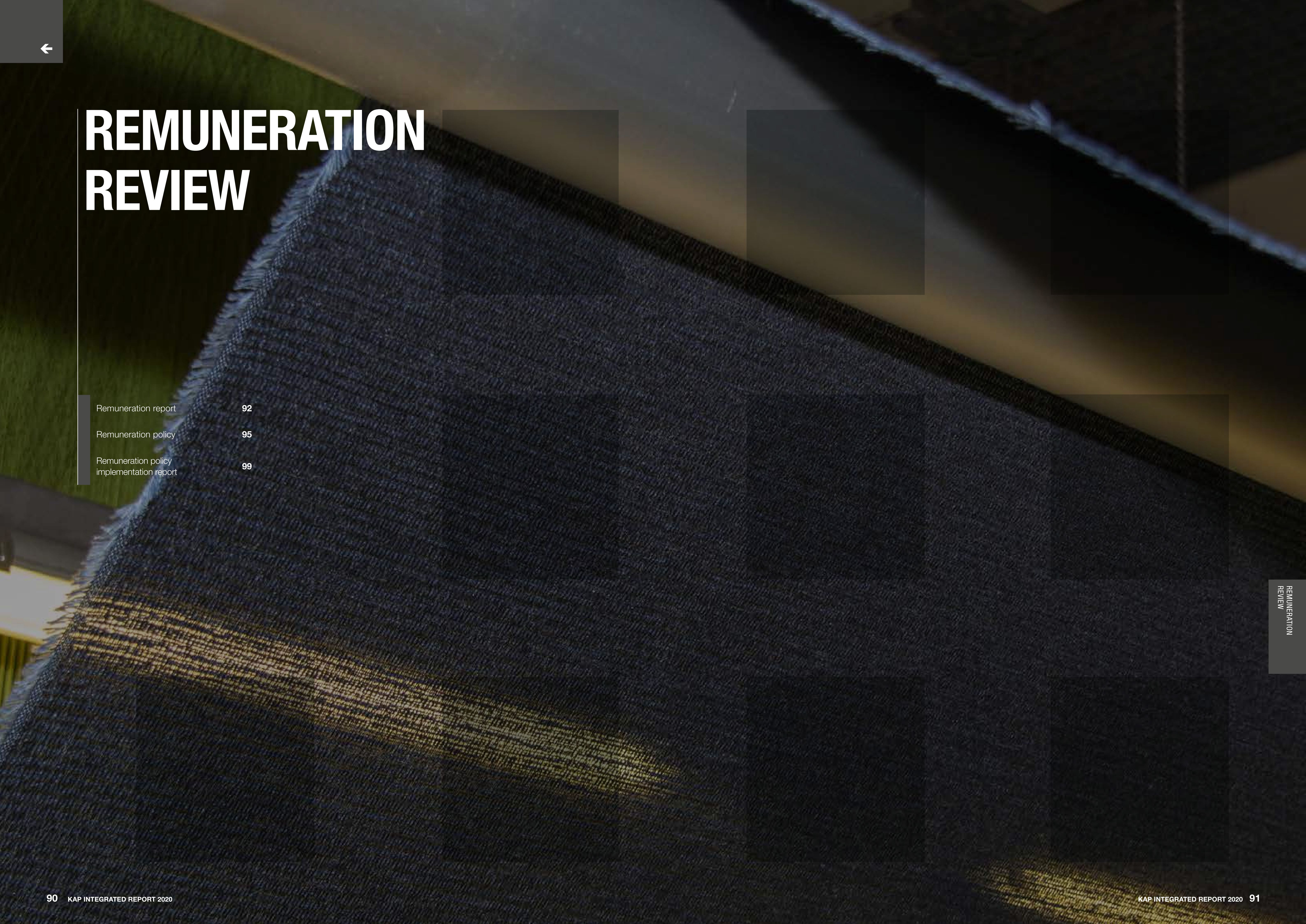

REMUNERATION REVIEW

REMUNERATION REPORT

KAP's remuneration philosophy is to remunerate employees fairly and responsibly in a balanced approach, in order to attract, retain and motivate competent individuals, who can contribute meaningfully to the sustainable growth of the company.

KAP applies the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV™') and endorses King IV™'s inclusive, interconnected approach to corporate governance and its recognition of the importance of ensuring sustainability over the longer term. Fair, responsible and balanced remuneration is viewed as a key factor in ensuring the sustainability of the company.

Human capital and remuneration committee

KAP's human capital and remuneration committee ('the committee') operates within defined terms of reference and with authority granted to it by the KAP board. The board therefore oversees the implementation and execution of the remuneration policy through the committee. The committee comprises three independent non-executive directors, one of whom is appointed as chairperson. The chief executive officer and certain executive managers attend parts of the meetings by invitation.

In terms of the recommendation by King IV™, board committees should have cross membership to ensure a balanced distribution of power and to enhance effective collaboration. In line with this, SH Müller, the chairperson of the committee, is also a member of the social and ethics committee, the audit and risk committee and the investment committee. Of the two remaining members of the committee, IN Mkhari is also a member of the social and ethics committee and the nomination committee, while KJ Grové is also a member of the investment committee.

This committee meets formally at least once a year and more often on an ad hoc basis, should this be required. During the year under review, the committee met formally on 13 August 2019 and all the members were present.

The committee is satisfied that it has fulfilled its responsibilities during the year under review. Key areas of focus of the committee during the past year included:

- a review of the strategic drivers of human capital and remuneration and the alignment thereof to the vision and strategy of the company;
- a review of the remuneration policy, which is presented annually for a non-binding advisory vote by shareholders;
- a review of the measurement criteria in relation to the annual and long-term incentive schemes in order to ensure that they remain appropriate and act as drivers of the business strategy;
- a review and approval of the remuneration packages of executives, including annual and long-term incentives schemes;
- a review of the group's initiatives and progress in relation to gender diversity and employment equity;
- the fulfilment of delegated responsibilities in relation to the share-based incentive scheme;
- a review of the human capital management practices in place across the group to ensure fairness, responsibility, transparency, alignment with King IV™ and compliance with the specific requirements of the relevant labour legislation; and
- as recommended by King IV™, a 'reflection' by the committee on its prior year self-assessment outcomes, to determine whether the identified shortcomings from the assessments have been addressed appropriately.

After year-end, the committee met formally as scheduled on 13 August 2020. In addition to the above-mentioned points, it considered the group's approach to the Covid-19 pandemic and Lockdown, and its impact on our employees in terms of remuneration and restructuring. All members were present at this meeting.

Divisional human capital and remuneration committees

Due to the group's decentralised management structures, the committee has established divisional human capital and remuneration subcommittees ('the divisional subcommittees'). The divisional subcommittees are responsible for all human capital management and employee remuneration matters at divisional level, within the parameters set by the group's remuneration policy.

The divisional subcommittees are supported by established human capital practitioners at group, divisional and business unit level and hold the responsibility for the implementation and management of human capital and remuneration strategies, policies and practices in line with those set by the committee. The divisional subcommittees comprise the KAP chief executive officer ('CEO'), chief financial officer ('CFO') and human capital executive, and the divisional CEO and human capital executive. The KAP CEO chairs these subcommittees.

Key considerations of the divisional subcommittees include a review of the divisional:

- talent management and succession planning;
- leadership development and training;
- performance management systems and processes;
- employment equity;
- employee relations management;
- pay structures and equitable base salary increases for all employees;
- performance incentive schemes; and
- long-term incentive schemes.

Due to the Covid-19 Lockdown imposed by the South African government on 27 March 2020, the divisional subcommittees did not meet formally as scheduled during May 2020, and will only meet formally during October/November 2020.

"As KAP has grown into industry-leading positions, we have become increasingly exposed to and are benchmarked against global best practice.

Although KAP is a South Africa-based company, we earn approximately

16%

of our revenue from outside South Africa.

"We expect our executives to have knowledge and experience across international borders and to be internationally mobile.

Alignment with strategy

KAP's strategic objective is to be an industry leader in our chosen markets, which requires us to invest consistently in industry-leading products, processes, systems and equipment. This implies a requirement to attract and retain the best people in the industry, and to improve their skills consistently as markets and technologies evolve.

As KAP has grown into industry-leading positions, we have become increasingly exposed to and are benchmarked against global best practice. Although KAP is a South Africa-based company, we earn approximately 16% of our revenue outside South Africa. We trade with 32 different countries, and we import a significant proportion of our inputs from outside South Africa, with a significant proportion of our inputs globally indexed in foreign currencies. We have international shareholders of certain business units who actively participate in the relevant businesses, and we have several technology agreements with international companies. At a listed level, 19% of our shareholding is owned by foreigners.

As a result, we expect our executives to have knowledge and experience across international borders and to be internationally mobile. KAP therefore competes for management and specialist skills and succession talent in a challenging global marketplace. As a result, our approach to remuneration needs to remain competitive and encourage retention. The sustainable success of our business is critically dependent on our people in order to maintain quality products and high standards of service to customers in very competitive sectors.

Service contracts

Executives' contracts are subject to terms and conditions of employment as governed by the Labour Relations Act of South Africa. The contracts of the top executives or any other executive directors do not contain termination packages or excessive notice periods. In view of the scarcity of executive skills in South Africa, and in order to make provision for an orderly hand over to successors, the committee recommended that the CEO and CFO's notice periods be extended to six calendar months, while the rest of the executive committee's notice periods be extended to three months. These changes were implemented during the year and provide the company with a degree of protection in the event of the resignation of any senior executives.

Non-executive directors' remuneration

Independent surveys are obtained from expert consultants to assist the committee with its annual review of non-executive directors' fees. The committee submitted its proposals to the board for the forward-looking fees payable for the period from the date of the forthcoming annual general meeting ('AGM') in November 2020 to the 2021 AGM. The proposed fee structure includes a principle amendment to provide for an hourly compensation to non-executives for their input required on an ad hoc basis, outside formal meetings, from time to time. In addition, in view of the escalating regulatory obligations on listed companies, the audit and risk committee will now meet four times per annum, previously it met twice per annum, and the fees proposed for audit and risk committee members have been increased accordingly. The position of lead independent non-executive director has been filled with effect from the November 2020 AGM with appropriate fees proposed for this role. In view of management's decision not to provide for inflationary increases for FY21 for all non-bargaining unit staff as a result of the Covid-19 Lockdown, the committee recommended that the non-executive directors' fees for FY21 also do not provide for an inflationary increase.

The non-executive directors receive fees for services rendered to the company. Their remuneration is not linked to the company's share price, its share performance or its results. Non-executive directors are not participants in and therefore do not qualify for shares in terms of the KAP Performance Share Rights Scheme and do not hold share rights under this scheme.

Non-binding advisory vote and shareholder engagement

Following the introduction of King IV™, in addition to the statutory requirement to obtain shareholder approval for the payment of fees to the non-executive directors, the remuneration policy and implementation report will be tabled each year for separate non-binding advisory votes by shareholders at the AGM. In the event that shareholders vote against either the remuneration policy or the implementation report by 25% or more of the total voting rights exercised at the AGM, the committee will issue an invitation to dissenting shareholders to engage with them in order to address legitimate and reasonable concerns.

At the AGM on 13 November 2019, the remuneration policy received support of 68.54% and the implementation report received support of 58.01% by way of separate non-binding advisory votes by shareholders. As a result of receiving less than 75% support, the company provided a platform to engage with dissenting shareholders. This engagement was via an invitation released on the Stock Exchange News Service ('SENS') on 29 November 2019, inviting dissenting shareholders to submit recommendations in writing in relation to the remuneration policy and implementation report, for consideration by the committee.

Changes to the remuneration policy

Following the company's AGM and engagement with shareholders, the committee conducted a peer comparison in relation to remuneration policies and incentive schemes. In line with these peer comparisons, and taking into account the recommendations of shareholders, the committee recommended significant changes to the company's incentive schemes, which were accepted by the board and implemented for FY21.

The changes made to the incentive schemes were primarily to provide transparency in terms of executive targets, to better align these targets with those criteria which will drive shareholder value creation and to incentivise the various levels of management on factors under their control. While the previous incentive schemes were based primarily on the performance against budget and contained a high proportion of non-financial measures, the amendments made to the incentives schemes provide for measurement against transparent targets of earnings growth, returns and cash generation, with a lower proportion of non-financial measures and the removal of 'retention' as a criterion for incentive vesting. These measurement criteria are fully documented in the remuneration policy.

REMUNERATION POLICY

The KAP Industrial Holdings Limited ('KAP' or 'the company') board of directors ('the board') carries ultimate responsibility for the remuneration policy. The human capital and remuneration committee ('the committee') operates in terms of a board-approved mandate. The committee therefore functions as a subcommittee of the board in terms of an agreed mandate and evaluates and monitors the company's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy.

The committee implements a remuneration policy, which is approved by the board, to assist in the achievement of the company's strategy and objectives. The remuneration policy is reviewed on an annual basis and is aligned with the recommendations of the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV™'), based on the following principles:

- Remuneration practices throughout the company are aligned with the applicable business vision and strategy.
- Remuneration is set at levels that are competitive and appropriate within the specific markets, geographic areas and industries in which the company operates.
- Incentive-based remuneration, which is applicable to management involved in determining and implementing the strategy of the company and/or divisions of the company, is determined with reference to financial performance targets, strategy execution, broad-based black economic empowerment targets, environment, social and governance ('ESG') targets, internal control and compliance measures, as well as individual key performance indicators ('KPIs').
- Executive remuneration is fair, responsible and transparent in the context of the overall remuneration of the company.

Elements of remuneration

Benchmarking of the remuneration of executive managers and executive directors is undertaken annually, utilising the services of independent experts, in order to ensure that remuneration in all forms accruing to employees at all levels is market-related and equitably awarded under the remuneration systems and practices in place.

The committee will seek to ensure an appropriate balance between the guaranteed and performance-related elements of managerial remuneration, and also between short-term performance and long-term sustainable stakeholder value creation. The committee will consider each element of remuneration relative to the market and, in determining its quantum, will take into account the performance of the company and/or division, the management team and the individual concerned.

The remuneration policy covers two elements of remuneration:

Guaranteed salary ('salary')

The salary element of remuneration incorporates all guaranteed cash benefits on a total cost to company ('CTC') basis and is intended to provide employees with a competitive level of remuneration. The salary is subject to annual review and is intended to be competitive, with reference to market practice in companies comparable in size, market sector, business complexity and geographic location, as well as equally graded positions. A global grading system is applied across the group in order to ensure uniform employee grading. Company performance, individual performance, general inflation and changes in responsibilities are also taken into consideration when determining annual base salaries.

The amount of the salary package is determined, with effect from 1 July each year, based on parameters approved by the board. Pay levels are based on individual and market factors, as follows:

Job profiles are compiled for each approved position in the company and these are graded using the global grading system.

A competency profile is also determined for each approved position.

Performance reviews of employees against these profiles may lead to an employee receiving merit increments from time to time, which may result in an individual earning remuneration above the market median, but within market norms.

The remuneration levels of key management categories are benchmarked annually, using the market median of independent salary surveys as reference.

Inflationary remuneration adjustments are considered annually, taking into account relevant consumer price inflation indices.

The remuneration of employees, other than union and other bargaining structure represented employees, is contracted on a 'total cost to company package' basis, which includes basic salary, allowances and contributions by the company to retirement savings, risk insurance and medical schemes. In terms of this arrangement, a minimum level of healthcare cover is a condition of employment at certain levels. The company does not provide post-retirement healthcare benefits for employees. Employees throughout the group are able to contribute to various independently administered defined contribution retirement schemes.

The company encourages union membership and collective bargaining among its employees in order to provide for responsible and structured engagement. In relation to employees represented by trade unions or similar bargaining structures and similarly graded positions, their wages and substantive conditions of employment are negotiated from time to time with the applicable bargaining structures, preferably via collective bargaining processes. Changes to remuneration and benefits are negotiated in one, two or three-year arrangements. Multi-year arrangements are favoured in terms of promoting stability and consistency in industrial relations. Access by these employees to suitable medical, retirement and associated insured benefits is also facilitated by the company where appropriate.

Payments on termination of employment, sign-on, retention or restraint payments, commissions and allowances are limited to contractual, legal and/or negotiated obligations and any deviations from this policy in relation to senior executives requires appropriate motivation and the specific approval of the committee.

Variable performance-related incentives ('incentives')

A principle underlying this policy is that senior executives and managers of the company are required to assume more business risk in relation to corporate returns and sustainable performance than their subordinates, and to place more of their remuneration at risk in relation to the achievement of certain targets. Consequently, they are offered a combination of guaranteed and variable pay to incentivise performance on a sustainable long-term basis.

Variable pay is designed to incentivise and reward both team and individual effort and serves as a tool to attract, motivate and retain staff of the calibre required to achieve the objectives of the business. This policy is also intended to ensure that top management are duly motivated to achieve organisational goals and strategic objectives to ensure the long-term sustainability of the company in a balanced and socially and environmentally responsible manner.

Annual incentive bonus ('AIB') scheme

The AIB is intended to incentivise short-term performance on an annual basis and is summarised as follows in terms of the measurement criteria, the weightings of these criteria and the participation levels of executives and senior management.

The following criteria are applicable to KAP Corporate Services executives and senior management and are based on the performance of KAP:

	Measurement	Proportion		Participation levels
KAP Corporate	Core HEPS growth > GDP growth+CPI*	**15%**	Applied on a linear basis to participation levels	
	Core HEPS growth > GDP growth+CPI+1%*	**15%**		CEO and CFO at 200% CTC capped
	Core HEPS growth > GDP growth+CPI+2%*	**15%**		Executives at 75 – 100% CTC capped
	Core HEPS growth > GDP growth+CPI+3%*	**15%**		Management at 50% CTC capped
	EBITDA cash flow conversion ≥ 90%	**20%**		Staff at 25% CTC capped
	B-BBEE score against budget	**10%**		
	Internal audit and compliance	**10%**		
		100%		
	*A polymer index is included together with GDP growth and CPI requirements in relation to Polymers proportion of HEPS			

The following criteria are applicable for divisional executives and are based on the performance of the divisions, independent from the performance of KAP:

	Measurement	Proportion		Participation levels
KAP Divisional	Core operating profit growth > GDP growth+CPI*	**15%**	Applied on a linear basis to participation levels	
	Core operating profit growth > GDP growth+CPI+1%*	**15%**		Divisional CEO 150% CTC capped
	Core operating profit growth > GDP growth+CPI+2%*	**15%**		Divisional CFO/COO at 100% CTC capped
	Core operating profit growth > GDP growth+CPI+3%*	**15%**		Divisional Exco at 50 – 75% capped
	EBITDA cash flow conversion ≥ 90% (Logistics ≥ 95%)	**20%**		
	B-BBEE score against budget#	**10%**		
	Internal audit and compliance	**10%**		
		100%		
	*Polymers division includes a relevant polymer index together with GDP growth and CPI requirements			
	#Contractual Logistics – Africa will replace B-BBEE measurement with the following: 'New revenue contracts secured > 8% of annual revenue'			

The inclusion of a polymer index in the measurement criteria is to protect shareholders from excessive management incentives during a polymer up-cycle and to protect management from forfeiting incentives in a polymer down-cycle, thereby rewarding management only for factors under their control. The polymer index eliminates the effect of movements in specific dollar-based raw material margins and exchange rates.

At operational level, each division will have incentive schemes applicable to middle and junior management, which are aimed at achieving project, production, sales and similar operational targets.

Incentives are determined and paid in the financial year following that to which the performance relates and are disclosed in the company's remuneration policy implementation report with the applicable performance targets.

The committee retains discretion in terms of the award of all AIB incentives, which will only be exercised in exceptional circumstances and will accordingly be reported in the annual remuneration policy implementation report.

Long-term incentive schemes

KAP competes for management skills and talent and our approach to remuneration takes into account the need to retain key management over the long term. Long-term incentives are awarded with the primary aim of promoting the sustainability of the company through business cycles, aligning performance of key management with the interests of stakeholders, and retaining key management over the long term.

The long-term incentives are achieved through a shareholder-approved share rights scheme ('SRS'). Participation in the SRS is determined by the committee on an annual basis in terms of the rules of the scheme. It applies to individuals who are key to determining and implementing the long-term vision and strategy of the company and/or its divisions.

The measurement criteria, the weightings of these criteria and the participation levels of executives and senior management in the SRS are summarised as follows in relation to KAP Corporate Services staff:

	Measurement	Proportion		Participation levels
KAP Corporate	Core HEPS growth > GDP growth+CPI*	**37.5%**	Applied on a linear basis to participation levels	
	ROE > KAP WACC	**37.5%**		CEO and CFO at 167% CTC
	Achievement of individual KPIs	**25.0%**		Executives at 133% CTC
		100.0%		Management at 33% – 67% CTC
	*A polymer index is included together with GDP growth and CPI requirements in relation to Polymers proportion of HEPS			

The measurement criteria, the weightings of these criteria and the participation levels of executives and senior management in the SRS are summarised as follows in relation to divisional staff:

	Measurement	Proportion		Participation levels
KAP Divisional	Core operating profit growth > GDP growth+CPI*	37.5%	Applied on a linear basis to participation levels	
	ROCE ≥ KAP WACC + 30%	37.5%		Divisional CEO 133% CTC
	Achievement of individual KPIs	25.0%		Divisional Exco at 67 – 100% CTC
		100.0%		Divisional management at 33% – 67% CTC
	*Polymers division includes a relevant polymer index together with GDP growth and CPI requirements			

The inclusion of a polymer index into the measurement criteria is intended to protect shareholders from excessive management incentives during a polymer up-cycle and to protect management from forfeiting incentives in a polymer down-cycle, thereby rewarding management only for factors under their control. The polymer index eliminates the effect of movements in specific dollar-based raw material margins and exchange rates.

The performance criteria in relation to the SRS are measured over a three-year period, on a cumulative basis.

Minimum shareholding requirements

In order to promote the long-term alignment of executives with the vision and strategy of the company and the interests of shareholders, executives who participate in the SRS will be required to maintain a minimum shareholding of KAP shares as a condition of participation in the scheme. Participants will be required to retain any shares that vest in terms of the KPI measurement criteria of the scheme until such time as the following minimum shareholdings are met:

- KAP CEO: three times annual CTC
- KAP CFO and divisional CEOs: twice annual CTC
- Other executives: once annual CTC

Malus and clawback

To the extent that the measurement criteria of either the AIB or SRS are achieved as a result of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes, the effect of this fraud, misstatement, misrepresentation or non-compliance will be reversed in the consideration of whether the relevant qualifying criteria have been achieved. In addition, any participant directly involved in the fraud, misstatement, misrepresentation or non-compliance will not qualify for an incentive.

The company will pursue legal action for the recovery of any incentives paid as a result of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes. In addition, the company will pursue disciplinary action.

REMUNERATION POLICY IMPLEMENTATION REPORT

The remuneration policy was applied without deviation during the 2020 financial year.

Guaranteed salary ('salary')

The salaries of executive management were benchmarked by an external service provider, with reference to market practice by companies comparable in size, market sector, business complexity and geographic location, in order to ensure that they provide a competitive level of remuneration. Salary increases were awarded based on inflation, except where changes in responsibilities and roles warranted higher adjustments. Due to the impact of the Covid-19 pandemic and the related Lockdown on the company, management recommended and the board approved a 20% salary reduction for all non-bargaining unit employees for a period of three months during the year. Salary adjustments for executive directors and management are therefore reflected as follows:

Executive directors	Covid-19 adjusted actual salary R	Approved guaranteed salary FY20 R	Guaranteed salary FY19 R	Increase in guaranteed salary %
GN Chaplin	7 451 799	7 844 000	7 400 000	6
FH Olivier	4 531 500	4 770 000	4 500 000	6
Total	**11 983 299**	**12 614 000**	11 900 000	

The increase in salaries paid to other executive committee ('Exco') members is based on inflation, additional responsibilities, market benchmarks and an increase in the number of Exco members. There were changes in the executive structure during the year.

	Covid-19 adjusted actual salary R	Approved guaranteed salary FY20 R	Guaranteed salary FY19 R	Increase in guaranteed salary %
Other executive committee members	34 519 277	36 469 017	35 138 882	4

Salary increases were awarded to all non-bargaining unit employees based on inflation, except where changes in responsibilities and roles warranted higher increases. Salary increases were determined for bargaining unit and similarly graded employees through the relevant bargaining structures.

Management further recommended and the board approved that, as a result of the Covid-19 Lockdown, no inflationary salary increases would be granted to non-bargaining unit employees for FY21.

Annual incentive bonus ('AIB')

FY19

AIBs paid during FY20 were determined in line with the remuneration policy in place for FY19 and were awarded based on the following criteria in relation to FY19:

	Measurement	Proportion	Participation levels
KAP Divisional	Core HEPS vs budget Cash from operations, less net cash finance cost, less cash taxation, (less)/add any capex and investment (over)/underspend vs budget	75%	Participation starts at 90% of budget up to the following limits:
	B-BBEE against budget	15%	CEO and CFO at 50% CTC
	Internal audit and compliance	10%	Executive at 50% CTC
			Management at 25 – 50% CTC
		100%	Staff at 25% CTC
			Executives share in 20% of HEPS over budget in proportion to CTC, uncapped

The group did not meet its financial budget for the year ended 30 June 2019. As a result, executives did not earn incentives related to these measures. The group did, however, achieve its B-BBEE budget, which represents 15% of the incentive weighting, and received an acceptable rating in terms of internal audit and compliance, which represents 10% of the incentive weighting. As such, the executive directors received incentives of 25% of their respective participation levels, strictly in terms of the rules of the scheme.

Certain divisions of the group achieved their financial targets. In view of the outstanding performance of these specific divisions, the committee applied its discretion to increase the incentive payments to the relevant divisional CEOs, from those determined by a strict application of the measurement criteria of the AIB schemes. Executives of those divisions which did not achieve their financial budgets received incentives only in relation to achievement of either the B-BBEE targets, or internal and audit compliance targets, or both.

The incentives paid on this basis in relation to FY19 are reflected as follows:

Executive directors	Total bonuses FY20 R
GN Chaplin	**925 000**
FH Olivier	**562 500**
	1 487 500
Other executive committee members	**8 106 143**

FY20

In relation to the year ended 30 June 2020, the committee and the board accepted a recommendation by management that, as a result of the effects of the Covid-19 Lockdown on the company, no AIBs would be paid to any employees in relation to FY20.

Long-term incentives

FY19

The committee reviewed the performance of the company and individuals against the measurement criteria of the long-term incentive schemes for the December 2016 grant and determined that the measurement criteria were not met. The rights relating to these incentives lapsed and were cancelled. As such, the long-term incentives did not vest and the relevant provisions and reserves related thereto were released through the income statement at 30 June 2019.

FY20

In addition, in relation to FY20, the committee and the board accepted a recommendation by management that, as a result of the effects of the Covid-19 Lockdown on the company, no long-term incentives would be paid to any employees in relation to FY20. As such, the relevant provisions and reserves related thereto were released through the income statement at 30 June 2020.

Long-term incentives were awarded during the year in line with the remuneration policy and stipulated allocation levels. Outstanding share rights of the executive directors at 30 June 2020 are reflected as follows:

Executive directors	Offer date	Vesting date	Number of rights as at 30 June 2019	Number of rights (exercised)/ (expired)/ awarded during the year	Number of rights as at 30 June 2020	Market value of rights at grant date	Market value of rights on vesting	Market value of rights at 30 June 2020
GN Chaplin	Dec-17	Dec-20	1 198 565	(1 198 565)	**–**	–	–	**–**
	Nov-18	Nov-21	1 578 289	(789 145)	**789 144**	6 352 609	–	**1 964 969**
	Dec-19	Dec-22	–	1 013 892	**1 013 892**	4 207 652	–	**2 524 591**
			2 776 854	(973 818)	**1 803 036**	10 560 261	–	**4 489 560**
FH Olivier	Dec-17	Dec-20	588 636	(588 636)	**–**	–	–	**–**
	Nov-18	Nov-21	959 770	(479 885)	**479 885**	3 863 074	–	**1 194 914**
	Dec-19	Dec-22	–	616 556	**616 556**	2 558 707	–	**1 535 224**
			1 548 406	(451 965)	**1 096 441**	6 421 781	–	**2 730 138**
			4 325 260	(1 425 783)	**2 899 477**	16 982 042	–	**7 219 698**

Non-executive directors' fees

Non-executive directors' fees were paid in line with the approvals granted by shareholders at the relevant AGMs, with the exception of fees paid for board and subcommittee meetings held during April, May and June 2020. Due to the impact of the Covid-19 Lockdown on the company, the board implemented a 20% reduction in fees for meetings during this period. This was in line with the 20% reduction in non-bargaining unit salaries, which was implemented across the company for the same period.

Non-executive directors' fees (excluding VAT)	FY20 R	FY19 R
TLR de Klerk[1, 2]	**–**	319 270
LJ du Preez[1, 2]	**–**	319 270
J de V du Toit	**936 581**	1 060 225
Z Fuphe	**284 082**	–
KJ Grové	**956 679**	855 178
KT Hopkins	**576 476**	–
V McMenamin	**317 046**	–
IN Mkhari	**532 127**	700 040
SH Müller	**1 056 791**	1 086 966
SH Nomvete	**538 491**	660 307
PK Quarmby	**1 092 270**	1 091 481
DM van der Merwe[2, 3]	**–**	159 547
CJH van Niekerk[3]	**–**	226 644
	6 290 543	6 478 928

[1] On 3 April 2019, TLR de Klerk and LJ du Preez resigned from the board as non-executive directors.
[2] Paid to subsidiary companies of Steinhoff International Holdings N.V.
[3] DM van der Merwe and CJH van Niekerk did not make themselves available for re-election at the company's AGM on 13 November 2018. They were consequently not re-appointed to the board.

As a result of the effects of the Covid-19 Lockdown on the company, the committee recommended and the board endorsed that the fees of the non-executive directors to be approved at the AGM in November 2020, should not be increased for inflation when compared to the fees paid to them in the prior period.

REMUNERATION REVIEW