (2019: R2 873 million).*
(5) *"Profit on sale of equity accounted investments" for the year under review consists of the profit realised on the RMH Unbundling. The comparative year consists of the profit realised on the disposal of Unilever.*

5. EARNINGS AND DIVIDENDS

Cents	30 June 2020	30 June 2019
Total headline earnings per share		
– Basic	**560.6**	1 448.9
Continuing operations	**307.5**	981.4
Discontinued operations	**253.1**	467.5
– Diluted	**558.4**	1 445.9
Continuing operations	**305.6**	978.8
Discontinued operations	**252.8**	467.1
Earnings per share		
– Basic	**1 176.4**	1 294.0
Continuing operations	**(373.3)**	(673.2)
Discontinued operations	**1 549.7**	1 967.2
– Diluted	**1 173.6**	1 292.0
Continuing operations	**(373.9)**	(673.7)
Discontinued operations	**1 547.5**	1 965.7
Dividends per share		
Ordinary	**265.00**	564.00
– Interim	**215.00**	215.00
– Final	**50.00**	349.00

6. INTANGIBLE ASSETS

R million	30 June 2020	30 June 2019
Carrying value at the beginning of the year	**24 024**	18 427
Additions	**149**	90
Businesses acquired	**8**	6 919
Impairments	**(2 730)**	(927)
Amortisation	**(523)**	(493)
Foreign exchange translation	**132**	–
Transfers and other	**7**	8
Carrying value at the end of the year	**21 067**	24 024

At 30 June 2020, Remgro recognised an impairment amounting to R1 809 million relating to the goodwill allocated to Distell with the business combination of the Company during May 2018. The Covid-19 national lockdown and accompanying ban on the sale of alcohol had a significant impact on Distell's business. Accordingly, the cash flows forecast in the discounted cash flow model used to determine Distell's value in use was diminished. This resulted in a lower recoverable amount. Revenue and cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. A discount rate of 11.4% and a terminal growth rate of 4.5% were used to determine the value in use.

RCL Foods recognised an impairment on goodwill (R598 million) relating to its Vector (R287 million), Beverages (R123 million), Pies (R114 million) and Speciality (R74 million) business units, including indefinite life intangible assets of R315 million in the Milling business unit. The impairments were due to the negative impact of the Covid-19 pandemic on the global and South African economy. The recoverable amounts of the RCL Foods' cash-generating units (CGU) were based on their value in use.

Remgro recognised no additional impairment on the goodwill allocated to Siqalo Foods Proprietary Limited (Siqalo Foods) (2019: R888 million). The recoverable amount of the investment in Siqalo Foods, that exceeds its carrying value, is its value in use and was determined using the discounted cash flow method. Cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. A discount rate of 12.1% and a terminal growth rate of 5.5% were used.

7. INVESTMENTS – EQUITY ACCOUNTED

R million	30 June 2020	30 June 2019
Associates	**46 347**	65 417
Joint ventures	**4 644**	5 766
	50 991	71 183
EQUITY ACCOUNTED INVESTMENTS RECONCILIATION		
Carrying value at the beginning of the year	**71 183**	72 629
Change in accounting policies[1]	**(323)**	–
Restated balance at the beginning of the year	**70 860**	72 629
Share of net attributable profit/(loss)	**(878)**	4 517
Dividends received	**(2 620)**	(3 615)
Exchange rate differences	**5 527**	(472)
Investments made	**254**	3 252
RMH Unbundling[2]	**(17 182)**	–
FirstRand Reclassification[3]	**(6 061)**	–
Dark Fibre Africa loans reclassified to short-term loans	**(468)**	–
Net impairments	**(885)**	(5 534)
Equity accounted movements on reserves	**2 526**	239
Other movements	**(82)**	167
Carrying value at the end of the year	**50 991**	71 183

(1) *Refer to "Change in accounting policies" on page 130 for the impact of the implementation of new accounting standards.*
(2) *On 31 March 2020 the investment in RMH was transferred from "investment – equity accounted" to "assets held for distribution".*
(3) *With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was reclassified from an equity accounted investment to an investment at FVOCI.*

NET IMPAIRMENTS OF EQUITY ACCOUNTED INVESTMENTS AND LOSS ALLOWANCES ON LOANS

Reversal of impairments/(impairments) were recognised for the following investments:

R million	30 June 2020	30 June 2019
Mediclinic (refer below)	**–**	(3 898)
Best Global Brands Limited (BGB)[1]	**(144)**	(524)
PGSI	**–**	(378)
Grindrod[2]	**(596)**	(300)
Grindrod Shipping[2]	**(112)**	(277)
Other impairments	**(33)**	(157)
	(885)	(5 534)

(1) *The further significant devaluation of the Angolan kwanza during the year under review has negatively affected the earnings of BGB. The recoverable amount was based on a fair value less cost to sell calculation.*
(2) *These investments were impaired to their listed market prices following a significant decline in the share price.*

The listed market value of the investment in Mediclinic International plc (Mediclinic) was R18 769 million on 30 June 2020 (2019: R17 891 million), which is significantly lower than the carrying value of R27 443 million (2019: R27 917 million) before impairment. Mediclinic reported losses for its year ended 31 March 2020. Accordingly, management assessed for impairment by means of a value in use calculation. The value in use calculation is based on a discounted cash flow model. The calculation requires the use of estimates in respect of cash flows, growth and discount rates and it assumes a stable regulatory environment. These estimates are based on publicly available information such as analysts' consensus forecast and guidance provided by Mediclinic in its annual results. Given that Mediclinic, in terms of London Stock Exchange listing requirements and its Disclosure Guidance and Transparency Rules, must monitor such publicly available information for reasonability against its internal budgets and forecast and publish guidance should there be a significant deviance, management has comfort that the estimates used in the discounted cash flow calculation are reasonable.

Cash flow projections for a five-year period were estimated and reflect management's best view of future earnings. The discount and terminal growth rates used for the business segments are as follows:

	Discount rate (%)	Terminal growth rate (%)
South Africa	**13.0**	**4.5**
Switzerland	**5.0**	**1.6**
Middle East	**8.8**	**3.0**

Any increase in the discount rate or decreases in the short-term cash flow projections or terminal growth rate could give rise to further impairment charges in future. The value in use of the investment is R28 776 million on 30 June 2020 and, as a result, no further impairment was recognised.

7. INVESTMENTS – EQUITY ACCOUNTED (continued)
SHARE OF AFTER-TAX PROFIT/(LOSS) OF EQUITY ACCOUNTED INVESTMENTS

R million	30 June 2020	30 June 2019
Profit before taking into account impairments and non-recurring items	5 176	9 228
Net impairment of investments, assets and goodwill	(4 810)	(3 729)
Profit on the sale of investments	87	521
Recycling of foreign currency translation reserves	–	6
Other headline earnings adjustable items	(21)	11
Profit before tax and non-controlling interest	432	6 037
Taxation	(952)	(1 160)
Non-controlling interest	(358)	(360)
	(878)	4 517
Continuing operations	(2 272)	1 708
Discontinued operations	1 394	2 809

8. LONG-TERM LOANS

	30 June 2020	30 June 2019
20 000 Class A 7.5% cumulative redeemable preference shares	3 507	3 488
10 000 Class B 8.3% cumulative redeemable preference shares	4 313	4 312
Exchangeable bonds with an effective interest rate of 4.5% (maturity at 22 March 2021)	7 468	6 117
Various other loans	7 456	7 205
	22 744	21 122
Short-term portion of long-term loans	(7 577)	(102)
	15 167	21 020

	30 June 2020	30 June 2019
9. ADDITIONS TO AND REPLACEMENT OF PROPERTY, PLANT AND EQUIPMENT	2 976	2 543
10. CAPITAL AND INVESTMENT COMMITMENTS[1] (Including amounts authorised but not yet contracted for)	2 299	5 204
11. GUARANTEES AND CONTINGENT LIABILITIES[2]	3 353	5
12. DIVIDENDS RECEIVED FROM EQUITY ACCOUNTED INVESTMENTS SET OFF AGAINST INVESTMENTS	2 620	3 615

(1) *The comparative year includes an investment commitment of R1.3 billion to Milestone China Opportunities Fund IV which subsequently lapsed.*
(2) *Remgro issued a guarantee to Rand Merchant Bank for a loan facility, which was granted to CIVH to fund the Vumatel acquisition. Remgro's exposure at 30 June 2020 amounted to R3 329 million.*

13. FAIR VALUE REMEASUREMENTS

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

- Financial instruments at fair value 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 values of derivative instruments, which are included in financial instruments at FVPL, are 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).

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 2020				
ASSETS				
Non-current assets				
Financial assets at FVOCI	**10 542**	**101**	**1 963**	**12 606**
Financial assets at FVPL	**–**	**–**	**309**	**309**
Current assets				
Financial assets at FVPL	**–**	**11**	**–**	**11**
Investment in money market funds	**4 945**	**–**	**–**	**4 945**
	15 487	**112**	**2 272**	**17 871**
LIABILITIES				
Current instruments at FVPL	**–**	**279**	**–**	**279**
	–	**279**	**–**	**279**
30 June 2019				
ASSETS				
Non-current assets				
Financial assets at FVOCI	1 532	14	2 181	3 727
Financial assets at FVPL	–	–	147	147
Current assets				
Financial assets at FVPL	–	7	141	148
Investment in money market funds	5 175	–	–	5 175
	6 707	21	2 469	9 197
LIABILITIES				
Non-current instruments at FVPL	–	1	–	1
Current instruments at FVPL	–	54	–	54
	–	55	–	55

13. FAIR VALUE REMEASUREMENTS (continued)

The following table illustrates the reconciliation of the carrying value of level 3 assets at the beginning and end of the year:

R million	Financial assets at FVOCI	Financial assets at FVPL	Total
ASSETS			
Balances at 1 July 2019	**2 181**	**288**	**2 469**
Additions	**136**	**132**	**268**
Disposals	**(691)**	**(141)**	**(832)**
Exchange rate adjustment	**284**	**–**	**284**
Fair value adjustments through other comprehensive income	**53**	**–**	**53**
Fair value adjustments through profit and loss	**–**	**30**	**30**
Balances at 30 June 2020	**1 963**	**309**	**2 272**

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 299 million and R341 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 (13%), cash and cash equivalents (2%), and unlisted investments (85%). Unlisted investments included at transaction prices in Milestone's fair value amounted to R988 million, while its remaining three unlisted investments were valued at R117 million. PRIF's main assets are the investments in ETG Group, Octotel, RSAWeb, Lumos Global, Solar Saver, GPR Leasing and Icolo. ETG Group was valued using a market based approach, specifically the comparable company method (Enterprise value/EBITDA), while the other investments were valued using the discounted cash flow method.

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.

14. SEGMENT REVENUE

	Year ended 30 June	
R million	**2020**	2019
Consumer products		
Distell	**22 370**	26 180
RCL Foods	**27 659**	25 786
Siqalo Foods	**2 712**	2 626
Industrial		
Wispeco	**1 991**	2 376
Total revenue	**54 732**	56 968

14. SEGMENT REVENUE (continued)
DISAGGREGATED REVENUE INFORMATION

R million	Year ended 30 June 2020	2019
Distell		
Spirits	**8 942**	9 263
Wine	**5 656**	7 179
Cider and RTDs	**7 725**	9 714
Other	**47**	24
	22 370	26 180
RCL Foods[1]		
Groceries	**4 984**	4 832
Baking	**5 195**	5 061
Chicken	**8 814**	8 632
Sugar	**7 622**	6 613
Vector	**2 589**	2 183
Sales between RCL Foods' business units	**(1 566)**	(1 535)
Group	**166**	102
	27 804	25 888
Siqalo Foods		
Spreads	**2 712**	2 626
Wispeco		
Extrusions and related products	**1 721**	2 135
Other	**270**	241
	1 991	2 376
Elimination of intersegment revenue	**(145)**	(102)
Total revenue	**54 732**	56 968

(1) *RCL Foods restructured their segments in September 2019, resulting in the revision of segments disclosures.*

15. RELATED PARTY TRANSACTIONS
FIRSTRAND AND RMH

On 19 November 2019, Remgro announced its intention to pursue the distribution to shareholders, in full or in part, of Remgro's exposure to FirstRand and RMH. In parallel with this, RMH announced that it had made the strategic decision to restructure the RMH portfolio of assets and liabilities, which would include the distribution of its shareholding in FirstRand to its shareholders (FirstRand Unbundling).

However, on 31 March 2020 Remgro announced that it will proceed with the full distribution of its 28.2% interest in RMH (RMH Unbundling) and during April 2020 a detailed terms announcement was distributed to shareholders. Remgro's investment in RMH was previously classified as an associate and accounted for using the equity method. With effect from 31 March 2020 the investment met the criteria to be classified as a disposal group under *IFRS 5* and was classified as a non-current asset held for distribution. On 8 June 2020 Remgro distributed 397 447 747 ordinary shares in RMH to shareholders in the ratio of 0.69939 RMH ordinary shares for every 1 Remgro share held. The market value of the interim dividend *in specie* amounted to R23 855 million and an accounting profit of R7 360 million was realised on the distribution.

On 31 March 2020 Remgro also announced that it will retain its 3.9% direct interest in FirstRand (being 219 828 140 FirstRand ordinary shares). Remgro's investment in FirstRand was previously classified as an associate and accounted for using the equity method. With effect from 8 June 2020 Remgro ceased to have significant influence over FirstRand, due to among others the RMH Unbundling, and the investment was classified as a financial asset at fair value through other comprehensive income. In future only dividend income will be accounted for FirstRand in the income statement. The market value of the investment on that date amounted to R9 927 million and an accounting profit of R4 228 million was realised on the reclassification of the investment.

15. RELATED PARTY TRANSACTIONS (continued)

COMMUNITY INVESTMENT VENTURES HOLDINGS PROPRIETARY LIMITED (CIVH)

During the 2019 financial year Remgro advanced a loan amounting to R100 million to CIVH and earned underwriting fees of R58 million on a CIVH rights issue. As previously reported, the loan and outstanding amount of the underwriting fee would be converted to CIVH shares. On 31 March 2020 Remgro invested a further R167 million in CIVH in exchange for the loan and outstanding underwriting fee, which marginally increased Remgro's interest in CIVH to 54.7% (2019: 54.4%).

RCL FOODS

During June 2020 Remgro acquired a further 10 573 857 RCL Foods shares for a total amount of R100 million. At 30 June 2020 Remgro's effective interest in RCL Foods was 77.1% (2019: 77.5%).

INVENFIN PROPRIETARY LIMITED (INVENFIN)

During the year under review Invenfin (a wholly owned subsidiary of Remgro) invested a further R103 million in Bos Brands Proprietary Limited.

OTHER

For other related party transactions refer to note 7 and 12.

16. EVENTS AFTER YEAR-END

DISTELL

On 12 July 2020 the South African government announced new measures to curb the spread of Covid-19. These measures included a ban on the sale of alcoholic beverages, which was lifted again from 18 August 2020 when Distell was allowed to trade again. Distell was still allowed to manufacture products in South Africa during the ban on the sale of alcohol and to continue with its normal export activities. Other major territories in which Distell operates have not been impacted to this extent and was able to trade mostly normally in line with general economic constraints in the various territories. Distell evaluated the adverse consequences of the alcohol ban on its liquidity forecast and concluded that it remains a going concern.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2020.

ANNEXURE A

SEGMENT REPORT
FOR THE YEAR ENDED 30 JUNE 2020

R million	Year ended 30 June 2020 Headline earnings[1]	30 June 2020 Net assets Book value[2]	30 June 2020 Net assets Intrinsic value	Year ended 30 June 2019 Headline earnings[1]	30 June 2019 Net assets Book value[2]	30 June 2019 Net assets Intrinsic value
Financial services[3]						
RMI	599	9 736	13 708	1 161	9 335	15 947
FirstRand	657	7 068	7 068	1 093	5 825	15 069
RMH	1 430	–	–	2 644	16 245	33 545
Healthcare						
Mediclinic	1 655	27 443	18 769	1 693	24 019	17 891
Consumer products						
RCL Foods	92	7 189	6 029	254	7 968	7 960
Distell – entity contribution	165	7 128	5 330	459	9 055	9 060
– *IFRS 3 charge*[4]	(47)	–	–	(47)	–	–
Siqalo Foods – entity contribution	414	6 285	6 145	332	6 164	6 164
– *IFRS 3 charge*[4]	(79)	–	–	(80)	–	–
Industrial						
Air Products	333	1 264	3 979	343	1 093	4 264
Total	(20)	2 029	2 515	328	2 174	2 722
KTH	(164)	1 601	1 961	161	1 816	2 127
Wispeco	80	1 008	810	121	933	866
PGSI	(126)	205	309	(9)	302	302
Infrastructure						
CIVH	(649)	4 458	10 584	(204)	5 064	8 403
Grindrod	(12)	532	532	72	1 049	1 049
Grindrod Shipping	(46)	208	208	(65)	292	292
SEACOM	(10)	8	909	(2)	–	912
Other infrastructure interests	1	370	376	25	259	259
Media and sport						
eMedia Investments	78	805	947	39	773	773
Other media and sport interests	19	321	321	(19)	269	267
Other investments[5]	(66)	4 400	4 439	39	4 620	4 795
Central treasury						
Cash at the centre/Finance income	479	17 073	17 073	755	15 727	15 727
Debt at the centre/Finance costs	(949)	(15 288)	(15 288)	(711)	(13 919)	(13 919)
Other net corporate costs/assets	(667)	2 930	3 599	(187)	2 034	2 499
	3 167	86 773	90 323	8 195	101 097	136 974
Potential CGT liability			(3 050)			(5 327)
Total		86 773	87 273		101 097	131 647

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 4 for the calculation of headline earnings.*
(2) *Total book value equals shareholders' equity.*
(3) *Refer to the change in reporting platforms on page 132.*
(4) *IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro obtained control over these entities.*
(5) *Consists mainly of the investments in Business Partners and the Milestone entities.*

05 ADDITIONAL **INFORMATION**

THE **2020 ANNUAL GENERAL MEETING** WILL BE HELD ON MONDAY, **30 NOVEMBER 2020**. SHAREHOLDERS ARE INVITED TO ENGAGE WITH THE BOARD.

FIVE-YEAR REVIEW AND SHARE STATISTICS

CONSOLIDATED INCOME STATEMENTS

R million	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Profit/(loss) before taking into account the following	**579**	3 259	1 253	886	(757)
Non-recurring and capital items and impairments	**7 334**	963	4 986	304	(105)
Consolidated profit/(loss) before tax	**7 913**	4 222	6 239	1 190	(862)
Taxation	**(452)**	(987)	(423)	(227)	21
Consolidated profit/(loss) after tax	**7 461**	3 235	5 816	963	(841)
Share in after-tax profit/(loss) of equity accounted investments	**(878)**	4 517	3 383	7 545	6 250
Net profit after tax	**6 583**	7 752	9 199	8 508	5 409
Non-controlling interest	**63**	(433)	(256)	(77)	(45)
Attributable net profit for the period	**6 646**	7 319	8 943	8 431	5 364
Total headline earnings	**3 167**	8 195	8 573	8 221	5 874
Total headline earnings per share (cents)	**560.6**	1 448.9	1 512.6	1 485.5	1 119.6
Earnings per share (cents)	**1 176.4**	1 294.0	1 577.9	1 523.4	1 022.4
Dividends per share (cents)					
– Ordinary	**265**	564	532	495	460

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

R million	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
Property, plant and equipment, biological agricultural assets and investment properties	**16 954**	14 660	13 745	6 797	6 607
Investments – Equity accounted	**50 991**	71 183	73 722	80 883	78 565
Other non-current assets	**35 221**	29 156	23 086	9 058	9 486
Current assets	**43 933**	40 539	40 375	22 317	14 442
Total assets	**147 099**	155 538	150 928	119 055	109 100
Total equity	**101 443**	116 189	113 446	95 302	81 657
Non-current liabilities	**23 139**	26 770	25 891	18 493	20 821
Current liabilities	**22 517**	12 579	11 591	5 260	6 622
Total equity and liabilities	**147 099**	155 538	150 928	119 055	109 100
Net asset value per share (Rand) (attributable to equity holders)					
– at book value*	**153.59**	178.95	173.04	163.13	153.13
– at intrinsic value*	**154.47**	233.03	256.97	251.48	306.44

* *Decrease reflects the RMH Unbundling and negative impact of Covid-19 on market values (listeds) and fair values (unlisteds) of underlying investment companies.*

CONSOLIDATED STATEMENTS OF CASH FLOWS

R million	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016
Cash flow generated from returns on investments	**8 058**	7 555	5 818	5 434	4 387
Taxation paid	**(772)**	(1 217)	(657)	(363)	(328)
Cash available from operating activities	**7 286**	6 338	5 161	5 071	4 059
Dividends paid	**(3 883)**	(3 759)	(2 934)	(2 708)	(2 358)
Cash flow from operating activities	**3 403**	2 579	2 227	2 363	1 701
Net investing activities	**(1 478)**	(2 203)	2 208	(6 572)	(18 767)
Net financing activities	**(251)**	(816)	78	8 553	16 365
Net increase/(decrease) in cash and cash equivalents	**1 674**	(440)	4 513	4 344	(701)

SHARE STATISTICS

	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017	Year ended 30 June 2016 Restated
Weighted number of unlisted B ordinary shares ('000)	**39 057**	39 057	39 057	38 171	36 244
JSE Limited					
Weighted number of Remgro ordinary shares in issue					
– excluding the unlisted B ordinary shares ('000)	**525 904**	526 562	527 717	515 252	488 384
Market capitalisation at end of period (R million)					
– ordinary shares only	**52 869**	99 440	108 114	112 967	122 519
Price (cents per share)					
– Last day of period	**9 990**	18 790	20 429	21 346	25 466
– Highest	**20 131**	21 760	24 460	27 026	28 106
– Lowest	**9 990**	17 541	19 400	20 273	21 455
Number of shares traded ('000)	**404 004**	291 284	339 366	328 691	281 917
Value of shares traded (R million)	**64 127**	57 624	74 311	74 685	70 671
Shares traded/weighted number of ordinary shares (%)	**76.8**	55.3	64.4	63.8	57.7
Number of transactions	**1 244 812**	1 068 333	929 257	1 122 177	859 300

SHAREHOLDERS' INFORMATION

STATISTICS AT 30 JUNE 2020

	30 June 2020 %	30 June 2020 Number of shares	30 June 2019 %	30 June 2019 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Corporation	**16.35**	**86 513 326**	13.66	72 273 810
Other	**83.65**	**442 703 681**	86.34	456 943 197
	100.00	**529 217 007**	100.00	529 217 007
B ordinary shares				
Rupert Beleggings Proprietary Limited	**100.00**	**39 056 987**	100.00	39 056 987
Total		**568 273 994**		568 273 994

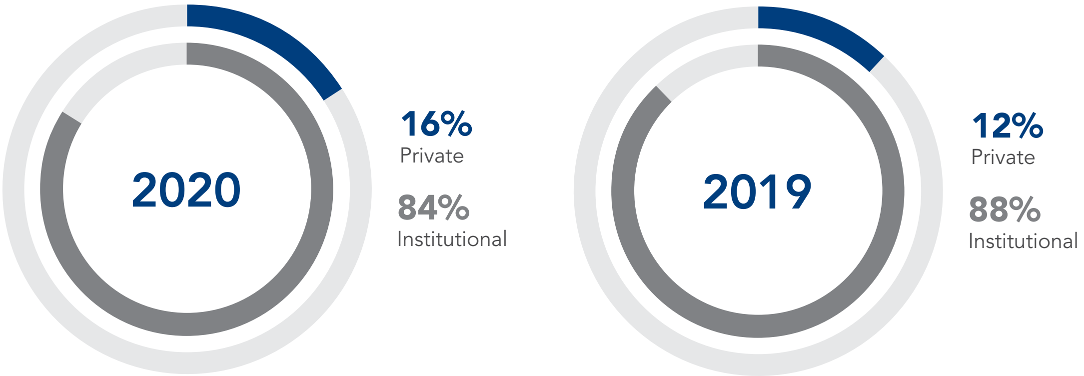
No other shareholder held a beneficial interest of more than 5% in the ordinary shares of the Company on 30 June 2020.

	30 June 2020	30 June 2019	30 June 2018	30 June 2017
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**51 228**	54 812	60 496	64 552
Percentage of shareholders	**99.92**	99.91	99.93	99.88
Number of shares	**507 822 981**	504 306 132	513 954 491	512 476 207
Percentage of shares issued	**95.96**	95.29	97.12	96.84
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares/ Prescribed officers	**43**	48	44	78
Percentage of shareholders	**0.08**	0.09	0.07	0.12
Number of shares	**21 394 026**	24 910 875	15 262 516	16 740 800
Percentage of shares issued	**4.04**	4.71	2.88	3.16
Number of shareholders	**51 271**	54 860	60 540	64 630

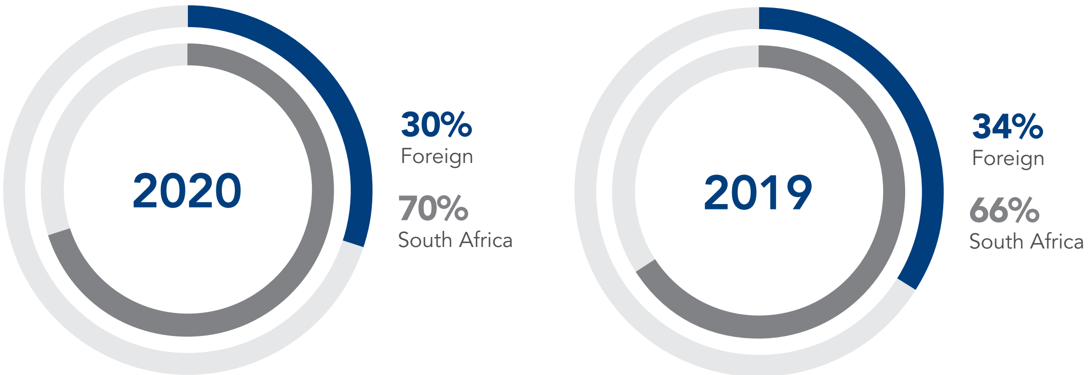
	30 June 2020	30 June 2019	30 June 2018	30 June 2017
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of no par value	**529 217 007**	529 217 007	529 217 007	529 217 007
– Unlisted B ordinary shares of no par value	**39 056 987**	39 056 987	39 056 987	39 056 987
Total number of shares in issue	**568 273 994**	568 273 994	568 273 994	568 273 994
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(3 297 213)**	(3 334 936)	(1 389 033)	(1 666 638)
	564 976 781	564 939 058	566 884 961	566 607 356
Weighted number of shares	**564 961 299**	565 619 396	566 773 693	553 423 346

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 2020				
S E N De Bruyn	**497**	**–**	**–**	**497**
J J Durand	**–**	**849 376**	**1 650**	**851 026**
P K Harris	**–**	**186 030**	**–**	**186 030**
M Lubbe	**32 184**	**–**	**–**	**32 184**
N P Mageza	**–**	**296**	**–**	**296**
J Malherbe	**1 148 670**	**27 391**	**2 934**	**1 178 995**
P J Moleketi	**1 243**	**–**	**19 718**	**20 961**
M Morobe	**–**	**633**	**–**	**633**
P J Neethling	**–**	**–**	**7 898 806**	**7 898 806**
K M S Rantloane	**57**	**–**	**–**	**57**
F Robertson	**–**	**5 500**	**–**	**5 500**
J P Rupert*	**–**	**–**	**7 553 865**	**7 553 865**
N J Williams	**25 000**	**–**	**66 000**	**91 000**
	1 207 651	**1 069 226**	**15 542 973**	**17 819 850**

* *Messrs J P Rupert and A E Rupert are both directors of an Associate that holds 7 551 005 ordinary shares in Remgro Limited.*

On 28 November 2019, when Dr E de la H Hertzog retired, his direct beneficial holding was 288 081 ordinary shares, his indirect beneficial holding was 2 224 995 ordinary shares and his associate held 142 982 ordinary shares in Remgro Limited.

On 28 November 2019, when Mr G T Ferreira retired, his indirect beneficial holding was 174 488 ordinary shares and his associates held 616 000 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2019				
S E N De Bruyn	497	–	–	497
J J Durand	–	849 376	1 650	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	2 224 995	142 982	2 656 058
M Lubbe	32 184	–	–	32 184
N P Mageza	–	296	–	296
J Malherbe	48 670	–	1 161 565	1 210 235
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
N J Williams	25 000	–	66 000	91 000
	570 163	3 266 830	9 561 780	13 398 773

* *Messrs J P Rupert and A E Rupert are both directors of an Associate that holds 7 551 005 ordinary shares in Remgro Limited.*

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 2020 Annual General Meeting of Remgro Limited (the Company) will be held on Monday, 30 November 2020, at 10:30, by way of electronic communication and participation only, to consider and, if deemed fit, to pass the ordinary and special resolutions detailed below, with or without modification.

As a result of the continuing impact of the Covid-19 pandemic and in particular its impact on gatherings of people, the Company has decided to hold the Annual General Meeting entirely by way of electronic communication and participation in accordance with section 63(2)(a) of the Companies Act (No. 71 of 2008), as amended (Companies Act) and clause 22 of the Company's Memorandum of Incorporation (Memorandum of Incorporation), and that no physical meeting will be held. This Notice sets out the procedures which shareholders should follow in order to participate in the Annual General Meeting by electronic communication.

The electronic communication to be employed will enable all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting.

ELECTRONIC PARTICIPATION PROCESS

The Company has appointed Computershare Investor Services Proprietary Limited to host the Annual General Meeting on an interactive platform and to facilitate electronic participation and voting by shareholders.

	CERTIFICATED SHAREHOLDERS AND "OWN NAME" DEMATERIALISED SHAREHOLDERS	DEMATERIALISED SHAREHOLDERS (EXCLUDING "OWN NAME" DEMATERIALISED SHAREHOLDERS)
Shareholders who wish to vote, but not attend the Annual General Meeting by electronic participation	• Complete the form of proxy attached to this Notice of the Annual General Meeting and email same, together with proof of identification (i.e. certified copy of South African (SA) identity document, SA driver's licence or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretaries, Computershare Investor Services Proprietary Limited (Transfer Secretaries), at proxy@computershare.co.za so as to be received by the Transfer Secretaries by no later than 10:30 (South African time) on Thursday, 26 November 2020 for administrative purposes, provided that any form of proxy not delivered to the Transfer Secretaries by this time and date may be emailed to the Transfer Secretaries (who will provide same to the chairman of the Annual General Meeting) at any time prior to the Annual General Meeting, provided that such form of proxy and identification must be verified and registered before the commencement of the Annual General Meeting.	• Provide your Central Securities Depository Participant (CSDP) or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker. • You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them. • If your CSDP or broker does not receive voting instructions from you, they will be obliged to vote in accordance with the instructions as per the custody agreement.

	CERTIFICATED SHAREHOLDERS AND "OWN NAME" DEMATERIALISED SHAREHOLDERS	DEMATERIALISED SHAREHOLDERS (EXCLUDING "OWN NAME" DEMATERIALISED SHAREHOLDERS)
Shareholders who wish to vote at and attend the Annual General Meeting by electronic participation	• Register online at www.smartagm.co.za by no later than 10:30 (South African time) on Thursday, 26 November 2020. Shareholders may still register online to participate in and/or vote electronically at the Annual General Meeting after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the Annual General Meeting, they must be verified and registered before the commencement of the Annual General Meeting. • As part of the registration process you will be requested to upload proof of identification (i.e. certified copy of SA identity document, SA driver's licence or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number. • Following successful registration, the Transfer Secretaries will provide you with a meeting ID number, username and password in order to connect electronically to the Annual General Meeting. • Participate in the Annual General Meeting through the Lumi app or website by following the steps set out at www.smartagm.co.za. The Lumi app can be downloaded from the Apple App Store or Google Play Store.	• Request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker. • Register online at www.smartagm.co.za by no later than 10:30 (South African time) on Thursday, 26 November 2020. Shareholders may still register online to participate in and/or vote electronically at the Annual General Meeting after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the Annual General Meeting, they must be verified and registered before the commencement of the Annual General Meeting. • As part of the registration process you will be requested to upload your letter of representation and proof of identification (i.e. certified copy of SA identity document, SA driver's licence or passport), as well as to provide details, such as your name, surname, email address and contact number. • Following successful registration, the Transfer Secretaries will provide you with a meeting ID number, username and password in order to connect electronically to the Annual General Meeting. • Participate in the Annual General Meeting through the Lumi app or website by following the steps set out at www.smartagm.co.za. The Lumi app can be downloaded from the Apple App Store or Google Play Store.

1. Each shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the Annual General Meeting.
2. Voting will take place by way of a poll and accordingly every holder of ordinary shares will have one vote in respect of each ordinary share held and every holder of B ordinary shares will have 10 votes in respect of each B ordinary share held.
3. The cost (e.g. for mobile data consumption or internet connectivity) of electronic participation in the Annual General Meeting will be carried by the participant.
4. The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company and its directors/employees/Company Secretary/Transfer Secretaries/service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company or its directors/employees/Company Secretary/Transfer Secretaries/service providers, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the Annual General Meeting.
5. **Due to the electronic format of the meeting, shareholders are requested to submit the questions that they wish to raise at the Annual General Meeting in advance of the Annual General Meeting by sending them by email to the Company Secretary at ddreyer@remgro.com.**

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 Report of the Independent Auditor and the Audit and Risk Committee Report, of the Company and its Group (Group) for the financial year ended 30 June 2020, 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, 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 Report of the Independent Auditor and the Audit and Risk Committee Report, of the Company and the Group for the financial year ended 30 June 2020 are published on the Company's website at www.remgro.com. The Report of the Board, the Report of the Independent Auditor, the Audit and Risk Committee Report and the summary Annual Financial Statements are included in the Integrated Annual Report on pages 119, 125, 116 and 126 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 2021, 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 Ms S E N De Bruyn who retires as director in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered herself and is eligible for re-election, be re-elected as a director of the Company.

4. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 4

Resolved that Ms M Lubbe who retires as director in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered herself and is eligible for re-election, be re-elected as a director of the Company.

5. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 5

Resolved that Mr M Morobe who retires as director in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself and is eligible for re-election, be re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 6

Resolved that Mr J P Rupert who retires as director in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself and is eligible for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 7

Resolved that Mr N J Williams who retires as director in terms of clause 27.4.3.1 of the Memorandum of Incorporation and who has offered himself and is eligible 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 18 and 19 of the Integrated Annual Report. The Board supports the re-election of all the aforementioned directors.

8. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 8

Resolved that the appointment of Mr P J Neethling as a director of the Company be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

9. ELECTION OF DIRECTOR

ORDINARY RESOLUTION NUMBER 9

Resolved that the appointment of Mr G G Nieuwoudt as a director of the Company be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

10. ELECTION OF ALTERNATE DIRECTOR

ORDINARY RESOLUTION NUMBER 10

Resolved that the appointment of Mr K M S Rantloane as an alternate director to Mr P K Harris be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 8 TO 10

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 or alternate director, provided that such appointment must be confirmed by the shareholders at the next Annual General Meeting of the Company. Biographical details of Messrs P J Neethling, G G Nieuwoudt and K M S Rantloane are set out on page 19 of the Integrated Annual Report. The Board supports the aforementioned appointments.

11. ELECTION OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 11

Resolved that subject to the passing of Ordinary Resolution Number 3, Ms S E N De Bruyn, being eligible and offering herself for re-election, be and is hereby re-elected as a member of the Audit and Risk Committee, until the next Annual General Meeting.

12. ELECTION OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 12

Resolved that Mr N P Mageza, being eligible and offering himself for re-election, be and is hereby re-elected as a member of the Audit and Risk Committee, until the next Annual General Meeting.

13. ELECTION OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 13

Resolved that Mr P J Moleketi, being eligible and offering himself for re-election, be and is hereby re-elected as a member of the Audit and Risk Committee, until the next Annual General Meeting.

14. ELECTION OF MEMBER OF THE AUDIT AND RISK COMMITTEE

ORDINARY RESOLUTION NUMBER 14

Resolved that Mr F Robertson, being eligible and offering himself for re-election, be and is hereby re-elected as a member of the Audit and Risk Committee, until the next Annual General Meeting.

ADDITIONAL INFORMATION IN RESPECT OF ORDINARY RESOLUTIONS NUMBERS 11 TO 14

In terms of the provisions of section 94(2) of the Companies Act, a public company shall at each 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 18 and 19 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.

15. GENERAL AUTHORITY TO PLACE 5% OF THE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

ORDINARY RESOLUTION NUMBER 15

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 this approval shall be valid only until the next Annual General Meeting of the Company and that the aggregate number of ordinary shares to be allotted and issued in terms of this Ordinary Resolution Number 15 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 15

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 15 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 15 cannot be used to issue shares for cash as contemplated in the Listings Requirements.

16. NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

ORDINARY RESOLUTION NUMBER 16

Resolved that the Company's Remuneration Policy, as set out in the Remuneration Report from page 84 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote.

17. NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT

ORDINARY RESOLUTION NUMBER 17

Resolved that the Company's Implementation Report in regard to its Remuneration Policy, as set out in the Remuneration Report from page 84 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 16 AND 17

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 16 or 17 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 from page 84 of the Integrated Annual Report.

18. 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 2021 be determined on the following basis:

Type of fee (Rand)	Proposed fee for the year ending 30 June 2021	Fee for the year ended 30 June 2020
Board member	**390 000**	390 000
Chairman of the Audit and Risk Committee	**297 000**	297 000
Member of the Audit and Risk Committee	**147 500**	147 500
Member of the Remuneration and Nomination Committee	**65 500**	65 500
Chairman of the Social and Ethics Committee	**120 000**	120 000
Member of the Social and Ethics Committee	**65 500**	65 500
Meeting fee for *ad hoc* Committees	**25 000**	25 000

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 in terms of section 66(9) of the Companies Act for the financial year ending 30 June 2021.

19. 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, in terms of section 48 of the Companies Act, 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;
- 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 their 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 144);
- Share capital of the Company (pages 55 of the Annual Financial Statements and 144 of the Integrated Annual Report).

The directors, whose names are set out on pages 18 and 19 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.

20. 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 for 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.

21. 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 intergroup 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 any of 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.

22. REPORT BY SOCIAL AND ETHICS COMMITTEE

The Company's Social and Ethics Committee Report, included on page 103 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, 16 October 2020.

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 by electronic participation is Friday, 20 November 2020, 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 by electronic participation is Tuesday, 17 November 2020.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 17 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 Numbers 16 and 17 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 not vote on any resolution.

PARTICIPATION 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 by electronic participation and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote by electronic participation 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 Private Bag X9000, Saxonwold, 2132, South Africa, or emailed to proxy@computershare.co.za, to be received by them not later than Thursday, 26 November 2020, at 10:30 (South African time) for administrative purposes, provided that any form of proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the Annual General Meeting) at any time before 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 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 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 by electronic participation, to obtain the necessary authority to do so.

By order of the Board of Directors.

D I Dreyer
Company Secretary

Stellenbosch
28 September 2020

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 2020 Annual General Meeting of the Company to be held on Monday, 30 November 2020, at 10:30, by way of electronic participation only (the Annual General Meeting).

I/We ____

of (address) ______________________ contact details (telephone number) ______________________

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 by electronic participation 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 – Ms S E N De Bruyn			
4. Election of director – Ms M Lubbe			
5. Election of director – Mr M Morobe			
6. Election of director – Mr J P Rupert			
7. Election of director – Mr N J Williams			
8. Election of director – Mr P J Neethling			
9. Election of director – Mr G G Nieuwoudt			
10. Election of alternate director – Mr K M S Rantloane			
11. Election of member of the Audit and Risk Committee – Ms S E N De Bruyn			
12. Election of member of the Audit and Risk Committee – Mr N P Mageza			
13. Election of member of the Audit and Risk Committee – Mr P J Moleketi			
14. Election of member of the Audit and Risk Committee – Mr F Robertson			
15. General authority to place 5% of the unissued ordinary shares under the control of the directors			
16. Non-binding advisory vote on Remuneration Policy			
17. 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 ______________________ 2020

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 by electronic participation is entitled to appoint one or more proxies to attend, speak and vote in his/her stead by electronic participation. A proxy need not be a registered shareholder of the Company.
2. 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 Investor Services Proprietary 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 participates electronically in 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 Private Bag X9000, Saxonwold, 2132, South Africa, or emailed to proxy@computershare.co.za, to be received by them not later than Thursday, 26 November 2020, at 10:30 (South African time) for administrative purposes, provided that any form of proxy not delivered to the Transfer Secretaries by this time may be emailed to the Transfer Secretaries (who will provide same to the chairman of the Annual General Meeting) at any time before 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 by electronic participation 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.

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 2020, all of which are available on the Company's website.

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