Remneration **report**

Part 1 background statement

The remuneration committee is pleased to present the Bidvest remuneration report for the year ended 30 June 2019.

We have considered the impact of the King IV Code on Corporate Governance (King IV) on the remuneration policy as well as the amended JSE Listing Requirements and present this report in three parts: this background statement (Part 1) contains the chairman's statement, providing context on the decisions and considerations taken during the reporting year which influenced the remuneration outcomes. Part 2 contains the remuneration policy and in Part 3 the implementation of the policy during the year is disclosed.

Since we presented the last remuneration policy to shareholders no major changes were made.

At the annual general meeting (AGM) on 28 November 2018, our 2018 remuneration report was presented and voted on in sections, namely:

Part 1: Remuneration policy – endorsed by 95,96% of shareholders that voted.

Part 2: Implementation of policy: – endorsed by 95,01% of shareholders that voted.

Bidvest delivered a credible result in a market characterised by weak economic growth as well as significant business and fiscal uncertainty and volatility. Trading profit increased by 3.5% to R6.7 billion despite flat revenue. Exceptional cost and capital discipline as well as improved margins were highlights against the volatile trading backdrop and played a significant role in delivering results that outperformed most peer companies. The combined services businesses, comprising Services, Freight and Financial Services, representing two-thirds of operational profit, grew trading profit by 6.4% while the profit from the combined trading and distribution businesses contracted slightly. Bidvest's headline earnings per share (HEPS) increased by 9.8% to 1 352.1 cents (2018: 1 231.6 cents). Cash generation of R7.1 billion ensured that the balance sheet remained robust with net debt to EBITDA below a factor of one.

The purpose of the remuneration report is to provide an overview and understanding of Bidvest's remuneration philosophy and focuses on executive and non-executive director remuneration and further provides an overview of the share plans used across the Group.

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 positive operational outcomes and strategic objectives while adhering to an ethical culture and good corporate citizenship. Both short- and long-term incentives are used to promote this objective.
- Delivery-specific short-term incentives are viewed as strong drivers of performance. A significant portion of senior management's through-the-cycle reward is designed to be variable and aligned with stakeholder interests. This is prescribed by the achievement of realistic profit targets together with, where applicable, the individual's personal contribution to the growth and development of their immediate business, their division or the wider Group. Only when warranted by exceptional circumstances, special bonuses may be considered as additional awards.
- As a consequence of the Group's dynamic and fast-moving nature, management is often redeployed to take on new challenges and address poor performing divisions. In such cases, subjective criteria may need to be applied when making an evaluation of performance.
- Long-term incentives align the objectives of management and shareholders and other stakeholders for a sustainable period.

Policy principles

The remuneration committee functions as a subcommittee of the board 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 remuneration committee further implements the board-approved remuneration policy to ensure:

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

The remuneration committee has discretion, when warranted by exceptional circumstances and where considerable value has been created for shareholders and stakeholders of Bidvest by specific key employees, to award special bonuses or other *ex gratia* payments to individuals. In exercising this discretion the remuneration committee must satisfy itself that such payments are fair and reasonable and are disclosed to shareholders as required by remuneration governance principles.

With effect from 1 July 2019, the remuneration policy will include malus (adjustment on payments/awards that have not been settled/vested) and clawback (recovery of post-tax payments that have already been made) provisions in both the STI and LTI subject to trigger events. The main trigger events are: material financial statement misstatement; and proven dishonest or fraudulent conduct by a participant(s).

Governance and the remuneration committee

Board responsibility

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

- New and amended share-based incentive schemes and their design.
- Non-executive board and committee fees.

Endorsement of the annual remuneration policy and implementation report.

The remuneration policy (Part 2) and remuneration implementation report (Part 3), will be put to two separate non-binding shareholders' votes at the AGM of shareholders.

Composition, mandate and attendance for remuneration committee

The members of the remuneration committee are independent non-executive directors as defined by King IV. The remuneration committee is scheduled to hold four meetings per year but also meets on an *ad hoc* basis when required.

The attendance for these meetings is contained on page 7.

The chief executive and chief financial officer attend meetings by invitation, to assist the remuneration committee with the execution of its mandate. Other members of executive management are invited when appropriate. No executive participates in the vote process or is present at meetings of the remuneration committee when his/her own remuneration is discussed or considered. Post the appointment of PricewaterhouseCoopers (PwC) as the Group's external auditors, the remuneration committee terminated the services of PwC as its independent advisers. In February 2019, DG Capital was appointed, on a probation basis, as the remuneration committee's standing independent advisers. In October 2019, the committee assessed their performance and DG Capital's appointment was made permanent.

The chairman of the remuneration committee or, in his absence, another member of the remuneration committee, is required to attend the AGM to answer questions on remuneration.

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

- Reviewing of the Group remuneration philosophy and policy and assisting the board to establish a remuneration policy for directors and senior executives 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 incentive schemes to ensure continued contribution to shareholder value.
- Reviewing the recommendations of management on fee proposals for the Group 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 chief executive and executive directors.
- Reviewing and recommending to the board the relevant criteria necessary to measure the performance of executives in determining their remuneration.
- Agreeing to the principles for senior management increases and cash incentives in both South African and offshore operations.
- Agreeing to long-term incentive allocations (Conditional Share Plan) and awards for executive directors and all allocations (Share Appreciation Right Plan) for senior management.
- Overseeing the preparation of the remuneration report (as contained in this Annual Governance report) to ensure that it is clear, concise and transparent.
- Ensuring that the remuneration policy and remuneration policy implementation be put to two non-binding advisory votes by shareholders and engaging with shareholders and other stakeholders on the Group's remuneration philosophy.

Role of benchmarking

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. Reviews are performed when required to benchmark the Group's remuneration against the services, trading and distribution industry and the general South African market.

The policy aims at positioning the Group as a preferred employer within the services, trading and distribution 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 a vital role in realising business strategy and must be competitive in the markets in which it operates.

Remuneration **report** (continued)

Executive directors

Terms of service

The minimum terms and conditions applied to South African executive directors are governed by legislation. The notice period for these directors is one month. In the exceptional situation of the termination of the executive directors' services, the remuneration committee (assisted by independent labour law legal advisers) oversees the settlement of terms.

Executive directors are required to retire 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.

Executive directors are permitted to serve as non-executive directors on one other public company board with the express permission of the chief executive and the nominations committee. This excludes directorships where the Group holds a strategic investment in that public company (i.e. nominee directorship). Fees paid to nominee directors accrue to the Group and not to the individual directors concerned.

Elements of remuneration and package design

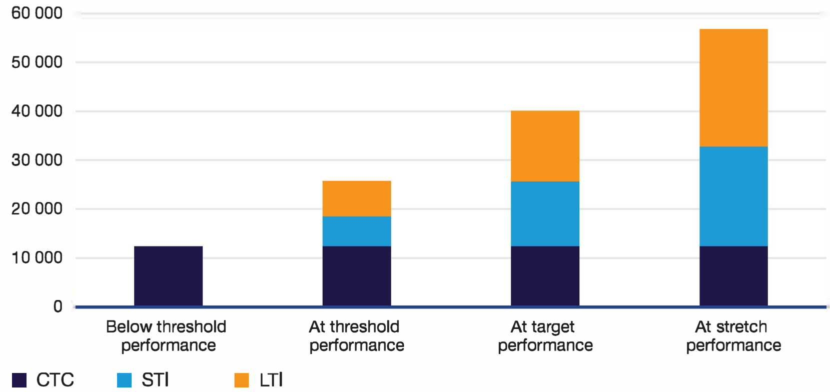
The Group operates a total cost-to-company (CTC) philosophy whereby cash remuneration, benefits (including a defined contribution retirement fund, medical aid and other insured benefits) form part of employees' fixed total CTC remuneration. Senior management and executive directors also participate in short-term incentives in the form of a performance bonus plan. Two long-term incentive plans are in operation. The Bidvest Share Appreciation Right Plan (SAR) is for senior management and Group executive members who are not Group executive directors. The Bidvest Conditional Share Plan (CSP) is for Group executive directors.

The remuneration policy for executive directors results in their remuneration received being dependent on Group performance. This is achieved in two ways, through an annual cash bonus and long-term share plan. In part 3 of the report the actual total pay outcomes for the 12 months ending 30 June 2019 are depicted, whilst the total pay opportunities for the chief executive and the other executive directors (on average) under four different performance scenarios are illustrated in the graphs above.

The different components of remuneration, their objectives, the policy which governs it and their link to the business strategy are summarised below. Where changes to the policy are envisaged for the following financial year, these are highlighted.

The Group views the executive directors who are members of the Group exco as the current "prescribed officers" as defined in the Companies Act and therefore, no separate remuneration policy disclosure for prescribed officers is necessary.

CEO
R'000s



Other executive directors
R'000s

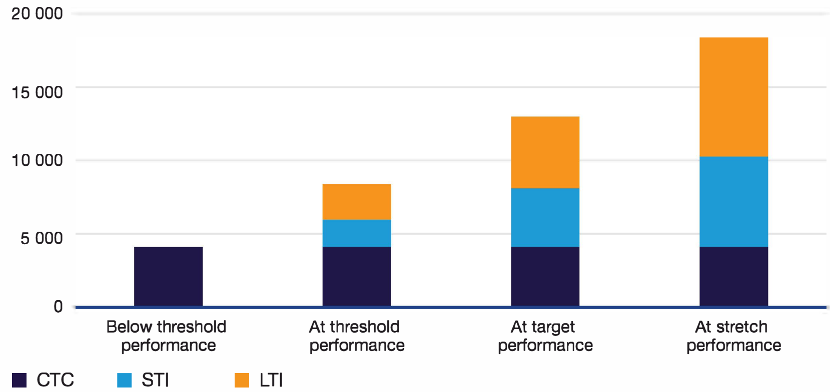


Table 1: Summary of remuneration components for executive directors

	Component, objective and link to strategy	Policy	Future changes
Guaranteed pay (CTC)	**Base package** To help attract and retain the best talent. It aligns with business strategy as it takes into account internal and external equity, thereby ensuring competitiveness and rewarding individuals fairly based on similar jobs in the market. Reviewed annually and set on 1 July.	Level of skill and experience, scope of responsibilities and competitiveness of the total remuneration package is taken into account when determining CTC.	No changes are proposed for 2020.
Guaranteed pay (CTC)	**Benefits** Provides employees with contractually agreed basic benefits such as retirement fund benefits (defined contribution), medical aid, risk benefits and life and disability insurance. Benefits recognise the need for a holistic approach to guaranteed package.	The Company contributes towards retirement benefits as per the rules of its retirement funds. Medical aid contributions depend upon each individual's needs and package selection. Risk and insurance benefits are Company contributions, all of which form part of total cost of employment.	No changes to standard employment benefits.
Short-term incentives (STIs)	**STI** To motivate and incentivise delivery of performance, financial and non-financial, consistent with the Group's strategy over the one-year operating cycle. Encourages growth in headline earnings per share and return on funds employed for shareholders in a sustainable manner, combined with strategic metrics, such as leadership, to ensure well-balanced KPIs. It rewards executive directors for their measurable contribution. Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure that these continue to support Bidvest's strategy. The annual bonus is paid in cash in August/ September each year.	Target and stretch performance targets are set for the following metrics: **Financial performance** • HEPS growth • Return on funds employed (ROFE) achieved **Strategic performance** Sustainability, transformation, business enhancements and acquisitive growth. The weighted outcome derives a STI which is capped at a maximum of 165% of the CEO's CTC and 150% of CTC for the other executive directors. Linear vesting will occur between the performance hurdles set.	Taking consideration of the economic backdrop, set the threshold, target and stretch HEPS growth hurdles at CPI -1%, CPI +1% and CPI +2%, respectively. Align the hurdles for ROFE across STI and LTI to 20%, 21% and 24%, respectively, at threshold, target and stretch.
Long-term incentives (LTIs)	**Conditional Share Plan (CSP)** To motivate and incentivise delivery of long-term, sustainable performance. This aligns executives' interests with shareholders through conditional rights to future delivery of equity. Vesting of conditional rights to shares is subject to performance targets, thereby supporting the performance culture of the Group.	Award levels are set according to best practice benchmarks, to ensure support of Group business strategy. Awards consist of conditional rights to shares, subject to performance conditions over a three-year performance period and continued employment period for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award), respectively. The Group performance metrics comprise the following: • HEPS growth • Relative total shareholder return (TSR) as an external performance measure • ROFE • Strategic performance relating to sustainability, transformation, business enhancements and acquisitive growth	Align the hurdles for ROFE across STI and LTI to 20%, 21% and 24%, respectively, at threshold, target and stretch. Change the peer group for TSR as follows: Pioneer Foods, Distell Group and Imperial Holdings to be replaced by PSG, Super Group, Motus and Imperial Logistics.

Remuneration **report** (continued)

Further details on long-term incentive plans

Conditional Share Plan

At the 2008 AGM, shareholders approved the CSP. The CSP was implemented for executive directors only, to replace previous participation in the share option plan. Under the CSP, participants are awarded a right to future delivery of equity (i.e. a conditional right to receive shares). Vesting of shares is subject to the achievement of performance conditions. Group performance conditions, each with different weightings, have been imposed. The performance period is three years, coinciding with the Group's financial year. 75% of awards vest after a three-year period and the remaining 25% after a four-year period.

Further details on the award levels, performance period and measure can be found in Part 3 of this report.

Share Appreciation Right Plan

Upon the unbundling of Bid Corporation Limited (Bidcorp) from Bidvest during May 2016, shareholders approved a new Share Appreciation Right Plan (SAR Plan) to replace the previously used Group Option Scheme. It is the intention that senior management (excluding executive directors) will participate in the SAR Plan. SARs vest after three, four and five years and lapse after seven years.

Share dilution

An aggregate limit applies to the CSP and SAR Plan and no more than 5% of the issued share capital of Bidvest can be issued in settlement of both the CSP and the SAR Plan. If shares are purchased in the open market for settlement of allocations in terms of the CSP and the SAR Plan, the limits will not be impacted.

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. Each year, one third of the non-executive directors retire by rotation. During FY19, a nine year tenure limit has been introduced for non-executive directors.

Fees

Group policy is to pay competitive fees for the role while recognising the required time commitment. Fees are benchmarked against a comparator group of JSE-listed companies. The fees comprise an annual retainer component and attendance fee for scheduled meetings, as tabulated in Part 3 of this report. In addition, non-executive directors are compensated for travel and subsistence on official business where necessary and 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 short-term incentives nor do they participate in any long-term incentive schemes, except where non-executive directors previously held executive office, and they remain entitled to unvested benefits arising from their period of employment. The Group 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.

Shareholder engagement

The Group's remuneration policy and the implementation thereof will be placed before shareholders for consideration and approval under the terms of an advisory non-binding vote at the 2019 AGM as provided for in the JSE Listing Requirements 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:

- Executive management will engage shareholders to ascertain the reasons for the dissenting vote. Where considered appropriate, members of the remuneration committee may participate in these engagements with selected shareholders.
- Executive management will make specific recommendations to the remuneration committee as to how the legitimate and reasonable objections of shareholders might be addressed, either in the Group's remuneration policy or through changes on how the remuneration policy is implemented.

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 parties.

Non-binding advisory vote

Shareholders are requested to cast an advisory vote on the remuneration policy as contained in Part 2 of this report.

Part 3 implementation of remuneration policy

Executive director remuneration

Guaranteed pay – base pay and benefits (2019)

In determining the CTC increases for executive directors, the remuneration committee considered the average increases to general staff and also used relevant market data. Benchmarks were selected based on a number of factors, including, but not limited to, company size and complexity of comparable listed companies by reference to market capitalisation, revenue, profitability, number of employees and sector.

In aggregate, executive directors received a 12% increase. The overall percentage increase was increased by a realignment of two directors' remuneration to the median of the peer group and to reflect the promotion of one director.

Short-term incentives (2019)

The performance measures and targets generating the awards were:

- HEPS growth (40% weighting) measured on a linear basis between the threshold (inflation growth only), target (2% real growth) and stretch (4% real growth) hurdles. Inflation is weighted based on the geographic mix of normalised headline earnings.
- ROFE (30% weighting) measured on a linear basis between the threshold 20.0%, target 21.5% and stretch 24.0% hurdles.
- Strategic metrics which include: 1) Sustainability and transformation (15% weighting), evaluated based on goals set in consultation with the Group social and ethics committee; and 2) Business enhancements and acquisitive growth (15% weighting), evaluated by the Group acquisitions committee.

The bonus outcomes were calculated as set out below:

Long-term incentives (2019)

In line with the new disclosure format recommended by King IV the following information relating to long-term incentives are disclosed:

- Long-term incentives awarded during 2019.
- Long-term incentives vesting during 2019.
- Long-term incentives settled during 2019.
- Outstanding long-term incentives

Further details pertaining to the above are contained in the table titled *Unvested long-term incentive awards and cash value of settled awards* in the Annexure on page 26.

Measures	Weighting %	Threshold 30% of max %	Target 65% of max %	Stretch 100% of max %	Actual performance %	Outcome %	Weighted outcome %
Financial measures:							
HEPS	40	CPI	CPI+2	CPI+4	9.8	100.0	40.0
ROFE	30	20.0	21.5	24.0	23.3	90.2	27.1
Non-financial measures:							
Sustainability and Transformation	15					90.0	13.5
Business Enhancement and Acquisitions	15					80.0	12.0
Overall score as a percentage of max [A]							**92.6**
Maximum STI as a percentage of CTC [B]							**165.0 (CEO) and 150.0 (EDs)**
Overall score as a percentage of CTC [A x B]							**152.7 (CEO) and 138.8 (EDs)**

Remuneration **report** (continued)

Long-term incentives awarded during 2019

All executive directors are awarded CSP awards. The following performance targets, weighting and performance periods are applicable to the CSPs awarded during 2019 and are to be tested over a three-year period commencing on 1 July 2018. 75% of the awards will vest after a three-year period while the remaining 25% will vest after a four-year period:

Performance conditions and weighting	Detail of performance conditions	Vesting profile
• HEPS growth (40%) • Relative TSR against peer group median (20%) • ROFE (20%) • Strategic metrics (20%), which include progress on sustainability, transformation, business enhancement and acquisitions.	Three-year compound HEPS growth: • Threshold – Inflation only • Target – 3% real growth • Stretch – 6% real growth Three-year average ROFE: • Threshold – 21.5% • Target – 23.0% • Stretch – 26.0% Three-year TSR: • Threshold – 80% of peer group performance • Target – 100% of peer group performance • Stretch – 120% peer group performance The peer group: Remgro, Tiger Brands, AVI, Mr Price, Netcare, Pioneer Foods, Life Healthcare, Spar Group, Distell Group, Pick n Pay Stores, Imperial Holdings and Barloworld Strategic metrics: • Goals at threshold, target and stretch is set by the remuneration committee	HEPS, TSR and ROFE • Below threshold – 0% vesting • At threshold – 30% vesting • Target – 60% vesting • Stretch – 100% vesting, where linear vesting will occur between the hurdles. The vesting of the strategic metrics awards will be determined by the Group social and ethics and acquisition committees.

The CSPs awarded during 2019, at target, can be expressed as 119% and 117% of average executive director and CEO CTC, respectively. This is award was based on a benchmark exercise performed by the committees' standing advisors.

Ms I Roux, as Group company secretary, was awarded 50 000 SAR in November 2018 at an award price of R188.42.

Long-term incentives vesting during 2019

The first CSP awards vested during 2019. The 2016 CSP awards were tested against performance targets over a three-year period which commenced 1 July 2016. Based on the actual performance and assigned weightings, 88.6% of awards accrued to beneficiaries with 75% having vested in September 2019 and the remaining 25% will vest in September 2020.

		2016 awards					
Performance conditions	Weighting %	Threshold 30% of max %	Target 60% of max %	Stretch 100% of max %	Actual performance %	Outcome %	Weighted outcome %
HEPS	40	CPI	CPI+3	CPI+6	28.2	100.0	40.0
ROFE	20	21.5	23.0	26.0	22.8	56.7	11.3
Relative TSR	20	1.28	1.60	1.92	64.0	100.0	20.0
Strategic measures	20					86.3	17.3
Accrued (vesting 75%/25%)							88.6

As a consequence of the unbundling, each option holder who had not exercised their options granted under the Bidvest Option Scheme at the unbundling date, exchanged each one of their existing Bidvest Group options for one right over one Bidcorp share and one Bidvest share (referred to as the "replacement rights"). The original option prices were not adjusted, but on exercise of the replacement right, the original option price will be deducted from the combined value of the Bidcorp and Bidvest shares. The vesting date and lapse dates of the replacement rights will be the same as that of the original options.

The Bidvest CSP awards made on 11 December 2015 in respect of Mr LP Ralphs were exchanged for replacement rights in Bidvest on a post-unbundled basis so that the market value is the same as the pre-unbundling value. The vesting period for the replacement rights was extended for an additional year and is subject to performance conditions measured over the period 1 July 2016 to 30 June 2019. As per the performance test set-out above, 88.6% of the replacement rights accrued to Mr LP Ralphs. 75% vested in September 2019 and the remaining 25% will vest in September 2020.

Long-term incentives settled during 2019

Details relating to the settlement of long-term incentives are contained in the tables on page 24.

Outstanding long-term incentives

As at 30 June 2019, the vesting of the CSP rights granted in 2017 and 2018 are estimated to be achieved as follows:

	2017 awards			2018 awards		
Performance conditions	Weighting %	Vesting %	Weighted vesting %	Weighting %	Vesting %	Weighted vesting %
HEPS	40	100.0	40.0	40	90.7	36.3
ROFE	20	61.3	12.3	20	64.0	12.8
Relative TSR	20	100.0	20.0	20	100.0	20.0
Strategic measures	20	86.9	17.4	20	85.0	17.0
Expected vesting			89.6			86.1

Remuneration **report** (continued)

Total remuneration outcomes

Single figure of remuneration

The total remuneration outcomes are reflected below, comprising salary and benefits, cash incentive for 2019 and long-term incentives where the performance period ended in 2019. With reference to actual total pay during 2019, Mr AW Dawe (R24.5 million), Ms NT Madisa (R6.5 million), Ms GC McMahon (R9.7 million) and Mr MJ Steyn (R6.6 million) realised benefit from the exercise of replacement rights.

2019 R'000	**Basic remuneration**	**Retirement/ medical benefits**	**Other benefits and costs**	**Cash incentives**	**LTIP reflected[1]**	**Single figure**
Directors						
AW Dawe	**5 219**	**261**	**489**	**7 775**	**8 348**	**22 092**
NT Madisa	**3 697**	**305**	**129**	**5 559**	**7 297**	**16 987**
GC McMahon	**2 583**	**307**	**285**	**4 165**	**4 437**	**11 777**
LP Ralphs	**15 858**	**947**	**709**	**18 857**	**22 900**	**59 272**
MJ Steyn	**3 420**	**258**	**270**	**5 276**	**2 789**	**12 013**

1. LTIP reflected includes:

Type of award	*Note*	*Award date*	*Tranche/ %*	*Bidvest 20-day VWAP*	*Bidcorp 20-day VWAP*	*Vesting date conditional share*
Conditional share	*2*	*11/12/2015*	*75%*	*200,91*	*n/a*	*18/09/2019*
Conditional share	*2*	*24/10/2016*	*75%*	*200,91*	*n/a*	*18/09/2019*
Replacement share	*3*	*11/12/2015*	*2*	*200,91*	*315,47*	*11/12/2019*
Replacement share		*09/10/2014*	*2*	*200,91*	*315,47*	*09/10/2018*
Replacement share	*3*	*09/10/2014*	*3*	*200,91*	*315,47*	*09/10/2019*
Replacement share	*3*	*03/11/2014*	*3*	*200,91*	*315,47*	*03/11/2019*
Replacement share		*13/03/2014*	*3*	*200,91*	*315,47*	*13/03/2019*
SAR	*4*	*07/11/2016*	*1*	*200,91*	*n/a*	*07/11/2019*

2. The LTIP reflected is at the intrinsic value based on the 20-day VWAP less the present value of the final gross dividend of 318 cents.
3. The LTIP reflected is at the intrinsic value based on the 20-day VWAP as at 30 June 2019 for Bidvest plus Bidcorp less the present value of the final gross dividend of 318 cents and 330 cents respectively.
4. The LTIP reflected is at the intrinsic value based on the 20-day VWAP as at 30 June 2019 for Bidvest less the present value of the final gross dividend of 318 cents.

With reference to actual total pay during 2018, NT Madisa (R13.3 million) and MJ Steyn (R1.8 million) realised benefit from the exercise of replacement rights.

2018 R'000	Basic remuneration	Retirement/ medical benefits	Other benefits and costs	Cash incentives	LTIP reflected[4]	Single figure
Directors						
AW Dawe	4 843	257	82	7 010	7 563	19 755
NT Madisa	3 301	297	244	4 948	6 235	15 025
GC McMahon	1 851	240	182	3 024	4 020	9 317
HP Meijer[2]	2 336	286	271	–	7 298	10 191
LP Ralphs[1]	10 260	880	1 011	17 492	–	29 643
MJ Steyn[3]	2 738	254	102	2 500	[5]	5 594

[1] LP Ralph's replacement rights were replaced with conditional shares which will only be reflected in the single figure when the performance period ends.
[2] HP Meijer retired as CFO on 28 February 2018.
[3] MJ Steyn was appointed as CFO effective 1 March 2018. In terms of the remuneration committee's policy, considering the internal promotion more than halfway through the financial year, it was agreed that Steyn's STI in 2018 will be based on the performance on Bidvest Freight. He will fall in with the Group policy from 2019.
[4] LTI projected includes tranche one of the replacement rights (options) awarded on 11 December 2015, tranche two of awards on 9 October 2014 and 3 November 2014, and tranche three of the awards on 13 March 2014. All of these replacement rights vests within 12 months after year-end and are included at the intrinsic value of 20-day Bidvest VWAP plus the 20-day Bidcorp VWAP as at 30 June 2018 minus the applicable strike price.
[5] During MJ Steyn's employment in the Freight division, he was granted replacement rights and SAR. As at 30 June 2018, 37 500 replacement rights and 80 000 SAR remain unexercised.

Non-executive remuneration

The remuneration paid to non-executive directors while in office of the Company during the year ended 30 June 2019 is analysed as follows:

Directors	2019 Directors' fees R'000	2019 As directors of subsidiary companies and other services R'000	2019 Total emoluments R'000	2018 Total R'000
DDB Band	**306**	**–**	**306**	718
EK Diack	**1 125**	**743**	**1 868**	1 078
AK Maditsi	**686**	**–**	**686**	613
S Masinga	**588**	**–**	**588**	595
RK Mokate	**704**	**831**	**1 535**	711
CWN Molope	**396**	**–**	**396**	371
NG Payne	**1 478**	**1 126**	**2 604**	2 224
CWL Phalatse	**1 292**	**–**	**1 292**	1 430
T Slabbert	**756**	**–**	**756**	655
NW Thomson	**796**	**–**	**796**	148
Former directors				23
2019 total	**8 127**	**2 700**	**10 827**	8 566
2018 total	6 586	1 980	8 566	–

For 2020, a 6% increase is recommended in respect of board and committee fees, following a detailed comparison of non-executive directors' fees to market-related benchmarks.

	Basic per annum	Per meeting attended
Chairman[1]	**1 643 000**	
Lead independent	**212 000**	
Board members	**109 663**	**44 045**
Audit committee chairman	**312 586**	**49 438**
Audit committee member	**82 585**	**35 955**
Remuneration committee chairman	**140 450**	**33 933**
Remuneration committee member		**38 764**
Nominations committee member		**35 730**
Acquisitions committee chairman	**94 045**	**40 000**
Acquisitions committee member		**42 023**
Risk committee chairman	**166 742**	**29 438**
Risk committee member		**31 236**
Social & Ethics committee chairman	**100 000**	**29 438**
Social & Ethics committee member		**29 438**
Ad hoc meetings		**21 348**

[1] *The Group chairman's fee covers chairmanship and membership of all board committees.*

The above fees are proposed net of VAT which may become payable thereon to directors, depending on the status of the individual director's tax position.

Refer to special resolution 1 on page 4 of the notice of AGM for approval of the fees by shareholders in terms of section 66 of the Companies Act.

Non-advisory vote

Shareholders are requested to cast an advisory vote on the remuneration implementation report as contained in Part 3 of this report.

Approval

This remuneration report was approved by the board of directors of Bidvest. Signed on behalf of the board of directors.

Norman Thomson
Chairman

Remuneration **report** (continued)

Annexure

Unexercised and/or unvested long-term incentive awards and cash value of settled awards:

Names	Opening number on 1 July 2017	Granted during 2018	Forfeited/ lapsed during 2018	Settled/ exercised during 2018	Closing number on 30 June 2018	Cash value on settlement during 2018	Closing estimated fair value at 30 June 2018 R
LP Ralphs							
CSP							
11/12/2015	94 280	–	–	–	94 280	–	14 350 054
24/10/2016	80 000	–	–	–	80 000	–	12 157 844
27/11/2017	–	112 000	–	–	112 000	–	18 903 369
3/12/2018							
Total	174 280	112 000	–	–	286 280	–	45 411 267
AW Dawe							
CSP							
24/10/2016[6]	28 000	–	–	–	28 000	–	4 255 245
27/11/2017[7]	–	38 000	–	–	38 000	–	6 413 643
3/12/2018							
Replacement rights (Options)							
13/03/2014	50 000	–	–	–	50 000	–	11 709 004
3/11/2014	43 066	–	–	–	43 066	–	8 689 329
11/12/2015	40 000	–	–	–	40 000	–	6 807 203
Total	161 066	38 000	–	–	199 066	–	37 874 424
NT Madisa							
CSP							
24/10/2016	20 000	–	–	–	20 000	–	3 039 461
27/11/2017	–	30 000	–	–	30 000	–	5 063 402
3/12/2018							
Replacement rights (Options)							
2/12/2011	3 000	–	–	3 000	–	1 072 898	–
5/04/2013	7 500	–	–	7 500	–	2 208 492	–
13/03/2014	25 000	–	–	18 750	6 250	4 784 235	1 463 625
3/11/2014	43 066	–	–	21 533	21 533	5 267 317	4 344 614
11/12/2015	40 000	–	–	–	40 000	–	6 807 203
Total	138 566	30 000	–	50 783	117 783	13 332 942	20 718 306

Strike price R	Granted during 2019	Forfeited/ lapsed during 2019	Settled/ exercised during 2019	Closing Number on 30 June 2019	Cash value on settlement during 2019	Closing fair value at 30 June 2019	Strike price R
	–	–	–	94 280	–	16 393 972	
	–	–	–	80 000	–	13 910 880	
	–	–	–	112 000	–	19 114 033	
	120 000	–	–	120 000	–	19 059 133	
	120 000	–	–	406 280	–	68 478 018	
	–	–	–	28 000	–	4 868 808	
	–	–	–	38 000	–	6 485 118	
	52 000	–	–	52 000	–	8 258 958	
238	–	–	50 000	–	13 110 341	–	238
270	–	–	32 299	10 767	7 423 359	2 584 496	270
302	–	–	20 000	20 000	3 965 536	4 347 167	302
	52 000	–	102 299	148 767	24 499 237	26 544 547	
	–	–	–	20 000	–	3 477 720	
	–	–	–	30 000	–	5 119 830	
	40 000	–	–	40 000	–	6 353 044	
135							
209							
238	–	–	–	6 250	–	1 742 728	238
270	–	–	10 766	10 767	2 497 397	2 584 496	270
302	–	–	20 000	20 000	4 013 011	4 347 167	302
	40 000	–	30 766	127 017	6 510 407	23 624 985	

Remuneration **report** (continued)

Annexure (continued)

Names	Opening number on 1 July 2017	Granted during 2018	Forfeited/ lapsed during 2018	Settled/ exercised during 2018	Closing number on 30 June 2018	Cash value on settlement during 2018	Closing estimated fair value at 30 June 2018 R
GC McMahon							
CSP							
24/10/2016	12 000	–	–	–	12 000	–	1 823 677
27/11/2017	–	15 000	–	–	15 000	–	2 279 596
3/12/2018							
Replacement rights (Options)							
5/04/2013	3 750	–	–	–	3 750	–	985 538
13/03/2014	7 500	–	–	–	7 500	–	1 756 351
9/10/2014	20 000	–	–	–	20 000	–	4 419 801
11/12/2015	30 000	–	–	–	30 000	–	5 105 402
Total	73 250	15 000	–	–	88 250	–	16 370 364
MJ Steyn							
CSP							
3/12/2018							
SAR							
7/11/2016					40 000		
9/11/2017					40 000		
Replacement rights (Options)							
5/04/2013					5 000		
13/03/2014					10 000		
9/10/2014					7 500		
11/12/2015					15 000		
Total					117 500		

Strike price R	Granted during 2019	Forfeited/ lapsed during 2019	Settled/ exercised during 2019	Closing Number on 30 June 2019	Cash value on settlement during 2019	Closing fair value at 30 June 2019	Strike price R
	–	–	–	12 000	–	2 086 632	
	–	–	–	15 000	–	2 559 915	
	30 000	–	–	30 000	–	4 764 783	
209	–	–	3 750	–	1 080 024	–	209
238	–	–	7 500	–	1 948 811	–	238
251	–	–	15 000	5 000	3 689 494	1 296 349	251
302	–	–	15 000	15 000	2 938 867	3 260 375	302
	30 000	–	41 250	77 000	9 657 196	13 968 055	
	40 000	–	–	40 000	–	6 353 044	
147	–	–	–	40 000	–	2 337 775	147
159	–	–	–	40 000	–	2 362 690	159
209	–	–	5 000	–	1 481 646	–	209
238	–	–	10 000	–	2 677 797	–	238
251	–	–	3 750	3 750	954 943	984 218	251
302	–	–	7 500	7 500	1 529 801	1 630 188	302
	40 000	–	26 250	131 250	6 644 188	13 667 915	

Remuneration **report** (continued)

Valuation method applied

TYPE OF AWARD	AWARD DATE	TRANCHE*	MARKET VALUE ESTIMATION USING A MARKET VALUATION TECHNIQUE	INTRINSIC VALUE**
CSP[(1)]	11/12/2015	n/a	✓	✓
CSP	24/10/2016	n/a	✓	✓
CSP	27/11/2017	n/a	✓	
CSP	3/12/2018	n/a	✓	
Replacement share	13/03/2014	3		✓
Replacement share	9/10/2014	2 and 3		✓
Replacement share	3/11/2014	3		✓
Replacement share	11/12/2015	2		✓
Replacement share	11/12/2015	3	✓	
SAR	7/11/2016	1		✓
SAR	7/11/2016	2 and 3	✓	
SAR	9/11/2017	1, 2 and 3	✓	

* *Where a tranche has not been included, the awards were already exercised.*

** *Intrinsic value less present value of September 2019 dividend which the instrument is not entitled to in respect of awards not yet vested.*

1. *35 000 of the Bidvest CSP awards originally made on 11 December 2015 were exchanged for 94 280 replacement rights which is subject to performance conditions measured over the period 1 July 2016 – 30 June 2019. The vesting period for the replacement rights was extended for an additional year where vesting of 75% of the awards occurred in September 2019 and the remaining 25% will vest in September 2020. The performance targets, weighting and performance periods are to be tested over a three-year period.*

2019		2018					
Bidvest 20 - day VWAP	Bidcorp 20 - day VWAP	Bidvest 20 - day VWAP	Bidcorp 20 - day VWAP	Strike price	Performance conditions Vesting %	Performance conditions	Vesting date
200.91	n/a	201.58	n/a	n/a	89%	✓	75% – 30/09/2019 25% – 30/09/2020
200.91	n/a	201.58	n/a	n/a	89%	✓	75% – 30/09/2019 25% – 30/09/2020
200.91	n/a	201.58	n/a	n/a	90%	✓	75% – 30/09/2020 25% – 30/09/2021
200.91	n/a	201.58	n/a	n/a	86%	✓	75% – 30/09/2021 25% – 30/09/2022
200.91	315.47	201.58	270.14	237.54	n/a	✗	25% – 13/03/2019
200.91	315.47	201.58	270.14	250.73	n/a	✗	25% – 9/10/2018 25% – 9/10/2019
200.91	315.47	201.58	270.14	269.95	n/a	✗	25% – 3/11/2019
200.91	315.47	201.58	270.14	301.54	n/a	✗	25% – 11/12/2019
200.91	315.47	201.58	270.14	301.54	n/a	✗	25% – 11/12/2020
200.91	n/a	201.58	n/a	146.61	n/a	✗	50% – 7/11/2019
200.91	n/a	201.58	n/a	146.61	n/a	✗	25% – 7/11/2020 25% – 7/11/2021
200.91	n/a	201.58	n/a	158.75	n/a	✗	50% – 9/11/2020 25% – 9/11/2021 25% – 9/11/2022