Remuneration Report 2021

Bidcorp 2021 remuneration report

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PART 1 – BACKGROUND STATEMENT

Bid Corporation Limited (Bidcorp) has delivered a solid trading performance for the financial year ended June 30 2021 considering the devastating economic and social impacts of the continuing COVID-19 pandemic (COVID) on the hospitality, tourism and leisure industries globally. Excellent free cash flows driven by good asset management, some asset realisations and exceptionally nimble trading underpinned the pandemic-affected results. Bidcorp's performance is attributable to the unwavering commitment of its management and staff, its entrepreneurial and decentralised operating model, and its loyal customer and supplier base.

Against this backdrop, the remuneration committee (committee) is pleased to present the remuneration report for the year ended June 30 2021.

In 2020, the committee undertook a number of deliberate actions in order to ensure the remuneration policy and implementation thereof reflected the crisis which descended on the global operations of Bidcorp from March 2020 onwards which were designed to ensure that senior management were solely focused on the short-term survival of Bidcorp and properly retained to see the recovery thereof over the next few years. In addition, significant financial sacrifices were made by senior management, executive and non-executive directors of Bidcorp in terms of salary cuts, no cash incentives and no increases of any form were granted for 2021. When the remuneration report was presented to shareholders at the AGM in 2020, a majority of shareholders voted against the policy and implementation thereof as tabled as a consequence of the actions taken by the committee. Following the vote at the AGM, an extensive shareholder engagement process was conducted. All discussions and meetings (both formal and informal) regarding this matter were considered by the board, to ensure all concerns raised by dissenting shareholders were appropriately addressed. The actions taken as a consequence of these discussions are detailed in the remuneration report below.

For 2021, the key focus area of the board was to ensure management had stabilised the operations and were ready for the recovery as and when circumstances allowed. Fortunately some normality is returning to the world and accordingly the committee has agreed with management that performance conditions, similar to those that existed pre-COVID, need to be reinstated to both short-term cash incentives as well as for long-term incentive awards for 2022. Details of these performance conditions are contained in section 3 Implementation of the report. Executive management have also agreed to modify the 2021 CSP awards with full performance conditions replacing the retention component of the previous award, accordingly the 2021 CSP awards have been modified to account for this change.

The reporting remains aligned with the King IV Report on Corporate Governance for South Africa 2016™* (King IV).

Bowman Gilfillan (Bowmans) have acted as independent advisers to the committee since March 28 2019. The committee is comfortable that their advice is independent and objective. Due to the decentralised and diversified nature of the group, and the geographic spread of its operations, the individual companies manage their own remuneration policies according to local requirements. The committee provides oversight on senior executive remuneration in the subsidiaries and share incentive awards. This report therefore details the remuneration policy and implementation thereof for executive directors as well as fees paid to non-executive directors and details of the share incentive plans used by the group.

Shareholder engagement

The group's remuneration policy and the implementation thereof are placed before shareholders for consideration and approval under the terms of an advisory non-binding vote at the 2021 AGM as provided for in the Listings Requirements of the JSE Limited (JSE) and recommended by King IV.

In the event that 25% or more of the votes cast are recorded against either the remuneration policy resolution or the implementation resolution, then the committee chairman, chairman of the board and executive management will:
- engage shareholders to ascertain the reasons for dissenting votes. Where considered appropriate, members of the committee may participate in these engagements with selected shareholders; and
- make specific recommendations to the committee as to how the legitimate and reasonable objections of shareholders might be addressed, either in the group's remuneration policy or through changes to how the remuneration policy is implemented.

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PART 2 – REMUNERATION POLICY

Key principles of our philosophy

The key principles that shape our policy are:

- a critical success factor of the group is its ability to attract, retain and motivate the entrepreneurial talent required to achieve its operational and strategic objectives. Both short and long-term incentives are used to this end;
- delivery-specific short-term incentives (STI) are viewed as strong drivers of performance. A significant portion of senior management's reward is variable and is determined by the achievement of realistic profit and return targets together with an individual's personal contribution to the growth and development of the group. Only when warranted by exceptional circumstances, special bonuses may be considered as additional awards; and
- long-term incentives (LTI) align the objectives of management, shareholders and other stakeholders for a sustainable period.

Policy principles

The committee functions in terms of an agreed mandate and evaluates and monitors the group's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy. The committee further implements the board-approved remuneration policy to ensure:

- salary structures and policies, as well as cash and share-based incentives, motivate superior performance and are linked to realistic performance objectives that support sustainable long-term business growth;
- stakeholders can make an informed assessment of reward practices and governance processes; and
- compliance with all applicable laws and regulatory codes.

Governance and the remuneration committee

Board responsibility

The board carries ultimate responsibility for the remuneration policy. The committee operates in terms of a board-approved mandate. The board will, when required, refer matters for shareholder approval, for example:

- new and/or amended share-based incentive schemes;
- non-executive board and committee fees; and
- any new related party remuneration matters.

The remuneration policy and implementation thereof contained in parts 2 and 3 of this remuneration report will be put to a non-binding shareholders' vote at the 2021 AGM, on Thursday November 25 2021.

Composition, mandate and attendance of the committee

The members of the committee are independent non-executive directors as defined by King IV. The committee meets at least twice through the year and on an ad hoc basis as required. The attendance at these meetings is contained in the directors' report (remuneration committee report section) within the 2021 annual integrated report. The chief executive (CEO) and chief financial officer (CFO) attend meetings by invitation to assist the committee with the execution of its mandate. No executive participates in the voting process nor is present at meetings of the committee when his own remuneration is discussed or considered.

The committee used the services of Bowmans as standing independent advisers to the committee. The chairman of the committee or, in his absence, another member of the committee is required to attend the AGM to answer questions on remuneration.

The terms of reference as set out in the remuneration committee charter include:

- reviewing the group remuneration philosophy and policy and assisting the board to establish a remuneration policy for executive directors and senior managers that will promote the achievement of strategic objectives and encourage individual performance;
- ensuring that the mix of fixed and variable pay in cash, shares and other elements meet the group's needs and strategic objectives;
- reviewing the remuneration of executive management to ensure that it is fair and responsible in the context of overall employee remuneration in the group;
- reviewing incentive schemes to ensure continued contribution to shareholder value;
- reviewing the recommendations of management and the remuneration advisers on fee proposals for the group's chairman and non-executive directors and determining, in conjunction with the board, the final proposals to be submitted to shareholders for approval;
- determining all the remuneration parameters for the CEO and CFO. Reviewing and recommending to the board the relevant criteria necessary to measure the performance of executives in determining their remuneration;
- agreeing the principles for senior management increases and their cash incentives;
- agreeing to LTI allocations and awards for executive directors and senior management (conditional share plan (CSP)) and for senior management only (share appreciation rights (SAR));
- settling LTI allocations and awards for executive directors;
- overseeing the preparation of the remuneration report to ensure that it is clear, concise and transparent;
- ensuring that the remuneration report be put to a non-binding advisory vote by shareholders and engaging with shareholders and other stakeholders on the group's remuneration policy; and
- ensuring that consideration is given to executive succession planning.

Fair and responsible remuneration

As detailed below, remuneration of the executives is regularly benchmarked against appropriate comparators and is aligned with the market. Variable remuneration has been based on the achievement of appropriate and stretch performance measures and targets, however, the onset of the COVID crisis in 2020 necessitated a modification in performance targets in the 2021 financial year. As the world recovers post the COVID pandemic, a return to "normalised" performance targets is planned for the 2022 financial year and thereafter. As noted above, the remuneration of the majority of group employees is governed by the policies of individual group companies based on the realities of each country in which Bidcorp operates.

Role of benchmarking

Benchmarking and position in the market

To ensure that the group remains competitive in the markets in which it operates, all elements of remuneration are subject to regular reviews against relevant market and peer data. In the case of the CEO, who is based in Australia, his salary is benchmarked against international listed companies (predominantly Australian companies) while the CFO who is based in South Africa, is benchmarked predominantly against JSE-listed companies. Both executives are required to travel extensively in the fulfilment of their respective roles. The policy aims at positioning the group as a preferred employer within the foodservice industry. To retain flexibility and ensure fairness when directing human capital to those areas of the group requiring focused attention, subjective performance assessments may sometimes be required when evaluating employee contributions. The group believes that its remuneration policy plays an essential and vital role in realising business strategy and therefore should be competitive in the markets in which the group operates.

Executive directors

Terms of service

The terms and conditions applied to South African executive directors are governed by legislation. Terms of service for executive directors outside South Africa are governed by labour legislation in their local jurisdiction and the terms of their employment contracts. In exceptional situations of termination of an executive directors' services, the remuneration committee (assisted by independent labour law legal advisers) would oversee the settlement of terms. Executive directors are required to retire as directors (in terms of the MoI) on the third anniversary of their appointment and may offer themselves for re-election.

As appropriate, the board, through the nominations committee, proposes their re-election to shareholders. The terms of the executive directors' employment are as follows:
- BL Berson (CEO) is party to an employment agreement with Bid Corporation Limited; and
- DE Cleasby (CFO) is party to an employment agreement with Bid Corporation Limited.

Under the employment agreements, the employment of an executive director will continue until terminated upon (i) six months' notice or (ii) retirement. Bidcorp can also terminate the executive directors' employment summarily for any reason recognised by law as justifying summary termination. Apart from the above notice period, and the share plan provisions for termination of employment there are no contractual commitments for payments on termination of employment or loss of office.

The value of the gross remuneration package payable in terms of the employment agreements is allocated among the following benefits: (i) basic remuneration; (ii) retirement and or medical benefits; and (iii) other benefits.

Elements of remuneration

The group operates a total cost-to-company (CTC) philosophy whereby cash remuneration, benefits (including a defined contribution retirement fund or superannuation scheme, medical aid and other insured benefits) form part of employees' fixed total CTC remuneration. Executive directors and senior management also participate in STIs (in the form of a performance bonus plan). Two LTI plans are in operation, namely the Bidcorp CSP (for executive directors and senior management) and the Bidcorp SAR plan (for senior management only). The different components of remuneration, their objectives, the policy which governs them and their link to the business strategy are summarised on pages 4 to 6. In the 2020 financial year, malus and clawback conditions were introduced for both STI and LTIs. The group views the executive directors as the current "prescribed officers" as defined in the Companies Act and therefore no separate remuneration policy disclosure for prescribed officers is necessary.

Table 1: Summary of remuneration components for executive directors

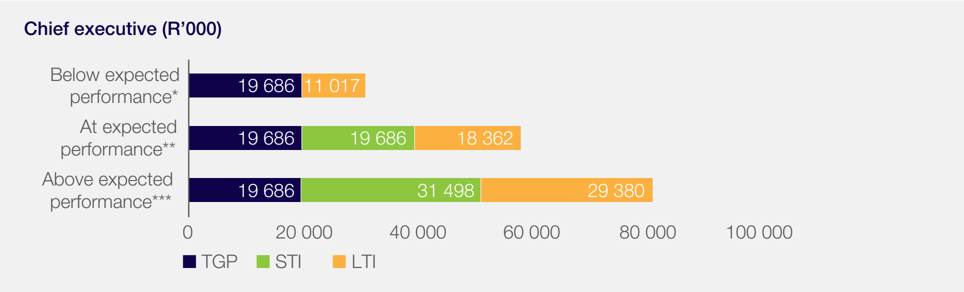
	Component	Objective and practice	Link to business strategy	Policy	Changes for 2022
Guaranteed pay (CTC)	Base package	Attract and retain the best talent. Reviewed annually and set on July 1.	This component aligns with business strategy as it takes into account internal and external equity. Hereby, ensuring competitiveness and rewarding individuals fairly based on a similar job in the market.	Level of skill and experience, scope of responsibilities and competitiveness of the total remuneration package are taken into account when determining CTC.	No changes for 2022.
	Benefits	Providing employees with contractually agreed basic benefits such as retirement fund benefits (defined contribution or superannuation), medical aid, risk benefits, and life and disability insurance on a CTC basis.	Benefits recognise the need for a holistic approach to guaranteed package and are part of the overall employee value proposition offered by Bidcorp.	The company contributes towards retirement benefits as per the rules of the respective retirement funds or superannuation schemes. Medical aid contributions depend on each individual's needs and the package selection. Risk and insurance benefits are company contributions, all of which form part of total CTC.	No changes for 2022.

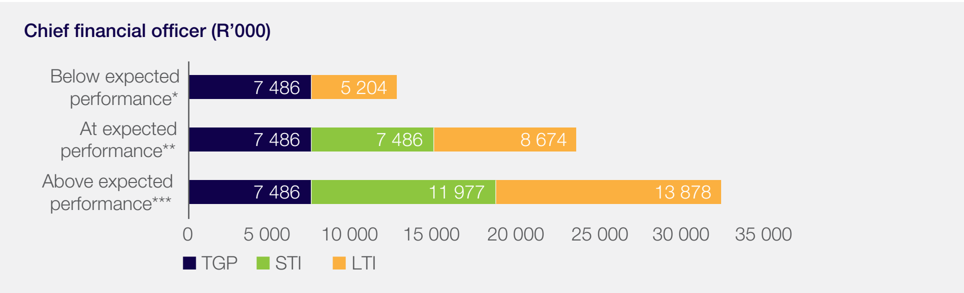
	Component	Objective and practice	Link to business strategy	Policy	Changes for 2022
Short-term incentives (STI)	STI	To motivate and incentivise delivery of performance over the one-year operating cycle. Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure that these continue to support Bidcorp's strategy. The annual bonus is paid in cash in August/September each year in respect of the group financial performance during the previous financial year.	Encourages growth in headline earnings per share and return on funds employed (ROFE) for shareholders in a sustainable manner over the short term. Combines the above company financial performance metrics with strategic metrics, such as leadership, to ensure well-balanced key performance indicators (KPIs). Rewards executive directors for their measurable contribution to the group based on pre-determined metrics.	For the 2021 financial year, due to the ongoing impacts of COVID and the inability of the committee to set realistic targets, STIs were based on principles taking into consideration a combination of the following performance measures subject to the discretion of the committee: • Headline earnings per share (HEPS) recovery of the group considering the ongoing impacts of the COVID pandemic; and • KPIs which include the sustainability of the group in terms of survival of the crisis with a particular focus on liquidity, cash flows and recovery in each of the group's respective markets. *Earning potential* • At target performance, the earnings potential is 100% of guaranteed package. • Stretch earnings potential is limited to 160% of guaranteed package and is subject to exceptional performance. *Discretion of committee* The committee has discretion, when warranted by exceptional circumstances and where considerable value has been created for shareholders and stakeholders of Bidcorp by specific key employees, to award special bonuses or other ex gratia payments to individuals. In exercising this discretion, the committee must satisfy itself that such payments are fair and reasonable and are disclosed to shareholders as required by remuneration governance principles. Malus and clawback provisions form part of the STI conditions.	For the 2022 financial year, target and stretch performance targets are set for the following metrics: *Company financial performance* • Constant currency real HEPS growth; and • ROFE achieved. Measured against pre COVID performance and budgets. *Strategic objectives* Non-financial, strategic objectives, such as leadership, ESG, acquisitions and innovation will also be considered to determine the quantum of bonuses paid.

	Component	Objective and practice	Link to business strategy	Policy	Changes for 2022
Long-term incentives (LTI)	LTI – CSP	To motivate and incentivise delivery of sustained performance over the long term.	Alignment of executives' interests with shareholders through conditional rights to future delivery of equity. Vesting of equity instruments are subject to performance targets, thereby supporting the performance culture of the group. Motivates long-term, sustainable performance.	Award levels are set according to best practice benchmarks and to ensure support of group business strategy. Awards consist of conditional rights to shares, subject to performance conditions over a three-year performance period for the duration of the vesting periods of the three years (75% of the award) and four years (25% of the award) respectively. The company performance metrics comprise the following: • constant currency HEPS growth (40% of the award); • ROFE (30% of the award); and • KPIs including ESG (10% of the award), innovation (10% of the award) and strategic objectives (10% of the award). As fully explained in the implementation report, the 2021 award has been modified to replace the 50% retention condition with performance conditions. Malus and clawback provisions form part of the LTI conditions.	For the 2022 financial year, performance conditions will revert to the pre COVID criteria and will be subject to performance conditions over a three-year performance period commencing July 1 2021 for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award) respectively. The company performance metrics comprise the following: • constant currency HEPS growth (40% of the award); • ROFE (30% of the award); and • KPIs including ESG (10% of the award), innovation (10% of the award) and strategic objectives (10% of the award).

Package design

The below scenario graphs provide an overview of potential pay outcomes at below expected performance, at expected performance and at stretch performance levels:





* *LTI includes indicative expected value on grant date assuming 30% vesting.*

** *LTI includes indicative expected value on grant date assuming 50% vesting.*

*** *LTI includes indicative expected value on grant date assuming 80% vesting.*

All foreign earnings have been converted to rand at average exchange rates for 2021.

Further details on LTI plans

Bidcorp CSP

Upon the listing and unbundling of Bidcorp, shareholders approved the CSP. The CSP was originally only implemented for executive directors. However, where senior management perform some group-wide functions, they are considered for CSP awards. In 2020 the CSP scheme was extended to senior operational management (where the allocation is subject to a retention condition) as a substitute for allocations under the SAR plan. Under the CSP, participants are awarded a right to future delivery of equity (ie a conditional right to receive shares). Vesting of shares is subject to the achievement of performance conditions each with different weightings (for executive directors) or a retention condition (for other senior managers). Details of the 2021 award for executive directors, the performance period and the performance conditions are shown in part 3 of this report.

Bidcorp SAR plan

Upon the listing and unbundling of Bidcorp, shareholders approved a SAR plan for senior management, excluding executive directors. SARs vest between three and five years after award and lapse after seven years.

Bidcorp's LTI plans and dilution

In terms of the Bidcorp LTI plan rules, an overall limit of approximately 5% of the issued shares of the company has been imposed when shares are allocated and issued in terms of the plans, incorporating both SARs and CSPs. If shares are purchased in the open market for settlement of allocations in terms of the SAR and CSP, the overall limit of 5% will not be impacted.

Malus and clawback policy

In 2020, in line with established global practice and emerging local trends, Bidcorp adopted malus and clawback provisions with respect to variable pay awards, including STI and LTI awards. In terms of this policy, awards which have not yet vested may be forfeited (malus) and the value of awards which have already vested and have been settled may have to be refunded (clawback). These provisions will be effected in the case of material misstatement of financial results and other performance measures on which the settlement of the affected awards was based, discovery of material regulatory breaches, instances of misconduct or behaviour which brings the company into disrepute. These provisions apply to the 2020 STI and LTI awards and all future awards. The clawback provisions apply for a period of three years following the settlement of the applicable award.

Non-executive directors

Terms of service

Non-executive directors are appointed by the shareholders at the AGM. Interim board appointments are permitted between AGMs. Appointments are made in accordance with group policy.

Interim appointees retire at the next AGM, when they may make themselves available for re-election. As appropriate, the board, through the nominations committee, proposes their re-election to shareholders. There is no limit on the number of times a non-executive director may make him or herself available for re-election.

Fees

The group policy is to pay competitive fees for the role while recognising the required time commitment. The fees now comprise an annual fee, where previously fees comprised an annual retainer component and attendance fee for scheduled meetings.

In addition, non-executive directors are compensated for international travel time and subsistence on official business where necessary to attend meetings. No contractual arrangements are entered into to compensate non-executive directors for the loss of office. Non-executive directors do not receive STIs nor do they participate in any LTI schemes, except where non-executive directors previously held executive office, and they remain entitled to unvested benefits arising from their period of employment. Bidcorp does not provide retirement contributions to non-executive directors. Management proposes non-executive directors' fees (based on independent advice) to shareholders annually for shareholder vote.

Directors' interests in contracts

During the financial year, none of the current directors had a material interest in any contract of significance to which the company or any of its subsidiaries were a party.

Non-binding advisory vote

At the 2021 AGM, shareholders are requested to cast an advisory vote on the remuneration policy as included in this report on page 2: Part 2: Remuneration policy.

PART 3 – IMPLEMENTATION OF REMUNERATION POLICY

1. Guaranteed pay – base pay and benefits

Guaranteed pay increases for the financial years ended 2021 and ending 2022

In determining the CTC increases for executive directors, the committee considered relevant benchmarking data. Given the global nature of the group's business and the requirement of the executive directors to travel extensively, the CEO's CTC is benchmarked against predominantly Australian-listed companies. The CTC for the CFO is benchmarked against predominantly JSE-listed companies. Benchmarks are selected based on several factors, including, but not limited to, company size and complexity of comparable listed companies by reference to market capitalisation, revenues, profitability, number of employees and the industry sector.

In 2021 financial year, no increases were awarded on the CTCs for the executive management or senior management as a result of the negative impact COVID had on the group's performance.

For the 2022 financial year, an increase of the A$ CTC for CEO, BL Berson, was 2,5%. In respect of CFO, DE Cleasby, a CTC increase on his rand-based salary of 5% was granted and a 2,5% increase on the sterling portion of his CTC was granted.

2. Short-term incentive outcomes for 2021

Due to the impacts of COVID in 2021 and the inability of the committee to set realistic targets under the circumstances, STIs for executive directors were based on the following performance measures, subject to the discretion of the committee:

- HEPS recovery of the group from 665,4 cents in 2020 (as restated) to 868,4 cents in 2021 despite the ongoing impacts of the COVID pandemic; and
- KPIs based on the sustainability of the group with a particular focus on liquidity, cash flows and recovery in each of the group's respective markets. Non-IFRS 16 net debt at R0,5 million (F2020: R5,6 billion) declined significantly, benefiting from good operating cash flows, a much-improved working capital position, slightly lower than normal capex and the proceeds arising out of the sale and leaseback transactions. Free cash flow from continuing operations for the year was excellent at R4,7 billion (F2020: R2,7 billion).

Notwithstanding the partial achievement of these criteria for the basis of the STI for 2021, executive management requested that no STIs be awarded to themselves as the group performance still lags that of the last pre-COVID year being 2019. In addition, in light of the Miumi fraud that had been uncovered, executive management noted the award of any STIs would be inappropriate.

Based on the request of executive management, the committee accepted their position and no STIs were awarded for 2021.

3. Short-term incentives 2022

For the 2022 financial year, target and stretch performance targets are set for the following metrics:

Company financial performance

- ***constant currency HEPS growth (40% of the award) where threshold (30%) is achieved at 1200,0 cents per share, target (60%) is achieved at 1300,0 cents per share and stretch (100%) is achieved at 1372,8 cents per share, with linear vesting in between; and***
- ***ROFE (30% of the award) where threshold (30%) is achieved at 35%, target (60%) is achieved at 40% and stretch (100%) is achieved at 45%, with linear vesting in between.***

Strategic objectives

- ***KPIs including ESG (10% of the award), Innovation (10% of the award) and strategic objectives (10% of the award) where threshold is 30%, target at 60% and stretch at 100%, with linear vesting in between. ESG targets relate to Bidcorp making demonstrable progress of its achieving a 25% reduction in its carbon footprint by 2025.***

Bonuses to be paid in terms of the aforementioned scheme will have a maximum cap of 160% of individual CTC packages.

4. Long-term incentives

Vested during 2021

The residual 25% of the 2017 awards in September 2020 vested, where 75% already having vested in September 2019 and 50% of the 2018 CSP awards as modified.

Details relating to the settlement of LTIs are contained in the summary of directors' LTI tables.

Actions taken by the committee in 2021 in respect of LTIs

As a consequence of the COVID crisis which manifested around the globe in February/March 2020, the financial performance of the group continued to be negatively impacted in 2021 through the global response to the pandemic.

The key focus area of the board was to ensure management had stabilised the operations and were ready for the recovery as and when circumstances allowed. Retaining the Bidcorp executives and ensuring management were focused on the long-term survival and sustainability of their businesses remained top of mind albeit that different regions of the group's operations were impacted differently throughout the year. Focus was directed at ensuring that management was motivated to see the crisis through.

2021 CSP awards

The 2021 CSP awards were subject to splitting the performance conditions on a 50:50 basis, being 50% awarded on the basis of service conditions (also referred to as a retention award) and 50% awarded on the basis of the achievement of a HEPS-based performance target. The vesting period of these awards would be three years – September 2023 (50%), four years – September 2024 (25%) and five years – September 2025 (25%) respectively.

The CSPs awarded during 2021, expressed as a percentage of CTC are reflected below:

	CSP as a % of CTC (face value)
Executive directors	
BL Berson	**187**
DE Cleasby	**232**

2021 CSP award since modified

In light of shareholder feedback, the 2021 CSP awards as noted above, have, at the behest and agreement with executive management, been modified to replace the 50% portion awarded on the basis of service conditions (also referred to as a retention award) by an award with performance conditions over a three-year performance period commencing July 1 2020 for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award) respectively.

The company performance metrics comprise the following:

- constant currency HEPS growth (40% of the award) where threshold (40%) is achieved at 1 119,7 cents per share, target (70%) is achieved at 1 399,6 cents per share and stretch (100%) is achieved at 1 469,6 cents per share, with linear vesting in between;
- ROFE (30% of the award) where threshold (40%) is achieved at 35%, target (70%) is achieved at 40% and stretch (100%) is achieved at 45%, with linear vesting in between; and
- KPIs including ESG (10% of the award), Innovation (10% of the award) and strategic objectives (10% of the award) where threshold is 40%, target at 70% and stretch at 100%, with linear vesting in between. ESG targets relate to Bidcorp making demonstrable progress of its achieving a 25% reduction in its carbon footprint by 2025.

Proposed 2022 CSP awards

The proposed 2022 CSP awards will be subject to performance conditions over a three-year performance period which commenced July 1 2021 for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award) respectively.

The company performance metrics comprise the following:

- constant currency HEPS growth (40% of the award) where threshold (30%) is achieved at 1 175,7 cents per share, target (60%) is achieved at 1 469,6 cents per share and stretch (100%) is achieved at 1 543,1 cents per share, with linear vesting in between;
- ROFE (30% of the award) where threshold (30%) is achieved at 35%, target (60%) is achieved at 40% and stretch (100%) is achieved at 45%, with linear vesting in between; and
- KPIs including ESG (10% of the award), Innovation (10% of the award) and strategic objectives (10% of the award) where threshold is 30%, target at 60% and stretch at 100%, with linear vesting in between. ESG targets relate to Bidcorp making demonstrable progress of its achieving a 25% reduction in its carbon footprint by 2025.

5. Total remuneration outcomes

Summary of executive directors' LTIs

A summary of the unvested CSPs held by executive directors in 2020 and 2021 are indicated below:

	Opening estimated fair value at July 1 2020	Opening number on July 1 2020	Granted during F2021	Forfeited during F2021	Settled during F2021[5]	Closing number on June 30 2021	Closing estimated fair value at June 30 2021
Executive directors							
BL Berson							
1/12/2016	**8 685 590**	30 637	0	0	(30 637)	0	**0**
7/11/2017	**17 604 731**	63 000	0	0	(31 500)	31 500	**9 591 856**[1]
7/12/2018	**18 787 724**	68 600	0	0	0	68 600	**20 780 274**[2]
25/05/2020	**16 312 948**	60 900	0	0	0	60 900	**17 964 825**[3]
22/10/2020	**0**	0	150 000	0	0	150 000	**35 027 897**[4]
DE Cleasby							
1/12/2016	**3 248 910**	11 460	0	0	(11 460)	0	**0**
7/11/2017	**6 846 284**	24 500	0	0	(12 250)	12 250	**3 730 166**[1]
7/12/2018	**7 285 036**	26 600	0	0	0	26 600	**8 057 657**[2]
25/05/2020	**8 437 731**	31 500	0	0	0	31 500	**9 292 151**[3]
22/10/2020	**0**	0	70 000	0	0	70 000	**16 346 352**[4]

[1] *The CSP awards made on 7/11/2017 are shown at an indicative expected value of R304,50.*
[2] *The CSP awards made on 7/12/2018 are shown at an indicative expected value of R302,92.*
[3] *The CSP awards made on 25/05/2020 are shown at an indicative expected value of R294,99.*
[4] *The CSP awards made on 21/10/2020 are shown at an indicative expected value of R291,90 and an estimated vesting percentage of 80%.*
[5] *The remaining (25%) vested awards were settled in October 2020. 50% of the 7/11/2017 vested as at June 30 2020, and were settled in October 2020. The remaining 50% of the 7/11/2017 awards will vest in equal tranches of 25% each in October 2021 and September 2022.*

Summary of directors' LTIs

	2021					2020
R'000	Share-based payment expense	Benefit arising from exercise of CSP awards	Gross benefit	Previous share-based payment expense	Actual LTI benefit	
Directors						
BL Berson	**18 503**	**16 030**	**34 533**	**(15 186)**	**19 347**	26 158
DE Cleasby	**8 087**	**7 282**	**15 369**	**(5 805)**	**9 564**	9 985
Total	**26 590**	**23 312**	**49 902**	**(20 991)**	**28 911**	36 143

The summary of directors' long-term incentives (LTI) is designed to reflect the LTI benefits accruing to directors over the term of the vesting period rather than only when the vesting occurs. In the year that a benefit arises from an award, the previous IFRS 2 share-based payment charges which have been expensed in prior years in relation to that award are deducted from the benefit.

Single figure of remuneration

2021

The actual total pay outcomes for the 12 months ended June 30 2021 are depicted below for the executive directors, comprising salary, benefits and actual LTI benefits:

	Remuneration and benefits paid to directors					
R'000	Basic remuneration	Other benefits and costs	Retirement/ medical benefits	Cash incentive	LTI reflected	Total single figure of remuneration
Executive directors						
BL Berson	**18 620**	**299**	**287**	**–**	**19 347**	**38 553**
DE Cleasby	**6 586**	**191**	**438**	**–**	**9 564**	**16 779**

Executive director remuneration and benefits, where paid in foreign currency, are translated into rand at average foreign exchange rates. For the 2021 financial year, no remuneration increases were awarded for the executive directors as a result of the negative impact COVID had on the group's performance. The 2021 rand increase in the remuneration and benefits paid to directors is reflective of the 30% reduction in remuneration taken in the fourth financial quarter of 2020 and the average rand exchange rates weakening against sterling and the Australian dollar.

2020

The actual total pay outcomes for the 12 months ended June 30 2020 are depicted below for the executive directors, comprising salary, benefits, a cash incentive and actual LTI benefits:

	Remuneration and benefits paid to directors					
R'000	Basic remuneration	Other benefits and costs	Retirement/ medical benefits	Cash incentive	LTI reflected	Total single figure of remuneration
Executive directors						
BL Berson	15 541	268	262	–	26 158	42 229
DE Cleasby	5 894	188	446	–	9 985	16 513

Compliance with remuneration policy

There were no deviations from the remuneration policy published in 2020.

Non-binding advisory vote

At the 2021 AGM, shareholders are requested to cast an advisory vote on the implementation of the remuneration policy as included in this report on page 9: Part 3: Implementation of remuneration policy.

PART 4 – NON-EXECUTIVE REMUNERATION

Non-executive directors' fees paid

R'000	2021 Director fees	2021 Other services	2021 Total	2020
Non-executive directors				
T Abdool-Samad	**800**	**–**	**800**	501
PC Baloyi	**1 050**	**–**	**1 050**	930
B Joffe[1]	**655**	**–**	**655**	606
S Koseff	**3 575**	**–**	**3 575**	3 307
DD Mokgatle	**344**	**–**	**344**	606
CJ Rosenberg	**1 260**	**–**	**1 260**	837
NG Payne	**1 505**	**–**	**1 505**	1 270
H Wiseman[2]	**1 495**	**585**	**2 080**	1 957
Total	**10 684**	**585**	**11 269**	10 013

[1] *During the 2020 financial year, B Joffe exercised 66 260 of his 2016 replacement conditional rights at an average price of R325,32. The gross LTI benefit was R9,3 million.*

[2] *H Wiseman provided services by chairing the quarterly Bidcorp divisional audit and risk committee meetings.*

[3] *For the 2021 financial year, no remuneration increases were awarded to non-executive directors as a result of the negative impact COVID had on the group's performance. The 2021 rand increase in the remuneration paid to non-executive directors is reflective of the 30% reduction in remuneration taken in the fourth financial quarter of 2020 and the average rand exchange rate weakening against the Australian dollar.*

Proposed non-executive directors' fees for 2022

2022 proposed fees

Refer to special resolution number 2 on page 25 of the notice of AGM for approval of the fees by shareholders in terms of section 66 of the Companies Act.

The increase in the proposed non-executive directors' fees for 2022 reflect adjustments deemed necessary to enable the recruitment and retention of directors with the requisite skills and experience. There was no increase in the non-executive directors' fees for 2021 as a result of the negative impact COVID had on Bidcorp in the past financial year, in line with no increases and no short-term bonus awards to the executive directors and senior management of the group.

Fees in respect of South African based directors have been increased by 5% and those of international directors by 2,5% from the 2020/2021 approved fees. A full benchmarking exercise of non-executive directors fees will be undertaken in 2022.

Bidcorp thanks the board for their support over this challenging period, and the efforts made by all to guide the group in weathering this crisis.

Approval

This remuneration report was approved by the board of directors of Bid Corporation Limited.

Signed on behalf of the board of directors

Bidcorp

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