Remgro
Limited

INTEGRATED ANNUAL REPORT 2021

Our leadership philosophy

- I create a more inclusive and diverse culture
- I am a credible and inspiring leader
- I build capacity for collaboration and partnering
- I create process, innovation and entrepreneurial excellence

The story of **our design**

The Remgro employees embarked on a future fit change management programme to discuss, develop and embrace the road ahead.

"This is not a pause, it is a reset."

Johann Rupert

The design elements used in the 2021 Integrated Annual Report portray meaningful messaging to our employees and is a developing story, which will be told in the Integrated Annual Reports of the future.

Our **roots**

Do the **right thing**

Trusted partnership

Innovative and **entrepreneurial** spirit

Excellence in all we do

Strength through **inclusivity** and **diversity**

The next chapter to come.
An unfolding story.

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Remgro aims to be the trusted investment company of choice that consistently creates sustainable stakeholder value.

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

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 2021 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

Remgro's reporting suite information is set out below, detailing the assurances obtained and frameworks applied to each report.

Integrated Annual Report

Applied principles and frameworks

- 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 (JSE) Listings Requirements

Assurance obtained

- Reviewed by:
  - Management
  - Internal audit/Finance
  - Audit and Risk Committee
  - Board
  - JSE sponsor

Sustainable Development Report

Applied principles and frameworks

Benchmarked against FTSE Russell (FTSE4Good Index Series) criteria

Assurance obtained

- Reviewed by:
  - Management
  - Internal audit/Finance
  - Social and Ethics Committee and Audit and Risk Committee
  - Board
- CDP (formerly Carbon Disclosure Project) verification of certain non-financial indicators

Consolidated Annual Financial Statements

Applied principles and frameworks

- International Financial Reporting Standards (IFRS)
- Companies Act
- JSE Listings Requirements

Assurance obtained

Independent audit opinion by PricewaterhouseCoopers Inc.

Annual and interim results presentation

Applied principles and frameworks

Not applicable

Assurance obtained

- Reviewed by:
  - Management
  - Finance
  - Executive directors
  - Investor Relations

BBBEE certificate

Applied principles and frameworks

Department of Trade, Industrial and Competition's generic Code of Good Practice

Assurance obtained

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.

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, 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 70 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 Measurement* valuation.

Refer to page 29.

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 7.3% and 1.2% 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.

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. Refer to the report of the Chief Executive Officer on page 29 for a brief summary of the most significant investment activities during the year under review.

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 2021 Integrated Annual Report on 21 September 2021.

SALIENT **FEATURES**

Headline earnings per share from continuing operations	UP BY 66.0%
Total headline earnings per share	DOWN BY 8.9%
Total ordinary dividend per share	90 CENTS
Intrinsic net asset value per share	R177.33

Financial

	Year ended 30 June 2021	Year ended 30 June 2020	*% change*
Total headline earnings (R million)	**2 885**	3 167	*(8.9)*
– per share (cents)	**510.6**	560.6	*(8.9)*
Headline earnings from continuing operations (R million)*	**2 885**	1 737	*66.1*
– per share (cents)	**510.6**	307.5	*66.0*
Dividends per share			
Ordinary (cents)	**90.00**	265.00	*(66.0)*
– Interim (cents)	**30.00**	215.00	*(86.0)*
– Final (cents)	**60.00**	50.00	*20.0*
Intrinsic net asset value per share (R)	**177.33**	154.47	*14.8*
Remgro share price at 30 June (R)	**114.60**	99.90	*14.7*
Percentage discount to intrinsic net asset value (%)	**35.4**	35.3	*(10 bps)*

* *Headline earnings from continuing operations for the comparative year was calculated by excluding the equity accounted income of RMB Holdings Limited due to the unbundling of the investment.*

Other information

	Year ended 30 June 2021	Year ended 30 June 2020
Spent on corporate social investment (CSI) at the centre (R million)	**22**	25
BBBEE scorecard contributor level	**5**	6
Continued participation in Carbon Disclosure Project	**Yes**	Yes
Inclusion in FTSE/JSE Responsible Investment Index	**Yes**	Yes

Scan to view our 2021 results presentation

Group **profile**

Group structure at 30 June 2021

Remgro Limited principal investments – equity interest held

Our interests consist mainly of investments in the following industries:

Healthcare	Consumer products	Financial services	Infrastructure	Industrial
Mediclinic International 44.6%	RCL Foods 80.4%	RMI 30.6%	Community Investment Ventures Holdings 55.2%	Air Products 50.0%
	Distell (1) 31.7%	Business Partners 44.1%	Grindrod 25.8%	TotalEnergies 24.9%
	Siqalo Foods 100%		SEACOM 30.0%	Wispeco Aluminium 100%
			Grindrod Shipping 22.5%	PGSI Limited 37.7%
			Energy Exchange of Southern Africa 32.5%	

Originally established in the 1940s by the late Dr Anton Rupert, Remgro's investment portfolio has evolved substantially and currently includes investee companies across nine 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 healthcare, consumer products, financial services, infrastructure, industrial and media industries.

Remgro is a diversified investment holding company with the vision to be the trusted investment company of choice that consistently creates sustainable stakeholder value.

Diversified investment vehicles

- KTH – 43.5% (equity accounted investment; 2 Remgro nominated directors)
- Milestone Capital 麦顿投资 – 28.1% (investment at fair value through other comprehensive income)
- Prescient – 44.1% (investment at fair value through other comprehensive income)
- Invenfin – 100% (subsidiary; 2 Remgro nominated directors)
- Pembani • Remgro Infrastructure Fund – 16.2% (investment at fair value through other comprehensive income; 1 Remgro nominated director)
- Asia Partners – 6.5% (investment at fair value through other comprehensive income)

Media

- e – 32.3% (equity accounted investment; 2 Remgro nominated directors)

Portfolio investments

- FirstRand – 3.3% (investment at fair value through other comprehensive income; listed entity)
- BAT – A better tomorrow – 0.1% (investment at fair value through other comprehensive income; listed entity)

Social impact investments

- Bulls[2] – 50.0% (equity accounted investment; 2 Remgro nominated directors)
- Stellenbosch Academy of Sport – 100% (subsidiary; 3 Remgro nominated directors)
- Stellenbosch Football Club – 100% (subsidiary; 2 Remgro nominated directors)

Treasury and management services

- Remgro Finance Corporation – 100%
- Remgro Healthcare Holdings – 100%
- Remgro International – Jersey – 100%
- Remgro Management Services (FSP 30 549) – 100%
- V&R Management Services – Switzerland – 100%

Key:

- 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%.*

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.

Over the **73 years of our rich history**, we pride ourselves in our ability to **identify opportunities to unlock value for our shareholders** at the right time. Our history shows a **proven track record** to return superior returns to shareholders by identifying opportunities presented by maturing and/or pivoting industries and business models.

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 2021, the value of the unbundled BAT shares has increased to R115.4 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 to its shareholders by way of an interim dividend *in specie* amounting to R23.9 billion.

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). Remgro has adopted a philosophy of decentralised management, which means these companies have autonomous boards of directors and management structures, while Remgro 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 derived by investee companies from Remgro as shareholder include strategic direction, patient financial capital, managerial support through access to Remgro's broad and diverse network of human capital, and the creation of an environment conducive for corporate transactions. The support provided by Remgro serves to enable investee companies to achieve their relevant growth strategies and targets.

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, social responsibility, 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 10 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 2021, the unlisted B ordinary shares were entitled to 42.62% (2020: 42.62%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 152 and 153.

Investment philosophy

Remgro invests in businesses that are aligned with its values and purpose and that 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 adds value through its extensive network of human capital. The purpose is to grow Remgro's intrinsic net asset value by investing in a good balance of young growth companies, network assets and more established cash-generating companies to ensure superior returns to shareholders by way of sustainable dividends and capital growth.

Remgro's investment strategy

- Emphasis on investments that align with Remgro's values and purpose that will make a significant contribution to Remgro's earnings
- Focus on investments with a meaningful Environmental, Social and Governance strategy and impact
- 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:
  - Healthcare
  - Consumer products
  - Financial services
  - Infrastructure

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, Social and Governance strategy and impact of the enterprise
- Viability of products and services and their life cycles
- 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, CIVH, Air Products and TotalEnergies;
- 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. A large part of Remgro's success is attributable to being able to maintain a good balance of young growth companies, network assets and more established cash-generating companies to ensure superior returns to shareholders by way of sustainable dividends and capital growth.

Investment holding company

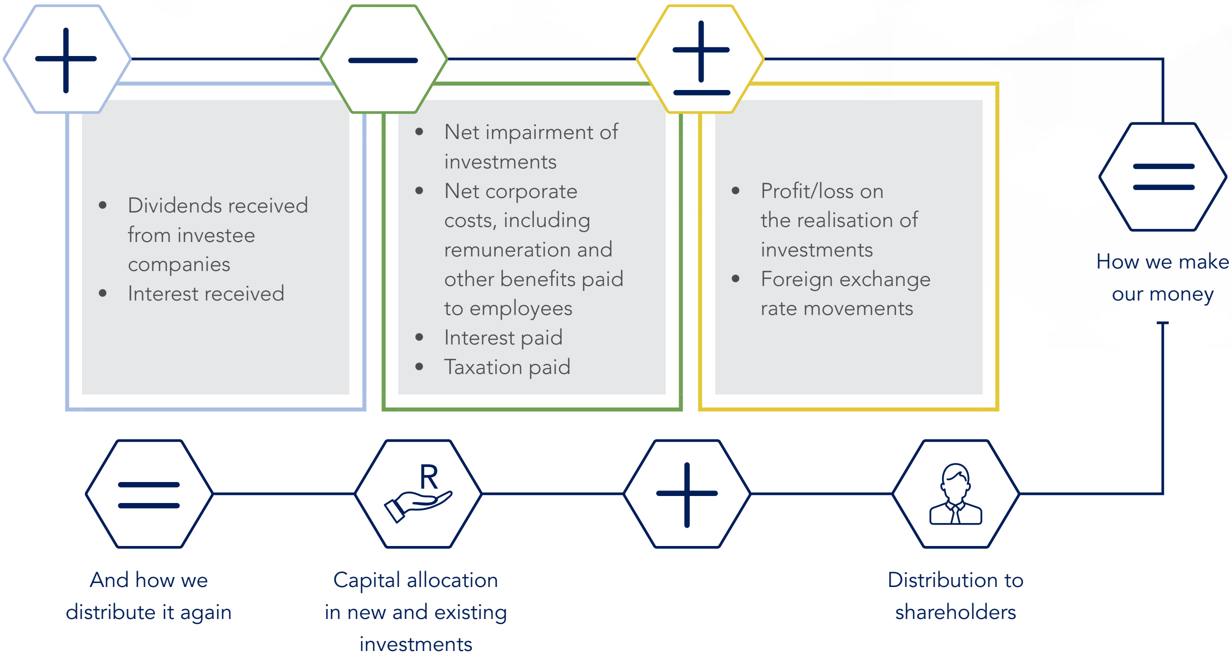
Remgro serves to enable investee companies to achieve their growth strategies and targets. The support we bring, irrespective of our level of influence, includes:

- Strategic input
- Capital allocation
  - Patient financial capital to support growth strategies
  - Manufactured capital
  - Human capital in management support
  - Relationship capital in identification of opportunities
  - Intellectual capital
  - Environmental capital
- Dealmaking ability (environment for corporate transactions)
- Decentralised management approach
- Treasury services (as required)
- 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:



Given its nature as an investment holding company and the substantial amount of cash held and managed, the control of treasury risks is 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 34.

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 29 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**

Remgro's key objectives

1 Remgro focuses on the **creation of shareholder value** and **sustainable growth** by investing in a portfolio of 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.

4 Focus on **innovation** and **emerging trends** informs Remgro's investment strategy.

Managing with a view to **maximise value creation** and **sustainable growth**

Doing business **ethically**

1 By always considering the impact of the Company's strategy on its commercial sustainability, the indirect impact 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 and opportunities 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 82.

	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 Board, as well as 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 the Company, including that 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 prior 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 and forward-looking indicators. Remgro has various projects focused on, *inter alia*, Environmental, Social and Governance Practices (ESG), 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.
4	Remgro's focus on innovation and future developments serves as inputs in its Investment Mandate.

Directorate and **members** of **committees**

Non-executive directors

J P Rupert (71) *Chairman*

Appointed: 18 August 2000

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 (65)

Appointed: 11 October 2006

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 is a member of the Investment Committee.

P J Neethling (36)

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 (33)

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 (54) *Chief Executive Officer*

BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 25

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 (51) *Compliance and Corporate Social Investments*

BA
Years of service with the Group: 27

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 (56) *Chief Financial Officer*

BComm (Hons), CA(SA)
Years of service with the Group: 27

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 TotalEnergies Marketing 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, J Malherbe, G G Nieuwoudt, K M S Rantloane, N J Williams

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), S E N De Bruyn, 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

Independent non-executive directors

S E N De Bruyn (49) *Lead Independent Director*

Appointed: 16 March 2015

Directorships: Ms De Bruyn was co-founder of Identity Capital Partners Proprietary Limited in 2008. She has almost 20 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 Chairman of RMB Holdings Limited, and a director of Rand Merchant Investment Holdings Limited and Discovery Limited. She was previously a Trustee of the National Empowerment Fund and a member of the Presidential Working Group on BEE. She is currently a member of the Presidential Advisory Council on Investments. Ms De Bruyn 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 and the Remuneration and Nomination Committee.

N P Mageza (66)

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 (64)

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 (64)

Appointed: 18 June 2007

Directorships: Mr Morobe was the National Director of the Programme to Improve Learner Outcomes (PILO) until 2020, a position he assumed in 2013 after seven years as chief executive officer of then JSE listed Kagiso Media Limited. He has a 49 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. Thereafter, from 2004 to 2006, he joined the Presidency as Head of Communications. He has 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 he is a Trustee on the boards of the DG Murray Trust and the Rothschild Foundation. He is Chairman of the Social and Ethics Committee.

G G Nieuwoudt (45)

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 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 (40)

Appointed: 30 November 2020

Directorships: Mr Rantloane is the founder 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. He serves as a member of the Investment Committee.

F Robertson (66) *Deputy Chairman*

Appointed: 28 March 2001

Directorships: Mr Robertson is Executive Chairman of Brimstone Investment Corporation Limited. He is also Chairman of Sea Harvest Group Limited and Lion of Africa Insurance 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 the co-deputy Chairman of Remgro in November 2019 with Mr Malherbe (the then sole Deputy Chairman). From November 2020 Mr Robertson no longer shares this position with Mr Malherbe, and Mr Robertson now acts as the sole Deputy Chairman of Remgro.

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 2021 the Management Board comprised five members, being all three executive directors as well as Messrs Pieter Louw and Pieter Uys.

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

Committee structure

Remgro Board

- Remuneration and Nomination Committee
- Investment Committee
- Management Board
  - Investments
  - Line management
- Social and Ethics Committee
- Audit and Risk Committee
  - Valuation Committee
  - Treasury Committee
  - Risk, Opportunities, Technology and Information Governance Operational Subcommittee
  - Safety, Health and Environmental Committee

Figure 1

Board of Directors

Chief Executive Officer
J J Durand

Chief Financial Officer
N J Williams
- Finance
- Treasury
- Technology and information
- In-house legal

Management Board

Compliance and Corporate Social Investments
M Lubbe
- Human resources

Secretarial
D I Dreyer
National Diploma: Legal Secretary
Years of service with the Group: 12

D I Dreyer

Investments
- Strategic investments
  P J Uys
  MEng (Electrical), MBA
  Years of service with the Group: 8
- Corporate finance
  P R Louw
  CA(SA)
  Years of service with the Group: 20
- New investments and venture capital
  J J du Toit
  CA(SA)
  PgDip Advanced Tax
  Years of service with the Group: 19

P J Uys

P R Louw

J J du Toit

Shareholders' diary and Company information

Dates of importance to shareholders

Financial year-end	30 June
Annual General Meeting	Thursday, 25 November 2021
Financial reports	
Announcement of interim results	March
Interim report	March
Announcement of annual results	September
Annual Financial Statements	September
Integrated Annual Report	October
Dividends	
Interim dividend	
– declared	March
– paid	April
Final dividend	
– declared	September
– paid	November
Final dividend No. 42	
Ordinary dividend per share	60 cents
Last day to trade in order to participate in the dividend	Tuesday, 16 November 2021
Shares trade ex dividend	Wednesday, 17 November 2021
Record date	Friday, 19 November 2021
Payment date	Monday, 22 November 2021

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

REPORTS TO **SHAREHOLDERS**

Remgro's investment thesis remains intact, underpinned by an attractive and resilient 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

Introduction

Towards the start of the Covid-19 pandemic, I noted that the impact thereof would not constitute a pause, but rather a reset. While I made the statement more than a year ago, I believe it remains true today. The pandemic and resultant containment measures have caused immeasurable harm globally, but these hardships have also provided individuals, companies and organisations the opportunity to reflect and reset where necessary.

I am confident in Remgro's ability to continue adapting to the changing markets, as it has successfully done over its 73 years of rich history. As part of this change, Remgro is placing increased emphasis on its Environmental, Social and Governance (ESG) practices across the Group. While workplace, economic, social and environmental sustainability practices have always been part of Remgro's core values, Remgro aims to be an ESG leader. To this end, as part of the Management Board's key strategic initiatives, an ESG focus group has been formed to ensure that Remgro remains engaged with its corporate citizen mandate and values driven ethos. For more information in this regard, please refer to page 90 of this report.

While the ramifications of the pandemic will still be felt for a long time, I am encouraged by Remgro's improved performance compared to the previous financial year. Enabled by prudent management, resilient companies and a strong balance sheet, we are satisfied with our underlying resilient results.

Financial performance

During June 2020 Remgro unbundled its 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling) and, consequently, the investment in RMH was treated as a discontinued operation for the year ended 30 June 2020. For the year under review, earnings and headline earnings measures are again presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the prior year include the equity accounted income of RMH.

For the year under review, headline earnings from continuing operations increased by 66.1% from R1 737 million to R2 885 million, while headline earnings per share (HEPS) from continuing operations increased by 66.0% from 307.5 cents to 510.6 cents.

The headline earnings from continuing operations for the comparative year were significantly impacted during the second six months to 30 June 2020 by the Covid-19 pandemic and the resultant lockdown measures, as well as a once-off donation of R500 million to The South African SME Relief Trust. From this low base, the increase in headline earnings from continuing operations for the year under review is mainly due to the recovery of the earnings of most of Remgro's underlying investee companies (most notably RCL Foods Limited, Distell Group Holdings Limited, TotalEnergies Marketing South Africa Proprietary Limited and Rand Merchant Investment Holdings Limited). This increase is partly offset by a lower contribution from Mediclinic International plc (Mediclinic) (Mediclinic's contribution includes the full impact of the Covid-19-related lockdown measures on their results for the year ended 31 March 2021), as well as lower interest income, due to the 300 basis points reduction in interest rates since January 2020. Furthermore, due to the accounting reclassification of FirstRand Limited (FirstRand) from an equity accounted investment to an investment at fair value through other comprehensive income, only dividend income of R191 million was accounted from FirstRand for the year under review, whereas earnings of R657 million were equity accounted in the comparative year.

Dividend

The Board has approved a final dividend of 60 cents (2020: 50 cents) per share. The total ordinary dividends per share in respect of the year to 30 June 2021 thus amounted to 90 cents (2020: 265 cents). The final dividend of 2020, as well as the interim and final dividends of 2021, were adjusted downwards to take into account the RMH Unbundling during the prior year and the ongoing impact of the Covid-19 pandemic.

Corporate governance and sustainability

As noted above, 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

On 30 November 2020, various changes were made to the Board.

Mr P K Harris retired as independent non-executive director from the Board. The Board will miss his knowledgeable contributions and would like to thank him for his wise counsel and valuable support during his tenure.

Mr K M S Rantloane was appointed as an independent non-executive director of the Board and member of the Investment Committee. The Board wishes to welcome Mr Rantloane as director of the Company.

Ms S E N De Bruyn was appointed as member of the Remuneration and Nomination Committee and Mr J Malherbe resigned as co-deputy Chairman.

In closing

I am encouraged by Remgro's solid performance and look forward to what lies ahead as we aim to shape a better future for our Group and our country.

We continue to thank our shareholders for their confidence amidst all the economic and political uncertainties, and thank all our employees and colleagues at our investee companies that have enabled another successful year.

Our people have shown incredible commitment and dedication during these tumultuous times and have made many sacrifices, for which we are truly grateful.

Lastly, I would like to extend my sincerest condolences to all who have lost loved ones during this time. Our thoughts and prayers are with you.

Johann Rupert.

Johann Rupert
Chairman

Stellenbosch
21 September 2021

Chief Executive Officer's Report

Remgro remains committed to this country and we will continue to **play our role in seeing South Africa come through these challenging times** stronger as a nation.

Jannie Durand
Chief Executive Officer

Introduction

Reflecting back on what has been another rollercoaster of a year, it has reminded me once again of our incredibly rich history as a country and as a Group. South Africa has been through many highs and lows in these 73 years of Remgro's existence, and Remgro has been a part of constantly watching, participating, and adapting to these changing times as a proud and responsible corporate citizen.

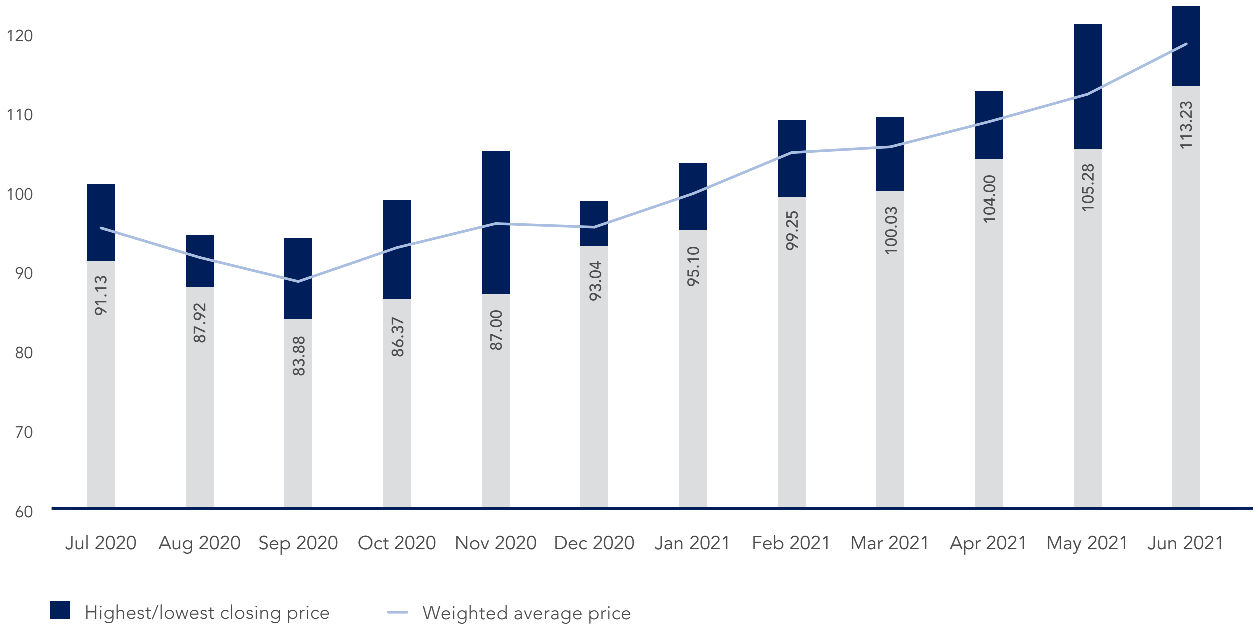
We are proud of who we were and what we are, and we are excited about who we can be. We understand the importance of relevance and the need to be adaptable, and as such saw 2020, the year of the pandemic, as the ideal and most opportune time to introspect, reflect and recalibrate. Coming out of that process, which remains ongoing, we believe now is the time to reset – to do more than pause and adjust but to recognise the harbingers of change.

Much like our first seeds, such as playing a founding role in the South African wine and spirits industry and being the co-founders of South Africa's first cellular telephony company, we aim to continue identifying and nurturing a world fit for generations to come.

Some readers may have noticed the use of colour in our Integrated Annual Report for the first time, which aims to highlight the beginning of another journey of change that Remgro has embarked on. This report's design, inspired by Stellenbosch artist Michelle-Lize van Wyk, who created an artwork reflecting Remgro's life-giving system, is made up of our roots (our heritage and history) and our DNA (our culture and philosophy), and recognises our individual roles in a highly structured and organised Group that is beautifully unique, dynamic, and organic.* We believe that it is this system that will enable us to continue creating value sustainably, and as with all growing and living things, the health of the system determines how strong we can stand and how tall we can grow.

* *The original artwork (with elements thereof reflected in the current design of the Integrated Annual Report) expresses the features of our business in branches, fruits, and leaves, using words and artworks that showed up common threads and purpose. Hexagons shape our identity and strategic thinking as a representation of universal coherence, efficiency and strength, with nature, art, science, and investment brought into our thinking about a visionary future. Using this artwork as a theme, we are working with different elements to define our journey. We appreciate that the diversity of our Group will anchor our business as we explore innovative and entrepreneurial ways to bloom. By imitating the artistic process, we apply layers of thinking and connection to ensure we are robust in our understanding of possible futures and multiple changes.*

Remgro share price (Rand per share)



Much like our investment portfolio evolved since the late 1940s under the curatorship of the late Dr Anton Rupert, our vision and strategy guide us towards a newly sprouting, inclusive growth phase.

With a leadership team committed to a responsible investment philosophy, clear priority shifts and focus areas, we are set "to be the trusted investment company of choice that consistently creates sustainable stakeholder value".

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) insight into Remgro's valuation methodology and the integrity thereof; (ii) a summary of our investment activities and commitments for the year; (iii) commentary on the prevailing economic climate; and (iv) an overview of the relative performance of Remgro's INAV per share and internal rate of return measured against selected JSE indices.

Intrinsic net asset value

Remgro's intrinsic net asset value per share increased by 14.8% from R154.47 at 30 June 2020 to R177.33 at 30 June 2021. The closing share price at 30 June 2021 was R114.60 (30 June 2020: R99.90), representing a discount of 35.4% (30 June 2020: 35.3%) to the intrinsic net asset value. As at 30 June 2021, 37% of Remgro's underlying investee companies were represented by unlisted investments (2020: 38%). In this regard, it is worth noting that prior to the unbundling of Remgro's interest in RMB Holdings Limited (RMH) on 8 June 2020, 23% of Remgro's underlying investee companies were represented by unlisted investments, with the share price trading at a discount to intrinsic net asset value of less than 30%. While the subsequent widening of the discount was not anticipated at the time, it does highlight the importance of demonstrating the veracity of the intrinsic net asset valuations in a portfolio that will increasingly consist of more unlisted investments going forward.

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 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.

During the year under review, and as a step towards ensuring the veracity of Remgro's intrinsic net asset valuations, the Audit and Risk Committee established a Valuation Subcommittee to assist the Audit and Risk Committee to –

- determine the valuations of Remgro's unlisted investments and the internal valuations of Remgro's material listed investments; and
- recommend the valuations of Remgro's unlisted investments and the internal valuations of Remgro's material listed investments to the Remgro Board.

The Valuation Subcommittee is chaired by Mr Fred Robertson and consists of five non-executive directors (being two directors who serve on the Audit and Risk Committee and three directors who serve on the Investment Committee), the Chief Executive Officer and the Chief Financial Officer. As noted above, this function will become increasingly important as Remgro's portfolio trends towards more unlisted investments.

Significant investment activities

During January 2021, Remgro subscribed for 54 738 shares in Community Investment Ventures Holdings Proprietary Limited (CIVH) for a total amount of R1 636 million in terms of a rights issue. This share subscription increased Remgro's interest in CIVH marginally from 54.7% at 30 June 2020 to 55.2% at 30 June 2021. Subsequent to 30 June 2021, Remgro subscribed for a further 67 364 shares in CIVH for a total amount of R2 124 million in terms of a further rights issue, increasing Remgro's interest in CIVH to 55.5%. The proceeds of both rights issues were used to reduce the CIVH group's debt, as well as to unlock capital expenditure facilities for further growth.

During May 2021 Remgro sold 40 000 000 FirstRand Limited (FirstRand) shares through an accelerated book build offering for a gross consideration of R2 040 million (or R51.00 per share). The transaction reduced Remgro's interest in FirstRand to 3.3% (2020: 4.0%).

During November and December 2020 Remgro acquired a further 28 940 412 RCL Foods Limited (RCL Foods) shares for a total amount of R234 million. At 30 June 2021 Remgro's effective interest in RCL Foods was 80.4% (2020: 77.1%).

During the year under review, Remgro committed to invest $25 million in Asia Partners I LP (Asia Partners). Asia Partners makes private equity and private equity-related investments in technology or technology-enabled companies focused primarily on the Southeast Asia region. On 3 March 2021, Asia Partners, who had an initial target fund size of $300 million, announced its final close at $384 million in commitments. Up to 30 June 2021, Remgro invested $11 million, which included $1 million relating to fund closing costs. As at 30 June 2021 the remaining commitment to Asia Partners amounted to $15 million. Subsequent to 30 June 2021 Remgro invested a further $6 million in Asia Partners.

The following tables represent the cash effects of Remgro's investment activities for the year to 30 June 2021. These activities exclude the investing activities of Remgro's operating subsidiaries, i.e. RCL Foods, Distell Group Holdings Limited, Siqalo Foods Proprietary Limited and Wispeco Holdings Proprietary Limited.

Investments made and loans granted	R million
CIVH	**1 636**
RCL Foods	**234**
Invenfin Proprietary Limited	**192**
Asia Partners (offshore)	**157**
Pembani Remgro Infrastructure Fund (PRIF)	**114**
Other	**63**
	2 396

Investments sold and loans repaid	R million
FirstRand (after transaction costs)	**2 019**
CIVH (loan)	**468**
Milestone Capital Funds (offshore)	**218**
Saracens Copthall LLP	**142**
Other	**101**
	2 948

Investment commitments

The table below summarises the investment commitments of Remgro as at 30 June 2021.

Investment commitments	R million
CIVH	**2 124**
Asia Partners	**213**
PRIF	**164**
Other	**63**
	2 564

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 on 30 June 2020 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 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Intrinsic net asset value – Rand per share	**177.33**	154.47	233.03	256.97	251.48
JSE – All Share Index	**66 249**	54 362	58 204	57 611	51 611
– Capped Swix All Share Index	**18 865**	15 184	17 685	18 162	17 371
– Fin & Ind 30 Index	**83 912**	70 975	77 459	78 391	73 184
– Financial 15 Index	**13 103**	10 034	16 993	16 139	14 470
– Healthcare	**4 155**	3 894	3 861	6 800	7 538
Remgro share price (Rand)	**114.60**	99.90	187.90	204.29	213.46

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 2021 (% year on year)	**Five years 30 June 2021 (% compounded per annum)**	**Ten years 30 June 2021 (% compounded per annum)**
JSE – All Share Index	**25.1**	**8.1**	**13.9**
– Capped Swix All Share Index	**27.6**	**4.3**	**20.5**
– Fin & Ind 30 Index	**20.0**	**5.5**	**15.7**
– Financial 15 Index	**33.4**	**2.3**	**11.7**
– Healthcare	**6.7**	**(14.7)**	**11.1**
Remgro share	**15.6**	**(6.7)**	**10.7**

Economic commentary and outlook

Covid-19 and the associated response from governments, firms and consumers to the pandemic continue to dominate the global and South African economic landscape. It is pleasing that both the global and domestic economy have recovered at a faster-than-expected pace from the hard lockdown shock in the second quarter of 2020. However, the global recovery has been very uneven, both within and between countries.

The US and China have led the recovery, with the Eurozone starting to catch up since the second quarter of 2021. The US economy already returned to its pre-Covid-19 level of overall economic activity (GDP) in the second quarter of 2021. According to the National Bureau of Economic Research, the US recession that began in March 2020 already ended in April 2020. Not only was the recession the deepest on record, but also by far the briefest. The swift US economic recovery was supported by an aggressive rollout of Covid-19 vaccines and an unprecedented scale of monetary and fiscal policy stimulus. The US also has a large internal consumer market, making it less dependent on foreign tourist spending.

Many emerging and developing countries, including South Africa, are in a much less fortunate position. The acquisition and rollout of vaccines across the world has been very uneven. Whether through a lack of access, scarce financial resources, or simply poor planning, developing countries are lagging behind significantly in the rollout of vaccines. As seen with South Africa's devastating third wave of Covid-19 infections, this exposes these countries to (severe) further waves of infection. Health systems are overwhelmed, with authorities forced into announcing harsher (and more damaging to the economy) lockdown restrictions. In the case of South Africa, there has been a welcome increase in the pace of vaccinations as of late. After initial delays, enough vaccines have now also been secured to inoculate the adult population. Another major constraint for poorer countries is that they do not have the same fiscal firepower to support firms and their employees through the various rounds of lockdowns.

Although the authorities have learnt some hard lessons and the lockdown measures are no longer as draconian as the initial lockdowns in early 2020, each Covid-19 wave and the associated restrictions on movement and economic activity set back the economic recovery. The global travel restrictions imposed by many countries mean that regions more reliant on foreign tourists have been hit harder by the economic fallout of Covid-19.

On top of the continued impacts of the pandemic, the unprecedented looting and arson spree in KwaZulu-Natal and parts of Gauteng in July was another major blow to South Africa. Before these events, a better-than-expected start to 2021 saw forecasters upgrade their views on real GDP growth in 2021. The looting shock interrupted these upgrades. Indeed, the first batch of economic data releases for July was much weaker than expected, emphasising the scale of the impact. The medium-term implications of the looting shock remain unclear.

South Africa is fortunate that these heavy blows to the economy have been softened somewhat by a very strong, albeit softening of late, commodity price cycle. This has fuelled exceptional mining sector profits, resulting in large government revenue overruns relative to what was expected in the February 2021 budget. This has provided government with temporary fiscal space to provide additional income support for the poor. The commodity price boom is also reflected in large surpluses on South Africa's external trade balance. This has been a major underpin for the rand exchange rate. In turn, the largely resilient currency has contributed to subdued domestic consumer inflation despite fast rising input costs. This has created the space for the SA Reserve Bank to keep the policy interest rate at a multi-decade low, which is supporting the GDP recovery in South Africa.

In addition, revised GDP data from Stats SA, as well as a much better-than-expected GDP print for the second quarter of 2021 (both released after the July shocks), mean that even if GDP contracts in the third quarter, real GDP growth could still be in the region of 5% during 2021. Beyond 2021, the outlook for the global economy remains reasonably favourable. This is despite the emergence of more contagious variants of the coronavirus, which places downside risks to global growth. Domestically, it would be a mistake to assume that the commodity price windfall will continue to mask some of our underlying vulnerabilities. If ever there was a need for the South African government to speed up the implementation of growth and employment-enhancing structural reforms, it is now.

Conclusion

While considerable uncertainty still remains amidst the ongoing Covid-19 pandemic, slow vaccination progress and the fallout of the recent violent unrest in South Africa, I am encouraged by the number of people from all corners of society raising their hands to work towards a brighter future for South Africa despite the various challenges we face. Our healthcare workers, business, government and religious leaders, the people that cleared and repaired damaged neighbourhoods following the social unrest, our sports teams and athletes, and every other organisation and active citizen showing an unwavering commitment to the success of this country fills me with hope for our future.

Remgro remains committed to this country and we will continue to play our role in seeing South Africa come through these challenging times stronger as a nation. Now more than ever is the time to stand together as a country and move forward for the benefit of all our people.

I would also specifically like to thank my colleagues at Remgro and our underlying investee companies for their invaluable contributions towards our Group and this country during these incredibly trying times. Our thoughts and prayers remain with our colleagues and families that have lost loved ones during this time.

Jannie Durand
Chief Executive Officer

Stellenbosch
21 September 2021

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
eMedia Investments	Comparable market price
Kagiso Tiso Holdings (KTH)	Sum-of-the-parts (external valuation)
Milestone China Opportunities Fund III (Milestone III)	Sum-of-the-parts
PGSI	Discounted cash flow method
Prescient China Equity Fund	Sum-of-the-parts
PRIF	Sum-of-the-parts
SEACOM	Discounted cash flow method
Siqalo Foods	Discounted cash flow method
TotalEnergies	Discounted cash flow method
Wispeco	Discounted cash flow method

Intrinsic net asset value[1]

R million	30 June 2021 Book value	30 June 2021 Intrinsic value[2]	30 June 2020 Book value	30 June 2020 Intrinsic value[2]
Healthcare				
Mediclinic[3]	**24 581**	**19 358**	27 443	18 769
Consumer products				
RCL Foods[3]	**8 262**	**6 926**	7 189	6 029
Distell	**7 578**	**11 665**	7 128	5 330
Siqalo Foods	**6 226**	**7 277**	6 285	6 145
Financial services				
RMI	**10 174**	**14 713**	9 736	13 708
Business Partners	**1 273**	**1 273**	1 244	1 232
Infrastructure				
CIVH	**4 981**	**12 054**	4 458	10 584
Grindrod	**842**	**842**	532	532
SEACOM	**23**	**799**	8	909
Other infrastructure investments	**701**	**701**	226	226
Industrial				
Air Products	**1 063**	**4 523**	1 264	3 979
TotalEnergies	**2 242**	**2 539**	2 029	2 515
Wispeco[3]	**1 229**	**1 188**	1 008	810
Other industrial investments	**198**	**415**	205	309
Diversified investment vehicles				
KTH	**1 456**	**2 044**	1 601	1 961
Milestone III	**1 234**	**1 234**	1 251	1 251
Prescient China Equity Fund	**1 211**	**1 211**	1 156	1 156
Other diversified investment vehicles	**1 449**	**1 567**	1 050	1 107
Media				
eMedia Investments[3]	**815**	**616**	805	947
Other media investments	**3**	**137**	41	41
Portfolio investments				
FirstRand[4]	**7 659**	**7 659**	7 068	7 068
Other portfolio investments	**661**	**661**	782	782
Social impact investments	**135**	**135**	331	331
Central treasury				
Cash at the centre[5]	**9 706**	**9 706**	17 073	17 073
Debt at the centre	**(7 821)**	**(7 821)**	(15 288)	(15 288)
Other net corporate assets	**2 178**	**2 919**	2 148	2 817
Intrinsic net asset value (INAV)	**88 059**	**104 341**	86 773	90 323
Potential CGT liability[6]		**(4 150)**		(3 050)
INAV after tax	**88 059**	**100 191**	86 773	87 273
Issued shares after deduction of shares repurchased (million)	**565.0**	**565.0**	565.0	565.0
INAV after tax per share (Rand)	**155.86**	**177.33**	153.59	154.47
Remgro share price (Rand)		**114.60**		99.90
Percentage discount to INAV		**35.4**		35.3

(1) *Refer to the change in reporting platforms on page 35.*
(2) *For purposes of determining the intrinsic net asset value, the unlisted investments are shown at IFRS 13: Fair Value Measurement valuations and the listed investments are shown at closing stock exchange prices.*
(3) *Remgro determined the recoverable amounts for Mediclinic, RCL Foods, Wispeco and eMedia Investments which are in excess of the investments' carrying values.*
(4) *The intrinsic value for FirstRand includes the investment at market value less deferred capital gains tax (CGT) on the investment, as well as the after tax zero cost collar hedge on 60 000 000 FirstRand shares amounting to a liability of R384 million (30 June 2020: an asset of R78 million).*
(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. In addition to FirstRand, the deferred CGT on other investments at fair value through other comprehensive income is included in the investee line item above.*

Chief Financial Officer's Report

Remgro's results **resilient against** 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

RMB Holdings Limited (RMH) and FirstRand Limited (FirstRand)

During June 2020 Remgro unbundled its 28.2% interest in RMH (RMH Unbundling) and, consequently, the investment in RMH was treated as a discontinued operation for the year ended 30 June 2020. For the year under review, earnings and headline earnings measures are again presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the prior year include the equity accounted income of RMH.

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand due to, amongst other factors, 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 comparative year, the investment in FirstRand was equity accounted whereas, from the date of the FirstRand Reclassification, only dividend income is accounted for FirstRand in the income statement. Dividends of R191 million were received from FirstRand during the year under review (2020: cash dividends of R655 million). As a result of the Covid-19 pandemic, FirstRand only paid an interim dividend during the year under review.

Reporting platforms

Each significant investment is classified as an operating segment. Operating segments are presented in platforms. Platforms consist of investments with similar economic characteristics. As reported previously, the platforms under which the results of investee companies are being reported to the Chief Operating Decision-Maker were changed and certain investments reallocated in line with internal reporting to enhance stakeholder communication. The *Media and sport* and *Other investments* platforms that were reported under up to the 2020 financial year, were replaced by the following new platforms:

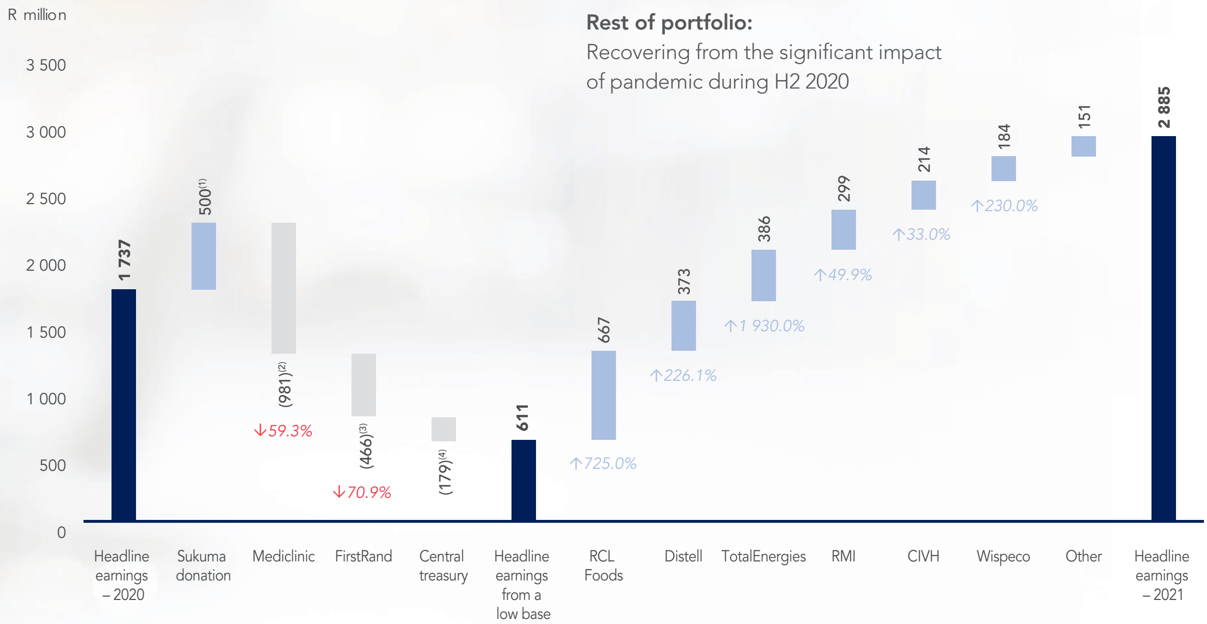
- *Media* (consisting mainly of eMedia Investments Proprietary Limited (eMedia Investments));
- *Portfolio investments* (non-strategic investments consisting mainly of FirstRand and British American Tobacco plc (BAT));
- *Diversified investment vehicles* (entities whose main business is to make investments consisting mainly of Kagiso Tiso Holdings Proprietary Limited (KTH), the Asian funds, Invenfin Proprietary Limited (Invenfin) and Pembani Remgro Infrastructure Fund (PRIF)); and
- *Social impact investments* (consisting mainly of the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (SAS)).

Comparative figures have been re-presented accordingly.

Results in context

The headline earnings from continuing operations for the comparative year were significantly impacted, during the second six months to 30 June 2020, by the Covid-19 pandemic and the resultant lockdown measures, as well as a once-off donation of R500 million to The South African SME Relief Trust (The SA SME Relief Trust). From this low base, the increase in headline earnings from continuing operations for the year under review is mainly due to the recovery of the earnings of most of Remgro's underlying investee companies (most notably RCL Foods Limited (RCL Foods), Distell Group Holdings Limited (Distell), TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies) and Rand Merchant Investment Holdings Limited (RMI)). This increase is partly offset by a lower contribution from Mediclinic International plc (Mediclinic) (Mediclinic's contribution includes the full impact of the Covid-19-related lockdown measures on their results for the year ended 31 March 2021), as well as lower interest income, due to the 300 basis points reduction in interest rates since January 2020. Furthermore, due to the accounting reclassification of FirstRand from an equity accounted investment to an investment at fair value through other comprehensive income, only dividend income of R191 million was accounted from FirstRand for the year under review, whereas earnings of R657 million were equity accounted in the comparative year.

Financial year ended 30 June 2021: Results in context



(1) *Once-off donation to The SA SME Relief Trust in the comparative year.*
(2) *Full impact of Covid-19 pandemic on Mediclinic's results during its financial year ended 31 March 2021.*
(3) *Investment in FirstRand equity accounted in the 2020 financial year (R657 million), while for the 2021 year, only dividend income (R191 million) was recognised following the reclassification of the investment to fair value through other comprehensive income.*
(4) *Lower local interest earned due to 300 basis points reduction in the South African repo rate.*

Salient features

	Year ended 30 June 2021	Year ended 30 June 2020	% *change*
Total headline earnings (R million)	**2 885**	3 167	*(8.9)*
– per share (cents)	**510.6**	560.6	*(8.9)*
Headline earnings from continuing operations (R million)	**2 885**	1 737	*66.1*
– per share (cents)	**510.6**	307.5	*66.0*
Earnings (R million)	**3 550**	6 646	*(46.6)*
– per share (cents)	**628.3**	1 176.4	*(46.6)*
Dividends per share (cents)			
Ordinary	**90.00**	265.00	*(66.0)*
– Interim	**30.00**	215.00	*(86.0)*
– Final	**60.00**	50.00	*20.0*
Intrinsic net asset value per share (Rand)	**177.33**	154.47	*14.8*

Headline earnings

Overview

For the year to 30 June 2021, headline earnings from continuing operations increased by 66.1% from R1 737 million to R2 885 million, while headline earnings per share (HEPS) from continuing operations increased by 66.0% from 307.5 cents to 510.6 cents. Total headline earnings and total HEPS decreased by 8.9% from R3 167 million to R2 885 million, and from 560.6 cents to 510.6 cents, respectively.

The increase in headline earnings from continuing operations is mainly due to higher contributions from RCL Foods, Distell, TotalEnergies, RMI and Community Investment Ventures Holdings Proprietary Limited (CIVH) (lower losses), as well as the once-off donation of R500 million to The SA SME Relief Trust in the comparative year. This increase is partly offset by lower contributions from Mediclinic and FirstRand, as well as lower interest income.

Commentary on reporting platforms' performance

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R674 million (2020: R1 655 million), representing a decrease of 59.3%. 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 an accelerated depreciation and amortisation charge and a remeasurement of a redemption liability, whereas the comparative year included a tax credit in respect of a reduction in Swiss statutory tax rates. Remgro's portion of Mediclinic's adjusted earnings amounted to R959 million (2020: R1 480 million), representing a decrease of 35.2%.

Mediclinic's revenue and profitability were significantly impacted in April 2020 by Covid-19-related lockdown measures and non-urgent elective procedure restrictions. From May 2020 onwards, the moderation of restrictions resulted in a strong rebound in operating performance in Switzerland and the Middle East. Southern Africa experienced a more gradual recovery as it exited the first wave.

Despite a subsequent and more severe wave of the pandemic in the second half of Mediclinic's financial year, Mediclinic delivered an improved financial performance supported by less restrictive lockdown measures, greater operational flexibility and counter-seasonal demand in Southern Africa and the Middle East during December 2020. Mediclinic's revenue for the full year decreased by 3% (down 1% in constant currency terms), while stronger demand in the second half of Mediclinic's financial year delivered revenue growth of 1%.

In British pound terms, Mediclinic reported a decrease in adjusted earnings of 42.9%, reflecting the weakened average SA rand exchange rate against the British pound. This decrease is mainly due to the revenue decline exacerbated by the largely fixed employee cost base, depreciation and amortisation, as well as an escalation in PPE usage, consumables pricing and staffing requirements due to isolation and quarantine regulations. Incremental Covid-19-related expenses approximated £32 million.

Consumer products

The contribution from consumer products to Remgro's headline earnings amounted to R1 576 million (2020: R545 million), representing an increase of 189.2%.

RCL Foods' contribution to Remgro's headline earnings amounted to R759 million (2020: R92 million), representing an increase of 725.0%. RCL Foods discloses underlying headline earnings, adjusted for Covid-19 direct costs incurred and certain elements of the gain on bargain purchase, relating to Vector Logistics' acquisition of the Imperial cold chain business, in the comparative year. Underlying headline earnings provides RCL Foods' users with relevant information and measures used by itself to assess performance. Covid-19 specific costs for the period amounted to R121 million (2020: R267 million). RCL Foods reported an increase in underlying headline earnings of 170.9%, driven by an excellent performance in the Sugar and Baking business units and continued strong delivery in Grocery. Sugar's record result was mainly driven by increased consumer demand, tight cost control combined with a successful shift in its sales mix towards higher-priced local market sales. The increased local sugar demand and a shrinking industry crop have created a more favourable supply-demand balance. A higher world sugar price has also impacted favourably on export revenue. The strong Baking performance was underpinned by a successful turnaround in the Gauteng bakeries, as well as a more favourable sales mix in the Milling operating unit. Chicken delivered a disappointing result impacted by continuing breed performance challenges, significant raw material cost increases and the lingering impacts of the initial Covid-19 lockdown, compounded by Avian Influenza.

Distell's contribution to headline earnings amounted to R538 million (2020: R165 million), representing an increase of 226.1%. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. These abnormal transactions included

Contribution to headline earnings by reporting platform

R million	**Year ended 30 June 2021**	% change	Year ended 30 June 2020
Healthcare	**674**	*(59.3)*	1 655
Consumer products	**1 576**	*189.2*	545
Financial services	**921**	*47.6*	624
Infrastructure	**(376)**	*47.5*	(716)
Industrial	**1 014**	*279.8*	267
Diversified investment vehicles	**(260)**	*(2.0)*	(255)
Media	**53**	*(32.1)*	78
Portfolio investments	**247**	*(64.5)*	695
Social impact investments	**(66)**	*(447.4)*	19
Central treasury			
– finance income	**212**	*(55.7)*	479
– finance costs	**(861)**	*9.5*	(951)
– option remeasurement	**–**	*(100.0)*	2
Other net corporate costs	**(249)**	*64.7*	(705)
Headline earnings from continuing operations	**2 885**	*66.1*	1 737
Discontinued operations	**–**	*(100.0)*	1 430
Total headline earnings	**2 885**	*(8.9)*	3 167

Refer to the composition of headline earnings on page 41 for further information.

retrenchment and restructuring costs, as well as credit loss provisions on Zimbabwe savings bonds in the comparative year. Distell reported an increase in normalised headline earnings of 302.4%, mainly due to an increase of 26.3% in revenue on 26.3% higher volumes and the containment of operating costs. This represents a 7.9% revenue increase and a 2.1% volume decline when compared to the pre-Covid levels in the 2019 financial year. Domestic revenue and volumes increased by 29.4% and 28.7%, respectively, despite a 20% reduction in trading days being lost due to the second and third sale of alcohol bans. Domestically Distell gained market share across all three of its categories (ciders and ready-to-drink beverages (RTDs), spirits and wine). Revenue and volumes in the African markets, outside South Africa, increased by 22.9% and 30.7%, respectively, also due to excellent growth across all three categories. In the international markets, outside Africa, revenue increased by 10.0% alongside a volume decline of 10.8%. The increase in international revenue is mainly due to the cessation of sales of non-core wine brands, bulk whisky and the exit from the RTD business. In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R47 million (2020: 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 R405 million (2020: R414 million), representing a decrease of 2.2%. In terms of the transition agreement with Unilever, Siqalo Foods received an after-tax finalisation amount of R31 million from Unilever in the comparative year. Excluding the finalisation amount, Siqalo Foods' contribution to headline earnings increased from R383 million to R405 million (or 5.7%). This increase is mainly due to a 5.5% increase in volumes. Good cost management enabled the business to increase its operational EBITDA by 6.7%. In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R79 million (2020: R79 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018.

Financial services

The contribution from financial services to Remgro's headline earnings amounted to R921 million (2020: R624 million), representing an increase of 47.6%.

RMI's contribution to Remgro's headline earnings increased by 49.9% to R898 million (2020: R599 million). On a normalised basis, which excludes certain anomalies, RMI reported an increase of 14.9% in earnings. Despite the Covid-19 pandemic, with elevated mortality experience impacting materially on its life insurance operations, RMI delivered a strong overall operational performance, with pleasing growth being achieved by both OUTsurance Holdings Limited (OUTsurance) and Hastings Group Holdings plc (Hastings), its two large short-term insurance investments. Furthermore, the positive impact of the lower interest rate environment, on RMI's funding costs, and excellent performance by RMI Investment Managers also contributed to the strong performance.

OUTsurance's earnings (excluding its share in Hastings) increased by 14.3%, driven by strong equity market returns and an increase in gross written premiums, while Hastings' earnings increased by 20.1% mainly due to a lower claims ratio. The decrease in Momentum Metropolitan Holdings Limited's (Momentum Metropolitan) earnings (down by 33.8%) is largely attributable to the prolonged negative impact that Covid-19 had on mortality claims experience, including the anticipated impact of the ongoing third and possible fourth waves. The earnings of Discovery Limited (Discovery) decreased by 9.1% mainly due to the Covid-19 related impact on Discovery Life.

Business Partners Limited's (Business Partners) contribution to Remgro's headline earnings decreased by 8.0% to R23 million (2020: R25 million). This decrease is mainly due to lower net interest income, resulting from a 300 basis points decrease in the average interest rate, and a decrease in net property revenue, due to increased vacancies and rental relief provided. The decrease is partly offset by lower net credit losses. Net credit losses for the comparative year incorporated the impact of the devastation of the Small and Medium Enterprises (SMEs) sector caused by the Covid-19 pandemic.

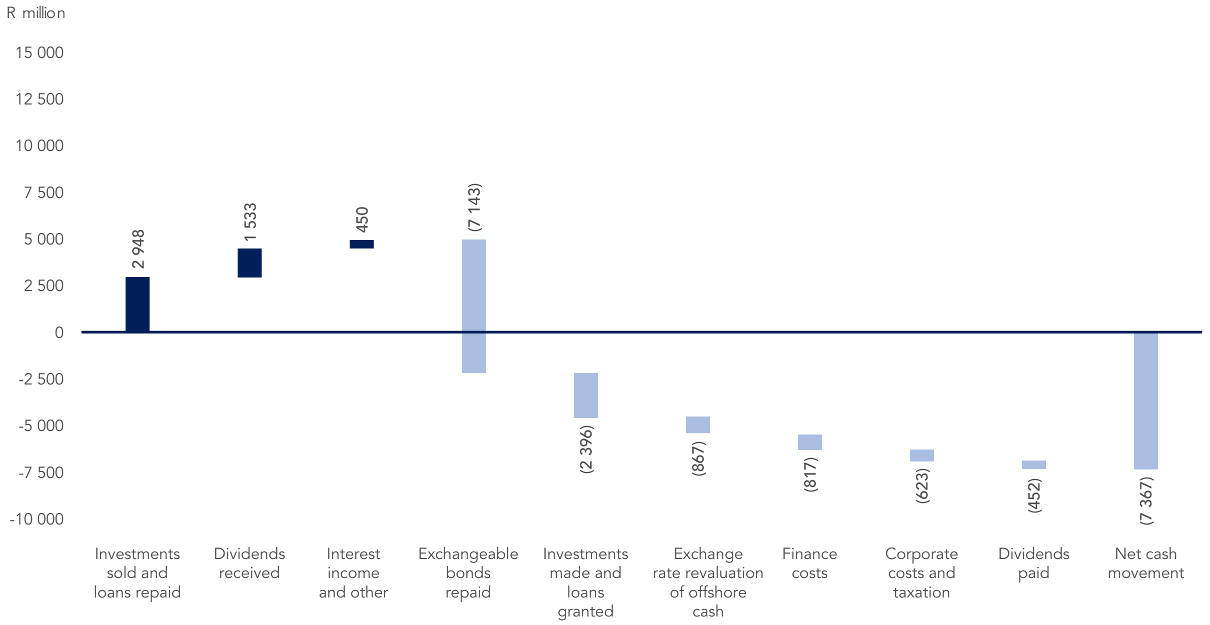
Infrastructure

CIVH's contribution to Remgro's headline earnings amounted to a loss of R435 million (2020: a loss of R649 million). Included in CIVH's comparative year is once-off costs relating to the financing of the Vumatel Proprietary Limited (Vumatel) acquisition, as well as costs incurred on CIVH's debt refinance

Cash at the centre

	30 June 2021			
	Currency value million	**Exchange rate**	**R million**	30 June 2020 R million
SA rand			**7 511**	6 721
USA dollar	**151.0**	**14.2832**	**2 157**	2 770
British pound	**1.5**	**19.7408**	**29**	7 572
Swiss franc	**0.6**	**15.4302**	**9**	10
			9 706	17 073

Cash movement at the holding company (cash at the centre)



Closing exchange rates	**30 June 2021**	30 June 2020	*Movement %*
USD/ZAR	**14.2832**	17.3475	*17.7*
GBP/ZAR	**19.7408**	21.4537	*8.0*
CHF/ZAR	**15.4302**	18.3145	*15.7*

Average exchange rates	**Year ended 30 June 2021**	Year ended 30 June 2020	*Movement %*
USD/ZAR	**15.4003**	15.6594	*1.7*
GBP/ZAR	**20.7035**	19.7171	*(5.0)*
CHF/ZAR	**16.9174**	16.0512	*(5.4)*

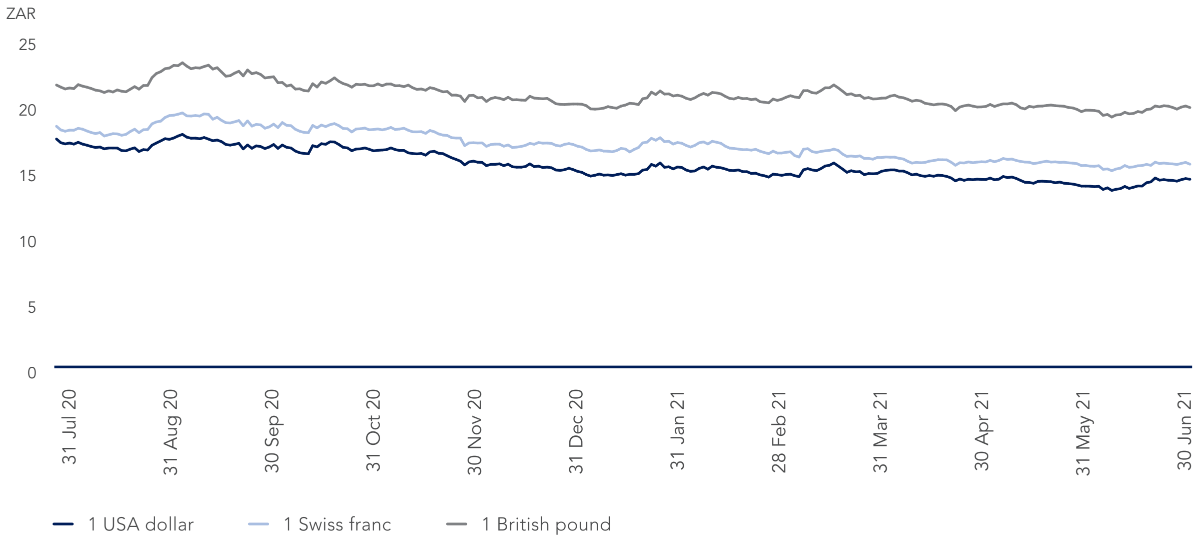
process, which was finalised in December 2019. The decrease in losses is also due to an increase in annuity income at Dark Fibre Africa Proprietary Limited (DFA) and subscriber growth at Vumatel. DFA's revenue marginally increased to R2 483 million (2020: R2 465 million) impacted by lower once-off revenue due to Covid-19. DFA's annuity income amounted to R192 million per month on 31 March 2021 (31 March 2020: R179 million per month). Vumatel's revenue increased by 50.1% to R2.4 billion, driven by accumulated subscriber uptake growth.

Grindrod Limited's (Grindrod) and SEACOM Capital Limited's (SEACOM) contributions to Remgro's headline earnings amounted to R16 million and R26 million (2020: losses of R12 million and R10 million), respectively, while other infrastructure investments include Grindrod Shipping Holdings Limited's (Grindrod Shipping) contribution, which amounted to a profit of R19 million (2020: a loss of R46 million). The increased profit from Grindrod Shipping is mainly due to the improving market conditions in the drybulk sector.

Industrial

Air Products' contribution to Remgro's headline earnings decreased by 3.3% to R322 million (2020: R333 million). This

ZAR vs foreign currencies Remgro holds



decrease is mainly due to difficult trading conditions, largely due to the impact of Covid-19. Although trading conditions have improved, growth opportunities are limited as a result of low levels of capital investment in the economy.

TotalEnergies' contribution to Remgro's headline earnings amounted to a profit of R366 million (2020: loss of R20 million). Included in the contribution to headline earnings for the year under review are favourable stock revaluations amounting to R186 million (2020: unfavourable stock revaluations amounting to R229 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 13.9% from R209 million to R180 million. This decrease is mainly due to a significant drop in volumes in the retail network, mining and commercial sectors due to the impact of the Covid-19 lockdown, as well as Natref's depressed refining margins and the poor economics having a domino effect of reduced crude treatment.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to Remgro's headline earnings increased by 230.0% to R264 million (2020: R80 million) mainly due to higher sales volumes, which also unlocked economy of scale efficiencies in the manufacturing operations, and gains yielded due to an upward commodity price cycle. The weakened SA rand and escalating international shipping costs prompted importers to redirect orders to local extruders.

Other industrial investments consist of PGSI Limited's (PGSI) contribution to Remgro's headline earnings, which amounted to a profit of R62 million (2020: a loss of R126 million).

Diversified investment vehicles

KTH's contribution to headline earnings amounted to a loss of R182 million (2020: loss of R164 million). The earnings of KTH include a negative fair value adjustment on its investment in Actom Investment Holdings Proprietary Limited of R434 million (2020: R260 million), partly offset by the positive fair value adjustment on its investment in Momentum Metropolitan of R60 million (2020: negative fair value adjustment of R69 million).

The contribution from other diversified investment vehicles to headline earnings amounted to a loss of R78 million (2020: loss of R91 million). Other diversified investment vehicles include the contribution from Invenfin, which amounted to a loss of R128 million (2020: a loss of R106 million). Invenfin's loss is mainly due to losses from its investment in BOS Brands Proprietary Limited. These losses are partly offset by dividends received from Remgro's investment in PRIF amounting to R55 million.

Media

eMedia Investments' contribution to Remgro's headline earnings decreased by 44.9% to R43 million (2020: R78 million). This decrease is mainly due to lower advertising revenue, being the major source of revenue for eMedia Investments. Tough trading conditions due to the pandemic continued for the free-to-air broadcasting industry with advertising revenue under increased pressure. eMedia Investments' television advertising revenue is approximately 8% better than the market and this can be attributed to the increased prime time market share from 24.6% in March 2020 to 29.6% in March 2021, an increase of 20.3%.

Portfolio investments

The contribution from portfolio investments to headline earnings amounted to R247 million (2020: R695 million). This decrease is mainly due to dividends of R191 million received from FirstRand, as opposed to equity accounted earnings of R657 million in the comparative year. Other portfolio investments include the dividends received from BAT and Reinet Investments SCA amounting to R56 million (2020: R38 million).

Social impact investments

Social impact investments primarily consist of various sport interests, including an interest in the Blue Bulls rugby franchise and SAS.

Central treasury and other net corporate costs

Finance income amounted to R212 million (2020: R479 million). This decrease is mainly due to lower local interest earned, resulting from the 300 basis points reduction in the South African repo rate, announced since January 2020, as well as a lower local average cash balance. Finance costs is lower at R861 million (2020: R951 million), mainly due to the redemption of the exchangeable bonds in cash on 22 March 2021.

Other net corporate costs amounted to R249 million (2020: R705 million). This decrease is mainly due to the once-off donation of R500 million to The SA SME Relief Trust in the comparative year.

Earnings

Total earnings decreased by 46.6% to R3 550 million (2020: R6 646 million). It should be noted that apart from the increase in headline earnings from continuing operations discussed above (up by R1 148 million) and the equity accounted earnings of RMH in the comparative period amounting to R1 395 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 in the 2020 financial year;
- 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 in the 2020 financial year;
- the impairment of goodwill of R1 809 million relating to Remgro's investment in Distell in the 2020 financial year;
- Remgro's portion of the impairments of RCL Foods' underlying divisions of R970 million in the 2020 financial year; and
- the reversal of impairment of Remgro's investments in Grindrod of R488 million (2020: impairment of R596 million) and Grindrod Shipping of R607 million (2020: impairment of R112 million).

Cash at the centre and foreign exchange rates

On 30 June 2021 Remgro's cash at the centre amounted to R9 706 million (2020: R17 073 million), of which 23% was invested offshore (2020: 61%). The cash is held in different currencies of which approximately 78% was held in SA rand and 22% in USA dollar.

Foreign exchange profits amounting to R867 million (2020: R1 638 million) were accounted for during the year under review, due to the weakening of the SA rand against the USA dollar from R17.35 = \$1.00 at 30 June 2020, to R14.28 = \$1.00 at 30 June 2021, and the weakening of the SA rand against the British pound from R21.45 = £1.00 at 30 June 2020, to R19.74 = £1.00 at 30 June 2021. 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).

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).

On 22 March 2016 Remgro also issued exchangeable bonds (through its wholly owned subsidiary, Remgro Jersey GBP Limited) amounting to £350 million. These exchangeable bonds were redeemed in cash on 22 March 2021.

Dividends

The final dividend per share was determined at 60 cents (2020: 50 cents). Total ordinary dividends per share in respect of the year to 30 June 2021 therefore amounted to 90 cents (2020: 265 cents), representing a decrease of 66.0%. The final dividend of 2020, as well as the interim and final dividends of 2021, were adjusted downwards to take into account the RMH Unbundling during the prior year and the ongoing impact of the Covid-19 pandemic.

Intrinsic net asset value

Remgro's intrinsic net asset value per share at 30 June 2021 was R177.33 compared to R154.47 on 30 June 2020. Refer to the Chief Executive Officer's Report on page 29 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. 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.

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 82, 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
21 September 2021

Composition of total headline earnings[1]

R million	**Year ended 30 June 2021**	% change	Year ended 30 June 2020
Healthcare			
Mediclinic	**674**	*(59.3)*	1 655
Consumer products			
RCL Foods	**759**	*725.0*	92
Distell – entity contribution	**538**	*226.1*	165
– *IFRS 3* charge[2]	**(47)**	–	(47)
Siqalo Foods – entity contribution	**405**	*(2.2)*	414
– *IFRS 3* charge[2]	**(79)**	–	(79)
Financial services			
RMI	**898**	*49.9*	599
Business Partners	**23**	*(8.0)*	25
Infrastructure			
CIVH	**(435)**	*33.0*	(649)
Grindrod	**16**	*233.3*	(12)
SEACOM	**26**	*360.0*	(10)
Other infrastructure investments	**17**	*137.8*	(45)
Industrial			
Air Products	**322**	*(3.3)*	333
TotalEnergies	**366**	*1 930.0*	(20)
Wispeco	**264**	*230.0*	80
Other industrial investments	**62**	*149.2*	(126)
Diversified investment vehicles			
KTH	**(182)**	*(11.0)*	(164)
Other diversified investment vehicles	**(78)**	*14.3*	(91)
Media			
eMedia Investments	**43**	*(44.9)*	78
Other media investments	**10**	–	–
Portfolio investments			
FirstRand	**191**	*(70.9)*	657
Other portfolio investments	**56**	*47.4*	38
Social impact investments	**(66)**	*(447.4)*	19
Central treasury			
Finance income	**212**	*(55.7)*	479
Finance costs	**(861)**	*9.5*	(951)
Option remeasurement	**–**	*(100.0)*	2
Other net corporate costs	**(249)**	*64.7*	(705)
Headline earnings from continuing operations	**2 885**	*66.1*	1 737
Discontinued operations	**–**	*(100.0)*	1 430
Total headline earnings	**2 885**	*(8.9)*	3 167
Weighted number of shares (million)	**565.0**	–	565.0
Total headline earnings per share (cents)	**510.6**	*(8.9)*	560.6

(1) *Refer to the change in reporting platforms on page 35.*
(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

Healthcare
- Mediclinic International

Consumer products
- RCL Foods
- Distell
- Siqalo Foods

Financial services
- RMI Optimise Diversify Modernise
- Business Partners

Infrastructure
- Community Investment Ventures Holdings
- Grindrod
- Seacom
- Grindrod Shipping
- energy exchange of Southern Africa

Industrial
- Air Products
- TotalEnergies
- Wispeco Aluminium
- PGSI
  PGSI Limited

Diversified investment vehicles
- kth
- Milestone Capital 麦 顿 投 资
- Prescient
- invenfin
- Pembani • Remgro Infrastructure Fund
- Asia Partners

Media
- e

Portfolio investments
- FirstRand
- BAT A better tomorrow

Social impact investments
- Bulls
- Stellenbosch Academy of Sport
- Stellenbosch Football Club

Healthcare

Contribution to headline earnings	**30 June 2021 R million**	30 June 2020 R million
Mediclinic	**674**	1 655

MEDICLINIC INTERNATIONAL

Effective interest **44.6%**

Profile:

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

Corporate information

Market cap at 30 June 2021 £2 191 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 2021 £ million	**%**
Revenue	**2 995**	**(2.9)**
Operating profit	**209**	**213.6**
Adjusted earnings	**101**	**(42.9)**

Sustainability measures

CSI/Training spend R71 million

Number of employees 33 136

BBBEE status Level 4

Environmental aspect
Scope 1 and 2 emissions of 226 048 tonnes CO_2e

Mediclinic International plc (Mediclinic)

Mediclinic has a March year-end and the results for the 12 months to 31 March 2021 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 R674 million (2020: R1 655 million).

Mediclinic uses adjusted income statement reporting as non-IFRS measures in evaluating performance and as a method to provide clear and consistent reporting.

Performance in the first half of the year was significantly impacted in April 2020 by Covid-19-related lockdown measures and non-urgent elective procedure restrictions. In April 2020, group revenue decreased by 33% and adjusted EBITDA by approximately £60 million compared with the prior period. From May 2020 onwards, the moderation of restrictions resulted in a strong rebound in operating performance in Switzerland and the UAE. Southern Africa experienced a more gradual recovery during the second quarter of the financial year as it exited the first wave of the pandemic.

The group's revenue decreased by 3% to £2 995 million (2020: £3 083 million). Stronger demand in the second half of the year delivered revenue growth of 1%. Adjusted EBITDA decreased by 21% to £426 million (2020: £541 million) due to the revenue decline that was exacerbated by the largely fixed employee cost base, an escalation in personal protective equipment usage, consumables pricing and staffing requirements due to isolation and quarantine regulations. Across the group, incremental Covid-19-related expenses amounted to approximately £32 million.

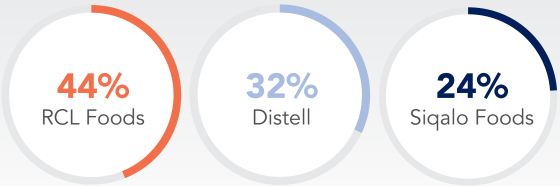
Revenue from Switzerland decreased by 1% to CHF1 784 million (2020: CHF1 804 million), broadly recovering from the significant impact of the pandemic experienced during April 2020. Inpatient revenue was flat at CHF1 329 million (2020: CHF1 331 million).

Mediclinic Southern Africa's revenue decreased by 9% to R15 573 million (2020: R17 031 million), reflecting the significant impact experienced in April 2020 due to the pandemic.

Mediclinic Middle East adjusted EBITDA decreased by 6% to AED492 million (2020: AED521 million) due to the sustained impact of Covid-19 on outpatient volumes in particular, lower contribution margin of Covid-19-related revenues exacerbated by Covid-19-related expenses that totalled around AED28 million. Adjusted earnings decreased by 6% to AED170 million (2020: AED181 million).

Consumer products

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
RCL Foods	**759**	92
Distell – entity contribution	**538**	165
– *IFRS 3* charge	**(47)**	(47)
Siqalo Foods – entity contribution	**405**	414
– *IFRS 3* charge	**(79)**	(79)
	1 576	545



Effective interest **80.4%**

Profile:

RCL Foods is a holding company with diversified interests that focuses on three divisions: Food (Groceries, Baking and Sugar), Chicken (including Epol Animal Feed) and Vector Logistics.

Corporate information

Market cap at 30 June 2021 R8 615 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 2021	R million	%
Revenue	**31 688**	**14.0**
Operating profit	**1 477**	**283.3**
Headline earnings	**958**	**736.0**

Sustainability measures

CSI/Training spend R33 million

Number of employees 20 547

BBBEE status Level 3

Environmental aspect
Scope 1 and 2 emissions of 1 056 387 tonnes CO_2e

RCL Foods Limited (RCL Foods)

For the year ended 30 June 2021, RCL Foods' headline earnings increased by 736.0% to R958 million (2020: R114 million). Remgro's share of the headline earnings of RCL Foods amounted to R759 million (2020: R92 million) for the year under review.

RCL Foods' revenue for the year ended June 2021 increased by 14.0% to R31.7 billion (2020: R27.8 billion). The increase was largely driven by increased Sugar revenue due to higher local market share, higher Vector Logistics revenue resulting from the take-on of new customers following the Imperial cold chain (ICL) acquisition (full year versus seven months in the prior year) and an improvement in Chicken following the negative impact of the Covid-19 pandemic and lockdown on the last quarter of the 2020 financial year.

The Food Division delivered a strong result, with a record performance in Sugar, which benefited from higher demand, strong cost control and improved sales mix, as well as a significantly improved Baking result and pleasing growth in Groceries.

Baking delivered an excellent result across all operating units. Revenue of R5 849 million improved by 12.6% (2020: R5 195 million) driven by increased in-home consumption and a more favourable sales mix.

Sugar reported a record performance, with revenue climbing 10.2% to R8 398 million (2020: R7 622 million) and underlying EBITDA increasing 144.2% to R908 million at a margin of 10.8% (2020: R372 million at a margin of 4.9%).

Consumer products (continued)

RCL Foods Limited (RCL Foods) (continued)

Sugar's record result was mainly driven by increased consumer demand amidst the ongoing Covid-19 lockdown, tight cost control combined with a successful shift in its sales mix towards higher-priced local market sales. Increased local sugar demand and a shrinking industry crop have created a more favourable supply-demand balance. A higher world sugar price has also impacted favourably on export revenue.

The Chicken Division's performance was significantly weaker than the prior year. Despite revenue increasing by 17.3% to R10 336 million (2020: R8 814 million), underlying EBITDA decreased 50.1% to R99 million at a margin of 1.0% (2020: R198 million at a margin of 2.2%). Extra storage costs and supply chain relief measures materially impacted results by R112 million (2020: R170 million) – the largest portion of the direct Covid-19 costs adjusted out of the underlying group numbers.

Vector Logistics had a significantly better year, with revenue increasing 21.8% to R3 154 million (2020: R2 589 million) mainly as a result of ICL's former principals being included on a full-year basis, compared to seven months in the prior period. Underlying EBITDA improved by 142.6% to R290 million at a margin of 9.2% (2020: R119 million at a margin of 4.6%) as the consolidation of the Vector Logistics and ICL networks reduced the cost base significantly.

DISTELL

Effective interest **31.7%**

Profile:

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

Corporate information

Market cap at 30 June 2021 R36 744 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 2021 R million	%
Revenue	**28 254**	**26.3**
Operating profit	**2 843**	**189.8**
Headline earnings	**1 692**	**227.3**

Sustainability measures

CSI/Training spend R56 million

Number of employees 4 046

BBBEE status Level 3

Environmental aspect
Scope 1 and 2 emissions of 134 371 tonnes CO_2e

Distell Group Holdings Limited (Distell)

Distell's contribution to Remgro's headline earnings for the year under review amounted to R538 million (2020: R165 million). Including an additional *IFRS 3* charge accounted for at Remgro level, Distell contributed R491 million (2020: R118 million).

Distell's reported headline earnings for its year ended 30 June 2021 increased by 227.3% to R1 692 million (2020: R517 million). Distell revenue increased by 26.3% to R28.3 billion on 26.3% higher volumes. Revenue excluding excise duty increased by 24.2%.

Domestic revenues increased by 29.4% and volumes by 28.7%. This was achieved despite losing 20% of the year's trading days due to the second and third sale of alcohol bans introduced by the South African government. Distell's diverse product portfolio, with well-known brands, recent innovations and strong route-to-market in South Africa contributed to market share gains across all three categories. Both ciders and ready-to-drink beverages (RTDs) and spirits surpassed pre-Covid-19 revenue levels. Distell's digital Business-to-Business sales and e-commerce business showed excellent adoption rates and robust growth as customers and consumers adapted purchasing preferences. All three categories performed well as consumption preferences for trusted brands across categories played to Distell's diverse portfolio strength. The group's premium cider brand, Savanna, continued its momentum, with phenomenal revenue and market share growth that saw it pulling level with well-known premium beers. Key gin and vodka brands performed well in the spirits category. The wine category benefited from growth in mainstream wine, while accessible premium brands started to recover, driven by in-home consumption trends.

In African markets, outside South Africa, revenue increased by 22.9% on 30.7% higher sales volumes, well above pre-Covid-19 levels. Volumes in BLNE countries (Botswana, Lesotho, Namibia and Eswatini), also impacted by various lockdowns, grew by 22.2%. The Africa region contributed 63.6% to foreign revenue, with its contribution to Group revenue comprising 17.2% in the period.

Revenue in international markets outside Africa grew by 10.0% alongside an expected volume decline of 10.8% due to the cessation of sales of non-core wine brands, bulk whisky and the exit from the RTD business. Strong international premium spirits growth continued, led by single malts in all major markets. Scottish Leader grew strongly in Taiwan with market share gains. Amarula grew strongly in most key markets, with gains in Germany reaching a key milestone of one million litres in market sales as a result of innovation and a step-up in consumer marketing. The export portfolio put in a resilient performance despite the continued pressure on the global travel retail sector and out of stock positions as a result of supply chain disruptions due to the pandemic. Despite declines in wine volumes, margins have increased.

Consumer products (continued)

Effective interest **100%**

Profile:

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

Corporate information

Equity valuation at 30 June 2021 R7 277 million
Unlisted
Managing Director A Mahoney
Remgro nominated directors J J du Toit, L Zingitwa
Website www.siqalofoods.com

Financial highlights

	Year ended 30 June 2021 R million	%
Revenue	**3 088**	**13.9**
Operating profit	**498**	**(3.3)**
Headline earnings	**405**	**(2.2)**

Sustainability measures

CSI/Training spend R5.8 million
Number of employees 274
Environmental aspect Scope 1 and 2 emissions of 22 734 tonnes CO_2e

Siqalo Foods Proprietary Limited (Siqalo Foods)

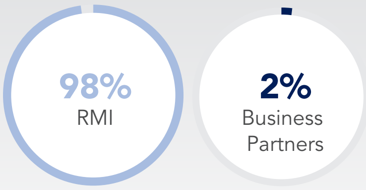
Siqalo Foods manufactures spreads, which are sold under market-leading trade marks such as *Rama*, *Flora*, *Stork* and *Rondo* within the Southern African customs union territories.

Siqalo Foods' contribution to Remgro's headline earnings for the year under review amounted to R405 million (2020: R414 million), excluding additional *IFRS 3* amortisation of R79 million (2020: R79 million). Siqalo Foods received an after tax finalisation amount of R31 million from Unilever in the prior year. Excluding the finalisation amount Siqalo Foods' contribution to headline earnings increased from R383 million to R405 million (or 5.7%). 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 two price increases taken during the year), Siqalo Foods managed to grow volumes by 5.5% compared to the prior year. Good cost management enabled the business to increase its operational EBITDA by 6.7%. The business continues to deliver good results in line with prior years driven by its market leading brands. On 30 June 2021, Siqalo Foods had a combined 12-month moving average value market share of 72.3%. Siqalo Foods remains committed to keeping its market share and growing its brands in 2022 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.

Financial services

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
RMI	**898**	599
Business Partners	**23**	25
	921	624



RMI OPTIMISE DIVERSIFY MODERNISE

Effective interest **30.6%**

Profile:

RMI takes stakes in emerging and established financial services businesses, becoming long-term partners who allow management teams the individuality to operate their businesses as owners.

Corporate information

Market cap at 30 June 2021 R48 007 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 2021 R million	%
Income	**19 019**	**15.4**
Headline earnings	**2 929**	**49.7**
Normalised headline earnings	**3 545**	**14.9**

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 increased by 49.9% to R898 million (2020: R599 million).

The underlying investments of RMI (with percentage interest in brackets) include Discovery (24.8%), Momentum Metropolitan (26.8%), OUTsurance (89.1%), Hastings (30.0%), RMI Investment Managers (100%) and AlphaCode (100%).

Discovery is a South African-founded diversified financial services organisation that operates in health insurance, life insurance, long-term savings and investments, short-term and commercial insurance, banking, and behaviour-change programmes. Since inception more than two decades ago, it has been guided by their core purpose, which has manifested in a globally recognised shared value insurance model underpinned by a leading behaviour-change platform, Vitality, which has been exported to 22 countries, reaching more than 46 million lives.

Momentum Metropolitan Holdings Limited (Momentum Metropolitan) is a South Africa-based financial services group listed on the Johannesburg and Namibian Stock Exchanges. Momentum Metropolitan conducts its business through operating brands Metropolitan, Momentum, Guardrisk and Eris Properties. Momentum Metropolitan offers the following products and services for both individuals and companies (including institutions and organisations): Long and short-term insurance, employee benefits including healthcare and retirement provision, asset management, property management, investments and savings, healthcare administration and health risk management, client engagement solutions, including the Momentum Multiply wellness and rewards programme.

OUTsurance underwrites short-term insurance products in South Africa, Australia and Namibia. OUTsurance Life and OUTvest offer life and investment products to the South African market. OUTsurance's core purpose is to offer their customers value-for-money products backed by leading customer service and underpinned by trust. This purpose is enabled by a focus on operational excellence, technology and a unique entrepreneurial business culture. OUTsurance holds a significant interest in Hastings Group Holdings Limited, a United Kingdom based motor insurer. Hastings Group is an agile, data and digitally focused general insurance provider to the UK car, van, bike and home insurance markets.

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.

Financial services (continued)

Rand Merchant Investment Holdings Limited (RMI) (continued)

RMI's operating environment during the 2021 financial year was once again dominated by the Covid-19 pandemic, with elevated mortality experience impacting materially on the group's life insurance operations. Notwithstanding the adverse impact of Covid-19, the group delivered a strong overall operational performance, with pleasing growth in normalised earnings being achieved by OUTsurance and Hastings, its two large short-term insurance investments. This, together with the positive impact of the lower interest rate environment on the group's funding costs and excellent performance by RMI Investment Managers, enabled the group to deliver a 15% increase in normalised earnings to R3 545 million (2020: R3 086 million).

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 increase was mainly due to Hastings' earnings increasing by 20% from R486 million to R585 million, OUTsurance's earnings increasing from R2 008 million to R2 296 million and RMI Investment Managers and AlphaCode investments from a loss of R10 million to a profit of R142 million. Lower normalised earnings were earned by Discovery R850 million (2020: R993 million) and Momentum Metropolitan R269 million (2020: R407 million).

Discovery's normalised earnings decreased by 9% to R3.4 billion for the year ended 30 June 2021, mainly due to a negative R2.4 billion Covid-19-related impact on Discovery Life and pre-tax foreign currency losses of R389 million compared to pre-tax foreign currency gains of R578 million included in the comparative year.

Normalised earnings from Hastings increased by 20% to R2.1 billion for the year ended 30 June 2021. The claims ratio for the six months ended 30 June 2021 was 63.4%, compared to 75.6% in the comparative period. Claims frequencies increased from the lows in 2020 but remain below 2019 levels as a result of the ongoing pandemic. Live customer policies increased by 4% year on year to 3.1 million policies with continued strong retention ratios and stable retail income. Home insurance policies increased by 27% to 300 000 in-force policies.

Momentum Metropolitan recorded a 34% decrease in diluted normalised earnings to R1.0 billion for the year under review. This was largely attributable to the prolonged negative impact that Covid-19 had on mortality claims experience, including the anticipated impact of the ongoing third and possible fourth wave in the 2022 financial year. The group increased its Covid-19 provision by R2.2 billion in the 2021 financial year, of which R2.1 billion related to mortality. Together with a R702 million negative mortality variance, total mortality losses amounted to R2.8 billion.

OUTsurance's normalised earnings increased by 14% to R2.5 billion, driven by strong equity market returns and an excellent 18% increase in gross written premiums to R20.6 billion. Youi contributed most to the gross written premium growth due to good organic growth in the direct personal lines operation coupled with the positive contributions from the Youi CTP and Youi BZI initiatives. Premium growth at OUTsurance Life was aided by the Shoprite partnership which commenced in May 2020.

RMI Investment Managers is in its fifth year of partnering a select group of independent South African boutique asset management firms. Despite the extremely difficult operating environment, the affiliates managed to remain resilient during these turbulent times. Pleasingly, the diversified nature of the affiliate portfolio and asset classes represented, demonstrated its value and resulted in better than expected financial performance on the back of good assets under management (AUM) growth and strong performance fee earnings. Assets under management increased by 24% over the 2021 financial year due to the strong bull market in SA equities (+25.1%), global equities (+16.5%) and SA bonds (+13.7%). Total net inflows across the portfolio amounted to R5 billion for the year, resulting in a total increase of 37% in retail AUM (R51 billion at the end of the reporting period), whereas alternative strategies (hedge fund and private equity) increased by 38% as at 30 June 2021 with R35 billion under management.

Business Partners

Effective interest **44.1%**

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.

Corporate information

Equity valuation at 30 June 2021 R2 887 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 2021	
	R million	**%**
Revenue	**471**	**(4.8)**
Operating profit	**137**	**71.3**
Headline earnings	**52**	**(11.9)**

Sustainability measures

CSI/Training spend R7 million

Number of employees 265

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 2021 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 R23 million (2020: R25 million).

Business Partners' headline earnings for the 12 months ended 31 March 2021 amounted to R52 million (2020: R59 million), while profit attributable to shareholders increased by 77.4% from R53 million to R94 million. The increase in profit is mainly due to an increase in investment income and realisation gains.

The investment property portfolio has shown signs of recovering, with vacancies decreasing and rent collection improving in the last quarter. Considering the continued negative impact of Covid-19 on medium-term improvements in rental rates and occupancy, the increase in value of the portfolio amounted to 1.5% (R24 million), well below the inflation rate. The adjustment in the prior year – a devaluation of R64 million incorporated the negative effects of Covid-19 over the medium term.

This positive value increase contributed to the improvement in investment income and gains from R11 million in the prior year to R65 million for the current year.

The average interest rate for the year decreased by 300 basis points and contributed to a 20.9% decline in net interest revenue. Net property revenue decreased by 17.4%, largely the consequence of increased vacancies as well as the effects of rental relief provided to clients. Total income decreased from R495 million to R471 million; a decrease of 4.9% year on year.

With economic recovery taking longer than initially expected, SMEs continued to suffer the effects of the pandemic through further lockdowns in the third quarter, restrictions on travel and the added disruption of intermittent electricity supply. These headwinds were evidenced in the increased credit risk of the portfolio requiring an additional impairment charge of R79 million, an increase in the impairment percentage from 12.4% to 15.5% of the gross portfolio value.

Net credit losses for the Group decreased by 34.2% to R97 million (2020: R148 million). Bad debts written off decreased by 62.7% from R94 million in the prior year to R35 million.

Infrastructure

Contribution to headline earnings	**30 June 2021 R million**	30 June 2020 R million
CIVH	**(435)**	(649)
Grindrod	**16**	(12)
SEACOM	**26**	(10)
Other	**17**	(45)
	(376)	(716)

Effective interest **55.2%**

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 construct and own fibre-optic networks.

Corporate information

Equity valuation at 30 June 2021 R21 849 million

Chief Executive Officer of CIVH R S M Ndlovu

Remgro nominated directors
C W Ceasar, P J Uys

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

Financial highlights	**Year ended 31 March 2021 R million**	**%**
Revenue	**4 759**	**28.5**
Operating profit	**648**	**32.0**
Headline loss	**(797)**	**37.1**

Sustainability measures

CSI/Training spend R17 million

Number of employees 1 332

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 the 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 13 200 km of fibre assets in the ground and owns fibre networks in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria, as well as in 24 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 27 500 km of fibre assets. After the fibre has been installed, Vumatel leases its infrastructure to ISPs, which in turn provide broadband retail internet services to the end customers.

CIVH has a March financial year-end and therefore its results for the 12 months ended 31 March 2021 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 R435 million compared to a headline loss incurred of R649 million in the prior year. The losses contributed by CIVH have decreased as a result of a significant improvement in revenue, as well as an improvement in gross margins and lower interest costs, offset by an increase in depreciation charges.

The group generates healthy cash flows from operations, contributing R1.8 billion to a reinvestment in excess of R3.1 billion into expanding its operations and network footprint during the year.

CIVH issued share capital of R2.8 billion in January 2021 in terms of a rights issue. The capital was used to settle part of the CIVH holding company debt and inject capital into DFA and Vumatel in order to unlock an additional R2.5 billion of borrowing facilities, of which R1.5 billion was drawn down in the year. During July 2021, CIVH also completed a further rights issue to successfully raise R3.72 billion in equity to repay all its debt at the holding company level. This equity capital injection has strengthened CIVH's capital structure and enables it to retain flexibility to capitalise on future opportunities.

Vumatel retained its position as the FTTH South African market leader in homes passed and active subscribers, achieving approximately 39% market share in both verticals. The business continues to successfully commercialise fibre into the lower Life Standard Measurement (LSM) areas under the Reach product offering, including a Reach pre-paid platform which has exceeded expectations on uptake. In addition to driving uptake on the current deployed infrastructure, key focus areas in the year continued to be 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 50% to R2.4 billion compared to the prior year, driven by subscriber uptake growth for the year.

DFA's current book value of the fibre optic network is in excess of R9.8 billion. The network uptime for the year under review was maintained at 99.98%, 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 R12.4 billion.

DFA group revenue for the financial year ended 31 March 2021 increased marginally year on year to R2 483 million (2020: R2 465 million) impacted by lower once-off revenue as a result of the impact of Covid-19 on the markets. Annuity income grew to in excess of R192 million per month at 31 March 2021 (31 March 2020: R179 million per month), with the majority thereof from long-term contracts with customers.

Vumatel continued to support its independent CSI Foundation, which has 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. Focus areas include education, safety, environment and healthcare. The business remains committed to the Vuma schools project, where 445 schools have been connected to date in areas where fibre has been deployed – providing every school that Vumatel passes with a free 1 Gbps service offering.

DFA retained their 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, enabling it 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.

Infrastructure (continued)

Effective interest **25.8%**

Profile:

Grindrod is an integrated freight logistics provider, moving cargo by road, rail, sea, and air, providing integrated logistical and specialised services en route, using specialised assets and infrastructure, including vehicles, locomotives, ports, terminals, warehouses and depots. Grindrod also owns Grindrod Bank, an investment bank providing bespoke financial services to private, corporate and institutional clients.

Corporate information

Market cap at 30 June 2021 R3 265 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 2020 R million	%
Revenue	**3 751**	**(2.2)**
Operating loss	**(193)**	**(651.4)**
Headline loss	**(168)**	**(9.8)**

Sustainability measures

CSI/Training spend R8 million

Number of employees 4 330

BBBEE status Level 2

Environmental aspect
Scope 1, 2 and 3 emissions of 156 200 tonnes CO_2e

Grindrod Limited (Grindrod)

Grindrod has a December year-end and therefore its results for the 12 months to 30 June 2021 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 R16 million (2020: a loss of R12 million).

Grindrod's core businesses recovered well in the second half to deliver a good result for the 12 months ended 31 December 2020 (the period), made possible since many of the businesses were categorised as essential services under the Covid-19 regulations.

Overall Ports and Terminals matched its 2019 EBITDA, despite the volume decline across the businesses mainly due to the weaker rand. The Group's agility and strategy focusing on the corridor approach have enabled these businesses to report good earnings.

Maputo Port achieved earnings growth of 18% on 2019 as it benefited from a weaker rand against the USA dollar, offsetting the impact of the 13% decline in volumes to 18.4 million tonnes. The port demonstrated resilience and a commendable recovery during the last quarter of the period with improvements in daily trucking activity and railway efficiencies into Mozambique. Work continues to ensure that this performance is sustained.

Matola Terminal's improved tariffs and cost management mitigated the decline in volume. The terminal achieved 5.5 million tonnes, with 10% higher volumes in the second half of the period compared to the first half.

The coastal shipping, container depots and multi-purpose terminal businesses achieved earnings growth of 15% on 2019. This was on the back of increased shipping activities, a buoyant citrus season and strong mineral volumes. The business continues to focus on expanding its footprint in line with customer demand.

Grindrod Bank delivered a profitable result in a challenging market. The bank focused on its client relationships. Quality lending during the period ensured it retained a strong capital position and liquidity. The advances have been appropriately assessed to ensure that adequate provisions for expected credit losses are in place.

SEACOM

Effective interest **30.0%**

Profile:

SEACOM's heritage stems from creating a connected Africa. SEACOM was instrumental in bringing Africa into the digital world as the first telecommunications provider to deliver the first independent fibre connection to the continent. With a future-focused mindset and continuous investments in digital platforms, systems, and people, the company has transformed into a converged telecommunications provider and continues to serve the wholesale and enterprise markets in Southern and East Africa.

Corporate information

Equity valuation at 30 June 2021 R2 663 million

Unlisted

Chief Executive Officer O Fortuin

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 $0.3 million

Number of employees 307

SEACOM Capital Limited (SEACOM)

Remgro has an effective economic interest of 30% in SEACOM, a converged telecommunications provider which operates and markets fibre-optic connectivity, internet, voice, cloud and security solutions to the wholesale and enterprise markets in Southern and East Africa.

SEACOM has a December year-end and therefore its results for the 12 months to 30 June 2021 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 profit of R26 million (2020: R10 million loss).

There has been an increased demand in the use of data and cloud services driven by changes in work methods associated with Covid-19. SEACOM's ability to adapt to the rapidly evolving data market and invest in its submarine, terrestrial network and cloud infrastructure 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. Some key highlights in this regard include the recent acquisition of a metro fibre business in Kenya and concluding the deal to acquire a fibre pair on Google's Equiano cable in 2021.

SEACOM's ongoing investments in network infrastructure enables new technologies that supports their customers global ambitions. As part of a new five-year strategy plan, and with local and international partnerships, SEACOM will bring best-of-breed services and solutions to their customers. Organic growth and acquisitions in the year under review have contributed to SEACOM's continued growth and will continue to fuel the newly approved five-year business plan.

Infrastructure (continued)

Other infrastructure investments

Effective interest **22.5%**

Grindrod Shipping Holdings Limited (Grindrod Shipping)

Profile:

Grindrod Shipping is an international shipping company that owns, charters-in and operates a fleet of drybulk carriers and owns one medium-range tanker.

Website www.grinshipping.com

Effective interest **32.5%**

Energy Exchange of Southern Africa

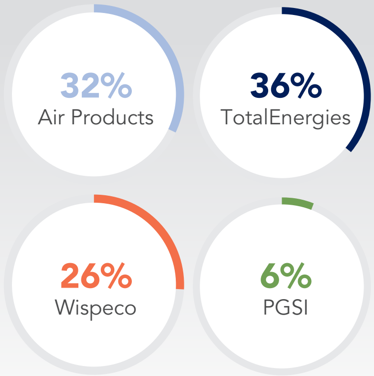
Profile:

The Energy Exchange of Southern Africa facilitates the transfer of energy between those who produce it and those who consume it.

Website www.energyexchangesa.com

Industrial

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
Air Products	**322**	333
TotalEnergies	**366**	(20)
Wispeco	**264**	80
PGSI	**62**	(126)
	1 014	267



AIR PRODUCTS

Effective interest **50.0%**

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.

Corporate information

Equity valuation at 30 June 2021 R9 046 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 2020 R million	%
Revenue	**3 138**	**(2.4)**
Operating profit	**886**	**(6.4)**
Headline earnings	**634**	**(6.4)**

Sustainability measures

CSI/Training spend R21.7 million

Number of employees 681

BBBEE status Level 4

Air Products South Africa Proprietary Limited (Air Products)

Air Products has a September year-end, but its results for the 12 months ended 31 March 2021 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 3.3% to R322 million (2020: R333 million).

Turnover for Air Products' 12 months ended 31 March 2021 decreased by 0.3% to R3 222 million (2020: R3 232 million), while the company's operating profit for the same period decreased by 3.4% to R898 million (2020: R930 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.

The first two months of the period under review were severely impacted by Covid-19-related non-essential business shutdowns. Volumes in this period were substantially reduced from all but essential industries.

June 2020 onward saw a resumption to somewhere near normal trading conditions and a gradual improvement thereafter as demand for steel and other commodities increased and some improvement in manufacturing activity was seen. Whilst trading conditions have improved, growth opportunities are limited as a result of low levels of capital investment in the economy.

Industrial (continued)

TotalEnergies

Effective interest **24.9%**

Profile:

Subsidiary of TotalEnergies SE (France). TotalEnergies' 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).

Corporate information

Equity valuation at 30 June 2021 R10 197 million

Unlisted

Chief Executive Officer M Kane-Garcia

Remgro nominated directors
M Morobe, N J Williams

Website www.totalenergies.co.za

Financial highlights

	Year ended 31 December 2020 R million	%
Revenue	**54 018**	**(27.0)**
Operating loss	**(515)**	**(124.0)**
Headline loss	**(354)**	**(122.4)**

Sustainability measures

CSI/Training spend R60 million

Number of employees 714

BBBEE status Level 1

Environmental aspect
Scope 1 emissions of 505 tonnes CO_2e

TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies)

TotalEnergies has a December year-end and its results for the 12 months to 30 June 2021 have been included in Remgro's results for the year under review. TotalEnergies contribution to Remgro's headline earnings for the year under review amounted to a profit of R366 million (2020: R20 million loss).

The results were impacted by favourable stock revaluations of R1 039 million (2020: R1 277 million, unfavourable), as the international oil price increased from $40.1 per barrel, at 30 June 2020, to $73.0 per barrel at 30 June 2021.

TotalEnergies' turnover for the 12 months ended 30 June 2021 decreased by 5.1% to R61 280 million (2020: R64 605 million). The decrease in turnover is mainly due to Covid-19 government lockdown regulations, impacting on sales volumes the impact being most affected during the second half of 2020.

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, because of the severely depressed refining margins (4.1$/t), and the poor economics having a domino effect of reduced crude treatment.

WISPECO Aluminium

Effective interest **100%**

Profile:

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

Corporate information

Equity valuation at 30 June 2021 R1 188 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 2021 R million	%
Revenue	**2 925**	**46.9**
Operating profit	**403**	**280.3**
Headline earnings	**264**	**230.0**

Sustainability measures

CSI/Training spend R15.8 million

Number of employees 1 259

BBBEE status Level 5

Environmental aspect
Scope 1 and 2 emissions of 41 997 tonnes CO_2e

Wispeco Holdings Proprietary Limited (Wispeco)

Wispeco's turnover for the year ended 30 June 2021 increased by 46.9% to R2 925 million (2020: R1 991 million). The increase can be attributed to significantly higher sales volumes for the year. Headline earnings, excluding profit from the sale of the Parow property, increased with 229% to R264 million (2020: R80 million). Economies of scale, combined with improved manufacturing efficiencies, delivered cost benefits and added to profitability. In addition, an upward commodity price cycle also yielded gains.

The weakened rand and escalating international shipping costs prompted importers to redirect orders to local extruders. After commissioning its new casting facility and two new extrusion lines in early 2020, Wispeco was favourably placed to deal with the heightened demand. Further investment into a new extrusion line and a second vertical powder coating plant is planned for the 2022 financial year. Wispeco remains committed to short make-to-order lead times and maximising customer service.

The company's range of Crealco architectural products sets the benchmark for quality and reliability and carries the reputation of being the preferred choice in the building industry. The range is widely supported and distributed by a network of owned and independent distributors across Southern Africa.

The Starfront software package supports customised and cost-effective design of fenestration products whilst ensuring building regulation compliance. To meet the specific needs of smaller and informal aluminium fabricators, Wispeco is developing an application for handheld devices to allow accurate recording of on-site measurements as well as speedy design, estimation and quoting from a handheld device.

Industrial (continued)

Other industrial investments

PGSI
PGSI Limited

Effective interest **37.7%**

PGSI Limited (PGSI)

Profile:

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

Website www.pggroup.co.za

Diversified investment vehicles

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
KTH	**(182)**	(164)
Other	**(78)**	(91)
	(260)	(255)

Effective interest **43.5%**

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.

Corporate information

Equity valuation at 30 June 2021 R4 699 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 2021 R million	%
Revenue	**1 311**	**(2.2)**
Operating loss	**(238)**	**51.5**
Headline loss	**(421)**	**6.7**

Sustainability measures

CSI/Training spend R1.1 million (R1 million donated to Kagiso Hunger Relief Fund through Kagiso Media)

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 R182 million (2020: loss of R164 million). The decrease in KTH's headline earning loss was mainly because of negative fair value adjustments on the shareholder loans to Actom Investment Holdings Proprietary Limited (Actom) (R159 million) and preference share investment held in Actom (R275 million). This was offset by a positive adjustment on preference shares held in MMH (R60 million) driven by the improved share price. The increase in loss to Remgro is due to Remgro effective holding increasing from 36.3% to 43.5%.

Net finance costs for the period were R102 million (2020: R106 million).

KTH's attributable earnings for the year amounted to a loss of R426 million (2020: loss of R595 million) due to the following:

- Kagiso Media revenue for the period was negatively impacted by the underperformance of the advertising market and delays in start of the academic year.

Diversified investment vehicles (continued)

Kagiso Tiso Holdings Proprietary Limited (KTH) (continued)

- Share of results from equity accounted investments increased to R109 million loss (2020: R55 million loss), mainly due to a loss of R150 million from Servest. Covid-19 restrictions continued to negatively impact Servest as some of the clients reduced the number of services procured from Servest or cancelled contracts. Servest's results were further impacted by goodwill impairments recognised relating to its cleaning, office services and landscaping subsidiaries. This was offset by positive results from MMH that contributed R26 million for the current period in comparison to the previous year's R10 million and Kagiso Media's radio associates contributing R20 million compared to the previous period's R19 million.
- Significant impairments were recognised in the previous period on Servest, Kaya FM Proprietary Limited (Kaya FM) and goodwill relating to Urban Brew Studios Proprietary Limited and Mediamark Proprietary Limited during the period totalling R215 million. For the current period an impairment reversal was recognised on Servest of R85 million and Kaya FM of R15 million due to the fair value exceeding the carrying value dropping due to historical impairments recognised on these investments. This was offset by the impairment of the investment in Imvelo.
- Net loss on investments of R374 million was mainly driven by negative fair value adjustments on the shareholder loans to Actom (R159 million) and preference share investment held in Actom (R275 million). This was offset by a positive adjustment on preference shares held in MMH (R60 million) driven by the improved share price.

During the period, KTH concluded two buyback transactions with shareholders. The details of these transactions are as follows:

- Tiso Blackstar Holdings SE concluded a transaction with KTH that involved their shareholding being sold to Tiso Investment Holdings Proprietary Limited (TIH) for R850 million. TIH entered into a sale of shares agreement with a current shareholder, Kagiso Capital Proprietary Limited, whereby it sold 42 256 shares held in KTH for R200 million. KTH bought back and cancelled the remaining 179 590 shares from TIH for R650 million in exchange for its wholly owned subsidiary KTH Africa Investments (investment structure that holds the Fidelity Bank (Ghana) Limited investment). This transaction was concluded and implemented on the 13 November 2020.
- KTH concluded a buyback transaction through its wholly owned subsidiary Cardona Investments 428 Proprietary Limited (RF) with a minority shareholder whereby KTH bought back and cancelled 1 575 shares for R11 million.

Other diversified investment vehicles

Effective interest **28.1%**

Milestone Capital III

Profile:

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

Website www.mcmchina.com

Effective interest **44.1%**

Prescient China Equity Fund (Prescient)

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

Effective interest **100%**

Invenfin Proprietary Limited (Invenfin)

Profile:

Invenfin focuses on smaller early-stage investments.

Website www.invenfin.com

Diversified investment vehicles (continued)

Other diversified investment vehicles (continued)

Effective interest **16.2%**

Pembani Remgro Infrastructure Fund (PRIF)

Profile:

PRIF is a fund focusing on private sector investment in infrastructure across the African continent.

Website www.pembani-remgro.com

Effective interest **6.5%**

Asia Partners I LP (Asia Partners)

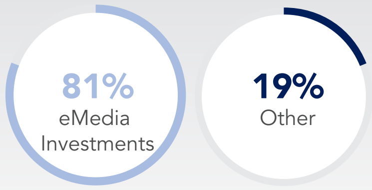
Profile:

Asia Partners makes private equity and private equity-related investments in technology or technology-enabled companies focused primarily on the Southeast Asia region.

Website www.asiapartners.com

Media

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
eMedia Investments	**43**	78
Other	**10**	–
	53	78



Effective interest **32.3%**

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.

Corporate information

Equity valuation at 30 June 2021 R1 705 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 2021 R million	%
Revenue	**2 429**	**(2.5)**
Operating profit	**212**	**(34.4)**
Headline earnings	**132**	**(44.9)**

Sustainability measures

CSI/Training spend R21 million

Number of employees 1 009

BBBEE status Level 3

Environmental aspect
Scope 1 and 2 emissions of 7 502 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, eMovies Extra, eExtra, eToonz and eReality, news and sports), 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 2021 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 R43 million (2020: R78 million).

eMedia Investments' share of television audience grew to 29.6% (March 2020: 24.6%), while e.tv's share of prime-time has increased from 17.4% to 20.3%. This was driven by the performances of all the channel's daily shows, i.e. Imbewu: The Seed, Scandal and Rhythm City as well as the launch of Durban General. Based on audience numbers of its own channels for June 2021, eMedia is South Africa's largest television broadcaster.

The Openview platform has increased the number of activated set-top boxes to 2 545 818 at 31 August 2021 (31 March 2020: 1 992 844), with approximately 35 000 monthly activations. Advertising revenue on the platform increased from R194 million in 2020 to R270 million in 2021.

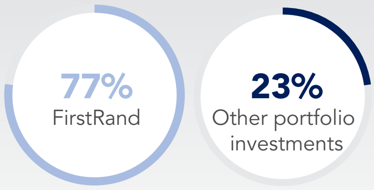
eNCA continues to be the most watched 24-hour news channel in the country (among LSM 8 to 10) with 50% of the market share despite only being on the premium bouquets on DStv while SABC and Newsroom are on all DStv bouquets. Through the pandemic eNCA has achieved its advertising revenue targets while its costs were being well maintained.

Most of the group's other subsidiaries were greatly impacted by the pandemic, particularly certain subsidiaries that do a large part of their business with international film producers. There has however been some recovery since the country moved to lower levels of the lockdown and with international travel now being open again.

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

Portfolio investments

Contribution to headline earnings	**30 June 2021 R million**	30 June 2020 R million
FirstRand	**191**	657
Other portfolio investments	**56**	38
	247	695



FirstRand

Effective interest **3.3%**

FirstRand Limited (FirstRand)

Profile:

FirstRand, through its portfolio of integrated financial services businesses comprising FNB, RMB, Aldermore, MotoNovo, Ashburton Investments, Motovantage and FCC and operates in South Africa, certain markets in sub-Saharan Africa, the United Kingdom, and India.

Website www.firstrand.co.za

Other portfolio investments

BAT
A BETTER TOMORROW

Effective interest **0.1%**

British American Tobacco plc

Profile:

Leading, multi-category consumer goods business, with the purpose to build a better tomorrow by reducing the health impact of the business through offering a greater choice of enjoyable and less risky products for our consumers.

Website www.bat.com

Social impact investments

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
Social impact investments	**(66)**	19

Effective interest **50.0%**

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.bullsrugby.co.za

Effective interest **100%**

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

Treasury and management services

Contribution to headline earnings	30 June 2021 R million	30 June 2020 R million
Central treasury		
– Finance income	**212**	479
– Finance costs	**(861)**	(951)
– Option remeasurement	**–**	2
Net corporate costs	**(249)**	(705)
	(898)	(1 175)

Remgro Finance Corporation Proprietary Limited
Remgro Healthcare Holdings Proprietary Limited
Remgro International 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 R212 million (2020: R479 million). This decrease is mainly due to lower local interest earned, resulting from the 300 basis points reduction in the South African repo rate, announced since January 2020, as well as a lower local average cash balance. Finance costs is lower at R861 million (2020: R951 million), mainly due to the redemption of the exchangeable bonds in cash on 22 March 2021.

Other net corporate costs amounted to R249 million (2020: R705 million). This decrease is mainly due to the once-off donation of R500 million to The SA SME Relief Trust in the comparative year.

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 the 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.

Ethical and competent leadership committed to achieving the advocated outcomes of King IV, being **ethical culture, good performance, effective control and legitimacy.**

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 Company 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 involving Remgro, its employees or officers 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 and overall Environmental, Social and Governance (ESG) matters.

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 CDP (formerly Carbon Disclosure Project). 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 for its stakeholders, 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 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, 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, Industry and Competition. In terms of the latest assessment of Remgro's BBBEE status performed during September 2021, 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 78.60, thereby obtaining a level 5 contributor status.

Further, the Board has transformed over time. Six of the 11 non-executive directors (55%) are black persons, and seven of all 14 directors (50%) 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 Employment and 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. Although the procurement function is small, Remgro strives to make use of BBBEE accredited vendors (level 3 and lower) as far as possible.

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.

Given the advent of Covid-19 and its local and global societal impact, the Management Board as part of its key strategic initiatives, has *inter alia*, formed an operational ESG focus group to ensure that Remgro remains engaged with its corporate citizen mandate and values-driven ethos.

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, being part of its future scanning processes.

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 and key mandates and policies 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 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, three of whom are executive and 11 of whom are non-executive directors. Seven 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 separation 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 a diversity policy. The policy on the promotion of diversity applies 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 11 non-executive directors (55%) being black persons, seven of all 14 directors (50%) being black persons, and two of all 14 directors (14%) 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 (20%).

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 20 to 23 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.

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 (AGM), including details of existing professional commitments, accompanies the notice of the AGM, together with a statement from the Board confirming that it supports the candidate's election and/or re-election.

Attendance at meetings of members

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board	Investment Committee
Number of meetings held	**5**	**4**	**2**	**3**	**14**	**3**
Attendance by directors						
Non-executive directors						
J P Rupert	**5**	–	**2**	–	–	**3**
J Malherbe	**5**	–	–	–	–	**3**
P J Neethling	**5**	–	–	–	–	–
A E Rupert	**5**	–	–	–	–	–
Independent non-executive directors						
S E N De Bruyn[(1)]	**5**	**4**	**2**	**2**	–	–
P K Harris[(2)]	**1**	–	–	–	–	–
N P Mageza	**5**	**4**	–	**3**	–	–
P J Moleketi	**5**	**4**	**2**	–	–	–
M Morobe	**5**	–	–	**3**	–	–
G G Nieuwoudt	**5**	–	–	–	–	**3**
K M S Rantloane[(3)]	**5**	–	–	–	–	**1**
F Robertson	**5**	**4**	**2**	–	–	–
Executive directors and Management Board						
J J Durand	**5**	–	–	–	**14**	**3**
P R Louw	–	–	–	**2**	**14**	–
M Lubbe	**5**	–	–	–	**13**	–
P J Uys	–	–	–	**3**	**14**	–
N J Williams	**5**	–	–	–	**14**	**3**

(1) *Ms S E N De Bruyn was appointed as a member of the Remuneration and Nomination Committee with effect from 30 November 2020 and attended all the meetings since her appointment.*

(2) *Mr P K Harris retired as a director and as a member of the Investment Committee and the Remuneration and Nomination Committee from 30 November 2020.*

(3) *Mr K M S Rantloane was appointed as a non-executive director and a member of the Investment Committee with effect from 30 November 2020. He attended all the meetings since his appointment and also during his tenure as Alternate Director to Mr P K Harris.*

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 meaningful 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 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 20 to 23 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 a deputy chairman. 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 consolidated 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 AGM 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 53 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 73 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 (IRBA), the Company is obliged to rotate its external auditor for the 2024 financial year. Following a comprehensive tender process, the Audit and Risk Committee recommended to appoint Ernst & Young Inc. (EY) as the new external auditors of Remgro, with effect from the financial year ending 30 June 2024. An indicative non-binding advisory vote to appoint EY, with effect from the 2024 financial year, will be put forward at the Company's 2021 AGM. The ordinary resolution to affect the statutory appointment would only serve at the Company's 2023 AGM (see Ordinary Resolution Number 14 in the Notice to shareholders on page 155). Subject to the passing of the relevant ordinary resolutions at the Company's 2021 and 2022 AGMs, the incumbent external auditor of the Company, PwC, will continue to act as external auditor of the Company for the financial years ending 30 June 2022 and 30 June 2023 respectively.

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 126 to 128.

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 111 to 112. 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 is 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, led by the Lead Independent Director (LID), considered the independence of the independent, non-executive directors, and is satisfied with their independence, including the independence of Messrs Fred Robertson (appointed 28 March 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 more than nine years. Based on an evaluation of the aforementioned directors, there is no evidence of any circumstances or relationships that will impair their judgement, and the Board is satisfied that their independence is in no way affected by their length of service.

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 52 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 and the CFO take up additional professional positions, the majority of which can be found on page 21 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 resilience, 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 current 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 82 to 88 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 Safety, Health and Environment 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 the Protection of Personal Information Act 4 of 2013 (POPIA) and its regulations. 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 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 their 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 were 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 82 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, pertaining to Remgro, its officers and employees, 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 89 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 AGMs. 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 AGM held on 30 November 2020. At the meeting, 88.7% and 92.9% 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, the control environment and 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 AGMs where topical matters are discussed openly. Further interactions with institutional investors take place at least twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO and CFO. Outside of these, the management team from time to time participates in our investor platforms where focused engagements are held in order to ensure alignment with our investor community and that the Remgro equity story is widely understood and reflected in prevailing capital markets valuations. Remgro aims to continually improve on our communications, messaging and disclosure as a catalyst to enable our shareholders to understand management's view on value. We believe transparent communication also better positions us to enlist wider institutional coverage and in turn provide us increased visibility to international capital markets for greater investment. We, however, remain disciplined to balance our need to communicate with the investor community with the need to avoid information asymmetry and to ensure compliance with relevant disclosure requirements and regulations in terms of our Listings Requirements. To this end, our shareholders and the investment community at large are encouraged to contact our 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 Board is available to engage at the AGM 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 AGM. The results of Remgro's AGM 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 113 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.

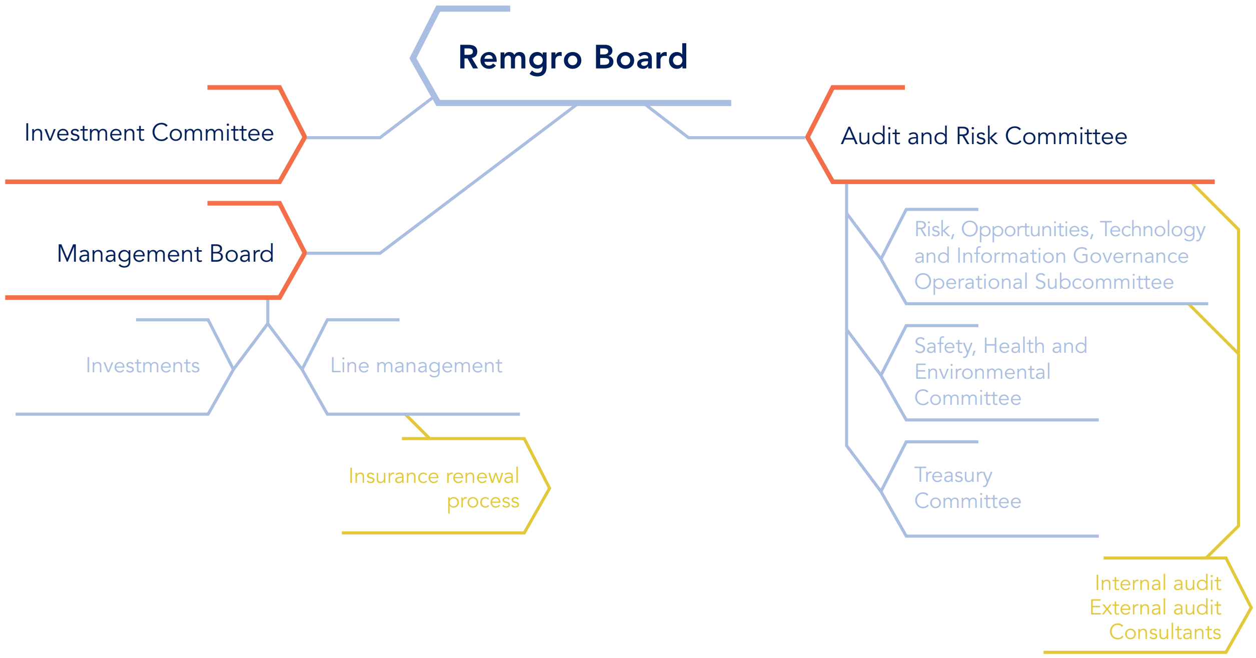
The table below summarises the salient control objectives and related controls included in the Remgro risk register:

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 initiatives 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, (No. 37 of 2002)) and FICA (Financial Intelligence Centre Act, (No. 38 of 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 inter-action 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 CDP (formerly Carbon Disclosure Project) 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 deploys dedicated processes to timely identify and effectively mitigate disruption risk and realises opportunities associated with future developments.

Emerging risk and opportunities, integrated with a sound corporate and entrepreneurial culture, inform strategy and investment mandate considerations.

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, taking cognisance of the investment portfolio.

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. Given the prevailing low interest rate environment the Treasury Committee is furthermore tasked to recommend suitable investment instruments for cash at the centre to the Investment Committee or Board for consideration.

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 given prevailing low interest rates.

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:
  - 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 sound control environment, including 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 continuous self-assessment process with Independent External Assessments 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 control environment along with the internal control and risk and opportunities management processes 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 and internal financial control;
- Terms and assurance plans of both internal and external audit;
- External reporting, both financial and non-financial;
- Assessment of the CFO, finance department and CAE; 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

This report sets out our Remuneration Policy and Implementation Report for executive directors (EDs) and non-executive directors' (NEDs) remuneration for the 2021 financial year and is presented in three parts:

i) Part 1: The background statement which provides context to our Remuneration Policy and performance;
ii) Part 2: An overview of the forward looking Remuneration Policy applicable in the 2022 financial year; and
iii) Part 3: The Implementation Report which sets out in detail how the existing policy was implemented during the year under review, including disclosure on payments made to EDs and NEDs during the year ended 30 June 2021.

Part 1: 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 the stretching performance conditions (where applicable) and the employment condition 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 Part 2 of this report.

Context and key decisions taken

Remgro has a diversified portfolio of investments across industries, which include healthcare, consumer products, financial services, infrastructure, industrial, and media interests. During the 2020 financial year, the Company successfully unbundled its investment in RMB Holdings Limited (RMH) by way of a dividend *in specie* (RMH Unbundling). The continued impact of the RMH Unbundling on Remgro's long-term incentive (LTI) structures and the measures taken in response thereto are discussed in more detail in Part 3 of this report.

The weak domestic macroenvironment, characterised by low economic growth, continued high levels of unemployment and rand volatility persisted during the financial year. The ongoing effects of Covid-19 further continued to impact on the Remgro share price and the local lockdown regulations at different levels continued to affect the majority of Remgro's investee companies' operations and earnings. It also resulted in the Company not meeting the performance conditions as attached to the 2018 awards, which will result in none of the performance-linked 2018 LTI awards vesting over the vesting periods ending in December 2021, 2022 and 2023.

Mainly because of macroeconomic conditions outside of the control of management, the LTI plans have not yielded any or very little value to participants in the last number of years. Due to the continued impact of Covid-19 on the global and local economy 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" SAR awards will yield the value from these plans as was the expectation prior to the outbreak of the pandemic.

The committee deliberated extensively on the impact of the Covid-19 pandemic, the RMH Unbundling and the macroeconomic 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, with more detail set out in Part 3 of this report.

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 decision was taken with regards to increases:

- 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.

Long-term incentive (LTI) plans

Remgro continued to review the short, medium and long-term impact of recent corporate activities, particularly the RMH Unbundling and the Covid-19 pandemic on reward principles and practices to enable our ability to attract, retain and motivate all employees. Remgro issued a cautionary announcement in November 2019 with regards to the RMH Unbundling which resulted in the Company entering an extended cautionary period. The 2018 Rules of the Remgro Equity Settled Conditional Share Plan (CSP) and Remgro Share Appreciation Rights Plan (SAR Plan) regard prohibited periods (which include cautionary periods) as a restriction which prevented the Company from granting new awards (the 2019 annual award) to participants and participants from exercising their awards.

During the year under review, the following actions were taken:

- Granting of LTI awards

  It was decided to award both the 2019 annual award as well as the 2020 annual award together during December of 2020. In line with our policy, both the 2019 and 2020 annual awards for executive directors, other members of the Management Board (prescribed officers) and identified investment executives were made up of 50% SARs and 50% CSPs, the vesting of which is subject to the performance condition and the employment condition. The awards made to all other participants to the CSP continued to be retention awards, the vesting of which is subject to the employment condition.

- Evaluation of impact on 2012 SAR awards

  The committee carefully balanced the prolonged impact of the prohibited periods as well as Covid-19 on the 2012 awards and loss of value to employees with the significant value realised for our shareholders in terms of the RMH Unbundling and decided on the following approach:

  – The committee, in line with the SAR Plan rules, extended the exercise period of the 2012 awards (which would have expired on 30 November 2020) to 30 November 2023 for all affected participants in order to allow for the potential recovery of value.

  – The committee approved a special award of CSPs to all participants affected by the RMH Unbundling in respect of their 2012 awards. The value of this award is comparable to what the vested value of the SARs were for the 30-day period prior to the 19 November 2019 SENS announcement which brought on the prohibited period. The CSP award will vest in two equal tranches on the first and second anniversaries of the award date, after which it will be subject to a post-vesting holding lock up until 30 November 2023; and

  – It is important to note that the participants will not qualify for both the 2012 SAR award and special CSP award and will have to elect which award he or she wants to obtain the benefit from (i.e. if the participant elects to exercise the SAR, the special CSP will be forfeited).

- Evaluation of impact on 2013 – 2015 SAR awards

  Covid-19's ongoing impact has resulted in the 2013 – 2015 awards being negatively impacted. The committee, in line with the SAR Plan rules, carefully considered the impact on all participants and decided to extend the expiry period for these awards as follows:

Award date	Original expiry date	Extension period	Revised expiry date
2013	2020	36 months	November 2023
2014	2021	24 months	
2015	2022	12 months	

- 2018 awards

  The 2018 award was left unadjusted, and neither the performance conditions nor the exercise period was adjusted.

These actions are set out in more detail in Part 3 of this report.

Environmental, Social and Governance (ESG)

Workplace, economic, social and environmental sustainability practices have always been part of Remgro's core values. During the year under review, Remgro embarked on an ESG journey, the aim of which is to develop a strong ESG strategy and framework for implementation across the business and the businesses of investee companies. During this journey, key areas of focus will be established, together with measurable and stretching targets which will be incorporated into the remuneration framework.

In order to incentivise and motivate management in driving this journey, qualitative ESG measures have been incorporated into the LTI which measures detailed milestones to be achieved by specified dates. Once measurable and stretching quantitative measures have been identified, these measures will be incorporated into the LTI scorecard and communicated to shareholders.

This journey will remain a key focus area for the foreseeable future.

Performance conditions

Although the ESG journey is still in its infancy and a priority focus area for the upcoming year, the committee felt it was prudent to relook at the LTI performance conditions and include qualitative ESG milestones in the LTI in order to drive this journey. These qualitative measures make up 100% of the ESG measure for the 2019 and 2020 awards and will focus on governance and risk as well as strategic investment decisions and portfolio impact.

The performance conditions for the LTI awards are as follows:

Performance measures	Weight
INAV	**55%**
Free cash flow	**25%**
ESG	**20%**

More details are provided in Parts 2 and 3 of this report.

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. During the year under review, it became clear that extensive work was being undertaken on a both a subcommittee and *ad hoc* committee level in both addressing the unique challenges which the Company faced as well as in driving the execution of the Company's business strategy. In light hereof, it is proposed that the Board member fee remains as it is for 2022, but that the subcommittee fees be increased by 8%. Given the low base of the current *ad hoc* committee fee and the critical work performed by the *ad hoc* committees and the Investment Committee in particular, it is proposed that the *ad hoc* committee fee be increased from R25 000 to R30 000 and that, going forward, members of the Investment Committee will receive an *ad hoc* fee for meetings attended.

Malus and Clawback Policy

The committee implemented a formal Malus and Clawback Policy during the year. More details on this policy are set out in Part 2 below.

Voting results and shareholder engagement

At the Annual General Meeting (AGM) held on 30 November 2020, Remgro's Remuneration Policy received a favourable vote by ordinary shareholders of 88.7% and the Remuneration Implementation Report received a favourable vote by ordinary shareholders of 92.9%.

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

Future areas of focus

During the 2022 financial year the committee will focus on the following forward looking considerations:

- To develop a Company ESG strategy, and to align the remuneration strategy with the ESG strategy with a focus on the incorporation of quantitative ESG performance measures within the variable remuneration design.
- In line with our philosophy of remunerating fairly and responsibly, continue to identify and address any discrepancies.
- To continue to ensure that our internal human resources and remuneration policies support transformation across the business.

During the 2021 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 2021 financial year. The committee is satisfied and regards PwC as being wholly objective and independent.

The committee is of the view that during the 2021 financial year, Remgro's Remuneration Policy achieved its stated objectives. At the 2021 AGM Remgro will put its Remuneration Policy and Remuneration Implementation Report to two separate non-binding advisory shareholder votes (see Ordinary Resolutions Numbers 15 and 16 in the Notice to shareholders on page 159) and the committee looks forward to a positive outcome in this regard.

Part 2: Remuneration Policy

The Remuneration Policy provides an overview of Remgro's remuneration principles for the organisation as a whole and applies to all permanent employees. 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 25 November 2021.

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 committee consists of four non-executive directors, three of whom are independent. The members of the committee for the year under review were:

- Mr J P Rupert (chairman);
- Mr P K Harris (independent non-executive director) – retired from the committee on 30 November 2020;
- Ms S E N De Bruyn (lead independent non-executive director) – appointed to the committee on 30 November 2020;
- Mr P J Moleketi (independent non-executive director); 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 numerous informal interactions in preparation for the formal meetings. The details on the attendance of the formal meetings are set out in the Corporate Governance Report on page 74.

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

In respect of its nomination function –

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

In respect of its remuneration function –

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

Fair and responsible remuneration across the Company

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

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

Further ongoing actions taken in this regard include:

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

Components of remuneration

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

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

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

Fixed remuneration

Purpose

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

What does this contain?

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

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

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

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

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

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

How is the TGP benchmarked?

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

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

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

Annual review process

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

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

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

Variable remuneration

Share Appreciation Rights Plan	Conditional Share Plan

Purpose

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

How does it work?

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

Who qualifies to participate?

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

Determination of value/allocation

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

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

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

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

These multiples are within current market parameters.

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

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

Dividend equivalents

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

Variable remuneration (continued)

Share Appreciation Rights Plan	Conditional Share Plan

Vesting and exercise/settlement

Share Appreciation Rights Plan

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

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

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

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

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

Conditional Share Plan

Awards under the CSP will vest as follows:

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

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

Performance conditions

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

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

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

Financial

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

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

Variable remuneration (continued)

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

Performance conditions

Non-financial – ESG

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

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

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

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

Variable remuneration (continued)

Share Appreciation Rights Plan	Conditional Share Plan

Early termination of employment

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

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

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

Change of control

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

Variation in share capital

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

Dilution limits

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

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

Settlement considerations

Share Appreciation Rights Plan	Conditional Share Plan
If it is assumed that all of the participants to the SAR Plan exercise all options awarded to them on 1 July 2021, Remgro will have to deliver 224 161 shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2021 of R114.60. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 334 324 shares and 120 583 shares, respectively.	If it is assumed that all awards made under the CSP vest on 1 July 2021 in full, Remgro will have to deliver 2 412 538 shares in order to settle its obligations.

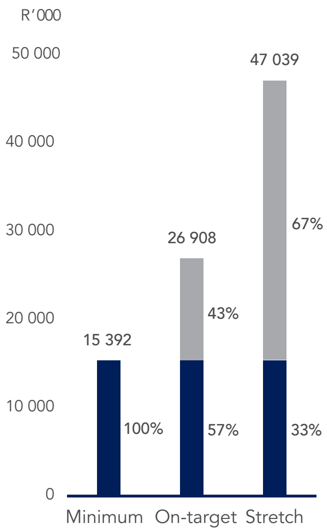
On 30 June 2021 Remgro held sufficient treasury shares to settle its obligations to deliver shares to LTI participants.

Scenarios of possible total remuneration outcomes

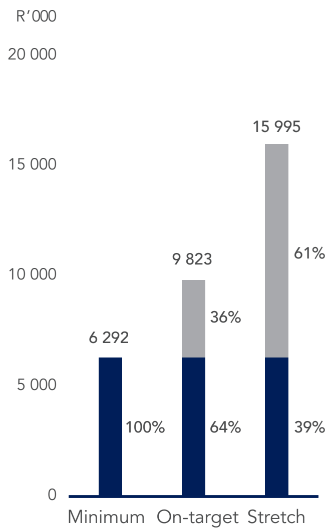
The following illustrations depict the pay mix and the possible remuneration outcomes for the CEO, Chief Financial Officer and the prescribed officer average at minimum, on-target and stretch levels.

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

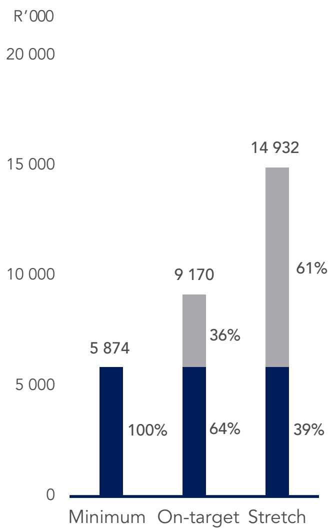
Chief Executive Officer



Chief Financial Officer



Prescribed officer average



Fixed LTI

Malus and Clawback Policy

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

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

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

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

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

Executive employment contracts

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

Non-executive directors' remuneration

Independent non-executive directors

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

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

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

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

Non-independent non-executive directors

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

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

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

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

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

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

Fees are excluding VAT.

Shareholder engagement and non-binding advisory vote

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

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

Part 3: Remuneration Implementation Report

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

Fixed remuneration review

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

Short-term incentives outcome

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

Long-term incentives outcome

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

Impact of the RMH Unbundling

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

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

LTI awards made during the year

As a result of the prohibited periods (which included closed periods), the Company was prevented from granting the planned annual awards in December 2019. While the restrictions were lifted in April 2020, it was noted in the 2020 report that the Company decided to postpone the granting of the 2019 awards further due to the uncertainties of the impact of Covid-19 on investee companies and Remgro as a whole.

Following deliberations, it was decided to award both the 2019 annual award as well as the 2020 annual award together during December of 2020. In line with our policy, both the 2019 and 2020 annual awards for executive directors, other members of the Management Board (prescribed officers) and identified investment executives were made up of 50% SARs and 50% CSPs, the vesting of which is subject to the performance conditions and the employment condition as well as individual performance conditions. The awards made to all other participants to the CSP continued to be retention awards, the vesting of which is subject to the employment condition.

Although the award was made in 2020, it was decided that the vesting period for the 2019 award will be adjusted so that the award will vest as if the award had been made in 2019. Vesting for the 2019 award will therefore occur in equal tranches on the second, third and fourth anniversaries from the award date, whereas the 2020 award will vest on the third, fourth and fifth anniversaries from the award date.

The committee approved the below updated performance conditions for the 2019 and 2020 awards. Although the ESG journey is still in its infancy and a priority focus area for the upcoming year, the committee felt it was prudent to include qualitative ESG milestones in the LTI in order to drive this journey. These qualitative measures make up 100% of the ESG measure for the 2019 and 2020 awards and will focus on governance and risk as well as strategic investment decisions and portfolio impact.

Financial

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

Non-financial – ESG

Performance measure	Weight	Threshold (vesting 30%)	On-target (vesting 50%)	Stretch (vesting 100%)
ESG	20%	The following needs to be achieved by December 2021: • Amend all committee and Board mandates to include ESG focus. • Establish an operational ESG committee (subcommittee of the Management Board) to provide direction and oversight with regards to the ESG strategy. • Establish a strategic ESG committee (subcommittee of the Remgro Board) to provide strategic direction and overall oversight of the Remgro Group ESG strategy and activities. • Develop and approve mandates and terms of references for these committees to ensure they operate efficiently and to enable the Remgro ESG focus.	The following needs to be achieved by 30 June 2022: • Identify and engage with external expertise to develop a strategic ESG framework to establish, among others, what environmental areas Remgro will focus on (i.e. water, carbon footprint, plastic, etc.), prepare an ESG footprint of Remgro's investee companies, establish measurable targets and stretching goals and identify how to communicate our ESG intent to the market. • To develop an ESG investment business case framework to be used when considering new investments. This would aim to articulate any possible industries/activities Remgro would not invest into and provide possible investments with a framework of what they would need to comply with either before investing or within a certain timeframe after investing. • Ready to present specific ESG targets and, base line measures for selected targets and threshold and stretch performance hurdles for each target at the November 2022 Remgro Remuneration and Nomination Committee meeting.	The following needs to be achieved by 31 December 2022: • Influence Portfolio impact at subsidiary level through ensuring key subsidiary companies to have ESG targets and KPI's for LTI and/or STI plans at executive level. • Stretch can only be achieved if KPI's at threshold and target were achieved.

Decisions taken in respect of 2012 awards

As noted in our 2020 report, a number of employees across the Company were impacted in respect of their vested 2012 awards under the SAR Plan which were due to expire during the prohibited period and could not be exercised. This position was exacerbated by the impact of Covid-19 on the Company's share price following the end of the prohibited period which resulted in the 2012 awards becoming under water.

The committee carefully balanced the prolonged impact of the prohibited periods as well as Covid-19 on the 2012 awards and loss of value to employees with the significant value realised for our shareholders in terms of the RMH Unbundling and decided on the following approach:

- The committee, in line with the SAR Plan rules, extended the exercise period of the 2012 awards to November 2023 in order to allow for the potential recovery of value;
- The committee decided to award a special award of CSPs to all employees affected by the RMH Unbundling in respect of their 2012 awards. The value of this award is comparable to what the vested value of the SARs were for the 30-day period prior to the 19 November 2019 SENS announcement which brought on the prohibited period. The CSP award will vest in two equal tranches on the first and second anniversaries of the award date, after which it will be subject to a post-vesting holding lock up until 30 November 2023; and
- Employees will receive either the CSPs or the 2012 SARs on the final expiry date in November 2023, but not both. Should the employee therefore choose to exercise his SARs, the CSP award will lapse.

Impact of Covid-19

Extension of expiry periods of the 2013 – 2015 awards

Covid-19's ongoing impact has resulted in the 2013 – 2015 awards being negatively impacted. The SAR Plan rules allow for the committee to extend the expiry period of the SARs where it deems necessary to do so. The committee, in line with the SAR Plan rules, carefully considered the impact on the participants and decided to extend the expiry period for these awards as follows in order to provide the opportunity for the recovery of value lost as a result of Covid-19:

Award date	Original expiry date	Extension period	Revised expiry date
2013	2020	36 months	November 2023
2014	2021	24 months	
2015	2022	12 months	

Long-term incentive outcomes

The committee carefully considered both the impact of the RMH Unbundling as well as Covid-19 on the performance conditions attached to the 2018 award. Although the plan rules provide for the substitution of performance conditions in instances where unforeseen circumstances resulted in the original performance conditions no longer being appropriate, the committee, in balancing the interests of management with the interests of shareholders, decided not to make any adjustments to the performance conditions or the vesting periods of these awards. No performance based LTIs vested during the 2021 financial year.

Performance measure	Weight	Threshold (30% vesting)	Stretch (100% vesting)	Actual performance	Actual vesting (% of CSPs)	Actual vesting (% of SARs)
INAV (Rand per share)	**50%**	**228.35**	**235.49**	**177.33**	**0%**	**0%**
Free cash flow (Cents per share)*	**50%**	**1 442.92**	**1 457.87**	**1 024.85**	**0%**	**0%**
Total LTI vesting					**0%**	**0%**

* *Cumulative over three years.*

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 2020	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 2021[(5)]	Fair value of SARs as at 30 June 2021[(6)] (R'000)
Executive											
J J Durand	**29-Nov-12[(7)]**	**147.25**	**271 258**	**10 763**	271 258	**94.22**				**271 258**	**7 408**
	04-Dec-13[(7)]	**191.70**	**93 128**	**5 064**	93 128	**127.40**				**93 128**	**1 374**
	26-Nov-14[(7)]	**253.53**	**108 468**	**7 442**	108 468	**164.57**				**108 468**	**938**
	24-Nov-15[(7)]	**272.00**	**192 676**	**15 591**	192 676	**170.38**				**192 676**	**1 553**
	01-Dec-16	**209.11**	**150 872**	**10 554**	150 872	**125.95**				**150 872**	**2 267**
	14-Dec-17	**206.35**	**132 309**	**9 705**	132 309	**118.86**				**132 309**	**2 468**
	05-Dec-18	**205.07**	**87 135**	**5 436**	87 135	**112.38**				**87 135**	**–**
	05-Dec-20[(8)]	**93.82**	**235 427**	**6 111**	–	**93.82**	**235 427**			**235 427**	**5 603**
	05-Dec-20	**93.82**	**235 454**	**6 631**	–	**93.82**	**235 454**			**235 454**	**5 842**
M Lubbe	**29-Nov-12[(7)]**	**147.25**	**13 961**	**554**	13 961	**94.22**				**13 961**	**381**
	04-Dec-13[(7)]	**191.70**	**7 444**	**405**	7 444	**127.40**				**7 444**	**110**
	26-Nov-14[(7)]	**253.53**	**4 011**	**275**	4 011	**164.57**				**4 011**	**35**
	24-Nov-15[(7)]	**272.00**	**8 036**	**650**	8 036	**170.38**				**8 036**	**65**
	01-Dec-16	**209.11**	**65 632**	**4 591**	65 632	**125.95**				**65 632**	**986**
	14-Dec-17	**206.35**	**15 481**	**1 136**	15 481	**118.86**				**15 481**	**289**
	05-Dec-18	**205.07**	**14 648**	**914**	14 648	**112.38**				**14 648**	**–**
	05-Dec-20[(8)]	**93.82**	**39 078**	**1 014**	–	**93.82**	**39 078**			**39 078**	**930**
	05-Dec-20	**93.82**	**46 448**	**1 308**	–	**93.82**	**46 448**			**46 448**	**1 153**
N J Williams	**29-Nov-12[(7)]**	**147.25**	**81 901**	**3 250**	81 901	**94.22**				**81 901**	**2 237**
	04-Dec-13[(7)]	**191.70**	**22 221**	**1 208**	22 221	**127.40**				**22 221**	**328**
	26-Nov-14[(7)]	**253.53**	**16 430**	**1 127**	16 430	**164.57**				**16 430**	**142**
	24-Nov-15[(7)]	**272.00**	**27 492**	**2 225**	27 492	**170.38**				**27 492**	**222**
	01-Dec-16	**209.11**	**98 716**	**6 905**	98 716	**125.95**				**98 716**	**1 483**
	14-Dec-17	**206.35**	**55 677**	**4 084**	55 677	**118.86**				**55 677**	**1 038**
	05-Dec-18	**205.07**	**28 465**	**1 776**	28 465	**112.38**				**28 465**	**–**
	05-Dec-20[(8)]	**93.82**	**72 103**	**1 871**	–	**93.82**	**72 103**			**72 103**	**1 716**
	05-Dec-20	**93.82**	**72 124**	**2 031**	–	**93.82**	**72 124**			**72 124**	**1 790**
Total					1 495 961		**700 634**		**–**	**2 196 595**	**40 358**

(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.*

(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 of the 2018 awards and onwards is considered to be the on-target performance level of 60%. It is also estimated that the performance conditions of the 2018 award will not be met.*

(7) *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise his 2012 SAR award, the special CSP award will lapse. Refer to page 102 for more context.*

(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively. Refer to page 100 for more context.*

Long-term incentives summary (continued)

Share appreciation rights (SARs) (continued)

Directors (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 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. During the 2020 financial year 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.*

(7) *The expiry dates of these awards were extended because of restrictions under prohibited periods. Refer to page 102 for more context.*

Prescribed officers

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 2020	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 2021[5]	Fair value of SARs as at 30 June 2021[6] (R'000)
P R Louw	29-Nov-12[7]	147.25	22 646	899	22 646	94.22				22 646	618
	04-Dec-13[7]	191.70	12 944	704	12 944	127.40				12 944	191
	26-Nov-14[7]	253.53	5 952	408	5 952	164.57				5 952	51
	24-Nov-15[7]	272.00	9 497	768	9 497	170.38				9 497	77
	01-Dec-16	209.11	91 120	6 374	91 120	125.95				91 120	1 369
	14-Dec-17	206.35	20 301	1 489	20 301	118.86				20 301	379
	05-Dec-18	205.07	17 881	1 116	17 881	112.38				17 881	–
	05-Dec-20[8]	93.82	46 428	1 205	–	93.82	46 428			46 428	1 105
	05-Dec-20	93.82	46 448	1 308	–	93.82	46 448			46 448	1 153
P J Uys	02-Apr-13[7]	183.15	218 400	10 519	218 400	121.67				218 400	3 868
	04-Dec-13[7]	191.70	3 325	181	3 325	127.40				3 325	49
	26-Nov-14[7]	253.53	14 774	1 014	14 774	164.57				14 774	128
	24-Nov-15[7]	272.00	11 533	933	11 533	170.38				11 533	93
	01-Dec-16	209.11	91 463	6 398	91 463	125.95				91 463	1 374
	14-Dec-17	206.35	85 936	6 303	85 936	118.86				85 936	1 603
	05-Dec-18	205.07	35 822	2 235	35 822	112.38				35 822	–
	05-Dec-20[8]	93.82	88 088	2 286	–	93.82	88 088			88 088	2 096
	05-Dec-20	93.82	88 108	2 481	–	93.82	88 108			88 108	2 186
Total					641 594		269 072		–	910 666	16 340

(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) *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.*

(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 of the 2018 awards and onwards is considered to be the on-target performance level of 60%. It is also estimated that the performance conditions of the 2018 award will not be met.*

(7) *The expiry dates of these awards were extended to November 2023. As an alternative option to the 2012 SAR awards, a special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, the special CSP award will lapse.* *Refer to page 102 for more context.*

(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.* *Refer to page 100 for more context.*

Long-term incentives summary (continued)

Share appreciation rights (SARs) (continued)

Prescribed officers (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 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. During the 2020 financial year 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.*

(8) *The expiry dates of these awards were extended because of restrictions under prohibited periods. Refer to page 102 for more context.*

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 2020	CSPs accepted/ (exercised or expired) 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 2021[(5, 6)]	Fair value of CSPs as at 30 June 2021[(7)] (R'000)
Executive										
J J Durand	**05-Dec-18**	**205.07**	**120 107**	**15 933**	120 107				**120 107**	**–**
	05-Dec-20[(8)]	**93.82**	**235 427**	**20 366**	–	**235 427**			**235 427**	**15 000**
	05-Dec-20	**93.82**	**235 454**	**19 655**	–	**235 454**			**235 454**	**14 520**
	05-Dec-20[(9)]	**93.82**	**95 672**	**8 728**	–	**95 672**			**95 672**	**10 666**
M Lubbe	**05-Dec-18**	**205.07**	**20 191**	**2 678**	20 191				**20 191**	**–**
	05-Dec-20[(8)]	**93.82**	**39 078**	**3 380**	–	**39 078**			**39 078**	**2 490**
	05-Dec-20	**93.82**	**46 448**	**3 877**	–	**46 448**			**46 448**	**2 846**
	05-Dec-20[(9)]	**93.82**	**4 924**	**449**	–	**4 924**			**4 924**	**549**
N J Williams	**05-Dec-18**	**205.07**	**39 237**	**5 205**	39 237				**39 237**	**–**
	05-Dec-20[(8)]	**93.82**	**72 103**	**6 237**	–	**72 103**			**72 103**	**4 594**
	05-Dec-20	**93.82**	**72 124**	**6 021**	–	**72 124**			**72 124**	**4 448**
	05-Dec-20[(9)]	**93.82**	**28 887**	**2 635**	–	**28 887**			**28 887**	**3 220**
Total					179 535	**830 117**		**–**	**1 009 652**	**58 351**

(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 CSPs on vesting.*
(5) *CSPs have performance conditions and reflect the number of CSPs 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%. The special award of CSPs (refer below) does not have performance conditions. It is also estimated that the performance conditions of the 2018 award will not be met.*
(8) *These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.*
(9) *As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse. Refer to page 102 for more context.*

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 2020 financial year.*
(4) *Five-day VWAP of Remgro on vesting date.*
(5) *This refers to the total value of the CSPs on vesting.*
(6) *CSPs have performance conditions and reflect the number of CSPs 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.*

Long-term incentives summary (continued)

Conditional Share Plan shares (CSPs) (continued)

Prescribed officers

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 2020	CSPs accepted/ (exercised or expired) 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 2021[(5, 6)]	Fair value of CSPs as at 30 June 2021[(7)] (R'000)
P R Louw	**05-Dec-18**	**205.07**	**24 648**	**3 270**	24 648				**24 648**	**–**
	05-Dec-20[(8)]	**93.82**	**46 428**	**4 016**	–	**46 428**			**46 428**	**2 958**
	05-Dec-20	**93.82**	**46 448**	**3 877**	–	**46 448**			**46 448**	**2 864**
	05-Dec-20[(9)]	**93.82**	**7 988**	**729**	–	**7 988**			**7 988**	**891**
P J Uys	**05-Dec-18**	**205.07**	**49 378**	**6 550**	49 378				**49 378**	**–**
	05-Dec-20[(8)]	**93.82**	**88 088**	**7 620**	–	**88 088**			**88 088**	**5 612**
	05-Dec-20	**93.82**	**88 108**	**7 355**	–	**88 108**			**88 108**	**5 434**
Total					74 026	**277 060**		**–**	**351 086**	**17 759**

(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 CSPs on vesting date.
(5) CSPs have performance conditions and reflect the number of CSPs 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%. The special award of CSPs (refer below) does not have performance conditions. It is also estimated that the performance conditions of the 2018 award will not be met.
(8) These awards relate to the 2019 award not made and will vest in one-thirds on the second, third and fourth anniversaries of the grant date, respectively.
(9) As an alternative to the 2012 SAR awards, this special award of CSPs was also made to employees. Should the employee choose to exercise the 2012 SAR award, this special CSP award will lapse. *Refer to page 102 for more context.*

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 2020 financial year.
(5) Five-day VWAP of Remgro on vesting date.
(6) This refers to the total value of the CSPs on vesting date.
(7) CSPs have performance conditions and reflect the number of CSPs 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.

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 remuneration[2]	LTI[3]	Total
30 June 2021							
J J Durand	**390**	**11 596**	**2 377**	**441**	**14 804**	**–**	**14 804**
M Lubbe	**390**	**2 327**	**535**	**412**	**3 664**	**–**	**3 664**
N J Williams	**390**	**4 309**	**932**	**404**	**6 035**	**–**	**6 035**
Total	**1 170**	**18 232**	**3 844**	**1 257**	**24 503**	**–**	**24 503**
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

(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 reflected in the 30 June 2020 amounts.*
(3) *LTI figure includes SARs and CSPs awards that vest and become exercisable in the next 12 months.*

Prescribed officers

R'000	Salaries	Retirement fund	Other benefits[2]	Fixed remuneration[3]	LTI[4]	Total
30 June 2021						
P R Louw	**2 912**	**578**	**412**	**3 902**	**–**	**3 902**
P J Uys	**5 828**	**1 156**	**384**	**7 368**	**–**	**7 368**
Total	**8 740**	**1 734**	**796**	**11 270**	**–**	**11 270**
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

(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 reflected in the 30 June 2020 amounts.*
(4) *LTI figure includes SARs and CSPs awards that vest and become exercisable in the next 12 months.*
(5) *Messrs P R Louw and P J Uys are members of the Management Board and the Social and Ethics Committee.*

Non-executive directors' fees

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

R'000	**Fee for the year ended 30 June 2021**	Fee for the year ended 30 June 2020
Non-executive (independent)		
S E N De Bruyn[(1)]	**791**	753
G T Ferreira[(2)]	**–**	228
P K Harris[(3)]	**227**	456
N P Mageza[(4)]	**678**	603
P J Moleketi[(5)]	**678**	576
M Morobe	**510**	510
G G Nieuwoudt[(6)]	**390**	228
K M S Rantloane[(7)]	**228**	–
F Robertson	**603**	603
Subtotal	**4 105**	3 957
Non-executive (non-independent)		
E de la H Hertzog[(2)]	**–**	195
J Malherbe	**390**	390
P J Neethling[(6, 8)]	**–**	–
A E Rupert[(8)]	**–**	–
J P Rupert[(8)]	**–**	–
Subtotal	**390**	585
Total	**4 495**	4 542

(1) *Ms S E N De Bruyn was appointed as a member of the Remuneration and Nomination Committee with effect from 30 November 2020.*

(2) *Mr G T Ferreira and Dr E de la H Hertzog retired on 28 November 2019.*

(3) *Mr P K Harris retired as independent non-executive director with effect from 30 November 2020.*

(4) *During the year under review Mr N P Mageza also received R746 000 (2020: R704 000) as director's fees from RCL Foods Limited, a subsidiary of Remgro Limited. Mr Mageza also attended three Mandatory Audit Firm Rotation (MAFR) meetings.*

(5) *Mr P J Moleketi was appointed as a member of the Remuneration and Nomination Committee with effect from 28 November 2019. Mr Moleketi also attended three MAFR meetings.*

(6) *Messrs G G Nieuwoudt and P J Neethling were appointed as non-executive directors with effect from 28 November 2019.*

(7) *Mr K M S Rantloane was appointed as an independent non-executive director and member of the Investment Committee with effect from 30 November 2020.*

(8) *Messrs A E Rupert, J P Rupert and P J Neethling receive no emoluments.*

Johann Rupert
Chairman of the Remuneration and Nomination Committee

Stellenbosch
21 September 2021

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 2021.

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 three financial years. The members of the committee for the year 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	2
P J Uys	3	3

* *Abridged curriculum vitae of all the directors of the Company are set out on pages 20 to 23 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 24.*

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 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 and overall Environmental, Social and Governance (ESG) matters.

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 113 of the Integrated Annual Report.

Public reporting and assurance

The committee, together with the Audit and Risk Committee, is responsible for reviewing and recommending for approval the annual 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 25 November 2021. In the notice of the Annual General Meeting included in the Integrated Annual Report on page 155, 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
21 September 2021

Abridged Sustainable Development Report

Sustainability highlights

Remgro remains a constituent of the **FTSE4Good Index Series** following the June 2021 review

Continued participation in the **CDP (formerly Carbon Disclosure Project)**

Continued membership of the **Ethics Institute of South Africa**

Obtaining our **level 5** contributor status in terms of the **BBBEE scorecard**

Incorporating ESG in all **committee mandates and Board charter**

"The **best definition** I have heard of a company is that it is an institution which **serves the community honourably** at a profit."

Dr Anton Rupert

View the full report online at www.remgro.com.

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 among 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.

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	Occupational, Health and Safety Act (No. 85 of 1993) and related compliance	EHS Green Leaf Consultancy

- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.
- 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, CDP (formerly Carbon Disclosure Project) verification), as illustrated in the table on page 114. 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 70 and 111 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 is 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 Company has an effective fraud prevention and detection process and ensures compliance and risk mitigation. No material investigations involving Remgro, its employees or officers were conducted 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 involving Remgro, its employees or officers 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 Company 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

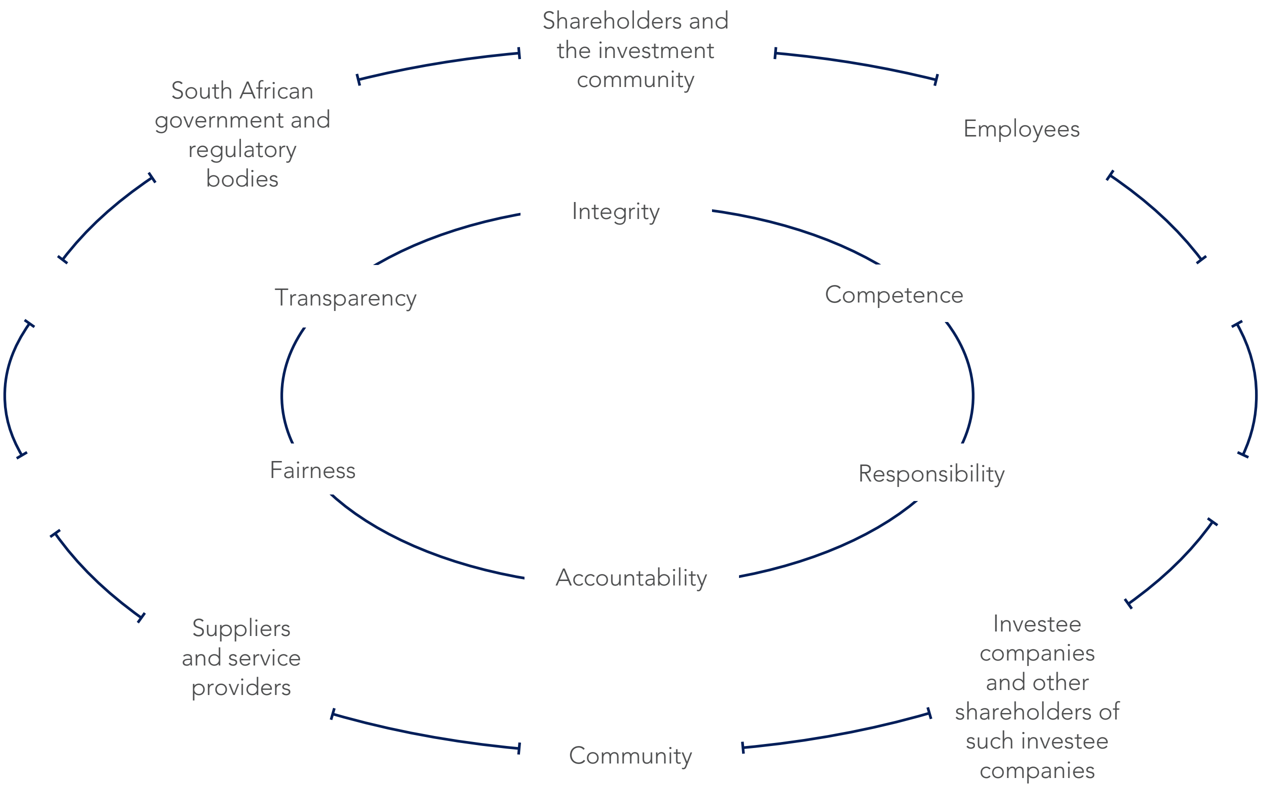
During the year under review there were no material incidents of non-compliance with any laws, regulations, accepted standards or codes, and no fines were imposed in this regard.

In addition there were no incidents of 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, among 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 at least 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. Outside of these, the management team from time to time participates in our investor platforms where focused engagements are held in order to ensure alignment with our investor community and that the Remgro equity story is widely understood and reflected in prevailing capital markets valuations. We aim to continually improve on our communication, messaging and disclosure as a catalyst to enable our shareholders to understand management's view on value. We believe transparent communication also better positions us to enlist wider institutional coverage and in turn provide us increased visibility to international capital markets for greater investment. We, however, remain disciplined to balance our need to communicate with the investor community with the need to avoid information asymmetry and to ensure compliance with relevant disclosure requirements and regulations in terms of the Listings Requirements of the JSE Limited (JSE). To this end, our shareholders and the investment community at large are encouraged to contact our 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.

Since 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 follows 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 were finalised and rolled-out in the Company during the year under review.

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 these 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.

Figure 1

BBBEE scorecard

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	25	20.30
Management control	Percentage black persons in executive management and/or executive board committees	19	8.21
Skills development	Skills development expenditure as a proportion of total payroll	20	11.87
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	33.22
Socio-economic development	Corporate social investment for the benefit of black persons	5	5.00
Total score		**109**	**78.60**

Since 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 engagements are on an *ad hoc* basis as and when the need arises, and are usually in the form of formal meetings or filings. Regulatory bodies such as National Treasury, the South African Reserve Bank (SARB), the Competition Commission, the Transaction Review Panel and the JSE are kept up to date regarding corporate actions in accordance with all applicable laws and regulations. Annual meetings are held with the SARB in order to keep them up to date regarding Remgro's offshore activities.

Broad-based black economic empowerment (BBBEE)

Introduction

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries, associates and joint venture initiatives in this regard. To the extent that Remgro's subsidiaries, joint ventures and associates 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, Industry and Competition. In terms of the latest assessment of Remgro's BBBEE status performed during September 2021, Remgro obtained a score of 78.60 (2020: 72.70), thereby obtaining a level 5 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 152 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 2021**	30 June 2020
Voting rights black people	4.00	**3.68**	3.08
Voting rights black women	2.00	**2.00**	1.88
Economic interest black people	4.00	**3.56**	3.14
Economic interest black women	2.00	**2.00**	1.98
Economic interest of broad-based ownership schemes	3.00	**3.00**	3.00
Black new entrants	2.00	**–**	–
Net value	8.00	**6.06**	5.22
	25.00	**20.30**	18.30

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 119.

Management control

The Board transformed over time, with six of the 11 non-executive directors (55%) 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 119.

Remgro's summarised employment equity as at 30 June 2021 is presented in Figure 2 on the next page and sets out the distribution by race of permanent employees per occupation level.

"It is therefore imperative to **attract, select and retain employees** of the highest calibre."

Figure 2

Summarised employment equity report (as at 30 June 2021)

	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	–	1	3	–	–	20
Professionally qualified and experienced specialists and mid-management	–	1	2	19	2	3	–	7	–	–	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	4	11	–	12	2	10	1	24	–	–	64
Semi-skilled and discretionary decision-making	20	20	–	–	4	6	–	–	–	–	50
Grand total	24	35	2	47	9	19	2	35	–	–	173

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

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. Although the procurement function is small, Remgro strives to make use of BBBEE accredited vendors (level 3 and better) as far as possible.

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 121.

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 42 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 173 people being employed as at 30 June 2021 (2020: 179 employees). Refer to Figure 3 on page 120 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 5.2%, compared to 10.6% for the comparative year to 30 June 2020. 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 1.7% for 2021 and 6.1% for 2020.

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 experience. Special attention is given to those groups which, for historic reasons, may fit the criteria of "previously disadvantaged persons".

The current EE plan was developed and duly approved following robust engagement through well-established consultative EE Forum and steering committee structures. Despite the numerous challenges through Covid-19 to meet at regular intervals during the year under review, our approved plan continues to be actioned and we are well positioned to continue with the implementation of the qualitative and quantitative objectives of the plan. Annually progress against the plan is reported to the Department of Employment and 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, experience 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 89 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, access to group life and disability cover, study assistance and other benefits typically offered by a responsible employer.

Training and skills development

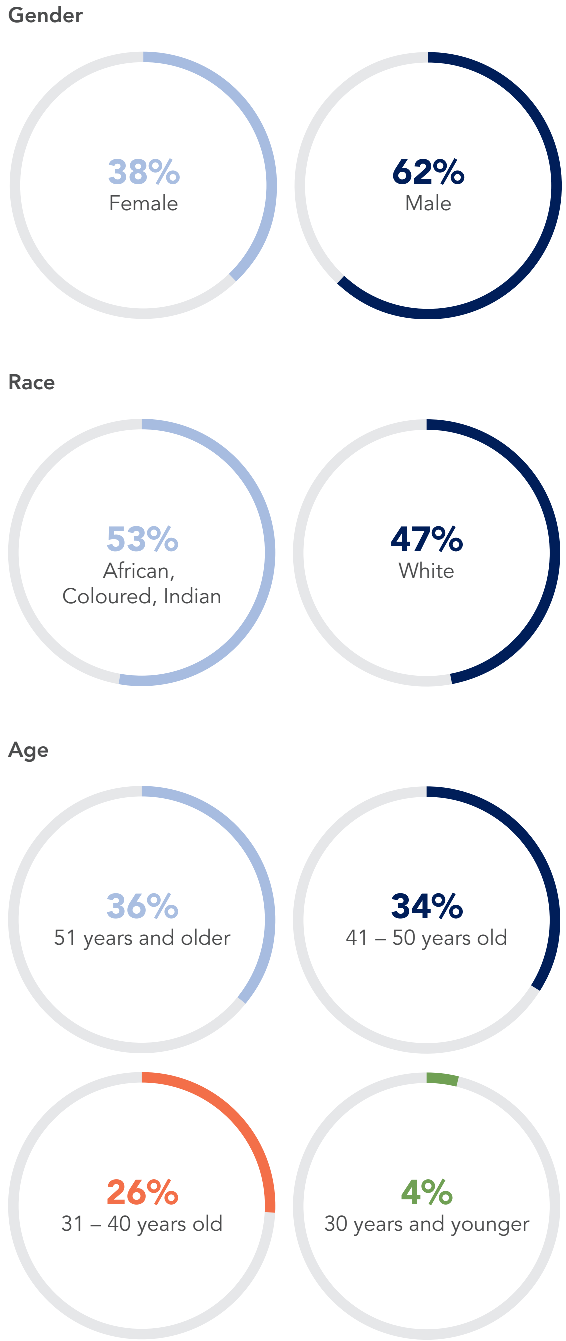
The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, development is focused on continuous professional development needs, building capacity to stay future fit and leadership development. Individuals are further encouraged to attend training programmes as identified through our ***My Contribution*** performance and career development process. During the past few years workshops and training sessions on anti-corruption practices, the Protection of Personal Information Act (Nr. 4 of 2013) (POPIA) 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 Safety, Health and Environmental 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 2021)



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:

- The establishment of a Covid-19 response team and the appointment of a Covid-19 Responsible Person.
- 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.
- Through a process of continuous monitoring, regular information sharing and education and quick and decisive actions when positive cases were reported we have been able to manage risk of exposure and transmission between employees to the minimum. Although we sadly had one fatality during the year under review we were fortunate to have a very low positive test rate among our employees.

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

Two notable donations, which are not included under Remgro's annual corporate social investment (CSI) are:

- The once-off donation in the previous financial year of R500 million to The South African SME Relief Trust (The SA SME Relief Trust) in support of the Sukuma Relief Fund (the Sukuma Fund); and
- An amount of R25 million which was committed to the Khaya Lam (My Home) Land Reform Project (Khaya Lam Project), of which R8 million was allocated during the year under review (2020: R9 million).

The Sukuma Fund, with more than R1 billion in total donations, was created to provide financial assistance and relief to small and medium enterprises (SMEs) adversely affected by measures taken to contain the spread of the Covid-19 pandemic. The Sukuma Fund was closed in December 2020 and disbursements up to 30 June 2021 were as follows:

- Soft loans to 1 304 SMEs amounting to R747 million
- Survival grants to more than 1 270 SMEs and 2 600 formal sole proprietors amounting to R97 million.

The number of employees that benefited from this initiative amounted to 32 527.

The SA SME Relief Trust also dedicated R200 million to a number of initiatives targeting SMEs like the Restaurant Restart Programme, Working Capital Relief Programme and Social Unrest Relief Programme, Technical Assistance interest-free loans and an Advocacy Programme for SMEs.

The Khaya Lam Project facilitates the granting of title deeds to qualifying township residents, 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 on the Western Cape where it was kicked off. In terms of the first tranche of R9 million, which was committed as part of the R25 million, approximately 2 908 title deeds have been delivered or are in the process of being delivered. In terms of the second tranche of R8 million, which covers two projects both in their infancy, 470 transfers are planned for Wupperthal (a two-year project) and 2 100 for Brown's Farm.

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 R22 million (2020: R25 million), as set out in the table below.

Summary of CSI spend	**Year ended 30 June 2021 R million**	Year ended 30 June 2020 R million
Community development	**6**	6
Cultural development	**3**	3
Entrepreneurship, training and education	**8**	11
Environment	**2**	2
Healthcare	**1**	–
Sport development	**2**	3
	22	25

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

2021 has been a year of greater understanding of the essential role environmental services play in the global economy. The drivers are many, including the Covid-19 pandemic and the desire to "build back better"; increased investor demand for transparency, especially with relation to climate change; changing consumer behaviour; and the increase in frequency and severity of extreme weather events. All Remgro businesses are influenced by such trends and, as individual entities, are responsible to their diversified stakeholders as well as to Remgro as their parent company, for the appropriate management of critical environmental issues such as greenhouse gas emissions, energy, water consumption, and the generation and safe disposal of waste products.

In line with the Remgro Safety, Health and Environment Management (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 subcommittee 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. In the year to come, a formal Environmental, Social and Governance (ESG) Committee of the Remgro Board, as well as a Management Operational Committee will be formed to formally address the ESG environment through formalised terms of reference.

At the separate operating subsidiary level (i.e. RCL Foods, Siqalo Foods, Distell and Wispeco), environmental management is the responsibility of the individual executive teams who are expected to adhere to the Remgro SHE Policy and report to their boards on which Remgro is represented. Each company sets their own environmental targets in alignment with their sector expectations and have autonomous decision-making powers on how these targets are to be achieved.

As separately listed companies on the JSE, RCL Foods and Distell also report their environmental performances through their annual integrated and sustainability reporting procedures, and into third-party reporting initiatives such as the CDP (formerly Carbon Disclosure Project) on its climate change, water security and forestry questionnaires.

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.

FINANCIAL REPORT

Our portfolio continued to deliver a resilient set of results despite the impact of a subdued macroeconomic environment, underpinned by our strong capital allocation strategy.

Statement of **responsibility** by the Board of Directors

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the Annual Financial Statements included in this Integrated Annual Report.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act (No. 71 of 2008), as amended (Companies Act), on the going concern basis and incorporate full and responsible disclosure. The Annual Financial Statements are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates. The financial statements have been prepared under the supervision of the Chief Financial Officer (CFO), Neville Williams CA(SA).

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Remgro Group at year-end. The accuracy of the other information included in the Integrated Annual Report was considered by the directors and they are satisfied that it accords with the financial statements. The Board also confirms its compliance with the Companies Act and the Company's Memorandum of Incorporation for the reporting period.

The directors are also responsible for the Remgro Group's system of internal financial controls. The system was developed to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements, the safeguarding of assets and to prevent and detect misrepresentation and losses.

The directors are of the opinion that the Remgro Group will continue as a going concern in the future.

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The auditor's report is presented on page 12 of the comprehensive Annual Financial Statements that is published on the Company's website at www.remgro.com.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
21 September 2021

Responsibility statement of the CEO and CFO

We, Jan Jonathan Durand and Neville John Williams, being the Chief Executive Officer (CEO) and CFO of Remgro Limited (Remgro), respectively, hereby confirm that –

- the Annual Financial Statements set out on pages 20 to 122 of the comprehensive Annual Financial Statements that is published on the Company's website at www.remgro.com, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King IV Report on Corporate Governance for South Africa (2016). Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Based on our confirmation that the internal financial controls are operational and effective, we are pleased to confirm that no instances of fraudulent activities involving directors were identified in the Group during the past year.

Jannie Durand
Chief Executive Officer

Neville Williams
Chief Financial Officer

Stellenbosch
21 September 2021

Statement by the **Company Secretary**

I, Danielle Ivelene Dreyer, being the Company Secretary of Remgro, hereby certify that all returns and notices of Remgro required in terms of the Companies Act (No. 71 of 2008), as amended, have in respect of the year under review been filed with the Companies and Intellectual Property Commission and that all such returns and notices appear to be true, correct and up to date.

Danielle Dreyer
Company Secretary

Stellenbosch
21 September 2021

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 2021.

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 20 to 23 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 2021
- 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 53 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 73 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 (IRBA), 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 (AGM) on 25 November 2021, PwC as external auditor for the 2022 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 IRBA, the Company is obliged to rotate its external auditor for the 2024 financial year. Following a comprehensive tender process, the Audit and Risk Committee recommended to appoint Ernst & Young Inc. (EY) as the new external auditor of Remgro, with effect from the financial year ending 30 June 2024. An indicative non-binding advisory vote to appoint EY, with effect from the 2024 financial year, will be put forward at the Company's 2021 AGM. The ordinary resolution to affect the statutory appointment would only serve at the Company's 2023 AGM (see Ordinary Resolution Number 14 in the Notice to shareholders on page 158). Subject to the passing of the relevant ordinary resolutions at the Company's 2021 and 2022 AGMs, the incumbent external auditor of the Company, PwC, will continue to act as external auditor of the Company for the financial years ending 30 June 2022 and 30 June 2023, respectively.

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 21 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:

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

  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 fair value of investments 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 investments, whose carrying values exceed its fair values, and is satisfied that the approach taken was appropriate. The most significant investment and 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, respectively.

  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 details.

- **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 investments in this regard being Mediclinic and Community Investment Ventures Holdings Proprietary Limited (CIVH). 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 Group'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 2021. 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 details.

- 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 still 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.

During the year under review the ROTIG Committee, through the legal compliance function, embarked on a Protection of Personal Information project to:

- assess the use of personal information within the Company and its wholly owned subsidiaries administered by RMS;
- assess compliance with the newly implemented Protection of Personal Information Act (No. 4 of 2013) (POPIA);
- develop solutions to areas of non-compliance; and
- implemented same.

Through this process various Remgro policies were identified that required amendment in line with POPIA and also a number of new policies that needed to be drafted. These include a POPIA framework, consisting of an overarching Internal Privacy Policy, External Privacy Policy, Information Sharing and Data Access Request Policy and Security Compromises Policy. Compliance with POPIA is enforced through an ongoing training programme. The head of legal, Mr Luche Joubert, was appointed as the Information Officer.

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 CIVH, RMB Holdings Limited, 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 82.

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
21 September 2021

Report of the **Board of Directors**

for the year ended 30 June 2021

Dear Shareholder

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

Nature of activities

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

The Group's interests consist mainly of investments in healthcare; consumer products; financial services; infrastructure, industrial and media interests.

Results

Year ended	30 June 2021	30 June 2020
Total headline earnings (R million)	**2 885**	3 167
– per share (cents)	**510.6**	560.6
– diluted (cents)	**508.1**	558.4
Headline earnings from continuing operations (R million)*	**2 885**	1 737
– per share (cents)	**510.6**	307.5
– diluted (cents)	**508.1**	305.6
Earnings – net profit for the year (R million)	**3 550**	6 646
– per share (cents)	**628.3**	1 176.4
– diluted (cents)	**625.5**	1 173.6
Dividends (R million)**	**511**	1 506
– ordinary – per share (cents)	**90.00**	265.00

* *Headline earnings from continuing operations for the comparative year was calculated by excluding the equity accounted income of RMB Holdings Limited due to the unbundling of the investment.*

** *A final dividend of 60 cents (2020: 50 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:

Community Investment Ventures Holdings Proprietary Limited (CIVH)

During January 2021, Remgro subscribed for 54 738 shares in CIVH for a total amount of R1 636 million in terms of a rights issue. This share subscription increased Remgro's interest in CIVH marginally from 54.7% at 30 June 2020 to 55.2% at 30 June 2021.

Subsequent to 30 June 2021, Remgro subscribed for a further 67 364 shares in CIVH for a total amount of R2 124 million in terms of a further rights issue, increasing Remgro's interest in CIVH to 55.5%. The proceeds of both rights issues were used to reduce the CIVH group's debt, as well as to unlock capital expenditure facilities for further growth.

FirstRand Limited (FirstRand)

During May 2021 Remgro sold 40 000 000 FirstRand shares through an accelerated book build offering for a gross consideration of R2 040 million (or R51.00 per share). The transaction reduced Remgro's interest in FirstRand to 3.3% (2020: 4.0%).

RCL Foods Limited (RCL Foods)

During November and December 2020 Remgro acquired a further 28 940 412 RCL Foods shares for a total amount of R234 million. At 30 June 2021 Remgro's effective interest in RCL Foods was 80.4% (2020: 77.1%).

Asia Partners I LP (Asia Partners)

During the year under review, Remgro committed to invest $25 million in Asia Partners. Asia Partners makes private equity and private equity-related investments in technology or technology-enabled companies focused primarily on the Southeast Asia region. On 3 March 2021, Asia Partners, who had an initial target fund size of $300 million, announced its final close at $384 million in commitments. Up to 30 June 2021, Remgro invested $11 million, which included $1 million relating to fund closing costs. As at 30 June 2021 the remaining commitment to Asia Partners amounted to $15 million.

Subsequent to 30 June 2021 Remgro invested a further $6 million in Asia Partners.

Milestone China Funds

As at 30 June 2021, Remgro's total investment in Milestone China Opportunities Fund III (Milestone III) amounted to $100 million. During the year under review Remgro received distributions of $14 million from Milestone III, thereby increasing its cumulative distributions received to $85 million. As at 30 June 2021 the fair value of Remgro's investment in Milestone III amounted to $86 million.

Subsequent to 30 June 2021 Remgro received distributions of $4 million from Milestone III.

Pembani Remgro Infrastructure Fund (PRIF)

During the year under review Remgro invested a further R114 million in PRIF and received distributions of R81 million, thereby increasing its cumulative investment to R486 million and cumulative distributions received to R338 million. As at 30 June 2021 the fair value of Remgro's investment in PRIF amounted to R368 million and remaining commitment to PRIF amounted to R164 million.

Kagiso Tiso Holdings Proprietary Limited (KTH)

During November 2020 Tiso Blackstar Group Proprietary Limited exited its 20.0% investment in KTH through multiple inter-connected steps, which increased Remgro's interest in KTH. At 30 June 2021 Remgro's effective interest in KTH was 43.5% (2020: 36.3%).

Invenfin Proprietary Limited (Invenfin)

During the year under review Remgro (through its wholly owned subsidiary, Invenfin) invested a further €4 million in Bolt Technology OÜ (Bolt), thereby increasing its cumulative investment to €9 million (or 0.7%). Bolt is a leading mobility and delivery services platform, headquartered in Tallinn, Estonia and operating across Europe and Africa.

Other

Other smaller investments amounted to R167 million.

Events after year-end

Rand Merchant Investment Holdings Limited (RMI)

On 20 September 2021 RMI announced its decision to restructure its investment portfolio by the distribution of all the shares held by it in its two life insurance-focused assets, Discovery Limited and Momentum Metropolitan Holdings Limited, as well as an equity capital raise of up to R6.5 billion by way of a *pro rata* rights issue to optimise its capital structure (the RMI Restructure). Remgro gave its in-principle support for the RMI Restructure. Following the RMI Restructure, RMI's remaining assets will consist mainly of its 89.1% investment in OUTsurance Holdings Limited and its 30.0% investment in Hastings Group Holdings plc.

Civil unrest in South Africa

Distell Group Holdings Limited (Distell) and RCL Foods

Civil unrest occurred in South Africa's KwaZulu-Natal and Gauteng provinces from 9 to 17 July 2021, which resulted in violence and the destruction and looting of property and businesses. One of the Distell distribution centres in KwaZulu-Natal was damaged and its operations disrupted. Initial assessments placed the damage between R80 million and R100 million. Various of RCL Foods' KwaZulu-Natal-based sites in the Chicken and Vector Logistics business units were also impacted by the civil unrest and resultant looting and vandalism of property. RCL Foods estimated the impact of the civil unrest at approximately R46 million.

The impact of the civil unrest is regarded as a non-adjusting event in terms of *IAS 10: Events after the Reporting Period*. No adjustments were therefore made to the amounts recognised in the financial statements of 30 June 2021.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2021.

Financing activities

On 22 March 2016 Remgro issued exchangeable bonds (through its wholly owned subsidiary, Remgro Jersey GBP Limited) amounting to £350 million. These exchangeable bonds were redeemed in cash on 22 March 2021.

Cash resources at the centre

The Company's cash resources at 30 June 2021 were as follows:

	30 June 2021			30 June
R million	**Local**	**Offshore**	**Total**	2020
Per consolidated statement of financial position	**5 478**	**3 285**	**8 763**	15 631
Investment in money market funds	**5 010**	**–**	**5 010**	4 945
Less: Cash of operating subsidiaries	**(2 992)**	**(1 075)**	**(4 067)**	(3 503)
Cash at the centre	**7 496**	**2 210**	**9 706**	17 073

On 30 June 2021, approximately 51% (R4 980 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

RMB Holdings Limited (RMH) and FirstRand

During June 2020 Remgro unbundled its 28.2% interest in RMH (RMH Unbundling) and, consequently, the investment in RMH was treated as a discontinued operation for the year ended 30 June 2020. For the year under review, earnings and headline earnings measures are again presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the prior year include the equity accounted income of RMH.

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand due to, among other factors, 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 comparative year, the investment in FirstRand was equity accounted whereas, from the date of the FirstRand Reclassification, only dividend income is accounted for FirstRand in the income statement. Dividends of R191 million were received from FirstRand during the year under review (2020: cash dividends of R655 million). As a result of the Covid-19 pandemic, FirstRand only paid an interim dividend during the year under review.

Reporting platforms

Each significant investment is classified as an operating segment. Operating segments are presented in platforms. Platforms consist of investments with similar economic characteristics. As reported previously, the platforms under which the results of investee companies are being reported to the Chief Operating Decision-Maker were changed and certain investments reallocated in line with internal reporting to enhance stakeholder communication. The *Media and sport* and *Other investments* platforms that were reported under up to the 2020 financial year, were replaced by the following new platforms:

- *Media* (consisting mainly of eMedia Investments Proprietary Limited);
- *Portfolio investments* (non-strategic investments consisting mainly of FirstRand and British American Tobacco plc);
- *Diversified investment vehicles* (entities whose main business is to make investments consisting mainly of KTH, the Asian funds, Invenfin and PRIF); and
- *Social impact investments* (consisting mainly of the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (SAS)).

Comparative figures have been re-presented accordingly.

Covid-19

The Board will continue to monitor the effects of the Covid-19 pandemic on the Remgro Group. Based on the facts and circumstances known and the possible scenarios about how the Covid-19 pandemic and various levels of lockdown could still 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.

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 2021		30 June 2020	
	R million	**R per share**	R million	R per share
Equity employed				
Attributable to equity holders	**88 059**	**155.86**	86 773	153.59
Employment of equity				
Healthcare	**24 581**	**43.51**	27 443	48.57
Consumer products	**22 066**	**39.06**	20 602	36.47
Financial services	**11 447**	**20.26**	10 980	19.43
Infrastructure	**6 547**	**11.59**	5 224	9.25
Industrial	**4 732**	**8.38**	4 506	7.98
Diversified investment vehicles	**5 350**	**9.47**	5 058	8.95
Media	**818**	**1.45**	846	1.50
Portfolio investments	**8 320**	**14.73**	7 850	13.89
Social impact investments	**135**	**0.24**	331	0.59
Central treasury				
– Cash at the centre	**9 706**	**17.18**	17 073	30.22
– Debt at the centre	**(7 821)**	**(13.84)**	(15 288)	(27.06)
Other net corporate assets	**2 178**	**3.83**	2 148	3.80
	88 059	**155.86**	86 773	153.59

Income statement

	30 June 2021		30 June 2020	
	R million	**%**	R million	%
Source of headline earnings				
Healthcare	**674**	**23**	1 655	52
Consumer products	**1 576**	**55**	545	17
Financial services	**921**	**32**	624	20
Infrastructure	**(376)**	**(13)**	(716)	(23)
Industrial	**1 014**	**35**	267	9
Diversified investment vehicles	**(260)**	**(9)**	(255)	(8)
Media	**53**	**2**	78	2
Portfolio investments	**247**	**9**	695	22
Social impact investments	**(66)**	**(2)**	19	1
Central treasury				
– Finance income	**212**	**7**	479	15
– Finance costs	**(861)**	**(30)**	(951)	(30)
– Option remeasurement	**–**	**–**	2	–
Other net corporate costs	**(249)**	**(9)**	(705)	(22)
Continuing operations	**2 885**	**100**	1 737	55
Discontinued operations	**–**	**–**	1 430	45
	2 885	**100**	3 167	100

R million	**30 June 2021**	30 June 2020
Composition of headline earnings		
Subsidiaries	**812**	(713)
Profits	**1 862**	783
Losses	**(1 050)**	(1 496)
Associates and joint ventures	**2 073**	3 880
Profits	**2 780**	5 060
Losses	**(707)**	(1 180)
	2 885	3 167

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 2020, 3 297 213 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 17 050 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants.

At 30 June 2021, 3 280 163 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% (2020: 42.62%) of the total votes.

An analysis of the shareholders appears on pages 152 and 153.

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 20 to 23 of the Integrated Annual Report.

The following changes were effective 30 November 2020:

- Mr P K Harris retired as independent non-executive director from the Board;
- Mr J Malherbe resigned as co-deputy Chairman;
- Mr K M S Rantloane was appointed as independent non-executive director and as a 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; and
- Ms S E N De Bruyn was appointed as a member of the Remuneration and Nomination Committee.

The Board wishes to thank Mr PK Harris for his valuable contribution over many years and wishes to welcome Mr K M S Rantloane as director to the Company.

In terms of the provision of the Memorandum of Incorporation, Messrs J J Durand, N P Mageza, J Malherbe, F Robertson and A E Rupert retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

Directors' interests

At 30 June 2021 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 3.33% (2020: 3.37%).

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 154.

Directors' emoluments

The total directors' fees for services rendered as directors during the past financial year amounted to R5.7 million (2020: R5.7 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 155 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 155 of the Integrated Annual Report.

Declaration of cash dividend

Declaration of cash dividend No. 42

Notice is hereby given that a final gross dividend of 60 cents (2020: 50 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 2021.

A dividend withholding tax of 20% or 12 cents per share will be applicable, resulting in a net dividend of 48 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 2021 therefore amounts to 90 cents, compared to 265 cents for the year ended 30 June 2020. The final dividend of 2020, as well as the interim and final dividends of 2021, were adjusted downwards to take into account the RMH Unbundling during the prior year and the ongoing impact of the Covid-19 pandemic.

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, 22 November 2021, to shareholders of the Company registered at the close of business on Friday, 19 November 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 November 2021, and Friday, 19 November 2021, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. 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 25 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 136 to 148 have been approved by the Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
21 September 2021

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 136 to 148 of the Integrated Annual Report 2021, which comprise the summary consolidated statement of financial position as at 30 June 2021, 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 2021.

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 21 September 2021. 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.

PricewaterhouseCoopers Inc.

Director: A Wentzel
Registered Auditor

Stellenbosch, South Africa
21 September 2021

Statement of **financial position**

at 30 June 2021

R million	Notes	**30 June 2021**	30 June 2020
Assets			
Non-current assets			
Property, plant and equipment		**16 765**	16 845
Investment properties		**124**	109
Intangible assets	5	**20 680**	21 067
Investments – Equity accounted	6	**50 207**	50 991
– Financial assets at fair value through other comprehensive income (FVOCI)		**14 342**	12 505
Financial assets at fair value through profit and loss (FVPL)		**214**	309
Hedge derivatives		**–**	101
Retirement benefits		**692**	868
Long-term loans and debtors		**146**	181
Deferred taxation		**208**	190
		103 378	103 166
Current assets		**37 388**	43 933
Inventories		**12 621**	12 032
Biological agricultural assets		**955**	805
Debtors and short-term loans		**9 597**	9 958
Loans to equity accounted investments		**94**	–
Financial assets at FVPL		**83**	11
Taxation		**258**	258
Investment in money market funds		**5 010**	4 945
Cash and cash equivalents		**8 763**	15 631
		37 381	43 640
Assets held for sale		**7**	293
Total assets		**140 766**	147 099
Equity and liabilities			
Stated capital		**13 416**	13 416
Reserves		**75 204**	73 921
Treasury shares		**(561)**	(564)
Shareholders' equity		**88 059**	86 773
Non-controlling interest		**15 517**	14 670
Total equity		**103 576**	101 443
Non-current liabilities		**20 103**	23 139
Retirement benefits		**136**	141
Long-term loans	7	**11 978**	15 167
Lease liabilities		**1 440**	1 725
Deferred taxation		**6 389**	6 106
Hedge derivatives		**160**	–
Current liabilities		**17 087**	22 517
Trade and other payables		**12 844**	11 616
Short-term loans		**3 401**	10 158
Lease liabilities		**275**	310
Financial liabilities at FVPL		**471**	279
Taxation		**96**	154
Total equity and liabilities		**140 766**	147 099

Income statement

for the year ended 30 June 2021

R million	Notes	30 June 2021	30 June 2020
Continuing operations			
Revenue	13	**65 803**	54 732
Inventory expenses		**(38 387)**	(32 291)
Staff costs		**(9 251)**	(8 451)
Depreciation		**(1 711)**	(1 682)
Other net operating expenses		**(12 005)**	(10 763)
Trading profit		**4 449**	1 545
Dividend income		**366**	45
Interest received		**446**	862
Fair value adjustment on exchangeable bonds' option		**–**	2
Finance costs		**(1 548)**	(1 876)
Net impairment of investments, assets and goodwill		**1 039**	(4 234)
Loss allowances on loans		**(205)**	(290)
Bargain purchase gain		**8**	278
Profit on sale and dilution of investments		**17**	4 220
Consolidated profit before tax		**4 572**	552
Taxation		**(1 135)**	(452)
Consolidated profit after tax		**3 437**	100
Share of after-tax profit/(loss) of equity accounted investments	6	**1 618**	(2 272)
Net profit/(loss) for the year from continuing operations		**5 055**	(2 172)
Discontinued operations[1]			
Profit for the year from discontinued operations		**–**	8 755
Net profit for the year		**5 055**	6 583
Attributable to:			
Equity holders		**3 550**	6 646
Continuing operations		**3 550**	(2 109)
Discontinued operations		**–**	8 755
Non-controlling interest		**1 505**	(63)
		5 055	6 583

[1] *On 31 March 2020 the investment in RMH was transferred from "investment – equity accounted" to "assets held for distribution" (refer to "Comparison with the prior year" on page 140). Profit from discontinued operations for the prior year includes the equity accounted income of RMH, as well as the profit realised on the RMH Unbundling.*

Statement of **comprehensive income**

for the year ended 30 June 2021

R million	**30 June 2021**	30 June 2020
Net profit for the year	**5 055**	6 583
Other comprehensive income, net of tax	**(2 512)**	6 554
Items that may be reclassified subsequently to the income statement:		
Exchange rate adjustments	**(4 188)**	6 880
Fair value adjustments for the year	**(520)**	(3)
Deferred taxation on fair value adjustments	**112**	6
Reclassification of other comprehensive income to the income statement	**9**	(1 073)
Other comprehensive income of equity accounted investments	**(2 627)**	2 671
Items that will not be reclassified to the income statement:		
Fair value adjustments for the year	**4 150**	(1 210)
Deferred taxation on fair value adjustments	**(448)**	(668)
Capital gains taxation on disposal of FVOCI investments	**(343)**	–
Remeasurement of post-employment benefit obligations	**157**	133
Deferred taxation on remeasurement of post-employment benefit obligations	**(45)**	(37)
Change in reserves of equity accounted investments	**1 231**	(145)
Total comprehensive income for the year	**2 543**	13 137
Total comprehensive income attributable to:		
Equity holders	**1 345**	12 900
Non-controlling interest	**1 198**	237
	2 543	13 137

Statement of **changes in equity**

for the year ended 30 June 2021

R million	**30 June 2021**	30 June 2020
Balance at the beginning of the year	**101 443**	115 866
Total comprehensive income for the year	**2 543**	13 137
Dividends paid	**(506)**	(3 883)
Dividends *in specie*[1]	**–**	(23 716)
Transactions with non-controlling shareholders	**(241)**	58
Other movements	**18**	(25)
Business acquired	**3**	–
Long-term share incentive scheme reserve	**316**	6
Balance at the end of the year	**103 576**	101 443

(1) *RMH Unbundling.*

Statement of **cash flows**

for the year ended 30 June 2021

R million	30 June 2021	30 June 2020
Cash flows – operating activities		
Cash generated from operations	**7 017**	4 340
Interest received	**446**	777
Taxation paid	**(1 628)**	(772)
Dividends received	**1 293**	2 984
Finance costs	**(1 676)**	(1 592)
Cash available from operating activities	**5 452**	5 737
Proceeds from retirement fund assets transferred to Distell	**405**	–
Dividends paid	**(506)**	(3 883)
Cash inflow from operating activities	**5 351**	1 854
Cash flows – investing activities		
Investment in property, plant and equipment and other assets	**(2 048)**	(2 467)
Proceeds on disposal of property, plant and equipment and intangible assets	**242**	131
Proceeds on disposal of assets held for sale	**510**	10
Businesses acquired	**(64)**	110
Proceeds on disposal of investments and loans[(1)]	**2 542**	925
Additions to investments and loans[(2)]	**(2 317)**	(417)
Investment in money market funds	**(800)**	(2 275)
Withdrawal of money market funds	**735**	2 505
Cash outflow from investing activities	**(1 200)**	(1 478)
Cash flows – financing activities		
Loans repaid[(3)]	**(7 579)**	(11)
Lease payments	**(454)**	(406)
Other movements	**156**	166
Cash outflow from financing activities	**(7 877)**	(251)
Net increase/(decrease) in cash and cash equivalents	**(3 726)**	125
Exchange rate profit/(loss) on foreign cash	**(892)**	1 549
Cash and cash equivalents at the beginning of the year	**13 219**	11 545
Cash and cash equivalents at the end of the year	**8 601**	13 219
Cash and cash equivalents – per statement of financial position	**8 763**	15 631
Bank overdraft	**(162)**	(2 412)

(1) *The year under review includes the proceeds on the disposal of 40 000 000 FirstRand shares amounting to R2 040 million.*
(2) *The year under review includes an investment in CIVH amounting to R1 636 million.*
(3) *Remgro redeemed its exchangeable bonds for £350 million cash on 22 March 2021.*

Notes to the **summary financial statements**

for the year ended 30 June 2021

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. 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. Comparison with the prior year

RMB Holdings Limited (RMH) and FirstRand Limited (FirstRand)

During June 2020 Remgro unbundled its 28.2% interest in RMH (RMH Unbundling) and, consequently, the investment in RMH was treated as a discontinued operation for the year ended 30 June 2020. For the year under review, earnings and headline earnings measures are again presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the prior year include the equity accounted income of RMH.

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand due to, among other factors, 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 comparative year, the investment in FirstRand was equity accounted whereas, from the date of the FirstRand Reclassification, only dividend income is accounted for FirstRand in the income statement. Dividends of R191 million were received from FirstRand during the year under review (2020: cash dividends of R655 million). As a result of the Covid-19 pandemic, FirstRand only paid an interim dividend during the year under review.

Reporting platforms

Each significant investment is classified as an operating segment. Operating segments are presented in platforms. Platforms consist of investments with similar economic characteristics. As reported previously, the platforms under which the results of investee companies are being reported to the Chief Operating Decision-Maker were changed and certain investments reallocated in line with internal reporting to enhance stakeholder communication. The *Media and sport* and *Other investments* platforms that were reported under up to the 2020 financial year, were replaced by the following new platforms:

- *Media* (consisting mainly of eMedia Investments Proprietary Limited (eMedia Investments));
- *Portfolio investments* (non-strategic investments consisting mainly of FirstRand and British American Tobacco plc (BAT));
- *Diversified investment vehicles* (entities whose main business is to make investments consisting mainly of Kagiso Tiso Holdings Proprietary Limited (KTH), the Asian funds, Invenfin Proprietary Limited (Invenfin) and Pembani Remgro Infrastructure Fund (PRIF)); and
- *Social impact investments* (consisting mainly of the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (SAS)).

Comparative figures have been re-presented accordingly.

3. Headline earnings reconciliation

R million	30 June 2021	30 June 2020
Continuing operations		
Net profit/(loss) for the year attributable to equity holders (earnings)	**3 550**	(2 109)
– Impairment of equity accounted investments[1]	**22**	930
– Reversal of impairment of equity accounted investments[1]	**(1 154)**	(73)
– Impairment of property, plant and equipment	**97**	639
– Reversal of impairment of property, plant and equipment	**(3)**	(2)
– Impairment of investment properties	**–**	10
– Impairment of intangible and other assets[2]	**–**	2 730
– Bargain purchase gain	**(8)**	(278)
– Profit on sale and dilution of equity accounted investments[3]	**(29)**	(4 241)
– Loss on sale and dilution of equity accounted investments	**12**	21
– Profit on disposal of property, plant and equipment	**(249)**	(56)
– Loss on disposal of property, plant and equipment	**17**	18
– Non-headline earnings items included in equity accounted earnings of equity accounted investments	**468**	4 725
– (Profit)/loss on disposal of property, plant and equipment	**(31)**	16
– Profit on sale of investments	**(70)**	(130)
– Loss on sale of investments	**76**	8
– Impairment of investments, assets and goodwill[4]	**507**	4 810
– Other headline earnings adjustable items	**(14)**	21
– Taxation effect of adjustments	**(11)**	(204)
– Non-controlling interest	**173**	(373)
Headline earnings from continuing operations	**2 885**	1 737
Discontinued operations		
Net profit for the year attributable to equity holders (earnings)	**–**	8 755
– Profit on sale of equity accounted investments[5]	**–**	(7 360)
– Non-headline earnings items included in equity accounted earnings of equity accounted investments		
– Loss on sale of investments	**–**	35
Headline earnings from discontinued operations	**–**	1 430
Total headline earnings from continuing and discontinued operations	**2 885**	3 167

(1) *Refer to "Net impairments of equity accounted investments" on page 143 for further details.*
(2) *Refer to "Intangible assets" on page 142 for further details.*
(3) *"Profit on sale and dilution of equity accounted investments" for the prior year 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 prior year 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.*
(5) *"Profit on sale of equity accounted investments" for the prior year consists of the profit realised on the RMH Unbundling.*

4. Earnings and dividends

Cents	**30 June 2021**	30 June 2020
Total headline earnings per share		
– Basic	**510.6**	560.6
Continuing operations	**510.6**	307.5
Discontinued operations	**–**	253.1
– Diluted	**508.1**	558.4
Continuing operations	**508.1**	305.6
Discontinued operations	**–**	252.8
Earnings per share		
– Basic	**628.3**	1 176.4
Continuing operations	**628.3**	(373.3)
Discontinued operations	**–**	1 549.7
– Diluted	**625.5**	1 173.6
Continuing operations	**625.5**	(373.9)
Discontinued operations	**–**	1 547.5
Dividends per share		
Ordinary	**90.00**	265.00
– Interim	**30.00**	215.00
– Final	**60.00**	50.00

5. Intangible assets

R million	**30 June 2021**	30 June 2020
Carrying value at the beginning of the year	**21 067**	24 024
Additions	**143**	149
Businesses acquired	**59**	8
Impairments[1]	**–**	(2 730)
Amortisation	**(495)**	(523)
Foreign exchange translation	**(91)**	132
Transfers and other	**(3)**	7
Carrying value at the end of the year	**20 680**	21 067

[1] *As a result of the negative impact of the Covid-19 lockdown, the Group recognised impairments on goodwill allocated to Distell (R1 809 million), as well as impairments on RCL Foods' goodwill (R598 million) and indefinite life intangible assets (R315 million) on 30 June 2020. Subsequent to 30 June 2020, these business units' cash flows recovered and their recoverable amounts exceeded their carrying values on 30 June 2021.*

6. Investments – equity accounted

R million	30 June 2021	30 June 2020
Associates	**44 756**	46 347
Joint ventures	**5 451**	4 644
Investments – Equity accounted	**50 207**	50 991
Loans to equity accounted investments – Current	**94**	–
	50 301	50 991

Equity accounted investments reconciliation

	30 June 2021	30 June 2020
Carrying value at the beginning of the year	**50 991**	70 860
Share of net attributable profit/(loss)	**1 618**	(878)
Dividends received	**(928)**	(2 620)
Exchange rate differences	**(2 727)**	5 527
Investments made	**1 830**	254
RMH Unbundling[(1)]	**–**	(17 182)
FirstRand Reclassification[(2)]	**–**	(6 061)
Dark Fibre Africa loans reclassified to debtors and short-term loans	**–**	(468)
Net impairments	**1 011**	(885)
Equity accounted movements on reserves	**(1 398)**	2 526
Other movements	**(96)**	(82)
Carrying value at the end of the year	**50 301**	50 991

(1) *On 31 March 2020 the investment in RMH was transferred from "investment – equity accounted" to "assets held for distribution".*
(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.*

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 2021	30 June 2020
Best Global Brands Limited (BGB)[(1)]	**–**	(144)
Grindrod[(2)]	**488**	(596)
Grindrod Shipping[(2)]	**607**	(112)
Other impairments	**(84)**	(33)
	1 011	(885)

(1) *The further significant devaluation of the Angolan kwanza during the prior year has negatively affected the earnings of BGB. The recoverable amount was based on a fair value less cost to sell calculation. At 30 June 2021 the recoverable amount exceeded the carrying value.*
(2) *Reversals of impairment were recognised for these investments to their listed market prices following a significant increase in the share price.*

The listed market value of the investment in Mediclinic was R19 358 million on 30 June 2021 (2020: R18 769 million), which is significantly lower than the carrying value of R24 581 million (2020: R27 443 million) before impairment. 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	**12.7**	**4.5**
Switzerland	**5.1**	**1.6**
Middle East	**8.7**	**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 was R29 625 million on 30 June 2021 (2020: R28 776 million) and, as a result, no further impairment was recognised.

6. Investments – equity accounted (continued)

Share of after-tax profit/(loss) of equity accounted investments

R million	30 June 2021	30 June 2020
Profit before taking into account impairments and non-recurring items	**3 404**	5 176
Net impairment of investments, assets and goodwill	**(507)**	(4 810)
Profit on the sale of investments	**(6)**	87
Other headline earnings adjustable items	**14**	(21)
Profit before tax and non-controlling interest	**2 905**	432
Taxation	**(1 111)**	(952)
Non-controlling interest	**(176)**	(358)
	1 618	(878)
Continuing operations	**1 618**	(2 272)
Discontinued operations	**–**	1 394

7. Long-term loans

	30 June 2021	30 June 2020
20 000 Class A 7.5% cumulative redeemable preference shares	**3 508**	3 507
10 000 Class B 8.3% cumulative redeemable preference shares	**4 313**	4 313
Exchangeable bonds with an effective interest rate of 4.5% (redeemed on 22 March 2021)	**–**	7 468
Various other loans	**7 076**	7 456
	14 897	22 744
Short-term portion of long-term loans	**(2 919)**	(7 577)
	11 978	15 167

	30 June 2021	30 June 2020
8. Additions to and replacement of property, plant and equipment	**2 081**	2 976
9. Capital and investment commitments[1] (Including amounts authorised but not yet contracted for)	**5 818**	2 299
10. Guarantees and contingent liabilities[2]	**3 692**	3 353
11. Dividends received from equity accounted investments set off against investments	**928**	2 620

[1] *The year under review includes an investment commitment of R2 124 million to CIVH, which was paid on 19 July 2021.*
[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 2021 amounted to R3 594 million.*

12. 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).

12. Fair value remeasurements (continued)

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

R million	*Level 1*	*Level 2*	*Level 3*	Total
30 June 2021				
Assets				
Non-current assets				
Financial assets at FVOCI	**11 933**	**3**	**2 406**	**14 342**
Financial assets at FVPL	**–**	**–**	**214**	**214**
Current assets				
Financial assets at FVPL	**–**	**83**	**–**	**83**
Investment in money market funds	**5 010**	**–**	**–**	**5 010**
	16 943	**86**	**2 620**	**19 649**
Liabilities				
Current instruments at FVPL	**–**	**471**	**–**	**471**
	–	**471**	**–**	**471**
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

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 2020	**1 963**	**309**	**2 272**
Additions	**403**	**–**	**403**
Disposals	**(244)**	**(142)**	**(386)**
Exchange rate adjustment	**(242)**	**82**	**(160)**
Fair value adjustments through other comprehensive income	**526**	**–**	**526**
Fair value adjustments through profit and loss	**–**	**(35)**	**(35)**
Balances at 30 June 2021	**2 406**	**214**	**2 620**

Level 3 financial assets consist mainly of investments in the Milestone China entities (Milestone) and PRIF amounting to R1 273 million (2020: R1 299 million) and R368 million (2020: 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 (33%), cash and cash equivalents (5%) and unlisted investments (62%) (2020: 13%, 2% and 85%, respectively). Unlisted investments included at transaction prices in Milestone's fair value amounted to R649 million (2020: R988 million), while its remaining three unlisted investments were valued at R140 million (2020: R117 million). PRIF's main assets are the investments in ETG Group, Lumos Global, Solar Saver, Icolo, Zimborders and GridX. 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. The investments in LifeQ and Bolt were valued at R186 million and R336 million, respectively, at 30 June 2021.

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

13. Segment revenue

R million	Year ended 30 June 2021	2020
Consumer products		
Distell	**28 254**	22 370
RCL Foods	**31 536**	27 659
Siqalo Foods	**3 088**	2 712
Industrial		
Wispeco	**2 925**	1 991
Total revenue	**65 803**	54 732

Disaggregated revenue information

R million	Year ended 30 June 2021	2020
Distell		
Spirits	**11 127**	8 942
Wine	**6 880**	5 656
Cider and RTDs	**10 223**	7 725
Other	**24**	47
	28 254	22 370
RCL Foods		
Groceries	**5 522**	4 984
Baking	**5 849**	5 195
Chicken	**10 336**	8 814
Sugar	**8 398**	7 622
Vector	**3 154**	2 589
Sales between RCL Foods' business units	**(1 766)**	(1 566)
Group	**195**	166
	31 688	27 804
Siqalo Foods		
Spreads	**3 088**	2 712
Wispeco		
Extrusions and related products	**2 545**	1 721
Other	**380**	270
	2 925	1 991
Elimination of inter-segment revenue	**(152)**	(145)
Total revenue	**65 803**	54 732

14. Related party transactions

Community Investment Ventures Holdings Proprietary Limited (CIVH)

During January 2021, Remgro subscribed for 54 738 shares in CIVH for a total amount of R1 636 million in terms of a rights issue. This share subscription increased Remgro's interest in CIVH marginally from 54.7% at 30 June 2020 to 55.2% at 30 June 2021.

Subsequent to 30 June 2021, Remgro subscribed for a further 67 364 shares in CIVH for a total amount of R2 124 million in terms of a further rights issue, increasing Remgro's interest in CIVH to 55.5%. The proceeds of both rights issues were used to reduce the CIVH group's debt, as well as to unlock capital expenditure facilities for further growth.

RCL Foods Limited (RCL Foods)

During November and December 2020 Remgro acquired a further 28 940 412 RCL Foods shares for a total amount of R234 million. At 30 June 2021 Remgro's effective interest in RCL Foods was 80.4% (2020: 77.1%).

KTH

During November 2020 Tiso Blackstar Group Proprietary Limited exited its 20.0% investment in KTH through multiple inter-connected steps, which increased Remgro's interest in KTH. At 30 June 2021 Remgro's effective interest in KTH was 43.5% (2020: 36.3%).

Other

For other related party transactions refer to note 6 and 11.

15. Events after year-end

Rand Merchant Investment Holdings Limited (RMI)

On 20 September 2021 RMI announced its decision to restructure its investment portfolio by the distribution of all the shares held by it in its two life insurance-focused assets, Discovery Limited and Momentum Metropolitan Holdings Limited, as well as an equity capital raise of up to R6.5 billion by way of a *pro rata* rights issue to optimise its capital structure (the RMI Restructure). Remgro gave its in-principle support for the RMI Restructure. Following the RMI Restructure, RMI's remaining assets will consist mainly of its 89.1% investment in OUTsurance Holdings Limited and its 30.0% investment in Hastings Group Holdings plc.

Civil unrest in South Africa

Distell Group Holdings Limited (Distell) and RCL Foods

Civil unrest occurred in South Africa's KwaZulu-Natal and Gauteng provinces from 9 to 17 July 2021, which resulted in violence and the destruction and looting of property and businesses. One of the Distell distribution centres in KwaZulu-Natal was damaged and its operations disrupted. Initial assessments placed the damage between R80 million and R100 million. Various of RCL Foods' KwaZulu-Natal-based sites in the Chicken and Vector Logistics business units were also impacted by the civil unrest and resultant looting and vandalism of property. RCL Foods estimated the impact of the civil unrest at approximately R46 million.

The impact of the civil unrest is regarded as a non-adjusting event in terms of *IAS 10: Events after the Reporting Period*. No adjustments were therefore made to the amounts recognised in the financial statements of 30 June 2021.

Other than the above-mentioned events, there were no other significant events subsequent to 30 June 2021.

Annexure A

Segment report for the year ended 30 June 2021[(1)]

R million	Year ended 30 June 2021 Headline earnings[(2)]	30 June 2021 Net assets Book value[(3)]	Intrinsic value	Year ended 30 June 2020 Headline earnings[(2)]	30 June 2020 Net assets Book value[(3)]	Intrinsic value
Healthcare						
Mediclinic	**674**	**24 581**	**19 358**	1 655	27 443	18 769
Consumer products						
RCL Foods	**759**	**8 262**	**6 926**	92	7 189	6 029
Distell – entity contribution	**538**	**7 578**	**11 665**	165	7 128	5 330
– *IFRS 3 charge*[(4)]	**(47)**	**–**	**–**	(47)	–	–
Siqalo Foods – entity contribution	**405**	**6 226**	**7 277**	414	6 285	6 145
– *IFRS 3 charge*[(4)]	**(79)**	**–**	**–**	(79)	–	–
Financial services						
RMI	**898**	**10 174**	**14 713**	599	9 736	13 708
Business Partners	**23**	**1 273**	**1 273**	25	1 244	1 232
Infrastructure						
CIVH	**(435)**	**4 981**	**12 054**	(649)	4 458	10 584
Grindrod	**16**	**842**	**842**	(12)	532	532
SEACOM	**26**	**23**	**799**	(10)	8	909
Other infrastructure investments	**17**	**701**	**701**	(45)	226	226
Industrial						
Air Products	**322**	**1 063**	**4 523**	333	1 264	3 979
TotalEnergies	**366**	**2 242**	**2 539**	(20)	2 029	2 515
Wispeco	**264**	**1 229**	**1 188**	80	1 008	810
Other industrial investments	**62**	**198**	**415**	(126)	205	309
Diversified investment vehicles						
KTH	**(182)**	**1 456**	**2 044**	(164)	1 601	1 961
Milestone III	**–**	**1 234**	**1 234**	–	1 251	1 251
Prescient China Equity Fund	**–**	**1 211**	**1 211**	–	1 156	1 156
Other diversified investment vehicles	**(78)**	**1 449**	**1 567**	(91)	1 050	1 107
Media						
eMedia Investments	**43**	**815**	**616**	78	805	947
Other media investments	**10**	**3**	**137**	–	41	41
Portfolio investments						
FirstRand	**191**	**7 659**	**7 659**	657	7 068	7 068
Other portfolio investments	**56**	**661**	**661**	38	782	782
Social impact investments	**(66)**	**135**	**135**	19	331	331
Central treasury						
Finance income/cash at the centre	**212**	**9 706**	**9 706**	479	17 073	17 073
Finance costs/debt at the centre	**(861)**	**(7 821)**	**(7 821)**	(949)	(15 288)	(15 288)
Other net corporate costs/assets	**(249)**	**2 178**	**2 919**	(705)	2 148	2 817
Continuing operations	**2 885**	**88 059**	**104 341**	1 737	86 773	90 323
Discontinued operations	**–**	**–**	**–**	1 430	–	–
	2 885	**88 059**	**104 341**	3 167	86 773	90 323
Potential CGT liability			**(4 150)**			(3 050)
Total	**2 885**	**88 059**	**100 191**	3 167	86 773	87 273

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 the change in reporting platforms on page 140.*
(2) *Refer to note 3 for the calculation of headline earnings.*
(3) *Total book value equals shareholders' equity.*
(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.*

ADDITIONAL **INFORMATION**

The 2021 Annual General Meeting will be held on Thursday, 25 November 2021. Shareholders are invited to engage with the Board.

Five-year review and **share statistics**

Consolidated income statements

R million	**Year ended 30 June 2021**	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017
Profit before taking into account the following	**3 713**	579	3 259	1 253	886
Non-recurring and capital items and impairments	**859**	7 334	963	4 986	304
Consolidated profit before tax	**4 572**	7 913	4 222	6 239	1 190
Taxation	**(1 135)**	(452)	(987)	(423)	(227)
Consolidated profit after tax	**3 437**	7 461	3 235	5 816	963
Share in after-tax profit/(loss) of equity accounted investments	**1 618**	(878)	4 517	3 383	7 545
Net profit after tax	**5 055**	6 583	7 752	9 199	8 508
Non-controlling interest	**(1 505)**	63	(433)	(256)	(77)
Attributable net profit for the period	**3 550**	6 646	7 319	8 943	8 431
Total headline earnings	**2 885**	3 167	8 195	8 573	8 221
Total headline earnings per share (cents)	**510.6**	560.6	1 448.9	1 512.6	1 485.5
Earnings per share (cents)	**628.3**	1 176.4	1 294.0	1 577.9	1 523.4
Dividends per share (cents)					
– Ordinary	**90**	265	564	532	495

Consolidated statements of financial position

R million	**30 June 2021**	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Property, plant and equipment, biological agricultural assets and investment properties	**16 889**	16 954	14 660	13 745	6 797
Investments – Equity accounted	**50 207**	50 991	71 183	73 722	80 883
Other non-current assets	**36 282**	35 221	29 156	23 086	9 058
Current assets	**37 388**	43 933	40 539	40 375	22 317
Total assets	**140 766**	147 099	155 538	150 928	119 055
Total equity	**103 576**	101 443	116 189	113 446	95 302
Non-current liabilities	**20 103**	23 139	26 770	25 891	18 493
Current liabilities	**17 087**	22 517	12 579	11 591	5 260
Total equity and liabilities	**140 766**	147 099	155 538	150 928	119 055
Net asset value per share (Rand)					
(attributable to equity holders)					
– at book value*	**155.86**	153.59	178.95	173.04	163.13
– at intrinsic value*	**177.33**	154.47	233.03	256.97	251.48

* *Decrease from 30 June 2019 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 2021**	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017
Cash flow generated from returns on investments	**6 593**	8 058	7 555	5 818	5 434
Taxation paid	**(1 628)**	(772)	(1 217)	(657)	(363)
Cash available from operating activities	**4 965**	7 286	6 338	5 161	5 071
Dividends paid	**(506)**	(3 883)	(3 759)	(2 934)	(2 708)
Cash flow from operating activities	**4 459**	3 403	2 579	2 227	2 363
Net investing activities	**(1 200)**	(1 478)	(2 203)	2 208	(6 572)
Net financing activities	**(7 877)**	(251)	(816)	78	8 553
Net increase/(decrease) in cash and cash equivalents	**(4 618)**	1 674	(440)	4 513	4 344

Share statistics

	Year ended 30 June 2021	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2018	Year ended 30 June 2017
Weighted number of unlisted B ordinary shares ('000)	**39 057**	39 057	39 057	39 057	38 171
JSE Limited					
Weighted number of Remgro ordinary shares in issue					
– excluding the unlisted B ordinary shares ('000)	**525 928**	525 904	526 562	527 717	515 252
Market capitalisation at end of period (R million)					
– ordinary shares only	**60 648**	52 869	99 440	108 114	112 967
Price (cents per share)					
– Last day of period	**11 460**	9 990	18 790	20 429	21 346
– Highest	**12 327**	20 131	21 760	24 460	27 026
– Lowest	**8 388**	9 990	17 541	19 400	20 273
Number of shares traded ('000)	**410 887**	404 004	291 284	339 366	328 691
Value of shares traded (R million)	**40 883**	64 127	57 624	74 311	74 685
Shares traded/weighted number of ordinary shares (%)	**78.1**	76.8	55.3	64.4	63.8
Number of transactions	**988 095**	1 244 812	1 068 333	929 257	1 122 177

Shareholders' information

Statistics at 30 June 2021

	30 June 2021 %	**30 June 2021** Number of shares	30 June 2020 %	30 June 2020 Number of shares
Major beneficial shareholders				
Ordinary shares				
Public Investment Corporation	**17.43**	**92 226 021**	16.35	86 513 326
Other	**82.57**	**436 990 986**	83.65	442 703 681
	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 2021.

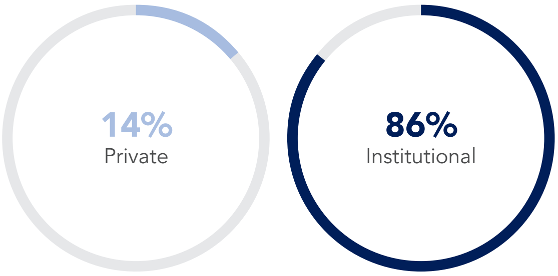
	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Distribution of shareholders				
Ordinary shares				
Public shareholders	**42 695**	51 228	54 812	60 496
Percentage of shareholders	**99.90**	99.92	99.91	99.93
Number of shares	**508 022 346**	507 822 981	504 306 132	513 954 491
Percentage of shares issued	**96.00**	95.96	95.29	97.12
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares/ Prescribed officers	**43**	43	48	44
Percentage of shareholders	**0.10**	0.08	0.09	0.07
Number of shares	**21 194 661**	21 394 026	24 910 875	15 262 516
Percentage of shares issued	**4.00**	4.04	4.71	2.88
Number of shareholders	**42 738**	51 271	54 860	60 540

	30 June 2021	30 June 2020	30 June 2019	30 June 2018
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	**(3 280 163)**	(3 297 213)	(3 334 936)	(1 389 033)
	564 993 831	564 976 781	564 939 058	566 884 961
Weighted number of shares	**564 984 762**	564 961 299	565 619 396	566 773 693

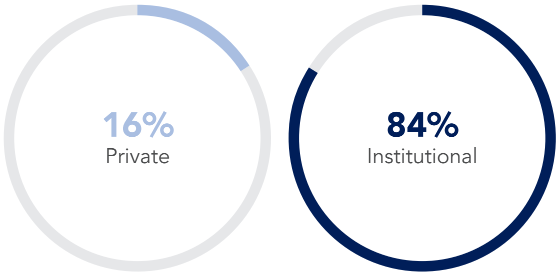
Additional information

Institutional and private shareholding in Remgro Limited ordinary shares

2021

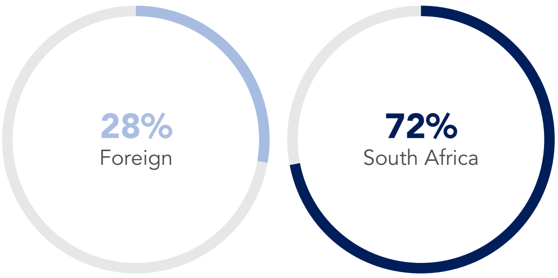


2020

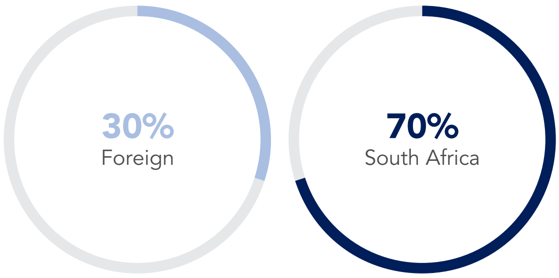


Foreign and local shareholding in Remgro Limited ordinary shares

2021



2020



Interests of the directors in the issued capital of the Company

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2021				
S E N De Bruyn	**497**	**–**	**–**	**497**
J J Durand	**–**	**849 376**	**1 650**	**851 026**
M Lubbe	**32 184**	**–**	**–**	**32 184**
N P Mageza	**–**	**296**	**–**	**296**
J Malherbe	**–**	**1 176 061**	**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**
	58 981	**2 031 866**	**15 542 973**	**17 633 820**

* *Messrs J P Rupert and A E Rupert are both directors of an Associate that holds 7 551 005 ordinary shares in Remgro Limited.*

Of Mr N J Williams's shareholding, 25 000 shares have been pledged as collateral for an overdraft facility at a financial institution.

On 30 November 2020, when Mr P K Harris retired, his indirect beneficial holding was 186 030 ordinary shares in Remgro Limited.

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.*

Of Mr N J Williams's shareholding, 25 000 shares have been pledged as collateral for an overdraft facility at a financial institution.

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 2021 Annual General Meeting of Remgro Limited (the Company) will be held on Thursday, 25 November 2021, 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 (SA time) on Tuesday, 23 November 2021 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 (SA time) on Tuesday, 23 November 2021. 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 telephone 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 (SA time) on Tuesday, 23 November 2021. 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 telephone 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 2021, 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 2021 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 129, 135, 126 and 136 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 2022, is Mr A Wentzel.

Additional information in respect of Ordinary Resolution Number 2

In terms of the provisions of section 90(1) of the Companies Act, a public company shall at each Annual General Meeting appoint an auditor to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting of the Company.

3. Election of director

Ordinary Resolution Number 3

Resolved that Mr J J Durand 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.

4. Election of director

Ordinary Resolution Number 4

Resolved that Mr N P Mageza 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.

5. Election of director

Ordinary Resolution Number 5

Resolved that Mr J Malherbe 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 F Robertson 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 A E 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.

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 annually 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 20 to 23 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 K M S Rantloane as a director of the Company be confirmed in terms of clause 27.3.7 of the Memorandum of Incorporation.

Additional information in respect of Ordinary Resolution Number 8

In terms of the provisions of clause 27.3.7 of the Memorandum of Incorporation, the Board has the power to appoint any person as director, provided that such appointment must be confirmed by the shareholders at the next Annual General Meeting of the Company. Biographical details of Mr K M S Rantloane are set out on page 23 of the Integrated Annual Report. The Board supports the aforementioned appointment.

9. Election of member of the Audit and Risk Committee

Ordinary Resolution Number 9

Resolved that 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.

10. Election of member of the Audit and Risk Committee

Ordinary Resolution Number 10

Resolved that subject to the passing of Ordinary Resolution Number 4, 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.

11. Election of member of the Audit and Risk Committee

Ordinary Resolution Number 11

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.

12. Election of member of the Audit and Risk Committee

Ordinary Resolution Number 12

Resolved that subject to the passing of Ordinary Resolution Number 6, 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 9 to 12

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 22 and 23 of the Integrated Annual Report. As is evident from the *curricula vitae* of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

13. General authority to place 5% of the unissued ordinary shares under the control of the directors

Ordinary Resolution Number 13

Resolved that the unissued ordinary shares in the authorised share capital of the Company be and is hereby placed under the control of the Board, who is hereby authorised, as a general authority in terms of the Memorandum of Incorporation, to allot and issue any such shares upon such terms and conditions as the Board in their sole discretion may deem fit, subject to the provisions of the Companies Act, the Memorandum of Incorporation and the Listings Requirements of the exchange operated by JSE Limited (JSE) (Listings Requirements), to the extent applicable, provided that 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 13 is limited to 5% of the number of the unissued ordinary shares in the authorised share capital of the Company at the date of this Notice of Annual General Meeting (being 23 539 150 ordinary shares).

Additional information in respect of Ordinary Resolution Number 13

Clause 6.7 of the Memorandum of Incorporation provides that the Board may resolve to issue authorised shares, but only to the extent that such issue has been approved by the shareholders in general meeting, either by way of a general or specific authority. The purpose of Ordinary Resolution Number 13 is to provide such general authority, which shall remain subject to the provisions of and all limitations contained in the Companies Act, the Memorandum of Incorporation and the Listings Requirements, to the extent applicable. The authority in terms of Ordinary Resolution Number 13 cannot be used to issue shares for cash as contemplated in the Listings Requirements.

14. Non-binding advisory vote on the appointment of Ernst & Young Inc. as auditor of the Company for the financial year ending 30 June 2024

Ordinary Resolution Number 14

Resolved that the appointment of Ernst & Young Inc. (EY), who is independent from the Company, as the Company's auditor, as recommended by the Company's Audit and Risk Committee, with effect from the financial year ending 30 June 2024, be and is hereby approved by way of a non-binding advisory vote.

Additional information in respect of Ordinary Resolution Number 14

In terms of the rule on Mandatory Audit Firm Rotation published by the Independent Regulatory Board for Auditors (IRBA) in compliance with section 10(1)(a) of the Auditing Profession Act, (No. 26 of 2005), an audit firm may not serve as the appointed auditor of a public interest entity for more than 10 consecutive financial years. This rule is effective for financial years of companies commencing on or after 1 April 2023.

Given that PricewaterhouseCoopers Inc., the existing auditor of the Company, would on 1 April 2023 have served as the auditor of the Company for more than 10 consecutive years, the Audit and Risk Committee engaged in a tender process and selected EY as the new auditor of the Company for the financial year ending 30 June 2024, for recommendation to the shareholders of the Company.

The Company hereby proposes an indicative non-binding resolution for the appointment of EY as auditor of the Company, with effect from the financial year ending 30 June 2024, although the ordinary resolution to effect the statutory appointment would only serve at the Company's 2023 Annual General Meeting.

Subject to the passing of the relevant ordinary resolutions at the Company's 2021 and 2022 Annual General Meetings, the incumbent auditor of the Company, PricewaterhouseCoopers Inc., will continue to act as external auditor of the Company for the financial years ending 30 June 2022 and 30 June 2023 respectively.

15. Non-binding advisory vote on Remuneration Policy

Ordinary Resolution Number 15

Resolved that the Company's Remuneration Policy, as set out in the Remuneration Report from page 89 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote.

16. Non-binding advisory vote on Remuneration Implementation Report

Ordinary Resolution Number 16

Resolved that the Company's Implementation Report in regard to its Remuneration Policy, as set out in the Remuneration Report from page 89 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 15 and 16

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 15 or 16 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 89 of the Integrated Annual Report.

17. 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 2022 be determined on the following basis:

Type of fee (Rand)	Proposed fee for the year ending 30 June 2022*	Fee for the year ended 30 June 2021
Board member	**390 000**	390 000
Chairman of the Audit and Risk Committee	**320 760**	297 000
Member of the Audit and Risk Committee	**159 300**	147 500
Member of the Remuneration and Nomination Committee	**70 740**	65 500
Chairman of the Social and Ethics Committee	**129 600**	120 000
Member of the Social and Ethics Committee	**70 740**	65 500
Meeting fee for *ad hoc* committees	**30 000**	25 000

* *The rationale for the increase in fees proposed for the chairperson's and members of subcommittees of the Board, is that the Remuneration and Nomination Committee of the Board is of the view that greater focus is to be placed in the effort expected from the subcommittees of the Board. No increase is proposed to the fees payable to board members in their capacity as board members.*

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 2022.

18. 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 (pages 152)
- Share capital of the Company (pages 56 of the Annual Financial Statements and 152 of the Integrated Annual Report)

The directors, whose names are set out on pages 20 to 23 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.

19. 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 and/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 and/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.

20. 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.

21. Report by Social and Ethics Committee

The Company's Social and Ethics Committee Report, included on page 111 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, 15 October 2021.

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, 12 November 2021, 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, 9 November 2021.

Approvals required for resolutions

Ordinary Resolutions Numbers 1 to 16 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 14 to 16 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, at 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 Tuesday, 23 November 2021, 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.

D I Dreyer
Company Secretary

Stellenbosch
21 September 2021

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 2021 Annual General Meeting of the Company to be held on Thursday, 25 November 2021, 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 – Mr J J Durand			
4. Election of director – Mr N P Mageza			
5. Election of director – Mr J Malherbe			
6. Election of director – Mr F Robertson			
7. Election of director – Mr A E Rupert			
8. Election of director – Mr K M S Rantloane			
9. Election of member of the Audit and Risk Committee – Ms S E N De Bruyn			
10. Election of member of the Audit and Risk Committee – Mr N P Mageza			
11. Election of member of the Audit and Risk Committee – Mr P J Moleketi			
12. Election of member of the Audit and Risk Committee – Mr F Robertson			
13. General authority to place 5% of the unissued ordinary shares under the control of the directors			
14. Non-binding advisory vote on the appointment of EY as auditor for the financial year ending 30 June 2024			
15. Non-binding advisory vote on Remuneration Policy			
16. 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 ____________________ 2021

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, at 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 Tuesday, 23 November 2021, 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.

More on our story to be revealed in

2022

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 2021, all of which are available on the Company's website.

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