

REMUNERATION COMMITTEE

Section 1: Chairman's statement

The Group has delivered solid progress against its strategic long-term plan, under the leadership of Richard Brasher and his senior management team. The business has improved its profit margin, strengthened its balance sheet and delivered compound annual growth in headline earnings per share of 24% over the past four years. The Group has invested more in skills development and training, improved its staff engagement and performance management, created more diversity in the workplace and continued to play an important role in job creation in South Africa.

Hugh Herman
Chairman: remuneration committee



The Group's long-term plan is organised around seven key business acceleration pillars, one of which sets out the plan for building a winning team. This recognises the pivotal role the Pick n Pay team will play in the effective execution of Group strategy and ultimately in the long-term sustainable success of Pick n Pay. The Group's remuneration philosophy and underlying policies support its ambition to build the most skilled and talented South African retail business, and is aimed at attracting, retaining and motivating employees, while aligning remuneration with shareholder interests and best practice.

The tough consumer environment has put increasing pressure on sales volumes. The team delivered positive profit growth in this tough environment, strengthening the trading profit margin from 2.1% of turnover to 2.3%, with headline earnings per share up 18.0% year-on-year. However, the 2017 financial result fell short of certain key internal performance indicators set for the team, particularly in respect of turnover growth and working capital targets. Accordingly, the remuneration committee has not awarded a short-term bonus to its senior group executive team this year. Discretionary bonuses have been awarded to key members of staff at lower levels of management in recognition of progress delivered during a more challenging year.

In addition to the short-term bonus decision, other key considerations for the remuneration committee during the year included:

- The third allocation of shares to senior management in terms of the Group's forfeitable share plan in August 2016
- Setting the remuneration packages of new key senior executives in line with market-related benefits
- Agreeing the overall salary increase for all personnel
- Ongoing talent management and succession planning

A highlight of the year was the securing of a three-year wage agreement with the Group's main labour partner. This demonstrated a commitment from both sides to establish a fair and competitive long-term wage rate for members, and to secure improvements in productivity, efficiency and flexibility to assure the long-term success of the Group. The agreement introduced a new starting level category of staff, with basic pay linked to the Government's minimum pay levels, clear progression in terms of annual increases and a comprehensive package of additional benefits. The agreement also introduced a minimum guarantee of 85 hours work per month for all employees, bringing an end to the insecurity of zero-hour contracts. The Group is confident of the opportunity to reduce labour costs as a percentage of sales over time, while providing employees with the dignity of a living wage, competitive benefits and certainty of work.

The Group purchased shares to the value of R345.4 million under its share incentive schemes, and delivered substantial wealth creation for 9 250 employees at all levels, who realised their share awards during the year. The increased take-up of share options was driven by the higher share price over the year, as well as increased engagement with employees over the time of the unbundling of Pick n Pay Holdings Limited RF Group.

It gives us enormous pride to have contributed so substantially to long-term wealth creation for employees. The success of the Group's employee share incentive schemes and the value shared with employees is testament to the unique values of Pick n Pay and the positive role the Group has played as a significant employer in South Africa.

The Group created 4 500 new positions this year and is committed to creating quality jobs across South Africa and beyond. The modernisation of the Group is key to achieving this goal, and to ensure that our job creation is sustainable. Improvements in productivity and cost-effectiveness enable the Group to be more competitive, offer better value, attract more customers and grow its footprint sustainably. It is against this background that Pick n Pay finalised a voluntary severance programme (VSP) in May 2017. Participation in the scheme was entirely voluntary, and acceptance of

applications was at the Group's discretion. The programme enabled Pick n Pay to remove positions that were no longer required as a result of improved ways of working. By becoming more efficient and offering better value, the Group will sell more products and open more stores, creating more sustainable jobs in a strong and forward-looking business.

The remuneration committee is confident that the Group's remuneration policy achieved its stated objectives during the year. Senior management and staff have been remunerated fairly, commensurate with market best-practice, current achievements have been recognised and future performance incentivised in line with the objectives of the Group's long-term strategy and the interests of shareholders.

Sections 2 and 3 of the remuneration report (remuneration policy and the implementation thereof) will be tabled at the Group's 2017 AGM, on 31 July 2017 for a separate, non-binding advisory vote by shareholders.

The directors' fees for the 2017 financial period were approved by shareholders at the AGM held on 25 July 2016.

The shareholder votes received in respect of the directors' fees and remuneration report were as follows:

| | FOR | AGAINST | ABSTAIN |
|--|-------------|------------|-----------|
| Advisory vote | 364 370 069 | 66 439 442 | 2 821 397 |
| Remuneration report for the 2016 annual financial period | 84.6% | 15.4% | 0.6% |
| Special resolution number 1 | 401 468 892 | 29 340 619 | 2 821 397 |
| Directors' fees for the 2017 and 2018 annual financial periods | 93.2% | 6.8% | 0.6% |

The proposed directors' fees for the 2018 financial period will be submitted to shareholders for approval at the AGM to be held on 31 July 2017. Please refer to page 26 for further information.

Future areas of focus for the remuneration committee include talent management, succession planning and appropriate and effective long-term incentives to retain key skill over the long term. The remuneration committee looks forward to 2018, and is optimistic of the positive role Pick n Pay will play in the lives of its employees, and more broadly across all the communities it serves.

Hugh Herman

Chairman: remuneration committee

23 June 2017

Section 2: Overview of remuneration policy

ALIGNMENT WITH STRATEGIC OBJECTIVES

The Group’s remuneration philosophy reflects the following principles:

Meritocracy – staff are recognised and advanced based on merit

Most talented SA retail business – we will attract, retain and develop the most talented staff in the retail industry

Effective lean organisation structure – we will create and reward a culture of productivity and efficiency

Diversity management – we will offer equal opportunities to people from all walks of life, and our team will reflect the communities we serve

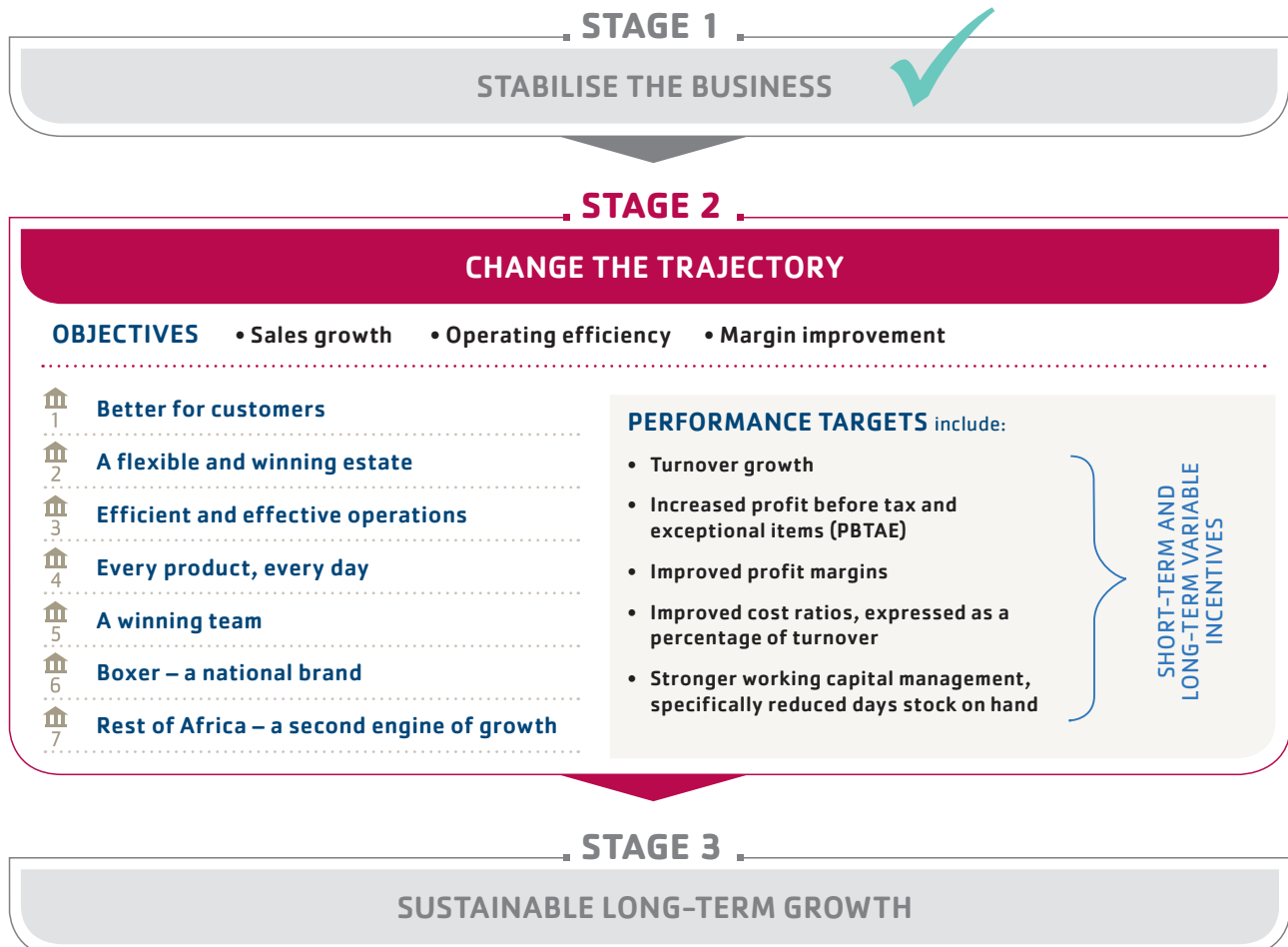
Underlying remuneration policies support the development and retention of top talent, while attracting critical skills and experience in the retail industry:

- Remuneration at all levels is benchmarked against the remuneration policies and practices of comparable companies (both locally and internationally) to ensure that it is fair and reasonable, and key or scarce skills are remunerated in the upper quartile
- An independent expert assists the remuneration committee with benchmarking

- Remuneration is balanced between fixed remuneration and variable short-term and long-term incentives – applying a higher proportion of variable remuneration to senior management to drive performance, and placing a greater emphasis on fixed pay for middle and junior management
- Compliance with all applicable legislation
- Non-executive directors do not receive remuneration or incentive awards related to share price or corporate performance

The Group rewards employees for their individual contribution to the Group’s strategic, operating and financial performance:

- The Group remuneration philosophy and underlying policies are aligned with the long-term strategic objectives of the Group, as set out in Stage 2 of the long-term turnaround plan
- Short-term and long-term incentives are linked to the achievement of key performance targets, and will contribute to building a winning team and long-term, sustainable value creation in the business



The remuneration committee assists the Board in meeting its responsibility for setting and administering appropriate remuneration policies which are in the best long-term interests of the Group, and are aligned with the Group's long-term strategic objectives. The committee considers and recommends remuneration policies for all levels of staff in the Group, with a particular focus on executive directors, senior management and non-executive directors. 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.

The composition of the remuneration committee and meeting attendance is as follows:

| Director | Attendance |
|------------------------|------------|
| Hugh Herman (Chairman) | 2/2 |
| Gareth Ackerman | 2/2 |
| Audrey Mothupi* | 2/2 |
| Jeff van Rooyen* | 2/2 |

* Audrey Mothupi and Jeff van Rooyen were appointed to the remuneration committee in April 2016, to replace John Gildersleeve and Ben van der Ross who retired during the 2016 financial year.

OBJECTIVES AND ACTIVITIES 2017

- Reviewed the Group's remuneration philosophy and underlying policies to ensure alignment with the strategic objectives of the Group, and best practice in the market.
- Determined the remuneration packages of executive directors and reviewed the remuneration packages of senior management and key employees.
- Proposed fees for non-executive directors, for shareholder approval.
- Reviewed and approved performance-related short-term incentives as well as long-term share-based incentives.
- Determined the overall salary increase for salaried staff across the Group.
- Reviewed the principle and manner in which staff are rewarded for long service, with a view to modernising the benefits in a meaningful and relevant manner.
- Considered talent management and succession planning.

REMUNERATION STRUCTURE: EXECUTIVE DIRECTORS AND EMPLOYEES

Remuneration structure

- Fixed base salary and benefits
- Short-term variable incentives
- Long-term variable incentives

Remuneration objectives

- To ensure employees are fairly awarded for services rendered
- To recognise and reward outstanding individual performance
- To incentivise employees to meet short-term and long-term strategic objectives
- To encourage employees to grow and remain with the Group over the long term

1. FIXED BASED SALARY AND BENEFITS

| EMPLOYEES | | SALARY | FIXED BENEFITS | | | | | |
|-----------|---|------------|----------------|--------------------|-------------|-----------------------|--------------------|-------|
| GRADES | CATEGORY | FIXED BASE | 13TH CHEQUE | RETIREMENT FUNDING | MEDICAL AID | MOTOR VEHICLE BENEFIT | LOW-INTEREST LOANS | LEAVE |
| A & B | Senior management | ✓ | - | ✓ | ✓ | ✓ | ✓ | ✓ |
| C & D | Middle management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| E & F | Junior management | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ |
| G | Entry level, clerical and administration | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ |
| NMBU | Permanent staff with non-management bargaining unit | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ |

REMUNERATION COMMITTEE continued

FIXED BASE SALARY

Remuneration reflects the relative skill, experience, contribution and performance of the individual. Base salary is set at levels that are competitive with the rest of the market so that the Group can attract, motivate and retain the right calibre of people to achieve the Group's strategic business objectives. Remuneration is directly linked to annual performance assessments. Annual increases in base salary are determined with reference to the scope of the employee's role, the competence and performance of the employee, the projected consumer price index and comparable increases in the general and retail market.

FIXED BENEFITS

13th cheque

A 13th cheque is paid to qualifying employees in November each year. Variable-time employees³ participate based on the average number of hours worked in a month. Employees must have been in the employ of the Group for at least three months to be eligible to receive this benefit.

Retirement funding

It is a condition of employment that all employees, including variable-time employees³, are required to join one of the retirement funds provided by the Group. The Group contributes up to 8.7% of the individual employee's salary towards retirement funding, depending on the fund and the terms and conditions of employment.

Medical aid

Medical aid provisions are in place for all full-time¹, part-time² and variable-time employees³. The Group provides a number of medical aid schemes and membership is compulsory for all Pick n Pay employees on G-grade and above, unless they are covered by a third-party medical aid. Membership of the medical aids provided is optional for NMBU⁴ employees. The Group contributes 50% of the medical aid contributions on behalf of employees.

The Group is committed to furthering the economic empowerment and wellbeing of its employees and as such, the provision of retirement and medical benefits to staff is a key part of the remuneration policy.

Motor vehicle benefit

Certain employees in middle management and above are entitled to a motor vehicle benefit. Depending on the requirements of their role, it may be in the form of a travel allowance or provision of a company car. This benefit may include payment of maintenance, fuel and insurance.

Low-interest loans

All employees have access to low-interest loans from the Group. The primary objective of this benefit is to assist employees with the acquisition of residential property. Loan values are capped at varying amounts, depending on the employee's position in the Group. Affordability tests are performed before any loan is granted, to ensure the employee does not experience financial strain. All housing loans are secured by the employee's retirement funding. No financial assistance is provided to assist employees to buy shares in the Group. For further details please refer to note 15 of the 2017 audited Group annual financial statements where employee loans are disclosed.

Leave

Annual leave accumulates from the date of starting employment for all employees and varies between three and four weeks per annum depending on the terms, conditions and length of employment. Variable-time employees³ accumulate leave based on ordinary hours worked. The Group recognises long service with an additional allocation of leave, depending on the terms and conditions of employment, at five-year intervals. The Group also provides family responsibility and religious leave, where applicable.

Long-service awards

The Group has replaced its long-service share option scheme with a long-service cash award scheme where employees can redeem their award in Pick n Pay stores.

1. Full-time employees have a fixed contract with the Group and work either 40 or 45 hours per week
2. Part-time employees have a fixed contract with the Group and work a maximum of 25 hours per week
3. Variable time employees have a variable contract with the Group, which guarantees either 85 hours per month, or a maximum of 40 hours per week
4. NMBU refers to our non-management bargaining unit

2. SHORT-TERM AND LONG-TERM VARIABLE INCENTIVES

| EMPLOYEES | | SHORT-TERM | LONG-TERM | | | |
|-----------|---|-----------------|-----------|-------------|----------------------|--------------------|
| GRADES | CATEGORY | INCENTIVE BONUS | STATUS | PERFORMANCE | RETENTION AND BINARY | FORFEITABLE SHARES |
| A & B | Senior management | ✓ | ✓ | ✓ | ✓ | ✓ |
| C & D | Middle management | ✓ | ✓ | ✓ | ✓ | - |
| E & F | Junior management | - | ✓ | - | - | - |
| G | Entry level, clerical and administration | - | - | - | - | - |
| NMBU | Permanent staff with non-management bargaining unit | - | - | - | - | - |

SHORT-TERM VARIABLE INCENTIVE

The short-term incentive bonus is discretionary and is linked to the achievement of targets based on profit before tax and exceptional items (PBTAE), as set by the remuneration committee. Please refer to the five-year review in the 2017 integrated annual report for further detail on the calculation of PBTAE. The bonus pool is self-funding and is created after the achievement of pre-defined targets, inclusive of the value of the incentive. The bonus pool increases in value as threshold, target or stretch targets are attained. Bonuses are paid as a multiple of basic monthly salary. Each individual's share of the bonus pool is dependent on the overall Group target being reached and on their own individual performance, as measured through the Group's annual performance appraisal process.

Bonuses are capped at the following multiples:

| GRADES | CATEGORY | BONUS CAP |
|--------|-------------------|---------------------------|
| A | CEO | 24 x basic monthly salary |
| A | Group Executive | 12 x basic monthly salary |
| B | Senior management | 6 x basic monthly salary |
| C & D | Middle management | 4 x basic monthly salary |

All bonuses paid are subject to approval by the remuneration committee and no bonuses are paid if the Group's PBTAE threshold target is not met. The bonus paid to middle management is reduced by the value of the fixed 13th cheque which is paid annually in November.

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, and shortages and waste.

LONG-TERM VARIABLE INCENTIVES

It is Group policy to maintain a broad-based share option scheme for employees. This is an integral part of our remuneration philosophy and ensures that the interests of staff are aligned with those of shareholders. It gives all levels of management the opportunity to acquire shares in the Group, affording them the opportunity for economic upliftment, and encourages employee retention. It is a key differentiator between the Group and other retail employers in South Africa.

The Group operates two share incentive schemes for the benefit of its employees:

1. The 1997 Employee Share Option Scheme; and
2. The forfeitable share plan (FSP).

Funding of share plans and dilutions

Shareholders have authorised the Board to utilise up to 63 892 444 shares of Pick n Pay Stores Limited for the purpose of managing the Group's share schemes. Both the Group's share schemes fall within this limit which means the aggregate number of shares that can be awarded under both schemes cannot exceed the authorised limits.

The two share schemes are further constrained by an aggregate limit of 5% of the issued share capital of Pick n Pay Stores Limited, in respect of the amount of new

shares that can be issued to cover obligations under the employee share schemes. The Group has cumulatively issued 10.7 million shares in the past and is therefore able to issue a further 13.7 million shares or 2.8% of its issued share capital to fund future obligations under the share schemes. Please refer to note 5 of the 2017 audited Group annual financial statements for further details of the outstanding options and limits available under the schemes.

The 1997 Employee Share Option Scheme

The Group operates the 1997 Employee Share Option Scheme (the scheme) to facilitate broad employee share ownership, foster trust and loyalty among employees and reward performance. The scheme incentivises management and employees by providing them with an opportunity to acquire shares in the Group, thereby aligning interests with shareholders and encouraging employee retention. Furthermore, binary share options incentivise senior management to achieve specified market-related performance targets.

During the 2017 financial year, 3.4 million Pick n Pay Stores Limited (PIK) options were issued to employees in respect of their progress and performance. A total of 32.1 million PIK share options were held by employees at year-end, amounting to 6.6% of shares in issue. Please refer to note 5 of the 2017 audited Group annual financial statements for further information.

Status share options – service conditions attached

Status share options are granted to employees who attain grade F, and further options are granted at each promotion to higher levels of management. In order to encourage employee retention, status shares vest in three tranches (vesting periods) as follows:

- 40% after three years of service
- 30% after five years of service
- 30% after seven years of service

There are no other performance conditions attached to these share options. Vesting is only dependent on the employee remaining in the employ of the Group over the specified vesting period. If the employee leaves the employ of the Group before the end of a vesting period, unvested share options lapse.

Performance share options – service conditions attached

Middle management employees may be eligible for performance "top-up" share options, in recognition of their individual performance and contribution to the Group. These options vest in the same manner as status share options.

Retention share options – extended service conditions attached

These share options specifically encourage the retention of key individuals and have varying vesting periods that can be up to 10 years.

REMUNERATION COMMITTEE continued

Binary share options – service and performance conditions attached

Binary share options are granted to employees in senior management positions. These three to five-year options may only be taken up when prescribed performance conditions linked to the growth of the PIK share price are met. Should further performance hurdles be achieved, discounted grant prices may apply. If the initial eligibility hurdle is not met, the options are forfeited.

(a) Binary share options issued to deputy CEO Richard van Rensburg

In October 2011, 400 000 binary share options were issued to deputy CEO Richard van Rensburg. The binary share options were issued at a grant price of R36.55, under the following terms:

If the 20-day VWAP up to and including 23 May 2016 was R73.11 or greater, the options could be exercised at the full grant price of R36.55. Should this 20-day VWAP be less than R73.11, then the options would lapse. Thereafter, if further performance hurdles were met, discounted grant prices would apply on exercise.

The salient features of the issue are summarised below:

| Hurdles | Share price May 2016 | Annual compound growth rate | Exercise price May 2016 |
|----------------------|-------------------------|-----------------------------------|-------------------------------|
| Eligibility hurdle | R73.11 | 16% | R36.55 |
| Performance hurdle 1 | R93.07 | 23% | R18.28 |
| Performance hurdle 2 | R121.56 | 30% | R1.00 |

The 20-day VWAP up to and including 23 May 2016 was R73.79. As such the eligibility hurdle was met and the binary share options vested. Richard van Rensburg took up these shares at the grant price of R36.55, and elected to sell.

(b) Binary share options issued to CEO Richard Brasher

In November 2012, 1 000 000 binary share options were issued to Richard Brasher on his appointment as CEO. The binary share options were issued at a grant price of R42.24.

If the 20-day VWAP up to 14 November 2017 is R68.03 or greater, the options can be exercised at the full grant price of R42.24. Should this 20-day VWAP be less than R68.03, then the options will lapse. Thereafter, if performance hurdles are met, discounted grant prices will apply on exercise.

The salient features are summarised below:

| Hurdles | Share price November 2017 | Annual compound growth rate | Exercise price November 2017 |
|----------------------|---------------------------------|-----------------------------------|---------------------------------------|
| Eligibility hurdle | R68.03 | 10% | R42.24 |
| Performance hurdle 1 | R84.96 | 15% | R21.12 |
| Performance hurdle 2 | R128.91 | 25% | R1.00 |

In addition to the terms above, if the 20-day VWAP up to 14 November 2017 is between R105.11 and R128.90 (representing an annual compound growth rate of 20% in the 20-day VWAP share price from grant date), a cash bonus of R10.6 million will be paid.

The future net realisable value of all outstanding share options for all participating Group employees:

| | Average grant price 2017 R | 52 weeks 26 February 2017 Number of options 000's | Net realisable value Rm |
|--|-------------------------------------|---|-------------------------------|
| Outstanding share options may be taken up during this following financial periods: | | | |
| Year | | | |
| 2018 | 32.78 | 17 249.6 | 405.7 |
| 2019 | 40.72 | 5 255.9 | 81.9 |
| 2020 | 42.05 | 3 518.5 | 50.1 |
| 2021 | 54.19 | 2 315.9 | 4.9 |
| 2022 and after | 59.18 | 3 786.5 | – |
| | | 32 126.4 | 542.6 |

The net realisable value of outstanding share options was calculated using the prevailing market share price at the time of publication of R56.30 less the average grant price. Binary share options include performance hurdles that, if met, trigger discounted grant prices.

The forfeitable share plan (FSP)

The FSP recognises those key employees who have a significant role to play in delivering Group strategy and ensuring the growth and sustainability of the business in the future. The award of shares under the FSP recognises the valuable contribution of qualifying employees, and through the attachment of performance conditions, incentivises these employees to deliver earnings growth in the future. An award of shares may also be used to attract talented prospective employees.

An important feature of the FSP is that before employees are eligible to participate, they must first meet their annual individual key performance indicators, as set out in the strategic long-term plan. If an employee does not meet his or her individual performance targets and therefore is not awarded a short-term incentive bonus, the employee will not be eligible to receive an award of forfeitable shares.

The participant becomes the beneficial owner of the forfeitable shares on the date of the award. Beneficial ownership affords the employee full shareholder voting rights and full rights to any dividends declared.

The shares are held by a Central Securities Depository Participant (CSDP) on behalf of the employee during the time of the vesting period and the employee will not be able to dispose of the shares before the vesting date. If the employee leaves the employ of the Group before the completion of the vesting period (other than on normal retirement, disability or death) all shares will be forfeited.

The remuneration committee awards shares to participants. The actual number of shares awarded takes into account

recognised market benchmarks, as well as each participant's individual performance, annual salary, employment grade and other relevant retention and attraction requirements. The performance conditions are linked to the financial performance of the Group, with headline earnings per share (HEPS) the preferred performance measure. Performance conditions are applied on a linear, rising scale, allowing for the vesting of an increasing number of shares, as earnings thresholds are met and exceeded.

It is important to note that all the growth thresholds detailed above are after recognising the applicable IFRS 2 expense, which is charged to the income statement over the vesting term of the forfeitable shares. The scheme is therefore self-funding.

To ensure the FSP is aligned with the best interests of the Group and its shareholders, the performance conditions are subject to an overriding condition that Pick n Pay's return on capital employed (ROCE) must be greater than its weighted average cost of capital (WACC) over the vesting period, before any FSP shares are allowed to vest. This is to ensure that the Group has generated a real return for shareholders before rewarding its management team.

There have been three share issues under the FSP:

FSP 1

The debut FSP share issue took place in August 2014 and was funded through a fresh issue of 6.9 million PIK shares. There have been some forfeitures in terms of the scheme and currently 6.4 million shares are held by a CSDP on behalf of 134 participants.

The following performance conditions apply for FSP 1:

| 52 WEEKS TO 2 MARCH 2014 BASELINE HEPS cents | THREE-YEAR COMPOUND ANNUAL GROWTH RATE % | 52 WEEKS TO 26 FEBRUARY 2017 HEPS cents | PORTION OF SHARES WHICH VEST % | NUMBER OF SHARES WHICH VEST 000's | NET REALISABLE VALUE* Rm |
|---|---|--|---|--|--------------------------------|
| 138.51 | < 10% | < 184.36 | All forfeited | – | – |
| 138.51 | 10% | 184.36 | 30% | 1 927.5 | 108.5 |
| 138.51 | 12% | 194.60 | 65% | 4 176.3 | 235.1 |
| 138.51 | 15% | 210.66 | 100% | 6 425.0 | 361.7 |

* The net realisable value of outstanding FSP shares was calculated using the prevailing market share price at the time of publication of R56.30.

The Group delivered HEPS growth of 18.0% in 2017 to 264.35 cents per share, with cumulative HEPS growth over the last three years of 24.0%. The stretch HEPS growth target has been met. The total number of outstanding FSP 1 shares will fully vest in August 2017, provided that the three-year service requirement is met.

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FSP 2

The second FSP share issue took place in August 2015 and was funded through a fresh issue of 1.1 million PIK shares and available treasury shares. A total of 1.2 million shares are currently held by a CSDP on behalf of 107 participants.

The following performance conditions apply for FSP 2:

| 52 WEEKS TO 1 MARCH 2015 BASELINE HEPS cents | THREE-YEAR COMPOUND ANNUAL GROWTH RATE % | 52 WEEKS TO 25 FEBRUARY 2018 HEPS cents | PORTION OF SHARES WHICH VEST % | NUMBER OF SHARES WHICH VEST 000's | NET REALISABLE VALUE* Rm |
|---|---|--|---|--|--------------------------------|
| 177.26 | < 10% | < 235.93 | All forfeited | – | – |
| 177.26 | 10% | 235.93 | 30% | 350.4 | 19.7 |
| 177.26 | 11% | 242.43 | 65% | 759.2 | 42.7 |
| 177.26 | 12% | 249.04 | 100% | 1 168.0 | 65.8 |

* The net realisable value of outstanding FSP shares was calculated using the prevailing market share price at the time of publication of R56.30.

The strong compound annual growth in HEPS of 22% over the past two years has put the Group in a strong position to deliver the FSP 2 shares to participants in 2018.

FSP 3

The third FSP share issue took place in August 2016 and was funded partly through treasury shares held by the Group and partly through open market purchases. A total of 1.7 million shares are held by a CSDP on behalf of 117 participants.

The following performance conditions apply for FSP 3:

| 52 WEEKS TO 28 FEBRUARY 2016 BASELINE HEPS cents | THREE-YEAR COMPOUND ANNUAL GROWTH RATE % | 52 WEEKS TO 3 MARCH 2019 HEPS cents | PORTION OF SHARES WHICH VEST % | NUMBER OF SHARES WHICH VEST 000's | NET REALISABLE VALUE* Rm |
|---|--|--|---|--|--------------------------------|
| 224.04 | < 10% | < 298.20 | All forfeited | – | – |
| 224.04 | 10% | 298.20 | 30% | 523.1 | 29.5 |
| 224.04 | 12% | 314.76 | 65% | 1 133.3 | 63.8 |
| 224.04 | 14% | 331.92 | 100% | 1 743.5 | 98.2 |

* The net realisable value of outstanding FSP shares was calculated using the prevailing market share price at the time of publication of R56.30.

3. SERVICE CONTRACTS

Executive directors and senior management are employed in terms of the Group's standard contract of employment and 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 one to 12 calendar months. The retirement age of the Group is 60 years, which applies to all employees. 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 and discretionary termination or restraint of trade payments may be made in this regard.

The Group's Chief Finance Officer, Bakar Jakoet, has reached retirement age and is now employed by the Group under a fixed-term contract. The terms of the contract dictate a notice period of at least 12 months.

REMUNERATION STRUCTURE: NON-EXECUTIVE DIRECTORS

In respect of non-executive directors, the remuneration committee proposes fees to be paid for the membership of the Board and Board committees. Such fees are market-related, commensurate with the time required for directors to undertake their duties, and must be approved by the Board and shareholders. Approved fees are set for the annual financial period, please refer to page 26 for more detail on the proposed fees for 2018. Fees are not subject to attendance at meetings as attendance at Board meetings is generally good.

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

When 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, taking into account the nature and scope of the services rendered.

Section 3: Implementation of remuneration policy

WORK PERFORMED AND DECISIONS TAKEN BY REMUNERATION COMMITTEE

The main items considered and approved by the remuneration committee during the 2017 financial period were as follows:

Executive director remuneration benchmarking, including a review of all benefits provided

The remuneration committee reviewed the fixed remuneration of executive directors, including all benefits, to ensure alignment with the Group's strategic objectives and best practice in the market. The remuneration is considered fair and competitive against market benchmarks and the role and performance of each individual executive director.

Reviewing and setting the annual compensation for the CEO

In setting Richard Brasher's annual base salary at R8.9 million, the remuneration committee considered his extensive experience in the retail industry and the progress he has delivered against the Group's long-term strategic plan. The Group has delivered strong and consistent profit growth over the last four years under Richard's stewardship. The remuneration committee benchmarked Richard's base salary against similar-sized South African companies and his salary is considered fair in relation to the market, his expertise and his contribution to date.

Annual increases in fixed remuneration for executive directors

The increase in total fixed base salary and benefits paid to executive directors is 6.7%, against an average for the Group of 7.0%, excluding employees governed by a labour union agreement (NMBU). The average annual increase for NMBU employees was between 7.0% and 8.0%. Increases are determined after detailed performance reviews undertaken in April each year. Annual increases are determined with reference to the scope of executives' roles, their performance against key performance indicators, as well as comparable increases in the general and retail market and the projected consumer price index.

Determining an appropriate short-term incentive bonus, and the reasonable allocation thereof to executive directors and qualifying employees

The remuneration committee sets annual performance targets (threshold, target and stretch) that must be achieved before a short-term incentive bonus will be payable. The targets are based on profit before tax and exceptional items (PBTAE), which is inclusive of the cost of the short-term incentive.

The Group delivered PBTAE of R1 761.5 million, a 17.0% increase on the prior period. This exceeds the remuneration committee's threshold target of 10.0%, but was short of its target and stretch ambitions of 20.0% and 25.0% respectively. The quantum of the bonus pool is at the discretion of the remuneration committee and is informed by the overall performance of the Group and the personal performances of the individual senior managers. While the target PBTAE was met, the 2017 financial result fell short of certain key internal performance indicators set for the team, particularly in respect of turnover growth and working capital targets. The remuneration committee therefore elected not to award a short-term bonus to its senior management team. Discretionary bonuses have been awarded to key members of staff at lower levels of management in recognition of progress delivered during a more challenging year.

The remuneration committee has set new and appropriate targets for the 2018 financial period.

Reviewing the Group's long-term share option incentive scheme, its alignment to long-term strategy and allocations to executive directors

The remuneration committee undertook a detailed review of all the share options held by the executive directors, including all the service and performance conditions attached. No new share options were granted to executive directors during the year.

Reviewing the Group's forfeitable share plan – setting appropriate performance conditions and allocating forfeitable shares to executive directors and qualifying senior management

The remuneration committee set the financial performance conditions to be attached to the third issue under the Group's forfeitable share plan and agreed on the 117 participants and the level at which each would participate, with particular focus on the allocations to executive directors.

For further information refer to pages 23 and 24 of this report.

REMUNERATION COMMITTEE continued

Reviewing and recommending non-executive directors' fees for the 2018 financial period, for final approval by shareholders at the AGM

Fees (excluding value added tax) for the current and proposed periods are as follows:

| | Proposed 2018 R | Actual 2017 R | % change |
|--|-----------------------|---------------------|----------|
| Chairman of the Board | 4 187 000 | 3 913 000 | 7.0 |
| Lead independent non-executive director of the Board | 130 000 | 122 000 | 6.6 |
| Non-executive director of the Board | 390 000 | 364 000 | 7.1 |
| Chairman of the audit, risk and compliance committee | 321 000 | 300 000 | 7.0 |
| Member of the audit, risk and compliance committee | 130 000 | 122 000 | 6.6 |
| Chairman of the remuneration committee | 171 000 | 160 000 | 6.9 |
| Member of the remuneration committee | 85 000 | 80 000 | 6.3 |
| Member of the nominations committee ¹ | 80 000 | 75 000 | 6.6 |
| Member of the social and ethics committee ² | 85 000 | 80 000 | 6.3 |
| Chairman of the corporate finance committee ³ | 182 000 | 170 000 | 7.1 |
| Member of the corporate finance committee ³ | 123 000 | 115 000 | 7.0 |
| Trustee of the employee share purchase trust | 38 000 | 35 500 | 7.0 |

1. The chairman of the nominations committee is the Chairman of the Board and does not receive an additional fee for chairing this committee.

2. The chairman 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. Two formal meetings were held during the 2017 financial period.

Reviewing and recommending to the Board the overall compensation for the Chairman, for final approval by shareholders at the AGM

In setting the Chairman's proposed annual fee of R4.2 million, the remuneration committee (Gareth Ackerman recused himself from discussion) considered the active role he plays in the corporate governance of the Group and in formulating overarching strategy for the individual companies within the Group. Gareth 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.

Reviewing and approving of the Group's remuneration policy and report

This report and the recommendations of the remuneration committee have been approved by the Board and will be submitted to shareholders for consideration at the annual general meeting to be held on 31 July 2017.

PAYMENTS, ACCRUALS AND AWARDS TO EXECUTIVE DIRECTORS

The Board is wholly responsible for the formulation, development and effective execution of Group strategy.

In turn, the Board delegates operational strategy implementation and general executive management of the business to its executive directors. As such, in terms of section 38 of the Companies Act 2008, the executive directors are identified as prescribed officers, and their remuneration is detailed in note 4 of the 2017 audited Group annual financial statements.

The remuneration committee does not target an optimum level of fixed versus variable remuneration, although the scope and breadth of the strategic role performed by each executive director is considered when allocating long-term incentive share awards. The remuneration committee is in the process of developing formal guidelines in this regard.

Total fixed benefits include payments made and costs accrued in the current year, and variable incentives include the related cost of share awards issued in current and prior periods.

Total remuneration of executive directors

| | Fees for board meetings R'000 | Base salary [†] R'000 | Retirement and medical contributions [†] R'000 | Fringe and other benefits R'000 | Total fixed remuneration R'000 | Short-term annual bonus [^] R'000 | Total remuneration R'000 | Long-term share awards expense [#] R'000 |
|----------------------------|----------------------------------|-----------------------------------|--|------------------------------------|-----------------------------------|---|-----------------------------|--|
| 2017 | | | | | | | | |
| Executive directors | | | | | | | | |
| Richard Brasher | 1.5 | 8 945.9 | 781.7 | 302.7 | 10 031.8 | – | 10 031.8 | 23 754.3 |
| Richard van Rensburg | 1.5 | 4 027.2 | 350.1 | 328.2 | 4 707.0 | – | 4 707.0 | 6 794.1 |
| Bakar Jakoet | 1.5 | 3 892.7 | 587.1 | 324.2 | 4 805.5 | – | 4 805.5 | 6 001.0 |
| Suzanne Ackerman-Berman | 1.5 | 2 508.0 | 224.9 | 276.6 | 3 011.0 | – | 3 011.0 | 3 569.4 |
| Jonathan Ackerman | 1.5 | 2 282.7 | 401.7 | 282.7 | 2 968.6 | – | 2 968.6 | 3 560.8 |
| Total remuneration | 7.5 | 21 656.5 | 2 345.5 | 1 514.4 | 25 523.9 | – | 25 523.9 | 43 679.6 |
| 2016 | | | | | | | | |
| Executive directors | | | | | | | | |
| Richard Brasher | 1.5 | 7 863.0 | 1 303.4 | 287.5 | 9 455.4 | 15 000.0 | 24 455.4 | 20 233.6 |
| Richard van Rensburg | 1.5 | 3 709.4 | 600.3 | 312.0 | 4 623.2 | 2 500.0 | 7 123.2 | 8 448.9 |
| Bakar Jakoet | 1.5 | 3 213.0 | 552.0 | 302.9 | 4 069.4 | 2 500.0 | 6 569.4 | 5 436.2 |
| Suzanne Ackerman-Berman | 1.5 | 2 221.5 | 376.8 | 267.2 | 2 867.0 | 1 700.0 | 4 567.0 | 3 055.4 |
| Jonathan Ackerman | 1.5 | 2 221.5 | 401.5 | 272.5 | 2 897.0 | 1 700.0 | 4 597.0 | 3 055.4 |
| Total remuneration | 7.5 | 19 228.4 | 3 234.0 | 1 442.1 | 23 912.0 | 23 400.0 | 47 312.0 | 40 229.5 |

[^] No short-term annual bonus was paid to executive directors in respect of the 2017 financial year. Refer to page 25 for more detail.

[†] The structure of remuneration packages were adjusted during the year, and the year-on-year increase in base salary and decrease in retirement and medical contributions should be viewed together.

[#] The expense of the long-term share awards is determined in accordance with IFRS 2: Share-based Payments. The fair value is measured at grant date and the cost of the awards granted is spread over the period during which the employees become unconditionally entitled to the options (the vesting period). The amounts in the column represent the current year's charge, as recorded in the statement of comprehensive income and statement of changes in equity. The long-term share awards will vest in the future only if all the criteria set out in the rules of the 1997 Employee Share Option Scheme and Forfeitable Share Plan are met.

Total remuneration of non-executive directors

| | Directors' fees R'000 | Lead director R'000 | Audit committee R'000 | Remuneration committee R'000 | Nomina- tions committee R'000 | Corporate finance committee R'000 | Social and ethics committee R'000 | Employee share trust R'000 | Total R'000 |
|--------------------------------|--------------------------|------------------------|--------------------------|---------------------------------|----------------------------------|--------------------------------------|--------------------------------------|-------------------------------|----------------|
| 2017 | | | | | | | | | |
| Non-executive directors | | | | | | | | | |
| Gareth Ackerman | 3 913.0 | – | – | – | – | – | – | – | 3 913.0 |
| David Friedland | 364.0 | – | 122.0 | – | 75.0 | 115.0 | – | – | 676.0 |
| Hugh Herman | 364.0 | 122.0 | 122.0 | 160.0 | – | 115.0 | – | 35.5 | 918.5 |
| Alex Mathole* | 125.0 | – | – | – | – | – | – | – | 125.0 |
| Audrey Mothupi | 364.0 | – | 122.0 | 80.0 | – | 115.0 | – | 35.5 | 716.5 |
| Lorato Phalatse | 364.0 | – | – | – | 75.0 | 115.0 | 80.0 | – | 634.0 |
| David Robins | 364.0 | – | – | – | – | – | – | – | 364.0 |
| Jeff van Rooyen | 364.0 | – | 300.0 | 80.0 | – | 170.0 | – | 35.5 | 949.5 |
| Total remuneration | 6 222.0 | 122.0 | 666.0 | 320.0 | 150.0 | 630.0 | 80.0 | 106.5 | 8 296.5 |
| 2016 | | | | | | | | | |
| Non-executive directors | | | | | | | | | |
| Gareth Ackerman | 3 657.0 | – | – | – | – | – | – | – | 3 657.0 |
| David Friedland*** | 340.0 | – | – | – | 70.0 | 107.0 | – | – | 517.0 |
| John Gildersleeve**** | 340.0 | – | – | 75.0 | – | 107.0 | – | – | 522.0 |
| Hugh Herman | 340.0 | 114.0 | 114.0 | 150.0 | – | 107.0 | – | 33.0 | 858.0 |
| Audrey Mothupi | 340.0 | – | 114.0 | – | – | 107.0 | – | – | 561.0 |
| Lorato Phalatse | 340.0 | – | – | – | 70.0 | 107.0 | 75.0 | – | 592.0 |
| David Robins | 340.0 | – | – | – | – | – | – | – | 340.0 |
| Jeff van Rooyen | 340.0 | – | 280.0 | – | – | 160.0 | – | – | 780.0 |
| Ben van der Ross** | 170.0 | – | 57.0 | 37.5 | 35.0 | – | – | 16.5 | 316.0 |
| Total remuneration | 6 207.0 | 114.0 | 565.0 | 262.5 | 175.0 | 695.0 | 75.0 | 49.5 | 8 143.0 |

* Alex Mathole was appointed on 24 October 2016.

** Ben van der Ross resigned on 27 July 2015.

*** During the prior period David Friedland received consultancy fees of R114 000 for services rendered to the audit, risk and compliance committee.

**** John Gildersleeve resigned on 28 February 2016.

REMUNERATION COMMITTEE continued

Share awards granted to executive directors

| | Calendar year granted | Award grant price R | Balance held at 28 February 2016 | Granted/ (exercised) during the period | Converted on unbundling *** | Balance held at 26 February 2017 | Available for take-up |
|--------------------------------|-----------------------|---------------------|----------------------------------|--|-----------------------------|----------------------------------|-----------------------|
| 2017 | | | | | | | |
| Richard Brasher | | | | | | | |
| Share options | 2012 | 42.24 | 1 000 000 | – | – | 1 000 000 | Nov 2017 |
| | 2012 | 42.24 | 1 000 000* | – | – | 1 000 000* | Nov 2017 |
| Forfeitable shares | 2014 | Nil | 800 000 | – | – | 800 000 | Aug 2017 |
| | 2015 | Nil | 220 000 | – | – | 220 000 | Aug 2018 |
| | 2016 | Nil | – | 230 000 | – | 230 000 | Aug 2019 |
| | | | 3 020 000 | 230 000 | – | 3 250 000 | |
| Richard van Rensburg | | | | | | | |
| Share options | 2011 | 36.55 | 400 000** | (400 000) | – | – | n/a |
| | 2016 | 31.14 | – | – | 487 464 | 487 464 | Now |
| Forfeitable shares | 2014 | Nil | 250 000 | – | – | 250 000 | Aug 2017 |
| | 2015 | Nil | 35 000 | – | – | 35 000 | Aug 2018 |
| | 2016 | Nil | – | 45 000 | – | 45 000 | Aug 2019 |
| | | | 685 000 | (355 000) | 487 464 | 817 464 | |
| Bakar Jakoet | | | | | | | |
| Share options | 2003 | 12.00 | 250 000 | – | – | 250 000 | Now |
| | 2005 | 23.59 | – | – | 195 | 195 | Now |
| | 2007 | 31.15 | 5 779 | – | – | 5 779 | Now |
| | 2008 | 23.24 | – | – | 293 | 293 | Now |
| | 2008 | 26.55 | 7 907 | – | – | 7 907 | Now |
| | 2008 | 26.14 | 150 000 | – | – | 150 000 | Now |
| | 2009 | 28.20 | 12 413 | – | – | 12 413 | Now |
| | 2010 | 32.82 | – | – | 195 | 195 | Now |
| | 2010 | 42.28 | 1 799 | – | – | 1 799 | Now |
| | 2011 | 41.70 | 500 000 | – | – | 500 000 | Now |
| | 2014 | 46.44 | – | – | 195 | 195 | Now |
| Forfeitable shares | 2014 | Nil | 250 000 | – | – | 250 000 | Aug 2017 |
| | 2015 | Nil | 35 000 | – | – | 35 000 | Aug 2018 |
| | 2016 | Nil | – | 45 000 | – | 45 000 | Aug 2019 |
| | | | 1 212 898 | 45 000 | 878 | 1 258 776 | |
| Suzanne Ackerman-Berman | | | | | | | |
| Share options | 2008 | 26.14 | 50 000 | – | – | 50 000 | Now |
| | 2008 | 26.14 | 25 000 | – | – | 25 000 | Aug 2017 |
| | 2008 | 26.14 | 25 000 | – | – | 25 000 | Aug 2018 |
| | 2016 | 58.10 | – | – | 196 | 196 | Now |
| Forfeitable shares | 2014 | Nil | 150 000 | – | – | 150 000 | Aug 2017 |
| | 2015 | Nil | 20 000 | – | – | 20 000 | Aug 2018 |
| | 2016 | Nil | – | 25 000 | – | 25 000 | Aug 2019 |
| | | | 270 000 | 25 000 | 196 | 295 196 | |
| Jonathan Ackerman | | | | | | | |
| Share options | 2008 | 26.14 | 50 000 | – | – | 50 000 | Now |
| | 2008 | 26.14 | 25 000 | – | – | 25 000 | Aug 2017 |
| | 2008 | 26.14 | 25 000 | – | – | 25 000 | Aug 2018 |
| Forfeitable shares | 2014 | Nil | 150 000 | – | – | 150 000 | Aug 2017 |
| | 2015 | Nil | 20 000 | – | – | 20 000 | Aug 2018 |
| | 2016 | Nil | – | 25 000 | – | 25 000 | Aug 2019 |
| | | | 270 000 | 25 000 | – | 295 000 | |

* The exercising of these binary options is subject to specific performance criteria relating to the growth of the Company's share price over the term of the option. If the share price performance criteria are not met, the options are forfeited. Refer to page 22 for more detail.

** The exercising of these binary options were subject to specific performance criteria relating to the Company's share price over the term of the option which were met during the period under review. Refer to page 22 for more detail.

*** As part of the unbundling of the Pick n Pay Holdings Limited RF Group, existing share options in Pick n Pay Holdings Limited RF shares were cancelled and replaced with share options in Pick n Pay Stores Limited shares. Refer to note 27 of the 2017 audited Group annual financial statements for more information.

Directors' interest in Pick n Pay Stores Limited ordinary shares

| | How held* | Balance held at 28 February 2016 | Additions/ (disposals) during the period | Shares transferred on unbundling *** | Balance held at 26 February 2017# | Beneficial/ non-beneficial interest |
|--|--------------|----------------------------------|--|--------------------------------------|-----------------------------------|-------------------------------------|
| 2017 | | | | | | |
| Gareth Ackerman | Direct | 43 | – | 266 | 309 | Beneficial |
| | Indirect | – | 23 467 | 1 629 733 | 1 653 200 | Beneficial |
| | Indirect | – | – | 19 762 | 19 762 | Non-beneficial |
| Ackerman Investment Holdings Proprietary Limited** | Indirect | – | – | 124 677 238 | 124 677 238 | Non-beneficial |
| Richard Brasher | Direct – FSP | 1 020 000 | 230 000 | – | 1 250 000 | Beneficial |
| Richard van Rensburg | Direct | – | – | 41 439 | 41 439 | Beneficial |
| | Direct – FSP | 285 000 | 45 000 | – | 330 000 | Beneficial |
| Bakar Jakoet | Direct | 500 000 | – | 121 880 | 621 880 | Beneficial |
| | Direct – FSP | 285 000 | 45 000 | – | 330 000 | Beneficial |
| | Indirect | 530 | – | 12 529 | 13 059 | Non-beneficial |
| Suzanne Ackerman-Berman | Direct | 2 500 | – | 118 028 | 120 528 | Beneficial |
| | Direct – FSP | 170 000 | 25 000 | – | 195 000 | Beneficial |
| | Indirect | 4 651 | – | 467 576 | 472 227 | Beneficial |
| Jonathan Ackerman | Direct | 43 | – | 122 845 | 122 888 | Beneficial |
| | Direct – FSP | 170 000 | 25 000 | – | 195 000 | Beneficial |
| | Indirect | – | – | 573 061 | 573 061 | Beneficial |
| | Indirect | – | – | 11 039 | 11 039 | Non-beneficial |
| Jeff van Rooyen | Direct | 3 800 | (3 800) | – | – | Beneficial |
| David Friedland | Direct | – | – | 31 688 | 31 688 | Beneficial |
| David Robins | Direct | – | – | 975 | 975 | Beneficial |
| | Indirect | – | – | 93 276 | 93 276 | Non-beneficial |
| Ackerman Pick n Pay Foundation**** | Indirect | 30 000 | – | – | 30 000 | Non-beneficial |
| | Indirect | 71 900 | – | – | 71 900 | Non-beneficial |
| The Mistral Trust***** | Indirect | – | – | 2 700 967 | 2 700 967 | Non-beneficial |

* Direct interests represent a holding in the director's personal capacity and indirect interests represent a holding by a trust of which the director is a trustee, or a spouse and minor children of directors.

** The non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman.

*** As part of the unbundling of the Pick n Pay Holdings Limited RF Group, shareholders of Pick n Pay Holdings Limited RF were granted a dividend in specie, made up of shares in Pick n Pay Stores Limited. Refer to note 27 of the 2017 audited Group annual financial statements for more information.

**** 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.

***** The indirect non-beneficial interest in The Mistral Trust represents a portion of the holdings of Gareth Ackerman in his capacity as trustee.

There have been no changes in the director's interest in shares since 26 February 2017 up to the date of approval of the 2017 audited Group annual financial statements.

REMUNERATION COMMITTEE continued

Directors' interest in Pick n Pay Stores Limited B shares

| | How held* | Balance held at 28 February 2016 | Issued on unbundling** | Balance held at 26 February 2017 | Beneficial/ non-beneficial interest |
|---|-----------|----------------------------------|------------------------|----------------------------------|-------------------------------------|
| 2017 | | | | | |
| Gareth Ackerman | Direct | – | 522 | 522 | Beneficial |
| | Direct | – | 3 227 861 | 3 227 861 | Beneficial |
| | Indirect | – | 39 140 | 39 140 | Non-beneficial |
| Ackerman Investment Holdings Proprietary Limited*** | Indirect | – | 246 936 847 | 246 936 847 | Non-beneficial |
| The Mistral Trust**** | Indirect | – | 5 349 559 | 5 349 559 | Non-beneficial |
| Suzanne Ackerman-Berman | Direct | – | 233 767 | 233 767 | Beneficial |
| | Indirect | – | 926 084 | 926 084 | Beneficial |
| Jonathan Ackerman | Direct | – | 243 307 | 243 307 | Beneficial |
| | Indirect | – | 1 135 009 | 1 135 009 | Beneficial |
| | Indirect | – | 21 862 | 21 862 | Non-beneficial |
| David Robins | Direct | – | 1 931 | 1 931 | Beneficial |
| | Indirect | – | 184 742 | 184 742 | Non-beneficial |

* Direct interests represent a holding in the director's personal capacity and indirect interests represent a holding by a trust of which the director is a trustee, or a spouse and minor children of directors.

** As part of the unbundling of the Pick n Pay Holdings Limited RF Group, a new class of unlisted voting shares (B shares) in Pick n Pay Stores Limited was created (refer to note 19.2 of the 2017 audited Group annual financial statements). These shares were issued to existing controlling shareholders of Pick n Pay Holdings Limited RF so as to retain the control structure of the Group as before the unbundling. Refer to note 27 of the 2017 audited Group annual financial statements for more information.

*** The non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman-Berman and Jonathan Ackerman.

**** The non-beneficial interest in The Mistral Trust represents a portion of the holdings of Gareth Ackerman in his capacity as trustee.