WE NOURISH AND NURTURE MORE LIVES EVERY DAY
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WE NOURISH AND NURTURE MORE LIVES EVERY DAY

Tiger Brands is one of Africa’s largest, listed manufacturers of fast-moving consumer goods (FMCG). Our core business is manufacturing, marketing and distributing everyday branded food to middle-income consumers. We also distribute leading brands in the home, personal care and baby sectors.

In South Africa, Tiger Brands has prominent market shares in a broad range of categories, growing for almost a century through acquisitions and developing its brands.
Group profile

Tiger Brands has strong, iconic brands such as Albany, KOO and All Gold, with market-leading positions in most categories. Our brands are well entrenched with consumers.

Source: Nielsen.

In addition to our core South African business, we have operations in Nigeria and Cameroon. In recent years, we have built a sizeable exports business for our products throughout Africa.

Tiger Brands prides itself on being a world-class manufacturer and marketer of everyday branded goods. Our success is underpinned by the strength of these brands and continuous improvement initiatives. We support our core brands, backed by consumer and shopper research that provides comprehensive insights into our chosen categories and markets.

We also hold meaningful minority interests in associate companies:
- South Africa: JSE-listed Oceana Group Limited (42.1%) (fishing)
- Chile: Empresas Carozzi (24.4%) (FMCG)
- Nigeria: UAC Foods Limited (49.0%) (FMCG)
- Zimbabwe: Listed National Foods Holdings Limited (37.4%) (FMCG).

<table>
<thead>
<tr>
<th>Division</th>
<th>Category</th>
<th>Annual category value (Rm)</th>
<th>Tiger Brands value share %</th>
<th>Key Tiger Brands</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRAINS</td>
<td>Baked goods (bread)</td>
<td>6 285</td>
<td>32</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maize</td>
<td>3 712</td>
<td>13</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rice</td>
<td>4 887</td>
<td>30</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pasta</td>
<td>1 581</td>
<td>40</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Breakfast</td>
<td>1 082</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>SNACKS &amp; TREAT</td>
<td>Sugar lines</td>
<td>4 685</td>
<td>38</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>PERSONAL CARE</td>
<td>Camphor cream and lotions</td>
<td>298</td>
<td>27</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>GROCERIES</td>
<td>Beans</td>
<td>1 863</td>
<td>63</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mayonnaise</td>
<td>1 808</td>
<td>50</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Peanut butter</td>
<td>1 456</td>
<td>40</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tomato sauce</td>
<td>928</td>
<td>70</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Canned vegetables</td>
<td>742</td>
<td>59</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jam</td>
<td>740</td>
<td>33</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tomato products</td>
<td>555</td>
<td>22</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chakalaka</td>
<td>494</td>
<td>87</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>VALUE ADDED MEAT PRODUCTS</td>
<td>Canned processed meat</td>
<td>5 318</td>
<td>19</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>BEVERAGES</td>
<td>Concentrates</td>
<td>2 632</td>
<td>23</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sports drinks</td>
<td>1 151</td>
<td>35</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>HOME CARE</td>
<td>Insecticides</td>
<td>1 392</td>
<td>49</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sanitary cleaners</td>
<td>1 014</td>
<td>19</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>BABY</td>
<td>Homogenised food</td>
<td>813</td>
<td>86</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Baby care</td>
<td>872</td>
<td>15</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nielsen.

In addition to our core South African business, we have operations in Nigeria and Cameroon. In recent years, we have built a sizeable exports business for our products throughout Africa.
About this report

This integrated annual report provides a consolidated view of Tiger Brands Limited’s performance for the year to 30 September 2017, and follows a similar report for the year to 30 September 2016.

For further information, please contact the investor relations director, Nikki Catrakilis-Wagner
T: +27 11 840 4000 E: investorrelations@tigerbrands.com

Reporting principles and approach
By integrating financial, social and environmental performance, this report gives stakeholders a full understanding of our business, prospects and strategy in the context of our operating environment.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act.

In reporting on environmental, social and governance (ESG) aspects, we are guided by:
• King IV report
• Listings Requirements of the JSE Limited
• Standards and codes governing specific areas, including the Department of Trade and Industry’s broad-based black economic empowerment (BBBEE) codes of good practice
• Guiding principles of the International Integrated Reporting Committee (IIRC) framework (2013) – Tiger Brands reports against strategic goals and, as appropriate, how these affect the six capitals proposed in this framework

We no longer apply the principles and guidelines of the Global Reporting Initiative (GRI G4), which will be discontinued in July 2018. For Tiger Brands, the comprehensive King IV is more applicable and appropriate.

Boundary and scope
While this report is aimed primarily at providers of capital, we believe financial and non-financial disclosure will interest all stakeholder groups. The report covers the operations of Tiger Brands and its subsidiaries, with limited disclosure on associate companies, for the review period. There were no changes to the boundary or any measurement techniques in 2017.

The only significant change in our size, structure or ownership during the year was the disposal of our 51% interest in Ethiopia (East African Tiger Brands Industries). On 23 November 2017, Tiger Brands was notified that the transaction regarding the disposal of Haco Tiger Brands (Haco) has been approved by the Competition Authorities in Kenya. The estimated profit or loss on disposal is not expected to be material. These disposals reflect the refined approach to our Africa strategy of exiting non-core categories.

In the risk report (page 14), we identify external threats, opportunities and outcomes with a significant potential effect on our ability to create value. In our strategic review (page 18), we identify the most material issues for the group and outline our response.

Supplementary information
This report should be read with the annual financial statements on our website for a full understanding of the group.

Assurance
Our current combined assurance model is set out below:

<table>
<thead>
<tr>
<th>Business process</th>
<th>Nature of assurance</th>
<th>Assurance provider</th>
<th>In this report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual financial statements</td>
<td>External audit</td>
<td>Ernst &amp; Young Inc.</td>
<td>The scope of this audit is limited to information in the annual financial</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>statements and does not extend to any financial or operating indicators in the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>integrated report.</td>
</tr>
<tr>
<td>Environmental risk assessments</td>
<td>External audit</td>
<td>Marsh Proprietary Limited</td>
<td>Pages 66 to 69.</td>
</tr>
<tr>
<td>Social responsibility and sustainability</td>
<td>External audit</td>
<td>FTSE Russell</td>
<td>Tiger Brands ranks well on the FTSE ESG ratings (part of the FTSE4Good series,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>a multidimensional measure of environmental, social and governance exposure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>and practice.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The group reports annually on its carbon emissions under the global CDP.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Refer to website.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>In future, we will also publish a social return on investment (SROI)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>review of our socio-economic development projects.</td>
</tr>
<tr>
<td>BBBEE</td>
<td>External verification</td>
<td>EmpowerLogic Proprietary Limited</td>
<td>Transformation, page 52.</td>
</tr>
</tbody>
</table>

Approval
The audit committee and board acknowledge their joint responsibility for ensuring the integrity of the integrated report. Appropriate judgement and rigour have been applied in preparing this report and we conclude that it is presented in accordance with the IIRC framework.

Khotso Mokhele
Chairman
Board

Rob Nisbet
Chairman
Audit committee

28 November 2017
How we did

Financial capital

Domestic business delivers a strong performance in a tough trading environment with operating margins up to **15,6%**
(2016: 14,1%)

Group operating income** up 11% to **R4,6 billion**
(2016: R4,2 billion)

Group operating** margin up 110 basis points to **14,8%**
(2016: 13,7%)

Cash from operations up 43% to **R6,1 billion** benefiting from working capital improvements
(2016: R4,2 billion)

HEPS* up **2%** to **2 155 cents**
(2016: 2 119 cents)

Our measures of success

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Five-year target (2021)</th>
<th>FY17</th>
<th>FY16 restated*</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (R billion)</td>
<td>Category growth +1 – 2% pa</td>
<td>31,3</td>
<td>30,6</td>
<td>Met</td>
</tr>
<tr>
<td>Gross margin</td>
<td>+150 – 180bps*</td>
<td>33,4%</td>
<td>31,8%</td>
<td>Met</td>
</tr>
<tr>
<td>Marketing investment (% of net sales)</td>
<td>+100 – 160bps</td>
<td>2,5%</td>
<td>2,5%</td>
<td>Met</td>
</tr>
<tr>
<td>Operating margin (before IFRS 2 charges)</td>
<td>+100 – 160bps</td>
<td>14,8%</td>
<td>13,7%</td>
<td>Met</td>
</tr>
<tr>
<td>Return on net assets</td>
<td>&gt;35%</td>
<td>35,3%</td>
<td>30,4%</td>
<td>Met</td>
</tr>
</tbody>
</table>

* bps – basis points.
† Restated for early adoption of IFRS 15 Revenue from Contracts with Customers. Refer note 6 in the condensed consolidated financial statements.
# Restated as required by IFRS 5 for treatment of East Africa Tiger Brands Industries plc and Haco Tiger Brands Limited as discontinued operations.

Human capital

Invested in our people **R57 million**
(2016: R67 million)
BUSINESS OVERVIEW

Natural capital

Water use intensity 2,12kℓ/ton (2016: 2,32kℓ/ton)

Intellectual capital

Innovation as % of revenue 4,3% (2016: 4,5%)

Manufactured capital

Invested in facilities R919 million (2016: R945 million)

Social capital

Invested in communities R35 million (2016: R23 million)

Beneficiaries reached 104 000 (2016: 101 000)
Our markets and operating environment

We summarise key issues and trends in our operating environment for further insight on our performance.

**Global growth**

- Relatively steady growth as key global economies recover – reflecting rising employment and benign inflation

<table>
<thead>
<tr>
<th></th>
<th>Ave % y/y</th>
<th>2015a</th>
<th>2016a</th>
<th>2017f</th>
<th>2018f</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>2,6</td>
<td>1,6</td>
<td>2,0</td>
<td>2,0</td>
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</tr>
<tr>
<td>Eurozone</td>
<td>2,0</td>
<td>1,6</td>
<td>1,9</td>
<td>1,7</td>
<td></td>
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<tr>
<td>Japan</td>
<td>1,2</td>
<td>1,0</td>
<td>1,5</td>
<td>1,0</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>6,9</td>
<td>6,7</td>
<td>6,5</td>
<td>6,3</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>1,3</td>
<td>0,3</td>
<td>0,7</td>
<td>1,1</td>
<td></td>
</tr>
</tbody>
</table>

*a Actual  f Forecast*

**South African economy**

- South Africa out of sync with global recovery, and briefly slipped into recession in 2017 (first time since 2009)

- SA current business cycle downswing has lasted four years, marking the second longest downturn in its history

- Fiscus under extreme pressure: lower tax collections (estimate – R51 billion), higher contingent liabilities from treasury guarantees on borrowings by state-owned entities (R689 billion), sovereign credit rating downgrades (with further downgrades likely)

**Export territories**

Our distribution network spans 25 African countries

- Angola
- Burkina Faso
- DRC
- Equatorial Guinea
- Ethiopia
- Ghana
- Kenya
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- Reunion
- Seychelles
- Sierra Leone
- Sudan
- Tanzania
- Uganda
- Zambia
- Zimbabwe
• Despite broadly strengthening in 2017, rand extremely vulnerable to negative domestic political and economic news

• Inflation of 6.3% vs 0.2% real growth in personal income in 2016 keeping household expenditure under extreme pressure

• Overall consumer spending environment expected to remain weak over the near term (weaker exchange rate, higher taxes + fuel levies (some R2.5 billion from consumers’ pockets), higher fuel price (at 2014 peaks))

Long-term trends in real income per person since 2011

<table>
<thead>
<tr>
<th>Range</th>
<th>Average</th>
<th>% growth 2011 - 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>R0 – R12 700</td>
<td>22.7</td>
<td></td>
</tr>
<tr>
<td>R12 701 – R51 000</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>R51 001 – R111 000</td>
<td>(1.9)</td>
<td></td>
</tr>
<tr>
<td>R111 001 – R240 000</td>
<td>(4.9)</td>
<td></td>
</tr>
<tr>
<td>R240 001 – R382 000</td>
<td>(6.8)</td>
<td></td>
</tr>
<tr>
<td>R382 001 – R787 000</td>
<td>(15.4)</td>
<td></td>
</tr>
<tr>
<td>R787 001 – R1 698 000</td>
<td>(19.7)</td>
<td></td>
</tr>
<tr>
<td>R1 698 001 +</td>
<td>(30.6)</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>0.4</td>
<td></td>
</tr>
</tbody>
</table>

Source: BMR, Standard Bank Research.
Managing our business

Managing our business sustainably

Sustainability (encompassing social, environmental and economic issues) is managed centrally by Tiger Brands’ corporate affairs team and embedded in the group’s strategy to create shared value for all our stakeholders through real benefits and constructive partnerships that secure our social licence to operate.

After thorough review, we have crystallised the key elements of Tiger Brands in society and what constitutes good corporate citizenship in creating shared value as:

- Moving from compliance to leadership in social development
- Tiger Brands as a force for good
- From charitable giving to sustainable social impact and shared value
- Constructive and strategic stakeholder engagement
- Employees as our ambassadors.

Importantly, given the pace of change in our key markets and our industry, our corporate affairs team is a central source of expertise in effective communication, government relations, stakeholder engagement and compliance in terms of BBBEE regulations to promote inclusive economic development. This team has the capacity to anticipate trends and changes in legislation, regulation and stakeholder needs, and the ability to plan and deliver appropriate responses.
Chairman’s review

Towards a shared vision

Tiger Brands has produced commendable results in a year where the macro-environment has arguably been a greater impediment to corporate performance than in recent memory.

Introduction

In South Africa, four years of anaemic GDP growth are mirrored in unprecedented unemployment levels, which have led to deteriorating socio-economic conditions and heightened the risk of social upheaval. The policy certainty that is a prerequisite to turn national fortunes around is sadly eluding us, driven mainly by the mutually reinforcing twin factors of discord within the governing political party and massive corruption in state and parastatal institutions. Levels of alleged corruption have become almost endemic in certain key entities of governance, and attracted the attention of global authorities. These factors have combined to place South Africa on a slippery slope of negative business confidence and sovereign credit rating downgrades.

Recent scandals that have unmasked private sector collusion with state corruption could mark a tipping point that will energise the citizenry and civil society to arrest and even reverse many of the negative trends that have challenged our young and immature democracy.

It is thus serendipitous that the new and globally acclaimed benchmark in corporate governance, King IV, takes effect at this time, highlighting the importance of creating value for all stakeholders by managing public and private entities responsibly, ethically and transparently. It is therefore crucial that compliance with King IV is not approached bureaucratically, but rather used to inspire activism in driving the values espoused in the code, not just within a particular company or entity but throughout society.

Governance

There were several changes to the board of Tiger Brands in the review period. My tenure as chairperson began on 21 February 2017 on the retirement of my predecessor, André Parker. Two long-serving directors, Bheki Sibiya and Santie Botha, also retired from the board in line with its succession plan. Two dynamic and competent directors, Emma Mashilwane and Swazi Tshabalala, were appointed to replace these experienced directors.

Prior to his retirement, Mr Parker had commissioned an externally facilitated and far-reaching review of the performance of the board. This yielded a number of recommendations which were implemented to strengthen board performance. Key among these was to strengthen the role of the board in setting the strategic direction of the company. Greater focus was also placed on the investment committee to enhance the vigour with which potential mergers and acquisitions (M&A) will be assessed.
We are determined to unlock the full potential of Tiger Brands for the benefit of all. The proof of our determination rests on our performance.

Outlook
The CEO details the operational outlook for Tiger Brands. As the only consumer goods company in the JSE’s top 40, our group has an important societal role to play. To honour the responsibilities inferred by this role, we are working with stakeholders at every level to address immediate concerns such as water supply and food security and, longer term, towards creating a more equitable, sustainable economy that benefits all the country’s citizens.

Given the political tipping point we have reached in South Africa, and the broader implications, it is pertinent for me to comment on this sphere.

The elective conference of the governing party scheduled for December 2017 is likely to mark a critical milestone in the journey towards maturing our young democracy. For this journey to lead to a robust democracy, all stakeholders, including the private sector, will have to play their constructive part to ensure the values enshrined in our globally respected and admired constitution are defended and allowed to flourish.

South Africa Inc can no longer operate with the mixed messages and signals from major stakeholder groupings. Understanding that we are going to have to carry the cost for government failures across a broad front, it is time for business to fully commit to a sustainable democracy and display courage in ensuring that the political and public sectors live up to their constitutional obligations.

Appreciation
With the full support of the board, the new Tiger Brands is unfolding. Change on this scale, however, is seldom easy and we deeply appreciate the commitment evident at every level. I am also grateful for the counsel and insight of my fellow directors, the dedication of the executive team and willing engagement from our key stakeholders. Together, we are working towards a shared vision.

We are sincerely grateful for the contributions of André Parker, Santie Botha and Bheki Sibiya during their tenure. As a board, we appreciated the wisdom they added to proceedings.

Khotso Mokhele
Chairman
28 November 2017
Chief executive officer’s review

Achieving our true potential

Key strategic objectives
- Achieving our true potential by growing the core and expanding into adjacent categories and geographies, while delivering top tier financial results
- Deploy an operating model that provides the capabilities needed to deliver on our growth objectives
- Build distinctive capabilities required to win with consumers, customers and business partners
- Build a world-class integrated supply chain to leverage scale and create fuel for growth
- Investing in our communities and sustainable supply.

The head and the heart of our strategy
When I addressed the Tiger Brands team on the first day of our new financial year, it was with a sense of pride for the organisation we are and excitement for the significant opportunities ahead.

In the review period, we completed the groundwork for the strategy that will guide us to 2022, detailed on page 18. This required much work and, arguably, an unprecedented level of support, collaboration and commitment, all while delivering a strong operating result for the year. This was indeed an achievement and source of pride for the entire group.
Chief executive officer’s review continued

Essentially, 1 October 2017 was the start of our new five-year strategy and the first step towards our 2022 ambition to achieve our true potential. When we started this journey, almost a year ago, we agreed that our historical performance had not met expectations. We also had feedback from all levels of the organisation that our ways of working were not entirely conducive to leveraging our scale as one Tiger team resulting in an agile, lean organisation that responds quickly.

We therefore set about creating a new strategy and a new operating model that would unlock our true growth potential and deliver a sustainable, top-tier performance.

We started by defining our higher purpose, our reason for being: to nourish and nurture more lives every day:
- In the workplace, by creating meaningful opportunities for professional development and growth; committing to working safely; living our values; caring for each other and creating a great place to work
- Focusing on our communities and minimising our environmental footprint.

We then agreed a clear and compelling vision that encapsulates the head (financial targets) and heart (our stakeholders, beginning with our people) of our strategy:
- Deliver top-tier financial results and be recognised by all stakeholders as the best FMCG company in South Africa as well as the most desirable growth company on the continent. Fundamental to achieving our vision is attracting the best talent because we are recognised as a great place to work.

With a clear purpose and vision, we were able to focus on the growth plans to reach these goals:
- Realise maximum growth from our core business and brands in South Africa – by harnessing existing capabilities while building skills for the longer term, and managing costs while capitalising on organisational opportunities
- Expand our presence in developing markets, with the immediate priority of expanding the footprint of our power brands into Africa.

While we prepared for a sustainable future, we clearly still had to navigate the present by delivering against our FY17 targets. The operating environment remained intensely challenging, exacerbated by a highly competitive market. The level of political turmoil and social unrest escalated sharply as the economy deteriorated. For the group, social unrest manifested in strikes at two operating units (beverages, and snacks and treats). While lost production clearly had a bottom-line cost for the group, improving our relationship with organised labour is more important. We are focused on strengthening both lines and means of communication to ensure we address concerns timeously and in a way that benefits all.

Our response to material issues within our control and those outside our control is detailed on page 22, but key for the executive team is to correctly manage the scale of change under way in our group needed to support our strategy. Essentially, this is a process that begins with refreshed values that, in turn, elicit the behaviours that support the key metrics or KPIs that mark our progress towards our strategic goals. We keenly understand that our people are fundamental to our strategy and as important as our brands, and we use periodic employee surveys to track their satisfaction and ensure we anticipate their changing needs.

While key factors in our market are summarised on pages 6 and 7, the state of South Africa highlights the need for companies to honour their commitments as responsible corporate citizens and deploy their resources most effectively to assist their own people, communities and broader society. We take this responsibility very seriously, investing in our people and communities during the year (detailed on pages 45 to 61), and against clear strategies to deliver tangible and growing benefits for all in years to come.

Overall, as detailed in the financial review on page 34, Tiger Brands delivered strong operating results in FY17, driven by our domestic business, particularly our flagship Grains and Groceries divisions, under difficult conditions.

Importantly, these results reflect our focus on balancing trade-offs, for example managing absolute growth in profitability against volume and market share movements, while driving the efficiencies that will create the fuel for our future. Similar trade-offs are being made to better manage our environmental footprint, for example by investing in the security of water supply through various water stewardship initiatives. While this benefits specific manufacturing units, it is vital for affected communities. These and other environmental initiatives are detailed on pages 68 and 69.
New operating model

Throughout this review process, we benchmarked ourselves against best-in-class, locally and internationally, and we learned from detailed talent mapping where the capability gaps are, as well as where efficiency could be improved. This enabled us to craft an operating model that is truly specific to Tiger Brands, one that defines the capabilities we need to win and ensures the most effective trade-offs.

Implementing this new model is a complex project in a sizeable group with distinct operating units and a legacy spanning decades. It is founded on integration and the process has been facilitated by maximising available resources, such as pockets of excellence in specific disciplines or divisions, across the group. A good example of this approach is the progress made in scaling up centralised procurement into a hub that covers manufacturing, procurement itself and logistics or distribution. Our aim is to channel 80% of all procurement through the central hub over the medium term, from 50% at present. The hub has been appropriately staffed and targets set to maximise the scale of our group and simplify processes.

A vital component in the collaborative operating model is corporate culture. This, in turn, is a function of ways of working, ways of rewarding and ways of governing. We are simplifying our ways of working and reducing management levels while improving individual development and accountability. To attract the talent we need and retain existing capabilities, and after feedback from stakeholders, we have reviewed our remuneration structures (page 88) and strengthened the link to performance. Governance has been strengthened at board and executive level, with clear rotation and succession plans for the optimum balance between fresh insight and continuity. The new executive team is working well, and the group is benefiting from the experience and insight of external appointments to head grains, company secretariat and corporate affairs. We are also recruiting a new head of marketing as the incumbent retires in March 2018, a new head of human resources and a chief strategy officer, a new resource in the group. The executive team enters the new financial year well positioned to execute our strategy.

Transforming the corporate culture is a lengthy process, and one we have just begun. The progress and commitment to date are, however, deeply encouraging.

Outlook

We have a compelling strategy and clear targets that will allow us to win with consumers and grow the strength of our brands sustainably. These results also underscore the capability of our team in a period when much of our focus was internal. In the year ahead, our focus will be more external as we concentrate on incorporating the insights from our broad stakeholder engagement.

The economic outlook for 2018 is muted and we expect the operating environment to remain highly competitive. The group is, however, well positioned to navigate this environment and our focus will be on recovering volumes and market share while remaining committed to a cost-conscious culture.

In addition, we will pay significant attention to growing our core portfolio, increasing market penetration through our customer strategy and unlocking much greater value through a world-class, integrated supply chain. We will also drive far more focused innovation and marketing excellence through distinctive new marketing capabilities, directing our capital expenditure and marketing investment to our power brands to improve returns. These strategic aims will support our broader growth ambitions outside South Africa.

Appreciation

The commitment of Tiger teams across levels, divisions and geographies has been both humbling and inspiring. In return, unleashing the power of our people and creating a great place to work remains our priority and strategic lever for success.

Our board has been a source of great counsel and support throughout the year. We are deeply grateful. The contributions of our strategic partners and ongoing support from our service providers, suppliers and customers is equally valued. We will continue to listen to you, and work together towards mutual goals.

Lawrence Mac Dougall
Chief executive officer
28 November 2017
Risk management

Effective risk management is fundamental to our business activities and supports our strategic goals (page 18). By identifying and proactively addressing risks and opportunities, we aim to generate sustained value for stakeholders while protecting our business operations, reputation and the well-being of our employees.

Tiger Brands recognises that risk in business is a complex and diverse concept, and that many parts of the group focus on managing risk exposures. Our intention is that these parts work together in a consistent and integrated manner to manage and reduce risk appropriately. Ultimately, the function of risk management is to help Tiger Brands achieve its objectives and ensure a safer, healthier work environment for employees while preserving assets and earnings for the benefit of stakeholders.

Approach

Tiger Brands effectively identifies, manages and reports on risk across the organisation. Risk management activities are embedded in daily operations through processes, resources and structures. The group has adopted an enterprise-wide approach, meaning that every identified material risk is included in a structured and systematic process of risk management.

Risk appetite and tolerance

Risk appetite – the level of risk management is prepared to absorb before mitigating actions are implemented – has been determined by setting exposure limits at three tiers:

- Tier 1: any calculated risk exposure that requires no further management mitigation, ie does not present a catastrophic threat to Tiger Brands
- Tier 2: a threshold zone where any risk exposure that exceeds our risk appetite, but remains within the risk tolerance, may be acceptable but management must make a conscious decision about risk tolerance versus risk mitigation
- Tier 3: All exposure above our risk tolerance will be considered a significant risk and must be supported by a comprehensive mitigation plan and timeline for implementation.

Exposure limits are determined after assessing residual risk. The risk appetite, tolerance and velocity (time taken to feel the impact of a risk after it materialises) of the group is set by the risk and sustainability committee and approved by the board annually.

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This process complements existing risk management processes and aims to ensure Tiger Brands effectively identifies, manages and reports on risk across all operations and all territories. The underlying reporting structure starts at site level and rolls up into the relevant business unit, followed by divisional consolidation to culminate in risk reporting at group level.

**Governance**

The board of directors is ultimately responsible for oversight of the group’s risk management processes. The risk and sustainability committee assists the board by ensuring that the risk management process complies with the relevant standards and governance requirements in all the group’s operating territories. Senior management in each division and business unit is responsible for managing risks in its area. Oversight of risk management at divisional level rests with the relevant executive committees. Divisional and business unit risk registers are updated quarterly and the risk and sustainability committee meets three times a year.

To prioritise risks, each risk is evaluated in terms of likelihood and impact on an inherent (actual impact) and residual (after mitigating action) basis. The heat maps below reflect the significant inherent and residual risks for Tiger Brands.

![Heat Map](image-url)

- **R1** – Threats to employee safety
- **R2** – Adverse macroeconomic outlook
- **R3** – Exposure to cyber threats
- **R4** – Business continuity vulnerabilities
- **R5** – Regulatory and statutory non-compliance
- **R6** – Risk of earnings decline from associates
- **R7** – Fraud, theft, crime and corruption
- **R8** – Product quality
- **R9** – Ageing infrastructure
Risk management continued

The future state of group risks represents the executive committee’s view based on information available at the time of compiling this report. The group risk profile is reviewed quarterly and may be revised after considering changes to the local and macro-economic environment, crime, political developments, legislative and regulatory changes, socio-economic challenges and technological advancements. The Tiger Brands risk management process is therefore not a static view of risks facing the organisation.

Significant risks
Significant exposures are determined by analysing business unit risks, divisional risks and group risks. The score for each risk is determined by multiplying the likelihood of the risk occurring with its impact on Tiger Brands. A risk is regarded as significant when its score exceeds the risk tolerance set by the board. The link between risks and material issues is complex, but we have noted how key risks relate to material issues below. The following risks are regarded as significant to Tiger Brands:

Safety (Material issue: people – training and development, health and wellness)
At Tiger Brands, there is zero compromise on employee safety. Safety procedures aligned to the global OHSAS 18001 standard are embedded across all our manufacturing facilities, with restricted access controls at all production facilities.

Ongoing risk assessments, facilitated by an external security specialist, are focused on developing a strategy to reduce the safety risk to employees in certain businesses. A tailored risk response was developed from detailed risk assessments across these businesses, leading to a 90% year-on-year reduction in safety incidents.

In FY18, we will appoint a group safety manager and group security manager to coordinate and support these initiatives across the group.

While rigorous security risk assessments will be completed to establish clear priorities for an overarching group safety and security programme, a key focus in 2018 will be route to market security that poses a significant risk to Albany bakeries. Our health and safety performance for the review period is on page 50.

Adverse macro-economic outlook (Material issues: weak macro economy and job creation, effectively executing our strategy, people, innovation, food security)
As outlined on pages 6 and 7, our operating environment remains intensely challenging. We are focusing on the significant opportunities for efficiency improvements that have been identified in developing our new operating model. These will enable us to channel scarce resources to activities that drive the greatest impact.

Exposure to cyber threats (Material issues: effectively executing our strategy, people, innovation)
While technology introduces greater variety and convenience for consumers and more efficiency for businesses, it also opens more avenues for people to be targeted by cyber criminals. The threat of cyber crime has been managed by establishing regular communication across Tiger Brands to all staff. The latest anti-virus software has been installed on all desktops and servers, and appropriate network security controls are in place.

Group IT will continue to monitor the cyber security landscape with a view to implementing the latest security solutions and revising existing controls to safeguard the group against cyber crime.

Regulatory and statutory compliance (Material issues: effectively executing our strategy, people, innovation)
Tiger Brands is committed to complying with all legislative and regulatory requirements. Ongoing training programmes and articles in our in-house publication raise awareness about compliance and continuously provide guidance to all staff.

The governance forum, established to facilitate policy implementation aligned to the legal and risk environment, is attended by senior management across the business as well as support functions.

During the year, all levels of management, as well as sales and procurement staff, were trained in competition law. A better understanding of competition law aids employees in their day-to-day decision making and professional conduct.

Online ethics, anti-bribery and corruption training began in the latter part of the review period, reinforcing the ethical behaviour expected from all employees.

Business continuity (Material issues: effectively executing our strategy, people, innovation)
Loss of life, reputational damage and business performance can all be compromised by a catastrophic event or unplanned disruption. Complete business-continuity plans are already in place for high-priority packaging and raw materials across the business.

To manage this risk holistically, we are rolling out a formal business-continuity management process for the group’s manufacturing facilities over the next two years, ensuring a systematic and consistent approach to
business continuity. This risk is managed with appropriate
group insurance cover, reviewed annually, and disaster-
recovery plans that include replicating core business
applications and services, with maintenance and
support services agreements in place with key vendors.
We are also reviewing and investing in fire water
systems at all plants to lower the dependency on
municipal water supply.

Water restrictions imposed by municipalities in the
Western Cape have had a significant impact on our
manufacturing processes. This spans the supply chain,
from sourcing agricultural raw materials to water-
dependent manufacturing processes. Low water pressure
also poses a risk. Accordingly, all Western Cape
manufacturing sites have implemented fit-for-purpose
solutions, including water-recovery and treatment, while
water-storage facilities have been installed where viable.
As a strategic focus area, efficient use of water at all our
manufacturing operations has yielded results, although the
protracted drought requires ongoing initiatives to optimise
and reduce water use.

Risk, control and environmental audits are performed
by an external specialist annually. Results are used to
improve business-continuity planning and disaster-recovery
processes.

Comprehensive preventative maintenance plans are in
place and regularly reviewed at all manufacturing sites
to ensure supply meets demand requirements.

Exposure to the loss of power generation at all facilities is
regularly reviewed, both at site level and head office
from a centralised perspective. Although not an
immediate or escalating risk, power-generating capacity
is in place to cover key manufacturing processes where
applicable. Our energy strategies are summarised on
pages 66 to 69.

Fraud, theft, corruption and crime (Material issues:
effectively executing our strategy, people, innovation)
Internal controls are continuously reviewed to guard
against fraud and crime through employee awareness
campaigns, strict access control at all facilities, and
working with the local police in investigating syndicated
crime.

Our people are annually required to acknowledge
compliance to key group policies on anti-bribery and
corruption, ethics, and gifts and entertainment. The Tiger
Brands ethics line is available to all employees, suppliers
and customers to confidentially report unethical business
practices without fear or victimisation. The ethics
committee independently validates the effective
finalisation of all reports.

Access-control violations linked to fraud risks were
significantly remediated across the group during the year.

Risk of earnings decline from associates (Material issues:
effectively executing our strategy)
Oceana has significantly diversified its portfolio through
the Daybrook acquisition in the US to reduce the level
of reliance on fishing rights in South Africa and
neighbouring countries. In recent years, the risk of fishing
licences being allocated on increasingly stringent
empowerment credentials has risen materially.

However, the strengthening of the rand against the dollar,
slowdown in consumer demand and softer global markets
for fishmeal and fish oil have had a marked impact on
Oceana’s earnings in the review period. Earnings from
Oceana represent over 40% of total earnings from
associates. The performance of our associate companies
are summarised on pages 42 and 43.

Ageing infrastructure (Material issues: effectively
executing our strategy, people, innovation)
A new maintenance management system is being rolled
out across the group to ensure appropriate and consistent
planning and scheduling. In support, manufacturing
optimisation studies will be conducted in FY18.

Total productive maintenance (TPM) has been
implemented. This is a system of maintaining and
improving the integrity of production systems through
equipment, processes and employees. Significant capital
expenditure investments have been completed or are
currently under way across the group to align assets with
innovation and capacity demands.

Product quality (Material issues: effectively executing
our strategy, innovation)
Tiger Brands is committed to producing quality
products that are aligned with our superior brand equity.
To support this commitment, a central auditing body
has been appointed and introduced to all sites in
South Africa.

Good manufacturing practice (GMP) standards and the
food safety system certification 22000 (FSSC 22000)
have also been revised and are being implemented
across the group. Our manufacturing, group legal and
compliance functions collaborate effectively to ensure our
products comply with all regulatory standards and meet
consumer preferences.
Strategic review

Achieving our true potential
In the review period, Tiger Brands completed the groundwork for the strategy that will guide us to 2022 (strategic review), detailed on page 20.

Developing a strategy for sustainable, profitable growth

- Portfolio growth and strategy
  - Rejuvenate domestic operations to profitable growth
  - International strategy accretive to domestic performance

- Cost and investment strategy
  - Build a capable and cost-conscious culture with capacity to grow

- Operating model and organisational design
  - Winning through a high-performance culture

We are focused on driving sustainable growth by:

- Growing the core and expanding into adjacent categories and geographies
- Adopting a category-based approach in the rest of Africa
- Building sustainable capabilities required to win with consumers, customers and business partners
- Deploying an operating model that provides the right capabilities
- Fuelling growth through indirect spend excellence (zero-based spend) and zero-based budgeting
- Building a world-class integrated supply chain to leverage scale
Tiger Brands 2022 – achieving our true potential

PURPOSE
We nourish and nurture more lives every day

VISION
Deliver top-tier financial results and be recognised by all stakeholders as the best FMCG company in South Africa and most desirable growth company on the continent. We attract the best talent and are recognised as a great place to work.

FINANCIAL MEASURE
Drive top-line growth ahead of category growth and improve operating margin in line with top-tier industry benchmark.

OUR MISSION
Unleash the power of our people
Accelerate growth from our core
Achieve selling and channel ubiquity
Drive efficiency to fuel our growth
Create a world-class integrated supply chain
As a good corporate citizen, build a renewable and sustainable future

NO COMPROMISE TO QUALITY, SAFETY AND INTERNAL CONTROLS

VALUES
Our consumers are our business
We act with integrity in everything we do
We have passion for excellence
We continue to reinvest in our society
We value our people and treat them with dignity
We have defined Tiger Brands’ core as manufacturing, marketing and distributing everyday branded food to middle-income consumers (summarised below).

<table>
<thead>
<tr>
<th>Everyday</th>
<th>Branded</th>
<th>FMCG</th>
<th>LSM 5 – 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Part of the basket of goods bought for everyday use</td>
<td>• Goods that command leading positions (number one or two) in their segments</td>
<td>• Food consumer staples is the core – part of key eating and snacking occasions</td>
<td>• Mass market, average consumer</td>
</tr>
<tr>
<td>• Could be part of a segment that makes up something used every day – chutney (through condiments and ingredients, rice and pasta (through carbohydrates)</td>
<td>• Not commodity items, eg bulk, unbranded, business-to-business categories</td>
<td>• Bulk of food shopping basket</td>
<td>• Growing middle of South Africa</td>
</tr>
<tr>
<td>• One of the eating occasions – breakfast, lunch, supper, snacks</td>
<td>• Luxury goods not part of every day</td>
<td>• Adjacencies to leverage and protect the core</td>
<td>• Metropolitan or urban</td>
</tr>
<tr>
<td>• Luxury goods not part of every day</td>
<td>• Not cyclical goods</td>
<td>•</td>
<td>• Fairly homogenous</td>
</tr>
<tr>
<td>• Not cyclical goods</td>
<td></td>
<td></td>
<td>• Mostly employed</td>
</tr>
</tbody>
</table>

Our core already accounts for 70% of current sales. Middle-income consumers are a growing proportion of the South African market, are more brand loyal, have similar shopping destinations and use media in a similar way. Food is a large, attractive core with strong growth potential, allowing us to build on our established positions and good adjacencies.

**Measures of success**
We plan to generate significant savings over the next five years, primarily from improving gross margin and driving efficiencies through zero-based spend. These savings will be reinvested in the core to capitalise on growth opportunities. The net impact is an anticipated increase in the operating margin (before IFRS 2 charges) of 100 to 160 basis points over the five-year period to 2022.

**Strategy implementation**
We have made significant progress over the year, with the following key milestones already achieved:

- The new operating model was implemented from 1 October 2017. Capability gaps have been mapped and the recruitment process to fill these is well advanced.
- Zero-based budgeting has been embedded in the 2018 budget process.
- Good momentum on key capital projects that will help improve manufacturing efficiencies and provide additional capacity to achieve the required growth.
- The supply chain transformation is well under way, with governance structures in place to enhance visibility of progress, issues and risks.
- Ongoing work subsequent to the portfolio review to determine opportunities that will strengthen and refine the core portfolio and drive sustainable growth.
- Work is also under way to identify and evaluate suitable M&A opportunities that will leverage our core capabilities.

We have put in place the foundations for a sustainable future, with a compelling strategy and clear targets that will allow us to win with consumers and grow the strength of our brands. This in turn will enable the group to create predictable value by delivering top-tier financial results and be recognised by all stakeholders as the best fast-moving consumer goods (FMCG) company in South Africa, as well as the most desirable growth company on the continent. Fundamental to achieving our vision is attracting the best talent, on the basis of being recognised as a great place to work.
Changing the way we work

Our new operating model will refocus on the consumer, reignite innovation and leverage our scale as one Tiger Team – resulting in an agile, lean organisation that responds quickly and is aided by simple ways of working. A key enabler will be improved processes and enhanced systems.

### Operating model vision

**Integrated**
Having one face to our customers and suppliers and using our scale to win

**Consumer obsessed**
Putting the consumer at the heart of every decision

**Ambitious**
Relentlessly innovating and growing in SA and beyond

**Performance driven**
Uncompromising and commercially savvy, with the best talent in the industry

**Agile**
Responding to the market through fast decision making and simple ways of working

**Cost consciousness**
Rigorously challenging our bottom-line to unlock fuel for growth
Our material issues are the culmination of a comprehensive process that begins with reviewing our risks, assessing our operating environment and engaging with our stakeholders – all as part of crystallising our strategy.

<table>
<thead>
<tr>
<th>MATERIAL ISSUE</th>
<th>STRATEGIC RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A weak macro-economic environment</strong>&lt;sup&gt;*&lt;/sup&gt;</td>
<td>* Optimising efficiencies while minimising costs&lt;br&gt;  * Influencing mutually beneficial policy development</td>
</tr>
<tr>
<td><strong>Job creation – consequence of low-growth environment</strong>&lt;sup&gt;*&lt;/sup&gt;</td>
<td>* Build an agile group to create employment through growth; work with government to optimise vertical integration opportunities to protect and create jobs in our supply chain&lt;br&gt;  * Meet our skills development targets as part of the BBBEE scorecard&lt;br&gt;  * Maximise opportunities for extending our smallholder farmer development initiatives</td>
</tr>
<tr>
<td><strong>Effectively executing our strategy</strong></td>
<td>* Aggressively manage variable vs fixed costs to maintain and improve affordability&lt;br&gt;  * Adopting a centralised procurement strategy to maximise scale and drive efficiency of spend&lt;br&gt;  * Grow market share through brand building, relevant innovation and value offerings</td>
</tr>
<tr>
<td><strong>People – critical skills to deliver our strategy</strong></td>
<td>* Organisational structures redesigned to ensure a responsive company, aided by simple and interdependent ways of working&lt;br&gt;  * Recruiting and resourcing essential roles to address identified gaps&lt;br&gt;  * Revised remuneration philosophy linked to strategic plan&lt;br&gt;  * Training and developing our people</td>
</tr>
<tr>
<td><strong>Innovation – address unmet consumer needs and emerging trends; ahead of potential legislation/regulation</strong></td>
<td>* Centralised R&amp;D/innovation hub to create a sustainable pipeline&lt;br&gt;  * Improved procedures to enhance speed and success by better understanding consumers&lt;br&gt;  * Ongoing initiatives on product affordability through manufacturing optimisation/efficiency and alternative pack sizes</td>
</tr>
<tr>
<td><strong>Food security and security of supply</strong></td>
<td>* Establish an integrated, dynamic supply chain that can deliver the required growth while unlocking cash. Where necessary and practical, this could include global sourcing&lt;br&gt;  * Procurement processes regularly reviewed to ensure compliance to best practice in ethical sourcing, and to identify and capture cost savings. We also review our pricing strategies and pack sizes to ensure consumers have affordable pack-size choices</td>
</tr>
<tr>
<td>RELATED RISKS</td>
<td>STRATEGIC OBJECTIVES</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Increased industrial action and</td>
<td>• Adjusting our portfolio to address affordability and increase market share, supported by a cost-conscious culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Increased regulation increases the cost and administrative burden of</td>
<td>• Invest in and support our brands to maintain strong brand equity and grow market share</td>
</tr>
<tr>
<td>doing business</td>
<td></td>
</tr>
<tr>
<td>• Business continuity vulnerabilities</td>
<td>• Portfolio growth and strategy</td>
</tr>
<tr>
<td>• Inadequate human resource management</td>
<td>• Creating a cost-conscious culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Non-compliance to revised BBBEE codes</td>
<td>• Operating model and organisational design</td>
</tr>
<tr>
<td></td>
<td>• Unleashing the power of our people</td>
</tr>
<tr>
<td></td>
<td>• As a good corporate citizen, build a renewable and sustainable future</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>• Inability to react to growing competition</td>
<td>• Portfolio growth and strategy</td>
</tr>
<tr>
<td>• Failing to anticipate/respond to changing consumer preferences</td>
<td>• Creating a cost-conscious culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Inability to maintain cost competitiveness</td>
<td>• Operating model and organisational design</td>
</tr>
<tr>
<td>• Failing to successfully execute business transformation programmes</td>
<td>• Unleashing the power of our people</td>
</tr>
<tr>
<td>• Managing input cost inflation poorly</td>
<td>• As a good corporate citizen, build a renewable and sustainable future</td>
</tr>
<tr>
<td>• Inadequate human resource management</td>
<td>• Creating cost-conscious, high-performance culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Employee health and wellness</td>
<td>• Operating model and organisational design</td>
</tr>
<tr>
<td>• Threats to employee safety</td>
<td></td>
</tr>
<tr>
<td>• Inability to react to intensifying competition and changing</td>
<td>• Portfolio growth and contribution to net sales from innovation</td>
</tr>
<tr>
<td>• Competitive landscape</td>
<td>• Creating a cost-conscious culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Failure to respond to changing consumer preferences</td>
<td></td>
</tr>
<tr>
<td>• Regulatory non-compliance</td>
<td></td>
</tr>
<tr>
<td>• Business continuity vulnerabilities</td>
<td>• Creating a cost-conscious culture and world-class integrated supply chain</td>
</tr>
<tr>
<td>• Climate change – sustainably securing quality raw materials is being</td>
<td>• As a good corporate citizen, build a renewable and sustainable future</td>
</tr>
<tr>
<td>affected by environmental factors, eg protracted drought (Western Cape) and</td>
<td></td>
</tr>
<tr>
<td>new pests (army worm blighting maize crops)</td>
<td></td>
</tr>
<tr>
<td>• Failure to protect and preserve the reputation of Tiger Brands</td>
<td></td>
</tr>
<tr>
<td>• Product quality</td>
<td></td>
</tr>
</tbody>
</table>

Tiger Brands Limited Integrated annual report 2017
Our business model

We have adjusted the six capitals in the IIRC’s integrated reporting framework to better suit our business model. By understanding what each capital contributes to our business, we balance the necessary trade-offs by ensuring we replenish our capitals most appropriately.

**Innovation**
By focusing on fewer, bigger innovations through a centralised facility, we will develop products that add value.

**INTTELLIGUAL CAPITAL**
Consistent investment behind key brands to drive profitable growth

Knowledge drives our ability to compete and, in FY17, we invested R771 million (FY16: R765 million) for deep insight into ensuring our brands meet the changing needs of our consumers. We use our R&D capability and networks to deliver the innovation that supports the equity of our brands. Innovation accounted for 4.3% of revenue in FY17 (FY16: 4.5%).

**Partnerships**
We partner with stakeholders on common goals such as environmentally neutral agricultural processes. Our increased investment in enterprise development is focused on small-scale farming (page 54).

**SOCIAL AND RELATIONSHIP CAPITAL**
Adding real value

We add value to society through numerous initiatives – 53% of value created is distributed to community stakeholders annually (FY16: 53%).

Tiger Brands aims for a virtuous circle of growth:

We drive growth by investing in innovation and brands to deliver products to millions of people every day. Leveraging our size, we are focused on spreading fixed costs and improving profitability.

**Consumer insights**
We invest in research and consumer marketing for deep insight into the changing needs of our consumers such as value offerings (page 64).

**Sales**
We work closely with retailers to ensure that our brands are always available and properly displayed, in all channels from top-end grocers to informal traders. Five strategic growth drivers will ensure we reach full potential: availability and fair share; price; pack size/format; unmet needs and trends; brand strength.

**HUMAN CAPITAL**
People underpin our progress

In FY17, we invested over R56 million in their well-being and skills, striving for a consumer-focused, high-performance culture based on our core values (FY16: R67 million).
MANUFACTURING CAPITAL

Improved efficiency and flexibility

We continuously invest ahead of depreciation to maintain and enhance our manufacturing sites across sub-Saharan Africa. We will continue to invest in improving our facilities and enhancing flexibility.

Procurement

In FY17 we saved a further R220 million through customised sourcing strategies that ensure supply continuity, capacity for growth and rigorous compliance to food safety protocols. An expanded global sourcing programme has been instrumental in addressing domestic crop and ingredients shortages related to drought and disease. Key partnerships with suppliers continue to deliver value through joint cost savings plans and shared innovation objectives. We remain committed to supporting BBBEE and small business spending R12.1 billion and R1.9 billion in these categories. Our ambition to play a leading role in developing the agricultural sector remains a key priority with R73 million of fresh produce sourced from black emerging farmers in FY17. Through our partnership with government, we have spent R30 million on enterprise and supplier development, focused primarily on emerging farmers.

FINANCIAL CAPITAL

Profitable growth

We aim to deliver consistent value for stakeholders wherever we operate, firstly by remaining a profitable company that rewards shareholders appropriately. Total dividend increased by 1% to 1 080 cents per share. (FY16: +12% to 1 065cps)

This will allow us to invest further, growing free cash flow and reinvesting in the business through innovation and marketing to sustain the strength of our brands. This drives growth and the virtuous circle continues.

LOGISTICS

We continue to refine our logistics network with selected partners to achieve cost efficiency and the highest standards of customer service. In FY17 our logistics improvement programme focused on leveraging our scale by introducing a logistics control tower and further integrating disparate networks to deliver cost savings of R79 million. Joint business planning with our customers and a relentless drive to expand our reach remain key thrusts to achieving our objective of having our iconic brands on the shelf at all times.

NATURAL CAPITAL

Focused on responsible growth

While our supply chain draws on most of our capitals, its key impact is on natural capital. Our procurement strategies focus on ethical sourcing and the long-term sustainability of our processes. Over the past three years, we have focused on reducing this impact through specific initiatives (page 66).
Our key relationships

We understand that sustainable relationships with key stakeholders are essential to our long-term growth. Shareholders, employees, consumers, customers and suppliers are all part of the chain that creates value.

We also understand that we depend on broader society – not only stakeholders in our immediate value chain – to provide a conducive operating environment, and a consumer and talent base that we can reliably draw from in future.

As such, stakeholders in our broader socio-economic environment – law-makers, regulators, industry groups, the media and communities – all hold a stake in our licence to operate.

We develop key insights to inform our strategic choices for sustained growth through:
- A deep understanding of requirements for sustainable socio-economic development
- Considering the interests and expectations of material stakeholders
- Establishing relationships with stakeholders beyond our immediate value chain.

Stakeholder relations at Tiger Brands is, therefore, a strategic function. It is focused on constructive engagement to build positive reputational capital for the group as the principal mechanism underpinning our growth and sustainability (licence to trade).

We do this by acknowledging and understanding the role we play in society through multiple stakeholder lenses (the key issues and expectations our stakeholders have of us), using these expectations to inform our business strategy and decisions, and communicating these decisions back to our stakeholders. In this way, we build long-term value by establishing trust, good reputation and legitimacy.

Key elements of our stakeholder relations strategy include:
- Consistent approaches to engagement throughout the group
- Mechanism to anticipate risk and opportunities
- Coordinated framework for stakeholder management
- Leadership actively engaging with stakeholders
- Values-based engagement
- Stakeholder-focused as opposed to compliance-based engagement.

Our aim is to maintain our social licence to operate and protect the reputation of Tiger Brands as a trusted, strategic partner.

Stakeholder engagement survey
In the review period, we concluded a survey to develop a baseline understanding of how stakeholders perceive the group’s engagement with them. This aligns with our strategic goal of increased stakeholder inclusivity, and meets the requirements of King IV.

The survey was used as a listening exercise to generate valuable insights that will inform and strengthen stakeholder engagement and ultimately relationships. Results will be used to refine our stakeholder engagement strategy and to inform and guide future planning, and proactively manage stakeholder-related risks by addressing their material issues and concerns.

Key results of the survey are summarised on the opposite page.

Key facts about the survey – conducted by external stakeholder management consultants
- Multiple methods of qualitative and quantitative data collection
- Target population included government (national and local)*, shop stewards, suppliers, shareholders, pressure groups*, community members, media, beneficiaries
- Stakeholders around ten Tiger Brands operations across South Africa were surveyed
- Final sample statistically significant at 70% of target population

* Poor response, with provincial government citing insufficient direct interaction with the group. Customers and employees are surveyed in separate initiatives (page 46 and 63)
Key results
Based on these results, we are developing and training relationship owners across the group, and developing specific plans to address particular issues, which we will report on in FY18.

<table>
<thead>
<tr>
<th>Performance metric</th>
<th>Score</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of engagement</td>
<td>72%</td>
<td>Government: national government 75%, local government 74%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communities 74%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suppliers 66%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shop stewards 65%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Media 61%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>36% of stakeholders “know very little” about Tiger Brands as a JSE-listed company. Their relationship (mainly local government and community members) is with one of our operations</td>
</tr>
<tr>
<td>Relationship health</td>
<td>70%</td>
<td>High: footprint communities 73%, beneficiaries of CSI projects and</td>
</tr>
<tr>
<td>(relational capital)</td>
<td></td>
<td>Tiger Brands Foundation 89%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reasonable: national government 66%, shareholders 68%, local</td>
</tr>
<tr>
<td></td>
<td></td>
<td>government 68%, suppliers 69%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low: media 58%, shop stewards 60%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stakeholders who scored Tiger Brands low cited engagement with the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>group as being too sporadic</td>
</tr>
<tr>
<td>Responsiveness on issues</td>
<td>67%</td>
<td>Local government cited its experience of the quality of our</td>
</tr>
<tr>
<td></td>
<td></td>
<td>engagement as generally good, but asked for improved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>responsiveness on issues it regards as important</td>
</tr>
</tbody>
</table>

Plotting Tiger Brands’ stakeholders on the exchange-communal continuum
- In exchange relationships, the company gives benefits to stakeholders but expects to almost immediately receive benefits of comparable value “in exchange”. These relationships are conducive to commercial-type relationships.
- In communal relationships, the company’s motivation to provide a benefit is the welfare of the stakeholder, or long-term greater good of the collective. Communal relationships are important for sustainability, social relevance and shared value.

How we fared
Our key relationships continued

Key insights per stakeholder group

| National government: While engagement was generally of high quality, we will focus on improving access to Tiger Brands’ information. As part of developing a track record of communal relationships, we will enhance the degree of stakeholder inclusivity. |
| Local government: Officials welcome the regional economic opportunity our activities support. As part of our more structured, continuous engagement in future, we will consider the real imperatives for sustainable socio-economic development and the negative impacts of our operations in certain instances, while ensuring we follow through on our commitments. |
| Our footprint communities welcome their engagement with the group and are confident of our ability to make a positive contribution. We will ensure we improve accessibility at some operations, and respond more to real community needs, particularly in rural areas. |
| The media believes Tiger Brands engages professionally and makes a positive contribution to food security, as do our peers. To build relationships based on satisfaction, trust and considering their legitimate interests, we are improving our rate of response and ensuring journalists have access to our leadership as required. |

Our shareholders appreciate the high quality and transparency of their engagement with Tiger Brands. We are focused on improving this further by providing adequate disclosure on key issues while considering their feedback.

We agree with shop stewards that work is still needed to achieve and maintain “preferred employer” status. Creating a great place to work is a strategic target, given intense competition for specific skills in our market. In considering the legitimate interests, priorities and realities of organised labour, we are ensuring that management communication across our sites is consistent and transparent.

There is a high level of commitment and trust between the group and its suppliers. Given the scale of our supplier base, we are considering the different legitimate interests and engagement needs of different groups. This will include more continuous engagement, for example timely notification and effective handover when role players in Tiger Brands change. Together, we are focused on developing sustainable and mutually beneficial solutions, with inclusive growth opportunities.
Our response – by stakeholder

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>National government</td>
<td>Quarterly executive engagements with key government ministries</td>
</tr>
<tr>
<td>Local government</td>
<td>Operating sites’ relationship owners will implement engagement plans at local level</td>
</tr>
<tr>
<td>Footprint communities</td>
<td>Socio-economic development champions at each site will be the points of contact and engagement</td>
</tr>
<tr>
<td>Media</td>
<td>At least two media roundtable discussions with the executive team of Tiger Brands</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Shareholder and investor engagement planned for 2018 includes individual and group meetings</td>
</tr>
<tr>
<td>Shop stewards</td>
<td>Regional engagements with union leadership planned for 2018</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Centralised management of key suppliers, with dedicated relationship owners</td>
</tr>
</tbody>
</table>

A key facet of our strategy to drive better engagement, resolve issues and co-create solutions for matters of mutual interest lies in developing relationship owners across the business. These are business leaders who have been identified and will be trained to manage and report on stakeholder health. This will bolster our relational value and provide additional governance and insight on issues before they become risks.

What are we doing with the information

Results were reviewed by the executive committee, social, ethics and transformation committee and the board. We have created a portfolio of dedicated managers to develop the strategy for stakeholder management, supported by relationship owners. Guided by metrics for each stakeholder group, we will develop an appropriate engagement plan for material stakeholders.
## Stakeholder issues in 2017

While the stakeholder survey becomes our benchmark for improving our engagements, we still need to address issues as they arise. Issues raised during the year are summarised below.

<table>
<thead>
<tr>
<th>Key issues in 2017</th>
<th>Our response</th>
<th>Read more</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customers (retailers/wholesalers)</strong></td>
<td>• Joint business planning initiatives and growth workshops with customers to stimulate shopper offtake and repeat purchase</td>
<td>62</td>
</tr>
<tr>
<td>• Increased competition amid muted consumer demand</td>
<td>• Driving in-store activation, on-shelf availability and general trade distribution to improve visibility and availability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Increasing use of category management data to support innovation and new mobile platforms to develop insights and improve efficiencies at store level</td>
<td></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>• Regular, high-impact employee engagement sessions, one-on-one consultations and the recruitment of an in-house change management specialist</td>
<td>21, 45</td>
</tr>
<tr>
<td>• New operating model and organisational redesign</td>
<td>• The revised operating model and corresponding people strategy has directly considered and addressed these issues. Monitoring of existing and new issues have been included in the updated HR processes for example, pulse (satisfaction) survey and a dedicated employee relations centre of excellence</td>
<td></td>
</tr>
<tr>
<td>• Performance and rewards</td>
<td>• Wage negotiations were settled while regular regional leadership engagements will be introduced</td>
<td></td>
</tr>
<tr>
<td>• Talent and career development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Teamwork and collaboration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Enhanced internal communications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Wage negotiations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td>• Mitigate inflationary pressures through cost-saving initiatives and operational efficiencies</td>
<td>62, 64</td>
</tr>
<tr>
<td>• Product affordability</td>
<td>• Evaluate need for smaller pack sizes and/or alternative, more affordable packaging formats</td>
<td></td>
</tr>
<tr>
<td>• Value proposition</td>
<td>• Ensure our product quality meets consumer expectations and the brand proposition represents value</td>
<td></td>
</tr>
<tr>
<td>• Commitment and compliance to issues regulated by government (eg labelling, salt and sugar)</td>
<td>• Proactive communication on complying to regulation</td>
<td></td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td>• Maintain strong partnerships with governments and developmental agencies to support initiatives that promote nutrition, health and education, and contribute to the development of local communities and eradication of poverty</td>
<td>56, 64</td>
</tr>
<tr>
<td>• Food security and related nutrition issues</td>
<td>• Conduct social return on investment (SROI) review to assess the impact of our development initiatives</td>
<td></td>
</tr>
</tbody>
</table>
## Key issues in 2017

### Investors
- Lacklustre macro-economic outlook and its impact on the consumer
- Lack of volume growth
- Self-help initiatives
- Strategy execution
- Earnings growth and return on capital

- Disclosed the outcome of the strategic review
- Clearly defined core as manufacturing, marketing and distributing everyday branded food to middle-income consumers
- Identified growth drivers and self-help strategies in terms of a cost-conscious culture
- Implemented optimal operating model to facilitate strategy and growth ambitions
- Provided five-year targets for key performance indicators
- Improved communication plan

### Government
- Regulations on sodium reduction; proposed tax on sugar-sweetened beverages
- Promoting awareness of nutrition education
- Food security
- Growth and development of local agricultural sector

- Complying with all relevant regulations; actively participating in dialogue before legislation is promulgated
- Keeping abreast of emerging issues
- Active partnerships to promote agri-sector development and greater inclusion of smallholder farmers
- Nutrition education programme with the Department of Basic Education
- In-school breakfast programme in partnership with Tiger Brands Foundation

### Media
- Access to management and information
- Swift response to queries
- Fair treatment of consumers

- Specific website for media enquiries
- Enhanced one-on-one media engagements
- Respond to all enquiries within specified period
- Respond to media on all consumer-related enquiries
- Greater access to the CEO and CFO for editors and journalists
- Increased participation in industry-related issues
- Media management focus – we will appoint the relevant skills to deepen and broaden our engagement with the media

### Suppliers
- Impact of currency volatility
- Industrial pollution restrictions in China impacting costs of chemicals/ acids
- Disease (avian flu, citrus shortages, tomato leaf miner, etc)
- Crop shortages amid adverse local and global weather conditions

- Leveraging Tiger Brands’ procurement scale to step change input costs (supplier production efficiencies and throughputs)
- Augmenting supplies by identifying new global supply sources and alternative ingredients for recipes
- Actively researching and expanding sourcing programmes in SADC (Southern African Development Community)
- Focused savings programme expanded to all procurement overheads to dilute impact of currency-related cost increases
- Continued support to develop domestic farmers

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Read more
Our competitive advantages and market position

The power of leading brands

In line with our strategy to have the first or second-placed brand in our chosen categories, we have built a solid portfolio of leading brands over the years.

This was again reinforced in the 2017 Sunday Times Top Brands Awards. In the prestigious Grand Prix category, All Gold and KOO were among the top five favourite brands in South Africa. Tastic was voted the number 1 essential food brand for the second consecutive year, followed by Albany (number 2) and Fatti’s & Moni’s (number 5). KOO was also voted number 1 in the Ask Afrika Icon Brands Survey 2016/2017 (page 33).

“...we find that, despite the pressures that consumers face in this economy, they tend to purchase brands and products that guarantee them consistency and value for money. Albany is one of those brands that is trusted to deliver on its promises.”


The common thread they [All Gold Tomato Sauce, Crosse & Blackwell Mayonnaise and Mrs Ball’s Chutney – three Tiger Brands products in the top five in the condiments and sauces category] all enjoy is how long families have had them in their cupboards and on their tables.


Our brands also feature prominently in their categories:
2017 awards and accolades

Ask Afrika Icon Brands 2016/2017

This annual benchmark survey identifies the brands most loved and used by South African consumers. Tiger Brands again featured prominently, winning more categories while five of our brands were awarded prestigious icon brand status.

<table>
<thead>
<tr>
<th>Category</th>
<th>Winner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>Albany</td>
</tr>
<tr>
<td>Cake/baking mixes</td>
<td>Golden Cloud</td>
</tr>
<tr>
<td>Cereal bars</td>
<td>Jungle Energy Bar</td>
</tr>
<tr>
<td>Condiments: mayonnaise</td>
<td>Crosse &amp; Blackwell</td>
</tr>
<tr>
<td>Condiments: tomato sauce</td>
<td>All Gold</td>
</tr>
<tr>
<td>Maize meal and samp</td>
<td>Ace</td>
</tr>
<tr>
<td>Meat products: bacon</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Meat products: polony</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Pasta</td>
<td>Fatti's &amp; Mani's</td>
</tr>
<tr>
<td>Prepared and cook-in sauces/pastes/gravies</td>
<td>All Gold</td>
</tr>
<tr>
<td>Rice and couscous</td>
<td>Tastic</td>
</tr>
<tr>
<td>Sport drinks</td>
<td>Energade</td>
</tr>
<tr>
<td>Spreads: peanut butter</td>
<td>Black Cat</td>
</tr>
<tr>
<td>Tinned fruit</td>
<td>KOO</td>
</tr>
<tr>
<td>Tinned vegetables</td>
<td>KOO</td>
</tr>
<tr>
<td>Tinned beans</td>
<td>KOO</td>
</tr>
</tbody>
</table>

Key icon brands

Condiments/sauces:
- tomato sauce
- salad dressing category
- Cook-in/prepared sauces and marinades
- Spreads:
  - marmalade
  - Chilli/hot sauces

Spreads:
- Peanut butter
  - Black Cat

Tinned fruit

Tinned vegetables

Tinned beans

Only the best will do
Successful margin improvement

Tiger Brands reported a relatively strong set of results driven by revenue growth of 2% to R31,3 billion and 11% operating income growth, before IFRS 2 charges, to R4,6 billion. Operating margins increased to 14,8%.

Cash generated from operations rose 43% to R6,1 billion, benefiting from improved working capital management.

This improvement was due to improved pricing strategies enhanced by good procurement and better cost control. Intense competitor pricing activity and declining consumer confidence resulted in volumes decreasing by 3%. Cash generated from operations rose 43% to R6,1 billion, benefiting from improved working capital management. Headline earnings per share increased by 2% driven by the domestic performance and diluted by a disappointing performance from associates and the Deciduous Fruit business.

As previously reported, the disposal of East Africa Tiger Brands Industries (Ethiopia) was concluded, effective 4 April 2017 while all suspensive conditions have been fulfilled with regards to the disposal of Haco.
Consequently, both have been treated as discontinued operations in these results, with the comparative information restated accordingly.

**Analysis of financial performance**
The following review of the group’s financial performance should be read together with the annual financial statements (www.tigerbrands.com).

**Group revenue growth**

<table>
<thead>
<tr>
<th></th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group revenue growth</strong></td>
<td>R30,6 billion</td>
<td>R31,3 billion</td>
</tr>
<tr>
<td><strong>7% price/mix</strong></td>
<td>(3%) volume</td>
<td>(2%) forex</td>
</tr>
<tr>
<td>Domestic operations</td>
<td>4% (3%)</td>
<td>7% (2%)</td>
</tr>
<tr>
<td>International (including exports)</td>
<td>(5%) (3%)</td>
<td>7% (2%)</td>
</tr>
<tr>
<td>Total continuing operations</td>
<td>2% (3%)</td>
<td>7% (2%)</td>
</tr>
</tbody>
</table>

During the year, investments, goodwill and intangible assets totalling R560 million (2016: R335 million) were impaired. This related mainly to an impairment of the goodwill in the Exports division of R300 million, and an impairment of R250 million against the investment in Nigerian associate, UAC Foods. These impairments reflect the continual assessment of risks associated with these businesses amid ongoing difficulties faced across our key markets in Africa. These are primarily the result of deteriorating macroeconomic factors, largely linked to falling commodity prices and exacerbated by currency devaluations in Nigeria and Mozambique. In addition, the lack of foreign exchange liquidity required trade credit to be managed tightly, inhibiting revenue growth.

The abnormal loss of R23 million (2016: abnormal gain of R11 million) comprises once-off costs for the recent strategic review and related restructuring provisions, partially offset by the profit on disposal of property as well as income from insurance claim proceeds and certain warranty claims.

**Income statement**
Group revenue growth from continuing operations increased by 2%. The revenue performance in the second half is indicative of a significant slowdown in the rate of price increases, due largely to declining commodity prices and a stronger rand. Gross margins benefited from improved pricing and procurement strategies, which helped offset other inflationary increases in raw material costs. Well-controlled conversion costs and efficiency enhancements contributed to further positive leverage in gross margins.

Net financing costs of R207 million (2016: R162 million) benefited from a reduction in interest charges of R117 million to R180 million, due to lower debt levels. A net foreign exchange loss of R30 million was realised compared to a gain of R129 million in the prior year, of which R153 million related to a gain on the settlement of non-recurring debt in Nigeria.

Income from associates decreased 38% to R533 million (2016: R861 million). The comparative period included capital profits of R117 million from asset disposals. After adjusting for this, associate headline earnings decreased by 29%. This reflects challenging operating conditions for Oceana, in particular, as well as Carozzi and UAC Foods.

A 2% improvement in the effective tax rate before abnormal items, impairments and associates, to 28,9% (2016: 30,9%) was largely due to investment allowances received on qualifying major capital projects.
HEPS from continuing operations was up 2% to 2 155 cents (2016: 2 119 cents). The deleverage between operating income growth of 11% and HEPS growth of 2% primarily reflects a significantly lower contribution from associates, costs associated with the strategic review and related restructuring provisions as well as the once-off forex gain in the prior year.

Earnings per share (EPS) from continuing operations decreased 7% to 1 848 cents (2016: 1 996 cents), driven primarily by higher impairments in the current year.

EPS from total operations decreased by 6% to 1 915 cents (2016: 2 034 cents), while HEPS from total operations increased 2% to 2 161 cents.

Segmental performance
The domestic business delivered operating income growth of 15% while an improved performance from Exports and International was offset by Deciduous Fruit.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Volume</th>
<th>Turnover</th>
<th>Operating income**</th>
<th>Operating margin**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grains</td>
<td>▲ 1%</td>
<td>▲ 5%</td>
<td>R2,4bn</td>
<td>▲ 17,7%</td>
</tr>
<tr>
<td>Consumer Brands Food</td>
<td>▼ 9%</td>
<td>▲ 1%</td>
<td>R1,3bn</td>
<td>▲ 11,5%</td>
</tr>
<tr>
<td>HPCB</td>
<td>▲ 2%</td>
<td>▲ 9%</td>
<td>R0,6bn</td>
<td>▲ 23,5%</td>
</tr>
<tr>
<td>Exports and International</td>
<td>▼ 3%</td>
<td>▲ 5%</td>
<td>R0,4bn</td>
<td>▼ 9,5%</td>
</tr>
<tr>
<td>Group*</td>
<td>▼ 3%</td>
<td>▲ 2%</td>
<td>R4,6bn</td>
<td>▲ 11%</td>
</tr>
</tbody>
</table>

* From continuing operations.
** Before IFRS 2 charges, impairments and abnormal items.

Revenue in the domestic business increased 4% to R27,1 billion (2016: R26,2 billion), driven primarily by Grains and Groceries. Operating income before IFRS 2 charges grew 15% to R4,2 billion (2016: R3,7 billion), while the operating margin increased from 14,1% to 15,6%. The deteriorating economic environment continued to put pressure on consumer demand, resulting in volume contraction of 3%.

The group’s overall operating performance was impacted by the underperformance of the Exports and International division. Revenue for this division was down 5% to R4,2 billion while operating income declined 20% to R399 million, driven primarily by the Deciduous Fruit business where performance was severely impacted by the stronger rand. Although the Export business continued to face a challenging environment, with no improvement in foreign currency liquidity, trading improved in the second half of the year and core markets benefited from improved distribution and product availability.
Detailed segmental disclosures appear on pages 88 and 89 of the annual financial statements and operational reviews on pages 38 to 43.

**Statement of financial position**

Improved cash generation resulted in a positive net cash position of R431 million at 30 September 2017. Cash generated from operations increased by 43% to R6,1 billion, benefiting primarily from working capital improvements. Capital expenditure during the year totalled R919 million (2016: R945 million).

**Balance sheet positioned for growth**

<table>
<thead>
<tr>
<th>FY17*</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash generated from operations (Rm)</td>
<td>6 056</td>
</tr>
<tr>
<td>Net cash/(debt) (Rm)</td>
<td>431</td>
</tr>
<tr>
<td>Net (cash) debt/equity (%)</td>
<td>(3)</td>
</tr>
<tr>
<td>Net debt/EBITDA*</td>
<td>n/a</td>
</tr>
<tr>
<td>RONA [%]*</td>
<td>35</td>
</tr>
<tr>
<td>Net interest cover*</td>
<td>25x</td>
</tr>
<tr>
<td>Working capital per R1 of turnover</td>
<td>21,8</td>
</tr>
</tbody>
</table>

* From continuing operations.

The strength of the balance sheet facilitates a significant capital expenditure programme of some R5 billion over the next three to five years while maintaining a dividend cover ratio of 2.0 times, based on headline earnings per share. This programme is focused on enhancing the infrastructure behind our core brands, research and development, and the meaningful innovation that is a key differentiator in our competitive industry. In addition, our balance sheet enables us to build a pipeline of opportunities intended to support value-enhancing growth.

**Final dividend**

The company has declared an unchanged gross final cash dividend of 702 cents per share for the year ended 30 September 2017. This, together with the interim dividend of 378 cents per share, brings the total dividend for the year to 1 080 cents. This is 1% above last year’s total dividend of 1 065 cents.

Shareholders are referred to the accompanying dividend announcement for further details, see page 104.

**Outlook**

The economic outlook for 2018 is muted, with no current signs of a recovery in consumer spending and growth levels likely to remain low. As such, there is little likelihood of volume uplift in the year ahead and competition for market share is expected to intensify.

Having largely been successful in enhancing margins, the group is well positioned to navigate this environment and pursue volume growth. This will be achieved by improving our market shares through enhanced and focused brand support, a re-energised approach to innovation focused on the consumer, and by investing in and growing with our customers. We will continue to focus on driving efficiencies and cost savings to provide the fuel for our growth.

**Acknowledgements**

Thank you to our local and international shareholders for your continued investment in our group and to members of the broader investment community for their interest and engagement. I also thank my colleagues in the finance department who constantly strive to ensure the group achieves best practice standards in reporting and disclosure.

Noel Doyle
Chief financial officer
28 November 2017
Grains

SALIENT FEATURES

STRONG INCREASE IN OPERATING MARGIN TO 17.7%

REVENUE GROWTH OF 5%

OPERATING INCOME UP 18% TO R2.4 billion

Operating margin improved 200 basis points to 17.7%, benefiting from favourable procurement positions.

Performance

The Grains division delivered 5% revenue growth, and a strong increase in operating income of 18% to R2.4 billion.

Revenue in Milling and Baking rose 4%, benefiting from volume growth, partly diluted by price deflation in maize and sorghum in the second half. Operating income rose 16% to R1.9 billion. The wheat-to-bread value chain benefited from good volume growth and increased realisations in the first half. The balance between margin and volumes in the second half required significant focus as competitor activity intensified.

Other Grains (Breakfast, Pasta and Rice) grew revenue 6% to R3.8 billion with strong operating income growth of 24% to R502 million. The stronger rand and improved procurement strategies contributed to margin expansion.

Brands

Milling and baking – Albany, Golden Cloud, Ace
Sorghum beverages and breakfast – King Korn, Mabela, Morvite, Ace Instant, Jungle Oats, Taystee
Wheat, Oatso Easy, Jungle Energy Crunch, Crunchalots
Rice – Tastic, Aunt Caroline, Surprise, Cresta
Pasta – Fatti’s & Moni’s
Consumer Brands – Food

SALIENT FEATURES

EXCEPTIONAL PERFORMANCE FROM GROCERIES, WITH OPERATING INCOME UP 26%

CONSUMER BRANDS – FOOD’S OPERATING MARGIN IMPROVED 60 BASIS POINTS TO 11.5%

Marginal increase in revenue and 7% increase in operating income reflect a number of challenges during the year, but strong performance from Groceries.

Performance

With the exception of the Groceries business, Consumer Brands – Food faced several challenges during the year, noted below. As a result, revenue increased marginally to R11.1 billion, operating income grew 7% to R1.3 billion and the operating margin improved from 10.9% to 11.5%.

The Groceries business recorded revenue growth of 7% while operating income rose 26% to R589 million. Operating margins improved to 11.8% from 9.9% on improved pricing and cost reductions.

Sales volumes in Snacks and Treats were affected by industrial action, a contracting market with aggressive competition and product rationalisation in the first half. Revenue declined 5% to R2.2 billion, but improved gross margins contributed to operating income rising 2% to R324 million. This business will focus on volume recovery in the year ahead.

Although the Beverages business recovered in the second half after significant challenges in the first half (industrial action, drought-related water restrictions and electricity disruptions), full-year revenue declined 9% and operating income by 8% to R144 million. The outlook for this business is, however, encouraging as the launch of Oros ready-to-drink gains momentum.

In our Value-Added Meat Products business, lower sales volumes reflect higher selling prices and aggressive competition. Revenue rose marginally to R2.2 billion, while operating income dropped 34% despite initiatives to counter significant raw material inflation.

Brands

Groceries – KOO, All Gold, Crosse & Blackwell, Black Cat, Mrs Ball’s, Hugo’s, Colmans
Snacks, treats and beverages – MMMallows, Beacon, Maynards, Allsorts, Jelly Tots, Jungle Energy Bar, Wilsons, Toff-O-Luxe, XXX, Fizzpop, Damascus, Smoothies, Oros, Energade, Hall’s, Rose’s, Monis, Game
Value-added meat products – Enterprise, Renown, Miemie-Kip, Bokkie

Only the best will do
Performance
Divisional performance was boosted by a strong contribution from the Home Care category, with overall revenue increasing 9% to R2.7 billion. The strong focus on cost containment saw operating income rise 17% to R623 million.

Although volumes in the Personal Care category were affected by price increases and constrained consumer spending, revenue was unchanged at R683 million. Operating income increased by 3% to R139 million, benefiting from the strong focus on costs. Innovation, driven mainly by Ingram’s triple glycerine, tissue oil and petroleum jelly, contributed 19% to revenue.

Revenue in Baby Care was up 3% to R888 million, reflecting growth in the pouches, medicinal and toiletries categories, but a decline in jarred baby foods. Operating income was down 2% due to an unfavourable product mix and lower production volumes.

The Home Care category recorded revenue growth of 23% and a 48% improvement in operating income due to sustained demand in the pest category, effective in-store execution and optimal pricing. Innovation contributed 7% to revenue, driven by Doom automatic dispensers and the Peaceful Sleep family range.
Exports and International

SALIENT FEATURES

LOWER REVENUE AND OPERATING INCOME LARGELY DUE TO UNDERPERFORMANCE OF DECIDUOUS FRUIT BUSINESS

IMPACT OF STRONGER RAND AND DEPRECIATING AFRICAN CURRENCIES

A challenging year amid rand strength, depreciating African currencies, and an unfavourable customer mix.

Performance

Total divisional revenue declined 5% to R4.2 billion, while operating income reduced 20% to R399 million, primarily due to the Deciduous Fruit business.

Chococam recorded 3% revenue growth in constant currency and new products contributed to a 9% increase in volumes. Rand revenue declined 7% to R821 million, reflecting the strength of that currency. Operating income rose 9% in constant currency, assisted by tight cost management, but dropped 2% on translation due to the stronger rand.

Lower volumes at Deli Foods reflect subdued consumer demand and price increases to recover significant input cost inflation. Together with higher conversion costs, this resulted in a greater operating loss in constant currency offset by the impact of the naira devaluation against the rand.

In the Exports business, revenue rose 7% to R1.7 billion on higher sales into Mozambique and Democratic Republic of the Congo (DRC), and operating income was up 10% to R273 million. The Deciduous Fruit business was affected by rand strengthening and an unfavourable customer mix, with revenue declining 4%. These factors reduced operating income by 91% to R13 million.

Brands

Deciduous fruit (Langeberg & Ashton Foods (LAF)) (South Africa) – Gold Reef, Silverleaf
Tiger Brands International exports the group’s branded products into the rest of Africa
Davita Trading (South Africa) (Exports) – Jolly Jus, Benny, Davita

Central Africa

Chococam (Cameroon) (74.7%) – Arina, Big Gum, Kola, Mambo, Matinal, Tartina, Tutoux, Chococroc
West Africa

Deli Foods (Nigeria) (100%) – Deli, Igloo, Nutribix
Operational review continued

Associates

Chile: Empresas Carozzi
Empresas Carozzi is a leading branded food business in South America, based in Santiago, Chile. It also has significant manufacturing operations in Lima, Peru and an operation in Argentina.

The company recorded a satisfactory consolidated performance for the review period, with profit similar to the prior year and a 3% increase in its operating margin.

The performance of the businesses in Chile and Peru improved year on year despite the weak economic situation in these countries.

Underlying performance was again affected by the agro-industrial division, which faced lower global prices in tomato paste, fruit purees and apple juice concentrate, and a revaluation of the Chilean peso against the American dollar.

The populist policy changes implemented by the Chilean government continue to impact local consumer demand and business confidence. Similarly, political and economic challenges in Brazil and Venezuela are constraining regional export opportunities.

The hallmarks of Carozzi’s success include its exceptional innovation capability, strong number 1 or number 2 brands in the relevant categories, depth of market penetration and efficient manufacturing capability. The business is therefore well placed to continue competing effectively.

Nigeria: UAC Foods
UAC Foods is a leading manufacturer and marketer of convenience foods in Nigeria. Its brands span a broad spectrum of the country’s food market, specifically snacks, dairy products and beverages.

* From continuing operations.

Associates
Oceana Group (South Africa) (42.1% held)
Empresas Carozzi (Chile) (24.4% held)
National Foods Holdings (Zimbabwe) (37.4% held)
UAC Foods (Nigeria) (49.0% held)

15%

CONTRIBUTION TO HEADLINE EARNINGS*
[2016: 25%]
The snacks category comprises Gala sausage roll, the category leader in Nigeria, Funtime cupcakes and coconut chips. The dairy category comprises the Supreme range of ice-cream products. Brands in the beverage category include Swan natural spring water.

Given the weaker Nigerian economy, competitors continue to use aggressive pricing strategies to maintain volume and factory throughput amid suppressed consumer demand.

Cost increases from a weakening Nigerian naira have been significant, and only some of these could be recovered through price increases. Despite this, gross margins were maintained by adjusting the Gala sausage roll price and pack-size architecture.

Challenging macro-economic conditions are likely to persist into FY18, resulting in a muted outlook for this business.

South Africa: Oceana
Oceana is a leading fishing company, listed on the JSE.

Oceana’s financial performance has primarily been impacted by the negative effect of a stronger rand on export and foreign revenues, lower global fishmeal and oil prices, and slowing South African consumer spend on non-staple foods. The decrease in operating profit was exacerbated by the adverse movement in net foreign exchange, from a gain of R73 million in 2016 to a loss of R61 million in the current year. These movements were primarily due to the effects of forward exchange contracts to cover the cost of imported frozen fish from the canned fish business. In addition, improvements in the cost base due to group-wide procurement efficiencies have been offset by reduced pilchard landings, and lower Commercial Cold Storage (CCS) occupancies in Gauteng. Prior-year operating profit also benefited from proceeds on the disposal of Lamberts Bay Foods and the CCS fruit business.

Headline earnings for the year ended 30 September 2017 decreased by 44% after a 42% reduction in operating profit.

Zimbabwe: National Food Holdings Limited
National Foods is a leading branded food manufacturing company in Zimbabwe. The country continues to be impacted by macro-economic weaknesses, particularly foreign currency shortages that create challenges for importers in settling foreign creditors. National Foods was largely able to manage these challenges during the year with the assistance of the Reserve Bank, as it was accorded priority as a producer of basic commodities.

Volume performance and profitability were affected by a very poor result from the maize division where volumes declined by 39% on last year after more subsidised maize was provided to consumers by the government following the disappointing 2015/16 harvest. Excluding maize, the group grew volumes by over 7%.

During the year, National Foods disposed of its depot network to a third party, which will convert these stores to fully fledged wholesale outlets. This will allow the group to focus on growing its core light manufacturing activities.

The outlook for the Zimbabwean economy is increasingly challenging. Foreign currency constraints are expected to persist for some time making the operating environment even more difficult.
Sustainability review

Against national and global guidelines, we are steadily improving the way we manage and report the key elements of sustainability as an integrated aspect of our business strategy.

This section has been prepared against the requirements of the FTSE4Good index, IIRC framework and King IV, as well as governance guidelines in the JSE Listings Requirements. Tiger Brands fully supports the principles of the United Nations Global Compact which recognise the positive contribution business can make to a more sustainable planet.

In developing an integrated sustainability strategy, we are concentrating on the constituent pillars that will enable us to reach our goal of creating shared value for all stakeholders:

**Key pillars**

<table>
<thead>
<tr>
<th>Environmental stewardship</th>
<th>Social responsibility</th>
<th>Economic sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Corporate communications – internal and external</td>
<td>Build trust, reputation and legitimacy with all our stakeholders by leveraging opportunities to build relationship capital through:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• One source of truth for Tiger Brands’ messages</td>
<td></td>
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<tr>
<td></td>
<td>• Public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Media (traditional and social)</td>
<td></td>
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<tr>
<td></td>
<td>• Consistent communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Portfolio communication</td>
<td></td>
</tr>
<tr>
<td>• Government relations and stakeholder engagement</td>
<td>Constructively engage with stakeholders to effectively manage reputational risk and build long-term value, using:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Consistent approach to engagement throughout Tiger Brands</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mechanism to anticipate risk and opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Coordinated framework for stakeholder management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Leadership visibility in stakeholder engagement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Value-based stakeholder engagement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Stakeholder-focused not compliance-based engagement</td>
<td></td>
</tr>
<tr>
<td>• Sustainable socio-economic development</td>
<td>Become an acknowledged leader in inclusive economic growth and social impact through:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Moving beyond compliance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Programmes aligned to our operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Food security and nutrition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Green economy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Transformation of enterprise supplier development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Tiger Brands Foundation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Our employees as our ambassadors</td>
<td></td>
</tr>
<tr>
<td>• Comply with BBBEE regulations in promoting inclusive economic development</td>
<td>With compliance as a minimum target, entrench Tiger Brands as a responsible corporate citizen that contributes meaningfully to society and creates shared value</td>
<td></td>
</tr>
</tbody>
</table>
Our people

The people in our organisation are a key competitive differentiator in our markets – the talent we have and how we engage and lead them (individually and collectively) has a direct impact on our business performance.

Highlights

| 227 leaders attended development programmes |
| Invested R57 million or 2.08% of total payroll on training |

Challenge

| Protracted labour disruptions at two sites |

The importance of our people is evident throughout our strategy – from being part of our vision (recognised as a great place to work) to the first pillar of our mission (unleash the power of our people) and our values (we value our people and treat them with dignity).

People strategy

Strengthen Tiger Brands’ competitive position by attracting and retaining the right people with the right capabilities, enabled by inspiring leaders in a great place to work.

The role of the human resources (HR) function is to ensure that Tiger Brands has appropriate people in the right roles who are fully engaged to act on our strategy and deliver high quality to our customers every day.

We focus on the acquisition, management and development of our employees and deliver the reward and recognition models that enhance individual and business performance.

We partner with the leaders of our businesses to create and execute the function or business area’s specific people agenda and to support them in becoming engaging and inspiring role models for our employees.

We shape organisational effectiveness and employee engagement across all levels, aiming to sustain strong relationships with bargaining councils/unions and improve employee health and wellness across the company.

We champion the organisational values and behaviours that we believe will deliver our strategy and contribute to our purpose to nourish and nurture more lives every day.

We administer employee information in the most efficient way and provide business leadership with people-related reports and analytics to ensure decision-making based on facts.

Our operating model and, in turn, the HR function are fundamental enablers to unleashing the power of our people now and in the future. Accordingly, the HR function has been completely transformed and now comprises three core areas:

- The HR business partner network: strategic HR partners in each business area who lead all related activities and are accountable for executing the HR agenda in a way that is relevant and practical to that business
- The HR shared service centre executes all transactional activities that can be delivered remotely, creating efficiency and consistency in how we transact on people-related activities across the group
- The centres of excellence (CoE) analyse the business and design tools, processes and solutions that are benchmarked and relevant to respond to challenges or opportunities encountered by our businesses, with the sole intent of driving the Tiger Brands people strategy.
We are committed to ensuring we are able to attract and retain the best talent – people who are engaged and committed to sustainably delivering impressive business performance and ensuring Tiger Brands is recognised internally and externally as a great place to work.

Our metrics: how we measure our success
To achieve our strategic objectives, we must track and monitor our performance, summarised below:

<table>
<thead>
<tr>
<th>Metric</th>
<th>Why?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top employer rating</td>
<td>Ensuring we position ourselves as a desirable employer to attract and retain the best talent</td>
</tr>
<tr>
<td>% of employee pulse score</td>
<td>Ensuring our employees are engaged and the environment is conducive to delivering exceptional performance</td>
</tr>
<tr>
<td>BBBEE level (management/skills development/employment equity)</td>
<td>Ensuring processes are in place to meet agreed target levels for a diverse workforce while removing all forms of discrimination and providing employment opportunities for disadvantaged individuals</td>
</tr>
<tr>
<td>Attrition</td>
<td>Ensuring that we retain our best people and reducing business continuity risk related to high turnover</td>
</tr>
<tr>
<td>Time to fill positions</td>
<td>Ensuring our company has the critical skills and sufficient capacity available when needed</td>
</tr>
<tr>
<td>Promotions vs external hires</td>
<td>Ensuring we provide growth and development opportunities for our employees while allowing sufficient external talent inflow to facilitate innovation and growth</td>
</tr>
<tr>
<td>Overall performance rating improvement</td>
<td>Ensuring organisational practices, HR activities and leadership guide our people to improved individual performance that will strengthen our business</td>
</tr>
<tr>
<td>HR effectiveness</td>
<td>Ensuring HR activities address corporate priorities and lead to the desired results</td>
</tr>
</tbody>
</table>

Workforce profile

<table>
<thead>
<tr>
<th>Year</th>
<th>African</th>
<th>Indian</th>
<th>Coloured</th>
<th>White</th>
<th>Disabled</th>
<th>Permanent</th>
<th>Temporary</th>
<th>Total</th>
<th>Outside of South Africa</th>
<th>Total staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8 485</td>
<td>701</td>
<td>1 083</td>
<td>780</td>
<td>37</td>
<td>11 049</td>
<td>5 246</td>
<td>16 295</td>
<td>1 426</td>
<td>18 085</td>
</tr>
<tr>
<td>2016</td>
<td>8 437</td>
<td>720</td>
<td>1 120</td>
<td>831</td>
<td>72</td>
<td>11 109</td>
<td>3 689</td>
<td>14 798</td>
<td>2 012</td>
<td>21 474</td>
</tr>
<tr>
<td>2015</td>
<td>7 648</td>
<td>698</td>
<td>1 189</td>
<td>844</td>
<td>53</td>
<td>10 379</td>
<td>4 222</td>
<td>14 601</td>
<td>3 841</td>
<td>20 591</td>
</tr>
<tr>
<td>2014</td>
<td>6 536</td>
<td>726</td>
<td>1 153</td>
<td>838</td>
<td>69</td>
<td>9 253</td>
<td>4 537</td>
<td>13 790</td>
<td>3 673</td>
<td>19 134</td>
</tr>
<tr>
<td>2013</td>
<td>6 178</td>
<td>739</td>
<td>1 192</td>
<td>881</td>
<td>68</td>
<td>8 990</td>
<td>1 500</td>
<td>10 490</td>
<td>3 770</td>
<td>15 048</td>
</tr>
</tbody>
</table>

Our businesses use seasonal and casual workers for expected increases in production, such as processing ripe crops. We also encounter unanticipated spikes in demand from large orders or other less predictable events. To meet these customer requirements, we hire temporary staff. In 2017, our temporary workforce represented 31% of our staff complement (2016: 39%).

While no formal commitment to local hiring is in place, in practice the vast majority of our workers are drawn from areas around our operations.
Key indicators

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee headcount*</td>
<td>18 085</td>
<td>21 474</td>
<td>20 591</td>
</tr>
<tr>
<td>Female employees</td>
<td>3 532</td>
<td>3 910</td>
<td>3 696</td>
</tr>
<tr>
<td>Learnership participants</td>
<td>417</td>
<td>324</td>
<td>264</td>
</tr>
<tr>
<td>Skills development (Rm)</td>
<td>56.7</td>
<td>66.8</td>
<td>57.3</td>
</tr>
<tr>
<td>Total training as % of payroll</td>
<td>2.08</td>
<td>2.05</td>
<td>1.00</td>
</tr>
<tr>
<td>Overall staff turnover rate</td>
<td>9.1</td>
<td>7.1</td>
<td>7.9</td>
</tr>
<tr>
<td>Retention rate of key talent (target 80%)</td>
<td>91%</td>
<td>91%</td>
<td>87%</td>
</tr>
</tbody>
</table>

* Includes international operations but excludes seasonal and casual workers.

Labour relations

To ensure a constructive, safe and fair working environment for all our people, we work closely with employee bargaining units to ensure everyone has a voice in matters that affect them daily.

Regrettably, during the year we recorded protracted labour disruptions at two units (beverages, and snacks and treats). Although this affected results for the year through lost production, our focus is on restoring these relationships and addressing the issues raised where possible, supported by clear and timely communication.

Our employees have full freedom of association, with over 55% belonging to unions (including three major industry unions). Site management and shop stewards meet monthly.

At each site, unions are represented on forums that monitor employment equity, skills development and other issues requiring management’s attention.

Clear communication between staff and management helps ensure disputes are resolved and grievances dealt with appropriately by all parties. Our disciplinary code is a guideline for all managers and employees to:

- Create a fair and equitable structure for dealing with misconduct
- Encourage timely corrective action if an employee’s behaviour or conduct is unsatisfactory or unacceptable.

Tiger Brands complies with South African legislation covering Labour Relations Act and basic conditions of employment, the International Labour Organisation conventions, and relevant regulations in operating areas in Africa. In 2017, there were no instances of non-compliance with labour standards.

Talent management

External hires vs internal promotions

<table>
<thead>
<tr>
<th>Year</th>
<th>Average external hires</th>
<th>Average internal promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>2016</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>2017</td>
<td>10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

We are building talent sustainably by concentrating on internal appointments and promotions while increasing our investment in training and development to build capability and strengthen the talent pipeline. Regular talent reviews ensure high-potential individuals are identified, development plans are agreed, and progress against agreed targets is tracked. These employees are commensurately rewarded.

Key initiatives include a focused management trainee and leadership development programme. In FY17, seven graduates joined Tiger Brands as trainees in various disciplines.

Our aim is to deliver qualified talent to the business ahead of demand, preferably by finding the right people with the right capabilities within the group.
Leadership development
Our aim is to have leaders with the right capabilities to inspire people to deliver exceptional performance.

To ensure we have leaders who can drive our strategy, we introduced a new leadership competency model two years ago aimed at developing great leaders who are committed to creating a great place to work while leading our people through challenges. The new operating model will require a significant change in behaviour that will, in turn, require high levels of collaboration, influencing both the capability and ability to lead through ambiguity.

Leaders are assessed against this framework to ensure we set the correct parameters for development programmes. Four flagship leadership programmes were launched in 2016 and, in total, 14 flagship programmes were run in 2016 and 2017, attended by 227 leaders. We are confident the benefit of these programmes and other initiatives will soon be evident.

High-performance and engaging culture
This pillar of our strategy aims for high performance through careful performance management, paired with strong reward and recognition structures. We believe this will drive an engaged and committed workforce and contribute to our success. Similar to our leadership development initiatives, it is too early to comment on measurable outcomes.

Developing skills and capability
Developing the full potential of all employees is a prerequisite to creating a competitive advantage. Our people have the opportunity to continually develop themselves through workplace qualifications and shorter, function-specific programmes. Related objectives and targets are detailed in our statutory workplace skills plan and annual training report.

In 2017, we invested ZAR 56,7 million (2016: ZAR 66,8 million) or 2,08% of total payroll on in-house training in South Africa, through the Tiger Brands Academy, as well as learnerships.

Tiger Brands Academy
This internal facility has separate academies for the disciplines of supply chain, leadership, finance, customer, human resources and marketing. It also offers learnerships in manufacturing, logistics, supply chain and management.

To ensure we develop the right strategic skills, we recently revised the course content of two key disciplines:
• Supply chain: In 2016, the required skills were profiled and harmonised across the group and new learning plans and development programmes rolled out.

Following the success of the manufacturing excellence programme for unit managers in 2016, a similar programme for production managers was launched and 41 production managers will complete this 12-month programme in early 2018.

In 2016 we launched programmes for employees to be certified in planning and procurement. To date, six employees have been certified and 75 enrolled.

• Shopfloor development project: the first learnerships were completed in 2017 and 41 learners graduated (33 with an NQF 3 certificate in food and beverage packaging and eight with an NQF 3 certificate in stores and warehousing). Another seven sites launched formal learnerships in 2017, with these learners due to complete in 2018. Three sites completed assessments in 2017, and will launch learnerships in early FY18. At other targeted sites, assessments are under way before implementing the next phase of learning plans.

• Customer: After the final year of our School of Mastery programme in 2016, 27 learners were awarded national qualifications in FY17.
Workplace experience project
Unemployment is a significant challenge in South Africa, particularly among the country’s youth. Tiger Brands creates opportunities by providing workplace experience for selected candidates in food technology, engineering, marketing, production and operations. These students become a feeder pool for the graduate programme and other entry-level appointments: 469 people have completed the programme since 2008 and 125 have been employed by the business.

External programmes
We provide bursaries for the children of qualifying black employees. In 2017, we spent R4.7 million on bursaries for 198 students (2016: R3.5 million and 291 respectively). A total of 343 students have graduated from tertiary institutions since 2007 with the trust’s support, and 264 graduated in 2016.

We provided bursaries for seven (2016: seven) engineering students. After graduating, they are incorporated into our talent pool. This year, our first graduates join Tiger Brands in the management trainee programme.

Organisational development and effectiveness
Tiger Brands is striving to create an organisational environment that enables performance, motivating employees to contribute to the group’s success. The key focus over the year has been on designing the new operating model and the organisational structure required to execute the model. Understanding that successfully implementing both the model and organisational structure means new ways of working, a carefully considered change-management programme is helping our people adjust.
Health and safety

The safety of our workers, visitors and the public is key to our long-term success. We strive to achieve our goal of zero harm by managing our activities to eliminate incidents, minimise risk and promote excellent performance.

Highlight

90% year-on-year reduction in safety incidents

Challenge

Route to market security

We believe a safe and healthy workplace is both the fundamental right of every person and a business imperative.

Over three years, there has been a significant and sustained improvement in the safety performance of contractors undertaking civil and construction work at Tiger Brands’ sites after implementing our enhanced contract management guidelines. Clear communication upfront ensures service providers and their leadership teams are fully aligned with our safety policy and guidelines. Instead of acting as enforcers, we facilitate by providing assistance and support to service providers, and creating the space for effective safety collaboration and learning. This engagement takes place at both relationship and contractual levels.

Analysing lost-time injuries at our manufacturing units highlights that behaviour-based incidents are our key challenge. We are focused on strengthening the organisational safety culture to change mindsets and habits, and eliminate risky behaviours.

Our group health and safety policy stipulates our responsibility for maintaining productive workplaces by minimising the risk of accidents, injury and exposure to health hazards for our own people, associates and contractors. This responsibility is defined in operating standards throughout the group. Our manufacturing facilities follow the requirements and principles of the internationally recognised Occupational Health and Safety Assessment Series (OHSAS) 18001 standard as the framework of an effective system.

The group chief executive officer is ultimately responsible for the safety of employees. He reports to the risk and sustainability committee as well as the audit committee on these matters. Dedicated committees, led by supply chain executives and site management, are responsible for implementing health and safety measures at manufacturing sites.

Rigorous operational controls manage known risks and align with international best practice. An accredited independent risk management company assesses implementation and adherence, and provides third-party verification. Any identified non-conformance is assessed and risk mitigation implemented. In addition, compliance audits are conducted annually – spanning applicable laws and regulations as well as the group’s occupational health and safety guidelines – at each manufacturing operation.
Training
Key employees are trained and coached on the job to build the required levels of safety expertise. Programmes run by internal or external safety, health and environment (SHE) specialists are focused on building capability development in this field. Suitable programmes have been agreed for employees, supervisors, SHE coordinators, management and internal audit teams.

To supplement formal training, we have self-auditing and peer-auditing processes to advance our safety programme.

Safety performance
With a renewed focus on safety, the lost-time injury frequency rate (LTIFR) again declined and no operation recorded an unplanned shutdown for health and safety issues in the reporting period.

Over the years the group has made significant progress in improving safety. LTIFR has declined from 0.67 in FY13 to 0.30 in FY17 while fatalities have declined from two in FY13 to zero in FY17. Similarly, lost-time injuries have declined from 135 to 123.

The group LTIFR target is 0.25 for FY18. In FY17, 29% of our manufacturing sites achieved zero LTIFR, while 43% beat their targets (FY16: 31% and 42% respectively).

Focus in FY18 will be on underperforming sites to ensure their safety performance improves in line with the rest of the group.

Route to market security
This remains a focus area for our industry. Pleasingly, in FY17, we recorded zero fatalities (FY16: four). In collaboration with other companies and provincial authorities, we share best practice and build sustainable solutions for route risk management. We continue to emphasise route risk assessments and comprehensive defensive driver training. This ensures our drivers are aware of identifiable risks they may encounter and understand how to avoid collisions or incidents.

Activities to improve health and safety
Management commitment and leadership continue to make a difference in achieving sustainable improvements in preventing injury and illness. Key initiatives in FY17 include:
• Identifying the root cause of safety incidents in a disciplined process
• Further integrating safety into business processes, with line management held personally responsible for safety
• Including line employees in safety incident investigations and facilitating their participation on audit teams and safety awareness campaigns
• Relaunching the SHE pillar in line with our manufacturing excellence customs and practices journey
• Safety skills development programmes and role-based competence matrixes launched for our business units.

Employee wellness
Our employee wellness support programme offers a 24-hour telephonic counselling service, and face-to-face professional counselling. Users can access psychologists, social workers, dieticians, biokineticists, and financial and legal advisers.

Our on-site clinic services include occupational health support, and limited primary healthcare, free to all permanent and temporary employees on site. Our clinic in Ashton (Western Cape, South Africa) is also open to the community. Contracted services include an HIV/Aids management programme and a free advisory and counselling service for all permanent and temporary employees.

We also offer all South African employees voluntary membership to our in-house medical scheme that offers cost-effective comprehensive health cover.
Transformation

In South Africa, we promote social transformation in the interest of nation building, most notably by advancing broad-based black economic empowerment (BBBEE) initiatives.

Highlight

Significant progress with smallholder producer programme (case study, page 54)

Challenge

Managing the impact of new sector-specific BEE codes

The revised agri-BEE codes against which Tiger Brands will be assessed in future were passed by parliament on 1 November 2017. These codes will have to be gazetted before they are officially legislated. The current Tiger Brands BBBEE certificate is valid until December 2018.

As the revised codes are still to be legislated, the company was assessed against the old codes and retained its level 3 rating for the year as shown below.

We will begin work to migrate the group’s verification to the new agri-BEE codes in preparation for impending legislation. Our internal assessment indicates that the group will temporarily drop to level 7 (discounted to level 8) given the new minimum requirements for priority elements (ownership, skills development, enterprise and supplier development).

Tiger Brands BBBEE scorecard

<table>
<thead>
<tr>
<th></th>
<th>Available points</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>20</td>
<td>19,7</td>
<td>17,6</td>
<td>20,3</td>
</tr>
<tr>
<td>Management control</td>
<td>10</td>
<td>5,8</td>
<td>5,0</td>
<td>7,6</td>
</tr>
<tr>
<td>Employment equity</td>
<td>10</td>
<td>5,8</td>
<td>5,8</td>
<td>5,6</td>
</tr>
<tr>
<td>Skills development</td>
<td>20</td>
<td>17,0</td>
<td>15,7</td>
<td>12,9</td>
</tr>
<tr>
<td>Preferential procurement</td>
<td>20</td>
<td>16,6</td>
<td>18,7</td>
<td>19,2</td>
</tr>
<tr>
<td>Enterprise development</td>
<td>10</td>
<td>2,3</td>
<td>3,4</td>
<td>7,0</td>
</tr>
<tr>
<td>Socioeconomic development</td>
<td>10</td>
<td>10,0</td>
<td>10,0</td>
<td>10,0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>77,0</td>
<td>76,1</td>
<td>82,6</td>
</tr>
</tbody>
</table>

Level

|       | 3  | 3  | 3 |

* Tiger Brands is measured against agriculture sector codes gazetted on 28 December 2012.
BBBEE ownership

<table>
<thead>
<tr>
<th>Ownership Details</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brimstone (a black empowerment investment company)</td>
<td>1,0</td>
</tr>
<tr>
<td>Tiger Brands Foundation</td>
<td>5,0</td>
</tr>
<tr>
<td>Employees Black Managers Trusts (BMT I and BMT II)</td>
<td>2,2</td>
</tr>
<tr>
<td>General staff trust</td>
<td>0,1</td>
</tr>
<tr>
<td>Thusani trusts (beneficiaries are children of black employees)</td>
<td>2,0</td>
</tr>
<tr>
<td>Effective black ownership (using the exclusion and modified flow-through principle)</td>
<td>35,3</td>
</tr>
<tr>
<td>Total black women</td>
<td>6,3</td>
</tr>
</tbody>
</table>

Preferential procurement

In our supply chain, we monitor environmental, social and governance performance through a questionnaire distributed annually to our highest-risk suppliers. The results are collaboratively reviewed by the procurement and safety, health and environment teams. Our procurement policy now includes preferential procurement commitments. As part of our execution strategy for FY18, our preferential procurement policy will be reviewed and updated in line with the new BBBEE codes.

Our ambition to play a leading role in developing the agriculture sector remains a key priority, with R73 million of fresh produce sourced from black emerging farmers in FY17. Through our partnership with the Department of Agriculture, Forestry and Fisheries, we have earmarked R30 million for enterprise and supplier development, focused primarily on emerging farmers.

Compliance under the revised BBBEE codes is expected to be a longer-term process as suppliers implement the required steps to improve their scorecard levels. Our procurement team is working closely with suppliers to understand their scorecard trajectories and inform our sourcing strategies.

We remain focused on supporting black-owned and small businesses, spending R4,3 billion and R1,9 billion in these categories during the year. We regard this as a business imperative that will contribute to a vibrant and competitive supply landscape in South Africa in the longer term. Our BBBEE strategy roadmap is being reviewed against the new agri-BBBEE codes which are likely to be legislated in 2018.

Enterprise and supplier development

We have projects in place across our value chain, focusing on growing small businesses that we can support over the longer term. In FY17, we spent R15,0 million on enterprise and supplier development, exceeding planned expenditure for the period. As example, we mentor farmers producing tomatoes for the group in Limpopo (case study, page 54) and have extended this to other commodities such as wheat.

Creating shared value

Our purpose is to nourish and nurture more lives every day. How we bring this purpose to life for our employees, for our communities and for the planet illustrates how we create shared value for all stakeholders by generating sustainable economic value while addressing society’s needs.

Tiger Brands is a large consumer of agricultural products – some 2 million tons per annum, with 65% bought locally. In the past, only 23 000 tons of agricultural produce was procured from smallholder farmers, or just 1% of produce sourced. We have focused on redesigning our procurement and supply value chain to ensure a sustainable portion is opened up to farmers who have not previously participated.

We have initiated a programme to transform our supply chain and increase the volume of produce purchased from local smallholder producers. As a result, new jobs are being created and sustained by our emerging suppliers backed by the security of offtake agreements with Tiger Brands (case study, page 54).

We have already made significant progress and will build on these early successes to expand the programme.
The intensive support programme in Limpopo for tomato farmers is proving successful under the mentorship of Technoserve, supported by our Groceries business. This will provide a platform for Tiger Brands to extend similar programmes to other provinces and crops in future, using a combination of own and external funding.

CASE STUDY
Smallholder producer programme

25 000 tons, 92 farmers

Limpopo (Tiger Brands 2017 investment R9,3m; total R14,6m)
- Tomatoes – 70 farmers producing 20 000 tons (revenue R23m)
- 37 farmers, now stable producers, managed directly by Tiger Brands
- Special programme for 30 farmers including training, mentoring and agricultural support in place with Technoserve
  - On track to increase production by 5 000 tons in 2017
  - Documentary being produced to track the progress from land preparation to planting, harvesting, pulping and final product on shelf
- Beans – 14 farmers; 600 tons contracted for 2018 (new farmers introduced through mentorship programme)
- Wheat – 600 tons contracted for winter production with offtake agreements from Tiger Brands

Background to the programme
Technoserve completed an in-depth study of our manufacturing footprint, crop requirements and the availability of emerging farmers who could meet these requirements. Key criteria included quality specifications, farmer ability and economical radius to the factory. Farmers who met these requirements were then formally evaluated.

The programme spans vegetables over three 18-month phases, focusing on Limpopo, Highveld/Gauteng and North West provinces. As a parallel track, grain crops (maize, sorghum and soya) are being explored, but timing will depend on specific requirements.

Through this programme, our vision is to increase smallholder production from 23 000 tons to 35 000 tons by 2021. Revenue paid to these producers is expected to increase from about R23 million in FY18 to R100 million by 2021.
Key highlights
Phase 1 of the smallholder farmer programme focuses on tomatoes. The 30 participating farmers are equally split between men and women, and five are classified as youth (under 35). Salient features to date include:
- All farmers trained in Technoserve best agronomy practice model covering business economics, land preparation and planting practices, fertilisation, irrigation, pest and disease control. As a result, yields almost doubled to 58 tons per hectare
- Tiger Brands allocated R9,3 million to fund this technical support as part of our commitment to enterprise and supplier development
- 100 hectares under production, with over 5 800 tons delivered to Tiger Brands (total sales revenue of over R9 million, with almost R3 million accruing to farmers after deducting input costs prefunded by Tiger Brands. Some 86% of input loans are currently being recovered)
- Selling to other markets generated a further R1 million for the farmers
- 191 new permanent jobs and 500 seasonal jobs created.

Winter wheat cluster
The initial plan with the Marble Hall/Burgersfort farmers was to produce beans on 500 hectares. Due to challenges with input funding, we missed the planting season for beans and postponed this programme to January 2018.

To keep the farmers engaged, they were encouraged to experiment with a winter wheat crop on 73 hectares. Production is on track and harvesting was completed in November in time to prepare land for bean production which will start in December. Salient features include:
- Five businesses with a total of 18 members (14 men and four women)
- Five key members in each enterprise completed Technoserve training modules.

Looking forward
- Tomatoes: The project with the Nwanedi farmers will continue next season, anticipating that our supply chain will increase volumes from this source if group quality standards are met. The farmers will continue to receive technical support, although this will taper off so that they are able to manage with reduced technical and input support by the third season. We anticipate planting 300 hectares which will yield 18 000 tons with a value of R30 million (depending on offtake agreements with our supply chain).
- Beans (Marble Hall/Burgersfort/Veeplaas): Production preparations will start in December and seedlings will be planted in January 2018. Seeds have already been bought and are being stored. Some 500 hectares of beans will be planted with an expected yield of 1 250 tons and revenue of R14 million.

The tomato value chain explained

1. Offtake agreement signed
2. Farmer plants goods
3. Crops harvested
4. Crops delivered to local Tiger depot
5. Tiger uses tomatoes to produce puree (Musina)
6. Puree transported to Boksburg
7. Puree used to produce Tiger products
Our communities

Our success and our sustainability are directly linked to the well-being of our communities. They are the source of our most valuable asset – our employees – and support our businesses by buying our products.

Highlights

Committed R35 million (up from R23 million in FY16) to socio-economic development (SED) initiatives
First annual Tiger Brands SED partner workshop, hosting all our NGO partners across South Africa
Launch of the Tiger Brands household and community food garden initiative

Challenge

Gaps in the existing SED monitoring and evaluation framework

Key indicators

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total SED spend</td>
<td>35,0</td>
<td>23,0</td>
<td>24,2</td>
<td>24,0</td>
</tr>
<tr>
<td>Tiger Brands Foundation spend</td>
<td>23,9*</td>
<td>19,0*</td>
<td>15,3</td>
<td>22,4</td>
</tr>
<tr>
<td>Beneficiaries reached</td>
<td>104 215</td>
<td>100 977</td>
<td>118 443</td>
<td>107 000</td>
</tr>
</tbody>
</table>

* For the foundation’s financial year to end-February.

Our approach

We honour our responsibility to contribute to the welfare of our communities through our socio-economic development (SED) strategy.

To ensure this strategy is integrated into our business objectives and focused on real – and changing – community needs, we critically reviewed our past approach to corporate social investment (CSI) to determine our future actions, illustrated on the next page. We also incorporated insights from the 2017 stakeholder survey (page 26).
Our approach in action
While food security remains our overarching goal, our core SED programmes address the key goals of South Africa’s national development plan (NDP) and UN Sustainable Development Goals.

Food and nutrition support programme
- We provide nutritionally balanced food parcels to the most in-need beneficiaries across South Africa through partnerships with food-focused NGOs and universities
- Through these partners, over 30,000 community members are reached monthly
- Supported communities include Soweto (Gauteng), Katlehong (Gauteng), Delmas (Mpumalanga), Plettenberg Bay (Western Cape), Stellenbosch (Western Cape), Ikageng (North West), Port Elizabeth (Eastern Cape), Potchefstroom (North West), Claremont (KwaZulu-Natal), Mohlakeng (Gauteng), Cape Town (Western Cape), Nwmitwa (Limpopo) and Braamfontein (Gauteng)
- Supported partners include four universities: Nelson Mandela University, Wits, Northwest University and University of the Western Cape.

CASE STUDY

University nutrition support programme
For thousands of students across South Africa, meals are a daily challenge. In response, Tiger Brands launched the university nutrition support programme in 2017, partnering with tertiary institutions to provide much-needed nutritional support to struggling students. In June 2017, the University of the Western Cape (UWC) became our fourth partner.

Almost 80% of students at UWC depend on some form of financial assistance, and an estimated 1,500 students are unsure about where their daily meals will come from. These students may be living on campus, in nearby community housing or travelling in daily from surrounding communities.

The Tiger Brands programme forms part of UWC’s new student support centre, and will be driven by the leaders of the student representative council (SRC), who plan to augment our food parcels with student-led food gardens.

Tiger Brands has committed to providing nutrient-dense and fortified student food hampers to hundreds of students at UWC, Wits, Nelson Mandela University and North-West University. We are also providing support to establish and maintain food gardens at all campuses.
Customer, stakeholder and brand initiatives

Tiger Brands implements customer and brand-aligned initiatives with a meaningful social impact, including ad hoc stakeholder support during crises:

- Initiatives included support to fire victims in Hout Bay and the Western Cape disasters, as well as support for the patients of Life Esidimeni Hospitals during their relocation.
- The Department of Agriculture, Forestry and Fisheries (DAFF) remains a supported government entity, as does the Nelson Mandela Children’s Hospital (we contributed R5 million to the hospital’s capital campaign).
- The successful roll out of the Spar “Home-cooked Happiness” campaign, through which 1 000 Wonderbags (non-electric portable slow cookers) were distributed to communities and schools across South Africa.
- Collaborations with Albany and Status reached over 1 000 children through the “Sarmies for Smiles” campaign; and two entrepreneurs were trained and mentored in the Status “Hustle Den” promotion.
- We continue to support the Shoprite Soup Kitchen initiative across the country.

Beneficiary capacity building

We focus on targeted community-based training in nutrition, food handling, health, food security and sustainability. Key initiatives during the year included:

- In February 2017, we hosted all our NGO partners from across South Africa at the first annual Tiger Brands socio-economic development partner workshop. We shared our strategy for the next few years and, along with experts from different fields, engaged our partners in discussions and workshops on enterprise development, nutrition education, eco-friendly cooking, sustainable food gardening, and NGO sustainability and financial management.
- We partnered with the Department of Basic Education and the Tiger Brands Foundation to advance nutrition education in selected schools. Through this partnership, nutrition education placemats were rolled out to 25 000 learners in schools across the country. In August 2017, this programme was expanded to include accredited food-handler training for in-school kitchen staff. In partnership with the Tiger Brands Foundation, 36 food handlers, four programme coordinators, three school officials and four district monitors completed accredited training.

Community and household food-garden initiative

Through partnerships with Food and Trees for Africa and Wits Siyakhana initiative, we provide training, support and mentorship to establish sustainable community and household food gardens.

- 8 communities across South Africa participating in the Trees for Homes and Food for Homes programme.
- 4 universities starting campus food gardens linked to their facilities.
- 174 community members trained in permaculture food gardening.
- 20 community educators trained about tree planting and climate change.
- 500 fruit trees and 500 indigenous trees planted in Mohlakeng, with 80 shade and fruit trees planted across the eight community food gardens.
**Community enterprise development**

This pillar of our strategy provides training, support and mentorship to identify and establish viable community enterprises for food security and a green economy.

Our partnership in enterprise development with the NGO Mosaic Community Development in Ikageng focuses on supporting Mosaic’s community bakery, which creates jobs for the foster mothers of children who rely on Tiger Brands’ monthly food parcels.

**Employee volunteers**

We provide opportunities for our people to participate in social causes that are close to their hearts and in the communities in which they live and work. In the review period, these included:

- Santa’s Shoebox Campaign
- Donating toiletries to Life Esidimeni for the mental health patient relocation programme
- Clothing and blanket collections for Western Cape disaster victims
- Country-wide Mandela Day initiatives.

**FY17 snapshot**

In the review period, we committed 1.5% of net profit after tax, or R35 million, to community development, achieving several milestones:

- Over 78,000 high-quality, nutrient dense and fortified food packages distributed (FY16: 13,200)
- 38,000 beneficiaries reached monthly via the Tiger Brands food and nutrition support programme (FY16: 41,000)
- Over 10,000 beneficiaries in crisis supported through our CSI and employee volunteerism programmes
- 25,000 learners received nutrition education material
- 194 community members trained in food gardening and community education.

### 2017 investments

<table>
<thead>
<tr>
<th>2017 investments</th>
<th>Provinces</th>
<th>Nature of support</th>
<th>R000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and nutrition support</td>
<td>Gauteng, Mpumalanga, Western Cape, KZN, Limpopo, Eastern Cape, North West</td>
<td>Food donations</td>
<td>25,543</td>
</tr>
<tr>
<td>programme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer, stakeholder and brand CSI</td>
<td>All provinces</td>
<td>Food and supplies</td>
<td>6,726</td>
</tr>
<tr>
<td>Employee volunteerism</td>
<td>All provinces</td>
<td>Food and supplies</td>
<td>85</td>
</tr>
<tr>
<td>Beneficiary capacity building, household and community food garden initiative</td>
<td>All provinces</td>
<td>Capacity building, training, garden infrastructure and supplies</td>
<td>1,400</td>
</tr>
<tr>
<td>Site-specific community support</td>
<td>Western Cape</td>
<td>Training and supplies</td>
<td>1,760</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>35,514</td>
</tr>
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</table>

Tiger Brands Limited Integrated annual report 2017
Our communities continued

Commitments for FY18
In the year ahead, we plan to accelerate the move from philanthropy to sustainable community investment. While we will continue to provide food packages, nutrition support is now backed by greater focus on creating food-secure communities with better health through:

- Nutrition education, food-handling training, health training and food security
- Training and mentorship on establishing and maintaining household and community food gardens
- Training, support and mentorship in identifying and establishing viable community enterprises concentrating on food security and the green economy
- Establishing a Tigers For Good network of champions across sites and operations

- Tracking the impact of initiatives by implementing a robust monitoring and evaluation system, supported by appropriate NGO partner training.

Tiger Brands Foundation
The Tiger Brands Foundation was established in 2010 to enhance our community impact and assist a broader range of underprivileged people in South Africa. It is managed by an independent board of trustees which establishes the criteria and procedures governing resource allocation.

Through the foundation, we develop partnerships with disadvantaged communities with whom we interact most.

Our operating model

The foundation implemented the first in-school breakfast feeding programme in 2011 in partnership with the Department of Basic Education’s national school nutrition programme (NSNP). From six primary schools in Alexandra, this has expanded to over 90 schools in all provinces, providing the essential breakfast meal to over 63,600 learners. To date, over 51 million breakfasts have been served to our country’s most vulnerable learners.

The programme is funded by a “trickle dividend” equal to 30% of dividends received from the foundation’s 5% shareholding in Tiger Brands.

Practically, the foundation will build the capabilities to support its objectives. These include effective monitoring and evaluation (primarily by formally assessing social return on investment, and disclosing results in FY18), developing packaged and replicable solutions, and enhancing the capacity of key staff.
Although food handlers are employed by the Department of Basic Education, they are paid a stipend by the foundation.

**Commitments for FY18**
- Given positive results from our public-private partnership model for in-school nutrition, we will expand this to more schools in South Africa.
- We will continue to sponsor the first prize in the Department of Basic Education’s annual NSNP awards for best school and best district. For the best school, this means R450 000 towards a school kitchen and adoption onto our in-school breakfast feeding programme for a minimum of three years. The best district will receive R80 000 towards equipment for the NSNP office.
- Provide a stipend of R550 per month for food handlers.
- The foundation will also donate at least four more school kitchens (for schools identified by the department) in FY18. Two of these will be built in partnership with a corporate funder.

The foundation partners with multiple stakeholders:
- The Department of Basic Education at national, provincial and local level.
- Academic and research institutions (such as University of Johannesburg – Centre for Social Development in Africa).
- Beneficiary schools, parents and community leaders.
- Community-based agencies (food delivery partners).
- Funders/donors investing in food-security and school-nutrition programmes.
- Tiger Brands group, public and shareholders.

**Enhancing capacity**
The foundation introduced a food-handlers skills training programme accredited by the South African Qualifications Authority (SAQA) and welcomed by the Department of Basic Education. It was piloted in the Free State province with the support of the provincial education department, and aims to:
- Empower food handlers with appropriate knowledge about food preparation, safety and hygiene.
- Extend the scope of SAQA-accredited training to give volunteer food handlers skills that will enhance their employability or opportunities for entrepreneurship after completing the nutrition programme.
- Incorporate components of the national schools nutrition programme to ensure uniform food-preparation safety and hygiene standards.

---

**Flagship: Breakfast programme**

**WE’VE COME A LONG WAY SINCE 2011**

- **R145m** spent on the programme to date
- 91 no-fee schools across all nine provinces included in the programme
- 9 project coordinators oversee smooth running at provincial level
- 33 kitchens constructed/ upgraded (five to be built by February 2018)
- 63 699 learners receive a nutritious breakfast every school morning
- 45.2m warm nutritious breakfasts served since 2011
- 360+ jobs sustained for the community as food handlers, monitors and provincial coordinators

*Approximately 2011 – 2017*
Our customers and consumers

Given that satisfied customers and consumers ensure our sustained and profitable growth, we take our engagement with both groups of stakeholders seriously. In particular, consumers shape our business strategy and underpin our brand innovation and marketing strategy.

Highlights

- Maintained strength of core brands
  - Consumer complaints declined by 10%
  - On-shelf availability increased from 96% to 97%

Challenges

- No evidence of a recovery in consumer spending
- Competition for market share to intensify

Our approach

Our customers are the retailers and wholesalers we distribute to in South Africa. We segment our major customers by:

- Channel (modern trade, general trade and pharmacy)
- Chain (major retailers, cash-and-carry shops)
- Format (including hypermarkets, supermarkets and spazas – informal stores mostly in townships).

To sustain strong relationships and a growth mindset, dedicated customer executives and shopper managers work in functional teams to serve each customer and their shoppers directly.

Our consumer-focused approach adds value to our company by offering a positive consumer experience that builds brand loyalty, the key to our continued success.

Consumer strategy

Our marketing strategy is driven by our focus on consumers – and how to satisfy their needs better in our specific areas of the FMCG market. Key features include:

- Maintaining the number 1 or 2 position in our categories by investing to support our power brands
- Investing in marketing support and innovation to drive our organic and new business growth plans
- Continually evaluating new or adjacent category opportunities, either through acquisition or innovation – particularly where we are able to drive expansion based on our leading brands
- Keeping abreast of key consumer trends and adapting our marketing strategies to better satisfy their needs
- Continually striving to encourage healthier eating by our consumers
- In prevailing economic conditions, providing greater value for money through a portfolio strategy based on affordability.

ALL CONSUMERS IN SOUTH AFRICA USE OUR PRODUCTS DAILY AND OUR PRODUCTS ARE SOLD IN 25 COUNTRIES ACROSS AFRICA, AS WELL AS ASIA AND EUROPE THROUGH OUR DECIDUOUS FRUIT BUSINESS

CONSUMERS SPEND 10% OF THEIR ANNUAL TOTAL ON TIGER PRODUCTS

Source: Nielsen, company data.

In our international strategy, we aim to nurture and grow the businesses we currently own in the rest of Africa, and strengthen our exports from South Africa by evolving the distributor model, determining optimal coverage and improving in-market visibility.

Customer strategy

Our operating landscape is undergoing significant and ongoing changes that affect the way consumers are shopping and, therefore, the way we go to market and meet in-store execution demands. Key elements of the retail landscape include:

- A crowded trading arena
- Shifting route to market, including the growth of independent channels, while hybrid stores blur the lines between retail and cash-and-carry formats
- Continued rise of private label
- Resilient independent trade
- The increasing role of data and technology
- Retailers seeking margin and growth opportunities
- Targeted collaboration/joint business planning
- Modern trade expanding into the rest of Africa.
Our performance is tracked against three key metrics: customer growth, market share and service levels, including on-shelf availability, promotional and pricing activity. We set service level targets, which are agreed with customers and consistently perform within this range. We continue to focus on in-store execution and have exceeded the 50 basis point improvement target set in FY16 on a basket of strategic products.

2017 overview
Customer and consumer engagement
Tiger Brands engages with customers in South Africa and our other operating countries using a number of channels. We talk to our customers about category strategy, value chain efficiencies, trading terms, as well as pricing and promotional activities. These engagements take place on regular call cycles as per the industry standard and as requested by trade customers. Our ongoing progress is tracked through the independent advantage survey.

Our consumer services division manages all consumer interaction, including compliments, suggestions, product enquiries and complaints. Staffed by Tiger Brands employees, the call centre has now transitioned into a contact centre, assisting consumers via telephone, SMS, email, Facebook and WhatsApp.

In FY17, the contact centre had an average call answer time of 25 seconds and managed 73,056 consumer calls, while consumer complaints showed a 10% decrease, year on year.

Our customer relationship management (CRM) system allows us to capture and store all consumer engagement. These interactions are classified, prioritised and channelled to the appropriate quality and senior management teams. For all consumer complaints, company feedback is given after an investigation and independent analysis, when necessary.

Consumers are also compensated for the value of their defective product(s) – this is managed case by case with vouchers issued via SMS. An additional claims process is also available for consumers.

The contact centre is governed by an internal standard operating procedure, which includes processes to engage with consumers and customers as well as facilitate product recalls, when necessary. We are also able to assist with consumer insights. Our processes are aligned to the consumer goods and services ombudsman, Consumer Protection Act and Protection of Personal Information Act.
Consumer insights
We value consumer insights and invest in ongoing research surveys such as the brand health tracker and Nielsen market share research:

- Brand health gauges the degree of brand recognition, consumers’ likelihood of choosing our products and how well we satisfy the needs of the market. We track brands across 21 categories and, in most of these, the health of our brand is far above our nearest competitor.
- Nielsen research tracks product market share by value and volume, distribution, pricing and product movement (see page 2).

We use these insights to improve category understanding, pinpoint consumer needs, develop productive market segmentation models and identify potential market opportunities. They are vital in enabling us to continually refresh our brands, position our pricing, innovate and develop our marketing strategies. In 2017, key trends from our research included the role of foreign traders in the independent trade, the importance of growing in-store, the need for strong category management tools and the ability to track promotional investments. These trends have been incorporated into our customer strategy, on page 62.

Consumer nutrition and food safety
As a leading manufacturer, we are aware of the significant impact Tiger Brands has on the nutrition and thus health of its consumers. We monitor advances in nutrition and broader health issues, including World Health Organisation (WHO) and South African Department of Health public health concerns.

With malnutrition affecting a significant proportion of the populations we serve, we understand the important responsibility that comes with manufacturing staple foods like bread and maize meal, particularly to people in lower-income categories.

Guideline daily amounts and Eat Well, Live Well: We are dedicated to helping consumers make better food choices so that healthy living becomes easier. In 2009, we were the first South African company to voluntarily initiate the Eat Well, Live Well system that includes the guideline daily amount (GDA) table on all Tiger Brands’ products. The GDA notes the five nutrients that have an impact on non-communicable and lifestyle diseases, such as heart disease, type 2 diabetes, obesity and some cancers. The GDA table allows the consumer to balance high-risk nutrients for the day, and make better food choices. The Eat Well, Live Well system has its own icon – only featured on products that constitute better food choices for overall health – and website, where consumers can learn about incorporating healthy eating into their lifestyle (www.ewlw.co.za). Consumers also have access to our nutritionist for further information or assistance.

Eat Well, Live Well is also active on social media such as Facebook, where consumers can interact with others on the site and with the nutritionist. To date, we have over 118 000 followers. We continue to evaluate and develop products to meet the “better for you” option, in line with the Eat Well, Live Well programme.

In 2017, we launched the Be Nutrient Wise system on the front of each pack. The Be Nutrient Wise logo alerts consumers to be mindful of guideline daily amounts (available in the GDA table) and thus monitor nutrients in their diet that increase the risk of a lifestyle or non-communicable disease.

Fortification: In line with South African regulations, we fortify staple foods such as wheat flour (for bread) and maize meal with key vitamins and minerals. These include vitamins A, B1, B2, B3, B6, B9 (folic acid), iron and zinc. Under pending changes to these regulations, cake flour will also need to be fortified for the benefit of consumers. Our Golden Cloud product range has already been reformulated.

In addition, we voluntarily enrich other products including breakfast cereals such as Morvite, certain Jungle cereals and Ace Instant with micronutrients. Products are specifically developed to target certain requirements, for example Jungle Energy bars are enriched with B vitamins that assist in releasing energy, while Morvite has been specifically developed with micronutrients to assist the immune system.
**Sodium/salt reduction:** Tiger Brands reduced salt levels in 2016 in affected food categories: bread, breakfast cereals, processed meats, savoury snacks, instant noodles and stock concentrates, to comply with South African regulations. We support the efforts of government to improve the health of South Africans, and will continue to work towards even lower sodium levels for the 2019 deadline.

**Taxation of sugar-sweetened beverages:** In February 2016, the South African minister of finance announced a tax on sugar-sweetened beverages. There have since been many interactions with National Treasury, including comprehensive written submissions and presentations to parliament’s standing committee on finance by Tiger Brands. We have also interacted through our industry bodies, BevSA and the Consumer Goods Council.

Comments on the policy paper were submitted to National Treasury. Tiger Brands concurs with BevSA, our industry body, that a tax would have far-reaching socio-economic repercussions without a substantial effect in reducing obesity. As such, the tax should be withdrawn and existing collaborative efforts to address obesity between the Department of Health and industry should continue.

While comments and parliamentary hearings have led to changes in the tax model and rate of tax, the intention remains to tax sugar-sweetened beverages as a “health promotion levy”, based on the amount of sugar in the product. The latest deliberations in parliament resulted in a request for treasury to again review related issues, specifically job losses and labour impact. We await the outcomes of this process but note treasury’s indication that the implementation date has moved from April 2017 to April 2018.

**Consumer regulatory compliance and industry participation**

Tiger Brands ensures a high standard of compliance to consumer legislation and codes. We comply with the Consumer Protection Act, Foodstuffs, Cosmetics and Disinfectants Act and other laws that ensure consumer protection. Areas of compliance refer to aspects of product labelling, pricing policies, product liability and safety, returns policies, marketing, standard terms and conditions and promotional competitions.

In terms of the Consumer Protection Act, we have made the required changes and conducted training across our business to ensure compliance. Our staff at the consumer services unit, which addresses consumer complaints, have also been trained on effectively managing consumer complaints.

In addition, we subscribe to the consumer goods and services industry code, enforced by that ombud, and adhere to the Advertising Standards Authority code on responsible advertising to consumers. We also adhere to the Cosmetics, Toiletries and Fragrances Association (CTFA) compendium, an industry code on the composition and labelling of personal care products.

Tiger Brands is a member of the Marketing Association of South Africa and our chief marketing officer is active on the board of this industry body.

**Looking ahead**

In designing the optimal operating model as part of the strategic review process, we identified the required capabilities to enable our strategy and growth ambitions. The process determined a need for upskilling, and in the case of consumers, specific capability gaps were identified in terms of understanding the price elasticity of our brands and digital marketing. The recruitment process is under way. These skills will be supported by enhanced processes and systems as well as an integrated operating model.

The new operating model will refocus on the consumer, reignite innovation by introducing concentrated innovation capabilities while engagement with Tiger Brands will become easier through a unified sales team and an integrated supply chain. With a deeper understanding of our consumers, better engagement with our customers and a renewed focus on R&D, we will be able to respond quickly by creating a forward-looking innovation portfolio.
Environment

Our environmental policy commits to identifying environmental and climate change risks, taking action to address weaknesses, forging strong relationships with relevant stakeholders, developing and implementing a sustainability strategy, striving for continuous improvement, and reporting to the board through relevant committees.

Highlight

ISO 14001 certifications retained

Challenges

Significant capital expenditure to improve efficiency and flexibility of manufacturing architecture

Water scarcity and drought have a direct impact on the agriculture industry on which our business depends and on our manufacturing processes

Environmental sustainability focus areas

<table>
<thead>
<tr>
<th>Manufacturing operations</th>
<th>Packaging and finished goods</th>
<th>Supply chain</th>
<th>Environmental sustainability culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce the impact of our manufacturing operations by improving energy efficiency and water conservation, reducing GHG emissions, and minimising waste</td>
<td>Reduce the environmental impact of our products and packaging through design, sustainable sourcing and responsible disposal initiatives</td>
<td>Collaborate with our logistics and manufacturing vendors to assist in reducing the environmental impact of our supply chain</td>
<td>Continually engage our employees, consumers and communities to promote a culture of environmental sustainability</td>
</tr>
</tbody>
</table>

Since FY12, we have exceeded most of our key targets of a 5% reduction per annum.

• Excellent reduction in energy performance and waste
• Water intensity has been kept largely flat – this is an area of focus going forward
• The CO₂ emissions reflect an increased scope measurement over this period
• We have sustained our performance in the last two years

Performance – steady progress over the last five years (FY12 to FY17)

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY12</th>
<th>FY17</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy (kWh)/ton</td>
<td>0.43</td>
<td>0.128</td>
<td>70% ↓</td>
</tr>
<tr>
<td>Packaging (ton/ton)</td>
<td>0.94</td>
<td>0.31</td>
<td>67% ↓</td>
</tr>
<tr>
<td>Waste (ton/ton)</td>
<td>0.04</td>
<td>0.005</td>
<td>88% ↓</td>
</tr>
<tr>
<td>Water (kℓ/ton)</td>
<td>1.88</td>
<td>2.12</td>
<td>(13%) ↑</td>
</tr>
<tr>
<td>Carbon emission (CO₂ emission/ton)</td>
<td>0.1571</td>
<td>0.2363</td>
<td>(50%) ↑</td>
</tr>
</tbody>
</table>
Tiger Brands participates in the CDP programme for the Climate Change Disclosure and Water Disclosure programmes. CDP provides a single score that assesses progress towards environmental stewardship as reported by the CDP response. The score assesses the level of detail and comprehensiveness of the content, as well as the awareness of climate change issues, management methods and progress towards action taken on climate change as reported in the response.

CDP strengthened their scoring criteria this year which has an impact on comparability over time. Tiger Brands maintained a C- performance in 2017 given the stringent scoring newly introduced for the climate change responses. For the Water Disclosure programme, a result of B- performance was achieved.

### Environmental governance

At board level, the risk and sustainability committee provides strategic guidance and leadership on climate change and environmental issues and oversees the implementation and revision of the environmental policy. Executing the strategy and managing the environmental system rests with the group manufacturing excellence department.

We also commit to set targets, and monitor, measure and report on our environmental scorecard against key performance indicators. The policy is available on the Tiger Brands intranet and website, and communicated internally to relevant stakeholder forums. Our manufacturing and distribution operations conduct policy training for all relevant employees.

Our environmental strategy is focused on improving environmental performance in key areas, shown below, and forms the framework for addressing identified priorities in our current organisational and external environment. By improving our environmental and social sustainability performance, we will generate economic benefits for stakeholders.

Our environmental control system covers:
- Policies and procedures
- Responsibilities and accountabilities for environmental management
- Reporting
- Environmental legal compliance
- Waste, water, energy, pollution, recycling, climate change management
- Continuous improvement
- Monitoring and performance measurement of systems.

After changes to the policy and procedures, related training takes place site by site. Training is also part of each site’s induction programme, highlighting requirements and responsibilities, and ensuring employees know how to access policies and documents.
### Our initiatives that drive strategic outcomes

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Strategic outcomes</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| **Resource efficiency and cleaner production (RECP)** | RECP programmes implemented through the National Cleaner Production Centre (NCPC) – CSIR and Tiger Brands partnership. RECP accelerates application of preventative environmental strategies to processes, products and services, leading to increased operational efficiency and performance excellence. | • RECP and selective Energy Systems Optimisation (ESO) assessments have been completed at our manufacturing facilities  
• These sites received a detailed technical report with process gaps. Recommendations are being implemented  
• UNIDO and CSIR energy experts conducted EnMS audits at pilot sites  
• EnMS will be implemented progressively across all our sites |
| **Reducing carbon emissions**                   | Implementing energy management system (EnMS) in line with ISO 50001. We have prioritised our top seven heavy energy-user sites | • UNIDO and CSIR energy experts conducted EnMS audits at pilot sites  
• EnMS will be implemented progressively across all our sites |
| **ISO 14001 certification**                     | ISO 140001 standard assists Tiger Brands in protecting the environment and responding changing environmental conditions | • All South African manufacturing sites are ISO 140001 certified  
• Surveillance audits conducted annually  
• ISO 14001 certification will be rolled out to distribution centres and offices |
| **Lifecycle assessments (LCAs) – cradle to grave** | The LCA is a technique to assess environmental impacts associated with all stages of a product’s life from cradle to grave (from raw material extraction through materials processing, manufacture, distribution, use, repair and maintenance, disposal or recycling) | • LCAs have been completed for major products such as KOO baked beans, Albany bread and Beacon chocolate  
• Corrective actions are being implemented across the supply chain |
| **Promote resource and waste management**       | We plan to reduce our waste impact through the following initiatives:  
• Reduce solid, hazardous and electronic waste  
• Reduce amount of non-recyclable packaging on site  
• Decrease total volume of waste removed from site  
• Achieve a closed on-site compost loop from our organic waste to reduce spending on fertilizers for maintaining vegetable gardens (head office) and other gardening activities | • Site waste segregation intensified, realising better recycling opportunities  
• Designing consumer-preferred, resource-efficient packaging and sustainably sourced raw material for our products  
• Using materials that can be recycled, used as waste-to-energy, or for composting  
• Delivering more value with less virgin material in the packaging  
• Reducing volatile organic compounds in packaging with R&D |
| **Logistics impact**                            | We intend to reduce carbon emissions from transporting raw and packaging materials and distributing finished goods | We have reduced logistics-related carbon emissions over 20% in the last two years by:  
• Continually consolidating our fragmented distribution network  
• Increased transport back-hauling: raw and packaging materials on one trip, and finished goods on the return trip  
• Increased direct loads from 55% to 75% |
| **Procurement management**                      | In addition to driving ethical and sustainable sourcing, we have engaged our suppliers on their environmental sustainability plans | We monitor our suppliers’ plans using a balanced scorecard:  
• All suppliers we have engaged with have environmental sustainability plans  
• Most of our suppliers have reduced their carbon emissions  
• We share best practices |
## Priorities

<table>
<thead>
<tr>
<th>Priorities</th>
<th>Strategic outcomes</th>
<th>Initiatives</th>
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</thead>
</table>
| Drive water stewardship | As a business, it is crucial to understand the risks of water scarcity and pollution. Equally important is taking action to ensure water is managed sustainably as a shared, public resource. Stewardship goes beyond being an efficient water user | • Measuring our water footprint (i.e., water use and waste-water discharge) throughout our value chain, including suppliers and product use  
• Treating waste water and effluent for appropriate reuse  
• Using recycled and grey water at some facilities while water-storage facilities have been installed where viable  
• Watersaving schemes have reduced the volume of municipal water used each year  
• Borehole water applications are being explored for sites in areas with a high water table  
• Participating in the CDP water disclosure programme. This global standard allows us to benchmark our performance against global peers and to learn from best practices  
• Member of the CEO Water Mandate for access to strategic frameworks, good-practice guidance and enabling tools to advance our water-stewardship practices |
| Curb energy consumption | Our aim is to reduce the intensity of energy consumption and investigate alternative sources of energy for our facilities                                                                                           | • Refurbished and upgraded most of the group’s boilers  
• Retrofitting energy-saving LED lights using the replacement method, i.e., replacing old energy-intensive lights with LED bulbs  
• Ongoing installation of variable-speed drives for motors, fans, and compressors  
• Optimising energy systems for significant energy users – boilers, compressors, equipment  
• Studies undertaken for alternative sources of energy for manufacturing facilities – solar and biomass |

## Legislative developments

In the review period, we began preparing for expected legislative changes in South Africa:

- Department of Minerals and Energy: submission of five-year company energy-reduction plans
- Department of Environmental Affairs: notification that companies will need to submit a five-year pollution prevention plan for approval by the minister
- Department of Environmental Affairs: request for mandatory or voluntary industry waste management plans or being part of a submission

While these regulations have not yet been legislated, we are proactively developing draft plans given the proposed three-month window between promulgation and submission to the minister. These legislative amendments will also require Tiger Brands to submit annual progress reports against submitted plans.

## Carbon tax

We continue to engage extensively with external parties to establish holistic, practical and affordable solutions on how to reduce our carbon emissions.

To ensure we are adequately prepared, we are considering:

- The extent of our potential liability, taking into account proposed tax-free thresholds
- The effect on suppliers that may be directly liable to pay the carbon tax and seek to pass on these costs

In addition to addressing our own emissions, we are encouraging suppliers to improve the fuel efficiency of their operations and reduce their GHG emissions.
Sound corporate governance is an integral part of the group’s success in achieving its strategic objective to create sustainable value, as per the strategy on page 18.

THE BOARD OF DIRECTORS
Met six times in 2017

Our Board sets the ethical leadership tone which is embodied in Tiger Brands’ values. These in turn direct our daily activities.

During the year, the board was guided by the principles in the King IV Code on Corporate Governance, JSE Listings Requirements, Companies Act 2008 and other relevant laws and regulations.

Our governance structures, policies and standard operating procedures were reviewed and aligned to King IV principles to support our new operating model and strategy.

The Tiger Brands board comprises directors who bring a diverse range of industry knowledge and experience to the board and exercise their judgement freely and independently. The board sets strategic objectives, monitors and reviews management’s performance, and embeds a culture of ethical leadership in the group.

The board has delegated certain functions to committees to assist in meeting its oversight responsibilities in line with the board charter. Every committee has terms of reference and a work plan that are reviewed annually, and the directors confirm that all committees functioned in line with these terms of reference during the year. Committee members have the required skills to execute each mandate and all board committees are chaired by independent non-executive directors.
AUDIT COMMITTEE
Met three times in 2017

Members
RD Nisbet (chairman)
YGH Suleman
KDK Mokhele (resigned 21 February 2017)
EM Mashilwane (appointed 21 February 2017)

Invitees
LC Mac Dougall
NP Doyle
CFH Vaux

The audit committee has, on the board’s behalf, among other things:
• Reviewed the integrated report and annual financial statements
• Reviewed the provisional results and financial information
• Reviewed internal financial controls and the internal audit function’s empowerment, support and effectiveness
• Proposed the external auditors, the quantum of non-audit services and fees for both sets of services
• Monitored performance of the audit, finance, tax and treasury reporting functions
• Monitored the solvency and liquidity of the company and recommended the interim and final dividend
• Monitored all matters relating to the financial assistance policy
• Monitored elements of the combined assurance plan
• Performed its statutory duties as set out in section 97(4) of the Companies Act.

The committee chairman’s report is set out on page 82.

RISK AND SUSTAINABILITY COMMITTEE
Met three times in 2017

Members
YGH Suleman (chairman) (appointed as chairman 21 February 2017)
MO Ajukwu
RD Nisbet
MJ Bowman (appointed 21 February 2017) (resigned 19 September 2017)
KDK Mokhele (resigned 21 February 2017)
BS Tshabalala (appointed 19 September 2017)

Invitees
NP Doyle
CFH Vaux
AG Kirk
PW Spies

The risk and sustainability committee has, on the board’s behalf:
• Monitored information technology (IT) governance and approved the IT strategy
• Monitored material group risks through the enterprise risk management framework and ensured that all risks have been identified through a comprehensive bottom-up and top-down process and continue to be effectively managed
• Monitored the governance of risk and compliance and IT governance, and reported to the audit committee
• Monitored elements of the combined assurance plan and internal audit report.

The risk management report is set out on page 14.
The investment committee has, on the board’s behalf:
- Assessed investment opportunities as set out in the group’s strategic objectives
- Recommended acquisition, investment and divestment opportunities
- Monitored post-investment reviews of historical strategic investments.

In 2017, this committee was aligned to the strategy and value-creation intent of the board and recommended:
- The disposal of the company’s interests in Kenya and Ethiopia
- Approved further investment in Deli Foods.

The remuneration committee is responsible for assisting the board to ensure the group’s reward and remuneration policies are aligned to its objective of value creation and benchmarked to ensure fairness and competitiveness.

The committee has, on the board’s behalf:
- Approved remuneration strategies and policies designed to attract, motivate and retain employees, senior management and directors in achieving the group strategy to create value
- Recommended the remuneration policy and implementation reports to shareholders
- Recommended non-executive directors’ fees for approval by shareholders.

Refer to the report by the chairman of the remuneration committee on page 88.
The nominations committee has, on the board’s behalf:  
- Ensured the board and its committees were appropriately structured, skilled and staffed to execute their mandates  
- Monitored execution of the diversity policy  
- Completed an evaluation of the board chairman, evaluated the independence of all directors including those serving for longer than nine years, and evaluated retiring directors  
- Completed the evaluation of the performance of the CEO  
- Proposed the re-election of retiring directors after a satisfactory performance review  
- Ensured a succession plan and formal processes are in place for appointing new directors, CEO, CFO and executive management  
- Monitored a formal induction programme for new directors and ongoing board development programme for all directors  
- Monitored execution of the talent management pipeline in delivering the group strategy.

The social, ethics and transformation committee has, on the board’s behalf:  
- Monitored development of the code of ethics and a culture of ethical leadership in the group  
- Ensured that the group remained a good corporate citizen  
- Reviewed policies for transformation and sustainability  
- Monitored the performance of social and economic development of employees and relevant stakeholders  
- Monitored consumer experiences with product and compliance to consumer protection laws  
- Monitored engagement with key stakeholders in line with group strategy  
- Monitored adherence by the group to the governance and compliance framework.

The committee’s report is on page 85.

Group chief executive officer  
The CEO, Lawrence Mac Dougall, reports to the board. He is responsible for overseeing execution of the board-approved strategic direction and objectives of Tiger Brands. He chairs the group executive committee which comprises 11 members who assist him in managing the day-to-day affairs of the group. The CEO is not a member of the remuneration, audit or nominations committees, but attends meetings by invitation. He does not participate in discussions on his own remuneration.
## BOARD PROFILE

<table>
<thead>
<tr>
<th>External directorships</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Oxygen, Mapitsa Consortium, Hans Merensky Holdings, Kenosi Investment Holdings, Special adviser to minister of science and technology, chancellor of University of the Free State</td>
<td>Auditing and accounting ✓</td>
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<tr>
<td>Intafact Beverages (subsidiary of SABMiller in Nigeria), Novotel: Port Harcourt, Nigeria (member of Accor Hotels group)</td>
<td>Business intelligence ✓</td>
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<tr>
<td>Telkom, Liberty Holdings, Famous Brands (chair), Curra Holdings (chair), chancellor of Nelson Mandela Metropolitan University</td>
<td>Corporate finance ✓</td>
</tr>
<tr>
<td>Dis-Chem, Distell, Mr Price Group</td>
<td>Finance ✓</td>
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<tr>
<td>Mpact, AIG South Africa and AIG Life South Africa, trustee of Nelson Mandela Foundation</td>
<td>FMCG ✓</td>
</tr>
<tr>
<td>Xon Holdings, BDO Inc, Makhup Properties, Kapela Holdings Liberty Holdings and Group, Albaraka Bank, Gold Fields, Enctus South Africa (chair), Sulfam Holdings (chair)</td>
<td>General management ✓</td>
</tr>
<tr>
<td>Nkonki Incorporated, Murray &amp; Roberts SAA, Standard Bank Group, Kupanua Investments and Barbican Advisory Group</td>
<td>Governance ✓</td>
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<tr>
<td>Telkom, Liberty Holdings, Famous Brands (chair), Curra Holdings (chair), chancellor of Nelson Mandela Metropolitan University</td>
<td>Human resources ✓</td>
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<td>Dis-Chem, Distell, Mr Price Group</td>
<td>ICT ✓</td>
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<td>Xon Holdings, BDO Inc, Makhup Properties, Kapela Holdings Liberty Holdings and Group, Albaraka Bank, Gold Fields, Enctus South Africa (chair), Sulfam Holdings (chair)</td>
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<td>Mpact, AIG South Africa and AIG Life South Africa, trustee of Nelson Mandela Foundation</td>
<td>Strategy ✓</td>
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</table>
# External directorships

- Special adviser to minister of science and technology, chancellor of University of the Free State
- Intafact Beverages (subsidiary of SABMiller in Nigeria), Novotel: Port Harcourt, Nigeria (member of Accor Hotels group)
- Telkom, Liberty Holdings, Famous Brands (chair), Curro Holdings (chair), chancellor of Nelson Mandela Metropolitan University
- Dis-Chem, Distell, Mr Price Group, Mpact, AIG South Africa and AIG Life South Africa, trustee of Nelson Mandela Foundation
- Xon Holdings, BDO Inc, Makhup Properties, Kapela Holdings
- Liberty Holdings and Group, Albaraka Bank, Gold Fields, Enctus South Africa (chair), Sulfam Holdings (chair)
- Nikonki Incorporated, Murray & Roberts
- SAA, Standard Bank Group, Kupanua Investments and Barbican Advisory Group

## Experience

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<td>Regional</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>West Africa</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Africa telecoms</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

[75] Tiger Brands Limited Integrated annual report 2017
## Independent non-executive directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
<th>Appointment Date</th>
<th>Committee Attendance</th>
<th>Board</th>
<th>Audit</th>
<th>Risk and sustainability</th>
<th>Investment</th>
<th>Remuneration</th>
<th>Nominations</th>
<th>Social, ethics and transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR Khotso Mokhele</td>
<td>62</td>
<td>Chairman of the board</td>
<td>1 August 2007</td>
<td>6/6 1/1 Resigned from committee on 21 February 2017 and attended 1/1 meetings during his tenure</td>
<td></td>
<td>1/1 Resigned from committee on 21 February 2017 and attended 1/1 meetings during his tenure</td>
<td>4/4</td>
<td></td>
<td></td>
<td>1/1 Joined committee on 21 February 2017 and attended 1/1 meetings during his tenure</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BSc (agriculture), MSc (food science), PhD (microbiology)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Ajukwu</td>
<td>61</td>
<td></td>
<td>31 March 2015</td>
<td>6/6 3/3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BSc (finance), MBA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>BEcon (hons)</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
### Independent non-executive directors

#### Member attendance:

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointment Date</th>
<th>Board Attendance</th>
<th>Audit Attendance</th>
<th>Risk and Sustainability Attendance</th>
<th>Investment Attendance</th>
<th>Remuneration Attendance</th>
<th>Nominations Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mark Bowman (51)</strong>&lt;br&gt;BCom, MBA</td>
<td>1 June 2012</td>
<td>6/6</td>
<td></td>
<td>2/2 Joined committee on 21 February 2017 and attended 2/2 meetings during his tenure</td>
<td>2/2 Joined committee on 21 February 2017 and attended 2/2 meetings during his tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maya Makanjee (55)</strong>&lt;br&gt;BA (fine arts), BCom, MBl (cum laude)</td>
<td>1 August 2010</td>
<td>6/6</td>
<td></td>
<td></td>
<td>2/2 Joined committee on 21 February 2017 and attended 2/2 meetings during her tenure</td>
<td>3/3</td>
<td>3/3</td>
</tr>
<tr>
<td><strong>Emma Mashilwane (42)</strong>&lt;br&gt;BCompt, BCom (hons), CA(SA)</td>
<td>1 December 2016</td>
<td>5/5</td>
<td>2/2 Joined the board on 1 December 2016 and attended 5/5 meetings during her tenure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Independent non-executive directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Age</th>
<th>Appointed</th>
<th>Committee Attendance</th>
<th>Social, ethics and transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROB NISBET</td>
<td>(62) BCom, BAcc, CA(SA)</td>
<td>62</td>
<td>1 August 2010</td>
<td>6/6, 3/3, 3/3, 4/4</td>
<td></td>
</tr>
<tr>
<td>MAKHUP NYAMA</td>
<td>(60) BCom, MBA, diploma in marketing management</td>
<td>60</td>
<td>1 August 2010</td>
<td>6/6, 3/4, 2/3, 2/3</td>
<td>3/4, 2/3, 2/3</td>
</tr>
<tr>
<td>YUNUS SULEMAN</td>
<td>(60) CA(SA), BCom, BCompt (hons), leadership programmes</td>
<td>60</td>
<td>13 July 2015</td>
<td>6/6, 3/3, 1/2, 4/4</td>
<td>2/2, 1/2, 1/2</td>
</tr>
<tr>
<td>SWAZI TSHABALALA</td>
<td>(51) BA (economics), MBA</td>
<td>51</td>
<td>26 May 2017</td>
<td>1/2</td>
<td></td>
</tr>
</tbody>
</table>
### Executive directors

**Member attendance***:

<table>
<thead>
<tr>
<th></th>
<th>Board</th>
<th>Audit</th>
<th>Risk and sustainability</th>
<th>Investment</th>
<th>Remuneration</th>
<th>Nominations</th>
<th>Social, ethics and transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LAWRENCE MAC DOUGALL</strong></td>
<td>6/6</td>
<td>3/3</td>
<td>6/6</td>
<td>3/3</td>
<td>6/6</td>
<td>3/3</td>
<td>3/3</td>
</tr>
</tbody>
</table>

* Executive directors attend board committee meetings by invitation. However, Lawrence Mac Dougall is a member of the social, ethics and transformation committee (SET).

**Company secretary**

THIROSHNEE NAIDOO

**Group company secretary and legal adviser**

**BProc, EDP**

Appointed: 15 May 2015

Experience: Admitted attorney with over 16 years experience as corporate counsel, mostly in FMCG industry and particularly in African operations.

The company secretary is critical to the proper governance of Tiger Brands. It is the responsibility of the board to ensure that the company secretary remains empowered to fulfill the function for which she has been appointed. See report of audit committee on page 82 for further details.
### Corporate governance continued

#### Executive committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience</th>
<th>Appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MARC EYRES (58)</strong></td>
<td>Group executive: Customer and Tiger Brands International portfolio BSocSci</td>
<td>Senior FMCG sales and customer marketing roles across Africa, South Asia and Australia, including customer vice-president for Unilever South Africa and India.</td>
<td>April 2015</td>
</tr>
<tr>
<td><strong>GRATTON KIRK (53)</strong></td>
<td>Business executive: Consumer Brands – Foods and HPCB FCA, CA(SA)</td>
<td>Seventeen years in retail and 13 years at Deloitte, former CEO of JD Group Limited and Connection Group Holdings. He is a board member of Consumer Goods Council of South Africa and consumer goods and services ombud.</td>
<td>July 2013</td>
</tr>
<tr>
<td><strong>TSWELO KODISANG (44)</strong></td>
<td>Chief HR officer BCom, postgraduate diploma in labour law, HR management</td>
<td>Twenty-five years in FMCG, including as global HR vice-president at Unilever.</td>
<td>May 2014</td>
</tr>
<tr>
<td><strong>BRENDA KOORNNEEF (65)</strong></td>
<td>Group executive: marketing and corporate strategy BCom</td>
<td>Thirty-two years in FMCG, including 17 years at Unilever, marketing and business across Africa, general management at SABC, Moribo Limited and Tiger Brands.</td>
<td>January 2011</td>
</tr>
<tr>
<td><strong>MARY-JANE MORIFI (56)</strong></td>
<td>Group executive: Corporate affairs and sustainability BSocSci, Honours in Sociology</td>
<td>Twenty-one years in extractive industries (SA and UK) in various roles, including six years as executive for corporate affairs at Anglo American Platinum.</td>
<td>December 2016</td>
</tr>
<tr>
<td><strong>PATRICK SITHOLE (50)</strong></td>
<td>Group executive: Supply chain BSc (chem eng)</td>
<td>Over 25 years in FMCG, including as supply chain vice-president for Unilever South Africa.</td>
<td>August 2012</td>
</tr>
<tr>
<td><strong>PIETER SPIES (52)</strong></td>
<td>Business executive: Grains division BCom, IIM, diploma in logistics</td>
<td>Over 25 years in FMCG and agriculture, former CEO of GWK Group and executive roles at Cadbury, Driego, Telkom. Board member of National Foods Zimbabwe.</td>
<td>February 2017</td>
</tr>
</tbody>
</table>
Composition of the board

At 30 September 2017, the board comprised 13 directors: 10 independent non-executive directors and three executive directors. The board assessed the independence of non-executive directors against the criteria in King IV and the JSE Listings Requirements, and taking into account all relevant factors, considered them truly independent. The positions of board chairman and chief executive officer (CEO) have been clearly defined and are separated.

Changes to the board

On 1 December 2016, Emma Mashilwane and Kevin Hedderwick joined the board as independent nonexecutive directors. Emma brings risk management, governance, auditing and financial management expertise. Khotso Mokhele became board chairman on 21 February 2017, after serving as an independent nonexecutive director of Tiger Brands since August 2007. He brings extensive knowledge in business leadership, risk, strategy and governance. On 26 May 2017, Swazi Tshabalala was appointed independent nonexecutive director. She has over 20 years of professional experience in risk management, finance, investments and general management.

These appointments were conducted through a formal and transparent process, as set out in the Tiger Brands policy governing appointments to the board of directors.

Kevin Hedderwick resigned from the board on 14 February 2017. On 21 February 2017, André Parker resigned from the board. He was appointed in August 2007 and served as board chairman from August 2012. Bheki Sibiya resigned from the board and as deputy chairman on 30 June 2017.

Rotation of the board

In line with the company’s memorandum of incorporation, one-third of directors are required to retire by rotation at each AGM. The retiring directors, if eligible and available, may offer themselves for re-election, subject to a performance review by the board. New directors are also subject to election by shareholders at the first AGM after their appointment. Brief profiles of directors retiring by rotation are on page 76 of the integrated report and page 10 of the notice of AGM. Clive Vaux was due for rotation; however, he is not available for re-election as he will be retiring at the conclusion of the annual general meeting scheduled for 20 February 2018.

Board tenure

Non-executive directors who have served on the board for longer than nine years may continue in office after independence and performance assessments by the board. In the review period, the board concluded that KDK Mokhele and SL Botha, who have served on the board for longer than nine years, exercised objective judgement not biased by their length of service. Santie Botha retired from the board with effect from 24 November 2017.

Diversity

During the year, the board adopted a group policy on gender diversity, which aims to promote gender diversity at board level. At present, 31% of the board are women and 54% are black. The board acknowledges that diversity brings the benefit of different perspectives and ideas, and continues to monitor its progress in achieving voluntary targets. The board determined a target of 50% of women and black representation respectively, by 30 September 2022.

Gender
- Female (4)
- Male (9)

Race
- Black (7)
- White (6)

Tenure
- 0–3 years (6)
- 3–6 years (1)
- 6–9 years (3)
- 9+ years (3)

Board independence
- Executive directors (3)
- Independent nonexecutive directors (10)

Succession planning

The board keenly understands the importance of succession plans. In 2017, the board, through its nominations committee, reviewed the group’s succession plans for non-executive directors, executive directors and executive management positions and approved the company’s talent management practices and processes.

Directors’ induction programme and continuous development

A comprehensive directors’ induction programme was successfully implemented in the review period. This comprises a corporate and statutory update, led by the group company secretary and corporate sponsors; a business update comprising meetings with the board chairman, executive management team; and a business context update that includes visits to manufacturing sites, meeting senior leadership as well as visits to certain trade hubs in modern, traditional or informal trade to give directors a business and contextual understanding of the industry, manufacturing capability and competitive set while also understanding relevant business and legislative trends in the context of company policies.

The effectiveness and performance of the board, individual directors and the chairman was internally assessed this financial year. The results indicated that board processes are working effectively and the chairman’s performance is satisfactory.
Audit committee report

This report is provided by the audit committee appointed for FY17 in compliance with the Companies Act No 71 of 2008, as amended. The committee’s activities are guided by a detailed charter informed by the Companies Act and King IV, and approved by the board.

The committee has executed its duties and responsibilities for the group’s accounting, internal control, external auditing and financial reporting practices for the review period in line with its terms of reference.

Structure
The committee comprises three independent non-executive directors, and its chairman is not the chairman of the board. Members and attendance are on pages 71 and 76 to 78.

Biographical details of members are on pages 74 and 75, while fees are noted in the remuneration report on pages 100 and 101.

The review period
External audit
The committee, among other matters:
• Nominated Ernst & Young Inc to shareholders for appointment as the external auditor, with Warren Kinnear as the designated auditor, for the financial year ended 30 September 2017. It ensured that the appointment complied with all applicable legal and regulatory requirements, and that the auditor and designated auditor are accredited by the JSE Limited
• Approved the external audit engagement letter, plan and budgeted audit fees. Fees paid to the auditor are detailed in note 3 of the group annual financial statements
• Reviewed the audit, evaluated the effectiveness of the auditor and its independence, and evaluated the external auditor’s internal quality control procedures
• Obtained an annual written statement from the auditor that its independence was not impaired
• Considered the reports of the external auditor on the group’s systems of internal control, including financial controls
• Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved all non-audit services
• Obtained assurances from the external auditor that adequate accounting records were being maintained
• Considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act No 26 of 2005, and determined that there were none
• Nominated the external auditor and designated independent auditor for the company.

Independence of the external auditor
The audit committee is satisfied that Ernst & Young Inc is independent of the group after considering the following factors:
• Representations by Ernst & Young Inc to the committee
• The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company
• The auditor’s independence was not impaired by any consultancy, advisory or other work undertaken
• The auditor’s independence was not prejudiced by any previous appointment as auditor
• Criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

Financial statements
In respect of the financial statements, the committee:
• Confirmed the going concern requirement as the basis of preparing interim and annual financial statements
• Reviewed compliance with the financial conditions of loan covenants and determined that the capital and debt facilities of the group are adequate
• Examined and reviewed the interim and annual financial statements, as well as all financial information disclosed to the public before submission to and approval by the board
• Ensured the annual financial statements fairly present the financial position of the company and group at the end of the financial year and the results of operations and cash flows for that period, and considered the basis on which the company and group were determined to be a going concern

• Considered accounting treatments, significant unusual transactions and accounting judgements
• Considered the appropriateness of accounting policies adopted and any changes
• Reviewed the external auditor’s audit report
• Reviewed the representation letter on the group financial statements signed by management
• Considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
• Met separately with management and external audit to review and discuss the annual financial statements
• Received and considered reports from the internal auditors.

Internal controls and internal audit
For internal controls and internal audit, including forensic audit, the committee:
• Reviewed and approved the internal audit charter and annual audit plan, and evaluated the independence, effectiveness and performance of the internal audit function and compliance with its charter
• Considered reports of the internal auditor on the group’s systems of internal control including financial controls, business risk management and maintaining effective internal control systems
• Received assurance that proper and adequate accounting records were maintained and that systems safeguarded assets against unauthorised use or disposal
• Reviewed significant issues raised by internal and forensic audit processes and the adequacy of corrective action
• Assessed the performance of the internal audit function and found it satisfactory
• The committee confirms it has no reason to believe there were any material breakdowns in the design and operating effectiveness of internal financial controls in the period that have not been addressed or are not being addressed by management.

In terms of risk management and information technology relevant to its functions, the committee:
• Reviewed the group’s policies on risk assessment and management, including fraud risks and information technology risks as they relate to financial reporting and the going concern assessment, and found them sound
• Considered and reviewed the findings and recommendations of the risk and sustainability committee.
For **sustainability issues**, the committee:

- Considered the findings and recommendations of the risk and sustainability committee
- Met with senior management to consider findings on assurance, and made appropriate enquiries from management. Through this process, it has received the necessary assurances that material disclosures are reliable and do not conflict with financial information.

For **legal and regulatory requirements**, to the extent that these may impact the financial statements, the committee:

- Reviewed, with management, legal matters that could have a material impact on the group
- Reviewed, with the company’s internal counsel, the adequacy and effectiveness of the group’s procedures to ensure compliance with legal and regulatory responsibilities
- Monitored concerns on accounting matters, internal audit, internal accounting controls, contents of the financial statements, potential violations of the law and questionable accounting or auditing matters
- Considered reports provided by management, internal auditor and external auditor on compliance with legal and regulatory requirements.

In terms of coordinating assurance activities, the committee reviewed the plans and work outputs of the external and internal auditors and concluded these were adequate to address all significant risks facing the business.

There is an enterprise-wide system of internal control and risk management in all key operations to manage and mitigate risks. The combined assurance approach is integrated with the risk management process to assess assurance activities across the various lines of defence. While the committee is satisfied with the level of assurance provision for significant group risks, the combined assurance approach will be enhanced in FY18 to include the efficient delivery of assurance activities aligned to the revised operating model.

**Chief financial officer expertise and experience**

The committee considered the expertise, resources and experience of the chief financial officer, Noel Doyle, and concluded these were appropriate. Biographical details appear on page 79.

**Company secretary**

The board assessed group company secretary Thiroshnee Naidoo’s competency, skills, experience and whether she maintains an arm’s length relationship with the board. For the review period, the board is satisfied that Thiroshnee is suitably qualified. Biographical details are on page 79.

After year end, the board announced the appointment of Advocate Kgosi Monaisa as group company secretary from 1 November 2017. The board is satisfied that Kgosi has the necessary skills and experience for this position. Biographical details appear on the website.

All directors have unlimited access to the services of the company secretary, who is responsible to the board for ensuring proper corporate governance principles are applied.

The company secretary also ensures the proper administration of proceedings and matters relating to the board, the company and shareholders in line with applicable legislation and procedures. He is responsible for director training and induction, as well as the annual board evaluation.

The committee confirms that the company secretary maintains an arm’s length relationship with the board and directors, taking into account that the company secretary is not a director of the company nor related to any of the directors.

**Annual financial statements**

Following its review of the annual financial statements of Tiger Brands Limited for the year ended 30 September 2017, the committee believes that, in all material respects, these comply with the relevant provisions of the Companies Act and IFRS and fairly present the consolidated and separate financial position of the company at that date and the results of its operations and cash flows for that year. The committee has also satisfied itself on the integrity of the remainder of this integrated annual report 2017.

Having achieved its objectives, the audit committee recommended the annual financial statements and integrated annual report for approval by the board. The board has since approved the annual financial statements and integrated annual report 2017, which will be open for discussion at the upcoming annual general meeting.

On behalf of the committee

**Rob Nisbet**

Chairman – Audit Committee

28 November 2017
During the review period, this committee made significant progress in refocusing Tiger Brands on its societal capital and the shared value we create for our stakeholders. As a starting point, we commissioned our baseline stakeholder engagement survey for an informed view on perceptions, needs and expectations of all material stakeholders as we plan for the coming year.

This study, detailed on page 26, has highlighted some areas that will need concerted focus in the next year and which will inform our longer-term stakeholder engagement strategy and plans. In general, stakeholders are satisfied with the quality of our engagement but would like to see more structured, responsive, purposeful and continuous interaction. We will pay particular attention to this in FY18.

Our socio-economic development strategy was revised to move Tiger Brands further from our historical charitable approach, mainly providing food hampers to needy communities, to sustainably developing our beneficiaries through capacity building, community enterprise development and community and household food gardens. We believe these programmes will take beneficiaries closer to reaching food security and becoming self-sustaining. They also provide a solid potential for creating viable and flourishing communities.

The Tiger Brands Foundation, supported through dividends from Tiger Brands, continues to deliver excellent results from what is fast becoming an international flagship project – the in-school breakfast programme. This is recognised by the Global Child Nutrition Forum and the Department of Basic Education as the best model for school nutrition programmes. We will continue to work with these entities to see how best to share this model with the rest of the continent. Engagements are currently taking place with neighbouring countries.

An ongoing concern for the committee is the safety of our bakery drivers. Experts have reviewed the effectiveness of existing driver safety initiatives and we will continue to investigate possible solutions for a cashless bread delivery system to reduce the number of incidents.

In the new year, we will focus on embedding programmes that will contribute to creating a great place to work, including diversity and inclusion. We will implement recommendations from the gender commission and continue to train and develop our employees to their fullest potential.
As a statutory committee of the board, the social, ethics and transformation committee fulfils its duties against the requirements of sections 72(4) and (5) of the Companies Act 2008 and regulation 43 of the Companies Regulations 2011. In addition to ensuring legislative compliance, the committee applies the principles of good corporate governance as per King IV in fulfilling its functions. King IV asks companies to adopt a mindset of self-regulation rooted in broader socio-economic consciousness. Accordingly, the committee oversees the company’s performance in terms of mindful adoption of good corporate citizenship as the mechanism to create value for all stakeholders, while generating growth for the business. The committee oversees the company’s social and ethical performance through its monitoring and reporting function to the board, and provides guidance to the CEO and directors on improving performance in these domains.

Particular areas of oversight include:
- Social and economic development activities
- Organisational ethics
- Transformation
- Responsible corporate citizenship
- Environment, health and safety
- Labour and employee relations
- Consumer relations.

In the review period, the committee comprehensively reviewed its terms of reference to align with King IV. Key revisions included:
- Roles, duties and authority of the committee
- Management of meetings and resolutions
- Reporting procedures
- Evaluating performance.

These amendments ensure the committee’s optimal performance in discharging its duties appropriately, and eliminate duplication between its oversight role relative to the responsibilities of the operational ethics committee and risk and audit committees.

Membership and attendance
See pages 73 and 77 to 79.

Outline of activities
For the review period, the committee:
- Conducted a stakeholder engagement survey to measure the health of the company’s engagement with its material stakeholders (page 26)
- Reviewed and monitored implementation of initiatives to comply with the Broad-Based Black Economic Empowerment Act
  - We expanded the inclusion of small-scale farmers into our supply chain and made progress on our smallholder farmer programme, implemented with the Department of Agriculture, Forestry and Fisheries in 2016 (see page 54)
- Monitored the adoption of good governance practices and policies to ensure the elimination of corruption in line with Organisation of Economic Cooperation and Development (OECD) anti-corruption principles
  - Provided oversight on the roll out of compulsory competition law, as well as anti-bribery and corruption, training for employees. The latter two topics will extend to board members
- Reviewed relevant policies to support and respect internationally proclaimed human rights laws and ensure the group is not complicit in human rights abuses (United Nations Global Compact (UNGC) principles 1 and 2)
- Monitored the group’s activities to promote equality and eliminate unfair discrimination in its business dealings:
  - The diversity and inclusion programme monitors progress on gender representation and inclusion of people with disabilities
  - Management hosted disability sensitisation and voluntary disclosure workshops, attended by 359 employees, with 32 voluntarily disclosing disabilities
- Reviewed and monitored the group’s contribution to developing communities:
  - Promoting sustainable community development through the socio-economic development strategy
  - Food and nutrition security programmes and their reach and impact
  - Monitoring the impact of the Tiger Brands Foundation through the in-school breakfast feeding programme
- Monitored the record of sponsorships, donations and charitable giving
- Monitored the company’s initiatives in reducing carbon emissions
- Reviewed and monitored the group’s standing in terms of the International Labour Organisation’s protocol on decent work
- Monitored the adequacy of group mechanisms in eliminating forced and compulsory labour as well as child labour (UNGC principles 4 and 5)
• Reviewed and monitored the group’s industrial relations climate and union engagement (UNGC principle 3)
  – Received satisfactory updates on workshops to build capacity in industrial relations negotiations
  – Received updates on the industrial relations environment at all sites to identify and manage related risks by understanding the levels of union representation at each site
  – Received updates on the progress of wage negotiations. These have been concluded successfully
  – Ensured comprehensive management plans were in place to safeguard employees at sites where strike action was under way. There were no incidents of damage to property or equipment, and employees were unharmed
• Reviewed and monitored elimination of unfair discrimination in employment and occupation (UNGC principle 6)
• Reviewed and monitored compliance with the Employment Equity Act
• Reviewed and monitored training and development of employees
• Monitored compliance with consumer protection laws
• Reviewed the company’s approach to preventing, detecting and responding to fraud and corruption
• Reviewed the regulatory and compliance universe relevant to its areas of responsibility
• Engaged with the risk committee on the matters monitored by that committee on its behalf
  – Safety and health focused on the reduction of safety incidents involving our bakery drivers by exploring initiatives to remove cash from bread delivery vehicles
  – Received reports on the behaviour-based safety programme designed to reduce LTIFR at our manufacturing sites
  – As part of the environmental sustainability oversight, received reports on programmes to reduce the impact of our operations on energy efficiency, water consumption, waste minimisation and reduction of greenhouse gas emissions
• Reviewed the company’s position and engagement approach in terms of the Tiger Brands submission to National Treasury on proposed taxation of sugar-sweetened beverages
• Reviewed the group’s code of ethics, which has been amended to include members of the Tiger Brands board
• Considered and approved updated policies:
  – Group code of ethics
  – Anti-bribery and anti-corruption
  – Gifts, entertainment and hospitality
  – Declaration of interests
  – Group stakeholders management

Tiger Brands is committed to ensuring that its principles on ethics are implemented across the company. The committee will continue to monitor processes and policies to ensure compliance. It is satisfied it has considered and discharged its responsibilities for the financial year in line with its terms of reference, King IV and the Companies Act.

On behalf of the committee

Maya Makanjee
Chairman – Social, ethics and transformation committee
28 November 2017
PART 2: OVERVIEW OF REMUNERATION POLICY
The purpose of our remuneration policy is to:
• Attract, engage and retain high-performing employees
• Inspire and motivate people to outperform against the business strategy, goals and targets
• Drive, reward and recognise performance excellence and innovation by significantly differentiating reward for top performers, ie pay for performance

Page 18 of the integrated report details how the company drives growth and hence sustainable value creation. In addition to ensuring that our remuneration policy and its implementation is fair and responsible, we set and deliver sustainable business goals and results that are relevant to the socio-economic environment in which we operate.

Our approach to remuneration is simple; we adopt a holistic remuneration philosophy. We have implemented a balanced design with monetary and non-monetary components as shown below. This allows us to integrate our remuneration offering with other benefits outlined in our human resources development policies to create a compelling, well-rounded offering to our employees.
Summary of our remuneration elements

The monetary components of our remuneration offering comprise fixed remuneration in the form of a guaranteed package, and variable remuneration in the form of short-term and long-term incentive schemes.

Guaranteed package (GP) (excluding bargaining unit employees)
- Comprises base pay and benefits
- Benefits include retirement fund contributions, funeral cover, permanent health insurance, death-in-service cover and travel allowances (where applicable)
- Reviewed annually as per the factors below
- Factors determining GP: personal performance (KPIs based on balanced scorecard which includes financial and non-financial metrics), business performance (budget) and market competitiveness (national and sector benchmarks)
- Market benchmark for executive management and prescribed officers – bespoke survey of public data of South African companies listed on the JSE, based on market capitalisation and sector-appropriate peer companies
- Anchor point for market competitiveness
- Premium paid for high performance, high potential and scarce/key skills.

Short-term incentives (for employees in management and above)
- Paid annually in cash
- Primary intention – improve business performance by focusing participants’ attention on key financial, strategic, functional and personal performance objectives (KPIs based on a balanced scorecard) for sustainable value creation
- By incorporating personal performance, the STI:
  - Drives achievement of our short-term and long-term strategic goals
  - Allows for differentiation in rewarding high performers

- The on-target percentage is benchmarked against the South African market to ensure we are aligned with market practice. It is based on affordability and the STI payment is based on achieving the objectives noted earlier
- Non-financial strategic measures are included in the personal performance objective. Personal performance is incorporated through the personal performance multiplier, a discretionary percentage ranging from 0% to 175%. This facilitates the appropriate focus on the non-financial and strategic drivers that are key to sustainably achieving the business’s long-term goals, particularly since the personal performance multiplier can significantly impact the quantum of an employee’s STI
- Changes for FY18
  - Based on shareholder feedback and an internal review, primary financial KPIs for executive directors have been revised to include HEPS (35%), earnings before interest and taxation (EBIT) (35%), sales volume growth (15%) and working capital management (15%).

Long-term incentive
Management and above
- Long-term sustainable performance is enabled by granting annual allocations of share appreciation rights (SARs) and bonus matching shares under the Tiger Brands Limited 2013 Share Plan (LTIP). In addition, ownership in the company’s shares is encouraged by permitting a portion of the STI to be deferred. Key elements of the LTIP are summarised below:
  - Annual awards of SARs, with a performance vesting condition of real HEPS growth, combined with an overarching condition that the company’s return on capital must exceed its weighted average cost of capital. Targeted HEPS growth is equal to CPI and the annual growth in GDP. Vesting is on a sliding scale
  - Annual awards of bonus matching shares are linked directly to achieving the short-term incentive bonus (STII) in the prior financial year. If no bonus is earned, bonus shares are not awarded
A performance differentiation tool (PDT) is used to modify the standard quantum of SARs and bonus-matching shares, based on an individual’s personal performance, leadership and ability. This is a discretionary percentage ranging from 0% to 200%.

Executive management and other senior management may voluntarily defer a portion (25%, 33% or 50%) of STI into company shares (deferred bonus shares), which are then matched 1:1 by the company (company matching shares).

**Vesting periods**

- Bonus matching, deferred bonus shares and company matching shares: these are subject to continued tenure for three years after being granted.
- SARs: these will be available to be settled in equal thirds on the third, fourth and fifth anniversaries of the date of allocation, but need not be exercised until the sixth anniversary, when they must be exercised or lapse. Vesting will depend on the company’s performance relative to specified conditions, as set out above, measured over a three, four and five-year period, respectively.

**BEE schemes**

Two schemes were previously established as part of the company’s empowerment initiatives:

- **Tiger Brands Black Managers Trust (BMT I)**
  - Established in 2005 to attract and retain talent.
  - Rights allocated – Tiger Brands shares. Rights are settled after making the required capital contributions to BMT I at any time after the specified lock-in period, i.e. from 1 January 2015. For all rights allocated after 31 July 2010, the lock-in date varies depending on the date of allocation.

- **Tiger Brands Black Managers Trust II (BMT II)**
  - Established in 2009.
  - As a mechanism to attract and retain talent, black managers received a once-off allocation of shares which vest on termination of the scheme on 31 December 2017 (after Tiger Brands has exercised its right to repurchase a certain number of shares from BMT II under an agreed formula).
  - Periodically, new allocations were made to new joiners and top-up allocations were made to existing participants promoted to higher grades as shares became available after forfeitures.
  - As part of the company’s plans to retain black talent, the remuneration committee has approved a specific retention allocation at 30 September 2017 to a select group of black managers (37), including two executive committee members. The lock-in period will run from 1 October 2017 to 30 September 2020.
  - Participants defined as bad leavers during this period (eg resignation) will forfeit their allocation of shares. For those who remain employed until 1 October 2020, the shares will vest fully.

- **Thusani Trust**
  - Established in 2005 as part of the company’s BEE phase I empowerment initiative. The trust’s resources were enhanced in 2009 in terms of the company’s BEE phase II transaction.
  - As part of our social investment initiatives, the trust provides bursaries for tertiary education to dependants of permanently employed black employees who might not otherwise be able to afford this cost.

- **Changes for FY18**
  - Given the success of the two black manager schemes in attracting and retaining key talent, and with no further shares available for allocation, the current policy of granting restricted shares has been adjusted to allow for the use of restricted shares as an attract-and-retain mechanism.

**Historical LTI information**

The last award of performance shares was made in May 2016.

Vesting of performance shares is determined by the company’s comparative total shareholder return (TSR) relative to the TSR of the constituent members of the FTSE/JSE S&P Top 30 index over the three-year vesting period as follows:

- Position 15 or out of 30: the targeted number (one-third of maximum number) of performance shares awarded will vest.
- Position 7 or better: the maximum number (three times targeted number) of performance shares awarded will vest.
- Position 23 or worse: all performance shares awarded will be forfeited.
- Between position 7 and 15, or between 15 and 23: a prorated number of performance shares will vest.

Any performance shares that do not vest at the end of the three-year period will be forfeited.

**Performance conditions for SARs allocated before December 2016**

For outstanding SARs allocated before December 2016, the performance vesting conditions are based on a targeted rate of 3% per annum real growth in HEPS over three, four and five-year periods.

Percentage threshold levels for real HEPS growth and corresponding percentage of allocation to vest:

- >0% and <0.5%: 5%
- ≥0.5% and <1.0%: 10%
- ≥1.0% and <1.5%: 16%
- ≥1.5% and <2.0%: 27%
- ≥2.0% and <2.5%: 44%
- ≥2.5% and <3.0%: 75%
- ≥3.0%: 100%

**Dilution**

- Under the rules of the Tiger Brands Phantom Cash Option scheme (which has been replaced by the LTIP), at any point the aggregate number of unexercised phantom options is limited to 10% of the total issued share capital of the company. As at 30 September 2017, aggregate outstanding options under the scheme represented 0.06% (2016: 0.18%) of the company’s issued share capital.
- The maximum aggregate number of shares that may be acquired by participants under the LTIP and any other share plan may not exceed 5.5 million shares, and for any one participant 550 000 shares. In determining these limits, shares acquired through the JSE and transferred to participants are not considered. As at 30 September 2017, the aggregate number of shares that may be acquired by participants under the various schemes was 1 742 012 (2016: 1 515 298).
Remuneration framework

The tables below summarise our remuneration elements and show how they are integrated as part of the company’s total remuneration offering for FY17.

### Guaranteed package (GP)

Key performance indicators linked to group strategy include:

<table>
<thead>
<tr>
<th>Top tier financial results</th>
<th>Market performance</th>
<th>Compliance</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Market share</td>
<td>Quality</td>
<td>Improved employee engagement</td>
</tr>
<tr>
<td>Gross margin</td>
<td>On-shelf availability</td>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>Productivity/cost savings</td>
<td>Innovation rate</td>
<td>BBBEE implementation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brand health measure</td>
<td></td>
<td>Employee development plans in place</td>
</tr>
</tbody>
</table>

**Outcomes**

- Performance rating influences annual increase and STI

**Calculation**

$$
	ext{PDT} = \frac{\text{STI} \times \text{On-target}}{\text{Share price}} + \text{Personal performance multiplier}
$$

### Short-term incentive (STI)

<table>
<thead>
<tr>
<th>STI</th>
<th>GP</th>
<th>On-target</th>
<th>Business multiplier</th>
<th>Personal performance multiplier</th>
</tr>
</thead>
</table>

**Level: 50%**

- Executive directors: HEPS (100%)
  - Performance rating: Range: 5 (150% to 175%), 4 (120% to 130%), 3 (85% to 115%), 2 (15% to 50%), 1 (0%)

**Level: 27.5% to 50%**

- Executive committee: EBIT (70%), Sales volume growth (10%), Working Capital Management (20%)
  - Performance rating: Range: 5 (150% to 175%), 4 (120% to 130%), 3 (85% to 115%), 2 (15% to 50%), 1 (0%)

STI outcome influences bonus matching, deferred bonus shares and company matching shares

### Long-term incentive (LTI)

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Share appreciation rights (SARs)</th>
<th>Bonus matching shares (full value shares)</th>
<th>Deferred bonus shares and company matching shares (full value shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award mechanism</td>
<td>Multiple of GP: CEO – 151%, CFO – 145%, prescribed officers – 110%</td>
<td>50% of actual STI</td>
<td>Based on percentage of actual STI deferred: 25%, 33% or 50%</td>
</tr>
<tr>
<td>Calculation</td>
<td>(GP*SARs multiple/share price) PDT multiplier</td>
<td>(Actual STI* 50%/share price) *PDT multiplier</td>
<td>(Actual STI deferred *2/ share price)</td>
</tr>
<tr>
<td>PDT multiplier</td>
<td>Discretionary multiplier based on personal performance rating, leadership and ability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vesting</td>
<td>Five-year vesting based on anniversary of allocation year 3 – 1/3, year 4 – 1/3, year 5 – 1/3</td>
<td>Vesting on third anniversary of allocation</td>
<td></td>
</tr>
<tr>
<td>SARS performance conditions</td>
<td>1 Full vesting: HEPS = &gt; CPI + rate of growth in GDP (measured on an annual compound basis over the applicable period) 2 Pro rata vesting: HEPS growth &gt; CPI but below CPI + GDP rate, pro rata vesting on a linear scale 3 Further vesting condition: Average annual return on capital over the relevant performance period must exceed company’s weighted average cost of capital (WACC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share price</td>
<td>Based on the company’s volume weighted average price (VWAP) calculated for the 10-day period ending immediately prior to the date of allocation.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Performance differentiation tool (PDT).
Remuneration report continued

Total remuneration potential for members of executive management for the year ended 30 September 2017

<table>
<thead>
<tr>
<th>CEO</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum GP STI LTI Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-target</td>
<td>8 547 4 305 5 809 18 661</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stretch</td>
<td>8 547 6 458 6 778 21 783</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-target</td>
<td>6 156 3 075 4 062 13 293</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stretch</td>
<td>6 156 4 613 4 754 15 523</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other executives (average)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-target</td>
<td>3 785 1 875 2 081 7 741</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stretch</td>
<td>3 785 2 812 2 502 9 099</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minimum shareholding policy

We have introduced a minimum shareholding policy, where senior executives are expected to build up their personal shareholding in the company to a minimum level of 150% of GP (for the CEO) and 100% of GP for other executive committee members. Executives have six years to build up these holdings and may use a portion of their STI, any vesting LTIs or their own resources, to acquire these shares.

<table>
<thead>
<tr>
<th>Name</th>
<th>gp</th>
<th>Value</th>
<th>% of GP</th>
<th>Target %</th>
<th>Years remaining to meet target</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall</td>
<td>8 610 000</td>
<td>245 278</td>
<td>3%</td>
<td>150%</td>
<td>5</td>
</tr>
<tr>
<td>NP Doyle</td>
<td>6 150 000</td>
<td>3 282 190</td>
<td>53%</td>
<td>100%</td>
<td>5</td>
</tr>
<tr>
<td>CFH Vaux</td>
<td>4 963 351</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>PW Spies</td>
<td>4 600 000</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>6</td>
</tr>
<tr>
<td>AG Kirk</td>
<td>4 590 107</td>
<td>929 790</td>
<td>20%</td>
<td>100%</td>
<td>5</td>
</tr>
</tbody>
</table>

* GP as at 30 September 2017.
** Value calculated with reference to the closing price of a Tiger Brands share as at 29 September 2017, ie R377,35.
Recognitions
The Tiger Stripes programme has been refreshed and consolidated to focus on acknowledging the efforts of individuals and business teams in meeting business goals and to reinforce the behaviours aligned to our values and leadership principles.

The new programme also includes an on-the-spot recognition mechanism to enable line managers to reward employees immediately via cash awards (gift cards) for their efforts in successfully completing a specific project, a significant task or for sustained high achievement.

Executive service contracts
Senior executives are employed full-time under standard agreements with a notice period of three months. The current retirement age is 65, although a retirement age of 63 applies to two members.

We strive to bind all senior executives by a restraint-of-trade agreement. To the extent that executives have access to proprietary business insights and intellectual property, Tiger Brands will enforce the agreement should they join a competitor. The restraint comprises a three-month notice period and three months’ special leave (paid as a three-month lump sum (based on guaranteed package) on termination.

For terminations due to retirement or retrenchment, contractual entitlements include a pro rata short-term incentive payment (based on the extent of achieving specified financial and strategic targets for the period) and a personal performance agreement being in place at the date of exit). No pro rata bonus is paid to employees who leave for other reasons, eg resignation or dismissal.

The termination rules for awards made under the Tiger Brands Limited 2013 Share Plan specify that, if an individual’s employment is terminated on a no-fault basis, depending on the nature of the unit (ie whether it is SARS, bonus matching shares, deferred bonus shares or company matching shares) and reasons for termination, a participant may retain all units or a pro rata portion thereof. Accelerated vesting and settlement of retained units may apply in certain circumstances. In the case of a fault termination, all unvested units (other than certain deferred bonus shares) will be forfeited.

External board appointments
Tiger Brands encourages members of the executive committee to consider accepting appropriate opportunities to serve as non-executive directors on the main board or committees of external companies. We believe this encourages our executives to broaden their skills base and experience.

Under a formal policy, an executive is limited to one substantive outside directorship. The chairman of the Tiger Brands board, the chairman of the nominations committee, and the chairman of the remuneration committee are required to authorise these appointments based on a recommendation from the CEO. Directors’ fees under this policy may be retained by the individual. Other than associate companies, Tiger Brands currently has no executive members serving as non-executive directors on the main boards of external companies.

Details of executive committee members serving on the boards of associate companies appear on page 79.

Non-executive directors
Appointment and contractual arrangements
Non-executive directors are appointed to the board of Tiger Brands in line with related policy and procedures. These are formal, transparent and a matter for the board as a whole, based on a recommendation by the nominations committee. The letter of appointment confirms the terms and conditions for the tenure of this appointment and includes reappointment by rotation. In terms of the company’s memorandum of incorporation, onethird of directors are required to retire from office at each AGM; their reappointment is contingent on being re-elected to serve on the board by shareholders.

Executive directors are subject to standard terms and conditions of employment and are required to retire from the board by rotation in line with the company’s memorandum of incorporation. Any executive and non-executive director appointed to fill a vacant position during the year must be subject to re-election at the first annual general meeting following the appointment.

There are no contractual arrangements for compensation due to loss of office. Non-executive directors do not receive short-term incentives or participate in any long-term incentive plan.

Fees and approval process
Non-executive directors are paid an annual retainer that reflects their overall contribution and input to the company, and not just for attendance at board and committee meetings.

Fees are reviewed annually and increases are implemented in March after approval at the AGM. A bespoke survey is conducted to benchmark these fees against a global/local comparator group comprising companies of similar size and operating in similar industries. The measurement criteria include turnover, total assets and number of employees.

The chairman does not receive any additional remuneration for participating in committees of the board. Non-executive directors who perform services outside the scope of their ordinary duties may receive additional remuneration. Shareholder approval will be sought for increasing non-executive directors’ fees, including fees paid for attending special board meetings and for additional work. Details of proposed increases for 2018 appear on page 102 as well as in the notice of AGM of shareholders to be held on 20 February 2018.

Details of non-executive directors’ fees paid in the review period appear in part 3 on pages 100 and 101.

Shareholder engagement
We take our shareholder feedback seriously and aim to keep the lines of communication open. The remuneration committee is committed to shareholder engagement and will take the following steps if 25% or more of total votes exercised by shareholders at the upcoming AGM are against the remuneration policy or implementation report:

• The company will issue a SENS announcement inviting dissenting shareholders to note their specific concerns and to engage with the company, and
• The company will consider these concerns and report on the outcome of this engagement, and measures taken, in its next integrated report.

For our full remuneration policy, please see www.tigerbrands.com
Summary of feedback from shareholders and responses

The following common themes of concern were noted by shareholders:

<table>
<thead>
<tr>
<th>Shareholder feedback</th>
<th>Response by Tiger Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vesting criteria for performance shares were perceived as being overly generous. In addition, restricted shares are not subject to performance conditions</td>
<td>From December 2016, performance shares no longer form part of annual allocations. All regular annual LTI awards are subject to performance conditions, either in the form of “performance on the way in” (bonus matching shares/deferred bonus shares and company matching shares), which are linked to the achievement of a short-term incentive bonus or during the vesting period (SARs).</td>
</tr>
<tr>
<td>The absence of a return metric across incentive schemes</td>
<td>For SARs (from December 2016), a further condition for vesting to occur is that the average of Tiger Brands’ annual returns on capital over the relevant performance period must exceed its weighted average cost of capital (WACC) for the same period. From FY18, KPI targets for executive management will include a targeted return on net assets (RONA).</td>
</tr>
<tr>
<td>The vesting criteria of 3% HEPS growth for share appreciation rights (SARs) being perceived as low</td>
<td>Performance conditions for SARs are usually viewed as an underpin, with the embedded condition of share price growth being the primary objective. Market benchmarks for SARs targets are usually more moderate than those for full-value share awards (CPI or CPI +2% pa compared to vesting targets for full-value shares which are CPI +5% to 10% pa).</td>
</tr>
<tr>
<td>Additional cash payments made to the CEO and CFO without specific substantiation</td>
<td>Sign-on bonuses are considered only in exceptional circumstances and may be required to compensate a prospective executive for unvested LTIs granted by his/her current employer. The company will only consider retention awards in exceptional circumstances, which was the case in 2016 after restructuring the executive committee and appointing a new CEO.</td>
</tr>
<tr>
<td>Executive directors’ STI targets being reduced to a single measure of targeted group (HEPS)</td>
<td>This has been changed. From FY18, primary financial STI targets for executive directors will comprise HEPS (35%), earnings before interest and taxation (EBIT) (35%), sales volume growth (15%) and working capital management (15%).</td>
</tr>
<tr>
<td>The removal of strategic objectives, as a primary metric, from the short-term incentive scheme</td>
<td>We have enhanced disclosure on the STI scheme and executive management’s KPIs, which include financial and non-financial measures. The STI scheme is a multiplier scheme, aligned with global best practice, using a “business multiplier” which primarily focuses on financial metrics to ensure alignment with shareholder outcomes, as well as a personal performance multiplier, which differentiates based on the achievement of an individual’s KPIs. This ensures that there is personal accountability for both the financial and strategic aspects of our business.</td>
</tr>
</tbody>
</table>
For the review period, in addition to the HEPS financial KPI, the following KPIs applied to the CEO and CFO. The level of achievement is reflected for each KPI:

### KPIs scorecard

<table>
<thead>
<tr>
<th>Top tier financial results</th>
<th>Market performance</th>
<th>Compliance</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Market share</td>
<td>Quality</td>
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</tr>
<tr>
<td>Gross margin</td>
<td>On-shelf availability</td>
<td>Safety</td>
<td>Safety</td>
</tr>
<tr>
<td>Productivity/cost savings</td>
<td>Innovation</td>
<td>BBBEE implementation</td>
<td>Employee development plans in place</td>
</tr>
</tbody>
</table>

- Met
- Partially met
- Not met

### Total remuneration of executive directors and prescribed officers

The total remuneration of executive directors and prescribed officers on a single-figure basis, as required by King IV and in line with guidance from the Institute of Directors and South African Reward Association is shown below.

#### Total remuneration of executive directors and prescribed officers for the financial year ended September 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
<th>Benefits</th>
<th>GP</th>
<th>Other</th>
<th>STI*</th>
<th>LTI**</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall*</td>
<td>8 058 719</td>
<td>488 424</td>
<td>8 547 143</td>
<td>–</td>
<td>–</td>
<td>4 596 025</td>
<td>13 143 168</td>
</tr>
<tr>
<td>NP Doyle**</td>
<td>5 211 772</td>
<td>943 704</td>
<td>6 155 476</td>
<td>–</td>
<td>–</td>
<td>5 334 903</td>
<td>11 490 379</td>
</tr>
<tr>
<td>CFH Vaux**</td>
<td>4 531 406</td>
<td>398 030</td>
<td>4 929 436</td>
<td>–</td>
<td>–</td>
<td>4 929 436</td>
<td></td>
</tr>
<tr>
<td>AG Kirk**</td>
<td>3 955 010</td>
<td>593 883</td>
<td>4 548 893</td>
<td>– 2 320 310</td>
<td>2 192 882</td>
<td>9 062 085</td>
<td></td>
</tr>
<tr>
<td>PW Spies***</td>
<td>2 343 743</td>
<td>490 568</td>
<td>2 834 311</td>
<td>1 782 738</td>
<td>1 586 233</td>
<td>7 943 436</td>
<td></td>
</tr>
</tbody>
</table>

* Value of STI includes the value of bonus deferrals, if any, given the LTI was allocated on 11 December 2017.
** Expected LTI value based on award as at 7 December 2016 at R395,97 per share.
*** Expected LTI value based on award as at 5 September 2017 at R403,56 per share.
Other: sign-on bonus for PW Spies.

#### Total remuneration of executive directors and prescribed officers for the financial year ended September 2016

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
<th>Benefits</th>
<th>GP</th>
<th>Other</th>
<th>STI*</th>
<th>LTI**</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall***</td>
<td>3 053 378</td>
<td>215 745</td>
<td>3 269 123</td>
<td>20 000 000</td>
<td>256 250</td>
<td>7 119 518</td>
<td>30 644 891</td>
</tr>
<tr>
<td>NP Doyle**</td>
<td>4 716 246</td>
<td>923 254</td>
<td>5 639 500</td>
<td>10 000 000</td>
<td>417 993</td>
<td>4 402 954</td>
<td>20 460 447</td>
</tr>
<tr>
<td>CFH Vaux</td>
<td>4 118 660</td>
<td>622 064</td>
<td>4 740 724</td>
<td>–</td>
<td>709 050</td>
<td>–</td>
<td>5 449 774</td>
</tr>
<tr>
<td>AG Kirk</td>
<td>3 582 427</td>
<td>731 803</td>
<td>4 314 230</td>
<td>4 028 000</td>
<td>433 151</td>
<td>2 212 504</td>
<td>10 987 885</td>
</tr>
<tr>
<td>NG Brimacombe</td>
<td>3 624 920</td>
<td>940 083</td>
<td>4 565 003</td>
<td>–</td>
<td>–</td>
<td>1 015 413</td>
<td>5 580 416</td>
</tr>
</tbody>
</table>

* Value of STI excludes the value of bonus deferrals, if any.
** Expected LTI value based on award as at 9 February 2016 at R291,71 per share.
*** Expected LTI value based on award on 24 May 2016 at R341,68 per share.
Other: sign-on bonus for LC Mac Dougall and retention payments for NP Doyle and AG Kirk.
## 2017 short-term incentive outcomes

The graphics below show the outcomes of the business multiplier component as well as the personal performance multiplier component relative to the targets for the respective executive directors and prescribed officers’ schemes.

### Executive directors

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual multiplier achieved</th>
<th>Weight</th>
<th>Weighted multiplier %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEPS</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Actual business multiplier for executive directors

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual multiplier achieved</th>
<th>Weight</th>
<th>Weighted multiplier %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEPS</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual multiplier achieved</th>
<th>Weight</th>
<th>Weighted multiplier %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEPS</td>
<td>0%</td>
<td>100%</td>
<td>150%</td>
</tr>
</tbody>
</table>

### Prescribed officers

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual multiplier achieved</th>
<th>Weight</th>
<th>Weighted multiplier %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>130%</td>
<td>70%</td>
<td>91,1%</td>
</tr>
</tbody>
</table>

Actual business modifier for prescribed officers

<table>
<thead>
<tr>
<th>Measure</th>
<th>Actual multiplier achieved</th>
<th>Weight</th>
<th>Weighted multiplier %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>0%</td>
<td>50%</td>
<td>10%</td>
</tr>
</tbody>
</table>

### The individual outcomes for executive directors are shown below.

<table>
<thead>
<tr>
<th>Name</th>
<th>GP*</th>
<th>On-target %</th>
<th>Actual business multiplier %</th>
<th>Actual personal performance multiplier %</th>
<th>2017 STI</th>
<th>2016 STI**</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall</td>
<td>8 610 000</td>
<td>50%</td>
<td>0%</td>
<td>100%</td>
<td>0</td>
<td>512 500</td>
</tr>
<tr>
<td>NP Doyle</td>
<td>6 150 000</td>
<td>50%</td>
<td>0%</td>
<td>130%</td>
<td>0</td>
<td>835 985</td>
</tr>
<tr>
<td>CFH Vaux</td>
<td>4 963 351</td>
<td>50%</td>
<td>0%</td>
<td>100%</td>
<td>0</td>
<td>709 050</td>
</tr>
</tbody>
</table>

* Annual GP as at 30 September 2017.
** Includes the value of bonus deferrals.

### The individual outcomes for prescribed officers are shown below.

<table>
<thead>
<tr>
<th>Name</th>
<th>GP*</th>
<th>On-target %</th>
<th>Actual business multiplier %</th>
<th>Actual personal performance multiplier %</th>
<th>2017 STI</th>
<th>2016 STI**</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Kirk</td>
<td>4 590 107</td>
<td>50%</td>
<td>101,1%</td>
<td>100%</td>
<td>2 320 310</td>
<td>646 494</td>
</tr>
<tr>
<td>PW Spies***</td>
<td>4 600 000</td>
<td>50%</td>
<td>101,1%</td>
<td>115%</td>
<td>1 782 738</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Annual GP as at 30 September 2017.
** Includes the value of bonus deferrals.
*** STI prorated as the start date was 1 February 2017.
### Short-term incentives for FY17

<table>
<thead>
<tr>
<th>Name</th>
<th>GP*</th>
<th>2017 STI**</th>
<th>% of GP</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall</td>
<td>8 610 000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>NP Doyle</td>
<td>6 150 000</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>CFH Vaux</td>
<td>4 963 351</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>AG Kirk</td>
<td>4 590 107</td>
<td>2 320 310</td>
<td>51%</td>
</tr>
<tr>
<td>PW Spies***</td>
<td>4 600 000</td>
<td>1 782 738</td>
<td>39%</td>
</tr>
</tbody>
</table>

* Annual GP as at 30 September 2017.
** Includes the value of bonus deferrals.
*** STI prorated as the start date was 1 February 2017.

### Long-term incentives

#### Awards

The long-term incentive awards made during the year to executive directors and prescribed officers are set out below. The 10-day volume weighted average price at award date was R395,97 per share, on 7 December 2016 and R403,56 as at 5 September 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>PDT multiplier</th>
<th>GP</th>
<th>SARs Award</th>
<th>SARs Face value</th>
<th>SARs Number</th>
<th>Bonus matching shares Award</th>
<th>Bonus matching shares Face value</th>
<th>Bonus matching shares Number</th>
<th>Deferred bonus shares and company matching shares Match</th>
<th>Deferred bonus shares and company matching shares Face value</th>
<th>Deferred bonus shares and company matching shares Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall*</td>
<td>100%</td>
<td>8 610 000</td>
<td>151%</td>
<td>13 003 655</td>
<td>32 840</td>
<td>512 500</td>
<td>50%</td>
<td>257 381</td>
<td>650</td>
<td>100%</td>
<td>514 761</td>
</tr>
<tr>
<td>NP Doyle*</td>
<td>150%</td>
<td>6 150 000</td>
<td>145%</td>
<td>13 375 867</td>
<td>33 780</td>
<td>833 985</td>
<td>50%</td>
<td>629 592</td>
<td>1 590</td>
<td>100%</td>
<td>839 456</td>
</tr>
<tr>
<td>CFH Vaux*</td>
<td>100%</td>
<td>4 963 351</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>709 050</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>–</td>
</tr>
<tr>
<td>PW Spies**</td>
<td>–</td>
<td>4 600 000</td>
<td>110%</td>
<td>5 287 443</td>
<td>13 102</td>
<td>–</td>
<td>50%</td>
<td>–</td>
<td>–</td>
<td>100%</td>
<td>–</td>
</tr>
<tr>
<td>AG Kirk*</td>
<td>100%</td>
<td>4 590 107</td>
<td>110%</td>
<td>5 052 577</td>
<td>12 760</td>
<td>646 494</td>
<td>50%</td>
<td>324 695</td>
<td>820</td>
<td>100%</td>
<td>427 648</td>
</tr>
</tbody>
</table>

#### Expected value (based on fair value)

<table>
<thead>
<tr>
<th>Name</th>
<th>SARS Award</th>
<th>SARS Face value</th>
<th>Bonus matching shares</th>
<th>Deferred bonus shares and company matching shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall*</td>
<td>3 901 097</td>
<td>231 643</td>
<td>463 285</td>
<td></td>
</tr>
<tr>
<td>NP Doyle*</td>
<td>4 012 760</td>
<td>566 633</td>
<td>755 510</td>
<td></td>
</tr>
<tr>
<td>CFH Vaux</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>PW Spies**</td>
<td>1 586 233</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>AG Kirk*</td>
<td>1 515 773</td>
<td>292 226</td>
<td>384 883</td>
<td></td>
</tr>
</tbody>
</table>

* Allocated on 7 December 2016 at a VWAP of R395,97.
** Allocated on 5 September 2017 at a VWAP of R403,56.
*** STI in respect of the year ended 30 September 2016.

#### Vesting

The outcome for awards due to vest in FY17, and whose performance conditions end by 30 September 2017, are shown below:

<table>
<thead>
<tr>
<th>LTI measures</th>
<th>Performance condition result (% vesting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTI allocation</td>
<td></td>
</tr>
<tr>
<td>Performance vesting shares granted in February 2014</td>
<td>300%</td>
</tr>
<tr>
<td>Vested in February 2017</td>
<td>–</td>
</tr>
<tr>
<td>Phantom cash options granted in 2013 – third tranche*</td>
<td>–</td>
</tr>
<tr>
<td>Share appreciation rights granted in 2013 – third tranche</td>
<td>–</td>
</tr>
<tr>
<td>Share appreciation rights granted in 2014 – second tranche</td>
<td>100%</td>
</tr>
<tr>
<td>Share appreciation rights granted in 2015 – first tranche</td>
<td>27%</td>
</tr>
</tbody>
</table>

*Only 50% of which were subject to performance conditions.

- **Met**
- **Partially met**
- **Not met**
Schedule of LTI awards
Unvested awards and cash flow from settling LTI awards for the CEO and CFO are tabulated below.

<table>
<thead>
<tr>
<th>Name and awards</th>
<th>Award date</th>
<th>Vesting date</th>
<th>Opening number</th>
<th>Granted during the year</th>
<th>Grant price ZAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>LC Mac Dougall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016 deferred bonus shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>650</td>
<td>–</td>
</tr>
<tr>
<td>2016 company matching shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>650</td>
<td>–</td>
</tr>
<tr>
<td>2016 bonus matching shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>650</td>
<td>–</td>
</tr>
<tr>
<td>2016 performance shares</td>
<td>26/05/2016</td>
<td>24/05/2019</td>
<td>8 160</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2016 SARs</td>
<td>24/05/2016</td>
<td>24/05/2019</td>
<td>12 000</td>
<td>–</td>
<td>341,68</td>
</tr>
<tr>
<td></td>
<td>24/05/2020</td>
<td></td>
<td>12 000</td>
<td>–</td>
<td>341,68</td>
</tr>
<tr>
<td></td>
<td>24/05/2021</td>
<td></td>
<td>12 000</td>
<td>–</td>
<td>341,68</td>
</tr>
<tr>
<td>2016 SARs</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>10 946</td>
<td>395,97</td>
</tr>
<tr>
<td></td>
<td>07/12/2020</td>
<td></td>
<td>10 947</td>
<td>–</td>
<td>395,97</td>
</tr>
<tr>
<td></td>
<td>07/12/2021</td>
<td></td>
<td>10 947</td>
<td>–</td>
<td>395,97</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>44 160</td>
<td>34 790</td>
</tr>
<tr>
<td>NP Doyle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 company matching shares</td>
<td>03/12/2015</td>
<td>03/12/2018</td>
<td>2 688</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2015 deferred bonus shares</td>
<td>03/12/2015</td>
<td>03/12/2018</td>
<td>2 688</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2016 company matching shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>1 060</td>
<td>–</td>
</tr>
<tr>
<td>2016 deferred bonus shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>1 060</td>
<td>–</td>
</tr>
<tr>
<td>2015 bonus matching shares</td>
<td>04/02/2015</td>
<td>04/02/2018</td>
<td>2 320</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2016 bonus matching shares</td>
<td>09/02/2016</td>
<td>09/02/2019</td>
<td>1 330</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2016 bonus matching shares</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>1 590</td>
<td>–</td>
</tr>
<tr>
<td>2014 performance shares</td>
<td>28/02/2014</td>
<td>28/02/2017</td>
<td>2 790</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2015 performance shares</td>
<td>04/02/2015</td>
<td>04/02/2018</td>
<td>2 490</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2016 performance shares</td>
<td>09/02/2016</td>
<td>09/02/2019</td>
<td>5 720</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2012 Phantom Cash Share Options</td>
<td>07/02/2012</td>
<td>07/02/2015</td>
<td>5 000</td>
<td>–</td>
<td>252,01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>07/02/2016</td>
<td>5 000</td>
<td>–</td>
<td>252,01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>07/02/2017</td>
<td>10 000</td>
<td>–</td>
<td>252,01</td>
</tr>
<tr>
<td>2013 Phantom Cash Share Options</td>
<td>13/02/2013</td>
<td>13/02/2016</td>
<td>5 000</td>
<td>–</td>
<td>299,83</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13/02/2017</td>
<td>10 000</td>
<td>–</td>
<td>299,83</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13/02/2018</td>
<td>10 000</td>
<td>–</td>
<td>299,83</td>
</tr>
<tr>
<td>2014 SARs</td>
<td>28/02/2014</td>
<td>28/02/2017</td>
<td>6 067</td>
<td>–</td>
<td>254,45</td>
</tr>
<tr>
<td></td>
<td>28/02/2018</td>
<td></td>
<td>6 067</td>
<td>–</td>
<td>254,45</td>
</tr>
<tr>
<td></td>
<td>28/02/2019</td>
<td></td>
<td>6 066</td>
<td>–</td>
<td>254,45</td>
</tr>
<tr>
<td>2015 SARs</td>
<td>04/02/2015</td>
<td>04/02/2018</td>
<td>3 846</td>
<td>–</td>
<td>385,33</td>
</tr>
<tr>
<td></td>
<td>04/02/2019</td>
<td></td>
<td>3 847</td>
<td>–</td>
<td>385,33</td>
</tr>
<tr>
<td></td>
<td>04/02/2020</td>
<td></td>
<td>3 847</td>
<td>–</td>
<td>385,33</td>
</tr>
<tr>
<td>2016 SARs</td>
<td>09/02/2016</td>
<td>09/02/2019</td>
<td>7 623</td>
<td>–</td>
<td>291,71</td>
</tr>
<tr>
<td></td>
<td>09/02/2020</td>
<td></td>
<td>7 623</td>
<td>–</td>
<td>291,71</td>
</tr>
<tr>
<td></td>
<td>09/02/2021</td>
<td></td>
<td>7 624</td>
<td>–</td>
<td>291,71</td>
</tr>
<tr>
<td>2016 SARs</td>
<td>07/12/2016</td>
<td>07/12/2019</td>
<td>–</td>
<td>11 260</td>
<td>395,97</td>
</tr>
<tr>
<td></td>
<td>07/12/2020</td>
<td></td>
<td>11 260</td>
<td>–</td>
<td>395,97</td>
</tr>
<tr>
<td></td>
<td>07/12/2021</td>
<td></td>
<td>11 260</td>
<td>–</td>
<td>395,97</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>117 636</td>
<td>37 490</td>
</tr>
</tbody>
</table>

A full analysis of the annual movement in phantom cash-settled options, performance shares, bonus matching, deferred bonus shares, company matching shares and share appreciation rights held by executive directors, prescribed officers and other members of the executive committee is set out on pages 68 to 74 of Annexure C to the annual financial statements.
<table>
<thead>
<tr>
<th>Name and awards</th>
<th>Award date</th>
<th>Opening number</th>
<th>Cash received ZAR</th>
<th>Closing number</th>
<th>Closing fair value ZAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>NP Doyle</td>
<td>2014 SARs</td>
<td>28/02/2014</td>
<td>2 790</td>
<td>2 790</td>
<td>2 790</td>
</tr>
<tr>
<td></td>
<td>2014 SARs</td>
<td>04/02/2015</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2015 SARs</td>
<td>04/02/2015</td>
<td>2 490</td>
<td>2 490</td>
<td>2 490</td>
</tr>
<tr>
<td></td>
<td>2015 SARs</td>
<td>07/12/2016</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2015 SARs</td>
<td>07/12/2019</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2015 SARs</td>
<td>09/02/2016</td>
<td>1 330</td>
<td>1 330</td>
<td>1 330</td>
</tr>
<tr>
<td></td>
<td>2015 SARs</td>
<td>09/02/2018</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2015 performance shares</td>
<td>28/02/2014</td>
<td>2 688</td>
<td>2 688</td>
<td>2 688</td>
</tr>
<tr>
<td></td>
<td>2015 performance shares</td>
<td>04/02/2015</td>
<td>1 060</td>
<td>1 060</td>
<td>1 060</td>
</tr>
<tr>
<td></td>
<td>2015 performance shares</td>
<td>04/02/2018</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2015 performance shares</td>
<td>07/12/2016</td>
<td>1 060</td>
<td>1 060</td>
<td>1 060</td>
</tr>
<tr>
<td></td>
<td>2015 performance shares</td>
<td>09/02/2019</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
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<tr>
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<td>2015 bonus matching shares</td>
<td>07/12/2016</td>
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<td>2015 bonus matching shares</td>
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<td>2015 bonus matching shares</td>
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<tr>
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<td>2015 deferred bonus shares</td>
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<td>3 847</td>
<td>3 847</td>
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</table>

Unvested awards and cash flow from settling LTI awards for the CEO and CFO are tabulated below.
Remuneration report continued

Interests of directors and prescribed officers in BEE schemes
No executive directors or prescribed officers qualify to participate in either of the company’s BEE schemes.

Non-executive directors’ fees
Total emoluments to non-executive directors for the year ended 30 September 2017, inclusive of VAT from 1 June 2017, were:

<table>
<thead>
<tr>
<th>MO Ajukwu</th>
<th>SL Botha</th>
<th>MJ Bowman</th>
<th>K Hedderwick</th>
<th>M Makanjee</th>
<th>E Mashilwane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board fees</td>
<td>612 707</td>
<td>368 491</td>
<td>368 491</td>
<td>90 316</td>
<td>368 491</td>
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<td>164 046</td>
</tr>
<tr>
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<td>–</td>
<td>67 172</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Extraordinary fees</td>
<td>–</td>
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<td>Ad hoc work/meetings</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>25 200</td>
</tr>
<tr>
<td>Total</td>
<td>812 387</td>
<td>577 780</td>
<td>477 468</td>
<td>90 316</td>
<td>612 393</td>
</tr>
</tbody>
</table>

1 Appointed on 1 December 2016 and resigned on 14 February 2017.
2 Appointed on 1 December 2016.
3 Resigned on 30 June 2017.
4 Resigned as chairman on 21 February 2017.
5 Appointed on 26 May 2017.
6 Appointed as chairman on 21 February 2017.

Annual fees payable to non-executive directors for the period beginning 1 March 2017 were approved by shareholders on 21 February 2017.

Total emoluments to non-executive directors for the year ended 30 September 2016 were:

<table>
<thead>
<tr>
<th>MO Ajukwu</th>
<th>SL Botha</th>
<th>MJ Bowman</th>
<th>K Hedderwick</th>
<th>M Makanjee</th>
<th>E Mashilwane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors’ fees</td>
<td>352 664</td>
<td>352 664</td>
<td>352 664</td>
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<td>352 664</td>
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<td>Audit committee fees</td>
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<td>Investment committee fees</td>
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<tr>
<td>Remuneration committee fees</td>
<td>–</td>
<td>194 995</td>
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<tr>
<td>Nominations committee fees</td>
<td>–</td>
<td>12 413</td>
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<td>12 413</td>
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<td>Social, ethics and transformation committee fees</td>
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<td>152 351</td>
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<tr>
<td>Risk committee fees</td>
<td>86 641</td>
<td>–</td>
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<td>Extraordinary fees</td>
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<td>–</td>
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</tr>
<tr>
<td>Ad hoc work/meetings</td>
<td>36 200</td>
<td>68 600</td>
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<td>79 400</td>
</tr>
<tr>
<td>Total</td>
<td>475 505</td>
<td>628 672</td>
<td>388 864</td>
<td>36 200</td>
<td>79 400</td>
</tr>
</tbody>
</table>

* Appointed during the 2017 financial year, thus not applicable for the year ended 30 September 2016.
## Interests of directors and prescribed officers in BEE schemes

No executive directors or prescribed officers qualify to participate in either of the company's BEE schemes.

## Non-executive directors' fees

Total emoluments to non-executive directors for the year ended 30 September 2017, inclusive of VAT from 1 June 2017, were:

<table>
<thead>
<tr>
<th>Director</th>
<th>MO Ajukwu</th>
<th>SL Botha</th>
<th>MJ Bowman</th>
<th>K Hedderwick</th>
<th>M Makanjee</th>
<th>E Mashilwane</th>
<th>Dr KD Mokhele</th>
<th>BL Sibiya</th>
<th>RD Nisbet</th>
<th>MP Nyama</th>
<th>AC Parker</th>
<th>YGH Suleman</th>
<th>BS Tshabalala</th>
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<tbody>
<tr>
<td><strong>Board fees</strong></td>
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<td>612 707</td>
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</table>

**Annual fees** payable to non-executive directors for the period beginning 1 March 2017 were approved by shareholders on 21 February 2017.

## Directors' fees

Total emoluments to non-executive directors for the year ended 30 September 2016 were:

<table>
<thead>
<tr>
<th>Director</th>
<th>MO Ajukwu</th>
<th>SL Botha</th>
<th>MJ Bowman</th>
<th>K Hedderwick</th>
<th>M Makanjee</th>
<th>E Mashilwane</th>
<th>Dr KD Mokhele</th>
<th>BL Sibiya</th>
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<th>MP Nyama</th>
<th>AC Parker</th>
<th>YGH Suleman</th>
<th>BS Tshabalala</th>
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<td><strong>Board fees</strong></td>
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</tbody>
</table>

**Administrative**

<table>
<thead>
<tr>
<th>Director</th>
<th>MO Ajukwu</th>
<th>SL Botha</th>
<th>MJ Bowman</th>
<th>K Hedderwick</th>
<th>M Makanjee</th>
<th>E Mashilwane</th>
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<tbody>
<tr>
<td><strong>Board fees</strong></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>820 569</td>
<td>882 593</td>
<td>850 209</td>
<td>596 103</td>
<td>1 782 390</td>
<td>763 943</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Appointed on 1 December 2016 and resigned on 14 February 2017.

2 Appointed on 1 December 2016.

3 Resigned on 30 June 2017.

4 Resigned as chairman on 21 February 2017.

5 Appointed on 26 May 2017.

6 Appointed as chairman on 21 February 2017.

7 Appointed during the 2017 financial year, thus not applicable for the year ended 30 September 2016.
### Proposed non-executive directors’ fees for 2018

The proposed fees from 1 March 2018, excluding VAT, to be approved at the AGM on 20 February 2018.

<table>
<thead>
<tr>
<th>Forum</th>
<th>Capacity</th>
<th>Current rate effective March 2017</th>
<th>Proposed rate resident board members – effective March 2018</th>
<th>Proposed fees for non-resident board members – effective March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main board</td>
<td>Chairman</td>
<td>1 744 825</td>
<td>1 849 515</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Deputy chairman</td>
<td>901 719</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>375 717</td>
<td>398 260</td>
<td>915 998</td>
</tr>
<tr>
<td>Audit</td>
<td>Chairman</td>
<td>285 543</td>
<td>302 676</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>163 976</td>
<td>173 815</td>
<td>*</td>
</tr>
<tr>
<td>Remuneration and nominations</td>
<td>Chairman</td>
<td>208 463</td>
<td>220 971</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>94 191</td>
<td>99 842</td>
<td>*</td>
</tr>
<tr>
<td>Risk</td>
<td>Chairman</td>
<td>264 737</td>
<td>280 621</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>134 343</td>
<td>142 404</td>
<td>327 528</td>
</tr>
<tr>
<td>Social, ethics and transformation</td>
<td>Chairman</td>
<td>172 025</td>
<td>182 347</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Member</td>
<td>86 012</td>
<td>91 173</td>
<td>*</td>
</tr>
<tr>
<td>Hourly fees</td>
<td></td>
<td>3 931</td>
<td>4 167</td>
<td>9 584</td>
</tr>
<tr>
<td>Extraordinary meetings</td>
<td></td>
<td>19 765</td>
<td>20 951</td>
<td>48 187</td>
</tr>
</tbody>
</table>

* Not applicable

### Non-binding advisory vote

Shareholders are requested to cast an advisory vote on the remuneration policy and implementation report in parts 2 and 3 of this report.
Shareholders’ diary

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial year end</td>
<td>30 September</td>
</tr>
<tr>
<td>Annual general meeting</td>
<td>20 February 2018</td>
</tr>
</tbody>
</table>

**Reports and accounts**

- Announcement of interim results and dividend for the six months ending 31 March 2018: May 2018
- Announcement of annual results and final dividend for the year ending 30 September 2018: November 2018
- Integrated annual report: December 2018

**Dividends 2018**

<table>
<thead>
<tr>
<th>Type</th>
<th>Declaration</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>May 2018</td>
<td>July 2018</td>
</tr>
<tr>
<td>Interim dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final dividend</td>
<td>November 2018</td>
<td>January 2019</td>
</tr>
</tbody>
</table>
Declaration of final dividend number 146

The board has approved and declared a final cash dividend of 702 cents per ordinary share (gross) in respect of the year ended 30 September 2017.

The dividend will be subject to the dividends tax that was introduced with effect from 1 April 2012. In accordance with paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The dividend has been declared out of income reserves
- The local dividend tax rate is 20% (twenty percent) effective 22 February 2017
- The gross local dividend amount is 702 cents per ordinary share for shareholders exempt from the dividends tax
- The net local dividend amount is 561,60 cents per ordinary share for shareholders liable to pay the dividends tax
- Tiger Brands has 192 069 868 ordinary shares in issue (which includes 10 326 758 treasury shares)
- Tiger Brands Limited’s income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the final dividend:

- Last day to trade cum the final dividend: Tuesday, 9 January 2018
- Shares commence trading ex the final dividend: Wednesday, 10 January 2018
- Record date to determine those shareholders entitled to the final dividend: Friday, 12 January 2018
- Payment in respect of the final dividend: Monday, 15 January 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 January 2018, and Friday, 12 January 2018, both days inclusive.

By order of the board

JK Monaisa
Company secretary

24 November 2017
Analysis of registered shareholders and company schemes

Registered shareholder spread
In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as detailed in the annual report and accounts dated 29 September 2017:

<table>
<thead>
<tr>
<th>Shareholder spread</th>
<th>Number of holders</th>
<th>% of total shareholders</th>
<th>Number of shares</th>
<th>% of share issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 1 000 shares</td>
<td>16 885</td>
<td>82,20</td>
<td>3 989 001</td>
<td>2,08</td>
</tr>
<tr>
<td>1 001 – 10 000 shares</td>
<td>2 840</td>
<td>13,82</td>
<td>8 675 034</td>
<td>4,52</td>
</tr>
<tr>
<td>10 001 – 100 000 shares</td>
<td>632</td>
<td>3,08</td>
<td>19 469 329</td>
<td>10,14</td>
</tr>
<tr>
<td>100 001 – 1 000 000 shares</td>
<td>149</td>
<td>0,73</td>
<td>46 053 296</td>
<td>23,97</td>
</tr>
<tr>
<td>1 000 001 shares and above</td>
<td>35</td>
<td>0,17</td>
<td>113 883 208</td>
<td>59,29</td>
</tr>
<tr>
<td>Total</td>
<td>20 541</td>
<td>100,00</td>
<td>192 069 868</td>
<td>100,00</td>
</tr>
</tbody>
</table>

Public and non-public shareholdings
Within the shareholder base, we are able to confirm the split between public shareholdings and directors/company-related schemes as being:

<table>
<thead>
<tr>
<th>Shareholder type</th>
<th>Number of holders</th>
<th>% of total shareholders</th>
<th>Number of shares</th>
<th>% of share issued capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-public shareholders</td>
<td>11</td>
<td>0,05</td>
<td>29 270 625</td>
<td>15,24</td>
</tr>
<tr>
<td>Empowerment holdings</td>
<td>6</td>
<td>0,04</td>
<td>18 711 115</td>
<td>9,74</td>
</tr>
<tr>
<td>Own holding</td>
<td>1</td>
<td>-</td>
<td>10 326 758</td>
<td>5,38</td>
</tr>
<tr>
<td>Share trusts</td>
<td>2</td>
<td>0,01</td>
<td>226 581</td>
<td>0,12</td>
</tr>
<tr>
<td>Directors and associates</td>
<td>2</td>
<td>-</td>
<td>6 171</td>
<td>-</td>
</tr>
<tr>
<td>Public shareholders</td>
<td>20 530</td>
<td>99,95</td>
<td>162 799 243</td>
<td>84,76</td>
</tr>
</tbody>
</table>
Analysis of registered shareholders and company schemes  

Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 29 September 2017:

Investment management shareholdings

<table>
<thead>
<tr>
<th>Investment manager</th>
<th>Total shareholding</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>PIC</td>
<td>21 816 247</td>
<td>11,35</td>
</tr>
<tr>
<td>Colonial First State Global Asset Management</td>
<td>8 892 849</td>
<td>4,63</td>
</tr>
<tr>
<td>BlackRock Inc</td>
<td>6 954 447</td>
<td>3,62</td>
</tr>
<tr>
<td>Coronation Asset Management Proprietary Limited</td>
<td>6 814 354</td>
<td>3,55</td>
</tr>
<tr>
<td>Janus Henderson Investors</td>
<td>6 601 012</td>
<td>3,44</td>
</tr>
<tr>
<td>The Vanguard Group Inc</td>
<td>6 146 961</td>
<td>3,20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>57 225 870</strong></td>
<td><strong>29,79</strong></td>
</tr>
</tbody>
</table>

Beneficial shareholdings

<table>
<thead>
<tr>
<th>Beneficial shareholdings</th>
<th>Total shareholding</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Employees Pension Fund (PIC)</td>
<td>25 583 368</td>
<td>13,32</td>
</tr>
<tr>
<td>Tiger Consumer Brands Limited</td>
<td>10 326 758</td>
<td>5,38</td>
</tr>
<tr>
<td>Tiger Brands Foundation SPV</td>
<td>9 668 067</td>
<td>5,03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45 578 193</strong></td>
<td><strong>23,73</strong></td>
</tr>
</tbody>
</table>

```
Company information

Tiger Brands Limited
Registration number: 1944/017881/06

Company secretary
JK Monaisa (appointed 1 November 2017)

Registered office
3010 William Nicol Drive
Bryanston
Sandton

Postal address
PO Box 78056, Sandton, 2146
Telephone: +27 11 840 4000
Facsimile: +27 11 514 0477

Auditors
Ernst & Young Inc

Principal banker
Nedbank Limited

Sponsor
JP Morgan Equities South Africa Proprietary Limited

South African share transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank
2196

American Depository Receipt (ADR) facility
ADR Administrator
The Bank of New York Mellon

Investor relations
Nikki Catrakilis-Wagner
Telephone: +27 11 840 4000

Website address
www.tigerbrands.com

Contact details
Companysecretary@tigerbrands.com
Investorrelations@tigerbrands.com
Tigercsd@tigerbrands.com
Consumer help line: 0860 005342
Forward-looking information
This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company’s expectations at the time of finalising the report. Actual results may differ materially from these expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. The company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these statements. The company assumes no obligation to update or revise any forward-looking statements, even if new information becomes available as a result of future events or for any other reason, save as required by legislation or regulation.
HEAD OFFICE: SOUTH AFRICA

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POSTAL ADDRESS
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