



# Remuneration Committee Report

The group remains committed to creating a culture of high performance as well as attracting and retaining high calibre employees to assist us in achieving our strategy and providing acceptable shareholder returns.

## Dear shareholder

On behalf of the board, I have pleasure in enclosing herewith the remuneration report for the group. This report consists of the background statement, remuneration policy and the implementation report for the financial year ended 31 December 2022. It also sets out payments made to non-executive directors, executive directors and prescribed officers during the year under review.

The committee acknowledges its responsibility for ensuring the integrity of this remuneration report and has spent a considerable amount of time to continue to ensure a balance between company needs and expectations of executives, as well as the expectations of shareholders and all stakeholders.

An additional committee member, A Watson, was appointed to the committee on 29 November 2022. The members of the committee are independent non-executive directors as defined by King IV™.

The focus areas of the committee for the year under review is set out under the background statement together with the future focus areas. Please refer to page 94 in this regard.

The committee continues to monitor and review the remuneration policy to ensure fair, responsible and transparent remuneration while balancing positive outcomes in the short-, medium- and long-term.

The remuneration policy and implementation report will again be tabled at the AGM on 18 May 2023 where shareholders would be requested to cast a non-binding advisory vote on the policy and report.

RemCom is satisfied that it has fulfilled its roles and responsibilities in terms of its mandate and that the group's remuneration policy has achieved its objectives for the year under review.

Appropriate governance structures exist at and below board level, to recognise and retain top talent and fairly reward employees.

The composition, number of meetings held and attendance at such meetings are shown on page 90.

*On behalf of the Remuneration Committee*

**KDM Warburton**  
Remuneration Committee Chair

20 March 2023

## SECTION 1

### BACKGROUND STATEMENT

ADvTECH continues to seek, attract, retain, reward and develop high-performing employees within the group to promote the achievement of its strategic objectives and to ensure the group's long-term sustainability.

The group is committed to ensuring it remunerates fairly, responsibly and transparently to promote and advance diversity and transformation within the group.

#### Results of the non-binding advisory vote

	Remuneration policy		Implementation report	
	2022	2021	2022	2021
Votes in favour	<b>81.30%</b>	98.36%	<b>81.31%</b>	98.46%
Votes against	<b>18.70%</b>	1.64%	<b>18.69%</b>	1.54%
Abstentions	<b>0.07%</b>	1.34%	<b>0.07%</b>	1.34%

The remuneration policy and implementation report will be presented to shareholders for a non-binding advisory vote at the AGM. Notwithstanding that the JSE Listings Requirements only call for engagement with shareholders in the event that 25% or more of the shareholders vote against either or both, ADvTECH remains committed, as in previous years, to continue engaging with shareholders, in accordance with the format and requirements of the JSE Listings Requirements, to ensure a balance between company needs and expectations of executives, as well as the expectations of shareholders.

#### Engagement with shareholders

During the year under review, ADvTECH engaged several shareholders, including Coronation, PIC, Alan Gray, Visio, Sanlam and Old Mutual with specific focus on their recommendations for improvements to ADvTECH's remuneration policy and implementation report. Overall, shareholders were appreciative of the level of disclosure in the remuneration policy and implementation report.

The following recommendations were made:

#### Recommendations from shareholders

Shareholders' recommendations	ADvTECH's amendments
Long-Term Incentive (LTI) performance conditions.	The board has reviewed and approved equal weighting of growth in normalised earnings per share and return on funds for the performance conditions of the LTI awards.
Enhancement of the Minimum Shareholder Requirement (MSR) policy.	The MSR policy has been enhanced to include the following changes: <ul style="list-style-type: none"> <li>the participants have been extended to include all executive members;</li> <li>higher allocation targets have been set for the group CEO, GCD and executive members; and</li> <li>the accumulation period for the MSR target to be reached was changed to 7 years.</li> </ul>

## Committee focus areas

### During the year under review, RemCom focused on the following areas:

- Ensured the remuneration policy is aligned to and promotes the achievement of the group's strategic objectives and encourages individual performance;
- Ensured that annual guaranteed pay, benefits and incentives are appropriately benchmarked to ensure the group is competitive in the employment market;
- Reviewed and approved the performance evaluation of the group CEO, GCD and other executives against agreed deliverables;
- Reviewed incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules;
- Reviewed the remuneration of non-executive directors and recommended the fees for approval by the shareholders at the next AGM;
- Approved outcomes for the 2019 LTI and the 2022 awards;
- Approved the STI outcomes for the 2021 financial year and set targets for 2022; and
- Reviewed the workforce planning, i.e. talent landscaping and leadership profiles.

### Going forward, RemCom will focus on:

- Continue with reviewing the remuneration policy and practices to ensure continued alignment with King IV™ and best practices;
- As in prior years, obtain feedback, addressing possible concerns and implementing recommendations from shareholders regarding the group's remuneration policy and implementation report;
- Reviewing and approving STI scheme targets;
- Ensuring that the search for skilled employees and rewarding of existing skills remains a priority; and
- Reviewing and approving the LTI awards and targets; and
- Review and approve ESG metrics and targets for LTI and STI schemes.

## Fair and responsible pay

In determining what constitutes fair, responsible and transparent remuneration while balancing positive outcomes in the short-, medium- and long-term, the RemCom considered various internal and external factors that influence remuneration. Some of the external factors include the prevailing economic climate, inflation and market benchmarks, while internal factors include the group's performance and affordability, responsibilities and internal benchmarks. Equal pay for work of equal value continues to be a focus and is achieved by the assigning of grades to similar jobs through making use of the Paterson grading model and aligning the salary ranges to those grades.

For 2023, and taking into account the strong performance of the group, the committee approved the proposal for salary increases in line with Consumer Price Inflation (CPI), subject to affordability and enrolment growth.

During the year, RemCom reviewed and approved the balanced scorecards for all executive directors, prescribed officers and key senior executives to ensure alignment with our strategic imperatives. A core component of the executive incentive scheme is to reward individual employee and team performances in meeting agreed key performance objectives and indicators.

This performance-based remuneration philosophy is underpinned by a detailed and documented methodology approved by RemCom and sound governance and management principles.

The teacher remuneration structure, which seeks to reward and position behaviour that aligns with the group's strategic objectives, continues to be well received by employees and had a positive impact on the group's strategic objective of academic excellence.

The committee further considered and approved the non-executive directors' fees and has made recommendations to the board for approval. This will be put forward for shareholder approval at the next AGM to be held on 18 May 2023.

## SECTION 2

## REMUNERATION POLICY

The remuneration policy aims to support the achievement of the group's strategy and shareholder requirements by attracting, rewarding and retaining the best possible talent for the business. The group's remuneration philosophy entrenches a culture of high performance by aligning the elements of remuneration directly to the business objectives, employee performance, values, purpose and strategy.

Guiding principles includes fair and equitable remuneration, job-evaluation-based structure, wage gap analysis, competitive positioning and graded salary scales.

The committee has considered the impact of King IV™ on the remuneration policy as well as the amended JSE Listings Requirements.

### The goals of our remuneration strategy are to:

Attract and retain high-quality talent and scarce skills that provide world-class education and recruitment expertise

Motivate and reward high performance to drive a culture of superior performance

Provide fair pay and incentives in line with our high standards of corporate governance

Minimise barriers to career development and mobility

Ensure compliance with all the applicable regulatory requirements

### Key remuneration principles of our philosophy that shape and guide our remuneration policy and support value creation:

ADvTECH is a knowledge-based business and its intellectual property is vested in people. As employment costs are our largest expense, the remuneration policy is critical to the success of the business;

Recognition of equal pay for work of equal value across the organisation;

Employees in sales may qualify for commission; and

Performance management provides the governance framework within which the remuneration policy is implemented.

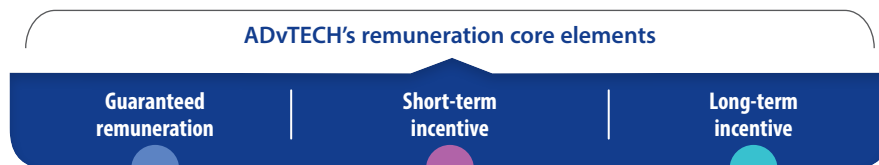
RemCom ensures that remuneration practices are based on principles of sound governance and is of the view that the remuneration policy has achieved its stated objectives for the year under review.

Key to this process is RemCom's independence in determining the remuneration and bonus policies for all employees, and the review and approval of remuneration and bonuses payable to key senior executives.

Conditions of employment are reviewed against best practice and, where necessary, improvements to conditions of employment are implemented with due regard to the cost implications and the impact on staff. In an education environment, non-material aspects (such as study leave bursaries and study assistance) are welcomed by employees.

## Remuneration structure

Remuneration is structured to attract and retain employees and provide incentives for exceptional performance. This is achieved through a combination of guaranteed remuneration, incentive rewards of a short- and long-term nature and conditions of service. Guidance is provided in the group's integrated remuneration policy, which seeks to combine and calibrate all forms of remuneration. Executive management is offered a remuneration structure similar to senior management employees, with the same three elements as set out below:



## Executive remuneration structure

Our remuneration policy seeks to achieve a suitable balance between guaranteed and variable remuneration. Variable STI and LTI awards are each limited to a maximum of 100% of guaranteed remuneration in the case of the group CEO and 80% for the GCD. The RemCom considers this to be an appropriate structure to reward achievement of both short- and long-term objectives.

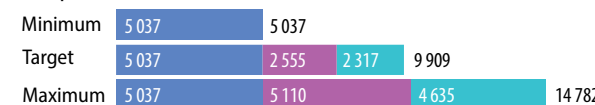
Remuneration component	ADvTECH's policy	Type of pay
<b>Guaranteed remuneration</b> Includes salary and employee benefits on a cost to company basis.	<ul style="list-style-type: none"> <li>Reflects individual contribution and market value relative to the role and to recognise skill and experience.</li> <li>Determined by the complexity of the role, market value and the ongoing review of the employee's personal performance and contribution to the group's overall performance and values.</li> <li>Reviewed annually with increases taking effect in April of each year.</li> </ul>	<b>Fixed pay</b> Monthly payment after deducting contributions to retirement funding and medical scheme where applicable.
<b>Short-term incentive bonus scheme</b>	Rewards management on achieving group performance and their respective Key Performance Areas (KPA's). The participant's potential eligibility percentages will depend on the participant's job grade with the threshold for executive directors as follows: <ul style="list-style-type: none"> <li>Group CEO (maximum of 100% of guaranteed remuneration); and</li> <li>GCD (maximum of 80% of guaranteed remuneration).</li> </ul>	<b>Variable pay</b> Paid annually.
<b>Long-term incentive bonus scheme</b>	Intended to attract and retain senior management and reward sustainable value creation that aligns with stakeholders' interests over the long-term. The awarding of shares under this scheme is based on meeting agreed performance targets.  The maximum award in terms of the management share incentive (MSI) scheme is as follows: <ul style="list-style-type: none"> <li>Group CEO (maximum of 100% of guaranteed remuneration); and</li> <li>GCD (maximum of 80% of guaranteed remuneration).</li> </ul>	<b>Variable pay</b> Awarded annually and vests after three years.

## Benchmarking of guaranteed remuneration

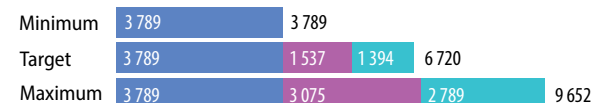
The guaranteed remuneration and other benefits of executive directors, prescribed officers and other key senior executives are benchmarked annually against the market and are aligned with group performance to ensure that remuneration packages remain competitive and appropriate.

## Group CEO and GCD pay mix

Group CEO (R'000)



GCD (R'000)



■ Guaranteed

■ \*STI

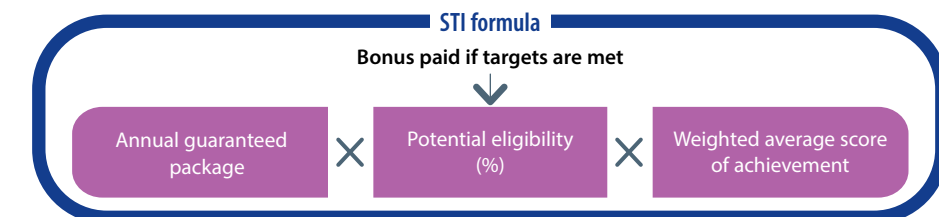
\* The maximum STI amount is based on the annual guaranteed remuneration following salary increases that are effective from 1 April each year.

■ \*\*LTI

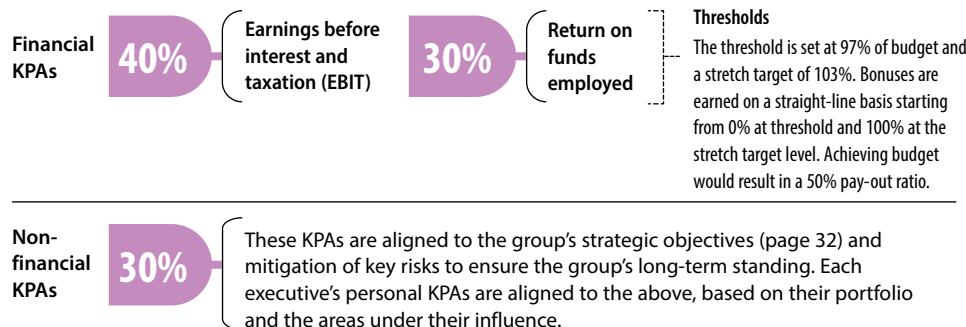
\*\* The maximum LTI amount is based on the fair value of the shares at grant date.

## Short-term incentives

Objective	Eligibility
To reward the achievement of short-term individual employee and group objectives.	Executive directors, prescribed officers, senior executives and managers participate in an annual STI plan.



## Balanced scorecard



## SHORT-TERM INCENTIVES – continued

### Committee discretion

The RemCom approves the targets, the measurement of their achievement against these targets and the resultant bonuses to be paid. RemCom has discretion to award an *ex gratia* bonus in exceptional circumstances. This includes where an individual has delivered exceptional results despite the group or divisional performance not being met, or where extraneous factors outside the control of executives are considered to have impacted on the overall performance, resulting in the targets not having been met. No *ex gratia* bonuses or discretionary amounts were paid in the current period under review.

### Long-term incentives: Management Share Incentive (MSI) scheme

The MSI scheme provides annual awards of forfeitable shares in the form of performance and retention shares to eligible participants. The shares automatically vest in full after three years, on the achievement of the set targets and provided the individual is employed on the vesting date and that a minimum individual performance rating has been achieved over the three-year period.

	Shares	Vests/vested
18 September 2019	3 064 911	2022
16 September 2020	4 705 127	2023
21 May 2021	2 817 016	2024
10 June 2022	2 249 319	2025

Unvested shares carry dividend rights as well as voting rights. To be eligible to receive an award of forfeitable shares under the MSI, participants were required to relinquish their rights under the old scheme (share incentive scheme 2010) and all rights to vesting of the old scheme from 2021 onwards were forfeited.

The RemCom considers the following regarding retention awards:

Business critical skills	Succession planning
Scarce skills	Top performers

The split in shares under the award favours performance-based targets over retention-based awards, with weightings being 75% performance and 25% retention for the executives, and 60% performance and 40% retention for other participants.

Future awards to executive directors will be 100% performance-based.

#### The MSI scheme promotes

- Good performance in relation to predetermined performance objectives.
- Retention of valuable skills and experience.
- Enhanced alignment of executives' awards with shareholder interests.

#### Objective

- Drive the longer-term strategic and sustainable performance of the group.
- Motivate participants to achieve the strategic objectives, thereby aligning shareholder and management interests.
- Reward management for their contribution to the delivery of the long-term strategic objectives.
- Attract future key talent in a competitive market with market-related variable earnings.
- Retain key talent to ensure sustainable performance of the group.
- Facilitate succession planning.
- Alignment with current market practice and King IV™.

#### Eligibility

- Executive directors
- Prescribed officers
- Senior executives
- Managers

### MSI formula

$$\text{Number of shares awarded} \times \text{Weighted average score of achievement}$$

### Balanced scorecard

RemCom has approved the following performance conditions and targets:

#### Gateways

- Achievement of the minimum average growth in normalised earnings per share (NEPS) target.
- Achievement of the minimum return on funds employed target.
- Achievement of a minimum individual performance rating.

### Committee discretion

RemCom has absolute discretion in the interpretation and application of the MSI rules to determine the following:

- Individual participants based upon retention need;
- Level of awards based on market benchmarks;
- Allocation of awards between performance and retention shares;
- Classification of termination (good or bad leaver) on a case-by-case basis;
- Performance measures, weightings and targets; and
- Vesting period and basis of vesting.



## SECTION 2 REMUNERATION POLICY – continued

2019	Target 1	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>75% NEPS</b>	
2020	Target 2	Minimum target of weighted average cost of capital (WACC)** +2% with the maximum shares awarded at WACC +6%.
	<b>25% ROFE*</b>	
2021	Target 1	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>60% NEPS</b>	
2022	Target 2	Minimum target of WACC** +2% with the maximum shares awarded at WACC +6%.
	<b>40% ROFE*</b>	
2023	Target 1	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>60% NEPS</b>	
2024	Target 2	Minimum target of WACC +3% with the maximum shares awarded at WACC +7%.
	<b>40% ROFE*</b>	

**Shares are awarded proportionately between the minimum and maximum targets.**

**Future awards (2023 onwards)**  
**50% NEPS and 50% ROFE**

## 2019 awards

### 75% NEPS and 25% ROFE

Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.

Minimum target of weighted average cost of capital (WACC)\*\* +2% with the maximum shares awarded at WACC +6%.

## 2020, 2021 and 2022 awards

### 60% NEPS and 40% ROFE

Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.

Minimum target of WACC\*\* +2% with the maximum shares awarded at WACC +6%.

Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.

Minimum target of WACC +2% with the maximum shares awarded at WACC +6%.

Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.

Minimum target of WACC +3% with the maximum shares awarded at WACC +7%.

**Shares are awarded proportionately between the minimum and maximum targets.**

## Future awards (2023 onwards)

### 50% NEPS and 50% ROFE

## Termination of employment or office

Non-executive directors are appointed in terms of a formal letter of appointment and are not required to serve notice periods. In terms of the group's policy, all non-executive directors who have served on the board for nine years or longer or who are 70 years of age or over are required to stand for re-election on an annual basis. A non-executive director may not serve on the board for longer than 12 years.

Executive directors, prescribed officers and other key senior management are employed on standard employment agreements.

Employment contracts for executive management do not provide for termination payments arising from incapacity, dismissal, voluntary resignation, retirement, retrenchment or redundancy. In addition, no contracted balloon payments are due to executives upon termination.

## Notice period

The following notice periods are in place:

Non-executive directors	Group CEO	GCD	Prescribed officers
<b>0</b> months	<b>6</b> months	<b>3</b> months	<b>3</b> months

## Malus and clawback policy

ADvTECH has a malus and clawback policy to align shareholder interests and the remuneration outcomes of employees. It allows the group to reduce or recoup the incentive remuneration in defined circumstances and is applicable to all ADvTECH employees who participate in the variable incentive remuneration programme.

This policy ensures that excessive or inappropriate risk-taking is not rewarded and ensures a fair outcome when variable remuneration is awarded. The policy further contains trigger events which would result in the implementation of the policy to reduce or claw back incentive awards in line with the policy.

## Some of the trigger events include:

- Where a material misstatement resulted in an adjustment in the audited consolidated accounts of the company or the audited accounts of any member of the group; and/or
- Where any information used to determine the quantum of an incentive remuneration amount was based on an error, or inaccurate or misleading information; and/or
- Where any action or conduct of a participant which, in the reasonable opinion of the board, amounts to serious misconduct; and/or

- Where any events or behaviour of a participant or the existence of events attributable to a participant, which led to the censure of the company or a member of the group by a regulatory authority, or have had a significant detrimental impact on the reputation of the company; and/or
- The board or RemCom, in their discretion, deems it necessary to apply malus or clawback.

## Minimum shareholder requirements policy

ADvTECH's MSR policy seeks to align shareholder interests with executive objectives and to drive an increased level of executive accountability for the longer-term sustainability of the organisation.

## The policy is based on the following principles:

- Each executive's MSR target is determined using the individual guaranteed annual remuneration;
- The target must be achieved within seven years (5 years: 2021) from approval of this policy (March 2021) or from the start date in the case of new appointees, unless otherwise determined by the RemCom considering market conditions and related factors;
- The scheme is not intended to compel executives to incur debt to acquire ADvTECH shares, but rather that executives should retain an agreed percentage of shares acquired through the operation of share incentive schemes;
- At least 50% of the executives' vested retention share awards and at least 30% of vested performance share awards must be retained until the MSR target has been achieved;
- Compliance to the MSR target will be measured annually and executives will have to declare the extent of their personal shareholdings in the company at each year-end; and
- RemCom will assess compliance with the MSR before making future discretionary LTI awards.

## The MSR targets are set as follows:

Group CEO	2 X	Guaranteed annual remuneration at year-end
GCD	1.6 X	
Prescribed officers	1 X	

Compliance with the achievement of the MSR targets is measured annually and appropriate remedies for non-compliance are considered before future awards are made. Refer to page \*\* for disclosure on MSR.

## Non-binding advisory vote on the remuneration policy

The shareholders of ADvTECH will be requested to cast a non-binding advisory vote on the remuneration policy at the AGM on Thursday, 18 May 2023. Our remuneration policy sets out the principles used to ensure competitive remuneration while complying with all applicable laws and codes. This policy applies to the payments, accruals and awards made to executive directors, non-executive directors, senior executives and prescribed officers for the year ended 31 December 2023.

\* The return on funds employed (ROFE) is calculated by dividing the normalised EBIT by the average funds employed for the year. The funds employed for each year are calculated by taking total assets for the year less cash balances and all non-interest-bearing liabilities.

\*\* The average WACC that is applicable during the relevant performance period.

## SECTION 3

### IMPLEMENTATION REPORT

The implementation report sets out the information and amounts pertaining to the applications of the remuneration policy in relation to executive and non-executive directors.

#### Guaranteed remuneration: Executive directors, prescribed officers and senior executives

##### Executive directors' increase FY2022

- The group CEO and GCD received an increase in 2022 in line with CPI.

##### Prescribed officers' increases FY2022

- All prescribed officers received increases in 2022 in line with CPI.

#### Short-term incentives

During the year under review, the operating profit and ROFE stretch targets were achieved.

#### Financial KPAs

	Operating profit	ROFE
Actual 2021	R1 108.3 million	16.6%
Budget	R1 223.4 million	17.4%
Threshold	R1 186.7 million	16.9%
Stretch target	R1 260.1 million	17.9%
Actual achievement	<b>R1 332.5 million</b>	<b>18.9%</b>

Based on the group's balanced scorecard, additional non-financial performance goals or KPAs were formulated in line with our strategic objectives. These individual KPAs are aligned to the executive's area of influence.

#### Non-financial KPAs

Strategic objectives	Target measures	Weightings		Target achieved
		Group CEO	GCD	
SO1 Academic excellence	Delivery of superior teaching and learning methodologies, competitive global performance benchmarking and learning analytics and expert insights.	15%	–	✓✓
SO2 Growth	Organic and acquisitive growth, growth in product, channel, market segmentation and geographic footprint.	65%	20%	✓✓✓
SO3 Customer focus	Delivery of an end-to-end service to customers driven by an understanding of, and responsiveness to customer needs.	–	–	✓✓
SO4 Educational productivity	Optimise organisational processes and structures.	–	15%	✓✓✓
SO5 Human capital productivity	Delivery of a high performance, high engagement culture through positioning the right people in the right roles to drive levels of excellent productivity.	5%	10%	✓✓✓
SO6 Capital productivity	Delivery of an efficient portfolio of brands to drive an effective return on assets and optimisation of cost structures.	–	40%	✓✓✓
SO7 Excellence through specialisation	Achieved by targeting high demand niche markets with special skills and continuously refreshed candidate database.	10%	–	✓✓✓
Risk mitigation	All non-financial KPAs are underpinned by delivering robust employment equity initiatives, rigorous governance structures and financial controls.	5%	15%	✓✓✓
<b>Total</b>		<b>100%</b>	<b>100%</b>	
<b>KPA outcomes of executives</b>		<b>79%</b>	<b>84%</b>	



Read more about our strategy and strategic objectives on page 31

#### Target

✓✓✓  
Achieved

✓✓  
Significant progress



### Outcome of executive bonuses

KPs	Weighting	Achievement	
		GCEO	GCD
Operating profit	40%	40%	40%
ROFE	30%	30%	30%
KPs	30%	24%	25%
<b>Total</b>	<b>100%</b>	<b>94%</b>	<b>95%</b>

### Directors and prescribed officers

Emoluments paid to executive directors and prescribed officers of the group for the years ended 31 December 2022 and 2021, are set out below:

#### Emoluments paid to executive directors and prescribed officers of the group for the year ended 31 December 2022

Name	Salary R	Long-service award R	Expense allowance R	Provident fund contributions R	Total guaranteed remuneration R	STI awards R	LTI awards R	Total variable remuneration R	Total guaranteed and variable remuneration R
<b>Executive directors</b>									
RJ Douglas	4 287 641	–	180 000	569 624	<b>5 037 265</b>	4 787 668	4 156 901	8 944 569	13 981 834
JDR Oesch	3 210 405	–	150 000	428 452	<b>3 788 857</b>	2 927 014	2 537 516	5 464 530	9 253 387
<b>Total executive directors</b>	<b>7 498 046</b>	<b>–</b>	<b>330 000</b>	<b>998 076</b>	<b>8 826 122</b>	<b>7 714 682</b>	<b>6 694 417</b>	<b>14 409 099</b>	<b>23 235 221</b>
<b>Prescribed officers</b>									
MD Aitken	2 663 049	–	363 349	389 026	<b>3 415 424</b>	2 420 746	2 146 136	4 566 882	7 982 306
FJ Coughlan*	639 300	–	39 582	58 699	<b>737 580</b>	2 468 978	–	2 468 978	3 206 559
DL Honey	3 217 885	44 000	199 176	422 544	<b>3 883 606</b>	2 900 930	2 590 865	5 491 795	9 375 401
LA Wiseman**	2 297 583	–	37 040	156 236	<b>2 490 859</b>	1 521 282	929 142	2 450 424	4 941 283
<b>Total prescribed officers</b>	<b>8 817 817</b>	<b>44 000</b>	<b>639 147</b>	<b>1 026 505</b>	<b>10 527 469</b>	<b>9 311 936</b>	<b>5 666 143</b>	<b>14 978 079</b>	<b>25 505 549</b>

\* FJ Coughlan resigned 14 February 2022.

\*\* LA Wiseman was identified as a prescribed officer from 1 March 2022, however, her full annual remuneration is included above.

#### Emoluments paid to executive directors and prescribed officers of the group for the year ended 31 December 2021

Name	Salary R	Long-service award R	Expense allowance R	Provident fund contributions R	Total guaranteed remuneration R	STI awards R	LTI awards R	Total variable remuneration R	Total guaranteed and variable remuneration R
<b>Executive directors</b>									
RJ Douglas	4 095 255	–	180 000	545 095	4 820 350	4 588 973	3 007 883	7 596 856	12 417 206
JDR Oesch	3 065 699	–	150 000	410 002	3 625 701	2 787 438	1 749 881	4 537 319	8 163 020
<b>Total executive directors</b>	<b>7 160 954</b>	<b>–</b>	<b>330 000</b>	<b>955 097</b>	<b>8 446 050</b>	<b>7 376 411</b>	<b>4 757 764</b>	<b>12 134 175</b>	<b>20 580 225</b>
<b>Prescribed officers</b>									
MD Aitken	2 599 655	6 000	292 524	203 974	3 102 153	2 328 307	1 460 506	3 788 813	6 890 967
FJ Coughlan	2 669 261	–	232 524	347 981	3 249 766	–	1 452 423	1 452 423	4 702 189
DL Honey	2 987 819	–	189 444	393 187	3 570 450	2 780 819	2 061 554	4 842 373	8 412 823
<b>Total prescribed officers</b>	<b>8 256 735</b>	<b>6 000</b>	<b>714 492</b>	<b>945 142</b>	<b>9 922 370</b>	<b>5 109 126</b>	<b>4 974 483</b>	<b>10 083 609</b>	<b>20 005 979</b>

## Long-term incentives

The directors and prescribed officers were awarded the following shares at 31 December 2022:

	Share awards as at 31 December 2021	Shares awarded during the year	Fair value of awards at grant date (rand)	Share awards vested during the year	Share awards forfeited during the year	Share awards as at 31 December 2022	Fair value of outstanding awards as at 31 December 2022 (R18.18)
Name	Number	Number		Number	Benefit arising at fair value at grant date (R)	Number	Number
<b>Executive directors</b>							
RJ Douglas	397 162 607 097 354 177	285 610	4 634 881 5 488 157 4 675 136 5 229 519	356 204	4 156 901	40 958	– 607 097 354 177 285 610 11 037 023 6 438 938 5 192 390
JDR Oesch	238 985 365 310 213 120	171 861	2 788 955 3 302 402 2 813 184 3 146 775	214 340	2 501 348	24 645	– 365 310 213 120 171 861 6 641 336 3 874 522 3 124 433
<b>Prescribed officers</b>							
MD Aitken	205 048 311 955 181 993	146 760	2 392 910 2 820 073 2 402 308 2 687 176	183 902	2 146 136	21 146	– 311 955 181 993 146 760 5 671 342 3 308 633 2 668 097
FJ Coughlan	155 747 239 196 145 127		– – –			155 747 239 196 145 127	– – –
DL Honey	242 198 349 265 203 759	174 172	2 826 451 3 157 356 2 689 619 3 189 089	217 221	2 534 969	24 977	– 349 265 203 759 174 172 6 349 638 3 704 339 3 166 447
LA Wiseman	86 777 135 150 82 394	99 664	1 012 688 1 221 756 1 087 601 1 824 848	79 618	929 142	7 159	– 135 150 82 394 99 664 2 457 027 1 497 923 1 811 892
<b>Total</b>	<b>4 514 460</b>	<b>878 067</b>	<b>59 390 882</b>	<b>1 051 285</b>	<b>12 268 496</b>	<b>658 955</b>	<b>3 682 287</b> <b>66 943 978</b>

## MSI scheme

Outcomes of the 2019 awards that vested in 2022:

	Weighting	Target		Achieved total	Percentage of shares vested
		Threshold	Stretch		
NEPS (cents)	75%	88.9	108.0	121.5	100%
ROFE (3 year average)	25%	13.1%	17.1%	14.9%	45%

## Vesting outcomes of all participants

The 2019 awards vested in 2022:

	Shares awarded 2019	Shares vested 2022
Performance shares	2 096 454	1 558 250
Retention shares	968 457	843 921
<b>Total number of shares awarded</b>	<b>3 064 991</b>	<b>2 402 171</b>

Note: The 2020, 2021 and 2022 awards vest in 2023, 2024 and 2025 respectively.

\* The performance shares include 1 355 000 and 203 250 in relation to the NEPS and ROFE targets respectively.





## LTI

## Outcomes of 2019 awards – executives and prescribed officers

Name	Shares awarded	Shares vested				Shares forfeited
		Retention	NEPS	ROFE	Total	
<b>Executive directors</b>						
RJ Douglas	397 162	99 290	223 403	33 511	356 204	40 958
JDR Oesch	238 985	59 746	134 429	20 164	214 340	24 645
<b>Total</b>	<b>636 147</b>	<b>158 766</b>	<b>357 832</b>	<b>53 675</b>	<b>570 544</b>	<b>65 603</b>
<b>Prescribed officers</b>						
MD Aitken	205 048	51 262	115 339	17 301	183 902	21 146
DL Honey	242 198	60 549	136 236	20 435	217 221	24 977
LA Wiseman	86 777	34 711	39 050	5 857	79 618	7 159
<b>Total</b>	<b>534 023</b>	<b>146 522</b>	<b>290 625</b>	<b>43 593</b>	<b>480 741</b>	<b>53 282</b>

## Share incentive scheme

The directors and prescribed officers held the following share options at 31 December 2022:

Name	Share options as at 31 December 2021*		Share options lapsed during the year	Share options exercised during the year			Share options as at 31 December 2022
	Number	Exercise price (cents)		Number	Market price at exercise date (cents)	Benefit arising on exercise of options (R)	
<b>Executive directors</b>							
RJ Douglas	55 533	1 696	55 533				–
JDR Oesch	41 100	1 696		41 100	1 784	36 168	–
<b>Prescribed officers</b>							
MD Aitken	11 667	1 696	11 667				–
FJ Coughlan**	30 133	1 696	30 133				–
DL Honey	41 100	1 696		41 100	1 832	55 896	–
LA Wiseman***	20 000	1 696	20 000				–
	<b>199 533</b>		<b>117 333</b>	<b>82 200</b>		<b>92 064</b>	<b>–</b>

Share options not exercised during the year have lapsed due to the termination of the scheme at the end of 2022.

\* The share awards as at 31 December 2021 has been restated to show the awards held in the prior year.

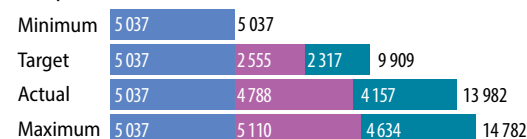
\*\* FJ Coughlan resigned on 14 February 2022.

\*\*\* LA Wiseman was identified as a prescribed officer on 1 March 2022.

## Single figure remuneration

Actual single figure remuneration for the 2022 financial year compared to the minimum, on-target and maximum scenarios.

## Group CEO (R'000)



■ Guaranteed

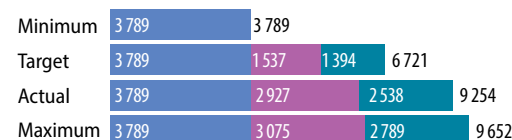
■ \*STI

\* The maximum STI amount is based on the annual guaranteed remuneration following salary increases that are effective from 1 April each year.

■ \*\*LTI

\*\* The maximum LTI amount is based on the fair value of the shares at grant date.

## GCD (R'000)



## Minimum shareholder requirements

Name	Guaranteed annual remuneration	Direct shareholding as at 31 Dec 2022	Value of shareholding at the share price as at 31 Dec 2022 (R18.18)	MSR target	Actual ratio of shareholding as at 31 Dec 2022	Prior ratio of shareholding as at 31 Dec 2021
<b>Executive directors</b>						
RJ Douglas	5 037 265	1 091 612	19 845 506	2.0	3.9	2.7
JDR Oesch	3 788 857	2 411 217	43 835 925	1.6	11.6	11.1
<b>Prescribed officers</b>						
MD Aitken	3 415 424	239 153	4 347 802	1.0	1.3	0.8
DL Honey	3 807 248	7 568 259	137 590 949	1.0	36.1	35.4
LA Wiseman*	2 989 030	360 823	6 559 762	1.0	2.2	–

\* LA Wiseman was identified as a prescribed officer on 1 March 2022.

## Non-executive directors' remuneration

ADvTECH seeks to appoint and retain high calibre non-executive directors to ensure meaningful deliberations of the board. RemCom recommends to the board the fees to be paid to non-executive directors during the year. Non-executive directors' remuneration is based on a combination of an annual retainer and attendance fees.

The fees payable to non-executive directors were approved by special resolution of the shareholders at the AGM held on 26 May 2022, as required by the Companies Act.

### Non-executive directors' fees for 2022

Non-executive directors' fees are based on attendance of board, committee and ad hoc committee meetings. An additional fee is payable to the chairman of the board and committees.

ADvTECH subscribes to two non-executive director reports: the PwC Non-Executive Directors Practices and Fees Trends Report, and the Deloitte Non-Executive Directors Report, both of which are considered in determining the annual increase proposal.

### Non-executive directors' emoluments

Emoluments paid to non-executive directors of the group for the ended 31 December 2022, are set out below:

	Board R	Audit and risk committee R	Remuneration committee R	TSEC R	Investment committee R	Nominations committee R	Total 2022 R	2021 R
<b>Directors</b>								
CH Boulle	575 074	–	–	88 838	9 158	35 500	<b>708 570</b>	693 417
JS Chimhanzi	318 198	106 909	–	106 436	–	–	<b>531 543</b>	473 080
KM Gugushe*	135 092	34 402	–	45 869	–	–	<b>215 363</b>	531 706
JM Hofmeyr**	–	–	–	–	–	–	–	196 314
SS Lazar	381 838	–	–	–	64 132	25 800	<b>471 770</b>	128 857
MM Nkosi	318 198	–	65 315	–	53 444	21 500	<b>458 457</b>	304 799
CB Thomson	318 198	106 909	65 315	–	100 473	–	<b>590 895</b>	428 712
SW van Graan****	81 867	–	–	3 682	–	2 274	<b>87 823</b>	–
KDM Warburton	318 198	195 429	91 815	–	53 444	–	<b>658 886</b>	632 092
A Watson*****	63 876	22 600	3 501	–	–	–	<b>89 977</b>	–
JS Zimmermann***	–	–	–	–	–	–	–	199 431
SA Zinn****	–	–	–	–	–	–	–	492 340
<b>Total non-executive</b>	<b>2 510 539</b>	<b>466 249</b>	<b>225 946</b>	<b>244 825</b>	<b>280 651</b>	<b>85 074</b>	<b>3 813 284</b>	<b>4 080 748</b>

An amount of R389 191 relating to value-added tax was paid on directors' fees.

\* KM Gugushe retired by rotation at the AGM held on 26 May 2022.

\*\* M Hofmeyr retired by rotation at the AGM held on 27 May 2021.

\*\*\* JS Zimmermann retired by rotation at the AGM held on 27 May 2021.

\*\*\*\* SA Zinn retired from the board on 31 December 2021.

\*\*\*\*\* SW van Graan was appointed 1 October 2022.

\*\*\*\*\* A Watson was appointed 1 November 2022.





### Annual fees payable to non-executive directors

The board, on recommendation by the committee, resolved to propose a 4% increase in non-executive directors' fees for 2023/2024 which will be tabled at the next AGM, to be held on Thursday, 18 May 2023 for shareholder approval.

#### Proposed annual fee: July 2023 to June 2024 (all fees are exclusive of VAT)

	2023		2022	
	Proposed retainer fee	Proposed fee per meeting attended	Retainer fee	Fee per meeting attended
<b>Board/committee</b>				
Directors	222 108	29 614	213 566	28 475
Audit and Risk Committee	60 575	13 461	58 245	12 945
Remuneration Committee	43 225	6 984	41 562	6 716
Transformation, Social and Ethics Committee	45 458	10 102	43 710	9 713
Investment Committee	38 859	8 636	37 365	8 304
Nominations Committee	28 080	4 160	27 000	4 000

#### Additional fee payable to chairman of board/committee:

	2023		2022	
	Proposed retainer fee	Proposed fee per meeting attended	Retainer fee	Fee per meeting attended
<b>Board/committee</b>				
Directors	179 302	23 908	172 406	22 988
Audit and Risk Committee	50 156	11 146	48 227	10 718
Remuneration Committee	17 910	2 893	17 221	2 782
Transformation, Social and Ethics Committee	32 260	7 170	31 019	6 894
Investment Committee	34 196	7 600	32 881	7 307
Nominations Committee	18 720	2 600	18 000	2 500

A premium of 20% payable to non-resident non-executive directors which was approved by shareholders and will be proposed again for 2023.