CLICKS GROUP
LIMITED

Clicks Group remuneration report 2022

The Clicks Group's remuneration philosophy and strategy are aimed at driving an ethical, high-performance culture that creates sustainable value for shareholders. The group's remuneration policy is designed to attract, motivate, reward and retain competent, talented employees to deliver sustained business growth in a responsible manner. The policy sets out clear guidelines to develop relevant, timely, market-related total reward practices that achieve the group's business objectives.

About this report

This report provides an overview of the remuneration framework for all group employees and how the policy and practices were implemented in the reporting period to align with shareholder value creation. The remuneration paid to executive and non-executive directors for the 2022 financial year is detailed on pages 20 and 21.

This report aims to inform investors on the group's remuneration policy and its implementation to enable shareholders to make informed decisions when voting on remuneration-related resolutions. The following remuneration-related resolutions will be tabled for consideration by shareholders at the annual general meeting (AGM) on 26 January 2023:

1. An advisory non-binding vote on the group's remuneration policy (set out on pages 8 to 16).
2. An advisory non-binding vote on the group's remuneration implementation report (set out on pages 17 to 21).
3. Approval of the proposed non-executive directors' fees (refer to page 16 of this report).

The structure of this report includes a background statement, the group's remuneration policy, implementation report and is informed by applicable regulatory requirements, standards and guidance which include:

1. The Companies Act, 2008;
2. The JSE Listings Requirements; and
3. The King IV Report on Corporate Governance in South Africa 2016 (King IV).

The group seeks to continuously enhance the quality of its reporting and welcomes feedback from all stakeholders on this report. Any feedback should be directed to the company secretary at CompanySecretary@clicksgroup.co.za.

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Background Statement

Dear Shareholders

On behalf of the board, I am pleased to present our remuneration report for the financial year ended 31 August 2022. The report details the review of the remuneration framework undertaken during the year and the consequent enhancements to our remuneration policy as well as the remuneration outcomes for the 2022 financial year and planned focus areas for the 2023 financial year.

Introduction

The Clicks Group value proposition sets us apart in a tough operating environment, highlighting the resilience of the group's business model. The group continues to deliver sustained performance, adapt to changing market dynamics, gain market share and expand the store and pharmacy network. We have continued to thrive as a business and reinforced our social licence to operate in the way we conduct our business and relate to our stakeholders.

The group's objective is to create an inclusive and transformed organisation with a strong talent pipeline to support long-term business growth and ensure a continued competitive advantage. Attracting, engaging, developing and retaining the valuable talent that we need to achieve our strategic goals is critical to our continued success.

The group's employee value proposition aims to support this objective through a holistic approach to reward by promoting fair and responsible remuneration practices and enhanced employee wellbeing through our employee wellness, employee development, and employee diversity and inclusion initiatives.

The group has achieved this through the following initiatives:

- The Covid-19 pandemic highlighted the importance of having adequate insurance cover for employees. The group provides life assurance cover up to the value of six times an employee's annual guaranteed pay, two times higher than the typical market average for the sector.
- The group implemented policies and training to remain current with developing health and safety issues and ensure safety standards are maintained.
- All employees and their household dependants have access to the group employee wellness programme which provides a holistic service that addresses all facets of wellness.
- The group extended its e-learning platform by increasing the number of online courses available to employees and aligning these programmes to its strategic and operational imperatives.
- The group recognises the importance of diversity in the workplace and that employment equity (EE) is an imperative business driver. The group has a three-year transformation roadmap and a five-year EE plan. Its commitment to diversity and inclusion is reflected by the group's BBBEE-verified level 4 rating and diverse board representation.
- The group engaged independent external reward practitioners to benchmark its remuneration framework against its defined peer group to ensure that the group's remuneration policy and practices are both responsible and fair.

Business performance

Clicks Group continues to deliver on its strategy and its business model remains resilient, supported by strong management. The group's remuneration philosophy and strategy, which encourages individual and team performance, is continually reviewed and adjusted to promote the achievement of the group's strategic objectives. This is borne out in the group's continued success as highlighted on pages 44 and 50 of the CEO and CFO reports in the integrated annual report. The alignment between remuneration and business outcomes is highlighted below:

- An increase in turnover of 6% to R39.6 billion;
- Growth in retail sales by 11.7%, with R1.1 billion in sales generated from the vaccination programme, resulting in an uplift of 3.5% to retail sales and 2.5% to group sales;
- An increase of 11.9% in adjusted diluted headline earnings per share (HEPS) from continuing operations.
- An increase in the dividend by 30% to 637 cents per share;
- An increase in the return on equity from 38.2% to 48.0%, at the upper end of the medium target range of 40% to 50%; and
- The group returned R1.7 billion to shareholders in dividends and share buy-backs.

The group's outperformance over both the shorter and longer term reflects that the remuneration policies and the implementation thereof is fit-for-purpose, enabling the group to attract and retain the talent needed to support the sustained growth of the group.

Chief executive officer (CEO) transition

Vikesh Ramsunder resigned as CEO and an executive director effective 31 December 2021. He continued to provide consultancy services to the group until 31 August 2022. As a consequence of his resignation his outstanding short- and long-term incentive awards lapsed.

Bertina Engelbrecht was appointed as CEO with effect from 1 January 2022 and her total remuneration (which includes annual guaranteed pay, short-term incentive and long term incentive multiples) was adjusted from that date as outlined on pages 18 and 20 of the implementation report.

Remuneration governance

The committee, operating under the authority delegated by the board, is responsible for overseeing the establishment and maintenance of the group's remuneration policy, policy outcomes and pay practices. The committee assists the board in ensuring the group has a competitive remuneration policy and governance framework which is aligned with the group's strategic and organisational performance objectives.

Remuneration committee composition

In line with the recommendations of King IV, the committee comprises only independent non-executive directors, namely Professor Fatima Abrahams (chair), David Nurek, John Bester, Sango Ntsaluba and Martin Rosen. The CEO attends committee meetings by invitation but is recused from discussions that relate to her own performance appraisal and remuneration. Detail on the committee meeting attendance is included on page 40 of the integrated annual report.

Remuneration committee mandate

The primary responsibilities of the committee include:

- ensuring the remuneration policy is aligned to and promotes the achievement of the group's strategic objectives and encourages individual performance;
- ensuring the market competitiveness of the group's total remuneration offering to support the attraction, motivation and retention of scarce and critical talent skills;
- ensuring the critical elements of the remuneration policy, including annual guaranteed pay, scarce skills premiums, and benefits and incentives, are appropriately benchmarked to ensure the group is competitive in the employment market;
- ensuring fair and responsible remuneration across the dimensions of race, gender and skill pools in support of the group's transformation imperatives;
- ensuring all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- reviewing and approving the performance evaluation of the CEO and executive directors against agreed deliverables;
- reviewing incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules; and
- reviewing the remuneration of non-executive directors and recommending adjustments to their fees to be approved at the AGM.

The committee addressed the following key issues during the year:

- Appointed an external consultant, Deloitte, to review and advise on best practice in relation to long-term incentive (LTI) schemes.
- Confirmed the LTI scheme rules effective from 1 September 2021 incorporate environmental, social and governance (ESG) performance measures that could result in the payout being adjusted downwards by up to 15%. This is aimed at ensuring that management pursues a sustainability agenda which contributes to long-term enterprise value creation. For the same reason, effective from 1 September 2022, the short-term incentive (STI) scheme has been amended to incorporate similar ESG performance modifiers.
- Approved a revision of the ESG modifier to replace the reference to 'Carbon Disclosure Project (CDP)' with a reference to 'the use of renewable energy' under the LTI scheme.
- For future awards, effective in respect of LTI schemes commencing from 1 September 2023, return on invested capital (ROIC) will be an additional performance measure aligned to shareholder value creation.
- Furthermore, the committee approved an extension of the vesting period to provide for a phased vesting approach, with 60% of the award vesting in year three, and 20% vesting in each of years four and five.
- To further align the long-term interests of executives to those of shareholders, the committee determined that it would introduce a minimum shareholding requirement (MSR) for the executive directors. This will be introduced on a phased basis, with an appropriate build up period.
- Comprehensively reviewed the group's reporting on remuneration to better communicate and enhance disclosure of its remuneration policies and practices to stakeholders.
- Additionally the committee reviewed the group's talent development and retention programmes to ensure that the group has appropriate resources to execute its strategic objectives.

Remuneration outcomes

Annual fixed remuneration review

During the preceding two years, the group was able to maintain full employment and grant moderate salary increases, despite difficult trading conditions. The group remains cognisant that the economy is still recovering from the impact of Covid-19 as well as upward pressures on the cost of living. The average overall performance-linked increase for all group employees, effective from 1 September 2022 was 5.2% (1 September 2021: 3.9%). Refer to page 17 of the implementation report.

Short-term incentives

Group performance was assessed against STI targets set for the 2022 financial year. STI targets and budgets for the 2022 financial year exclude the insurance proceeds received for the impact of the civil unrest in KwaZulu-Natal to ensure that the group's actual performance is considered when considering STI payments, as these insurance proceeds are not directly related to the trading performance for the 2022 financial year. This is consistent with the approach adopted by the group in the 2021 financial year where the losses incurred as a result of the civil unrest were reversed for the purpose of determining performance against STI targets.

The actual group performance, comprising of a return on net assets (RONA) and operating profit-based measure, resulted in an STI payout of 100%. Refer to pages 10 and 11 of the remuneration policy and page 18 of the implementation report for further detail.

The STI targets, including the ESG modifiers, for the 2023 financial year were approved. STI targets are considered to be price sensitive profit information, and accordingly performance against such targets will be disclosed to shareholders retrospectively in the remuneration report for 2023.

Long-term incentives

The appreciation units relating to diluted HEPS performance awarded under the 2019 LTI scheme vested in 2022, with an actual achievement of 13.3% three-year annual compound growth. This resulted in the hurdle for an on-target percentage payout of 100% being met.

To ensure consistency with the prior year, diluted HEPS was adjusted for the financial impact of the civil unrest in KwaZulu-Natal in both the 2021 and 2022 financial years to reflect the true operational performance. The effect on this adjustment in 2022 is that group diluted HEPS is reduced, and the impact of this adjustment is that there is a decreased amount payable to participants in respect of the LTI award that vests in 2022. The adjusted diluted HEPS more accurately reflects the true performance of the group and from a remuneration perspective the use of the adjusted diluted HEPS ensures that the group does not unfairly advantage participants with higher diluted HEPS outcomes. The committee considers this a prudent approach to ensuring that higher reward outcomes driven by non-operational payment receipts did not occur. Refer to the implementation report on page 19 for further detail.

The appreciation units relating to total shareholder return (TSR) awarded under the 2019 LTI scheme vested in 2022, with an actual achievement of 16.5% three-year annual compound growth. This resulted in the hurdle for a percentage payout of 200% being met.

The amounts due to participants in the LTI scheme are settled in cash.

As referred to above, the board approved the amendment of the LTI scheme rules as of 1 September 2021 to incorporate a 15% ESG modifier. The amendment affects all LTI participants, whose incentive payment from 2024 will be subject to downward adjustment by up to 15% of the total benefit if the ESG performance modifier metrics are not achieved. Refer to page 13 of the remuneration policy for more information.

The LTI scheme will be reviewed in the 2023 financial year and assessed in the contexts of the performance sought to be incentivised, market practice, King IV, and proxy and shareholder voting guidelines.

Refer to page 12 of the remuneration policy and page 19 of the implementation report for further detail.

Shareholder engagement and voting

At the AGM held in January 2022, the group's remuneration policy and implementation report did not receive the required 75% shareholder support in the non-binding advisory votes (67.3% and 38.1% respectively). The group acknowledges that the level of shareholder support for the implementation report represents a significant decline from the previous year.

Following the AGM, no shareholders participated in the engagement process that was arranged in terms of the JSE Listings Requirements. The group however proactively engaged with shareholders to understand the reasons for the dissenting votes, receive their comments and feedback, and attempt to address their objections or concerns.

Shareholder concerns

As in prior years, the group has sought to address feedback in our evolving practices and disclosures and thanks shareholders for their constructive input. The committee acknowledges the following concerns and objections raised by shareholders and has undertaken actions to address these in a manner that enhances the group's remuneration policy and the implementation thereof.

Remuneration policy

Shareholder concerns and comments		Clicks Group response
Remuneration policy	A lack of disclosure was noted in the remuneration policy.	A significantly higher level of detail has been provided across all the remuneration elements in the 2022 report.
Long-term incentive scheme	The LTI payment quantum was noted as being limited to a maximum of five times the annual guaranteed pay for scheme participants, which was regarded as high by shareholders.	The LTI is an appreciation unit scheme, not a full-value unit scheme, and should be recognised as such. The basis of the LTI is the growth in diluted HEPS and the share price over a three-year period. The on-target value of the LTI, together with the annual cash incentive (STI) and guaranteed pay, yields a market-related total remuneration outcome. This is detailed in the policy section of this report. The group benchmarks and reviews the remuneration strategy and reward outcomes to ensure they are market-related and aligned with the remuneration philosophy.
	It was noted that the LTI is currently only cash settled.	The long-term incentive scheme will be reviewed in the 2023 financial year. The review will include the assessment of an equity-settled scheme in the form of shares.
	Shareholders proposed that consideration should be given to a five-year performance period for the LTI plan or the introduction of an additional holding period in the absence of a shareholding requirement or share ownership guidelines for executive directors.	A minimum shareholding requirement (MSR) policy will be introduced in 2023. The MSR build-up period will be five years, which aligns to local and international peers. This, in conjunction with a minimum three-year vesting schedule, will ensure significant alignment with shareholders. For future awards, the vesting period will be amended to have 60% of the award vest in year 3 and 20% vest in each of years 4 and 5. Refer to pages 12 and 13 of the remuneration policy for further detail.
	The trigger events under which malus and clawback would apply have not been disclosed.	The current policy includes trigger events related to malus and clawback. These have been disclosed in the 2022 report (refer to page 15).
Incentive schemes	It was noted that discretion was applied to alter performance conditions mid-cycle.	The board has the discretion to adjust performance conditions for extraordinary unforeseen events. However, this is the exception rather than the norm. The only adjustment made in the 2021 and 2022 financial years was as a result of the civil unrest which was deemed an extraordinary insured event. Furthermore, the diluted HEPS unit price base in respect of the 2022 – 2024 LTI tranche (commenced on 1 September 2021) was also adjusted to ensure participants would not be unfairly advantaged due to the impact of the civil unrest, (i.e. units were not awarded at a depressed unit price which would make the growth in unit value easier to achieve, unlike many share plans currently in the market where shares have been awarded at historically low prices). The SASRIA insurance pay outs in relation to the civil unrest, which form part of the 2022 results and STI outcomes, were normalised (i.e. removed in order to not unfairly inflate the performance and annual cash incentive outcomes).

Implementation report

Shareholder concerns and comments		Clicks Group response
Long-term incentive scheme	The LTI award rewards target performance relatively generously.	The LTI is in the form of HEPS and TSR appreciation units. The basis of the LTI is the growth in diluted HEPS and the share price over a three-year period.
	The remuneration policy is not aligned with long-term shareholder interests.	The group's remuneration philosophy is to pay competitively in order to attract and retain the right talent to drive business performance and advance shareholders' interests. The success of this philosophy is evident in the group's continued robust financial performance. All variable incentive schemes for executive directors are performance linked and the board is comfortable that the current incentives have been driving the achievement of business results. The group regularly reviews its variable pay structures and will review the LTI scheme in FY2023. It is important to note that the current LTI scheme is an appreciation scheme which only vests on the condition that there is growth in HEPS and TSR, and vesting is subject to three-year compounded annual growth rate (CAGR) performance hurdles.
	Remuneration is structured in a way that does not sufficiently align pay with performance.	
Incentive schemes	Disclosure does not provide a sufficient understanding of the company's remuneration policies and the link between performance-based pay and company performance.	
	It is in the interests of investors to understand, retrospectively, the targets set for executives by the board as well as the performance against these targets.	We have restructured the way we disclose remuneration to provide a view of the achievement against the target.
	Performance targets are not sufficiently challenging.	The group believes the current targets are fair and challenging. The relative performance of the group supports the conclusion that the incentive scheme targets are serving their intended purpose.

Our commitment and alignment to shareholder voting guidelines

We remain fully committed to presenting a remuneration policy and implementation report in a manner that is transparent and which fully discloses all material facts that are relevant to remuneration, to inform shareholder voting. The group is mindful of the voting policy guidelines published by some of our institutional shareholders and opined that the group's remuneration policies create alignment to shareholder interests as is evident from the group's sustained performance.

External advisors

Members of the committee may access any information to inform their independent judgement on remuneration and related matters, including regulation, compliance, control, or conduct.

Specialist consultancy firms are engaged by management to provide market benchmarking data and general reward advisory services.

All strategic reward decisions are prepared and guided by our executive management team for approval by the committee. The committee, in its mandate, has the delegated approval authority.

The committee contracted the following service providers and consultancies for independent external advice:

- 21st Century
- Deloitte
- Old Mutual REMChannel
- Korn Ferry

The committee is satisfied with their independence and objectivity.

2023 and beyond

The committee is committed to acting in the best interests and benefits of our shareholders to ensure any concerns raised are adequately addressed.

During the 2023 financial year the committee will continue to focus on the execution of its mandate according to its terms of reference, and will primarily focus on the following key areas:

- Refine the LTI scheme; and
- Introducing a minimum shareholding requirement for executive directors and senior executives; and
- Introducing ROIC as an additional performance condition.

Conclusion

The group's sustained excellence in the four quadrants of the balanced scorecard, namely financial, customer, internal processes, and learning and growth as evidenced by its numerous awards and accolades, increases the pressure on retaining scarce and critical talent. This has heightened the committee's focus on attracting, affiliating, and retaining talented individuals. The group's talent development practice has created a strong pipeline of talent who are being prepared for internal succession.

Our remuneration philosophy, strategy and policy framework fuels the delivery of the group's strategic objectives. Our remuneration decisions and implementation outcomes therefore represent a fair outcome in the context of the group's performance, are sustainable and aligned with shareholder and stakeholder interests over the long term.

We will review the impact of our 2023 remuneration outcomes in the context of stakeholder feedback and market activity and identify further opportunities to strengthen our frameworks.

I trust that this remuneration report enables shareholders to make an informed vote. I look forward to your support of the group's remuneration proposals.

Prof. Fatima Abrahams

Chairperson
Remuneration and nominations committee

24 November 2022

CLICKS GROUP LIMITED

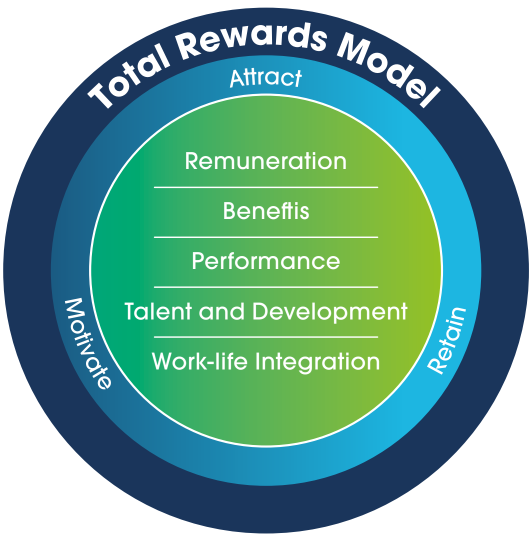
Remuneration policy

The Remuneration policy is aligned with King IV and outlines the group's approach to fair, responsible and transparent remuneration practices.

The policy prescribes that the levels of pay and incentives awarded to executive directors are set rationally and impartially, and are free from discrimination, self-interest, prejudice or favouritism.

Executive pay is linked to value creation and positive outcomes, is subject to independent oversight and approval by the committee and is considered by the directors to be sustainable and responsible.

To align with shareholder interests, executive remuneration is linked to the group's performance, with clearly defined and measurable deliverables.



Remuneration philosophy and approach

The remuneration philosophy strives to attract, motivate, and retain high-performing talented individuals required to develop a strong talent pipeline to achieve the group's strategic goals. Pay-for-performance forms the foundation of the remuneration philosophy.

Reward is directly linked to the group's strategy of attaining improved financial and operational performance. The group aims to focus the behaviours and efforts of employees on the sustained performance and growth of the business for the benefit of all stakeholders.

The group's remuneration philosophy is based on the total rewards model which integrates the five key elements that attract, motivate, and retain the human capital required to achieve the desired business results:

The total reward strategy drives a high-performance culture that aims to consistently deliver above-average returns to shareholders through employees that are motivated and fully engaged. This is achieved through the following reward principles:

- Market competitiveness
- Internal equity
- Performance
- Competence and experience

The reward principles of fair and responsible remuneration, market competitiveness, and pay-for-performance are entrenched in the policy, and strive to achieve the following objectives:

- A policy that is transparent and incorporates a pay framework that clearly differentiates between occupational levels and pay grades to facilitate remuneration benchmarking for each job within a skill pool.
- A remuneration mix that includes a combination of monetary and non-monetary rewards for employees in exchange for their time, efforts, talent, and performance at an individual, team and company level.
- Monetary rewards that include annual guaranteed pay and variable pay, such as short-term and long-term incentives, that relate to performance against agreed targets, as well as other benefits.
- Non-monetary rewards that range from formal and informal recognition programmes, training and job rotation opportunities and exposure to stimulating work assignments, all of which are designed to motivate, affiliate, and retain employees.

Total rewards framework and components

The total rewards framework provides flexibility to meet the differing needs of our employees. It comprises monetary and non-monetary rewards and is provided to employees in exchange for their time, efforts, talent, and results.

Remuneration framework

Annual guaranteed pay (AGP)

Annual fixed pay based on role and level

Basic salary	Allowances	Benefits
Based on the job grade (size of job determined through Hay job evaluation), skill pool, nature of the job, market position relative to its defined market, individual performance and contribution, and position in the pay band relative to competence and talent positioning.	Car allowance and other guaranteed allowances.	Retirement fund, group life and disability cover, and medical aid (all based on flexible contribution levels).

Short-term incentive (STI) | Long-term incentive (LTI)

Discretionary pay items that are contingent upon performance or results achieved at the organisational, team or individual level

Cash STI	Retail store incentive scheme	LTI scheme	Group retention scheme
Annual cash based STI bonus based on the achievement of a combination of group, business unit, and individual performance.	Quarterly cash-based incentive paid to retail store staff for the achievement of quarterly store sales targets.	Cash-settled LTI based on the contribution to the sustained performance of the group over a three-year rolling period.	Long-term financial incentive aimed at retaining critical and scarce skills, high-potential and senior black talent.

Remuneration components

A significant portion of executive remuneration is variable and designed to incentivise performance. The STI and LTI are an integral part of the total rewards framework and aim to align employee performance with the interests of shareholders.

To drive sustainable performance and growth, and create sustainable value for shareholders, the following performance metrics are used in the STI and LTI.

	Short-term incentive (STI)	Long-term incentive (LTI)
Drive profitable growth		
Return on net assets (RONA)	●	
Operating profit	●	
Create shareholder value		
Headline earnings per share (HEPS)		●
Total shareholder return (TSR)		●
Drive an ESG sustainability agenda which contributes to long- term enterprise value creation		
ESG scorecard	●	●

Below is a detailed breakdown of the key remuneration elements that make up the remuneration package:

Policy applicability guide

The group's key remuneration elements and their applicability are shown below:

	Employee grades			
Policy element	Group executives	Senior management	Middle management	Other employees, including unionised employees
Annual guaranteed pay	●	●	●	●
Cash STI	●	●	●	● (Except retail store employees)
Retail store incentive				● (Only retail store employees)
LTI scheme	●	●		
Group retention scheme	●	●	●	

Guaranteed remuneration

Annual guaranteed pay

Remuneration element	Description
Annual guaranteed pay • Basic salary • Guaranteed allowances • Benefits	Comprises a basic salary, guaranteed allowances, and benefits such as retirement benefits, group life and disability cover, and medical aid, with flexible contribution levels. Annual guaranteed pay is determined based on the following factors: • the size of the job, based on the Hay job evaluation methodology • the skill pool i.e., scarce, and critical skills are defined as pharmacy, buying and planning, finance, and IT • the nature of the job relative to its defined market position, including any market premiums for scarce and critical skills • individual performance and contribution as assessed during the performance review process; and • individual position in the pay band range relative to competence and talent positioning. The committee reviews the group's overall pay framework annually against defined market benchmarks per job grade, job size or skill pool. Annual salary increases are merit-based, with increases being directly related to each employee's annual performance rating. The annual increase for an employee in the bargaining unit is based on a collective bargaining process. All store employees' compensation complies with the Sectoral Determination 9: Wholesale & Retail Sector, South Africa and is above the national minimum wage or statutory requirements in all countries in which the group operates. The minimum rates of pay as determined for the retail industry are either met or exceeded.

Variable remuneration

Short-term incentive scheme

Remuneration element	Description
Scheme objective	The STI is performance-based, and achievement is measured at the group, business unit and team level against agreed targets. Individual performance, measured through the group's annual performance appraisal process, is applied as a modifier, and may limit the value of the payment should an employee not meet individual performance targets. The purpose of the scheme is to incentivise individual and collective contributions to the group's continued growth and profitability. The STI is paid annually, subject to financial performance.
Eligibility	All permanent employees, except retail store employees who participate in a separate retail store incentive scheme. All employees are required to achieve a satisfactory performance rating to qualify for full participation in the STI scheme.
Scheme architecture	A percentage of annual guaranteed pay is paid in cash on the achievement of performance.
Performance metrics	The group and business unit performance metrics are as follows: Return on net assets (RONA) Budgeted operating profit* * Operating profit excludes insurance proceeds in respect of the civil unrest, adds back STI bonus provision, adds back IFRS16 lease depreciation, and deducts actual lease payments to reflect cash operating profit for STI purposes.

Financial target setting principles

Performance metric	Threshold	Target	Stretch
RONA	95%	100%	
Budgeted operating profit	95%	100%	105%

The qualification threshold is set at the qualifying employees' measurement level i.e., the group, business unit, region, store and/or product set within which a qualifying employee works. Once the threshold is achieved, the qualifying employee is entitled to an incentive payment in accordance with the group's allocation percentages at the employee's grade. Both thresholds are required to be reached, otherwise no STI bonus is payable.

Performance exceeding the targeted performance may result in the payment of a higher short-term incentive. This is self-funded and only paid if the group exceeds the targeted operating profit.

The achievement of targets is reviewed by the remuneration and nominations committee before any incentive payments are made.

All agreed performance targets are reviewed by the executive committee and approved by the remuneration and nominations committee. The performance targets for the executive committee are subject to approval by the remuneration and nominations committee.

Allocation percentages

On-target sharing percentage, as a percentage of annual guaranteed package (AGP):

CEO: 60% of AGP (Capped at 120% of AGP)

CFO: 50% of AGP (Capped at 100% of AGP)

Payment quantum

The payment quantum is defined by a threshold, on-target, and a maximum payout as indicated below.

Below threshold	0%
Target	100%
Maximum	200%

Payment is capped at a maximum of two times the qualifying employee's allocation percentage.

Individual performance is applied as a modifier.

Policy changes

The STI scheme rules for the period commencing 1 September 2022 were amended to incorporate ESG modifiers.

The amount of a qualifying employee's incentive payment is subject to downward adjustment by up to 15% of the total benefit if any of the following ESG performance modifier metrics are not achieved:

Modifier	Weighting
Composite measure: Maintain leadership positioning on FTSE4Good Index relative to the sub-sector average for drug retailers and the consumer services industry average.	6%
Environmental measure: Increase the use of solar renewable energy from 631MWh to at least 4 500MWh in the 2023 financial year.	3%
Social measure: Obtain a level 4 BBBEE rating or better in 2023, and UPD obtaining a level 2 BBBEE rating or better in terms of the scoring applicable to the road freight industry.	3%
Governance measure: No material breaches of customer privacy and to a material extent maintaining the security of data.	3%

Long-term incentive scheme

Remuneration element	Description
Scheme objective	The LTI scheme is aimed at aligning executive and senior management remuneration with shareholder interests by rewarding them for the creation of shareholder value. The LTI scheme aligns interests by including both an earnings performance metric as well as exposing participants to share price volatility.
Eligibility	Executives and senior managers

Scheme architecture

LTI awards are granted annually to incentivise the sustained performance of the group measured by the increase in diluted HEPS and the increase in TSR.

The LTI scheme is based on appreciation units and has a three-year vesting period, with performance hurdles.

The value of appreciation units is apportioned equally between the two performance components:

1. 50% diluted HEPS; and
2. 50% TSR.

The scheme is cash-settled.

Element	HEPS appreciation units	TSR appreciation units
Instrument	The participant has the right to the appreciation in the HEPS appreciation units based on the growth of the group's diluted HEPS over a three-year period.	The participant has the right to the appreciation in the TSR appreciation units based on the growth of the Clicks Group Limited share price.
Award mix	50%	50%
Performance metric	Diluted HEPS	TSR
Vesting	Three-year cliff vesting	Three-year cliff vesting
Settlement	Cash settled	Cash settled

Performance measurement

1. Diluted HEPS appreciation units

Measurement:

Diluted headline earnings per share compounded growth over a three-year period subject to performance hurdles and ESG modifiers.

Calculation:

The base value of the HEPS appreciation units is calculated at the date of allocation as follows:
Base value = reported diluted HEPS x group's internal price-earnings ratio

The exercise value is calculated at the end of the three-year vesting period as follows:
Exercise value = published diluted HEPS x group's internal price-earnings ratio

The difference between the exercise value and the base value is the amount per diluted HEPS appreciation unit to be paid out in cash.

The performance hurdle is applied to the cash payout value and moderates the value up or down depending on the diluted HEPS compounded annual growth rate achieved over the three-year performance period:

Performance hurdle	Range (based on three-year CAGR in diluted HEPS)	Percentage of LTI payout
Weak	0% or negative growth	0%
Below target	Up to 7.9% growth	70%
On target	8% to 14.9% growth	100%
Above target	15% to 19.9% growth	150%
Exceptional	Above 20% growth	200%

ESG is applied as a downward modifier and may modify the payment downwards by 15% based on the group's performance on the ESG performance scorecard.

Performance measurement (continued)	**2. TSR appreciation units** **Measurement:** Total shareholder return is comprised of appreciation in the share price plus dividends paid and reinvested over a three-year period, subject to performance hurdles and ESG modifiers. **Calculation:** The financial incentive received is the appreciation in the Clicks Group Limit share price over the three-year period and is calculated as the difference between the exercise value and the base value. Base value = 20-day volume weighted average share price (VWAP) at the end of the previous financial year Exercise value = 20-day VWAP at the end of the three-year vesting period. The performance hurdle is applied to units allocated and moderates the number of units up or down depending on the TSR compounded annual growth rate achieved over the three-year performance period:

Performance hurdle (based on three-year CAGR in TSR)	Percentage of LTI payout
Below 9% (weak)	Unit allocation forfeited
Above 9% (on target)	Unit allocation achieved
Above 12% (above target)	Unit allocation increased by 50%
Above 15% (exceptional)	Unit allocation increased by 100%

ESG is applied as a downward modifier and may modify the payment downwards by 15% based on the group's performance on the ESG performance scorecard.

Allocation	LTI Appreciation units = AGP x participation multiple The participation multiples are set for defined levels of management. The committee may amend the participation multiples annually. The number of HEPS LTI Appreciation units vesting is capped at two times the original units allocated. The number of TSR LTI Appreciation units vesting is capped at two times the original units allocated. The firm also has a cap that limits the value payable for the normal vesting of each LTI tranche at the end of the three-year performance period to a maximum of five times the annual guaranteed pay of participants in the scheme.
Termination due to retirement, disability, or death	Subject to remuneration committee approval, in the event of the retirement, disability or death of a participant, the settlement amount for outstanding LTI tranches shall be calculated based on the HEPS and TSR appreciation unit values as at the most recently completed financial year. Such settlement will be subject to a separate cap of a maximum of five times the participant's annual guaranteed pay.
Policy changes	The LTI scheme rules were amended as of 1 September 2021 to incorporate an ESG modifier, in terms of which the total LTI payment can be adjusted downwards by up to 15% if specified ESG objectives were not met.

Modifier	Weighting
Composite measure: The Clicks Group maintaining its leadership positioning on the FTSE4Good Index relative to the sub sector average for drug retailers and the consumer services industry average.	6%
Environmental measure: The Clicks Group increasing its use of solar renewable energy from 631 MWh (megawatt hours) to at least 4 500 MWh when compared to the base 2021 financial year.	3%
Social measure: The Clicks group maintaining its BBBEE leadership positioning relative to the retail industry.	3%
Governance measure: The Clicks Group experiencing no material breaches of customer privacy and data security.	3%

From 1 September 2023, return on invested capital (ROIC) will be included as an additional performance measure for future awards.

For future awards, the vesting period will be amended to have 60% of the award vest in year three and 20% vest in each of years four and five.

Pay ranges

Pay ranges are based on prevailing labour market forces which determine the remuneration ranges applicable to each job family. Pay ranges are generally targeted at the median (50th percentile) of the comparable local retail market. A premium may be applied to annually approved scarce specialist skills such as pharmacists, buyers, and planners.

Benchmarking

Annual remuneration surveys are conducted to ensure the group maintains a competitive remuneration position. Pay levels are benchmarked on national and retail market benchmark data. The 2021 benchmarking process and the resultant pay framework was peer-reviewed by an independent reward consultant, 21st Century, who verified the accuracy of the benchmarking process and outcomes, as well as compliance with King IV. A market-related adjustment has been applied to the pay framework for 2022 and verified against survey benchmarks to ensure that the group's pay remains competitive.

The group's benchmarking and market information is based on independent surveys, including the Old Mutual REMchannel, Deloitte Top Executive and Korn Ferry surveys. These benchmarking exercises recognise the complexity of the group's business model and the regulatory environment within which the group operates. The group also participates in a biennial benchmarking exercise to maintain a competitive remuneration position in respect of pharmacists and pharmacy managers.

Salary increases

Annual salary increases are merit-based, with increases being directly related to each employee's annual performance rating. The range of increase percentages per performance rating is applied consistently across the group, including to the executive directors. The annual increase date for permanent non-bargaining unit employees is 1 September, which is aligned with the start of the group's financial year and budgeting period.

Collective salary increases are negotiated with the representative trade union for the Clicks bargaining unit. Trade union membership comprises 13% of the total group employees (2021: 13%).

Performance

Performance-based reward is applied throughout the group, with the exception of those employees appointed to jobs that fall within the group's bargaining units. The annual performance review process evaluates the level of performance achieved in terms of the agreed performance contract, across both financial and non-financial metrics.

Talent and development

The group recognises that the competence of its human capital is critical in achieving sustainable business growth. We are committed to ensuring that all our employees are enabled to realise their potential and meet their career aspirations.

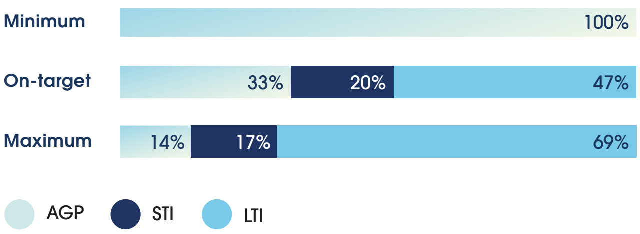
Work-life integration

The group actively supports efforts to help employees achieve success at work and home through the provision of work-life integration programmes, and the employee wellness programme which includes support measures that extend beyond the workplace. These programmes encompass workplace flexibility, health and wellness, employee engagement through corporate social investment, and culture change initiatives.

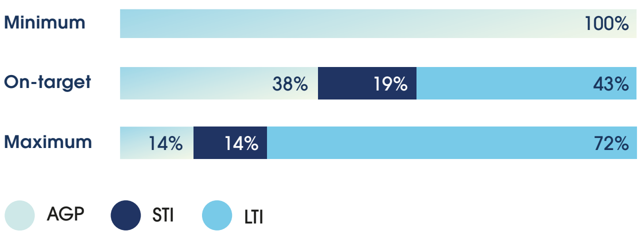
Remuneration mix and pay for performance link for executive directors

The remuneration mix is reviewed annually through benchmarking at the defined market positioning, generally targeted at the median (50th percentile), of the comparator group for total remuneration – i.e., total remuneration across annual guaranteed pay (AGP) and short- and long-term incentives. The below graphs set out the executive directors' potential pay mix at minimum, target, and maximum performance, based on their current AGP. The group's remuneration philosophy and strategy is to have lower relative short-term incentives and to reward long-term performance and this is borne out in the pay mixes below where the firm has a higher focus on long-term performance-based incentives. This strategy and philosophy is deliberate and has served the group well in driving sustainable performance over the long term as evidenced in the results over the medium and longer term.

CEO



CFO



- The pay mix at minimum for the STI is calculated on the threshold of 95% RONA and budgeted operating profit not being achieved. The pay mix at minimum for the LTI is calculated based on the achievement of a 0% three-year compounded annual growth rate (CAGR) in diluted HEPS and a three-year CAGR below 9% in TSR.
- The pay mix at target for the STI is calculated on 100% achievement of the RONA and budgeted operating profit targets, resulting in an on-target payment of 60% of AGP for the CEO and 50% of AGP for the CFO. The pay mix at target for the LTI is calculated on the achievement of a three-year CAGR of between 8% and 14.9% in diluted HEPS and between 9% and 12% in TSR.
- The pay mix at maximum is calculated at the maximum potential pay out on the STI and LTI scheme. The STI is capped at 200% of the on-target sharing percentage i.e., 120% of AGP for the CEO and 100% of AGP for the CFO. The LTI is capped at 500% of AGP for both the CEO and CFO.

Executive service conditions

Members of executive management are employed on standard employment contracts. The CEO is subject to a 12-month notice period and the CFO to a six-month period. None of the executive directors are appointed on fixed-term contracts.

The employment contracts do not compel the group to pay severance packages when an executive leaves the group due to underperformance, nor do they provide for guaranteed variable remuneration.

There are no contractual obligations for executives who leave the group due to underperformance.

Relocation allowances may be paid to executives, but these are linked to a retention period and have to be repaid if the executive leaves the group prior to the expiry of the retention period.

The retirement age for executive directors is 63 years.

Executive directors may be contracted in consultancy roles for a limited period following their resignation or retirement from the group to assist in the transition to their successors.

Malus and clawback

In the interest of our shareholders, the variable incentive schemes are subject to a malus and clawback policy.

The malus and clawback policy gives the group, through its committee, the discretion when a trigger event occurs to either:

- forfeit, reduce or cancel unpaid, unsettled or unvested incentives (also referred to as "malus"), or
- recover settled or paid incentives (also referred to as "clawback").

For the purposes of malus and clawback, a trigger event is defined as:

- a material error in the information on which the quantum of any settlement amount or the extent of achievement of performance conditions was based, or in the quantification of a settlement amount;
- a material corporate failure at the employer company or the Clicks Group;
- serious reputational damage or material loss caused to the Clicks Group by the employee's conduct; or
- a material contravention by the employee of the group's ethics and values.

The committee retains the absolute discretion to invoke malus and clawback in part or in full, on a collective or individual basis, where a trigger event has occurred.

The group has the right to recover the incentive remuneration amount from the participant for three years from the trigger event.

In the case of clawback being applied, the right of recoupment survives the cessation of a participant's employment in such a capacity for three years.

Minimum shareholding requirement

As part of the review and enhancement of the LTI for 2023, the group has introduced a minimum shareholding requirement (MSR) policy for senior executives in the group.

The purpose of the MSR is to encourage executives to hold Clicks Group shares to create a focus on ownership, reinforce the alignment between executive and shareholder interests, and engender a culture of long-term commitment to the group.

The executives are expected to build up and maintain a targeted qualifying interest in shares in the company, determined as a multiple of their AGP as follows:

- CEO: 300% of AGP
- CFO: 150% of AGP

Executives must achieve the targeted minimum shareholding within five years of their appointment or five years from the date of adoption of the MSR policy, whichever is the later. After the five-year period, executives are expected to maintain the MSR.

The committee has the discretion to extend the holding period in the event of extenuating circumstances.

If an executive fails to hold the required minimum shareholding by the end of the five-year holding period, the committee will have the discretion to investigate the reasons as to why this may have occurred and determine remedial steps to ensure compliance with the provisions of the MSR policy, as soon as is practicably possible.

Non-executive directors fees

The fee structure for non-executive directors is based on a review of several internal, economic and market factors. The group's policy is to pay non-executive director fees within 80% to 120% of the median of a comparator group of JSE-listed retail companies. The median is based on the number of board and board committee meetings held per annum.

Non-executive directors receive a base fee for serving on the board, with an additional amount payable to members or the chairs of a board committee, and a meeting attendance fee for non-committee members who attend board committee meetings at the invitation of the board. The chair of the board receives a composite fee, without any allowance for membership of any board committee or attendance at any committee meeting as an invitee. Additional fair and reasonable remuneration can be determined to be payable to non-executive directors for extraordinary attendances.

Non-executive directors are reimbursed for travel expenses on official business, where necessary, as well as other direct business-related expenses.

Non-executive directors are not eligible to receive any short or long-term incentives.

The fees for the 2023 calendar year are subject to approval by the shareholders at the AGM in January 2023.

	2023	2022	
Board position	**Proposed total fee (R)**	**Total fee (R)**	**% change**
Board chairman	1 730 200	1 640 000	5.5%
Board member	464 200	440 000	5.5%
Chair: audit and risk committee	422 000	400 000	5.5%
Member: audit and risk committee	211 000	200 000	5.5%
Chair: remuneration and nominations committee	200 450	190 000	5.5%
Member: remuneration and nominations committee	94 950	90 000	5.5%
Chair: social and ethics committee	158 250	150 000	5.5%
Member: social and ethics committee	73 850	70 000	5.5%

Implementation report

This report summarises the outcomes of implementing the remuneration policy as approved by the committee for the 2022 financial year.

Annual salary increases

In reviewing increases, the committee is acutely aware of inflationary pressures and how they are impacting the cost of living and the labour market, and the group aims to pay competitively and differentiate based on individual performance.

The average performance-linked increase effective from 1 September 2022 is 5.2% (2021: 3.9%).

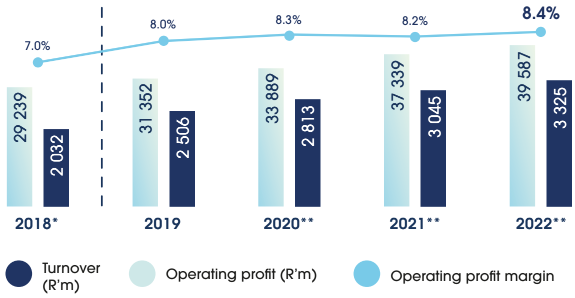
The annual guaranteed pay of the executive directors is determined by the committee within the group's pay range, after reviewing benchmarks based on the group's comparator group of listed retail companies in South Africa and in relation to the firm's reward philosophy and strategy.

Performance and impact on incentives

The LTI scheme has driven sustained outperformance over the longer term as evidenced in the sustained financial performance of the group over the last ten years. This sustained outperformance is further evidenced in the outperformance of the medium-term financial targets.

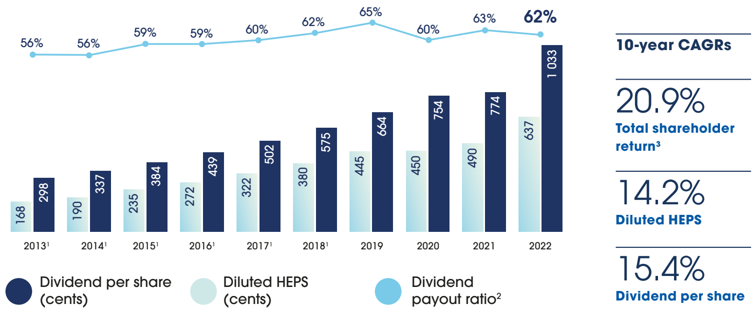
The accompanying graphs and table highlight the strong performance of the Clicks Group over the past one, five and ten years.

Growth in turnover, profit and margin



* Pre-IFRS 16 operating profit and margin
** Continuing operations, FY2021 and FY2022 adjusted for impact for civil unrest

Sustained financial performance



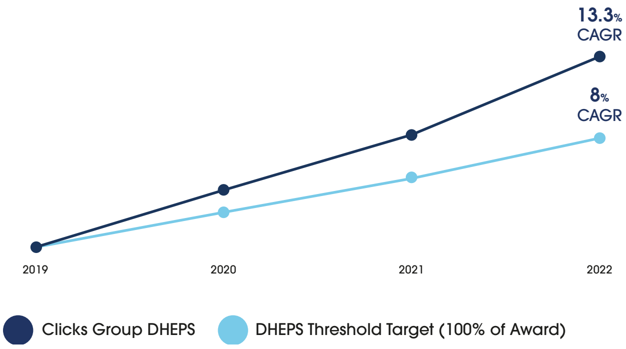
[1] Pre-IFRS 16
[2] Based on HEPS
[3] Based on reinvestment of dividends paid and the closing share price

Medium-term targets	Achieved in FY2022	Medium-term target
ROE (%)	48.0	**40 – 50**
ROIC (%)	29.6	**20 – 30**
ROA (%)	14.4	**11 – 15**
Net working capital days	36	**30 – 35**
Group operating margin (%)	8.4*	**8.0 – 9.0**
Retail	9.4*	**9.0 – 10.0**
Distribution	3.3*	**2.8 – 3.3**
Dividend payout ratio (%)	61.7	**60 – 65**

* adjusted for impact of civil unrest

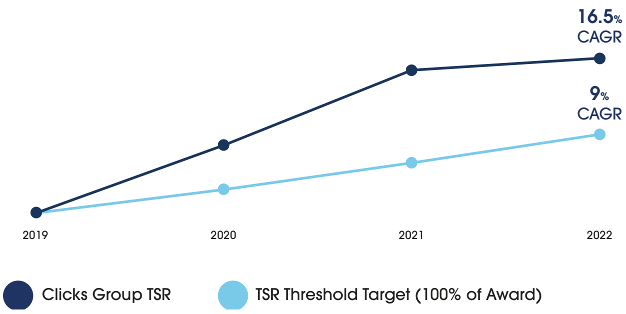
Clicks Group's diluted HEPS performance was 13.3% which is within the target range for 100% vesting of the award, and above the minimum required target of 8% three-year CAGR for 100% vesting to occur, as evidenced in the graph below.

Diluted HEPS Performance



Clicks Group's TSR performance was 16.5% which is above the group's minimum required target of 9% three-year CAGR for 100% vesting to occur and within the target range for 200% vesting of the award, as evidenced in the graph below.

TSR Performance



Annual short-term incentive outcomes

Performance for the group's STI scheme is measured at the group, business unit and team level against the agreed targets set for average monthly return on net assets (RONA) and operating profit, as well as on an individual basis.

The table below summaries the group performance for the 2022 financial year.

	Target	FY22 Performance	FY22 Performance vs Target %
Operating profit[1]	R3 342.5m	R3 224.7m	96%
Average monthly return on net assets (RONA)	80%	94.7%	118%

[1] Operating profit (excludes insurance proceeds in respect of the civil unrest, adds back STI bonus provision, adds back IFRS16 lease depreciation, and deducts actual lease payments to reflect cash operating profit for STI purposes).

The committee reviewed and approved the group's and business units' STI achievements which resulted in a total annual cash incentive of R116.9 million (2021: R118.3 million). This includes incentives paid in terms of the retail store incentive scheme where R25.9 million (2021: R27.0 million) was paid to retail store staff for the 2022 financial year.

As denoted earlier, executive directors are measured against the group financial performance as well as individual performance. The individual performance of the CEO is assessed by the committee, while the performance of other executive directors is evaluated by the CEO and reviewed by the committee.

The table below illustrates the annual incentive payments made to the executive directors based on their individual performance for FY22 and the overall achievement of company performance.

2022 executive directors' STI outcomes

Director	On target % of annual GP	Target annual GP	STI FY2022 awarded	STI FY2021 awarded	STI awarded vs target STI
Bertina Engelbrecht (CEO)	60%	R4.7m	R4.7m[1]	R2.4m	On target award
Michael Fleming (CFO)	50%	R3.7m	R3.7m	R3.5m	On target award

[1] Appointed as CEO effective 1 January 2022

Long-term incentives | Outcomes and Awards

2022 LTI outcomes – vesting of 2019 award

The vesting of awards given under the LTI plan are conditional on performance being achieved. For the three-year performance period ended 31 August 2022 the group achieved the following:

Metric	Vesting conditions	Vesting % of award associated with conditions	Achievement over 3yrs	Vesting outcome
Diluted HEPS (Compound annual growth rate over three years)	0% or less	0% of award	13.3%	100% of award
	0.1% - 7.9% growth	70% of award		
	8% to 14.9% growth	100% of award		
	15% to 19.9% growth	150% of award		
	Above 20% growth	200% of award		
Total shareholder return (TSR) (Compound annual growth rate over three years)	Below 9%	0% of award	16.5%	200% of award
	Above 9%	100% of award		
	Above 12%	150% of award		
	Above 15%	200% of award		

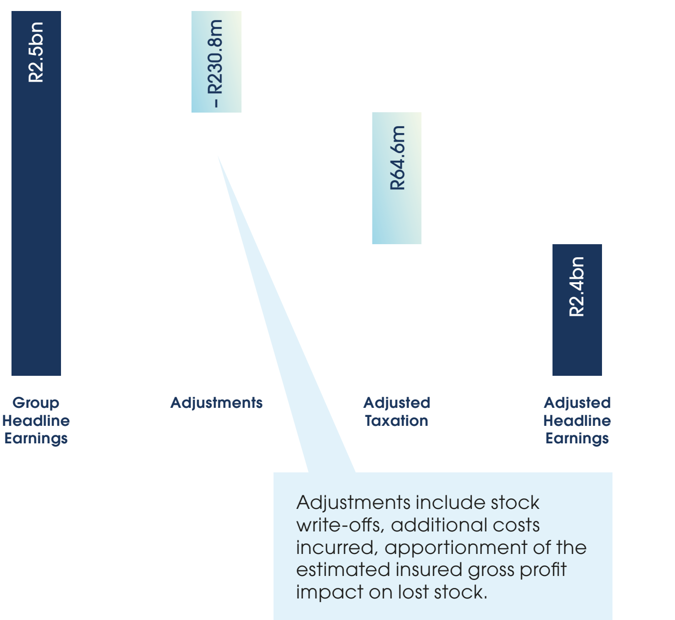
The committee approved the LTI payment of R107.2 million to participants per the rules of the scheme. The pay-out of the TSR portion has been fully hedged to limit the cost to the group.

Adjustments were applied to the diluted HEPS based on the financial impact of the insurance payments to the group (as described in the remuneration outcomes on page 4). An upward adjustment of R166.2 million was made to the diluted HEPS in FY2021 by reversing the inventory losses, additional costs incurred, and accounting for the apportioned estimated gross profit that the lost stock would have yielded for the seven weeks post the civil unrest disruption.

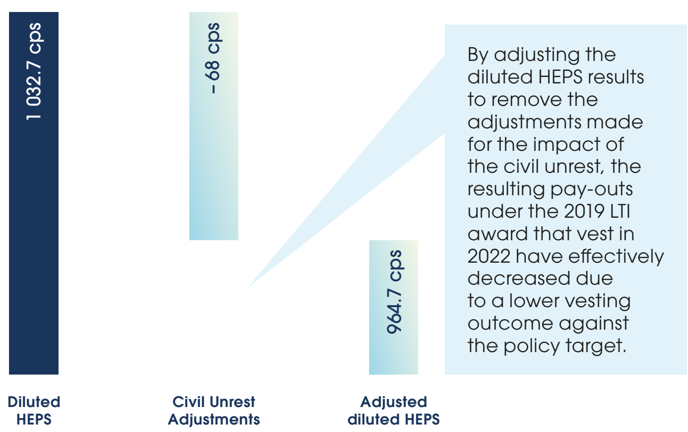
In FY2022, the upward adjustment of R166.2 million (an adjustment of 68 cents per share) to group diluted HEPS was reversed for LTI purposes. This has been done to ensure consistency in the outcome year on year and to ensure that management were not unfairly advantaged by the payments received from SASRIA in relation to the civil unrest, and the positive upward impact it would have had on the diluted HEPS result for the year and thus higher remuneration outcomes.

The graph below highlights how the potential remuneration outcomes would have been higher had an adjustment not been prudently applied with the higher reported diluted HEPS outcome of 1 032.7 cents being reduced to 964.7. The result of this was that the vesting outcome for the diluted HEPS portion of the LTI over the three-year period was 100% as opposed to 150% which would have resulted had the adjustment not been applied.

Impact of the civil unrest adjustments on headline earnings



Impact of the civil unrest adjustments on diluted HEPS and LTI vesting outcome



2022 executive directors' LTI outcomes – vesting of 2019 LTI award

Name & Role	Award value diluted HEPS units allocated at R79.63[1] per unit	Award value TSR units allocated at R199.01 per unit	HEPS units gain per unit	TSR units gain per unit	Vesting outcome % diluted HEPS	Vesting outcome % TSR	FY22 LTI Vesting outcome	FY21 LTI Vesting outcome
Bertina Engelbrecht (CEO)	111 579	45 224	R36.13	R99.28	100%	200%	R13.0m	R12.2m
Michael Fleming (CFO)	161 914	65 625	R36.13	R99.28	100%	200%	R18.9m	R17.8m

1 Restated for the adoption of IFRS16

Future long-term incentive awards

Based on shareholder feedback and a review of the market, the group has undertaken to review its LTI to ensure it is relevant and aligned to the strategic objectives of the group. The group has undertaken to incorporate ROIC as an additional performance measure and amend the vesting period to have 60% of awards vest in year three, with 20% vesting in each of years four and five, further extending the vesting periods for these awards. These changes will apply to all future awards.

Executive director remuneration summary

The table below summaries the total single figure remuneration paid to executive directors for the 2022 financial year, as recommended by King IV.

2022[1]	Directors remuneration (R'000)							
Director	Salary	Pension fund	Other benefits	Total annual guaranteed pay	Annual short-term incentive	Long-term incentive	Total variable pay	Total
Bertina Engelbrecht (CEO)[2]	7 603	575	-	8 178	4 722	13 011	17 733	**25 911**
Michael Fleming (CFO)	6 689	589	57	7 335	3 668	18 880	22 548	**29 883**
Vikesh Ramsunder[3]	3 335	165	192	3 692	-	-		**3 692**
Total	**17 627**	**1 329**	**249**	**19 205**	**8 390**	**31 891**	**40 281**	**59 486**

2021	Directors remuneration (R'000)							
Director	Salary	Pension fund	Other benefits	Total annual guaranteed pay	Annual short-term incentive	Long-term incentive	Total variable pay	Total
Bertina Engelbrecht	4 267	503	356	5 126	2 385	12 203	14 588	**19 714**
Michael Fleming (CFO)	6 453	510	57	6 920	3 460	17 810	21 270	**28 190**
Vikesh Ramsunder (CEO)	9 076	424	–	9 500	5 700	14 673	20 373	**29 873**
Total	**19 696**	**1 437**	**413**	**21 546**	**11 545**	**44 686**	**56 231**	**77 777**

1 The remuneration tabled reflects the amounts paid in relation to the 2022 year, including incentives that may only be settled in the following year.
2 Appointed as CEO 1 January 2022.
3 Resigned as CEO 31 December 2021.

Directors' participation in the long-term incentive scheme

The table below details out historic performance linked appreciation unit awards to the executive directors.

	2020 - 2023 Scheme		2021 - 2024 Scheme	
Director	HEPS units allocated at R90.52 per unit	TSR units allocated at R237.77 per unit	HEPS units allocated at R100.91 per unit[1]	TSR units allocated at R288.97 per unit
Bertina Engelbrecht (CEO)[2]	105 391	40 123	235 358	82 188
Michael Fleming (CFO)	152 894	58 208	145 381	50 768

1 Diluted HEPS base adjusted by 67.3 cents per share in respect of the financial impact of the civil unrest in 2021.
2 Appointed as CEO 1 January 2022.

Non-Executive Director Fees

Director	2022 Directors' fees Holding company	2022 Subsidiary companies	2022 Total	2021 Directors' fees Holding company	2021 Subsidiary companies	2021 Total
David Nurek	1 602	-	**1 602**	1 603	-	**1 603**
Fatima Abrahams[1]	803	170	**973**	751	163	**914**
John Bester	717	-	**717**	881	-	**881**
Fatima Daniels[2,3]	241	68	**309**	595	163	**758**
Nonkululeko Gobodo[4]	-	-	**-**	42	-	**42**
Martin Rosen	527	-	**527**	533	-	**533**
Mfundiso Njeke	763	-	**763**	588	-	**588**
Penelope Moumakwa[5]	503	-	**503**	183	-	**183**
Sango Ntsaluba6	675	-	**675**	-	-	**-**
Total	**5 831**	**238**	**6 069**	**5 176**	**326**	**5 502**

Total directors' remuneration	2022	2021
Executive directors	**59 486**	77 777
Non-executive directors	**6 069**	5 502
Total directors' remuneration	**65 555**	**83 279**

[1] The fees paid to Professor Abrahams include fees for her appointment as director of Clicks Retailers Proprietary Limited and New Clicks South Africa Proprietary Limited.
[2] The fees paid to Fatima Daniels include fees for her appointment as director of Clicks Retailers Proprietary Limited and New Clicks South Africa Proprietary Limited.
[3] Retired as non-executive director 26 January 2022.
[4] Resigned as non-executive director 14 September 2020.
[5] Appointed as non-executive director effective 1 April 2021.
[6] Appointed as non-executive director effective 1 September 2021.

Directors' shareholdings at 31 August 2022

Director	2022 Beneficial shares Direct	2022 Indirect	2022 Total	2021 Beneficial shares Direct	2021 Indirect	2021 Total
David Nurek	45 000	20 000	**65 000**	45 000	55 000	**100 000**
John Bester	12 000	10 000	**22 000**	12 000	10 000	**22 000**
Bertina Engelbrecht	75 068	-	**75 068**	75 068	-	**75 068**
Martin Rosen	-	2 000	**2 000**	-	2 000	**2 000**
Total	**132 068**	**32 000**	**164 068**	**132 068**	**32 000**	**164 068**