Bidcorp

2020

REMUNERATION **REPORT**

Bidcorp 2020 remuneration report

PART 1 – BACKGROUND STATEMENT

The Bid Corporation Limited (Bidcorp) remuneration committee (committee) is pleased to present the remuneration report for the year ended June 30 2020. Since we presented the remuneration policy to shareholders in 2019, the only material change made to the policy or its implementation was the introduction of malus and clawback provisions and the necessity to deal with the impacts of the COVID-19 (COVID) pandemic on remuneration within Bidcorp. The reporting remains aligned with the King IV Report on Corporate Governance for South Africa 2016™* (King IV). In light of the high level of support in the voting outcomes on the 2019 remuneration policy (96,12% in favour) and implementation of the policy (95,62% in favour), the committee remains satisfied that its policies are aligned with sound governance principles and that the remuneration policy has achieved its objectives.

Bowman Gilfillan (Bowmans) have acted as independent advisers to the committee since March 28 2019. The committee is comfortable that their advice was 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.

Bidcorp has delivered a resilient performance for the year ended June 30 2020, but the group has been significantly impacted by the catastrophic economic and social consequences of the COVID pandemic which took hold across every operating geography from late January 2020 onwards. The performance across our business up until February remained pleasing and in line with expectations, however, with the onset of COVID in each operating geography, demand in the discretionary spend sectors, particularly across hotels, restaurants, pubs, leisure and travel-related segments initially plummeted as lockdowns and restrictions were implemented, but towards the beginning of June started improving, from a very low base.

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 2020 annual general meeting (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 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 on how the remuneration policy is implemented.

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 are able to 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 2020 AGM, on Thursday November 26 2020.

Composition, mandate and attendance for the committee

The members of the committee are independent non-executive directors as defined by King IV. The committee meets three to four times a year, as well as on an ad hoc basis when required. The attendance at these meetings is contained in the directors' report (remuneration committee report section) within the 2020 annual financial statements. The chief executive (CE) 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 CE 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 executive 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 has necessitated a change in performance targets. As noted above, the remuneration of the majority of group employees is governed by the policies of individual group companies.

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 CE, 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 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 is as follows:

- BL Berson (CE) 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.

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 2 and 7. 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

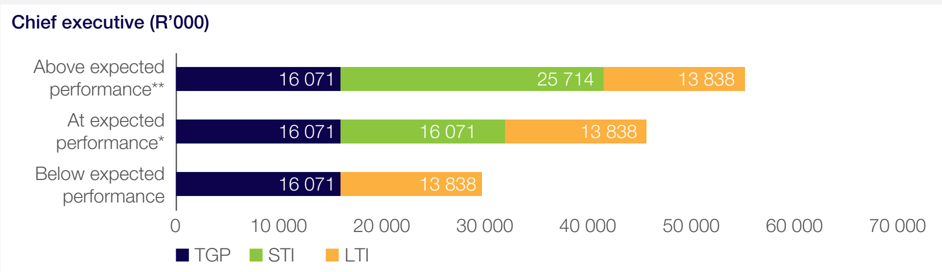
	Component	Objective and practice	Link to business strategy	Policy	Changes for 2021
Guaranteed pay (CTC)	Base package	Attract and retain the best talent. Reviewed annually and set on July 1.	This component aligns with business strategy as it takes into account internal and external equity. Hereby, ensuring 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 proposed.
	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 proposed.

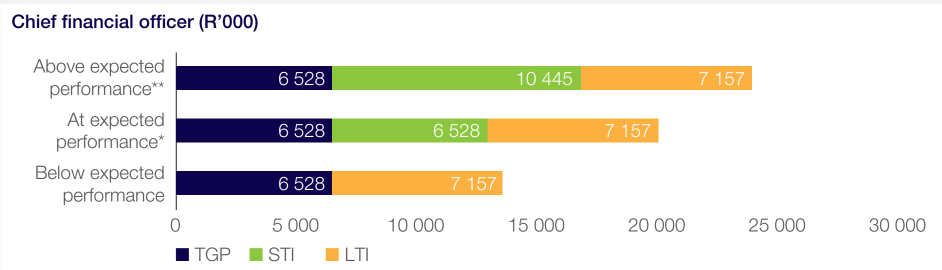
	Component	Objective and practice	Link to business strategy	Policy	Changes for 2021
Short-term incentives (STI)	STI	To motivate and incentivise delivery of performance over the one-year operating cycle. Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure that 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 KPIs. Rewards executive directors for their measurable contribution to the group based on pre-determined metrics.	For the 2020 financial year, target and stretch performance targets were set for the following metrics: *Company financial performance* • Constant currency real headline earnings per share (HEPS) growth; and • ROFE achieved. Measured against prior year's performance and budgets. *Strategic objectives* Non-financial, strategic objectives, such as leadership, are also considered to determine the quantum of bonuses paid. *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. *Clawback* Clawback conditions have been introduced.	Due to the impact of COVID, some new target measures are to be introduced.

	Component	Objective and practice	Link to business strategy	Policy	Changes for 2021
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, subjected 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 company performance metrics comprise the following: • constant currency HEPS growth; • relative total shareholder return (TSR) as external performance measure; • ROFE; and • KPIs. Malus and clawback conditions have been introduced.	Due to the impact of COVID, new performance conditions will be set for 2021 CSP allocations.

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.*

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

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. 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. Performance conditions, each with different weightings, have been imposed. Details of the 2020 award, the performance period and the performance conditions are shown in part 3 of this report. In 2020, the CSP scheme was extended to senior operational management (part of the allocation subject to performance conditions and part of the allocation not) as a substitute for allocations under the SAR plan.

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 line with established global practice and emerging local trends Bidcorp has 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. 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 2020 AGM, shareholders are requested to cast an advisory vote on the remuneration policy as included in this report on pages 2 to 7: 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 2020 and ending 2021

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 CE'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 2020 the increase of the CTC for CE, BL Berson, was 3,13%. In respect of CFO, DE Cleasby, a CTC increase on his rand-based salary of 5,41% was granted and a 3,56% increase on the sterling portion of his CTC was granted.

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

2. Short-term incentive outcomes for 2020

Factors assessed in determining the STI awards to executives were a combination of the following performance measures (as set out in the 2017 remuneration report):

Measures and weightings

	Results achieved (%)	Bonus outcome (% of CTC)
Financial		
HEPS (50%) – earning performance measured on a linear basis for real constant currency HEPS performance (50,0% weighting) from the threshold (2,5% real growth) target (5% real growth) and stretch (8% real growth)	**(48,6)**	**0,0**
ROFE (30%) – ROFE (30,0% weighting), with a threshold of 32,5%, a target of 35,0% and a stretch of 37,5% achievement	**16,1**	**0,0**
Non-financial (20%) – KPIs (20,0% weighting) including performance on staff development, innovation, acquisitions, improving performance of laggard operations, etc.	**0,0**	**0,0**
Overall score		**0,0**
Plus: Discretionary adjustment (if applicable)		**0,0**
Net score		**0,0**
Total bonus	**BL Berson**	**A$0**
	DE Cleasby	**R0 and £0**

The calculation of the HEPS growth and ROFE achievements was based on the results for continuing operations.

3. Short-term incentives 2021

Due to the ongoing impacts of COVID into 2021 and the inability of the committee to set realistic targets, STIs for executive directors will be based on principles taking into consideration a combination of the following performance measures subject to the discretion of the committee:

- Earning 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.

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 2020

The 2017 awards were tested against performance targets over a three-year period which commenced July 1 2016. Based on the actual performance and assigned weightings, 90,8% of awards accrued to beneficiaries with 75% having vested in September 2019 and the remaining 25% in September 2020.

The calculation of HEPS and ROFE was based on the results from continuing operations.

Criteria	Threshold 30%	Target 60%	Stretch 100%	**Actual achieved**	Weighting	**Actual achieved**
HEPS	R11,63	R12,50	R13,60	**R14,18**	50%	**50,0%**
ROFE	32,50%	35,00%	37,50%	**47,50%**	20%	**20,0%**
TSR	80%	100%	120%	**101,90%**	20%	**12,8%**
KPIs		Achieve		**Achieve target**	10%	**8,0%**
Total actual vesting %						**90,8%**

Details relating to the settlement of long-term incentives are contained in the summary of directors' LTI tables.

Impact of COVID on LTIs and action taken by the committee

As a consequence of the COVID crisis, the world has undergone significant disruption over the past few months and as a result, financial performance has been negatively impacted through the global response to the pandemic. Global share markets, including Bidcorp's share price, have also been severely impacted. Accordingly, the long-term incentive awards made to senior management and executives currently have little, or no value raising the risk that Bidcorp doesn't have adequate incentivisation mechanisms in place for senior management, and that the previously provided "lock-in" for senior management through these long-term incentive awards had fallen away.

The key focus area of boards around the globe has been on stabilising their respective operations, retaining their executives and ensure management are focused on the long-term survival and sustainability of their businesses. Focus needed to be directed at ensuring that management were motivated to see the crisis through which would require the boards to rebase and recover the value in the long-term incentive programmes awarded to senior management. A critical consideration for the committee was to be cognisant of the reward governance guidance to be complied with and therefore engaged with Mr Martin Hopkins of Bowmans for independent expert advice.

The following matters were considered by the committee (with independent advice from Bowmans) in its deliberations to address the LTIs in the context of the COVID crisis:

- Due to the timing of COVID in the context of the Bidcorp financial cycle, there hadn't been any public discourse from other corporates on how to address this matter, which remains a work-in-progress as corporates navigate through these difficult conditions.
- Changes to "inflight" awards are not favoured by shareholders. However, the catastrophic value destruction of unvested LTIs had caused untenable retention risks in the highly competitive global market in which the group operates.
- Globally the most common form of LTIs adopted by listed companies is CSPs, which are generally awarded with performance conditions. However, retention CSPs, which only have an employment condition and no performance conditions, are emerging as an effective means of retaining key executives and aligning their interests with shareholders.
- A balance needed to be found between shareholder requirements for performance conditions in incentive schemes, the requirement for the board to keep management motivated and focused on the group's immediate survival and the prospects of the group's medium-term recovery.
- Executive management had voluntary taken pay cuts of 30% and will not be receiving any STIs in relation to the 2020 financial year and therefore to retain and motivate the executive management going forward, amendments to the performance conditions would need to be considered and extending the vesting periods so that the vesting of awards is in line with shareholders preferences for periods up to five years.
- Recent public comment by proxy voting institutions on the impact of COVID on incentive compensation wherein it was stated that the remuneration focus for top management is to be performance related, however, in the context of the COVID crisis, potential and actual changes to LTIs needed to be sound, well-documented, and strongly motivated to shareholders.

In the context of the aforementioned rationale, the committee has modified the following CSP awards accordingly:

2018 CSP awards as modified

The CSPs awarded on November 7 2017 were subject to performance conditions measured over the period July 1 2017 to June 30 2020, vesting of 75% of the awards to occur in September 2020 and the remaining 25% to vest in September 2021. These awards were modified so that 30% of the original number of CSPs awarded have been forfeited and previous performance conditions were replaced with an employment condition and a vesting period of: three years – September 2020 (50%); four years – September 2021 (25%); and five years – September 2022 (25%) respectively.

2019 CSP awards as modified

The CSPs awarded on December 7 2018 were subject to performance conditions measured over the period July 1 2018 to June 30 2021, vesting of 75% of the awards to occur in September 2021 and the remaining 25% to vest in September 2022. These awards were modified so that 30% of the original number of CSPs awarded have been forfeited and previous performance conditions were replaced with an employment condition and a vesting period of: three years – September 2021 (50%); four years – September 2022 (25%); and five years – September 2023 (25%) respectively.

2020 CSP awards

The CSPs were awarded on May 25 2020 with no performance conditions other than an employment condition and these retention awards will vest: 50% after three years (September 2022); 25% after four years (September 2023); and 25% after five years (September 2024).

The CSPs awarded during 2020, expressed as a percentage of CTC are reflected below:

	CSP as a % of CTC (face value)
Executive directors	
BL Berson	**86%**
DE Cleasby	**110%**

Proposed 2021 CSP awards

The proposed 2021 CSP awards will be subject to splitting the performance conditions on a 50:50 basis, being 50% to be awarded on the basis of service conditions (also referred to as a retention award) and 50% to be awarded on the basis of the achievement of a HEPS-based performance target. The HEPS-based performance target, should it be adopted, is to get the group back to the 2019 HEPS results within a period of three years.

5. Total remuneration outcomes

Summary of executive directors' LTIs

A summary of the unvested CSPs held by executive directors in 2019 and 2020 are indicated below:

	Opening estimated fair value at July 1 2019	Opening number on July 1 2019	Granted during FY2020	Forfeited during FY2020	Settled during FY2020	Closing number on June 30 2020	**Closing estimated fair value at June 30 2020**
Executive directors							
BL Berson							
1/12/2016	37 620 704	135 000	0	(12 453)	(91 910)	30 637	**8 685 590**[1]
7/11/2017	16 853 375	90 000	0	(27 000)	0	63 000	**17 604 731**[2]
7/12/2018	17 537 851	98 000	0	(29 400)	0	68 600	**18 787 724**[3]
25/05/2020	0	0	60 900	0	0	60 900	**16 312 948**[4]
DE Cleasby							
1/12/2016	14 072 729	50 500	0	(4 659)	(34 381)	11 460	**3 248 910**[1]
7/11/2017	6 554 107	35 000	0	(10 500)	0	24 500	**6 846 284**[2]
7/12/2018	6 820 014	38 000	0	(11 400)	0	26 600	**7 285 036**[3]
25/05/2020	0	0	31 500	0	0	31 500	**8 437 731**[4]
Former executive director							
B Joffe							
1/12/2016	22 642 047	81 250	0	(14 990)	(66 260)	0	**0**

[1] The CSP awards made on 1/12/2016 are shown at the year-end value of R283,50 with an actual vesting of 90,8% for the remaining 25% vested in September 2020.
[2] The CSP awards made on 7/11/2017 are shown at an indicative expected value of R279,44.
[3] The CSP awards made on 7/12/2018 are shown at an indicative expected value of R273,87.
[4] The CSP awards made on 25/05/2020 are shown at an indicative expected value of R267,86.

Summary of directors' LTIs – 2019

R'000	Share-based payment expense	Benefit arising from exercise of CSP awards	Gross benefit	Previous share-based payment expense	LTI benefit	2019
BL Berson	13 260	29 963	43 223	(17 065)	26 158	18 061
DE Cleasby	5 187	11 182	16 369	(6 384)	9 985	6 910
B Joffe	–	21 556	21 556	(12 303)	9 253	14 631

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 benefit are deducted from the benefit.

Single figure of remuneration

2020

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

R'000	Basic remuneration	Other benefits and costs	Retirement/ medical benefits	Cash incentive	LTI reflected	**2020 total single figure of remuneration**
	Remuneration and benefits paid to directors					
Executive directors						
BL Berson	15 541	268	262	–	26 158	**42 229**
DE Cleasby	5 894	188	446	–	9 985	**16 513**

2019

The actual total pay outcomes for the 12 months ending June 30 2019 are depicted below for the executive directors, comprising salary, benefits, a cash incentive, and actual LTI benefits:

R'000	Basic remuneration	Other benefits and costs	Retirement/ medical benefits	Cash incentive	LTI reflected	2019 total single figure of remuneration
	Remuneration and benefits paid to directors					
Executive directors						
BL Berson	15 700	259	253	16 919	18 061	51 192
DE Cleasby	5 873	193	469	6 913	6 910	20 358

Compliance with remuneration policy

Other than as described above in relation to the LTIs, there were no deviations from the remuneration policy published in 2019.

Non-binding advisory vote

At the 2020 AGM, shareholders are requested to cast an advisory vote on the implementation of the remuneration policy as included in this report on pages 8 to 12: Part 3: Implementation of Remuneration policy.

PART 4 – NON-EXECUTIVE REMUNERATION

Non-executive directors' fees paid

R'000	Director fees	Long-term incentives	Other services	**Total**	2019
Non-executive director					
T Abdool-Samad [3]	501	–	–	**501**	–
PC Baloyi	930	–	–	**930**	696
DDB Band [4]	438	–	–	**438**	868
B Joffe [1]	606	9 253	–	**9 859**	19 343
S Koseff	3 307	–	–	**3 307**	2 970
DD Mokgatle	606	–	–	**606**	430
CJ Rosenberg [3]	837	–	–	**837**	–
NG Payne	1 270	–	–	**1 270**	954
H Wiseman [2]	1 415	–	542	**1 957**	1 885

[1] B Joffe exercised 66 260 of his 2016 replacement conditional rights at an average price of R325,32 (2019: Long-term incentive benefits of R14,6 million arose from the exercise of 2016 replacement conditional rights).
[2] H Wiseman provided services by chairing the quarterly Bidcorp divisional audit and risk committee meetings.
[3] Mrs T Abdool-Samad and Mr CJ Rosenberg were appointed to the board as independent non-executive directors on September 16 2019.
[4] Mr DDB Band, Lead Independent Director of the board, retired from the board at the 2019 annual general meeting held on November 14 2019.

Proposed non-executive directors' fees for 2021

2021 proposed fees

Refer to special resolution number 2 on page 21 of the notice of AGM for approval of the fees by shareholders in terms of section 66 of the Companies Act. There is no proposed increase in the non-executive directors' fees for 2021 as a result of the negative impact COVID has had on Bidcorp in the past financial year and also in line with no increases or short-term bonus awards to the executive directors and senior management.

Bidcorp thanks the board for their support over this challenging period, and the fee sacrifices made by all in order to assist 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 www.bidcorpgroup.com

Bidcorp