



Remuneration report

BACKGROUND STATEMENT

The remuneration committee is pleased to present the Bidvest remuneration report for the year ended 30 June 2018.

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 and we have further enhanced our disclosure to be aligned with King IV and the JSE Listing Requirements.

At the annual general meeting (AGM) on 14 November 2017, our 2017 remuneration report was presented and voted on in sections, namely:

Part 2: Remuneration policy – endorsed by 96,67% of shareholders that voted

Part 3: Implementation of policy – endorsed by 97,61% of shareholders that voted

The Group delivered strong results in a volatile market characterised by weak economic growth as well as significant business and political uncertainty and low consumer demand. The value of a diversified portfolio and the quality of the Group's underlying businesses continue to manifest themselves in the performance of the South African trading operations. Exceptional cost and capital disciplines, as well as good cash generation, were highlights and played a significant role in delivering results that outperformed most comparative peer companies performances. Headline

earnings per share were up by 11,1%. Cash generation of R9,4 billion ensured that the balance sheet remains robust with net debt to EBITDA below a factor of one. A major emphasis remains the realisation of non-core assets and the search for acquisitions that fit Bidvest's strategic intent.

Given the diversified nature of the Group, the intention 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, strategic objectives, and adherence to an ethical culture and good corporate citizenship. Both short- and long-term incentives are used to this end.
- 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.

Governance and the remuneration committee

Board responsibility

The board carries ultimate responsibility for the remuneration policy. The

Remuneration report (continued)

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 three meetings per year but also meets on an ad hoc basis when required.

 *The attendance for these meetings is contained on page 8.*

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. The remuneration committee uses the services of PricewaterhouseCoopers (PwC) as its standing independent advisers.

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 an essential, vital role in realising business strategy and therefore should be competitive in the markets in which it operates.

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 exceptional situations of 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 (ie nominee directorship). Fees paid to nominee directors accrue to the Group and not to the individual directors concerned.

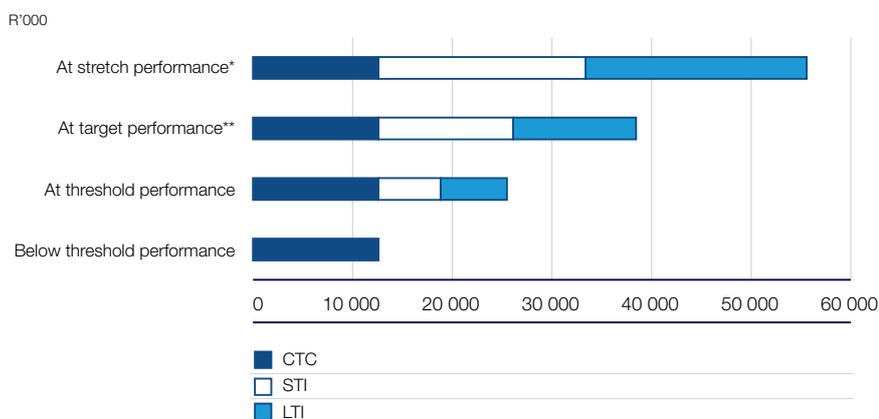
Remuneration report (continued)

Elements of remuneration and package design

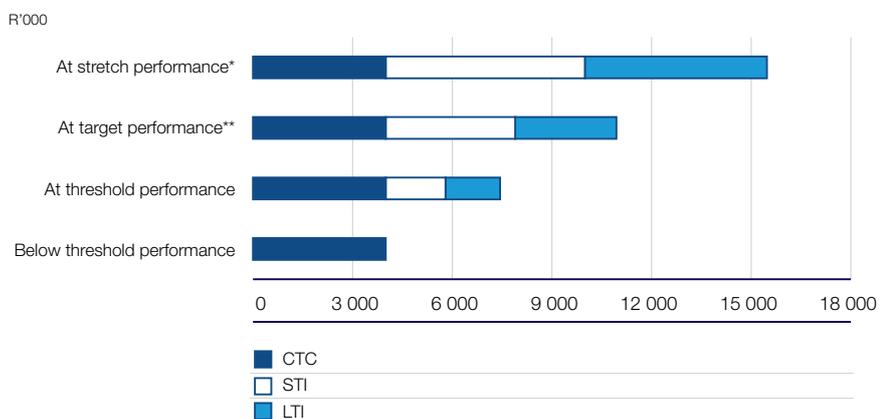
The Group operates a total cost-to-company (CTC) philosophy whereby cash remuneration, benefits (including a defined contribution retirement fund, medical aid and other insured benefits) form part of employees' fixed total CTC remuneration. Senior management and executive directors also participate in short-term incentives in the form of a performance bonus plan. Two long-term incentive plans are in operation, namely the Bidvest Share Appreciation Right Plan (SAR) for senior management and executive directors and the Bidvest Conditional Share Plan (CSP) for Group executive directors.

The remuneration policy for executive directors results in a significant portion of the remuneration received being dependent on company 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 2018 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 below:

CEO



Other executive directors



* LTI includes indicative expected value on grant date assuming full vesting (100% of award allocated)

** LTI includes indicative expected value on grant date at expected vesting (56% of award allocated)

*** Average CTC

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.

Remuneration report (continued)

Table 1: Summary of remuneration components for executive directors

	COMPONENT, OBJECTIVE AND LINK TO STRATEGY	POLICY	FUTURE CHANGES
Guaranteed pay (CTC)	<p>Base package</p> <p>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 a similar job in the market.</p> <p>Reviewed annually and set on 1 July.</p>	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 2019.
	<p>Benefits</p> <p>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</p>	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)	<p>STI</p> <p>To motivate and incentivise delivery of performance, financial and non-financial, consistent with the Group's strategy over the one-year operating cycle.</p> <p>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.</p> <p>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.</p>	<p>Target and stretch performance targets are set for the following metrics:</p> <p>Financial performance</p> <ul style="list-style-type: none"> Headline earnings per share (HEPS) growth Return on funds employed (ROFE) achieved <p>Strategic performance</p> <p>Sustainability and transformation, business enhancements and acquisitive growth.</p> <p>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.</p> <p>Linear vesting will occur between the performance hurdles set.</p>	Inflation used as a base input to be weighted based on the geographic mix of normalised headline earnings.
Long-term incentives (LTIs)	<p>Conditional Share Plan (CSP)</p> <p>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.</p>	<p>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 a 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.</p> <p>The Group performance metrics comprise the following:</p> <ul style="list-style-type: none"> HEPS growth Relative total shareholder return (TSR) as an external performance measure ROFE Strategic performance relating to attaining B-BBEE targets, business enhancements and acquisitions. 	No changes are proposed for 2019

Remuneration report (continued)

Further details on long-term incentive plans

Conditional Share Plan

At the 2008 AGM, shareholders approved a 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 (ie 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 and no further awards will be made under the Group Option Scheme. SARs vest from year three onwards.

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. There is no limit on the number of times a non-executive director may make him or herself available for re-election.

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 are placed before shareholders for consideration and approval under the terms of an advisory non-binding vote at the 2018 AGM as provided for in the JSE Listings 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 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.

Remuneration report (continued)

PART 3

IMPLEMENTATION OF REMUNERATION POLICY

Executive director remuneration

Guaranteed pay – base pay and benefits (2018)

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, turnover, profitability, number of employees and sector. In aggregate executive directors received a 10% increase. The overall percentage increase was boosted by a realignment of two directors' remuneration to better reflect their responsibilities.

Short-term incentives (2018)

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
- 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 follows:

Measures	Weighting	TARGET RANGE			Actual Performance	Outcome	Weighted Outcome
		Threshold 30% of max	Target 65% of max	Stretch 100% of max			
Financial measures:							
HEPS growth	40%	CPI	CPI+1%	CPI+4%	11.1%	100.0%	40.0%
ROFE	30%	20.0%	21.5%	24.0%	22.9%	84.6%	25.4%
Non-financial measures:							
Sustainability and transformation	15%					85.0%	12.8%
Business enhancements and acquisitive growth	15%					90.0%	13.5%
Overall score as a % of max [A]							91.6%
Maximum STI as a % of CTC [B]							165.0% (CEO) and 150.0% (EDs)
Overall score as a % of CTC [A x B]							151.2% (CEO) and 137.5% (EDs)

Long term incentives

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

- Long-term incentives awarded during 2018
- Long-term incentives vesting during 2018
- Long-term incentives settled during 2018
- Outstanding long-term incentives.

 Further details pertaining to the above are contained in the Annexure on page 26.

Remuneration report (continued)

Long-term incentives awarded during 2018

All executive directors are awarded CSP awards. The following performance targets, weighting and performance periods are applicable to the CSPs awarded during 2018 and are to be tested over a three-year period commencing on 1 July 2017. 75% of the awards will vest after a three year period while the remaining 25% will vest after a 4 year period.

PERFORMANCE CONDITIONS AND WEIGHTING	DETAIL OF PERFORMANCE CONDITIONS	VESTING PROFILE
<ul style="list-style-type: none"> HEPS growth (40%) Relative TSR against peer group median (20%) ROFE (20%) Strategic metrics (20%), which include progress on transformation and sustainability. 	<p>Three-year compound HEPS growth:</p> <ul style="list-style-type: none"> Threshold – Inflation only Target – 3% real growth Stretch – 6% real growth. <p>Three-year average ROFE:</p> <ul style="list-style-type: none"> Threshold – 21.5% Target – 23.0% Stretch – 26.0% <p>Three year TSR:</p> <ul style="list-style-type: none"> Threshold – 80% of peer group performance Target – 100% of peer group performance Stretch – 120% peer group performance. <p>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.</p> <p>Strategic metrics:</p> <ul style="list-style-type: none"> Goals at threshold, target and stretch is set by the remuneration committee. 	<p>HEPS, TSR and ROFE</p> <ul style="list-style-type: none"> Below threshold – 0% vesting At threshold – 30% vesting Target – 60% vesting Stretch – 100% vesting, where linear vesting will occur between the hurdles. <p>The vesting of the strategic metrics awards will be determined by the Group social and ethics committee. No linear vesting will apply.</p>

The CSPs awarded during 2018, at expected value, can be expressed as 75% and 98% of average executive director and CEO CTC, respectively. This award was based on a benchmark exercise performed by the committees' standing advisors.

Long term incentives vesting during 2018

No CSP awards vested during 2018.

As a consequence of the unbundling, each option holder who has 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.

Upon the retirement of HP Meijer, he held outstanding replacement rights and unvested CSP awards. He will be allowed to exercise all historical vested replacement rights including, at the discretion of the remuneration committee, any unvested replacement rights which are scheduled to vest in 2018. The CSP awards will be adjusted for the time served of the vesting period up to his retirement and will further be adjusted for performance condition, measured up to 30 June 2018.

Long-term incentives settled during 2018

 Details relating to the settlement of long-term incentives are contained in the tables on page 26 to 29.

Outstanding long-term incentives

The Bidvest CSP awards made on 11 December 2015 in respect of 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. Vesting of 75% of the awards will occur 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.

Remuneration report (continued)

As at 30 June 2018, the vesting of the CSP rights referred to above, are estimated to be achieved as follows:

PERFORMANCE CONDITIONS	2016 AWARDS		WEIGHTING VESTING %
	WEIGHTING %	VESTING %	
HEPS growth	40	59	24
Relative TSR	20	100	20
ROFE	20	52	10
Strategic metrics	20	87	17
Expected vesting (%)			71

PERFORMANCE CONDITIONS	2017 AWARDS		WEIGHTING VESTING %
	WEIGHTING %	VESTING %	
HEPS growth	40	100	40
Relative TSR	20	100	20
ROFE	20	58	12
Strategic metrics	20	88	18
Expected vesting (%)			89

Total remuneration outcomes

Single figure of remuneration

The total remuneration outcomes is reflected below, comprising salary and benefits, cash incentive for 2018 and long-term incentives where the performance period ended in 2018. With reference to actual total pay during 2018, only NT Madisa (R13.3 million), MJ Steyn (R1.8 million) and HP Meijer (R10.5 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
DIRECTOR						
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 of Bidvest Freight. He will fall in with group policy from 2019

⁴ LTIP projected includes tranches one of the replacement rights (options) awarded on 11 December 2015, tranche two of awards on 19 October 2014 and 3 November 2014, and tranche three of 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 the 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 share appreciation rights (SAR). As at 30 June 2018, 37 500 replacement rights and 80 000 SAR remain unexercised

Remuneration report (continued)

With reference to actual total pay during 2017, GC McMahon (R4.0 million), HP Meijer (R10.9 million) and LP Ralphs (R91.9 million) realised benefit from the exercise of replacement rights and CSPs.

2017 R'000	Basic remuneration	Retirement/ medical benefits	Other benefits and costs	Cash incentives	LTIP reflected ²	Single figure
DIRECTOR						
AW Dawe	4 487	263	76	3 347	6 705	14 878
NT Madisa	3 027	272	89	2 324	6 268	11 980
GC McMahon	1 672	218	154	1 409	3 782	7 235
HP Meijer ¹	3 237	397	164	2 606	8 894	15 298
LP Ralphs	9 164	825	912	7 227		18 128

¹ HP Meijer retired as CFO on 28 February 2018

² LTIP reflected includes tranches one of the replacement rights (options) awarded on 9 October 2014 and 3 November 2014, tranche two of awards on 13 March 2014, and tranche three of awards on 5 April 2013. All of these replacement rights vest within 12 months after year end and are included at the intrinsic value of the 20 day Bidvest VWAP plus the 20 day Bidcorp VWAP as at 30 June 2018 minus the applicable strike price

Non-executive remuneration

The remuneration paid to non-executive directors while in office of the Company during the year ended 30 June 2018 is analysed as follows:

R'000			2018	2017
	Directors' fees	As directors of subsidiary companies and other services	Total emoluments	Total emoluments
DIRECTOR				
DDB Band	718	–	718	551
EK Diack	570	508	1 078	1 583
B Joffe	23	–	23	4 203
AK Maditsi	613	–	613	535
S Masinga	595	–	595	582
RK Mokate	114	597	711	–
CWN Molope	371	–	371	–
NG Payne	1 349	875	2 224	2 169
CWL Phalatse	1 430	–	1 430	1 350
T Slabbert	655	–	655	562
NW Thomson	148	–	148	–
2018 total	6 586	1 980	8 566	11 535
2017 total	5 887	5 648	11 535	–

Proposed non-executive directors' fees for 2019 are based on a 6% increase. An 8.4% increase has been proposed in respect of the Group chairman in order to better align this fee with the responsibilities of this role.

Remuneration report (continued)

R'000	Basic per annum	Per meeting attended
Chairman	1 550 000	
Lead independent director	200 000	
Non-executive directors	103 456	41 552
Audit committee chairman	294 892	46 640
Audit committee member	77 910	33 920
Remuneration committee chairman	132 500	32 012
Remuneration committee member		36 570
Nominations committee member		33 708
Acquisitions committee chairman	88 722	37 736
Acquisitions committee member		39 644
Risk committee chairman	157 304	27 772
Risk committee member		29 468
Social and ethics committee chairman	94 340	27 772
Social and ethics committee member		27 772
Ad hoc meetings		20 140

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 6 of the notice of AGM for approval of the fees by shareholders in terms of section 66 of the Companies Act.

Non-binding 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.

DDB Band

Chairman

Remuneration report (continued)

Annexure

Unvested long-term incentive awards and cash value of settled awards

Names	Opening number on 1 July 2016	Granted during 2017	Forfeited/ lapsed during 2017	Settled/ exercised during 2017	Closing number on 30 June 2017	Cash value on settlement during 2017 ⁸	Closing estimated fair value at 30 June 2017 ^{9, 10, 11, 12}
LP Raphs							
<i>Conditional Share Plan</i>							
11/12/2015 ¹³	35 000	94 280	35 000	–	94 280	–	6 590 600
24/10/2016 ⁶	–	80 000	–	–	80 000	–	5 583 776
27/11/2017 ⁷							
<i>Replacement rights (Options)</i> ^{15, 16, 17, 18, 19, 20}							
17/05/2004 ¹⁴	60 000	–	–	(60 000)	–	25 371 503	–
08/03/2005 ¹⁴	60 000	–	–	(60 000)	–	24 122 269	–
Total	120 000	80 000	–	(120 000)	80 000	49 493 772	12 174 376
AW Dawe							
<i>Conditional Share Plan</i>							
24/10/2016 ⁶	–	28 000	–	–	28 000	–	1 954 322
27/11/2017 ⁷							
<i>Replacement rights (Options)</i> ^{15, 16, 17, 18, 19, 20}							
13/03/2004	50 000	–	–	–	50 000	–	10 875 497
03/11/2014	43 066	–	–	–	43 066	–	7 971 422
11/12/2015	40 000	–	–	–	40 000	–	6 140 398
Total	133 066	28 000	–	–	161 066	–	23 088 158
NT Madisa							
<i>Conditional Share Plan</i>							
24/10/2016 ⁶	–	20 000	–	–	20 000	–	1 395 944
27/11/2017 ⁷							
<i>Replacement rights (Options)</i> ^{15, 16, 17, 18, 19, 20}							
02/12/2011	3 000	–	–	–	3 000	–	961 470
05/04/2013	7 500	–	–	–	7 500	–	1 846 050
13/03/2014	25 000	–	–	–	25 000	–	5 437 749
03/11/2014	43 066	–	–	–	43 066	–	7 971 422
11/12/2015	40 000	–	–	–	40 000	–	6 140 398
Total	118 566	20 000	–	–	138 566	–	23 753 032

Granted during 2018	Forfeited/ lapsed during 2018	Settled/ exercised during 2018	Closing number on 30 June 2018	Cash value on settlement during 2018	Closing fair value at 30 June 2018	Strike price
-	-	-	94 280	-	14 350 054	
-	-	-	80 000	-	12 157 844	
112 000	-	-	112 000	-	18 903 369	
-	-	-	-	-	-	
-	-	-	-	-	-	
112 000	-	-	286 280	-	45 411 267	
-	-	-	28 000	-	4 255 245	
38 000	-	-	38 000	-	6 413 643	
-	-	-	50 000	-	11 709 004	238
-	-	-	43 066	-	8 689 329	270
-	-	-	40 000	-	6 807 203	302
38 000	-	-	199 066	-	37 874 424	
-	-	-	20 000	-	3 039 461	
30 000	-	-	30 000	-	5 063 402	
-	-	3 000	-	1 072 898	-	135
-	-	7 500	-	2 208 492	-	209
-	-	18 750	6 250	4 784 235	1 463 625	238
-	-	22 311	21 533	5 267 319	4 344 614	270
-	-	-	40 000	-	5 047 640	302
30 000	-	50 783	117 783	13 332 942	20 718 306	

Remuneration report (continued)

Annexure (continued)

Unvested long-term incentive awards and cash value of settled awards (continued)

Names	Opening number on 1 July 2016	Granted during 2017	Forfeited/ lapsed during 2017	Settled/ exercised during 2017	Closing number on 30 June 2017	Cash value on settlement during 2017 ⁸	Closing estimated fair value at 30 June 2017 ^{9, 10, 11, 12}
GC McMahon							
<i>Conditional Share Plan</i>							
24/10/2016 ⁶	–	12 000	–	–	12 000	–	837 566
27/11/2017 ⁷							
<i>Replacement rights (Options)</i> ^{15, 16, 17, 18, 19, 20}							
02/12/2011	3 750	–	–	(3 750)	–	1 266 438	–
05/04/2013	7 500	–	–	(3 750)	3 750	984 478	923 025
13/03/2014	15 000	–	–	(7 550)	7 500	1 754 473	1 631 325
09/10/2014	20 000	–	–	–	20 000	–	4 086 399
11/12/2015	30 000	–	–	–	30 000	–	4 605 298
Total	76 250	12 000	–	(15 000)	73 250	4 005 390	12 083 613
HP Meijer							
<i>Conditional Share Plan</i>							
24/10/2016 ⁶	–	22 000	–	–	22 000	–	1 535 538
<i>Replacement rights (Options)</i> ^{15, 16, 17, 18, 19, 20}							
02/12/2011	10 000	–	–	(10 000)	–	3 285 359	–
05/04/2013	20 000	–	–	(10 000)	10 000	2 549 630	2 461 399
13/03/2014	45 000	–	–	(22 500)	22 500	5 099 093	4 893 974
03/11/2014	43 066	–	–	–	43 066	–	7 971 422
11/12/2015	40 000	–	–	–	40 000	–	6 140 398
Total	158 066	20 000	–	–	138 566	10 934 083	23 002 732

⁶ 2017: The CSPs are included at an indicative fair value taking into account the 20 day VWAP as at 30 June 2017 of R162.17, the remaining life of the instrument and the estimated achievement of performance conditions

⁷ 2018: The CSPs are included at an indicative fair value taking into account the 20 day VWAP as at 30 June 2018 of R201.58, the remaining life of the instrument and the estimated achievement of performance conditions

⁸ The amount included represents the cash value on settlement for awards that were exercised

⁹ 2017: Replacement rights (options) vesting within 12 months after year-end are included at the intrinsic value based on the 20 day VWAP as at 30 June 2017 for Bidvest plus Bidcorp of R162.17 and R292.86 respectively

¹⁰ 2018: Replacement rights (options) vesting within 12 months after year-end are included at the intrinsic value based on the 20 day VWAP as at 30 June 2018 for Bidvest plus Bidcorp of R201.58 and R270.14 respectively

¹¹ 2017: Replacement rights (options) vesting more than 12 months after year-end are included at an indicative fair value based on the 20 day VWAP as at 30 June 2017 for Bidvest plus Bidcorp of R162.17 and R292.68 respectively

¹² 2017: Replacement rights (options) vesting more than 12 months after year-end are included at an indicative fair value based on the 20 day VWAP as at 30 June 2018 for Bidvest plus Bidcorp of R201.58 and R270.14 respectively

¹³ 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 2010 - 30 June 2019. The vesting period for the replacement rights was extended for an additional year where vesting of 75% of the awards will occur 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

¹⁴ The RemCo extended the lapse period for these replacement rights

¹⁵ 50% of the replacement rights (options) awarded on 13 March 2014 vested on 13 March 2017, 25% will vest on 13 March 2018 and the remaining 25% will vest on 13 March 2019

¹⁶ 50% of the replacement rights (options) awarded on 2 December 2011 vested on 2 December 2014, 25% vested on 2 December 2015 and the remaining 25% vested on 2 December 2016 and 5 April 2013 vested during the 2017 financial year

¹⁷ 50% of the replacement rights (options) awarded on 5 April 2013 vested on 5 April 2017, 25% will vest on 5 April 2018 and the remaining 25% will vest on 5 April 2019.

¹⁸ 50% of the replacement rights (options) awarded on 19 October 2014 vested on 19 October 2017, 25% will vest on 19 October 2018 and the remaining 25% will vest on 19 October 2019

¹⁹ 50% of the replacement rights (options) awarded on 3 November 2014 vested on 3 November 2017, 25% will vest on 3 November 2018 and the remaining 25% will vest on 3 November 2019

²⁰ 50% of the replacement rights (options) awarded on 11 December 2015 will vest on 11 December 2018, 25% will vest on 11 December 2019 and the remaining 25% will vest on 11 December 2020

Granted during 2018	Forfeited/ lapsed during 2018	Settled/ exercised during 2018	Closing number on 30 June 2018	Cash value on settlement during 2018	Closing fair value at 30 June 2018	Strike price
-	-	-	12 000	-	1 823 677	
15 000	-	-	15 000	-	2 279 596	
-	-	-	3 750	-	985 538	209
-	-	-	7 500	-	1 756 351	238
-	-	-	20 000	-	4 419 801	251
-	-	-	30 000	-	5 105 402	302
15 000	-	-	88 250	-	16 370 364	
-	(15 454)	-	6 546	-	994 816	
-	-	-	-	-	-	
-	-	10 000	-	2 945 186	-	209
-	-	11 250	11 250	2 992 050	2 277 002	238
-	-	21 533	21 533	4 620 280	4 344 614	270
-	-	-	40 000	-	6 807 203	302
-	-	42 783	79 329	10 557 516	13 428 819	

The valuation methodology applied for each award in the 'Unvested long-term incentive awards and cash value of settled awards' table is outlined below:

TYPE OF AWARD	AWARD DATE	TRANCHE*	VALUATION METHODOLOGY APPLIED	
			MARKET VALUE ESTIMATION USING A MARKET VALUATION TECHNIQUE	INTRINSIC VALUE
Conditional share	11/12/2015	n/a	✓	
Conditional share	24/10/2016	n/a	✓	
Conditional share	27/11/2017	n/a	✓	
Replacement share	02/12/2012	3		✓
Replacement share	05/04/2013	2 and 3		✓
Replacement share	13/03/2014	1 and 2		✓
Replacement share	13/03/2014	3	✓	
Replacement share	09/10/2014	1		✓
Replacement share	09/10/2014	2 and 3	✓	
Replacement share	03/11/2014	1		✓
Replacement share	03/11/2014	2 and 3	✓	
Replacement share	11/12/2015	1, 2 and 3	✓	

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