REMUNERATION REPORT

It has been a year of unprecedented disruption, resilience and resolve. The role of the remuneration committee to balance the interests of the business, its staff and its shareholders has never been more important.

Audrey Mothupi
Chair: Remuneration committee

The Group has an ambition to build the most skilled and talented retail business in southern Africa. In order to do so, we need to be the employer of choice for anyone looking to build a career in the retail industry.

We attract staff by providing competitive pay and benefits, access to skills training and development, career advancement and recognition for a job well done.

In accordance with the requirements of King IV, the remuneration report is divided into the following three sections:

Section 1: Committee Chair's report

Chair's background statement in respect of the remuneration committee's focus areas, deliberations and decisions taken during the year

Read more below

Section 2: Overview of remuneration policy

The Group's remuneration philosophy, policy and framework

Read more from page 35

Section 3: Implementation of remuneration policy

Implementation of the Group's remuneration policies during the year, and remuneration paid to executive and non-executive directors

Read more from page 41

SECTION 1

Committee Chair's report

On behalf of the Board, I am pleased to present the FY21 remuneration report for the Group. I extend my sincere thanks to Hugh Herman, who retired as Chair of the remuneration committee this year and I am looking forward to serving the Group and its shareholders in the role of remuneration committee Chair.

The remuneration report provides stakeholders with an overview of our Group's remuneration philosophy, highlights our key underlying remuneration policies, and sets out how these policies have been implemented during the 2021 financial year (FY21), with a specific focus on payments made to executive and non-executive directors.

The report reflects the ongoing progress the Group is making in aligning its remuneration policies and disclosures with best practice in the market, and our commitment to ongoing constructive shareholder engagement, including the changes we have made to address shareholder concerns raised over the course of the year.

The year in review

The Board is exceptionally proud of the dedication and hard work of our Pick n Pay and Boxer colleagues across the country, and in the rest of Africa, who have embraced their responsibility as frontline essential workers throughout the Covid-19 crisis. Our teams, under the stewardship of Richard Brasher and his senior executive team, have not only kept our stores open, safe, and fully stocked of essential food and groceries, but have remained keenly focused on delivering progress against the Group's long-term strategic objectives.

It has been a year of unprecedented disruption, resilience and resolve. The FY21 financial results reflect the significant impact of the Covid-19 pandemic on Group sales and earnings, mitigated by the actions of a strong and agile management team. The remuneration committee's role to balance the interests of the business, its staff and its shareholders has never been more important. The committee has exercised careful and considered judgment in its remuneration decisions throughout the year, ensuring that its policies have remained fair and relevant under exceptional circumstances.

The remuneration committee met more regularly during the year to understand the short and longer term impact of the Covid-19 pandemic on Group earnings, and to deliberate the significance of the earnings impact for the Group's remuneration policies. The following issues were addressed:

- **Appreciation bonuses:** frontline employees
- **Pay freezes:** non-executive and executive directors, and all senior and middle management employees
- **Salary increases:** recognising the more vulnerable employees at lower income levels
- **Reward:** setting short-term and long-term performance targets which appropriately reflect the earnings impact of Covid-19 trading restrictions and all related costs
- **Retention:** ensuring variable incentives are adequate to achieve the retention of key personnel under exceptional circumstances

The role and responsibility of the remuneration committee

The remuneration committee assists the Board to formulate and administer an effective remuneration strategy that:

- meets all legislative and regulatory requirements
- delivers on the Group's commitment to fair, transparent and responsible remuneration
- is balanced in the best short- and long-term interests of the Group and its stakeholders
- is aligned with the Group's long-term strategic objectives

The remuneration committee is mandated by the Board to ensure that the Group's remuneration policy achieves its key objective of sustainable value creation over the short-, medium- and long-term.

The Group's remuneration policy incentivises performance that delivers on the Group's strategic plan. Performance is measured against clear individual and Group performance targets. Remuneration paid to executive directors and senior management must be appropriate, fair and responsible, designed to attract, motivate and retain a diverse and high-performance team in a manner that is aligned with the interests of our shareholders.

The committee considers and recommends the remuneration policy for all levels of staff in the Group, with specific focus on executive directors, senior management and non-executive directors.

Members and attendance at meetings

The remuneration committee meets at least twice a year, is chaired by an independent non-executive director and comprises only non-executive directors. The committee operates in terms of a Board-approved charter, which is reviewed annually by the Board.

	Attendance
Audrey Mothupi (Chair)*	5/5
Hugh Herman (Retired Chair)*	5/5
Gareth Ackerman	5/5
Haroon Bhorat**	1/1
Aboubakar Jakoet	5/5
Jeff van Rooyen	5/5

* *Audrey Mothupi was appointed as Chair of the remuneration committee on 1 March 2021, replacing Hugh Herman who resigned from the committee effective 28 February 2021.*

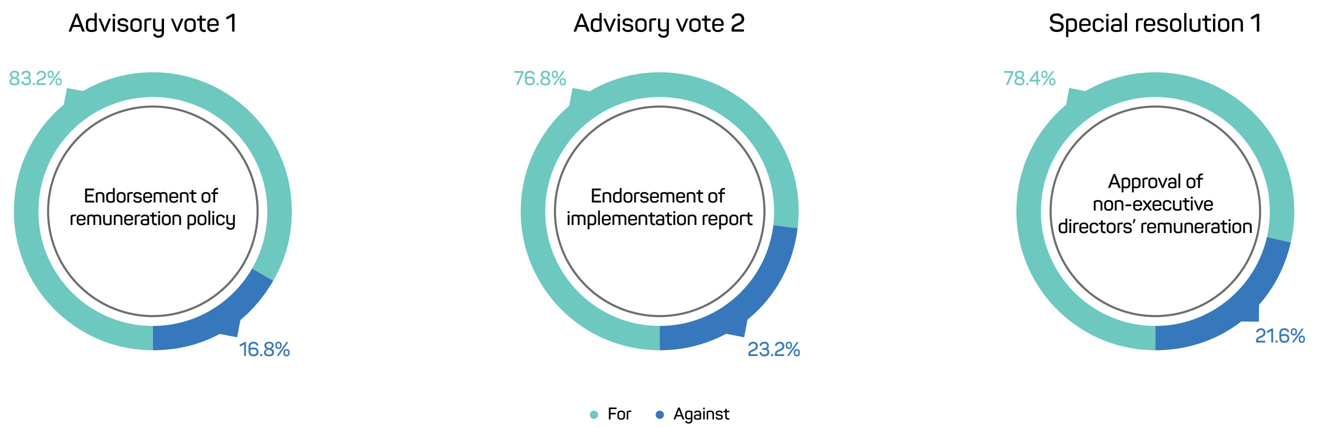
** *Haroon Bhorat was appointed to the remuneration committee in August 2020.*

Independent external advisors

The remuneration committee ensures that the Group remains up to date with evolving legislation and remuneration practices across the retail industry through ongoing training, research and monitoring. Independent and objective expert advice is obtained as required, including in respect of industry benchmarking and the fair and transparent structure of variable short-term and long-term benefits in order to drive performance and achieve retention.

AGM and shareholder engagement

The Group's FY20 remuneration policy, remuneration implementation and directors' fees were approved by shareholders at the AGM held on 4 August 2020 as follows:



A small number of shareholders engaged with the remuneration committee before and after the AGM held on 4 August 2020 around the following issues:

Shareholder concerns raised	Committee response
Chair's fee The value of the non-executive Chair's fee relative to other listed companies in South Africa	The Chair's fee reflects the active role the Chair plays in formulating and steering the Group's overarching corporate governance framework, with a particular focus on environmental and social responsibility. Please refer to page 44 for further information.
The tenure of long-serving directors Concerns around the independence of the Group's longer serving directors	The Group has established a good balance between the wisdom and experience of long-standing directors, and the fresh insights from more recent appointees. However, the Board acknowledges that long tenures can create concerns around director independence. Hugh Herman retired as remuneration committee Chair at the end of the year, and relinquished all other committee memberships. Hugh remains as a highly skilled and valued member of the Board. Please refer to pages 7, 8 and 13 for further information.
Disclosure of variable incentive scheme performance targets Shareholders asked for the disclosure of FY21 short-term and long-term performance targets	The remuneration committee could not disclose FY21 short-term and long-term management performance targets in its report to shareholders last year, as the sales and earnings impact of the Covid-19 pandemic was not reasonably known at the time of the publication of the report. Performance targets have since been determined and are disclosed in full from page 41.
Minimum shareholding requirement (MSR) for executive directors	The Group's long-term share incentive schemes have been effective to date in aligning the interests of executive directors with those of shareholders. An MSR has been included in the CEO contract for Pieter Boone, requiring Pieter to retain 50% of the shares delivered to him under the Group's share incentive schemes, after the settlement of tax. The Group is currently considering an appropriate MSR policy for its broader executive team.
Employee loans Some shareholders voted against the provision of financial assistance to employees	The Group provides employees with access to low-interest loans from the Group, under specific responsible lending requirements, primarily to assist with the acquisition of residential property. The Group acknowledges the governance concerns around the provision of financial assistance to employees; however, this broad-based incentive reflects the Group's commitment to the economic upliftment of its employees.

In the below instances, engagement resulted in changes to the remuneration policy in 2021:

Shareholder concerns raised	Committee response and rationale for change
Executive share option awards Share option awards do not contain performance conditions and, as such, should not be awarded to executive directors	The remuneration committee replaced the share option scheme with a cash retention scheme (CRI) during the year. There will be no further share option awards. The CRI is targeted at the retention of key middle-management personnel with a specific focus on transformation, and no awards will be made to executive or senior management. Please refer to page 38 for further information.
Dividend rights under the forfeitable share plan (FSP) Shareholders indicated a preference for dividend rights to be deferred under long-term incentive schemes, ensuring executives do not receive dividends on shares that do not vest.	The Group received shareholder approval at the 2020 AGM to amend the rules of the Group's forfeitable share plan (now referred to as the restricted share plan), to allow for greater discretion around participant dividend rights. The remuneration committee used this discretion in its 2020 award of long-term incentives, deferring all dividend rights until the successful vesting of the scheme. Please refer to page 39 for further information.

Key focus areas for the remuneration committee this year

The remuneration committee's deliberations this year were dominated by the financial and operational impacts of the Covid-19 pandemic, and the committee's clear objective of providing staff at all levels of the business with fair and responsible remuneration under difficult circumstances, with a keen focus on the retention of key talent over the longer term.

The following were the key focus areas of the remuneration committee during the year:

- The fair and considered application of voluntary and structured severance programmes, implemented to further the Group's productivity and efficiency objectives under the Group's modernisation programme, Project Future
- The review of the Group's performance against its employment equity and gender targets, including an analysis of underlying statistical data to ensure race and gender pay parity across all levels of the business
- Reviewed and approved FY21 salary freezes for executive and senior management, and fair and responsible increases for staff at lower income levels
- Reviewed and approved the FY21 short-term incentive targets
- Reviewed and approved the Group's 2020 cash retention scheme (CRI) award to key members of middle-management
- Revised the long-term incentive targets for the Group's outstanding forfeitable share plan awards, as a consequence of the financial impact of the Covid-19 pandemic
- Reviewed and approved the 2020 award of long-term share incentives to executive and senior management under the Group's restricted share plan, with deferred dividend rights, and appropriate long-term performance targets
- Formulated appropriate retirement packages for CEO Richard Brasher and CISO Richard van Rensburg, including the early delivery of long-term share incentives and the payment of retirement gratuities. The remuneration committee extends its sincere thanks to Richard Brasher and Richard van Rensburg for their valuable contributions, and particularly to CEO Richard Brasher for his incredible leadership over the Covid-19 crisis. The committee wishes them well in their retirement.
- Reviewed and approved the remuneration package for new CEO Pieter Boone, in line with industry benchmarks, and in consultation with independent and objective executive remuneration experts. Read more about the Group's use of remuneration experts on page 35

Please refer to the implementation report from page 41 for details on all the key decisions reached.

The remuneration committee is satisfied that it has met its responsibilities in terms of its Board charter, and that the remuneration policies it has applied have fulfilled the objective of fair and responsible remuneration in a difficult environment and under complex circumstances.

Looking ahead

The remuneration committee remains confident that its remuneration policies are aligned with the Group's strategic objectives, and are effective in incentivising and retaining key senior talent over the longer term. The remuneration committee will continue to review and evolve the Group's remuneration policies in a measured and responsible manner that considers the needs of all stakeholders.

Future focus areas

We will continue to **differentiate reward in terms of performance and address under-performance** – this includes undertaking a thorough review of our performance appraisal process

Our **focus on the development and retention of key successors** will continue, as emphasised by the CRI

Diversity among senior leaderships remains critical, with a **focus on gender and race**

We will continue to ensure **fair and equitable remuneration practices**

Audrey Mothupi
Chair: Remuneration committee

27 May 2021

As required by King IV and the JSE Listings Requirements, Section 2 and Section 3 will be presented separately to our shareholders for non-binding votes at the AGM on 28 June 2021. In the event that either the remuneration policy or the implementation report receives 25% or more dissenting votes, the Group will take the following steps:

1. **Issue a SENS announcement regarding the outcome of the AGM voting results**
2. **Invite our dissenting shareholders to engage formally with the Group's remuneration committee**
3. **Schedule collective and/or individual shareholder engagements as appropriate to determine the reasons for the dissenting votes, and take all reasonable steps to resolve legitimate shareholder concerns**
4. **Provide participating shareholders with a formal response, noting all the concerns raised and providing detailed responses where changes will be made to address concerns**

The remuneration committee values open and constructive engagement with shareholders. We encourage shareholders to engage with management and the committee on all material remuneration concerns to ensure that shareholders are fully informed when voting on the Group's remuneration policy and the application thereof. Please direct all comments and queries to our Company Secretary via email at demuller@pnp.co.za.

SECTION 2 Overview of remuneration policy

Remuneration philosophy

The Group's remuneration philosophy is to build a diverse and high-performance team, that is fairly rewarded and incentivised to deliver on the Group's strategic objectives over the short, medium and long-term.

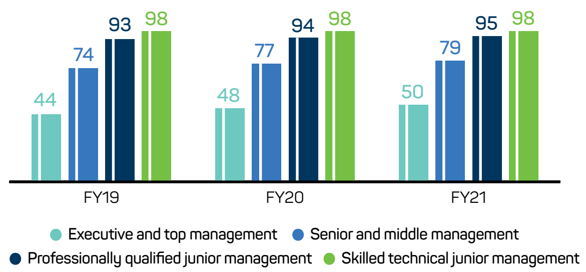
The Group's framework of remuneration policies is designed to provide our employees with fair and balanced reward that recognises the attainment of short-term goals, while incentivising long-term sustainable value creation.

The interests of our team are aligned with those of our shareholders through governance practices, which include the following key principles:

Developing diversity and talent

- The Group provides equal opportunities to people from all walks of life, to ensure our team adequately reflects the communities we serve.
- Remuneration packages at all levels are designed to attract, develop, motivate and retain the most talented staff in the retail industry.

Employment equity participation – %



Efficient and productive workforce

- The Group is committed to building a high-performance culture that rewards efficiency and productivity.
- Regular reviews are undertaken to ensure operational efficiency and cost discipline is achieved through ongoing improvements in employee structures, employee scheduling and the centralisation of support services.
- Group and individual performance targets increasingly focus on key measures of employee efficiency and productivity.

Responsible executive remuneration

- Executive directors are fairly rewarded for creating and delivering sustainable shareholder value over the short, medium and longer-term, in line with the Group's strategic objectives.
- The executive team is not unduly rewarded where performance does not meet expectations.
- The remuneration committee strives to find a reasonable balance to retain key executives and attract quality executives from outside the business, to ensure delivery against the Group's strategic objectives.
- Long-term share incentive schemes align executive and shareholder interest and promote a culture of executive share ownership.

Fair and equitable remuneration

- The Group provides a fair wage for all members of staff to help our people succeed both in and outside of work.
- Guaranteed pay and variable benefits are benchmarked against industry norms to ensure our staff are rewarded competitively in relation to the broader employment market, and the retail industry specifically.
- Independent experts assist with remuneration benchmarking to ensure that decisions are objective and fair. Advisors include PWC, REMchannel and DG Capital. Remuneration is generally positioned at the market median, with key or scarce skills remunerated in the upper quartile of the market.
- The Group is committed to furthering the economic empowerment and well-being of employees and as such the provision of retirement and health care benefits is a key part of our employee value proposition, alongside opportunities for ongoing skills development, bursaries and study grants.
- Comprehensive statistical analysis is performed on an ongoing basis at all levels of staff (with reference to the scale of each role and the experience and tenure of each staff member) to identify and correct any differential pay rates based on either race or gender, and to ensure employees are always rewarded fairly in relation to their peers, in adherence to the principle of equal pay for equal value.
- There is equal opportunity across the Group for growth and development and staff are recognised and advanced based on merit.

As a responsible corporate citizen, proud of our history and commitment to all our employees and being an ambassador for employment equity, we devote the necessary focus to important issues of employment equity, gender equity and pay parity.

Our commitment to employees:

- We take deliberate action to achieve employment equity and gender targets
- We are equitable in our recruitment
- We guarantee equal pay for equal work
- Everybody has the opportunity to progress in the Group

Remuneration framework

The Group's remuneration framework, for management employees, is designed to develop and retain a high-performance team – providing fair and balanced reward that recognises the attainment of short-term goals, while motivating sustainable value creation, strongly aligned with the Group's strategy and the long-term interests of shareholders.

Guaranteed pay

Fixed salaries and benefits across the Group are set at levels that are competitive with the rest of the market. This enables the Group to attract, motivate and retain the right calibre of diverse people to achieve our strategic business objectives.

Base pay

- Tailored to reflect the relative skill, experience, and individual contribution of each employee
- Remuneration is directly linked to formal annual performance assessments
- Annual increases reflect the projected consumer price index and comparable increases in the general and retail market

Benefits

- Vehicle allowances
- Healthcare benefits
- Retirement funding
- Leave
- Training
- Bursaries and study grants
- Long-service awards

The Group benchmarks its guaranteed pay and benefits against a broad list of listed and unlisted comparator companies. These include Shoprite Holdings, Woolworths Holdings, Massmart Holdings, The Foschini Group, Clicks Group, and Pepkor Holdings.

Variable pay

Variable incentives are designed to reward and incentivise performance over one to three-year periods. Variable benefits are closely linked to the achievement of Group, divisional operating units and individual performance objectives.

Short-term incentives (STI)

- Annual cash bonus – rewards qualifying employees based on the attainment of key performance targets
- Other, more frequent bonuses are paid to qualifying staff at store level

Long-term incentives (LTI)

- Cash retention scheme (CRI) – retention and reward aimed at talented middle-management
- Restricted share plan (RSP) – retention and reward aimed at key top and senior management

RSP CRI

The basis for calculating STIs and LTIs are formulaic in nature. However, participation in variable incentive schemes is always at the discretion of the remuneration committee. The committee may exercise discretion to award ex gratia payments where extraordinary value has been created or elect to withhold incentives where individual performance does not warrant award.

Category

- Executive
- Top management
- Senior and middle management
- Junior management

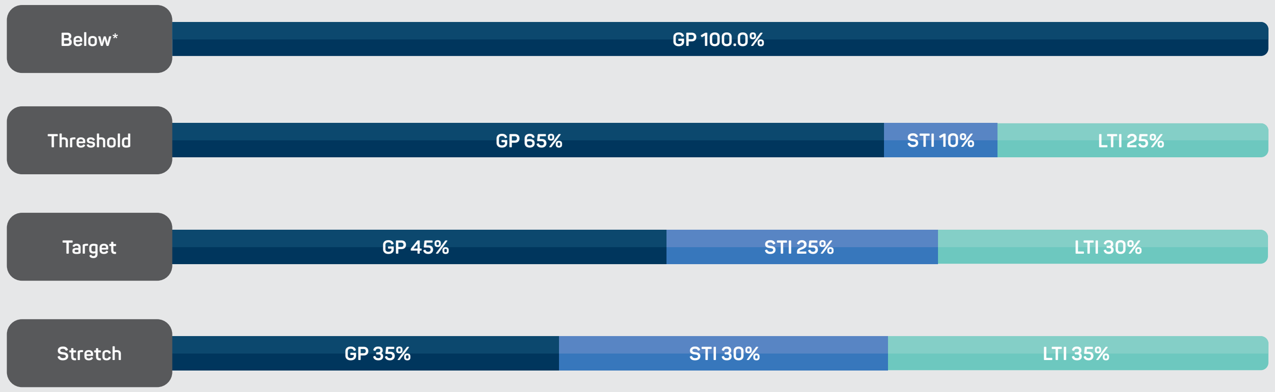
Remuneration mix

Remuneration is balanced between guaranteed remuneration and variable short- and long-term incentives in order to align employee and shareholder interests over the long term.

In order to achieve a high-performance culture, a higher proportion of variable remuneration is applied to senior management personnel to drive performance, with a greater emphasis on guaranteed pay (GP) for middle and junior management.

Variable remuneration consists of short-term incentives (STI) and long-term incentives (LTI) and is considered "at risk pay" as it is dependent on the attainment of performance targets, closely aligned to the Group's long-term strategic plan. Performance targets are set within the Group's overall risk appetite, with the objective of being challenging but realistic within the broader context of the Group's economic and trading environments. The value of STI and LTI remuneration increases as targets are met and exceeded, in order to encourage the attainment of stretch targets.

The table below presents the potential remuneration mix for the Group's executive and top management (including CEO and CFO) against agreed performance targets, based on a multiple of basic cash monthly salary:



* *Assumes the threshold target is not met and no STI cash bonus is awarded and no LTI shares are allocated.*

Variable pay – aligned with the delivery of Group strategy

The Group's variable remuneration policies are strongly aligned with the Group's long-term plan, designed to incentivise the delivery of the Group's financial and operational objectives over a one- and three-year period. The Group's progress against its long-term strategy has been clearly and consistently reported against six strategic pillars. Please refer to the Integrated Annual Report from page 50 for further information.

Primary targets – sales, profit before tax and exceptional items (PTAE) and comparable headline earnings per share – contained within the short-term bonus scheme and long-term executive share plan align management interests with those of shareholders.

Secondary targets drive management performance against a balanced score-card of financial, operational, transformation and good business targets (linked to the long-term environmental, social and governance objectives of the business), and include:

Pick n Pay – SA's most trusted retailer

- Sales growth
- Margin expansion
- Investment returns
- Working capital targets
- Customer service improvements

Boxer – Africa's favourite discounter

- Sales growth
- Margin expansion
- Investment returns
- Working capital targets
- Customer service improvements

Efficiency – Bearing down on costs

- Lower costs
- Lower cost ratios
- Reduced waste
- Improved productivity

Innovation – Value-added services

- Growth in online sales, and improved availability
- Expanded loyalty programme
- Increase in other commissions and other income

African Expansion – Profitable footprint in the rest of Africa

- Sales growth
- Low cost operating model
- Range and working capital targets
- Currency risk mitigation

Force for Good – Doing good is good business

- Social investment
- Reduction in food and other waste
- B-BBEE performance
- Resource efficiency

Short-term incentives (STI)

Annual short-term bonus scheme

The annual short-term bonus scheme aims to drive short-term performance in a measured and sustainable way. The scheme incentivises the achievement of the Group's financial and non-financial targets as set out in the Group's one-year plan, while retaining key skill and talent over the longer term.

The Group follows a formulaic approach to the calculation of the short-term bonus:

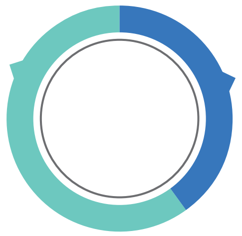
- The Group must first attain the threshold target set by the remuneration committee for profit before tax and exceptional items (PBTAE) before any bonus is payable to the management team. This gatekeeper PBTAE target is applied at Group or divisional level as appropriate
- The PBTAE target determines the maximum value of the short-term bonus pool based on a formal and transparent pay-out multiple linked to participants' basic monthly salary
- The bonus pool increases as threshold, target and stretch PBTAE hurdles are met
- The value of the short-term bonus paid to each participant is determined through a balanced score card of Group performance and individual key performance indicators (KPIs). Performance targets are determined and communicated to participants annually in advance.

Group or divisional performance weighting **60%**

60% of the pay-out multiple is subject to the attainment of PBTAE and sales targets as set by the Group's remuneration committee on an annual basis. Focus on both earnings and top-line trade performance is important to ensure that the Group delivers growth in a sustainable manner.

Weighting:

Group or divisional performance targets	
PBTAE	**60%**
Sales	**40%**



40% **Individual performance weighting**

40% of the pay-out multiple is subject to each participant achieving two key performance targets specific to their role within the Group, as agreed with their line manager on an annual basis and monitored through the formal performance appraisal process. The executive team are subject to a third good business key performance target linked directly to the Group's environmental, social or governance (ESG) objectives, as appropriate.

Weighting:

Individual performance targets	
Individual KPI	**40%**
Individual KPI	**40%**
Relevant ESG KPI	**20%**

The following criteria apply to participation in the short-term bonus scheme:

- Approximately 1 000 management employees are eligible to participate in the short-term bonus scheme
- Employees must have been in the employ of the Group for at least 4 months of the financial year measured, with the bonus applied on a pro-rata basis
- Employees cannot have resigned prior to the bonus payment date (annually in May) or be completing a resignation notice period
- Employees must have achieved the prescribed minimum performance level on their annual performance appraisal

Other short-term bonuses

Other, more frequent incentive bonuses are paid to qualifying staff at store level. These incentives are linked directly to short-term store performance targets, including turnover, stockholdings, shortages and waste.

Long-term incentives (LTI)

The Group maintains a long-term cash retention scheme for middle-management employees and a long-term cash incentive scheme for our senior management team. Long-term incentives are an integral part of the Group's remuneration philosophy, to ensure the long-term retention of skilled and promising talent at all levels of management and align the interests of senior executives with those of shareholders.

Cash retention incentive scheme (CRI)

The Group introduced the CRI scheme during the year, which replaced the historic share option scheme. Please refer to page 43 for further information. The objective of the scheme is the recognition and retention of key talent at senior and middle-management levels, while advancing the Group's employment equity and gender equity targets. The cash award is based on a fixed multiple of each participant's monthly salary, and vests after a period of three years. Retention in a highly contested retail environment is the primary objective of the scheme and, as such, no performance conditions are attached. Vesting is only dependent on the employee remaining in the employ of the Group over the specified vesting period. If a participant leaves the employ of the Group before the end of the vesting period, all unvested cash awards will lapse (subject to good leaver provisions). Participants are identified through the Group's formal performance appraisal process, and awards are made on an annual basis – allowing for participants to receive rolling annual awards as they progress through the Group.

Restricted share plan (RSP)

The Group's RSP plan recognises executive and top management employees who have a significant role to play in delivering Group strategy and ensuring the growth and sustainability of the Group. Through the attachment of performance conditions, the RSP incentivises participating employees to deliver long-term earnings growth in line with the objectives set out in the Group's long-term strategic plan. An award of shares may also be used to attract talented prospective employees, and progress the Group's transformation strategy.

The RSP is a modernisation of the Group's (previously named) forfeitable share plan, following shareholder approval received at the AGM in August 2020 for the remuneration committee to utilise greater discretion in respect of dividend rights granted to participants. Please refer to page 43 for further information.

Eligibility	• The remuneration committee awards zero-strike RSP shares to participants. The value of the award is calculated as a multiple of each participant's basic salary. • The number of shares awarded to participants reflects recognised market benchmarks, each participant's individual contribution to long-term value creation, and other relevant retention and attraction considerations.
Vesting	• The shares are held by a Central Securities Depository Participant (CSDP) on behalf of participants over the time of the vesting period. • Participants cannot dispose of the shares before the vesting date. • If a participant leaves the Group before the completion of the vesting period, all shares are forfeited (subject to good leaver provisions).
Performance conditions	• Performance conditions are linked to the Group's financial performance, with growth in comparable headline earnings per share, adjusted for exceptional items as appropriate, as the primary performance measure. • Performance conditions are applied on a linear, rising scale, once the threshold target has been met. This allows for the vesting of an increasing number of shares as earnings thresholds are met and exceeded. All growth thresholds are inclusive of the applicable IFRS 2 share-based payment expense, which is charged to the income statement over the vesting term of the forfeitable shares. The scheme is therefore self-funding.
Gatekeeper clause	• To ensure that the RSP is aligned with the best interests of the Group and its shareholders, the performance conditions are subject to an overriding gatekeeper condition: • ROCE must be greater than WACC (excluding any impact from IFRS 16 liabilities) over the vesting period before any RSP shares can vest. This ensures that the Group generates a real return for shareholders before rewarding its management team.
Ownership rights	• Participants have full voting rights over the vesting period. • Dividend rights are at the discretion of the remuneration committee, and are currently deferred until vesting date.

Legacy share option scheme

The Group's legacy share option scheme (the 1997 employee share option scheme) was replaced by the cash retention incentive scheme (CRI) in the year under review. Please refer to page 43 for further information. The scheme remains in operation and all outstanding share options previously awarded under the scheme will vest in participants over the next 3, 5 and 7 years, under the original terms and conditions of the awards. No further share options will be awarded under this scheme.

Funding of share incentive schemes

Shareholders have authorised the Board to utilise up to 63.9 million Pick n Pay Stores Limited (PIK) shares to manage the Group's employee share option and restricted share schemes, representing 13% of issued share capital.

Outstanding share incentives held by employees:

	Millions
Share options	**21.9**
Restricted and forfeitable shares	**9.0**
FSP 2018	2.2
FSP 2019	1.9
FSP 2020	1.2
RSP 2020	3.7

In respect of the number of new shares that can be issued to cover obligations under the employee share schemes, the two share schemes are further constrained by an aggregate limit of 5% of the issued share capital of PIK.

Limits applied to variable incentives

Variable incentives are capped at the following multiples, on the achievement of stretch targets:

	Annual incentive cap – multiple of basic monthly salary**			
Category	**Short-term bonus**	**CRI scheme**	**RSP scheme**	**Total**
CEO*	12 times	n/a	12 times	24 times
Executive	8 times	n/a	12 times	20 times
Top management	4 times	n/a	6 times	10 times
Senior management	2 times	2 times	n/a	4 times
Middle management	1.5 times	1.5 times	n/a	3 times

* *During the year, the CEO short-term bonus multiple (at stretch) was amended from 24 times to 12 times for FY22 onwards.*

** *Individual super stretch targets may be set under extraordinary circumstances, to incentivise out-performance. Where these super stretch targets are achieved, an additional bonus multiple may be awarded at the discretion of the remuneration committee - limited to an additional 12 times monthly salary for the CEO and 2 times monthly salary for all other members of management.*

Service contracts and termination benefits

Executive directors and senior management are employed in terms of the Group's standard contract of employment. They are only employed under fixed-term contracts under specific circumstances. Senior management are required to give a reasonable notice period of their intention to terminate their services, which varies from three to 12 calendar months.

Employment contracts do not provide for any exceptional benefits or compensation on the termination of employment. Certain managers who are considered key in carrying out the Group's strategy are subject to contractual restraint of trade provisions. Termination, restraint of trade payments, or retirement gratuities may be made in this regard at the discretion of the remuneration committee.

Malus and claw-back

In the event of a material misstatement of the financial statements of the Group, or of any subsidiary company within the Group, the Board is entitled to adjust (malus) or recover (claw-back) any performance-related short-term and long-term incentives previously paid to executives implicated in the misstatement, as a result of their fraud, dishonesty or negligence.

Non-executive director remuneration

The table below sets out the remuneration policies applied by the Group for the FY21 financial year for non-executive directors. These policies are applicable for the FY22 financial year and form the underlying basis for the directors' fees tabled for shareholder approval at the AGM to be held on 28 June 2021. Please refer to page 44 of Section 3 for the proposed fees for FY22.

Non-executive director remuneration framework

Directors' fees

Chair
- The Chair's fee reflects the active role the Chair currently plays in the corporate governance of the Group and in formulating overarching strategy

Lead independent director and other directors
- Directors' fees are market-related, based on relevant benchmarks, commensurate with the time required for directors to fulfil their duties, and are approved by the Board and shareholders on an annual basis
- Annual fees are not subject to attendance at meetings, as attendance at meetings is generally very good

Consultancy fees
- Should non-executive directors provide additional consultancy services to the Board and its committees, the related fees are determined and approved by the remuneration committee on an ad hoc basis, considering the nature and scope of the services rendered

Other
- All travel and accommodation expenses related to the work of the Board are settled by the Group

Committee membership
- Non-executive director fees reflect the additional responsibilities taken through the chairpersonship and membership of Board committees

Approval
- Proposed fees are based on independently benchmarked data, including against retail peer companies in South Africa
- The Company Secretary proposes the fees to the remuneration committee which in turn recommends the fees to the Board for final approval from shareholders
- Fees paid quarterly in arrears

Service contracts
- Non-executive directors do not have service contracts
- Non-executive directors serve under a formal letter of appointment from the Board and are re-elected by shareholders on rotational basis. Please refer to page 7
- Non-executive director services may be terminated without liability for compensation

Other benefits
- Non-executive remuneration is not linked to the performance of the Group or to the Group's share price performance
- Non-executive directors do not receive performance-related bonuses and are not granted any share awards

SECTION 3

Implementation of remuneration policy

The implementation report details the key focus areas of the remuneration committee this year, including the important decisions taken to provide fair and balanced remuneration to staff across the business in a year severely disrupted by the Covid-19 pandemic. The remuneration policies applied are consistent with the prior year, with the exception of changes made to the Group's long-term share incentive schemes as a result of engagement with shareholders. Please refer to page 32 for further information. No deviations were made in applying the remuneration policy during the year, with the exception of the accelerated vesting of certain share awards on the retirement of executive directors, as detailed on page 44. Tables are provided at the close of this section for a summary of the remuneration packages paid to executive and non-executive directors.

Executive directors and senior management

Benchmarking

The remuneration committee evaluated the overall value and composition of guaranteed pay and variable incentives in respect of the CEO, CFO and all other executive directors and senior managers. Executive and senior management remuneration is considered fair and competitive against market benchmarks, and appropriately reflects the role, experience and performance of each individual member of the Group's senior management team.

CEO salary – Richard Brasher

The CEO base salary of R10.8 million is unchanged from last year, in line with the pay freeze taken by all members of executive and senior management in FY21. The remuneration committee is satisfied that Richard's benchmarked base salary is fair in relation to the market, and fairly reflects his extensive retail expertise and his exceptional contribution to the Group to date. Richard Brasher retired from the Group at the end of April, after a thorough and structured 4-month handover period with new CEO Pieter Boone.

CEO salary – Pieter Boone

Following a comprehensive local and international search, Pieter Boone was appointed as CEO-designate in January 2021 and took over as CEO in May 2021. Pieter is the former Chief Operating Officer of international retail Group Metro AG. A Dutch national, Pieter has broad global experience in the retail, food service and wholesale sectors, and has a strong record of delivering retail growth in challenging and emerging market economies. The remuneration committee has set Pieter Boone's base salary at R10.8 million for the FY22 financial year and is confident that this is an appropriate market-related salary and a fair reflection of the extensive skill and experience that Pieter brings to the Board and to the Group. The remuneration committee has agreed to award Pieter Boone the following RSP shares as part of his sign-on remuneration package, and to further align his interests with shareholders:

Award date	Shares	Vesting date
June 2021	500 000	June 2024
June 2023	500 000	June 2026

The shares are in addition to the Group's annual programme of incentivisation. Performance conditions will apply linked to growth in comparable headline earnings per share – which will align with the conditions contained within the annual awards to top management.

Annual salary increases

In light of the economic disruption of Covid-19, the remuneration committee agreed a salary freeze for executive directors and all members of the Group's senior and middle management team in the FY21 financial year. The savings were directed towards increases for frontline staff and colleagues at more junior employment grades.

Looking forward to FY22, the Group will continue to provide junior, entry level and non-management staff with higher salary increases relative to more senior colleagues, in recognition of the impact the tough economic climate has on many of our employees.

Category	FY22 annual salary % increase	FY21 annual salary % increase	FY20 annual salary % increase
Executive	4.0%	–	5.0%
Top management	4.0%	–	5.0%
Senior and middle management	4.5%	–	6.0%
Junior management	5.5%	5.5%	7.0%
Entry level and non-management	5.5%	7.0%	7.0%

The average increase for NMBU employees in FY21, as governed by labour union agreements was between 4% and 8% (FY20: 7% – 10%).

Short-term incentive: FY21 annual performance bonus

The remuneration committee determines annual financial performance targets in advance of the Group's short-term incentive bonus scheme for the coming financial year. As a result of the unprecedented disruption caused by the Covid-19 pandemic at the beginning of the FY21 financial year, the committee postponed its deliberations on short-term performance targets until the full impact of the pandemic on FY21 Group sales and earnings could reasonably be known.

The remuneration committee's assessment of appropriate short-term performance targets for the FY21 financial year took place over July to October 2020, and took the following material factors into account:

- The government's risk adjusted strategy to slow the spread of the Covid-19 virus, including the duration and extent of trading restrictions over the sale of non-essential goods and services
- The direct sales and margin impact of those trading restrictions, which impacted up to 20% of the Group's turnover during the more severe levels of lock-down
- The impact of additional measures taken by the Group to protect the safety of its staff and customers, including reduced trading hours, limits on the numbers of customers in-store, and temporary store closures

- Additional operational costs incurred to strengthen hygiene, safety and security protocols
- Once-off costs related to the Group's voluntary and structured severance programmes under Project Future
- Targets required for the Group to maintain its momentum in a difficult trading environment

In setting fair and appropriate targets for the FY21 financial year, the remuneration committee remained cognisant of the exceptional work and remarkable commitment from teams across the Group to keep our stores open, safe and fully stocked during the crisis.

The remuneration committee set its primary performance target as growth in profit before tax and exceptional items, inclusive of the cost of the performance bonus

As described in Section 2 of this report, the Group's formal methodology in determining the value of the short-term bonuses paid to participating executives, is based on a balanced score-card of Group and individual performance. The Group's primary PBTAE threshold target must be met for a short-term bonus to be considered. Thereafter, the short-term bonus (expressed as a multiple of the executive's monthly salary) is allocated on a formulaic basis, based on each executive's delivery of relevant secondary performance targets as evaluated through a formal performance appraisal process. Please refer to page 38 for further information.

The remuneration committee carefully deliberated appropriate short-term incentive targets for the Group's management team, within the context of the significant financial impact of Covid-19, and particularly the government-imposed trading restrictions which affected up to 20% of the Group's revenue in hard lock-down.

The Group delivered PBTAE of R1 583.4 million in FY21, a 16.5% decrease on the prior year, and ahead of the required stretch target of -45%. As a result, a short-term bonus was awarded to all qualifying management personnel, in recognition of the dedication shown in managing and mitigating the impact of the Covid-19 pandemic, and enabling the Group to deliver significant progress in a very difficult year.

Short-term bonuses were allocated to executive directors as follows:

Executive director	Designation	Bonus multiple	FY21 Rm	FY20 Rm[1]
Richard Brasher	CEO	24 times monthly salary	20.0	–
Lerena Olivier	CFO[2]	10 times monthly salary	4.0	–
Richard van Rensburg	CISO	8 times monthly salary	3.4	–
Suzanne Ackerman-Berman	Transformation director	8 times monthly salary	2.0	–
Jonathan Ackerman	Customer director	8 times monthly salary	1.0	–

[1] *The Group did not meet its primary PBTAE performance target in FY20 and as such no short-term bonuses were paid.*
[2] *Lerena Olivier met her individual super stretch targets for the year, and was awarded an additional 2 times monthly salary in recognition of her performance in respect of funding and liquidity management.*

Short-term incentive:
FY22 annual performance bonus

The remuneration committee will set new and appropriate short-term performance targets for the FY22, which will take into account all relevant macro-economic conditions, including ongoing uncertainty and volatility related to Covid-19.

Long-term incentives:
Share option scheme

The remuneration committee agreed to discontinue the Group's long-standing employee share option scheme, following a detailed evaluation of the effectiveness of the scheme, which highlighted the following concerns:

- Alignment with shareholder interests – shareholders expressed concern at the inclusion of senior and executive management in the broad-based retention scheme, without performance conditions attached to the share options awarded
- Reduced value of the scheme – the sustained under-performance of the South African equity market over the past five years had led to 65% or 15 million of the outstanding share options held by employees having little or no value at the end of FY20, notwithstanding the solid earnings performance delivered by the Group over the same period. The lack of value within the scheme rendered it ineffective as a retention mechanism
- Simplicity – employees at lower levels of management have demonstrated a preference for cash incentives over more complex share-based incentives
- Cost of the scheme – the scheme was more costly for the Group than a cash-incentive scheme, without delivering the commensurate value to participants
- Volatility in the Group's tax rate – the significant reduction in the value of the Group's employee share option obligations over recent years had resulted in the reversal of related deferred tax assets, and a material increase in the Group's tax rate

The introduction of a more modern and cost-effective cash retention scheme, aimed at the retention of key members of middle management, addresses the issues highlighted above.

No further share options will be awarded. Outstanding share options previously awarded under the Group's employee share option scheme will vest in participants over the next 3, 5 and 7 years, under the original terms and conditions of the scheme.

The future net realisable value of outstanding share options held by employees at 28 February 2021:

Year	Average grant price R	Number of options 000s	Net realisable value[1] Rm
Outstanding share options may be taken up during the following financial years:			
2022	50.12	13 284.6	20.6
2023	63.66	2 426.4	–
2024	69.09	2 170.3	–
2025	64.59	1 675.9	–
2026 and thereafter	67.82	2 370.3	–
Total		21 927.5	20.6

[1] *The net realisable value of outstanding share options was calculated using the prevailing market share price at year-end of R51.67, less the average grant price per award*

Long-term incentives:
Cash retention incentive scheme (CRI)

As detailed above, the remuneration committee introduced a cash retention scheme this year, aimed at the retention of key members of middle-management. The remuneration committee approved the inaugural award under the scheme as follows:

Award date	26 November 2020
Vesting date	26 June 2023
Retention period	31 months
Number of participants	191
Employment equity participation	72%
Female participation	35%

Long-term incentives:
Forfeitable share plan (FSP) awards – revision of performance hurdles

The remuneration committee utilised the discretion provided in terms of Section 8 of the FSP scheme rules, as approved by shareholders, to revise the original three-year comparable headline earnings per share (HEPS) performance targets under each scheme, to reflect the Group's changed circumstances as a result of the Covid-19 pandemic, including the longer-term impact of the pandemic on Group sales and earnings. In light of the Group's FY21 earnings performance, with comparable HEPS growth down 16.8% year-on-year, the revised targets are considered stretching, but attainable and are aligned to the Group's long-term plan.

				Revised three-year comparable HEPS growth target			
Scheme	Number of shares	Number of participants	Base year	Threshold	Target	Stretch	Vesting date
FSP 2018	2.2m	107	FY18	(4%)	(3%)	(2%)	June 2021
FSP 2019[1]	1.9m	115	FY19	(3%)	2%	4%	June 2022
FSP 2020[2]	1.2m	1	FY19	(3%)	2%	4%	March 2022

[1] *The 150 000 shares awarded to Richard van Rensburg under FSP 2019 will early vest on 25 June 2021, as part of his agreed retirement package. Further detail provided overleaf.*
[2] *The 1.2 million shares awarded to Richard Brasher under FSP 2020 will early vest on 25 June 2021 as part of his agreed retirement package. Further detail provided overleaf.*

The Group delivered comparable HEPS of 235.42 cents in FY21, and 265.58 cents excluding once-off staff compensation costs, exceeding the stretch target set for the 2018 FSP award. As such, 2.2 million shares will be delivered to participants at the end of June 2021.

Long-term incentives:
Executive award under the Group's restricted share plan (RSP)

At the AGM in August 2020, shareholders approved an amendment to the rules of the Group's forfeitable share plan (FSP), allowing the remuneration committee discretion to defer the participants' rights to dividends under the scheme. The scheme is now referred to as the Group's restricted share plan (RSP). In issuing RSP 2020, the remuneration committee exercised its discretion and dividends will only be paid to participants on the successful vesting of the scheme, in direct proportion to the number of shares which vest. Going forward, the remuneration committee will annually consider if dividends will be withheld on shares which ultimately do not vest.

The remuneration committee awarded the following RSP shares to executive directors and senior management during the FY21 financial year. The shares are held by a CSDP on behalf of the participants, and delivery is dependent on the attainment of performance targets linked to the growth in headline earnings per share.

				Three-year comparable HEPS growth target			
Scheme	Number of shares	Number of participants	Base year	Threshold	Target	Stretch	Vesting date
RSP 2020	3.7m	142	FY20	2%	4%	6%	June 2023

Executive retirement – CEO Richard Brasher

Acceleration of share incentives

CEO Richard Brasher did not participate in the Group's FSP 2019 award as a result of his planned retirement. Given Richard's unwavering commitment to the Group in the postponement of his retirement, and his exceptional leadership throughout the Covid-19 crisis, the remuneration committee awarded him 1.2 million FSP shares in 2020. Following the appointment of his successor, allowing Richard to retire in April 2021, the remuneration committee accelerated the vesting of FSP 2020. The shares will vest in full in June 2021.

Retirement gratuity

The remuneration committee awarded Richard Brasher an award of R5.0 million on his retirement in April 2021. The award is in recognition of the key role Richard Brasher has played in formulating and delivering Group strategy over the past eight years, his guidance in developing and executing Project Future, and his effective operational response to the Covid-19 crisis.

Executive retirement – CISO Richard van Rensburg

Acceleration of share incentives

The remuneration committee accelerated the vesting of the 150 000 FSP shares awarded to CISO Richard van Rensburg in 2019. The shares will vest in full in June 2021. The 2019 award, and the early delivery thereof, recognises Richard's significant contribution over the past 11 years in building the Group's efficient, effective and modern systems infrastructure.

Retirement gratuity

The remuneration committee awarded Richard van Rensburg an award of R5.0 million on his retirement in March 2021. The award recognises Richard van Rensburg's management of a number of the Group's growth initiatives over recent years, including the expansion of the Group's value-added services business, the development and roll-out of the Group's market stores, and the expansion of the Group's online offer.

Malus and claw-back

No incidents were identified in the FY21 financial year.

Non-executive directors

The remuneration committee reviewed and recommended non-executive director remuneration to the Board, for shareholder approval at the AGM on 28 June 2021.

In light of the impact that Government measures, implemented to contain the spread of the Covid-19 pandemic, had on the Group's trading environment, coupled with the significant financial impact of the pandemic on customers and staff, the Chair of the Board and all non-executive directors waived their right to CPI-linked and shareholder-approved fee increases in the FY21 year. All FY21 non-executive director remuneration was left unchanged from that received in FY20.

Chair of the Board

In setting the Chair's proposed annual fee of R4.9 million in respect of FY22, the remuneration committee considered the active role the Chair plays in the corporate governance of the Group and in formulating overarching strategy for the individual subsidiary companies within the Group. The Chair does not play a day-to-day role in the executive management and administration of the business, but does make himself available to the executive team in an advisory capacity. Gareth Ackerman is recused from all discussions in respect of his annual remuneration.

Non-executive directors

Shareholders approved the FY22 directors' fees at the AGM held in August 2020, agreeing that the FY21 fees be increased by CPI for the 2022 annual financial period.

Non-executive director fees (excluding value-added tax) for the current and proposed periods are as follows:

	Proposed 2022 R	Actual 2021 R	% change
Chair of the Board	4 893 000	4 660 000	5.0%
Lead independent non-executive director	152 000	145 000	4.8%
Non-executive director	457 000	435 000	5.1%
Chair of the audit, risk and compliance committee	394 000	375 000	5.1%
Member of the audit, risk and compliance committee	152 000	145 000	4.8%
Chair of the remuneration committee	210 000	200 000	5.0%
Member of the remuneration committee	99 000	94 500	4.8%
Member of the nominations and corporate governance committee[1]	94 500	90 000	5.0%
Member of the social and ethics committee[2]	99 000	94 500	4.8%
Chair of the corporate finance committee[3]	210 000	200 000	5.0%
Member of the corporate finance committee[3]	142 000	135 000	5.2%
Trustee of the employee share purchase trust	44 000	42 000	4.8%

[1] *The nominations and corporate governance committee is chaired by the Chair of the Board, who does not receive an additional fee for chairing this committee.*

[2] *The Chair of the social and ethics committee is an executive director and does not receive an additional fee for chairing this committee.*

[3] *The corporate finance committee is an ad hoc committee. The fees payable are determined in relation to the number of meetings held during the financial period but will not be more than the annual proposed fee.*

Total remuneration of executive directors and prescribed officer

Director	Designation	Base salary R'000	Retirement and medical contributions R'000	Fringe and other benefits R'000	Total fixed remuneration R'000	Short-term performance bonus[4] R'000	Retirement gratuity[5] R'000	Total remuneration R'000	Long-term share awards – current year[6] R'000	Long-term share awards accelerated on retirement[6] R'000
FY21										
Richard Brasher[1]	CEO	10 836.0	981.6	310.9	12 128.5	20 000.0	5 000.0	37 128.5	74 611.1	41 251.4
Lerena Olivier	CFO	4 160.0	398.4	337.2	4 895.6	4 000.0	–	8 895.6	4 822.8	–
Richard van Rensburg[5]	CISO	5 040.0	436.5	327.6	5 804.1	3 360.0	5 000.0	14 164.1	5 310.9	5 324.5
Suzanne Ackerman-Berman	Transformation director	3 024.0	281.0	285.7	3 590.7	2 000.0	–	5 590.7	1 451.7	–
Jonathan Ackerman	Customer director	1 512.0	270.7	278.6	2 061.3	1 000.0	–	3 061.3	759.0	–
Total remuneration		24 572.0	2 368.2	1 540.0	28 480.2	30 360.0	10 000.0	68 840.2	86 955.5	46 575.9
Prescribed officer	**Designation**									
FY21										
Pieter Boone[1]	CEO-designate	1 784.5	154.5	506.5	2 445.5	–	–	2 445.5	–	–
Director	**Designation**									
FY20										
Richard Brasher	CEO	10 707.0	968.0	742.5	12 417.5	–	–	12 417.5	4 551.7	–
Aboubakar Jakoet[2]	CFO – retired	2 711.3	52.8	1 348.4	4 112.5	–	–	4 112.5	1 813.4	860.2
Lerena Olivier[3]	CFO	1 896.2	182.4	169.7	2 248.3	–	–	2 248.3	285.2	–
Richard van Rensburg	CISO	4 980.0	431.3	327.6	5 738.9	–	–	5 738.9	(637.8)	–
Suzanne Ackerman-Berman	Transformation director	2 922.3	276.8	289.6	3 488.7	–	–	3 488.7	(791.6)	–
Jonathan Ackerman	Customer director	1 494.0	271.6	298.1	2 063.7	–	–	2 063.7	(234.7)	–
Total remuneration		24 710.8	2 182.9	3 175.9	30 069.6	–	–	30 069.6	4 986.2	860.2

[1] *Richard Brasher retired at the end of April 2021 and was succeeded by Pieter Boone who was appointed as CEO designate in January 2021.*

[2] *Aboubakar Jakoet retired as an executive director and was appointed as a non-executive director of Pick n Pay Stores Limited on 6 September 2019. On retirement, outstanding leave encashment and the settlement of outstanding employee loans resulted in additional fringe and other benefits received during the year.*

[3] *Lerena Olivier was appointed as an executive director of Pick n Pay Stores Limited on 6 September 2019.*

[4] *The Group achieved its performance target for the FY21 financial year, and a bonus was paid to all participating employees. Please refer to page 42. The short-term performance targets were not met in FY20 and no bonus was paid in the prior year.*

[5] *Richard Brasher and Richard van Rensburg have retired from the Group, effective end April 2021 and end March 2021 respectively. Retirement gratuities were paid in recognition of their exemplary service to the Group. Please refer to page 44.*

[6] *The long-term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and reflects the current year's charge recorded in the Group's statement of comprehensive income and statement of changes in equity. The fair value of share awards are determined at grant date, and are recognised in the statement of comprehensive income and statement of changes in equity over the period during which the employee becomes unconditionally entitled to the award (the vesting period). Long-term share awards will vest in the future only if all the vesting criteria set out in the rules of the 1997 employee share options scheme and the restricted share plan (RSP) are met. Dependent on the nature of the vesting criteria, long-term share awards expense may be reversed and recouped by the Group if the vesting criteria are not met. During the prior year, certain vesting criteria relating to FSP awards with a vesting date of 25 June 2020 were not met. As a result, approximately 70% of the cumulative long-term share awards were forfeited and the expense relating to this FSP allocation was recouped by the Group.*

Total remuneration of non-executive directors

Director	Directors' fees R'000	Lead independent director R'000	Audit committee R'000	Remuneration committee R'000	Nomination and corporate governance committees R'000	Social and ethics committee R'000	Employee share trust R'000	Total remuneration R'000
FY21								
Gareth Ackerman	4 660.0	–	–	–	–	–	–	4 660.0
Haroon Bhorat[1]	362.5	–	–	55.1	52.5	–	–	470.1
Mariam Cassim[1]	362.5	–	120.8	–	–	–	–	483.3
David Friedland	435.0	–	145.0	–	90.0	–	–	670.0
Hugh Herman[2]	435.0	–	145.0	200.0	–	–	42.0	822.0
Aboubakar Jakoet	435.0	–	–	94.5	–	94.5	42.0	666.0
Alex Mathole[3]	181.3	–	–	–	37.5	39.4	–	258.2
Audrey Mothupi[4]	435.0	–	145.0	94.5	90.0	–	42.0	806.5
David Robins	435.0	–	–	–	–	94.5	–	529.5
Annamarie van der Merwe[5]	253.8	–	–	–	52.5	55.1	–	361.4
Jeff van Rooyen	435.0	145.0	375.0	94.5	90.0	–	42.0	1 181.5
Total remuneration	8 430.1	145.0	930.8	538.6	412.5	283.5	168.0	10 908.5
FY20								
Gareth Ackerman	4 660.0	–	–	–	–	–	–	4 660.0
David Friedland	435.0	–	145.0	–	90.0	–	–	670.0
Hugh Herman	435.0	145.0	145.0	200.0	–	–	42.0	967.0
Alex Mathole	435.0	–	–	–	90.0	94.5	–	619.5
Audrey Mothupi	435.0	–	145.0	94.5	90.0	–	42.0	806.5
Aboubakar Jakoet[6]	217.5	–	–	47.3	–	47.2	21.0	333.0
David Robins	435.0	–	–	–	–	94.5	–	529.5
Jeff van Rooyen	435.0	–	375.0	94.5	90.0	–	42.0	1 036.5
Total remuneration	7 487.5	145.0	810.0	436.3	360.0	236.2	147.0	9 622.0

[1] *Appointed May 2020*
[2] *Retired as Chair of the remuneration committee effective 28 February 2021*
[3] *Retired August 2020*
[4] *Appointed as Chair of the remuneration committee effective 1 March 2021*
[5] *Appointed August 2020*
[6] *Appointed September 2019*

Share awards held by executive directors

FY21	Calendar year granted	Award grant price R	Balance held at 1 March 2020	Forfeits[1]	Granted/ (exercised)	Exercise price R	Balance held at 28 February 2021	Shares and share options to be delivered post 28 February 2021[2]	Available for take-up
Richard Brasher									
Forfeitable share plan	2017	nil	400 000	(280 000)	(120 000)	51.81	–	–	n/a
	2018	nil	1 000 000	–	–	–	1 000 000	(1 000 000)	June 2021
	2020	nil	–	–	1 200 000	–	1 200 000	(1 200 000)	June 2021
			1 400 000	(280 000)	1 080 000		2 200 000	(2 200 000)	
Lerena Olivier									
Share options	2019	58.05	80 000	–	–	–	80 000	–	September 2022
	2019	58.05	60 000	–	–	–	60 000	–	September 2024
	2019	58.05	60 000	–	–	–	60 000	–	September 2026
Forfeitable share plan	2017	nil	60 000	–	(60 000)	51.81	–	–	
	2018	nil	20 000	–	–	–	20 000	(20 000)	June 2021
	2019	nil	100 000	–	–	–	100 000	–	June 2022
Restricted share plan	2020	nil	–	–	120 000	–	120 000	–	June 2023
			380 000	–	60 000		440 000	(20 000)	
Richard van Rensburg									
Share options	2016	31.14	487 464	–	–	–	487 464	(487 464)	n/a
Forfeitable share plan	2017	nil	140 000	(98 000)	(42 000)	51.81	–	–	n/a
	2018	nil	30 000	–	–	–	30 000	(30 000)	June 2021
	2019	nil	150 000	–	–	–	150 000	(150 000)	June 2021
			807 464	(98 000)	(42 000)		667 464	(667 464)	
Suzanne Ackerman-Berman									
Forfeitable share plan	2017	nil	80 000	(56 000)	(24 000)	51.81	–	–	n/a
	2018	nil	15 000	–	–	–	15 000	(15 000)	June 2021
	2019	nil	15 000	–	–	–	15 000	–	June 2022
Restricted share plan	2020	nil	–	–	60 000	–	60 000	–	June 2023
			110 000	(56 000)	36 000		90 000	(15 000)	
Jonathan Ackerman									
Forfeitable share plan	2017	nil	40 000	(28 000)	(12 000)	51.81	–	–	n/a
	2018	nil	8 000	–	–	–	8 000	(8 000)	June 2021
	2019	nil	8 000	–	–	–	8 000	–	June 2022
Restricted share plan	2020	nil	–	–	30 000	–	30 000	–	June 2023
			56 000	(28 000)	18 000		46 000	(8 000)	

[1] *The Group did not meet its three-year comparable HEPS target required for the full vesting of the 2017 FSP award, and as such a portion of the outstanding shares were forfeited at the discretion of the remuneration committee.*

[2] *The Group delivered its three-year performance target for the successful delivery of the 2018 FSP award. All shares will be delivered to participants at the end of June 2021. Please refer to page 43 for further information. Furthermore, the 2019 and 2020 share awards held by Richard Brasher and Richard van Rensburg will be early delivered in June 2021 as part of their agreed retirement package. Please refer to page 44 for further information.*

Directors' interest in ordinary shares

Director	How held[1]	Balance held at 1 March 2020	Additions/ grants	Disposals	Forfeits[5]	Balance held at 28 February 2021[8]	Beneficial/ non-beneficial interest[2]
FY21							
Gareth Ackerman	direct	309	–	–	–	309	Beneficial
	indirect	1 704 200	8 906	–	–	1 713 106	Beneficial
	indirect	19 762	–	–	–	19 762	Non-beneficial
Ackerman Pick n Pay Foundation[3]	indirect	101 900	–	–	–	101 900	Non-beneficial
Ackerman Investment Holdings Proprietary Limited[3]	indirect	1	–	–	–	1	Non-beneficial
Newshelf 1321 Proprietary Limited[4]	indirect	124 677 237	–	–	–	124 677 237	Non-beneficial
Mistral Trust[6]	indirect	2 768 000	32 000	–	–	2 800 000	Non-beneficial
Richard Brasher	direct	–	64 800	–	–	64 800	Beneficial
	direct – FSP	1 400 000	1 200 000	(120 000)	(280 000)	2 200 000	Beneficial
Lerena Olivier	direct	8 100	32 400	–	–	40 500	Beneficial
	direct – FSP/RSP	180 000	120 000	(60 000)	–	240 000	Beneficial
Richard van Rensburg	direct – FSP	320 000	–	(42 000)	(98 000)	180 000	Beneficial
Jonathan Ackerman	direct	122 888	–	–	–	122 888	Beneficial
	direct – FSP/RSP	56 000	30 000	(12 000)	(28 000)	46 000	Beneficial
	indirect	765 886	33 533	–	–	799 419	Beneficial
	indirect	14 495	–	(12 334)[7]	–	2 161	Non-beneficial
Suzanne Ackerman-Berman	direct	120 528	–	–	–	120 528	Beneficial
	direct – FSP/RSP	110 000	60 000	(24 000)	(56 000)	90 000	Beneficial
	indirect	612 109	12 960	–	–	625 069	Beneficial
Aboubakar Jakoet	direct	758 764	–	–	–	758 764	Beneficial
	indirect	13 059	–	–	–	13 059	Non-beneficial
David Friedland	indirect	41 688	10 000	–	–	51 688	Beneficial
David Robins	direct	975	–	–	–	975	Beneficial
	indirect	90 436	–	–	–	90 436	Non-beneficial
Hugh Herman	direct	30 000	–	–	–	30 000	Beneficial
	indirect	256	–	–	–	256	Beneficial

[1] Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust (of which the director is a trustee), a spouse or minor children of directors.

[2] Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.

[3] The indirect non-beneficial interest in the Ackerman Pick n Pay Foundation represents the holdings of Gareth Ackerman and Suzanne Ackerman-Berman in their capacities as trustees.

[4] The indirect non-beneficial interest in Newshelf 1321 Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman.

[5] The Group did not meet its three-year comparable HEPS target required for the full vesting of the 2017 FSP award, and as such a portion of the outstanding shares were forfeited at the discretion of the remuneration committee.

[6] The indirect non-beneficial interest in the Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.

[7] This disposal of shares relates to minor children of the director achieving the age of majority. These shares are therefore no longer held indirectly by the director.

[8] There have been no changes in the directors' interests in ordinary shares since 28 February 2021 up to the date of the approval of this report.

Directors' interest in B shares

Director	How held[1]	Balance held at 1 March 2020	Disposals	Balance held at 28 February 2021[6]	Beneficial/ non-beneficial interest[2]
FY21					
Gareth Ackerman	direct	522	–	522	Beneficial
	indirect	3 227 861	–	3 227 861	Beneficial
	indirect	39 140	–	39 140	Non-beneficial
Newshelf 1321 Proprietary Limited[3]	indirect	246 936 847	–	246 936 847	Non-beneficial
Mistral Trust[4]	indirect	5 349 559	–	5 349 559	Non-beneficial
Jonathan Ackerman	direct	243 307	–	243 307	Beneficial
	indirect	1 135 009	–	1 135 009	Beneficial
	indirect	21 862	(17 582)[5]	4 280	Non-beneficial
Suzanne Ackerman-Berman	direct	233 767	–	233 767	Beneficial
	indirect	926 084	–	926 084	Beneficial
David Robins	direct	1 931	–	1 931	Beneficial
	indirect	179 118	–	179 118	Non-beneficial

[1] Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust (of which the director is a trustee), a spouse or minor children of directors.

[2] Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.

[3] The indirect non-beneficial interest in Newshelf 1321 Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman.

[4] The indirect non-beneficial interest in the Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.

[5] This disposal of shares relates to minor children of the director achieving the age of majority. These shares are therefore no longer held indirectly by the director.

[6] There have been no changes in the directors' interests in B shares since 28 February 2021 up to the date of the approval of this report.