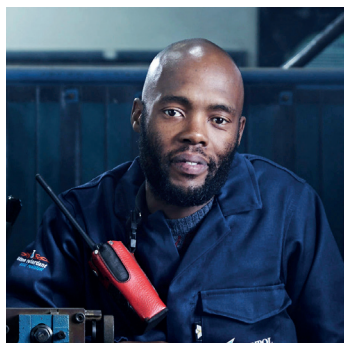




BEING THE CHANGE

NOTICE OF  
ANNUAL GENERAL  
MEETING  
2023



INSPIRING PEOPLE.  
ENABLING BUSINESS.  
CREATING VALUE.

# NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 30 JUNE 2023

## KAP LIMITED (FORMERLY KAP INDUSTRIAL HOLDINGS LIMITED)

('KAP' or 'the company')

(Registration number: 1978/000181/06) | JSE share code: KAP | ISIN: ZAE000171963 | LEI code: 3789001F51BC0045FD42

## NOTICE AND PURPOSE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 45th annual general meeting ('the AGM') of shareholders of KAP will be held on Tuesday, 21 November 2023 at 15:00 at the Protea Hotel, Techno Avenue, Technopark in Stellenbosch.

The purpose of the AGM is to transact the business as set out in the agenda below and, if deemed fit, to pass with or without modification, the resolutions set out below, and to discuss other matters raised by shareholders at the meeting, provided that, at the sole discretion of the chairperson of the AGM, such matters directly concern the business of the company and may lawfully be dealt with at an annual general meeting.

Only shareholders who are recorded in the register of members of the company on Friday, 10 November 2023, will be entitled to vote at the AGM.

## KEY DEFINITIONS USED IN THIS NOTICE OF AGM

The below-mentioned words and expressions have the following meanings:

**AGM** – The company's AGM, convened for Tuesday, 21 November 2023, to be held at 15:00 at the Protea Hotel, Techno Avenue, Technopark in Stellenbosch

**B-BBEE** – broad-based black economic empowerment

**board** – KAP board of directors

**company** or **KAP** – KAP Limited

**Companies Act** – Companies Act, No. 71 of 2008 of South Africa and includes the Companies Regulations, 2011

**CSDP** – Central Securities Depository Participants

**directors** – Directors who serve on the KAP board

**group** – KAP and all its subsidiaries at the date of this Notice of AGM

**IFRS** – International Financial Reporting Standards

**JSE LRs** – Listings Requirements of the JSE Limited

**King IV™** – King IV Report on Corporate Governance™ for South Africa, 2016\*

**KPMG** – KPMG Incorporated, KAP's independent external auditor

**MOI** – The KAP memorandum of incorporation

**Notice of AGM** – This notice of the KAP AGM

**SENS** – Stock Exchange News Service of the JSE Limited through which key information is disseminated to the market

**Shareholders** – In accordance with the provisions of section 57 of the Companies Act, a person who is entitled to exercise any voting rights in relation to KAP's issued ordinary shares and whose name is entered in KAP's securities register

**TMS** – The Meeting Specialist Proprietary Limited, the entity facilitating the voting and related procedures prior to and at the AGM

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## IMPORTANT DATES IN RESPECT OF THE NOTICE OF AGM

Record date for shareholders to receive the Notice of AGM	Friday, 13 October 2023
Posting date of this Notice of AGM	Monday, 23 October 2023
Last date to trade to be eligible to attend, participate in and vote at the AGM	Tuesday, 7 November 2023
Record date to be eligible to attend, participate in and vote at the AGM	Friday, 10 November 2023
Last date to lodge Forms of Proxy	Friday, 17 November 2023 by 14:00 <sup>#</sup>
Date of the AGM	Tuesday, 21 November 2023 at 15:00

<sup>#</sup> Suggested date and time to avert a potential administrative burden at the AGM. Forms of Proxy not received by this date must be handed to the chairperson at the AGM before the appointed proxy may exercise any shareholder rights at the AGM.

## GENERAL INFORMATION

### Stakeholder engagement and attendance

The AGM provides an opportunity for stakeholders to engage with management and, while only eligible shareholders may vote, all stakeholders are encouraged to attend the proceedings and participate in the debates.

### Voting and resolutions

All voting at the AGM will be by way of a poll and, in this regard, each shareholder entitled to vote shall have one vote in respect of each ordinary share which that shareholder holds on the voting record date on Friday, 10 November 2023.

For each of the ordinary resolutions to be adopted, more than 50% (fifty per cent) of the eligible voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.

For special resolutions numbers 1 and 2 to be adopted, the applicable resolution must be supported by at least 75% (seventy-five per cent) of the eligible voting rights exercised thereon.

KAP may provide for electronic participation at the AGM.

Shareholders who wish to participate electronically must contact TMS in writing at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for participation at each shareholder's own cost. However, please note that virtual remote voting is not possible. Shareholders are encouraged to submit votes by proxy in advance of the AGM.

The board unanimously supports the proposed resolutions set out in this Notice of AGM, which promote the best interests of the company and its stakeholders. The board accordingly recommends that shareholders vote in favour of all the resolutions.

### Annual financial statements and integrated report

The audited consolidated and company annual financial statements of the group and KAP for the financial year ended 30 June 2023, are available on the KAP website at [www.kap.co.za](http://www.kap.co.za). A copy thereof may be requested or obtained in person, at no charge, from the registered office of the company during office hours.

With effect from 31 October 2023, the KAP 2023 integrated report and the corporate governance report will be available on the KAP website at [www.kap.co.za](http://www.kap.co.za).

### The KAP board of directors as at the date of the AGM

The board comprises the following directors:

- GN Chaplin Executive director – Chief executive officer
- FH Olivier Executive director – Chief financial officer
- SP Lunga Executive director – Corporate affairs
- PK Quarmby Independent non-executive director – Chairperson
- KJ Grové Lead independent non-executive director
- TC Esau-Isaacs Independent non-executive director
- Z Fuphe Independent non-executive director
- JA Holzhausen Independent non-executive director
- KT Hopkins Independent non-executive director
- V McMenamin Independent non-executive director
- SH Müller Independent non-executive director

### Annexures

This Notice of AGM incorporates the following annexures:

- Annexure A – Summarised consolidated annual financial information of the group for the year ended 30 June 2023
- Annexure B – Curricula vitae of the directors standing for election and re-election on the board and the KAP audit and risk committee
- Annexure C – Remuneration policy
- Annexure D – Implementation and remuneration disclosure
- Annexure E – Major shareholders of the company as at 30 June 2023
- Annexure F – Executive directors' personal financial interests as at 30 June 2023

Form of Proxy – for use only by shareholders who hold shares in certificated form and shareholders who have dematerialised their shares but hold them in 'own-name registration'.

## AGENDA

### ORDINARY BUSINESS

#### Presentation of annual financial statements of the group and the company and various reports (non-voting agenda point)

Refer to Annexure A, containing the summarised consolidated annual financial information of the group for the year ended 30 June 2023.

The audited consolidated and company annual financial statements of the group and KAP for the year ended 30 June 2023, which include the independent auditor's report, the directors' report and the report of the audit and risk committee, are herewith presented to shareholders. These statements were approved by the board on 29 August 2023, and published on 30 August 2023 and are available on the company's website at [www.kap.co.za](http://www.kap.co.za).

These documents, together with KAP's 2023 integrated report, will be tabled at the AGM. Copies of the required statutory documents will be made available to attendees at the AGM.

#### 1. ORDINARY RESOLUTION NUMBER 1 – REAPPOINTMENT OF INDEPENDENT EXTERNAL AUDIT FIRM AND INDIVIDUAL AUDITOR

The Companies Act, the JSE LRs and the MOI stipulate that the company each year at its annual general meeting must appoint or reappoint, as the case may be, an eligible and accredited auditor.

Having considered evidence in support of the independence of KPMG pursuant to section 90 of the Companies Act, and further having assessed KPMG's suitability for appointment in accordance with paragraph 3.84(g)(iii) of the JSE LRs, the KAP audit and risk committee recommended the reappointment of KPMG as the external auditor of the company for the financial year ending 30 June 2024, with IM Engels as the individual who will lead the KAP audit. This is the third year that the firm and IM Engels will serve in their respective capacities.

Against the above background, it is proposed that shareholders pass the following ordinary resolution number 1:

*'Resolved to and hereby reappoint the firm KPMG, a registered and accredited auditor ('the Firm'), as the independent auditor of the company to serve for a third term; and further to appoint IM Engels, a registered and accredited auditor and member of the Firm, as the individual who will lead the KAP audit for a third term during the financial year ending 30 June 2024.'*

#### 2. ORDINARY RESOLUTION NUMBER 2 – CONFIRMATION OF DIRECTOR APPOINTMENT MADE BY THE COMPANY'S BOARD

The MOI, the JSE LRs and the Companies Act stipulate that all director appointments made by the board (so-called 'casual vacancy appointments'), must be confirmed by shareholders through an election at the first subsequent AGM following such appointment.

On recommendation by the KAP nomination committee, it is proposed that shareholders pass the following ordinary resolution:

*'Resolved that JA Holtzhausen's appointment on 1 March 2023, as an independent non-executive director, be and is hereby confirmed and that he herewith be re-elected as a director of the company.'*

A curriculum vitae for JA Holtzhausen is contained in Annexure B to this Notice of AGM.

#### 3. ORDINARY RESOLUTION NUMBER 3 – RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION AND CONFIRMATION NOT TO FILL A VACANCY AT THE AGM

The MOI and the JSE LRs require and King IV™ recommends a staggered rotation of at least one-third of the non-executive directors at each AGM of the company. In addition, the MOI stipulates that directors who have reached the age of 71 must retire on an annual basis.

In accordance with these prescripts, the KAP nomination committee recommended that V McMenamin and Z Fuphe should retire at this AGM in terms of KAP's staggered rotation methodology.

The aforementioned directors are both eligible, and they offered themselves for re-election. The directors have maintained a satisfactory attendance record at all board and board committee meetings during the reporting period and their performance has been exemplary. The board is of the view that the re-election of these directors is imperative to maintain an appropriate balance of qualifications, knowledge, experience, expertise, diversity and independence among the directors of the board and its committees to enable these forums to discharge their responsibilities effectively.

Accordingly, the board endorsed the recommendation of the nomination committee and proposed that shareholders pass the following standalone ordinary resolutions numbers 3.1 and 3.2:

*'Resolved, by way of individual, standalone ordinary resolutions, to and hereby re-elect the below-mentioned independent non-executive directors to the board, following their retirement by rotation in terms of KAP's staggered rotation methodology, as they are the non-executive directors who have been in office longest since their appointment/last re-election:*

3.1 *V McMenamin, who was appointed on 12 December 2019, and has not yet retired in terms of KAP's staggered rotation methodology since her appointment on this date; and*

3.2 *Z Fuphe, who was appointed on 1 March 2020, and has not yet retired in terms of KAP's staggered rotation methodology since her appointment on this date.*

A curriculum vitae for each of these directors is contained in Annexure B to this Notice of AGM.

In addition to the above, having served on the board for 11 years, KJ Grové, the lead independent non-executive director, has decided to retire and resign from the board on conclusion of the AGM, in accordance with the company's board succession plan.

The board wishes to express its sincere gratitude to KJ Grové, who has served the company with distinction. As the former CEO of KAP, he successfully initiated and guided KAP's growth trajectory. The board wishes him well in his retirement.

Given that a vacancy now exists on the board, shareholders are requested to pass the following ordinary resolution number 3.3:

3.3 *'Resolved, by way of this ordinary resolution, and in line with the prescripts of the KAP MOI, not to fill the vacancy left by the retirement of KJ Grové, until such time as a suitable director has been identified to replace him.'*

It should be noted that the board has initiated a process to identify and appoint a suitably qualified director in due course.

#### 4. ORDINARY RESOLUTION NUMBER 4 – ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS

The Companies Act and the JSE LRs stipulate that each publicly listed company must each year at its AGM appoint or reappoint, as the case may be, an audit committee comprising at least three non-executive directors who are independent and, as a collective body, are suitably qualified, skilled and experienced.

The KAP nomination committee and the board are satisfied that the below-mentioned proposed members are suitably skilled and experienced independent non-executive directors and that they collectively meet the criteria required to fulfil their duties on the KAP audit and risk committee. It is accordingly recommended that shareholders pass the following standalone ordinary resolutions numbers 4.1 to 4.4:

*'Resolved to and herewith elect, by way of individual, standalone ordinary resolutions, the following independent non-executive directors as members of the KAP audit and risk committee\* until the next annual general meeting:*

4.1 *KT Hopkins;*

4.2 *Z Fuphe (subject to the approval of ordinary resolution number 3.2);*

4.3 *SH Müller; and*

4.4 *TC Esau-Isaacs.'*

A curriculum vitae for each of these directors is contained in Annexure B to this Notice of AGM.

\* For the avoidance of doubt, any reference to the 'KAP audit and risk committee' is a reference to the 'audit committee' as contemplated in section 94 of the Companies Act.

#### 5. ORDINARY RESOLUTION NUMBER 5 – PLACING OF PREFERENCE SHARES UNDER THE CONTROL OF THE DIRECTORS FOR COMMERCIAL PURPOSES

At the date of this Notice of AGM, the board has no firm intent to issue any preference shares. However, the board is of the view that it is in the best interests of KAP to have flexibility to issue shares (to the extent authorised) for purposes of, inter alia, taking advantage of commercial opportunities as and when they arise. It is therefore proposed that shareholders pass the following ordinary resolution number 5:

*'Resolved that the directors of the company are hereby authorised, by way of a general authority, to allot and issue up to a maximum of 123 000 000 (one hundred and twenty-three million) of KAP's cumulative non-redeemable, non-participating preference shares of no par value when suitable opportunities arise; and/or up to a maximum of 50 000 000 (fifty million) of KAP's perpetual preference shares of no par value (collectively the "preference shares"), equating in each case to less than 5% (five per cent) of the company's ordinary shares in issue at the date of this Notice of AGM, and that such shares be and they are hereby placed under the control of the directors, and that the directors be authorised to allot and issue such preference shares for commercial purposes to such person(s) and on such terms and conditions as the directors may in their sole discretion determine, provided, inter alia, that:*

- *the board shall pass a resolution to issue such preference shares;*
- *this authority shall not extend beyond the next AGM of the company or for a period longer than 15 (fifteen) months from the date of the passing of this resolution, whichever period is shorter;*
- *more than 50% (fifty per cent) of the voting rights exercised on this resolution are exercised in favour thereof by shareholders present or represented and entitled to vote at this AGM; and*
- *all other relevant provisions regarding the issuing of preference shares as set out in the JSE LRs, the Companies Act and the MOI, are fulfilled.'*

For the avoidance of doubt:

- in the event of a subdivision or consolidation of issued ordinary shares, this authorisation will be adjusted accordingly to represent the same allocation ratio;
- by their approval of this resolution, shareholders grant a waiver of any pre-emptive rights to which they may be entitled, in favour of the directors for the potential allotment and issue of preference shares for commercial purposes; and
- the total number of KAP ordinary shares in issue as at the date of this AGM is 2 477 094 448.

## NON-BINDING ADVISORY VOTES

### 6. ORDINARY RESOLUTION NUMBER 6 – ENDORSEMENT OF THE KAP REMUNERATION POLICY AND IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

King IV™ recommends and the JSE LRs require that the remuneration policy of a company be tabled at each AGM of such company for a non-binding advisory vote by the shareholders, together with a separate non-binding advisory vote on the implementation of the remuneration policy. These two documents give shareholders insight into KAP's remuneration practices and enable them to evaluate whether the remuneration of executive management and other employees is fair and responsible in the context of overall employee remuneration, so that they can express an informed view as to the appropriateness of KAP's remuneration approach.

At the 2022 AGM, the remuneration policy and the implementation report attracted dissenting votes in excess of 25% of all votes cast at the meeting. KAP subsequently engaged with dissenting shareholders and garnered their views regarding the desired remuneration policy. The KAP human capital and remuneration committee has since reviewed the remuneration policy and, based on the proposals received, amended numerous elements of the remuneration policy where these were deemed sensible and relevant for implementation in the KAP environment/context. The human capital and remuneration committee is of the view that the amended remuneration policy and the group's remuneration practices are fair, responsible and appropriate for KAP and our employees.

On recommendation by the KAP human capital and remuneration committee, and endorsement thereof by the board, it is proposed that shareholders pass the following ordinary resolutions numbers 6.1 and 6.2 as standalone, non-binding advisory votes:

*'Resolved to and herewith endorsed, by way of standalone, non-binding advisory votes, the KAP:*

6.1 *Remuneration policy as set out in Annexure C to this Notice of AGM; and*

6.2 *Implementation and remuneration disclosure as set out in Annexure D to this Notice of AGM.'*

Note: While voting in respect of ordinary resolution numbers 6.1 and 6.2 above is of an advisory nature only and does not have any legal consequences relating to existing remuneration agreements, the company will nevertheless take the outcome of the votes into consideration when reviewing the group's future remuneration policy and the implementation thereof. To this end, and if 25% (twenty-five per cent) or more of the voting rights are exercised against either resolution, or both, the company will invite those shareholders who have voted against the relevant resolution to engage with the company.

### 7. ORDINARY RESOLUTION NUMBER 7 – RATIFICATION RELATING TO PERSONAL FINANCIAL INTEREST ARISING FROM MULTIPLE INTERGROUP DIRECTORSHIPS

Section 75 of the Companies Act prohibits a director from participating in decision-making or voting on any board resolution or entering into any agreements or signing documents relating to transactions if such a director has a 'personal financial interest' in the matter. Through the collective definitions of 'personal financial interest' and 'related persons' in section 75(1) of the Companies Act, this provision of the law has a restricting effect on the decision-making powers of directors in a group. The executive directors of KAP serve on multiple subsidiary boards across the group and they would thus inevitably have a 'personal financial interest' in and be a 'related person' to many intergroup transactions. The board accordingly obtained formal legal advice on this matter to ensure that its procedures in respect of the application of the section 75 regime are sound, and that group decision-making by executive directors is in full compliance with the law.

While KAP's directors declare their personal financial interests with great care, the proposed resolution below is intended to ensure that decisions, agreements and signed documents remain legally binding, valid and in force in instances where an inadvertent oversight in conduct may have occurred due to multiple intergroup directorships. This resolution does not limit any other statutory or common-law duties that apply to directors, i.e. the resolution does not ratify any other actions of directors that are in contravention of the Companies Act or any other unlawful action by executive directors, such as wilful misconduct, gross negligence or the like.

Consequently, it is proposed that shareholders pass the following resolution as ordinary resolution number 7:

*'Resolved that any decisions made and resolutions passed at a group subsidiary board meeting, as well as agreements or documents signed, and actions taken by the executive directors at such a subsidiary company pursuant to the aforementioned, are hereby approved/ratified as contemplated in section 75(3) of the Companies Act, having taken note of the directors' personal financial interests (as set out in Annexure F to this Notice of AGM). This approval/ratification is only valid to the extent that the executive directors were prevented from effective decision-making because of their "personal financial interests" in, and them being deemed a "related person" to, another entity in the group; and further provided that the relevant decisions, resolutions, agreements, documents or actions had the effect of being in the best interest of the company in each case, and fell within the ambit of section 75 of the Companies Act.'*

## SPECIAL BUSINESS

### 8. SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Before payment of directors' fees may take place, shareholders are required, in terms of section 66(8) and (9) of the Companies Act, to authorise by way of a special resolution, the basis of compensation and the forward-looking emoluments to be paid to the non-executive directors for their services to be rendered to the company as directors.

The executive directors are remunerated in terms of their respective contracts with the company and no fees are payable to them for services rendered as directors. The remuneration paid to executive directors is detailed in Annexure D.

The remuneration of the non-executive directors is not linked to the company's share price, its share performance or its results. Non-executive directors do not receive incentive payments and are not participants in the KAP Performance Share Rights Scheme and therefore do not hold share rights under this scheme.

Non-executive director fees are reviewed and adjusted annually, based on inflation, as well as market benchmarks following independent research every second year into trends in non-executive director remuneration among companies of a similar size and complexity. From the most recent (2022) benchmarking exercise conducted by an independent external remuneration expert, indications are that the majority of South African listed companies make use of an annual fixed-fee structure to compensate their non-executive directors. In light of this and the fact that the number of scheduled committee meetings has

increased due to an increased volume of work, the remuneration committee recommended that the fee structure for non-executive directors be changed from a per-meeting fee structure to a fixed-fee structure from 22 November 2024 onwards to align with industry norms. In terms of this fee structure, non-executive directors will henceforth receive a fixed 'all-encompassing' fee for both board and board committee membership. Save for the investment committee members, who will continue to receive fees on a per-meeting attendance basis due to the nature of the committee's unpredictable meeting requirements, no meeting attendance fees will otherwise be payable to the non-executive directors, irrespective of the number of additional ad hoc meetings such directors may have to attend during a particular year. Notwithstanding this arrangement, attendance will be monitored conscientiously to avoid apathetic attendance of the scheduled meetings.

KAP's human capital and remuneration committee accordingly recommended, and the board has endorsed, the below-mentioned remuneration, and further recommended that shareholders approve the forward-looking fixed-fee compensation for non-executive directors for the period from this AGM until the next AGM of the company, by passing special resolution numbers 1.1 to 1.13 below as standalone special resolutions:

*'Resolved that the remuneration, as set out in special resolutions 1.1 to 1.13 below, payable to the non-executive directors in respect of their services as directors of the company during the period commencing from the date of the passing of this special resolution until the date of the next AGM, be and is hereby authorised by way of individual, standalone special resolutions:*

	Increase %	2024 R	2023 R
<b>Non-executive directors' fees</b>			
<b>Board membership fees<sup>1</sup></b>			
1.1 Independent non-executive chairperson	0	1 278 000	1 206 000
1.2 Lead independent non-executive director	0	876 000	826 000
1.3 Member	0	620 000	585 000
<b>Audit and risk committee fees</b>			
1.4 Chairperson	0	655 000	618 000
1.5 Member	0	329 000	310 000
<b>Human capital and remuneration committee fees</b>			
1.6 Chairperson	0	208 000	196 000
1.7 Member	0	101 000	95 000
<b>Social and ethics committee fees</b>			
1.8 Chairperson	0	208 000	196 000
1.9 Member	0	101 000	95 000
<b>Nomination committee fees</b>			
1.10 Chairperson	0	208 000	196 000
1.11 Member	0	101 000	95 000
<b>Investment committee fees<sup>2</sup></b>			
1.12 Chairperson	0	46 400	43 800
1.13 Member	0	38 800	36 600

<sup>1</sup> In 2023, NED board fees were structured on the basis of a small retainer and a per-meeting fee for attendance at board meetings. In order to prevent a creep in fees due to more meetings being held from time to time and on the basis of NED duties and responsibilities being carried out on a more continuous and holistic basis, rather than only at meetings, the board fees are amended to a flat-fee structure for 2024. In terms of the flat-fee structure, fees will be paid quarterly in arrears (unchanged), and are based on six board meetings per year, including specific budget and strategy review meetings, which is consistent with the actual meetings held in the last number of years and is considered to be the norm for the company.

<sup>2</sup> The investment committee fee would continue to be paid on a per-meeting attendance basis due to the nature of the committee's unpredictable meeting requirements.'

## 9. SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE

On an ongoing basis, KAP provides direct or indirect financial assistance to its subsidiaries and to related and interrelated companies for commercial purposes, as well as for B-BBEE purposes. Financial assistance includes, inter alia, the granting of loans, funding or assisting with any capital or operational expenditure, providing security, guaranteeing debt and for subscription of securities of any nature. In order to achieve its strategic goals, it is essential for the company to continue this practice.

Financial assistance will not be given to prescribed officers and directors of the company or of subsidiaries of the company or any related or interrelated entity within the group, unless it is essential for concluding a B-BBEE transaction in the best interests of the group.

To this end, it is proposed that shareholders authorise the board to provide financial assistance as contemplated above and in sections 44 and 45 of the Companies Act, which mandate shall empower the directors to provide financial assistance to a general category of recipients that includes persons, the company's subsidiaries, as well as related and interrelated entities within the group, for the purpose of, inter alia, acquiring any option or right or security, or any convertible instrument (as contemplated in section 44 of the Companies Act), and for granting loans, providing security, guaranteeing debt and subordinating its claims on shareholders' loan accounts (as contemplated in section 45 of the Companies Act), but excludes the provision of financial assistance to the persons and entities on the conditions as aforementioned.

Consequently, it is proposed that shareholders pass the following resolution as special resolution number 2:

*'Resolved that the company be and is hereby authorised, by way of a general authority and for a period of 24 (twenty-four) months from the date of this resolution, to provide direct or indirect financial assistance in favour of any person, or any holding company, or any subsidiary or any related or interrelated company, including joint venture companies, related trusts, associated companies and any other entity within the group ("the entities"), being a category of recipients as contemplated in sections 44(3)(a)(ii) and 45(3)(a)(ii) of the Companies Act, generally for the purpose of funding or assisting with any capital or operational expenditure of such entity, by way of, among others:*

- *subordinating the company's claims held on shareholders' and/or intercompany loan account;*
- *entering into funding and facility agreements and debt capital and domestic medium-term note programmes with financing, banking and investment institutions and other funders in respect*

*of facilities and funding afforded to the group, the company and/or any of the entities;*

- *providing a loan, a guarantee, the provision of security or otherwise for the purpose of, or in connection with, the subscription, issue or purchase of any option, right, security or convertible instrument issued or to be issued by the company or by any of the entities;*
- *for any other purpose that would require financial assistance as contemplated in the Companies Act;*  
*provided that in each instance:*
  - *the directors of the company shall adopt a resolution, approving the provision of financial assistance and, to the extent required, adopt a resolution approving a distribution, and further shall conduct the statutory solvency and liquidity test as contemplated in the Companies Act and confirm that the company has satisfied the test, and where necessary, shall conduct such further tests as may be required;*
  - *the terms under which the financial assistance is to be given to any entity shall be fair and reasonable to the company;*
  - *the company shall fulfil all conditions and restrictions in respect of the granting of financial assistance as set out in its MOI; and*
  - *financial assistance may be given to prescribed officers and directors of the company, and of subsidiaries of the company and of any entity only if it is essential for concluding a B-BBEE transaction in the best interest of the group.'*

## GENERAL BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the company, provided that no voting may take place on such matters.

## AUTHORITY

Any director or secretary of KAP, for the time being, be and is hereby authorised to take all such steps, sign all such documents and carry out all acts, matters and things on behalf of KAP as may be necessary to give effect to the special and ordinary resolutions passed at this AGM.

By order of the board



JMWR Pieterse

for KAP Secretarial Services Proprietary Limited

Company secretary

23 October 2023



## RECORD DATES PERTAINING TO THE AGM AND OTHER IMPORTANT NOTICES

1. Record date for shareholders to receive the Notice of AGM – Friday, 13 October 2023.
2. Last date to trade to be eligible to attend, participate in and vote at the AGM – Tuesday, 7 November 2023.
3. Record date to be eligible to attend, participate in and vote at the AGM – Friday, 10 November 2023.
4. The date of the AGM is Tuesday, 21 November 2023.
5. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the AGM and must, accordingly, present their driver's licence, identity document or passport in order to participate at the AGM. If in any doubt as to whether any document will be accepted as satisfactory proof of identity, participants should contact the transfer secretaries ('Computershare') or TMS in advance for guidance.
6. A shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company.
7. Shareholders who have not dematerialised their shares (i.e. so-called certificated shareholders) or those who hold dematerialised shares in 'own-name registration', must use the Form of Proxy if they wish to attend and/or vote at the AGM or be represented at the AGM. Completion of a Form of Proxy will not preclude such shareholders from attending and voting (in preference to those shareholders' proxies) at the AGM.
8. A shareholder who holds shares in dematerialised form (other than those with 'own-name registration'), who wishes to attend and/or vote at the AGM, should instruct his/her broker or CSDP to issue him/her with a Letter of Representation if he/she wishes to attend in person and/or vote at the AGM. Shareholders should refer to their custody agreements with their CSDP/broker in this regard.
9. A shareholder who has dematerialised his/her shares (other than those with 'own-name registration'), who is unable to attend the AGM, but wishes to be represented and/or vote at the AGM, must provide his/her CSDP/broker with his/her voting instructions in terms of the relevant custody agreement between him/her and the CSDP/broker.
10. CSDP, brokers or their nominees, as the case may be, who hold dematerialised shares on behalf of an investor/beneficial owner should, when authorised in terms of their custody agreement mandate from the shareholder, or when instructed to do so by the owner on behalf of whom they hold dematerialised shares in the company, vote by either appointing a duly authorised representative to attend and vote at the AGM (as described above) or by completing the attached Form of Proxy in accordance with the instructions thereon.
11. Copies of the Letters of Representation, or the duly completed Forms of Proxy, together with the documents conferring the authority to the signatory and under which it is signed (if any), must be forwarded to TMS to the address stated below. In the interest of efficient administration, these documents must reach TMS by no later than Friday, 17 November 2023 at 14:00. Notwithstanding, these documents will also be accepted by the chairperson of the AGM up to the point when voting on each agenda item commences at the AGM.
12. A shareholder present in person, by proxy or by authorised representation shall, on a show of hands, have one vote, and on a poll, shall have one vote in respect of each KAP share held. However, please note that it is the intent, from a corporate governance perspective, that all voting at the AGM would take place by way of a poll.

13. Shareholders of the company wishing to participate in the AGM by means of electronic participation must make application in writing to the company secretary, with a copy to TMS (at the respective addresses stated below), at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for their potential participation in the AGM. Shareholders will have to provide details as to how they or their representatives envisage participating electronically and must further provide reasonably satisfactory identification for verification in terms of section 63(1) of the Companies Act. The costs of accessing any means of electronic participation will be borne by the shareholder so accessing the electronic participation. Shareholders participating via electronic communication must still submit, in advance of the meeting, completed Forms of Proxy or voting instructions to their CSDP/broker in order for their votes to be counted, as the electronic participation facilities do not accommodate remote voting. The company reserves the right not to provide for electronic participation at the AGM in the event that it may be impractical to do so, and the company cannot guarantee that there will not be a break in communication. Shareholders making use of electronic communication acknowledge that the telecommunication lines are provided by a third party and indemnify the company and its directors, employees, company secretary, transfer secretaries, service providers and advisors against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic communication, whether or not the problem is caused by any act or omission on the part of the shareholder or anyone else. In particular, but not exclusively, the shareholder acknowledges that he/she will have no claim against the company and its directors, employees, company secretary, transfer secretaries, service providers and advisors, whether for consequential damages or otherwise, arising from the use of the electronic communication or any defect in or from any failure in respect of the electronic communication, including any lines, connections or other electronic components providing a telecommunication link to the AGM.

### Registered address

3rd Floor, Building 2, The Views, Founders Hill Office Park  
18 Centenary Street, Modderfontein, Johannesburg 1645  
PO Box 2766  
Edenvale 1610  
Tel: +27 10 005 3000  
investors@kap.co.za

### Transfer secretary

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196  
Private Bag X9000  
Saxonwold  
2132  
Tel: +27 11 370 5000 or 086 11 00 933

### TMS

The Meeting Specialist Proprietary Limited  
JSE Building  
One Exchange Square  
Gwen Lane  
Sandown  
2196  
South Africa  
PO Box 62043  
Marshalltown  
2107  
South Africa

Forms of Proxy must be e-mailed to proxy@tmsmeetings.co.za to be received by TMS no later than at 14:00 on Friday, 17 November 2023. However, Forms of Proxy may also be handed to the chairperson of the AGM before the appointed proxy may exercise any shareholder rights at the AGM.

# ANNEXURE A

## SUMMARISED CONSOLIDATED ANNUAL FINANCIAL INFORMATION OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2023

Refer to the non-voting introductory point on the agenda

### SUMMARISED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm	% change
<b>Revenue</b>	1	29 628	27 979	6
Cost of revenue		(24 702)	(22 465)	
<b>Gross profit</b>		4 926	5 514	(11)
<b>Operating profit before depreciation, amortisation and capital items</b>		3 864	4 340	(11)
Depreciation and amortisation		(1 497)	(1 404)	
<b>Operating profit before capital items</b>		2 367	2 936	(19)
Capital items	2	(816)	(109)	
<b>Operating profit</b>		1 551	2 827	(45)
Finance costs		(833)	(527)	
Finance income		39	28	
Share of profit of associate and joint venture companies		39	19	
<b>Profit before taxation</b>		796	2 347	(66)
Taxation		(310)	(578)	
<b>Profit for the year from continuing operations</b>		486	1 769	(73)
Loss for the year from discontinued operations	3	–	(3)	
<b>Profit for the year</b>		486	1 766	(72)
<i>Profit attributable to:</i>				
Owners of the parent		414	1 746	(76)
Non-controlling interests		72	20	
<b>Profit for the year</b>		486	1 766	(72)
<b>Other comprehensive income/(loss)</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Actuarial gain on defined benefit plans		–	2	
Gross obligation revaluation		–	(10)	
		–	(8)	
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		230	144	
Total other comprehensive income for the year, net of taxation		230	136	
<b>Total comprehensive income for the year, net of taxation</b>		716	1 902	(62)
<i>Total comprehensive income attributable to:</i>				
Owners of the parent		639	1 878	
Non-controlling interests		77	24	
Profit for the year		72	20	
Foreign currency translation reserve transferred to non-controlling interests		5	4	
<b>Total comprehensive income for the year</b>		716	1 902	(62)
<b>Earnings per share attributable to owners of the parent</b>		<b>Cents</b>	<b>Cents</b>	<b>% change</b>
Basic earnings		16.7	70.2	(76)
Diluted earnings		16.4	68.5	(76)
Basic earnings from continuing operations		16.7	70.3	(76)
Diluted earnings from continuing operations		16.4	68.6	(76)

## SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 Jun 2023 Audited Rm	30 Jun 2022 Audited Rm
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	662	683
Intangible assets	1 728	2 363
Property, plant and equipment	15 094	14 130
Right-of-use assets	390	426
Consumable biological assets	1 536	1 491
Investments in associate and joint venture companies	237	183
Investments and loans receivable	16	25
Deferred taxation assets	89	48
Derivative financial instruments	57	55
	19 809	19 404
<b>Current assets</b>		
Inventories	3 474	3 411
Trade and other receivables	4 814	4 794
Derivative financial instruments	111	50
Loans receivable	13	6
Taxation receivable	50	63
Cash and cash equivalents	1 453	1 730
	9 915	10 054
Assets held for sale	53	47
	9 968	10 101
<b>Total assets</b>	29 777	29 505
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Total equity attributable to owners of the parent	11 428	11 531
Non-controlling interests	277	219
<b>Total equity</b>	11 705	11 750
<b>Non-current liabilities</b>		
Loans and borrowings	6 849	6 681
Lease liabilities	323	372
Employee benefits	20	15
Provisions	2	–
Deferred taxation liabilities	2 533	2 641
Derivative financial instruments	8	60
	9 735	9 769
<b>Current liabilities</b>		
Loans and borrowings	2 247	2 049
Lease liabilities	126	106
Employee benefits	430	473
Provisions	41	89
Trade and other payables	5 387	5 197
Derivative financial instruments	80	14
Taxation payable	26	20
Bank overdrafts	–	38
	8 337	7 986
<b>Total equity and liabilities</b>	29 777	29 505

**SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Balance at beginning of the year</b>	11 750	10 449
<b>Changes in stated share capital</b>		
Ordinary shares repurchased and cancelled	–	(310)
<b>Changes in reserves</b>		
Total comprehensive income for the year attributable to owners of the parent	639	1 878
Ordinary dividends paid	(717)	(378)
Share-based payments	(15)	101
Transfer to non-controlling interests	–	(6)
Other movements	(10)	(4)
<b>Changes in non-controlling interests</b>		
Total comprehensive income for the year attributable to non-controlling interests	77	24
Ordinary dividends paid	(34)	(16)
Shares issued to non-controlling interests	15	–
Shares purchased from non-controlling interests	–	(16)
Transfer from other reserves	–	6
Arising on the acquisition of subsidiaries	–	22
<b>Balance at end of the year</b>	<b>11 705</b>	<b>11 750</b>
<b>Comprising:</b>		
Stated share capital	7 896	7 896
Distributable reserves	6 542	6 859
Share-based payment reserve	604	619
Reverse acquisition reserve	(3 952)	(3 952)
Other reserves	338	109
Non-controlling interests	277	219
	<b>11 705</b>	<b>11 750</b>

## SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
Operating profit from continuing operations	1 551	2 827
Operating loss from discontinued operations	–	(10)
<i>Adjusted for:</i>		
Capital items (from continuing and discontinued operations)	816	129
Depreciation and amortisation	1 497	1 404
Net fair value adjustments of consumable biological assets <sup>1</sup>	(24)	77
Other non-cash adjustments	37	117
<b>Cash generated before working capital changes</b>	<b>3 877</b>	<b>4 544</b>
Increase in inventories	(44)	(776)
Increase in trade and other receivables	(3)	(522)
Increase in trade and other payables	59	835
<b>Changes in working capital</b>	<b>12</b>	<b>(463)</b>
<b>Cash generated from operations</b>	<b>3 889</b>	<b>4 081</b>
Dividends received	10	9
Finance income received	39	27
Finance costs paid	(847)	(556)
Dividends paid	(751)	(394)
Taxation paid	(467)	(803)
Other	(18)	–
<b>Net cash inflow from operating activities</b>	<b>1 855</b>	<b>2 364</b>
Additions to property, plant and equipment <sup>2</sup>	(2 197)	(2 194)
Additions to intangible assets <sup>3</sup>	(19)	(15)
Additions to consumable biological assets	(21)	(3)
Acquisition of subsidiaries and businesses, net of cash acquired	(37)	(392)
Other investing activities	(24)	(132)
<b>Net cash outflow from investing activities</b>	<b>(2 298)</b>	<b>(2 736)</b>
<b>Net cash outflow from operating and investing activities</b>	<b>(443)</b>	<b>(372)</b>
Ordinary shares repurchased	–	(310)
Transactions with non-controlling interests	(22)	(20)
Loans and borrowings received	2 612	3 792
Loans and borrowings repaid	(2 303)	(2 032)
Lease liabilities capital repayments	(120)	(93)
<b>Net cash inflow from financing activities</b>	<b>167</b>	<b>1 337</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(276)</b>	<b>965</b>
Net cash and cash equivalents at beginning of year	1 692	706
Effects of exchange rate translations on net cash and cash equivalents	37	21
<b>Net cash and cash equivalents at end of the year</b>	<b>1 453</b>	<b>1 692</b>

<sup>1</sup> Includes fair value gain and decrease due to harvesting and sale of livestock.

<sup>2</sup> Net of proceeds on disposal of property, plant and equipment, insurance proceeds and government grants received.

<sup>3</sup> Net of proceeds on disposal of intangible assets.

## SEGMENTAL ANALYSIS

	Notes	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm	% change
<b>Continuing operations</b>				
<b>Revenue</b>				
Diversified industrial		9 235	8 259	12
PG Bison		5 349	4 876	10
Restonic		1 632	1 612	1
Feltex		2 301	1 809	27
Interdivisional eliminations		(47)	(38)	
Diversified chemical		10 310	10 120	2
Safripol		10 310	10 120	2
Diversified logistics		10 052	9 757	3
Unitrans South Africa		5 383	5 754	(6)
Unitrans Africa		2 433	2 147	13
Unitrans Passenger		2 271	1 895	20
Interdivisional eliminations		(35)	(39)	
Road safety		523	242	> 100
Optix*		523	242	> 100
		30 120	28 378	6
Intersegmental eliminations		(492)	(399)	
	1	29 628	27 979	6
<b>Operating profit before depreciation, amortisation and capital items</b>				
Diversified industrial		1 585	1 243	28
PG Bison		1 139	1 007	13
Restonic		140	120	17
Feltex		306	116	> 100
Diversified chemical		943	1 590	(41)
Safripol		943	1 590	(41)
Diversified logistics		1 294	1 464	(12)
Unitrans South Africa		581	836	(31)
Unitrans Africa		364	341	7
Unitrans Passenger		349	287	22
Road safety		35	38	(8)
Optix*		35	38	(8)
Corporate, consolidation and eliminations		7	5	
		3 864	4 340	(11)
<b>Operating profit before capital items<sup>1</sup></b>				
Diversified industrial		1 225	936	31
PG Bison		933	831	12
Restonic		81	69	17
Feltex		211	36	> 100
Diversified chemical		764	1 400	(45)
Safripol		764	1 400	(45)
Diversified logistics		385	578	(33)
Unitrans South Africa		146	382	(62)
Unitrans Africa		29	48	(40)
Unitrans Passenger		210	148	42
Road safety		(7)	22	(> 100)
Optix*		(7)	22	(> 100)
		2 367	2 936	(19)

\* During the year, the group changed the name of the DriveRisk division to Optix. However, this did not result in the restatement of the amounts presented.

<sup>1</sup> Included in the current year is insurance income which can be attributed to PG Bison (R4 million), Restonic (R10 million), Feltex (R80 million), Safripol (R216 million) and Unitrans South Africa (R33 million), and comprises mainly R178 million related to the business interruption caused by the KwaZulu-Natal floods in April 2022 and R148 million related to plant stoppages at Safripol Durban in January and February 2022.

	Notes	30 Jun 2023 Audited Rm	30 Jun 2022 Audited Rm	% change
<b>Operating assets</b>				
Diversified industrial		12 007	10 805	11
PG Bison		8 261	7 381	12
Restonic		1 890	1 774	7
Feltex		1 860	1 656	12
Interdivisional eliminations		(4)	(6)	
Diversified chemical		7 285	7 054	3
Safripol		7 285	7 054	3
Diversified logistics		7 775	8 949	(13)
Unitrans South Africa		4 109	4 994	(18)
Unitrans Africa		2 581	2 772	(7)
Unitrans Passenger		1 118	1 191	(6)
Interdivisional eliminations		(33)	(8)	
Road safety		813	683	19
Optix*		813	683	19
Corporate, consolidation and eliminations		(14)	(88)	
	6	27 866	27 403	2
<b>Operating liabilities</b>				
Diversified industrial		1 910	1 697	13
PG Bison		1 124	1 045	8
Restonic		238	246	(3)
Feltex		552	412	34
Interdivisional eliminations		(4)	(6)	
Diversified chemical		2 337	2 263	3
Safripol		2 337	2 263	3
Diversified logistics		1 372	1 628	(16)
Unitrans South Africa		782	935	(16)
Unitrans Africa		292	388	(25)
Unitrans Passenger		331	313	6
Interdivisional eliminations		(33)	(8)	
Road safety		104	78	33
Optix*		104	78	33
Corporate, consolidation and eliminations		245	182	
	7	5 968	5 848	2
<b>Net operating assets/(liabilities)<sup>2</sup></b>				
Diversified industrial		10 097	9 108	11
PG Bison		7 137	6 336	13
Restonic		1 652	1 528	8
Feltex		1 308	1 244	5
Diversified chemical		4 948	4 791	3
Safripol		4 948	4 791	3
Diversified logistics		6 403	7 321	(13)
Unitrans South Africa		3 327	4 059	(18)
Unitrans Africa		2 289	2 384	(4)
Unitrans Passenger		787	878	(10)
Road safety		709	605	17
Optix*		709	605	17
Corporate, consolidation and eliminations		(259)	(270)	
		21 898	21 555	2

\* During the year, the group changed the name of the DriveRisk division to Optix. However, this did not result in the restatement of the amounts presented.

<sup>2</sup> Net operating assets/(liabilities) comprise operating assets less operating liabilities.

## SEGMENTAL ANALYSIS continued

	Notes	30 Jun 2023 Audited Rm	30 Jun 2022 Audited <sup>#</sup> Rm	% change
<b>Net working capital</b>				
Diversified industrial		1 311	1 266	4
PG Bison		970	906	7
Restonic		164	203	(19)
Feltex		183	157	17
Interdivisional eliminations		(6)	–	
Diversified chemical		920	964	(5)
Safripol		920	964	(5)
Diversified logistics		427	425	–
Unitrans South Africa		147	232	(37)
Unitrans Africa		291	99	> 100
Unitrans Passenger		(15)	95	(> 100)
Interdivisional eliminations		4	(1)	
Road safety		99	81	22
Optix <sup>*</sup>		99	81	22
Corporate, consolidation and eliminations		(269)	(274)	
	8	2 488	2 462	1

<sup>#</sup> Prior year segmental net working capital has been represented to include non-current derivative financial instruments to reflect more accurately the nature thereof.

	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Replacement capital expenditure<sup>3</sup></b>		
Diversified industrial	204	361
PG Bison	98	237
Restonic	16	28
Feltex	90	96
Diversified chemical	271	147
Safripol	271	147
Diversified logistics	386	559
Unitrans South Africa	130	480
Unitrans Africa	173	77
Unitrans Passenger	83	2
Road safety	10	–
Optix <sup>*</sup>	10	–
	871	1 067
<b>Expansion capital expenditure<sup>4</sup></b>		
Diversified industrial	996	485
PG Bison	733	360
Restonic	224	78
Feltex	39	47
Diversified chemical	61	110
Safripol	61	110
Diversified logistics	224	515
Unitrans South Africa	180	104
Unitrans Africa	40	375
Unitrans Passenger	4	36
Road safety	44	17
Optix <sup>*</sup>	44	17
Corporate, consolidation and eliminations	1	–
	1 326	1 127

<sup>\*</sup> During the year, the group changed the name of the DriveRisk division to Optix. However, this did not result in the restatement of the amounts presented.

<sup>3</sup> Net of proceeds on disposal of property, plant and equipment, insurance proceeds and government grants received.

<sup>4</sup> Net of government grants received.



	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Total capital expenditure<sup>5</sup></b>		
Diversified industrial	1 200	846
PG Bison	831	597
Restonic	240	106
Feltex	129	143
Diversified chemical	332	257
Safripol	332	257
Diversified logistics	610	1 074
Unitrans South Africa	310	584
Unitrans Africa	213	452
Unitrans Passenger	87	38
Road safety	54	17
Optix <sup>*</sup>	54	17
Corporate, consolidation and eliminations	1	-
	<b>2 197</b>	<b>2 194</b>

\* During the year, the group changed the name of the DriveRisk division to Optix. However, this did not result in the restatement of the amounts presented.

<sup>5</sup> Net of proceeds on disposal of property, plant and equipment, insurance proceeds and government grants received.

## SELECTED EXPLANATORY NOTES

	Goods Rm	Services Rm	Rentals Rm	Total Rm
<b>Note 1: Revenue</b>				
<b>Year ended 30 June 2023</b>				
<b>Audited</b>				
PG Bison	6 010	–	–	6 010
Restonic	1 806	–	–	1 806
Feltex	2 303	–	–	2 303
Safripol	10 431	–	–	10 431
Unitrans South Africa	66	5 317	–	5 383
Unitrans Africa	–	2 433	–	2 433
Unitrans Passenger	–	2 271	–	2 271
Optix*	132	322	–	454
Gross revenue	20 748	10 343	–	31 091
Variable consideration	(958)	–	–	(958)
Intergroup eliminations	(57)	(511)	–	(568)
Revenue from contracts with customers	19 733	9 832	–	29 565
Optix*	–	–	69	69
Intergroup eliminations	–	–	(6)	(6)
	19 733	9 832	63	29 628
<b>Year ended 30 June 2022</b>				
<b>Audited</b>				
PG Bison	5 472	–	–	5 472
Restonic	1 793	–	–	1 793
Feltex	1 810	–	–	1 810
Safripol	10 202	–	–	10 202
Unitrans South Africa	111	5 643	–	5 754
Unitrans Africa	–	2 147	–	2 147
Unitrans Passenger	–	1 895	–	1 895
Optix*	58	131	–	189
Gross revenue	19 446	9 816	–	29 262
Variable consideration	(860)	–	–	(860)
Intergroup eliminations	(52)	(419)	–	(471)
Revenue from contracts with customers	18 534	9 397	–	27 931
Optix*	–	–	53	53
Intergroup eliminations	–	–	(5)	(5)
	18 534	9 397	48	27 979

\* During the year, the group changed the name of the DriveRisk division to Optix. However, this did not result in the restatement of the amounts presented.

	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Geographical distribution</b>		
South Africa	24 290	24 050
Rest of Africa	3 886	3 254
Americas	599	309
Middle East	370	129
Europe	254	161
Australasia	227	76
Asia	2	–
	29 628	27 979

	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Note 2: Capital items</b>		
<i>Continuing operations</i>		
Loss on disposal of property, plant and equipment	(48)	(36)
Impairments <sup>1</sup>	(813)	(111)
Insurance income	45	36
Gain on bargain purchase	–	2
	<b>(816)</b>	<b>(109)</b>
<i>Discontinued operations</i>		
Loss on disposal of property, plant and equipment	–	(20)
	<b>(816)</b>	<b>(129)</b>

<sup>1</sup> Impairments of goodwill, intangible assets, property, plant and equipment and right-of-use assets.

Impairments mainly comprise a R713 million impairment of trademarks and goodwill relating to the Unitrans division. This is the result of the muted outlook for South African economic growth, structural changes in the South African logistics industry, the loss of a major food contract and the resultant decline in Unitrans' performance. In addition, the Unitrans division recognised an impairment of R74 million related to long-haul vehicles (including rail assets).

	Notes	Year ended 30 Jun 2023 Audited Rm	Year ended 30 Jun 2022 Audited Rm
<b>Note 3: Loss for the year from discontinued operations</b>			
Cost of revenue		–	10
Operating profit before capital items		–	10
Capital items	2	–	(20)
Operating loss		–	(10)
Finance costs		–	(1)
Loss before taxation		–	(11)
Taxation		–	8
Loss for the year		–	(3)

	Cents	Cents
<b>Note 4: Earnings</b>		
Basic earnings/(loss) per share	16.7	70.2
Continuing operations	16.7	70.3
Discontinued operations	–	(0.1)
Diluted earnings/(loss) per share	16.4	68.5
Continuing operations	16.4	68.6
Discontinued operations	–	(0.1)
Headline earnings per share	42.7	75.1
Continuing operations	42.7	74.4
Discontinued operations	–	0.7
Diluted headline earnings per share	41.9	73.3
Continuing operations	41.9	72.6
Discontinued operations	–	0.7
Net asset value per share	461	466

#### Headline earnings attributable to owners of the parent

<i>Continuing operations</i>		
Basic and diluted earnings attributable to owners of the parent	414	1 749
Adjusted for:		
Capital items	2	816
Taxation effects of capital items		(174)
Non-controlling interests' portion of capital items, net of taxation		–
		<b>1 056</b>
		<b>1 851</b>
<i>Discontinued operations</i>		
Basic and diluted loss attributable to owners of the parent	–	(3)
Adjusted for:		
Capital items	2	–
Taxation effects of capital items		20
		<b>(3)</b>
		<b>–</b>
		<b>14</b>
		<b>1 056</b>
		<b>1 865</b>

## SELECTED EXPLANATORY NOTES continued

	Year ended 30 Jun 2023 Audited Million	Year ended 30 Jun 2022 Audited Million
<b>Note 4: Earnings (continued)</b>		
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	2 472	2 531
Effect of shares repurchased and cancelled	–	(48)
Effect of shares issued	3	4
Weighted average number of ordinary shares	2 475	2 487
Potential dilutive effect of share rights granted	44	62
Diluted weighted average number of ordinary shares	2 519	2 549
<b>Number of ordinary shares in issue</b>	<b>2 477</b>	<b>2 472</b>

	Fair value hierarchy	Fair value as at 30 Jun 2023 Audited Rm	Fair value as at 30 Jun 2022 Audited Rm
<b>Note 5: Fair values of financial instruments</b>			
Derivative financial assets	Level 2	168	105
Derivative financial liabilities	Level 2	(88)	(74)

There were no Level 1 or Level 3 financial assets or financial liabilities for 30 June 2023 and 30 June 2022.

In November 2022, the company entered into an equity derivative transaction for a total amount of R117 million to hedge the cash impact of a long-term incentive scheme. The vesting dates of the long-term incentive scheme coincide with the vesting dates of the hedge instruments on 2 November 2026, 1 November 2027 and 31 October 2028 respectively.

Level 2 financial instruments consist of derivative financial instruments that are valued using techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. These inputs include foreign exchange rates and quoted share prices.

The carrying amount for all financial instruments approximates the fair value, with the exception of loans and borrowings where the fair value at 30 June 2023 is R9 165 million (30 June 2022: R8 769 million).

	30 Jun 2023 Audited Rm	30 Jun 2022 Audited <sup>#</sup> Rm
<b>Note 6: Operating assets</b>		
Goodwill	662	683
Intangible assets	1 728	2 363
Property, plant and equipment	15 094	14 130
Right-of-use assets	390	426
Consumable biological assets	1 536	1 491
Inventories	3 474	3 411
Trade and other receivables	4 814	4 794
Derivative financial instruments	168	105
	<b>27 866</b>	<b>27 403</b>

<b>Note 7: Operating liabilities</b>		
Employee benefits	450	488
Provisions	43	89
Trade and other payables	5 387	5 197
Derivative financial instruments	88	74
	<b>5 968</b>	<b>5 848</b>

<b>Note 8: Net working capital</b>		
Inventories	3 474	3 411
Trade and other receivables	4 814	4 794
Employee benefits	(450)	(488)
Provisions	(43)	(89)
Trade and other payables	(5 387)	(5 197)
Net derivative financial instruments	80	31
	<b>2 488</b>	<b>2 462</b>

<sup>#</sup> Prior year net working capital has been represented to include non-current derivative financial instruments to reflect more accurately the nature thereof.

## Note 9: Trading profit

The group considers trading profit to be a key benchmark to measure performance and to allow for meaningful year-on-year comparison, as it excludes the effect of the non-cash fair value adjustments of consumable biological assets.

The adjustments below regarding trading profit are not an International Financial Reporting Standards ('IFRS') measure and are shown for illustrative purposes only. It may not fairly present the issuer's financial position, changes in equity, results of operations or cash flows. It does not impact the financial position, changes in equity, results of operations or cash flows.

The financial information is the responsibility of the directors and has not been reviewed or reported on by the company's external auditors.

	Year ended 30 Jun 2023 Rm	Year ended 30 Jun 2022 Rm
<b>Continuing operations</b>		
<b>Trading profit</b>		
Operating profit before capital items	2 367	2 936
Net fair value adjustments of consumable biological assets	(24)	77
	<b>2 343</b>	<b>3 013</b>
<b>Net fair value adjustments of consumable biological assets</b>		
Net fair value adjustments of timber plantations	(21)	82
Fair value gain	(223)	(125)
Decrease due to harvesting	202	207
Net fair value adjustments of livestock	(3)	(5)
Fair value gain	(14)	(10)
Decrease due to disposals	11	5
	<b>(24)</b>	<b>77</b>
<b>Note 10: Capital commitments</b>		
Capital expenditure		
Contracts for capital expenditure authorised	1 001	822

Capital expenditure will be financed from cash flow from operating activities and existing borrowing facilities.

## SELECTED EXPLANATORY NOTES continued

### STATEMENT OF COMPLIANCE

The summary consolidated financial statements have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the financial pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited ('JSE') Listings Requirements, as a minimum the information as required by IAS 34 – *Interim Financial Reporting* and the requirements of the Companies Act, No. 71 of 2008 of South Africa. The summary consolidated financial statements have been prepared using accounting policies that comply with IFRS, which are consistent with those applied in the consolidated financial statements for the year ended 30 June 2022.

### BASIS OF PREPARATION

The summary consolidated financial statements are prepared in millions of South African rand ('Rm') on the historical cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments and consumable biological assets, which are stated at their fair values. The preparation of the consolidated financial statements and summary consolidated financial statements for the year ended 30 June 2023 was supervised by Frans Olivier CA(SA), the group's chief financial officer.

### ACCOUNTING POLICIES

The accounting policies and methods of computation of the group have been consistently applied to periods presented in the summary consolidated financial statements.

During the current year, the group has adopted all the new and revised standards issued by the International Accounting Standards Board that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2022. The adoption thereof did not have a material impact on the summary consolidated financial statements.

### FINANCIAL STATEMENTS

The consolidated financial statements for the year, which have been audited by KPMG Inc., and their accompanying unmodified audit report, which includes their key audit matters, are available on the company's website at [www.kap.co.za](http://www.kap.co.za). Information included under the headings Outlook and Operational review and any reference to future financial information included in the summarised consolidated financial information has not been audited or reviewed. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of both the auditor's report and the accompanying financial information on [www.kap.co.za](http://www.kap.co.za). The results were approved by the board of directors on 29 August 2023.

The annual general meeting ('AGM') of KAP shareholders has been scheduled to take place on Tuesday, 21 November 2023 at 15:00 in Stellenbosch.

The notice for the AGM was published on SENS and dispatched to shareholders on 23 October 2023.

### BUSINESS COMBINATIONS

Effective 1 July 2022, the group acquired 100% of the shares of Viewmetrics Proprietary Limited and Vantage Soft Proprietary Limited for R14 million and R14.5 million respectively. This resulted in intangible assets of R14 million, net of deferred taxation, being recognised and goodwill of R11 million being raised respectively.

On the same date, the group acquired 51% of the shares and loan claims of Xuba Compounders Proprietary Limited for a purchase price of R13 million.

In addition, the group also acquired 100% of the shares of AVT Cabling Solutions Proprietary Limited, effective 2 December 2022, for a purchase price of R13 million. This resulted in goodwill of R10 million being raised.

### EVENTS AFTER REPORTING DATE

PG Bison's northeastern Cape forest experienced plantation fires, which commenced on 23 August 2023, caused by lightning and extreme weather. While it will take several weeks to properly assess the extent of damage, a high-level analysis indicates that approximately 2 600 hectares, 6% of total plantations, were affected. The estimated value of these affected plantations will be quantified in due course. The timber plantations are insured for fire damage, which will compensate the group for any difference between the value affected and the value that can be salvaged and utilised in normal operations.

The directors are not aware of any other significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these summarised consolidated financial statements.

### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of KAP Limited

#### Opinion

The summary consolidated financial statements of KAP Limited, which comprise the summarised consolidated statement of financial position as at 30 June 2023, the summarised consolidated income statement and statement of other comprehensive income, summarised consolidated statement of changes in equity and summarised consolidated cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of KAP Limited ('the group') for the year ended 30 June 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of KAP Limited, on the basis described in the basis of preparation paragraph to the summary consolidated financial statements.

#### Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) applied in the preparation of the audited consolidated financial statements of the group. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

## **The audited consolidated financial statements and our report thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 August 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period.

## **Directors' responsibility for the summary consolidated financial statements**

The directors are responsible for the preparation of the summary consolidated financial statements on the basis described in the basis of preparation paragraph to the summary consolidated financial statements.

## **Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



KPMG Inc.  
Registered auditor

Per IM Engels  
Chartered accountant (SA)  
Registered auditor  
Director  
29 August 2023

The Halyard  
4 Christiaan Barnard Street  
Foreshore  
Cape Town  
8001

## **CHANGES TO THE BOARD, BOARD COMMITTEES AND KEY PORTFOLIOS**

At the conclusion of the company's AGM held on 21 November 2022, J de V du Toit retired and stepped down from his position as an independent non-executive director of the board.

JA Holtzhausen was appointed as an independent non-executive director of the board on 1 March 2023. He also serves as a member of the human capital and remuneration, the nomination and the investment committees. Following this appointment, the nomination committee has reviewed the composition of the board and its committees, and is satisfied that the board and its committees are well-balanced, and collectively comprise individuals with the necessary skills, expertise and diversity to fulfil their obligations effectively.

## ANNEXURE B

# CURRICULA VITAE OF THE DIRECTORS STANDING FOR ELECTION AND RE-ELECTION ON THE BOARD AND THE KAP AUDIT AND RISK COMMITTEE

Refer to ordinary resolutions 2, 3 and 4

### JA (Johan) Holtzhausen (53)

*Bluris, LLB, HDip Tax*

#### Independent non-executive director

Johan is an admitted attorney and a member of the Law Society with more than 24 years' corporate finance and private equity experience. He is the non-executive chairperson of PSG Capital, chairperson of the CA&S Group and a non-executive director of various unlisted entities, which include financial services and private equity. Johan is highly experienced across multiple practice areas and has led and advised on numerous listings, mergers, acquisitions, capital raisings, private equity and BEE transactions, both in South Africa and abroad. Johan was appointed as an independent non-executive director of KAP Limited on 1 March 2023.

- Member of the investment committee
- Member of the nomination committee
- Member of the human capital and remuneration committee

### V (Viv) McMEnamin (60)

*MSc (Economics) (London)*

#### Independent non-executive director

Viv holds an MSc degree in Economics and a Banking and Finance diploma from the University of London, and completed the Advanced High-Performance Leadership Executive Programme at the International Institute for Management Development in Switzerland. In her early career, Viv served as the secretary-general of NUSAS. In 1992, she received the Helen Suzman Award for Leadership and, in mid-2000, she served on the President's Economic Advisory Panel and on the Anglo American Plc Transformation Committee. She has been a member of various not-for-profit boards, including serving for more than a decade as the deputy chair of the South African Association for Marine Biological Research for the protection of the East Indian Ocean. Viv was awarded the European Industry Woman of the Year award as presented by the Fastmarkets Forest Products PPI Awards during 2023. Viv has held a number of executive positions in Mondi South Africa over a 20-year period and was recently appointed as the Business Unit chief executive officer of the uncoated fine paper divisions of Mondi's South African, Slovakian and Austrian mills. She is also a member of the Mondi Plc Executive Committee. Viv was appointed as an independent non-executive director of KAP Limited on 12 December 2019.

### Z (Zella) Fuphe (55)

*BSocSci, CD(SA), GIBS GEDP*

#### Independent non-executive director

Zella has a Bachelor's degree in Social Sciences, completed the GIBS Global Executive Development Programme in 2015, and is certified as a Chartered Director (SA) by the Institute of Directors in South Africa. She started her career with Engen Limited ('Engen'), followed by various executive positions, including as managing director of Plessey South Africa Proprietary Limited, managing director of Worldwide African Investment Holdings Proprietary Limited and chief executive officer of Afric Oil Proprietary Limited. Prior to her promotion as the global chief risk and sustainability officer at Nippon Telegraph and Telephone (the Dimension Data parent company) in September 2022, she served as the chief corporate governance officer of Dimension Data Middle East and Africa. Zella has previously served as a non-executive director on the boards of AECI Limited (chairperson of the social and ethics committee and member of the risk committee), Engen (chairperson of the social and ethics committee), Afric Oil (chairperson), Oceana Group Limited (chairperson of the transformation committee), 18th World Petroleum Council 2005 (chairperson), Worldwide Coal Carolina (chairperson) and the Unisa School of Business Leadership. Zella was appointed as an independent non-executive director of KAP Limited on 1 March 2020.

- Chairperson of the social and ethics committee
- Member of the audit and risk committee
- Member of the nomination committee

### KT (Ken) Hopkins (68)

*BCom (Hons), CA(SA)*

#### Independent non-executive director

Ken became a CA(SA) in 1978, and was an audit partner at Deloitte & Touche and KPMG for more than 30 years, where he specialised in auditing and advising financial institutions. As a retired audit partner and full-time professional director, Ken serves in a non-executive capacity on the boards of Old Mutual Finance RF Proprietary Limited and 27Four Holdings Limited, where he chairs the audit and risk committees. Ken is also a member of the social and ethics and remuneration committees of 27Four Holdings Limited. Ken was appointed as an independent non-executive director of KAP Limited on 6 December 2019.

- Chairperson of the audit and risk committee



## SH (Steve) Müller (62)

BAcc (Hons), CA(SA), Sanlam EDP

### Independent non-executive director

Steve qualified as a chartered accountant and worked at KPMG from 1983 to 1992. In 1995, Steve joined Genbel Investments, where he rose to the positions of chief operating officer: Equities of Genbel Securities Limited, and executive director of Gensec Bank Limited. He also served as a non-executive director and member of the audit and remuneration committees of various investee companies within the Genbel Securities Group. In 2008, he retired from the group to pursue his own interests. Steve served as an independent non-executive director and chairperson of the audit committee of SACOIL Limited from 2013 to 2016. In January 2018, he was appointed as an independent non-executive director of the Phumelela Gaming and Leisure Limited board and chairperson of the company's audit committee. In August 2017, Steve became an independent non-executive director of Pepkor Holdings Limited, serving as chairperson of the human resources and remuneration committee and a member of the audit committee. Steve is a member of SAICA and the IoDSA. Steve was appointed as an independent non-executive director of KAP Limited in 2012 and, in 2014, as chairperson of the KAP human capital and remuneration committee. He was appointed as chairperson of the investment committee on 18 November 2021.

- Chairperson of the human capital and remuneration committee
- Chairperson of the investment committee
- Member of the audit and risk committee
- Member of the social and ethics committee

## TC (Tamara) Esau-Isaacs (47)

CA(SA)

### Independent non-executive director

Tamara started her career at PricewaterhouseCoopers, where she rose to the position of audit partner and served for three years as the human capital partner. She later joined KPMG and served as the partner in charge of management consulting at their Cape Town office and as a member of the KPMG Consumer Markets forum. Tamara served as an independent non-executive director of PSG Konsult Limited from 2019 until 2023. She was appointed as an independent non-executive director to the board of FirstRand Limited with effect from 22 June 2023. Tamara has a strong social upliftment background and is a long-standing trustee of the Mitchells Plain Bursary and Role Models Trust. Tamara is a fellow of the Africa Leadership Initiative. During the Covid-19 pandemic, Tamara spearheaded an initiative that aims to increase the number of learners from Mitchells Plain, Philippi and Khayelitsha entering post-matric education. She was appointed as an independent non-executive director of KAP Limited on 30 June 2021.

- Member of the audit and risk committee
- Member of the social and ethics committee
- Member of the investment committee

# ANNEXURE C

## REMUNERATION REPORT

Refer to agenda point 6 – Ordinary resolution number 6.1 (non-binding advisory vote)

### BACKGROUND STATEMENT

#### REMUNERATION GOVERNANCE

Our board is responsible for the group's remuneration policy and is assisted by our human capital and remuneration committee ('the committee') which operates according to its board-approved charter. The board therefore oversees the implementation and execution of its approved remuneration policy through the committee, which comprises three independent non-executive directors, one of whom is appointed as chairperson.

In terms of the recommendations of King IV™, board committees should have cross membership to ensure a balanced distribution of power and to enhance effective collaboration. In line with these recommendations, SH Müller, chairperson of the committee, is also a member of the social and ethics committee, the audit and risk committee and the investment committee. KJ Grové is a member of the committee and the investment committee. JA Holtzhausen, who was appointed to our board effective 1 March 2023, is a member of this committee, the investment committee and the nominations committee. V McMenamin, who joined the committee on 18 November 2021 and also served as a member of the social and ethics committee, resigned as a member of the committee on 4 September 2023, due to an increase in her executive responsibilities at Mondi PLC, but remains an independent non-executive director on the board.

Our chief executive officer and corporate affairs director attend the committee meetings by invitation and recuse themselves from discussions or decisions which relate to them.

The committee is compliant with applicable statutory and best practice membership criteria.

The committee has two formal scheduled meetings per year and meets more often on an ad hoc basis as required to fulfil its mandate. The chairperson provides feedback to the board after each committee meeting regarding key decisions and relevant discussions and attends the AGM to address questions by shareholders on the committee's areas of responsibility.

Due to the group's decentralised management structures, the committee has established divisional human capital and remuneration subcommittees ('the divisional subcommittees'). The divisional subcommittees are supported by experienced human capital practitioners at group and divisional level. They hold the responsibility for the implementation and management of human capital and remuneration strategies, policies and practices, at a divisional level, in line with those set by the committee. The divisional subcommittees comprise our CEO, CFO and corporate affairs director, and our divisional CEOs and human capital executives. Our CEO chairs these subcommittees.

#### REMUNERATION PHILOSOPHY

Our remuneration philosophy is to attract, motivate and retain the best people in our industries who are able to perform and excel within our entrepreneurial and performance-driven culture to ensure the effective implementation of our strategy and the long-term sustainability of our group. We therefore aim to provide remuneration that is competitive in the sectors and markets in which we operate and compete, is fair and equitable, and rewards outstanding performance.

Our remuneration objectives are achieved by:

- positioning guaranteed executive salary packages in line with industry benchmarks; and
- designing short and long-term incentives to ensure, as practically as possible, the alignment between executive remuneration and the interests of shareholders, and to reward outstanding performance.

Our remuneration philosophy serves as an essential tool in enabling our employees to deliver on our strategic objectives, while supporting sustainable value creation for our key stakeholders. In this regard, we believe that our remuneration decisions are fair and remain appropriately aligned with shareholder and stakeholder interests over the long term.

#### FAIR AND RESPONSIBLE REMUNERATION

Each year, the committee reviews the horizontal and vertical remuneration differentials across job grades to ensure that there are no disproportionate income differentials based on gender or race. Where disproportionate income differentials are detected, we implement immediate corrective measures. The committee is satisfied that no disproportionate pay differentials exist and that all pay differentials are justifiable and not attributable to gender or race bias. In addition, guaranteed executive salary package increases are set with reference to, among others, the remuneration of the broader workforce.

Our divisions manage collective bargaining through industry bargaining councils and participate in centralised bargaining structures to establish sector-based conditions of employment wherever possible. There are also collective bargaining arrangements in the southern African countries in which Unitrans and Restonic operate. We take careful measures to ensure that wage increase settlements are appropriate within the context of local market and economic conditions.

The committee is satisfied that the remuneration of bargaining unit employees is appropriate relative to the sectors in which our businesses operate, and that measures are in place to reduce and eliminate any unjustified pay differentials. In addition, the committee is satisfied that the remuneration of executive management is fair and responsible within the context of overall employee remuneration.

## THE ENVIRONMENT IN WHICH WE REMUNERATE

The committee considered the following external factors in its deliberations during the year:

- A challenging and subdued global and local macroeconomic environment, including the negative effects of loadshedding, deteriorating national and municipal infrastructure, commodity price volatility and softer consumer demand.
- The escalating risk of loss of key personnel to competitors, other industries and emigration, bearing in mind that we compete for scarce skills on a global basis.
- The need to reward our employees appropriately for their contribution to the group's performance, taking into consideration the complex, uncertain and competitive operating environment, to ensure a balanced outcome for our key stakeholders over the long term.
- The shareholder support of 88.25% and 91.96% received on our remuneration policy in the November 2020 and 2021 AGMs respectively.

## KEY COMMITTEE ACTIVITIES

The committee met formally during FY23 on 14 September 2022 and 27 October 2022 with all its members present. The following were the key activities of the committee:

- reviewing the group's human capital strategy and the alignment thereof with our vision and strategy;
- reviewing executive structures and technical capacity to ensure that the group has sufficient leadership and technical skills to support strategy implementation;
- reviewing succession plans of executives and senior management levels in the group;
- evaluating the human capital management practices in place across the group to ensure fairness, responsibility, transparency, alignment with King IV™, and compliance with the specific requirements of the relevant labour legislation;
- reviewing the risk associated with the loss of key personnel and the implementation of associated talent retention measures;
- reviewing the group's approach to diversity and inclusion, with specific reference to employment equity;
- approving the remuneration of executives, including guaranteed salary increases, annual incentive bonus ('AIB') payments and share right scheme ('SRS') vesting outcomes; and
- making recommendations for the adjustments to the forward-looking fees of the non-executive directors to our board for approval and voting by shareholders at the November 2022 AGM.

In addition, as recommended by King IV™, the committee also reflected on its prior year self-assessment outcomes to determine whether the identified shortcomings have been addressed appropriately. The committee is satisfied that it has fulfilled its responsibilities during the year.

 [Read more: Corporate governance report](#)

## NON-BINDING ADVISORY VOTE AND SHAREHOLDER ENGAGEMENT

As per the recommendations of King IV™, in addition to the statutory requirement to obtain shareholder approval for the payment of fees to the non-executive directors, the remuneration policy and implementation and remuneration disclosure report ('implementation report') are tabled each year for separate non-binding advisory votes by shareholders at our AGM. If shareholders vote against either the remuneration policy or the implementation report by 25% or more of the total voting rights exercised at the AGM, we issue an invitation to dissenting shareholders to engage with us in order to address legitimate and reasonable concerns.

The following reflects the non-binding advisory shareholder votes at the AGM held on 21 November 2022:

AGM held on 21 November 2022	Votes in favour %	Votes against %
Remuneration policy	66.81	33.19
Implementation report	68.45	31.55

As a result of receiving less than 75% support, we provided a platform to engage with dissenting shareholders. This engagement was via an invitation released on SENS on 2 December 2022, inviting them to submit, in writing, recommendations in relation to the remuneration policy and implementation report, for consideration by the committee. The committee responded to each submission through a direct engagement with the relevant dissenting shareholders.

Following this engagement, the committee amended certain aspects of remuneration to balance stakeholder concerns with the need to reward executives appropriately for their contribution to the achievement of our strategic objectives. The committee also engaged proactively with dissenting shareholders to establish whether there was support for the proposed amendments before finalising the approach for the 2024 financial year.

## BACKGROUND STATEMENT CONTINUED

The table below summarises the actions the committee took in response to their feedback:

Issue raised	Shareholder feedback	Committee action
<b>Non-financial vs financial targets</b>	Full vesting of non-financial targets should not take place where financial targets are not achieved. In addition, internal audit and compliance should not be included in the AIB vesting.	Governance and strategy-related targets were previously included in the measurement criteria of the incentive schemes to promote the long-term sustainability of the group. The committee has revised the remuneration policy and removed internal audit and compliance as measurement criteria for the AIB scheme. In addition, the achievement of B-BBEE targets has been changed to a punitive measurement criterion, i.e. non-achievement of B-BBEE targets will result in a penalty of 10% of the total participation percentage. <i>(Details of the amendments to the AIB measurement criteria are further set out in the remuneration policy.)</i>
<b>Stretch targets for both AIB and SRS vesting</b>	<p>The FY21 AIB vesting should have been based on an adjusted higher HEPS, not the actual FY20 HEPS, which was materially negatively impacted by extraordinary events.</p> <p>The FY18 SRS grant should not have vested in FY21 given the high levels of debt.</p>	<p>The committee did not make any adjustments to the measurement criteria in FY20 to account for material extraordinary events. Consistent with this, we also did not make adjustments in FY21. The committee will however implement a one-off adjustment to the FY23 HEPS that will create a higher base to calculate core HEPS growth targets for the FY24 AIB scheme. <i>(See details in the remuneration policy.)</i></p> <p>The FY18 SRS grant, which vested in FY21, was based on the SRS measurement criteria approved by shareholders at the 13 November 2018 AGM. The last grant in terms of this scheme was in FY19 and vested in FY22. These measurement criteria were further amended in FY20 following shareholder feedback. <i>(See details in the implementation report.)</i></p> <p>While debt levels were not a specific measurement criteria of the scheme throughout this period, they were considered as an element of the strategy execution criteria. These measurement criteria have since been replaced and as such the committee took no further action in this regard.</p> <p>The committee has, however, amended measurement criteria in the short and long-term incentive schemes to promote a more conservative capital structure with lower levels of debt. <i>(Details of the amendments are further set out in the remuneration policy.)</i></p>
<b>Performance disclosures</b>	<p>The core HEPS growth &gt; GDP growth + CPI measurement in the AIB scheme and the ROE &gt; KAP WACC measurement in the SRS do not constitute sufficient stretch targets to justify incentive payments.</p> <p>Additional disclosure is required with regard to the core HEPS measurement criteria for KAP executives and the core operating profit measurement criteria for divisional executives in the AIB scheme and the applicable threshold for the SRS.</p>	<p>The committee believes that the measurement criteria of the AIB and SRS schemes are extremely challenging when modelled over an extended period, especially in view of the volatile nature of the operating environment. The one-off adjustment of the HEPS, referred to above, will ensure that challenging hurdle rates are set for both the relevant HEPS and ROE measurements for FY24.</p> <p>Where relevant, the committee will provide more detail for each measurement and the actual performance achieved in relation to the AIB and SRS schemes in the implementation report.</p>
<b>Maximum AIB and SRS vesting</b>	The maximum vesting percentage for the CEO and CFO is too high in respect of both AIB and SRS.	The maximum vesting levels were set based on a comprehensive peer comparison in relation to remuneration policies and incentive schemes. To address shareholder concerns, the committee has used its discretion to reduce the maximum vesting percentage for the CEO and CFO from 200% to 150% for the AIB scheme. No changes have been made to the maximum vesting percentage of the SRS since the committee believes that increased shareholding by executives promotes a greater alignment between management and stakeholder interests. <i>(Details of the amendments to the AIB and SRS vesting levels are further set out in the remuneration policy.)</i>
<b>Guaranteed salary levels for the CEO and CFO</b>	The guaranteed pay for the CEO and CFO is high relative to the market and peers.	As part of the group's remuneration policy, the committee engages regularly with independent external advisors to assess the guaranteed pay levels of executives, including the CEO and CFO. Following shareholder feedback, an additional independent assessment and verification thereof was conducted. The outcome of this assessment reaffirmed that the executive guaranteed pay levels were in line with those of companies of comparable size, sector, business complexity, markets and geographic location. Despite this outcome, the committee has used its discretion not to award an inflation-linked salary increase to the CEO and CFO for FY24, which will keep their guaranteed salary at FY23 levels.

The changes referred to above are detailed in the remuneration policy and will be presented to shareholders for a separate non-binding advisory vote at our upcoming AGM in November 2023. We look forward to a positive outcome in this regard.

## **ACCESS TO INFORMATION AND ADVISORS**

Members of the committee may access any information to inform their independent judgement on remuneration and related matters. During the year, the committee received reports from Remchannel Proprietary Limited ('Remchannel') to ensure that the group's remuneration levels are competitive and appropriate within our specific markets and geographic areas of operation. In order to consider concerns raised by shareholders about the remuneration policy, the committee received further remuneration reports from Remchannel, PricewaterhouseCoopers International Limited ('PwC') and Emergence Human Capital during the year and post-year-end.

Prior to the presentation of the 2023 non-executive director ('NED') fee proposal to the board for onward presentation to shareholders for approval, we engaged with PwC to assess whether the NED fee structure was still appropriate. The committee is satisfied that PwC, Remchannel and Emergence Human Capital are independent and objective.

## **PLANNED FOCUS AREAS IN RELATION TO FY23**

We regularly assess the remuneration market and governance frameworks to ensure the relevance of our remuneration approach. The committee anticipates focusing on the following areas during FY24:

- The continued implementation of a human capital strategy, informed by our values, to ensure that we are an employer of choice with a culture, policies and procedures that set high expectations for performance, while simultaneously providing a stimulating and inclusive environment for our people.
- The continued review of executive structures and technical skills to ensure that we have sufficient leadership and technical capacity to support strategy implementation.
- The review of our succession plans focused on identifying and growing talent to fill leadership and business-critical positions in the future.
- Talent mapping of critical and scarce leadership and technical skills to ensure that the group attracts and has access to sufficient external and internal skills to support strategy implementation.
- The implementation of measures to further promote diversity and inclusion.
- Remaining up to date with key issues that influence remuneration in the current dynamic operating environment.

## REMUNERATION POLICY

### REMUNERATION GOVERNANCE

The board carries ultimate responsibility for the remuneration policy. The committee functions as a subcommittee of the board in terms of a board-approved mandate to evaluate and monitor the company's remuneration philosophy and practices and to ensure consistency with governance principles and corporate strategy. The committee implements a remuneration policy, which is approved by the board, to assist in the achievement of the company's strategy. The remuneration policy is reviewed on an annual basis and is aligned with the recommendations of King IV™, based on the following principles:

- Remuneration practices throughout the company are aligned with the applicable business vision and strategy.
- Remuneration is set at levels that are competitive and appropriate within the specific markets, geographic areas and industries in which the company operates.
- Incentive-based remuneration, which is applicable to management involved in determining and implementing the strategy of the company and/or divisions of the company, is determined with reference to financial performance targets, B-BBEE targets and individual key performance indicators ('KPIs').
- Executive remuneration is fair, responsible and transparent within the context of the overall remuneration of the company.

### ALIGNMENT BETWEEN HUMAN CAPITAL STRATEGY, REMUNERATION PHILOSOPHY AND POLICY

The objective of our human capital strategy is to attract, motivate and retain the best people in our industries who are able to 1) perform, and 2) excel within our entrepreneurial and performance-driven culture to ensure the effective implementation of our strategy and the long-term sustainability of our group. The success of our business is dependent on our people's ability to deliver quality products and services and to maintain high standards of customer service in very competitive sectors. Our philosophy to provide remuneration that is competitive, fair and equitable, and reward outstanding performance, supports our human capital strategy's objectives of attraction, retention and motivation of our executives, managers and employees across all levels of our group. Our remuneration policy aims to facilitate implementation of our human capital strategy and remuneration philosophy.

### BENCHMARKING OF REMUNERATION

Benchmarking of the remuneration of our executive directors and management is undertaken annually, using the services of independent experts, in order to ensure that remuneration is market-related and equitably awarded under the remuneration systems and practices in place. The committee aims to ensure an appropriate balance between the guaranteed and performance-related elements of remuneration, and also between short-term performance and long-term sustainable stakeholder value creation. The committee considers each element of remuneration relative to the market and, in determining its quantum, takes into account the performance of the company and/or division, the management team, and the individual concerned.

### ELEMENTS OF REMUNERATION

Our remuneration policy covers three elements of remuneration:

#### Guaranteed salary ('salary')

Guaranteed salary incorporates all guaranteed cash benefits on a total cost-to-company ('CTC') basis and is intended to provide employees with a competitive level of remuneration and is subject to annual review. Company performance, individual performance, the economic environment and changes in responsibilities are taken into consideration when determining annual base salaries.

The amount of the salary package is determined, with effect from 1 July each year, based on parameters approved by the board. Pay levels are based on individual and market factors, as follows:

- Job profiles are compiled for each approved position in the company, and these are graded using the Paterson grading system.
- A competency profile is also determined for each approved position. Performance reviews of employees against these profiles may lead to an employee receiving merit increments from time to time, which may result in an individual earning remuneration above the market median, but within market norms. The remuneration levels of key management categories are benchmarked annually, using the market median of independent salary surveys as reference.
- The qualifications, skills and experience of the individuals concerned are taken into account relative to the relevant job and competency profiles.

Inflationary remuneration adjustments are considered annually, taking into account relevant consumer price inflation indices.

The remuneration of employees, other than those represented by unions and other bargaining structures, is contracted on a CTC basis, which includes basic cash remuneration, allowances and contributions by the company to retirement savings, risk insurance and medical schemes. In terms of this arrangement, a minimum level of healthcare cover is a condition of employment at certain levels. The company does not provide employees with post-retirement healthcare benefits. Employees throughout the group are able to contribute to various independently administered defined-contribution retirement schemes.

We encourage union membership and collective bargaining among our employees in order to provide for responsible and structured engagement. Wages and substantive conditions of employment in relation to employees represented by trade unions or similar bargaining structures and similarly graded positions are negotiated from time to time with the applicable bargaining structures, preferably via collective bargaining processes. Changes to remuneration and benefits are negotiated in one-, two- or three-year arrangements. Multi-year arrangements are favoured as they promote stability and consistency in industrial relations. Access by these employees to suitable medical, retirement and associated insured benefits is also facilitated by the company, where appropriate.

## Variable performance-related incentives ('incentives')

The principle underlying this policy is to ensure that senior executives and managers are rewarded for performance that advances the company's strategy. Variable pay is designed to incentivise and reward both individual and team effort and serves as a tool to attract, motivate and retain employees of the calibre required to achieve the company strategy. This policy is also intended to ensure that top management is duly motivated to achieve organisational goals and strategic objectives to ensure the long-term sustainability of the company in a balanced and socially and environmentally responsible manner, to the benefit of stakeholders.

## Annual incentive bonus ('AIB')

The AIB is intended to incentivise short-term performance on an annual basis and is summarised as follows in terms of the measurement criteria, the weightings of these criteria, and the participation levels of executives and senior management. The following criteria are applicable to executives and senior management of KAP Corporate Services and are based on the performance of KAP:

### Corporate

Measurement	Proportion		Participation levels
Core HEPS growth > GDP growth + CPI	15%	Applied on a linear basis to participation levels	Executive directors at 150% of CTC
Core HEPS growth > GDP growth + CPI + 1%	15%		
Core HEPS growth > GDP growth + CPI + 2%	15%		Executives at 50–75% of CTC
Core HEPS growth > GDP growth + CPI + 3%	15%		
EBITDA cash flow conversion ≥ 90%	20%		
Net debt/EBITDA ≤ budget, and EBITDA/interest cover ≥ budget	20%		
<b>Punitive measurement</b>			
Non-achievement of the B-BBEE budgeted score	10%		

In consideration of core HEPS growth in FY24, the base year for calculation purposes, FY23 HEPS, has been adjusted upward to account for exceptional items during FY23. This effectively increases the hurdle required for achievement of FY24 AIBs by executives and addresses one of the concerns raised by dissenting shareholders, after receiving less than 75% non-binding advisory shareholder votes in support of our remuneration policy and implementation report.

In view of the subdued operating environment envisaged for FY24, and high interest rates and elevated debt levels of the company as a result of major projects in progress, management's key focus is to remain within debt covenants. Therefore, debt covenants have been included as a measurement criteria to improve alignment between shareholder needs and management remuneration in the current operating environment. Achievement of budgeted debt covenant ratios, which are more onerous than the actual debt covenants, is intended to incentivise executive directors to improve the capital structure of the company, with a focus on debt reduction.

The achievement of the budgeted B-BBEE score has been amended from a 10% proportion of the AIB to a 10% penalty against total allocation if not achieved.

The AIB measurement criteria no longer contain any non-financial measures.

The following criteria are applicable for divisional executives and are based on the performance of the divisions, independent of the performance of KAP:

### Divisional

Measurement	Proportion		Participation levels
Core EBITDA growth > GDP growth + CPI	15%	Applied on a linear basis to participation levels	CEO at 150% of CTC
Core EBITDA growth > GDP growth + CPI + 1%	15%		COO/CFO at 100% of CTC
Core EBITDA growth > GDP growth + CPI + 2%	15%		
Core EBITDA growth > GDP growth + CPI + 3%	15%		Executives at 50–75% of CTC
EBITDA cash flow conversion ≥ 90% (Logistics ≥ 95%)	20%		
Cost reduction targets > budget	20%		
<b>Punitive measurement</b>			
Non-achievement of the B-BBEE budgeted score	10%		

## REMUNERATION POLICY CONTINUED

In view of the subdued operating environment envisaged for FY24, and high interest rates and elevated debt levels of the company as a result of major projects in progress, management's key focus is to remain within debt covenants. The earnings growth metric is therefore based on EBITDA for FY24, as a key element of debt covenants. In consideration of core EBITDA growth in FY24, the base year for calculation purposes, FY23 EBITDA, has been adjusted upwards to account for exceptional items during FY23. This effectively increases the hurdle required for achievement of AIBs by divisional management in FY24.

In view of the high levels of cost inflation experienced during recent years, management has been incentivised to achieve certain cost reduction targets over and above their divisional budgets. This is intended to promote the competitiveness of the company's operations.

The achievement of the budgeted B-BBEE score has been amended from a 10% proportion of the AIB to a 10% penalty against total allocation if not achieved.

The AIB measurement criteria no longer contain any non-financial measures.

At operational level, each division has incentive schemes applicable to middle and junior management, which are aimed at achieving project, production, sales and similar operational targets.

The committee retains discretion in terms of the award of AIBs, which is only exercised in exceptional circumstances. When exercised, it is reported accordingly in the annual remuneration implementation report.

Incentives are determined and paid in the financial year following that to which the performance relates and are disclosed in our implementation and remuneration disclosure report with the applicable performance targets.

Retrospective disclosure of the outcome of the upward adjusted FY23 bases for core HEPS and core EBITDA growth targets, as well as budgeted debt covenant ratios and cost reduction targets will be disclosed in the 2024 implementation report.

### Long-term incentive schemes

LTIs are awarded with the primary aim of promoting the sustainable performance of the company through business cycles, aligning performance of key management with the interests of stakeholders, and retaining key management over the long term. The LTIs are achieved through a shareholder-approved share rights scheme ('SRS'), which measures performance on a cumulative basis over a three-year period. Participation in the SRS is determined by the committee on an annual basis in terms of the rules of the scheme and applies to individuals who are key to determining and implementing the long-term vision and strategy of the company and/or our divisions.

The measurement criteria, the weightings of these criteria, and the participation levels of executives and senior management in the SRS are summarised in the following tables in relation to employees of KAP Corporate Services:

#### Corporate

Measurement	Proportion		Participation levels
Core HEPS growth > GDP growth + CPI	37.5%	Applied on a linear basis to participation levels	CEO and CFO at 167% of CTC Executives at 50–100% of CTC Senior management at 33–50% of CTC
ROE > KAP WACC	37.5%		
Achievement of individual KPIs	25.0%		
	<b>100%</b>		

The individual KPIs of the CEO and CFO for the December 2024 grant have been determined by the committee with the specific objective of improving the capital structure of the company, reducing debt and improving returns.

The measurement criteria, the weightings of these criteria and the participation levels of executives and senior management in the SRS are summarised as follows in relation to divisional employees:

#### Divisional

Measurement	Proportion		Participation levels
Core operating profit growth > GDP growth + CPI	37.5%	Applied on a linear basis to participation levels	Divisional CEO 133% of CTC Divisional Exco at 50–100% of CTC Key senior management at 33–50% of CTC
ROCE > KAP WACC x 1.3	37.5%		
Achievement of individual KPIs	25.0%		
	<b>100%</b>		

### Polymer index

In terms of both the AIB and SRS, the inclusion of a polymer index in the measurement criteria is intended to protect shareholders from excessive management incentives during a polymer upcycle and to protect management from forfeiting incentives in a polymer downcycle, thereby rewarding management only for factors under their control. The polymer index is intended to eliminate the uncontrollable effect of movements in specific dollar-based raw material margins and exchange rates.



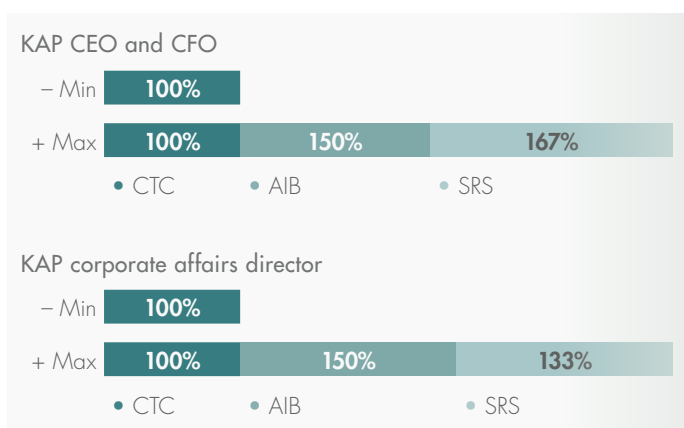
## Executive operational management retention

KAP is dependent on the retention of key operational management for the execution of our strategy and the efficient running of our operations. In view of the escalating risk of loss of key skills in South Africa, we issued, on a one-off basis effective 1 November 2022, 34 million cash-settled notional share appreciation rights to certain executive operational management, who will be instrumental in delivering on our strategy. This is a pure retention scheme and the value of these notional share appreciation rights will vest on 31 October 2026, 31 October 2027 and 31 October 2028, provided these individuals are in the employ of the company with a clean disciplinary record. Allocation percentages range from 75% to 200% of CTC of these individuals, depending on seniority and level of influence.

This is not a share scheme as defined. This scheme does not apply to the executive directors (i.e. CEO, CFO and corporate affairs director).

## Single-figure remuneration relative to on-target remuneration mix

The table below illustrates the total potential remuneration for executive directors at different performance levels in terms of the policy:



## Minimum shareholding requirements

In order to promote the long-term alignment of executives with the vision and strategy of the company and the interests of shareholders, executives who participate in the SRS will be required to maintain a minimum shareholding of KAP shares as a condition of participation in the scheme. Participants will be required to retain any shares that vest in terms of the KPI measurement criteria of the scheme until such time as the following minimum shareholdings are met:

- KAP CEO: three times annual CTC
- KAP CFO and divisional CEOs: twice annual CTC
- Other executives: annual CTC

## Statement of fair and responsible remuneration

The committee must satisfy itself that the remuneration of executive directors, executives and senior management takes appropriate account of the remuneration and employment conditions of other employees within the group. When salary increases are considered, the committee considers a report from management detailing pay practices across the group, including salary levels and trends, collective bargaining outcomes, and the approach management proposes to adopt for general employee increases. This information is considered in the committee's decisions regarding the remuneration of executive directors, executives and senior management to ensure that the remuneration of executive management is fair and responsible within the context of overall employee remuneration.

## Malus and clawback

To the extent that the measurement criteria of either the AIB or SRS are achieved because of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes, the effect of this fraud, misstatement, misrepresentation or non-compliance will be reversed in the consideration of whether the relevant qualifying criteria have been achieved. In addition, any participant directly involved in the fraud, misstatement, misrepresentation or non-compliance will not qualify for an incentive. The company will pursue legal action for the recovery of any incentives paid because of intentional fraud, misstatement, misrepresentation or non-compliance with relevant legislation by any participant of these schemes. In addition, the company will pursue disciplinary action.

## Service contracts

Executives' contracts are subject to terms and conditions of employment as governed by the South African Labour Relations Act (No. 66 of 1995, as amended). The contracts of the executive directors, executives and senior management do not contain termination packages or excessive notice periods. In view of the scarcity of executive skills in South Africa, and to make provision for an orderly handover to successors, the CEO and CFO's notice periods are six calendar months, while the rest of the executive committee's notice periods are three calendar months. Payments on termination of employment, sign-on, retention or restraint payments, commissions and allowances are limited to contractual, legal and/or negotiated obligations. Any deviations from this policy in relation to senior executives require appropriate motivation and the specific approval of the committee.

## NON-EXECUTIVE DIRECTOR FEE POLICY

The non-executive directors receive fees for services rendered to the company. Non-executive directors' fees are reviewed annually, taking into account inflation and market benchmarks based on research into trends in non-executive director remuneration among companies of a similar size and complexity. The fee proposals endorsed by the board are presented at the AGM for shareholder approval, by special resolution, prior to payment for the following year. Fees are not linked to the company's share price performance or our results. Non-executive directors cannot participate in and therefore do not qualify for shares in terms of the KAP performance SRS and do not hold share rights under this scheme.

## REGULATORY COMPLIANCE

In line with the recommendations of King IV™, in addition to the statutory requirement to obtain shareholder approval for the payment of fees to the non-executive directors, the remuneration policy and implementation report will be tabled each year for separate non-binding advisory votes by shareholders at the AGM. In the event that shareholders vote against either the remuneration policy or the implementation report by 25% or more of the total voting rights exercised at the AGM, the committee will issue an invitation to dissenting shareholders to engage with them in order to address legitimate and reasonable concerns.

# ANNEXURE D

## IMPLEMENTATION AND REMUNERATION DISCLOSURE

Refer to agenda point 6 – Ordinary resolution number 6.2 (non-binding advisory vote)

Our remuneration implementation report provides details on how we implemented our remuneration policy during FY23. It included the payments of certain management incentives which related to the performance of the group during FY22. The committee applied our remuneration policy without deviation during FY23.

This implementation report will be put to a non-binding advisory vote by shareholders at our AGM on 21 November 2023.

### GUARANTEED SALARY ('SALARY')

Guaranteed salary or CTC increases for FY23 were awarded across the group based on inflation, except where there were changes in responsibilities and roles that warranted higher increases. We awarded a general inflation-linked increase of 6% to our executive directors, executive committee members and employees who fall outside a collective bargaining unit. Increases for bargaining unit employees were implemented in line with the collective agreements of relevant bargaining unit structures.

The following salary increases were awarded to executive directors with effect from 1 July 2023:

Executive directors	Total guaranteed salary 2023 R	Total guaranteed salary 2022 R	Increase in guaranteed salary
GN Chaplin	10 907 000	10 290 000	6%
FH Olivier	6 890 000	6 500 000	6%
SP Lunga <sup>1</sup>	4 897 333	2 666 666	22% <sup>2</sup>
Total	22 694 333	19 456 666	

<sup>1</sup> Following his promotion, SP Lunga was appointed as an executive director to the board effective 18 November 2021. As a result, the remuneration disclosed in the prior year only includes eight months. His full-year guaranteed salary was R4 000 000.

<sup>2</sup> Annualised (salary) increase based on full-year remuneration.

Our implementation report received less than 75% support from shareholders at our November 2022 AGM. Following engagement with the dissenting shareholders and, in addressing their concerns, the committee did not award our CEO and CFO an inflationary salary increase for FY24.

The following summarised (salary) increase was awarded to other executive committee members with effect from 1 July 2023:

Other executive committee members	Total guaranteed salary 2023 R	Total guaranteed salary 2022 R	Increase in guaranteed salary
	50 287 250	47 676 751	5% <sup>1</sup>

<sup>1</sup> The normalised increase in guaranteed salary is 10% if adjusted for the executive committee commission. Certain executive committee members were awarded above-inflation increases.

### ANNUAL INCENTIVE BONUS

The group delivered a robust performance for FY22, with revenue, earnings and cash generated from operations reaching their highest levels in our company history, supported by our diversified business model which provided resilience in a volatile and uncertain sociopolitical and macroeconomic environment. AIBs were awarded during FY23 in relation to the performance of our company and divisions for the year ended 30 June 2022 and in line with our remuneration policy and stipulated allocation levels.

The following measurements were applied in respect of the AIBs paid to our executive directors:

Measurement	Proportion		Participation levels
Core HEPS growth > GDP growth + CPI*	15%	Applied on a linear basis to participation levels	CEO and CFO at 200% of CTC
Core HEPS growth > GDP growth + CPI + 1%*	15%		Executives at 50–100% of CTC
Core HEPS growth > GDP growth + CPI + 2%*	15%		
Core HEPS growth > GDP growth + CPI + 3%*	15%		
EBITDA cash flow conversion ≥ 90%	20%		Senior management at 25–50% of CTC
B-BBEE score against budget	10%		
Internal audit and compliance	10%		
	100%		

\* A polymer index is included with GDP growth and CPI requirements in relation to Safripol's proportion of HEPS.

The incentive is calculated by multiplying a participant's CTC with the respective participation level and the proportion of the criteria achieved.

AIBs approved by the committee and paid during FY23 relate to the performance of the company and its divisions for the year ended 30 June 2022. The following table reflects our performance for FY22 against the above-mentioned AIB measurements:

Measurement	Proportion	FY22 Measurement	FY22 Results	AIB target achieved
Core HEPS* growth > GDP growth# + CPI^	15%	6.6%	> 100%	✓
Core HEPS growth > GDP growth + CPI + 1%	15%	7.6%	> 100%	✓
Core HEPS growth > GDP growth + CPI + 2%	15%	8.6%	> 100%	✓
Core HEPS growth > GDP growth + CPI + 3%	15%	9.6%	> 100%	✓
EBITDA cash flow conversion ≥ 90%	20%	90%	97%	✓
B-BBEE score against budget	10%	Level 5 budgeted	Level 4 achieved	✓
Internal audit and compliance	10%	Satisfactory	Satisfactory	✓
	<b>100%</b>			

\* FY22 core HEPS of 62.7 cents per share vs FY21 adjusted core HEPS of 15.0 cents per share.

# GDP growth rate = 1%

^ CPI rate = 5.6%

The committee approved the AIB awards for our executive directors following a detailed assessment of the relevant financial and non-financial measurements and is satisfied that the awards are in accordance with the approved measurement criteria applied to the group's performance for FY22, as shown in the table above. The committee also reviewed the performance of individual executive committee members against the measurement criteria set out in the remuneration policy and approved the award thereof, where these criteria were met. The committee applied the rules of the scheme without deviation and obtained independent assurance from the company's independent internal auditors on the application of the rules and the relevant incentive calculations.

The following AIBs were therefore paid to executive directors and other executive committee members in relation to the performance of the company and our divisions for the year ended 30 June 2022:

Executive directors	Total bonuses <sup>1</sup>	
	2023 R	2022 R
GN Chaplin	20 580 000	15 688 000
FH Olivier	13 000 000	9 540 000
SP Lunga <sup>2</sup>	4 233 333	–
	<b>37 813 333</b>	<b>25 228 000</b>
Other executive committee members <sup>3</sup>	<b>39 811 612</b>	<b>43 280 080</b>

<sup>1</sup> Bonuses paid in FY23 relate to the performance of the group in FY22.

<sup>2</sup> SP Lunga was appointed as an executive director to the board effective 18 November 2021. His prior year bonus was R3 200 000, which was paid in October 2021.

<sup>3</sup> Other executive committee members include our divisional CEO's and corporate services executives that serve on the KAP executive committee.

Our implementation report received less than 75% support from shareholders at our November 2022 AGM. Following engagement with the dissenting shareholders and, in addressing their concerns, the committee has amended certain measurement criteria and reduced the maximum AIB participation level for the CEO and CFO from 200% to 150%.

**LONG-TERM INCENTIVES**

LTIs were paid to executives in FY23 in relation to share rights granted in December 2019, in accordance with the vesting criteria of the SRS approved by shareholders at the November 2018 AGM. The committee applied the rules of the scheme without deviation.

The following measurement criteria were applicable in respect of the share rights granted in December 2019:

Measurement	Proportion	Participation levels
Cumulative achievement of three-year financial targets	35%	CEO and CFO 167% of CTC
Return on equity three-year targets	15%	Divisional CEOs and executives 53-133% of CTC
Strategy execution targets	15%	
ESG targets	10%	
Retention	25%	Key divisional management 33-133% of CTC
	<b>100%</b>	

Following a detailed assessment of the relevant financial and non-financial measurements over the three-year measurement period from 1 July 2019 to 30 June 2022, the committee approved the partial vesting of the December 2019 share rights. The committee also reviewed the performance of individual executive committee members against the target criteria set out in the remuneration policy, and approved the award thereof where target criteria were met.

Measurement	Proportion	Cumulative measurement target	Cumulative measurement result	Target achieved
<b>Achievement of financial targets</b>				
<ul style="list-style-type: none"> <li>Cumulative three-year core headline earnings per share</li> <li>Cumulative three-year cash from operations, less net cash finance cost, less cash taxation, (less)/add any copex and investment (over)/underspend</li> </ul>	35%	138.4 cents per share  R8 280 million	123.4 cents per share  R6 956 million	  X
<ul style="list-style-type: none"> <li>Return on equity over three years</li> </ul>	15%	9.8%	9.0%	X
<b>Implementation of key strategic initiatives related to the strategic development and competitive positioning of KAP</b>				
<ul style="list-style-type: none"> <li>Board-approved initiatives</li> </ul>	15%	<ul style="list-style-type: none"> <li>Securing an appropriate and flexible capital and debt structure in order to minimise the risk of stressed debt or equity issuance in volatile economic environments</li> </ul>	<p>During FY20, the company purchased and cancelled 97 million ordinary shares. The following significant funding activities were concluded during FY20:</p> <ul style="list-style-type: none"> <li>» R874 million corporate bonds settled at maturity; and</li> <li>» R1 250 million corporate bonds issued with tenures of between three and five years.</li> </ul> <p>Additional facilities of R950 million were raised during the Covid-19 lockdown as a contingency and to improve the short-term liquidity of the group. Included in the additional facilities was a R500 million increase in the committed syndicated revolving credit facility, bringing this facility to R1 500 million, which matured on 4 October 2021. These facilities provided the company with sufficient time and options to refinance upcoming bond maturities at the time.</p> <p>During FY21, bonds and term loans to the value of R2 394 million were settled, which included an expensive fixed interest rate term loan of R450 million. Funding of R1 652 million was raised during the year, through both bond issuances and term loan facilities, with maturities of three and five years at acceptable market-related interest rates.</p> <p>During FY22, the company repurchased and cancelled 65 million ordinary shares. The total value of the share buy-back transactions amounted to R310 million. As planned, net interest-bearing debt increased by R929 million compared to the prior year, resulting in a marginal increase in the net interest-bearing debt to equity (gearing) ratio to 6.5% from 6.4% in the prior year. Debt serviceability ratios for the year of net debt/EBITDA at 1.7 times and EBITDA/interest cover at 8.2 times remained well within our financial covenants of &lt; 3.2 times and &gt; 3.5 times respectively, and within our internal targets. During the year, bonds to the value of R1 620 million were settled and new funding of R3 100 million was raised through bond issuances with maturities up to five years and at more favourable interest rates.</p> <p>Global Credit Rating Co. Proprietary Limited reviewed our credit rating and confirmed our rating as A+(za) with a stable rating outlook for all three years.</p>	✓

Measurement	Proportion	Cumulative measurement target	Cumulative measurement result	Target achieved
		<ul style="list-style-type: none"> <li>● Implementation of risk management policy and framework</li> </ul>	<p>Since March 2020, we addressed the impact of the Covid-19 pandemic with a risk-based approach. This included identifying the following key risk categories, and designing and implementing mitigating actions and controls to protect the group and our various stakeholders:</p> <ul style="list-style-type: none"> <li>» immediate and medium-term liquidity;</li> <li>» corporate funding capacity and financial covenants;</li> <li>» sustainability of revenue;</li> <li>» sustainability of customers and associated credit risk;</li> <li>» sustainability of suppliers and potential supply chain interruptions; and</li> <li>» sustainability of operations, including the effect on employees.</li> </ul> <p>The group implemented various measures to reduce operating costs and to optimise cash flows to ensure continued liquidity during the lockdown period and thereafter. These measures included the suspension of all non-essential operating expenditure and uncommitted capital expenditure, and an optimisation of working capital. We also implemented specific salary and wage cost reduction measures throughout our operations.</p>	

Measurement	Proportion	Cumulative measurement target	Cumulative measurement result	Target achieved
		<ul style="list-style-type: none"> <li>• Successful conclusion and implementation of strategic mergers, acquisitions and disposals</li> </ul>	<p>We continued using strategic corporate activities to enhance our quality of earnings and sustainability. In line with our key investment criteria, we entered into the following transactions:</p> <ul style="list-style-type: none"> <li>» Effective 1 December 2019, KAP Bedding Proprietary Limited acquired 75% of the shares and loan claims of Connacher (Natal) Proprietary Limited and Recyclotex Proprietary Limited (collectively 'Connacher') for a purchase consideration of R31 million.</li> <li>» Effective 1 December 2019, KAP Automotive Proprietary Limited ('KAP Automotive') disposed of the Autovest operations, which manufactured and retailed various aftermarket vehicle accessories.</li> <li>» Effective 1 September 2020, Unitrans Supply Chain Solutions Proprietary Limited ('USCS') acquired the remaining 36% minority share in Klipstone Transport Proprietary Limited.</li> <li>» Effective 30 June 2021, PG Bison Southern Cape Proprietary Limited disposed of its investment in the associate, The Peter Allan Building Materials Trust.</li> <li>» Effective 31 August 2021, KAP Automotive acquired the tufting carpet business from its equity-accounted joint venture company, Auria Fellex Proprietary Limited, for a total consideration of R13 million.</li> <li>» Effective 30 November 2021, USCS acquired a minority 30% non-controlling interest in Ubunye Mining Services Proprietary Limited for a consideration of R20 million.</li> <li>» Effective 1 December 2021, the group acquired an effective 90% interest in DriveRisk Holdings Proprietary Limited and SingRisk Services Private Limited (together with the underlying subsidiaries, collectively referred to as 'DriveRisk') for a purchase consideration of R404 million.</li> <li>» Effective 26 February 2022, KAP Automotive acquired a 48.95% shareholding in Auria South Africa Proprietary Limited ('Auria SA') for R46 million.</li> </ul>	

Measurement	Proportion	Cumulative measurement target	Cumulative measurement result	Target achieved
		Implementation of growth initiatives, which do not necessarily benefit the year under review	<p>We have completed a detailed strategy review across the group and identified eight strategic workstreams (as part of our KAP 2025 strategy), which are expected to yield current and future opportunities for value-creation, including a pipeline of material opportunities to expand our existing businesses, develop new products and enter complementary markets in the near term.</p> <p>In support of the above, the following key investments were made:</p> <ul style="list-style-type: none"> <li>» the expansion of PG Bison's Mkhondo particleboard plant;</li> <li>» the expansion of PG Bison's value-add capacity with investments in a seventh MFB press and a second gloss-coating line at the Boksburg site, both commissioned during FY23;</li> <li>» the construction of a 10 MW PV plant at Satripol Sasolburg;</li> <li>» the construction of PG Bison's Mkhondo MDF plant, scheduled for commissioning in July 2024; and</li> <li>» a project to produce higher-specification and higher-margin HDPE commenced, which included replacement of outdated equipment.</li> </ul> <p>In addition, Satripol concluded negotiations on the supply of ethylene using a new pricing formula that facilitates a fair market-related margin and moderates the cyclical nature of margins. We have also embarked on the development and implementation of a business resilience strategy, which includes an energy and water strategy to address specific South African risks, particularly related to energy and infrastructure, as well as other unforeseen events, to avoid the potential costs and business interruption associated with such events. Our energy strategy includes the above-mentioned PV plant, while we explore further self-generation, cogeneration and storage opportunities across the group. We have engaged with Eskom to assist with the protection and maintenance of electricity infrastructure to our sites.</p>	
		<ul style="list-style-type: none"> <li>• Other initiatives, such as BBBEE, internal audit ratings, health and safety, succession planning, etc.</li> </ul>	<p>We are fully compliant with the provisions of the BBBEE Act, as well as with the BBBEE Amended Codes of Good Practice. We improved our BBBEE rating from level 6 in FY20 to level 4 in FY22.</p>	
<b>Achievement of ESG targets</b>				
– FTSE4Good Index measurement criteria	10%	3.1	3.1	✓
<b>Retention</b>				
– Continued employment through the measurement period with a clean disciplinary record on vesting date	25%	Continued employment through the measurement period with a clean disciplinary record on vesting date	Measured and implemented individually.	✓
	100%			



The following share rights therefore vested partially for executive directors and other executive committee members during FY23 in relation to the performance of the company and our divisions for the three-year measurement period ended 30 June 2022:

Value of share rights exercised during the year	Number of rights allocated	Number of rights forfeited	Number of rights exercised	Value of rights exercised R
<b>2023<sup>1</sup></b>				
<b>Executive directors</b>				
GN Chaplin	2 027 783	(1 013 891)	1 013 892	4 532 097
FH Olivier	1 233 111	(616 555)	616 556	2 756 005
SP Lunga	576 471	(288 235)	288 236	1 288 415
	<b>3 837 365</b>	<b>(1 918 681)</b>	<b>1 918 684</b>	<b>8 576 517</b>
<b>Other executive committee members</b>	<b>4 076 771</b>	<b>(2 038 385)</b>	<b>2 038 386</b>	<b>9 111 585</b>
<b>2022<sup>2</sup></b>				
<b>Executive directors</b>				
GN Chaplin	1 578 289	(789 145)	789 144	3 724 760
FH Olivier	959 770	(479 885)	479 885	2 265 057
SP Lunga <sup>3</sup>	–	–	–	–
	<b>2 538 059</b>	<b>(1 269 030)</b>	<b>1 269 029</b>	<b>5 989 817</b>
<b>Other executive committee members</b>	<b>4 778 250</b>	<b>(2 535 119)</b>	<b>2 243 131</b>	<b>10 587 578</b>

<sup>1</sup> The market price of share rights exercised was R4.47 on 1 December 2022.

<sup>2</sup> The market price of share rights exercised was R4.72 on 1 November 2021.

<sup>3</sup> SP Lunga was appointed as an executive director to the board effective 18 November 2021. As a result, the share rights of 198 056 (R934 824) he exercised, is included under other executive committee members.

Outstanding share rights of our executive directors at 30 June 2022 are reflected as follows:

Executive directors	Offer date	Vesting date	Number of rights as at 30 June 2022	Number of rights awarded during the year	Number of rights exercised during the year	Number of rights expired during the year	Number of rights as at 30 June 2023	Market value of rights at grant date R	Market value of rights on vesting R	Market value of rights at 30 June 2023 R
GN Chaplin	Dec-19	Dec-22	1 013 892	– (1 013 892)	–	–	–	–	4 532 097	–
	Dec-20	Dec-23	5 137 051	–	–	(1 926 394)	3 210 657	9 471 438	–	8 668 774
	Dec-21	Dec-24	3 914 419	–	–	(1 467 907)	2 446 512	10 348 746	–	6 605 582
	Dec-22	Dec-25	–	4 020 903	–	–	4 020 903	17 289 883	–	10 856 438
			<b>10 065 362</b>	<b>4 020 903</b>	<b>(1 013 892)</b>	<b>(3 394 301)</b>	<b>9 678 072</b>	<b>37 110 067</b>	<b>4 532 097</b>	<b>26 130 794</b>
FH Olivier	Dec-19	Dec-22	616 556	– (616 556)	–	–	–	–	2 756 005	–
	Dec-20	Dec-23	3 123 882	–	–	(1 171 455)	1 952 427	5 759 660	–	5 271 553
	Dec-21	Dec-24	2 472 665	–	–	(927 249)	1 545 416	6 537 110	–	4 172 623
	Dec-22	Dec-25	–	2 540 022	–	–	2 540 022	10 922 095	–	6 858 059
			<b>6 213 103</b>	<b>2 540 022</b>	<b>(616 556)</b>	<b>(2 098 704)</b>	<b>6 037 865</b>	<b>23 218 865</b>	<b>2 756 005</b>	<b>16 302 235</b>
SP Lunga <sup>1</sup>	Dec-19	Dec-22	288 236	– (288 236)	–	–	–	–	1 288 415	–
	Dec-20	Dec-23	1 669 020	–	–	(625 882)	1 043 138	3 077 257	–	2 816 473
	Dec-21	Dec-24	1 211 845	–	–	(454 441)	757 404	3 203 819	–	2 044 991
	Dec-22	Dec-25	–	1 369 342	–	–	1 369 342	5 888 171	–	3 697 223
			<b>3 169 101</b>	<b>1 369 342</b>	<b>(288 236)</b>	<b>(1 080 323)</b>	<b>3 169 884</b>	<b>12 169 247</b>	<b>1 288 415</b>	<b>8 558 687</b>
<b>Total</b>			<b>19 447 566</b>	<b>7 930 267</b>	<b>(1 918 684)</b>	<b>(6 573 328)</b>	<b>18 885 821</b>	<b>72 498 179</b>	<b>8 576 517</b>	<b>50 991 716</b>

<sup>1</sup> SP Lunga was appointed as an executive director to the board effective 18 November 2021.

To provide historic context for the share rights grants and vestings, our remuneration policy received less than 75% support from shareholders at our November 2019 AGM. After engagement with dissenting shareholders, the committee recommended significant changes to our incentive schemes. These were accepted by the board and implemented for FY20 and FY21. These changes received shareholder support of 88.25% and 91.96% at our AGMs on 18 November 2020 and 18 November 2021 respectively.

Shares rights issued in November 2018 and December 2019, which partially vested in November 2021 and December 2022, are based on the measurement criteria reflected in our remuneration policy presented at the November 2019 AGM. Share rights issued in December 2020, 2021, and 2022, which potentially vest in December 2023, 2024 and 2025, are based on new measurement criteria approved by shareholders on 18 November 2020, and included in the remuneration policy, which forms part of this implementation report.

## DISCLOSURE OF SINGLE-FIGURE REMUNERATION RELATIVE TO ON-TARGET REMUNERATION MIX

Our executive directors received the following single-figure remuneration during FY22 and FY23 respectively:

	2023 R		2022 R	
GN Chaplin	36 019 097	100%	29 702 764	100%
CTC	10 907 000	30%	10 290 000	35%
AIB	20 580 000	57%	15 688 000	52%
SRS	4 532 097	13%	3 724 764	13%
FH Olivier	22 646 005	100%	18 305 057	100%
CTC	6 890 000	31%	6 500 000	36%
AIB	13 000 000	57%	9 540 000	52%
SRS	2 756 005	12%	2 265 057	12%
SP Lunga*	10 419 081	100%	6 801 490	100%
CTC	4 897 333	47%	2 666 666	39%
AIB	4 233 333	41%	3 200 000	47%
SRS	1 288 415	12%	934 824	14%

\* SP Lunga was appointed as an executive director to the board effective 18 November 2021.

### FY22 single-figure remuneration

The single figure remuneration for GN Chaplin and FH Olivier includes their CTC, an AIB payment equivalent to 200% of the FY21 CTC in accordance with the remuneration policy, and the partial vesting of share rights granted in November 2018. This reflects the group's performance in terms of navigating and recovering from the impact of the Covid-19 pandemic.

SP Lunga was appointed as an executive director to the board effective 18 November 2021. As a result, the remuneration disclosed only includes eight months. His full-year salary was R4 000 000, and he was paid an AIB of R3 200 000 in October 2021.

### FY23 single-figure remuneration

The single figure remuneration for GN Chaplin and FH Olivier includes their CTC, an AIB payment equivalent to 200% of the FY22 CTC in accordance with the remuneration policy, and the partial vesting of share rights granted in December 2019. This reflects the robust performance of the group in achieving record revenue and earnings.

The single-figure remuneration for SP Lunga includes his CTC, an AIB payment equivalent to 100% of the FY22 CTC in accordance with the remuneration policy, and the partial vesting of share rights granted in November 2018.

### NON-EXECUTIVE DIRECTORS' FEES PAID FOR THE PERIOD UNDER REVIEW

Non-executive directors' fees are regularly reviewed against market benchmarks through research into trends and independent publications on non-executive director remuneration among companies of a similar size and complexity.

The committee submitted its proposals to the board for the forward-looking fees payable for the period from the date of the AGM in November 2022 to the November 2023 AGM. The proposed fee structure included two principle amendments as follows:

- To provide for per-meeting fees of certain committees.
- In view of the escalating global focus on ESG factors and the integration thereof into our strategy and daily operations, as well as the expanding oversight role and agenda of the company's social and ethics committee, its meetings were increased from one to two per annum. The base fee for the social and ethics committee was increased accordingly, in line with peer group companies and with that of the company's human capital and remuneration committee fees.

The proposed fees for the non-executive directors were approved at the 2022 AGM with the required majority of more than 75% of the eligible votes in favour, save for special resolution number 2.15 relating to the ad hoc meeting fee element.

## ANNEXURE D continued

The following fees were therefore paid to non-executive directors in line with the fee structure approved at our AGM held on 21 November 2022:

Non-executive directors' fees (excluding VAT)	2023 R	2022 R
J de V du Toit <sup>6</sup>	187 678	558 407
TC Esau-Isaacs	1 067 700	962 221
Z Fuphe	1 153 148	945 407
KJ Grové	948 776	942 119
JA Holtzhausen <sup>7</sup>	383 159	–
KT Hopkins	1 205 134	1 192 992
V McMenamin	765 258	581 151
IN Mkhari <sup>8</sup>	–	150 645
SH Müller	1 289 273	1 237 293
PK Quarmby	1 323 447	1 354 363
	<b>8 323 573</b>	<b>7 924 598</b>

<sup>6</sup> Resigned effective 21 November 2022.

<sup>7</sup> Appointed effective 1 March 2023.

<sup>8</sup> Resigned effective 18 November 2021

Updated, forward-looking proposed non-executive directors' fees will be presented for shareholder approval at our AGM in November 2023.

### STATEMENT OF FAIR AND RESPONSIBLE REMUNERATION

The committee is satisfied that the remuneration of executive directors and other senior executives takes appropriate account of remuneration and employment conditions of other employees in the group, and that the remuneration policy is fair and responsible in the context of overall employee remuneration.

The committee believes that the remuneration policy is fit for purpose and achieves the high-level objectives of attraction, retention and performance motivation of our executives, managers and employees across all levels of the group. The committee further believes that, in the context of a very challenging macroeconomic and sociopolitical environment, the remuneration matters have been managed appropriately and responsibly.

# ANNEXURE E

## MAJOR SHAREHOLDERS OF THE COMPANY AS AT 30 JUNE 2023

### Disclosure of beneficial interest of major shareholders

	2023 %	2022 %
<b>Shareholders with a beneficial interest above 5%</b>		
Government Employees Pension Fund	19.13	18.63
Allan Gray	16.88	16.73
Sanlam <sup>1</sup>	n/a	5.28
Old Mutual Limited <sup>2</sup>	n/a	5.94

<sup>1</sup> Sanlam's shareholding was below 5% at 30 June 2023.

<sup>2</sup> Old Mutual Limited's shareholding was below 5% at 30 June 2023.

	2023			
	Number of shareholders	%	Number of shares	%
<b>Shareholder spread</b>				
1 – 1 000 shares	7 444	64.78	872 408	0.04
1 001 – 10 000 shares	2 062	17.94	8 926 269	0.36
10 001 – 100 000 shares	1 213	10.56	42 664 239	1.72
100 001 – 1 000 000 shares	522	4.54	172 247 716	6.95
1 000 001 – 10 000 000 shares	215	1.87	639 932 778	25.83
10 000 001 shares and over	36	0.31	1 612 451 038	65.10
	11 492	100.00	2 477 094 448	100.00
<b>Resident/non-resident split</b>				
Resident	11 266	98.03	1 994 812 153	80.53
Non-resident	226	1.97	482 282 295	19.47
	11 492	100.00	2 477 094 448	100.00

	2023		2022	
	Number of shares	%	Number of shares	%
<b>Shares held by directors of the company</b>				
GN Chaplin	4 054 679	0.16	3 497 039	0.14
FH Olivier	819 105	0.03	480 000	0.02
SP Lunga	485 935	0.02	327 406	0.01
J de V du Toit <sup>3</sup>	–	0.00	1 040 368	0.04
TC Esau-Isaacs	22 000	0.00	–	0.00
Z Fuphe	111 100	0.01	–	0.00
KJ Grové	4 500 000	0.18	4 500 000	0.18
SH Müller	225 004	0.01	225 004	0.01
PK Quarmby	500 000	0.02	500 000	0.02
	10 717 823	0.43	10 569 817	0.42
<b>Shares held by directors of group subsidiaries</b>	16 771 893	0.68	46 885 371	1.90
<b>Shares held by management of the company and its group subsidiaries</b>	3 892 046	0.16	7 676 496	0.31
	31 381 762	1.27	65 131 684	2.63
<b>Public/non-public shareholdings</b>				
Government Employees Pension Fund <sup>4</sup>	473 836 738	19.13	460 584 055	18.63
Allan Gray <sup>4</sup>	418 053 354	16.88	413 456 260	16.73
Directors (and associates) of the company and its subsidiaries	27 489 716	1.11	57 455 188	2.32
Management of the company and its subsidiaries	3 892 046	0.16	7 676 496	0.31
Non-public shareholders <sup>5</sup>	923 271 854	37.28	939 171 999	37.99
Public shareholders <sup>6</sup>	1 553 822 594	62.72	1 532 928 575	62.01
	2 477 094 448	100.00	2 472 100 574	100.00

<sup>3</sup> Effective 21 November 2022, J de V du Toit retired as non-executive director.

<sup>4</sup> Beneficial shareholder holding more than 10% of the shares of the company at year-end.

<sup>5</sup> There were 38 (2022: 32) non-public shareholders at year-end.

<sup>6</sup> There were 11 454 (2022: 11 554) public shareholders at year-end.

# ANNEXURE F

## EXECUTIVE DIRECTORS' PERSONAL FINANCIAL INTERESTS AS AT 30 JUNE 2023

Refer to agenda point 7 – ordinary resolution number 7

### EXECUTIVE DIRECTORS' PERSONAL FINANCIAL INTERESTS

#### GN Chaplin (Chief executive officer)

Name of entity	Registration number	Designation
Optix Africa (Pty) Ltd	2017/198179/07	Director
Optix Australasia (Pty) Ltd	ABN57113677473	Director
Driverisk Holdings (Pty) Ltd	2003/010550/07	Director
Optix International (Pty) Ltd	2007/010989/07	Director
fairtech products (Pty) Ltd	1999/026990/07	Director
FWG Logistix (Pty) Ltd	1987/006163/07	Director
Idream Limited	8175004	Director
KAP Automotive (Pty) Ltd	1957/001891/07	Director
KAP Corporate Services (Pty) Ltd	1991/001164/07	Director
KAP Limited	1978/000181/06	Executive director Member of the investment committee Member of the social and ethics committee
KAP Energy (Pty) Ltd	1999/016480/07	Director
Optix Holdings (Pty) Ltd	2017/198162/07	Director
PG Bison (Pty) Ltd	1965/003787/07	Director
Restonic (Pty) Ltd	1988/070308/07	Director
Safripol (Pty) Ltd	2006/023706/07	Director
Straalhoek Sawmill (Pty) Ltd	1998/003879/07	Director
Unitrans Africa (Pty) Ltd	1958/002406/07	Director
Unitrans Holdings (Pty) Ltd	1994/007379/07	Director
Unitrans Passenger (Pty) Ltd	1968/008699/07	Director
Xuba Compounders (Pty) Ltd	2021/119594/07	Director

#### FH Olivier (Chief financial officer)

Name of entity	Registration number	Designation
D and H Game Ranching Investments (Pty) Ltd	2001/015828/07	Director
Optix Africa (Pty) Ltd	2017/198179/07	Director
Optix Australasia (Pty) Ltd	ABN57113677473	Director
Driverisk Holdings (Pty) Ltd	2003/010550/07	Director
Optix International (Pty) Ltd	2007/010989/07	Director
fairtech products (Pty) Ltd	1999/026990/07	Director
FWG Logistix (Pty) Ltd	1987/006163/07	Director
KAP Automotive (Pty) Ltd	1957/001891/07	Director
KAP Corporate Services (Pty) Ltd	1991/001164/07	Director
KAP Limited	1978/000181/06	Executive director Member of the investment committee
KAP Energy (Pty) Ltd	1999/016480/07	Director
Optix Holdings (Pty) Ltd	2017/198162/07	Director
Mashoweng Farming (Pty) Ltd	2014/251331/07	Director
Mashoweng Investments (Pty) Ltd	2013/128578/07	Director
Nokanyana Farm (Pty) Ltd	1983/010111/07	Director
PG Bison (Pty) Ltd	1965/003787/07	Director
Phaello Real Estate Holdings (Pty) Ltd (in deregistration process)	1957/003823/07	Director
Restonic (Pty) Ltd	1988/070308/07	Director
Safripol (Pty) Ltd	2006/023706/07	Director
Unitrans Africa (Pty) Ltd	1958/002406/07	Director
Unitrans Holdings (Pty) Ltd	1994/007379/07	Director
Unitrans Passenger (Pty) Ltd	1968/008699/07	Director
Xuba Compounders (Pty) Ltd	2012/119594/07	Director

**SP Lunga (Executive director – Corporate affairs)**

<b>Name of entity</b>	<b>Registration number</b>	<b>Designation</b>
Optix International (Pty) Ltd	2007/010989/07	Director
fairtech products (Pty) (Ltd)	1999/026990/07	Director
KAP Automotive (Pty) Ltd	1957/001891/07	Director
KAP Corporate Services (Pty) Ltd	1991/001164/07	Director
KAP Limited	1978/000181/06	Executive director
Lavela Real Estate and Property Developers (Pty) Ltd	2018/057296/07	Director
PG Bison (Pty) Ltd	1965/003787/07	Director
Restonic (Pty) Ltd	1988/070308/07	Director
Safripol (Pty) Ltd	2006/023706/07	Director
Sakhumzi Empowerment (Pty) Ltd	1997/008852/07	Director
South African Furniture Initiative NPC	2009/003078/08	Director
Steinhoff Sikhulasonke Investments (RF) (Pty) Ltd	1971/008683/07	Director
The Road Freight Association NPC	1981/010367/08	Director
The Sakhumzi Foundation Empowerment Trust	IT001292/2018(G)	Trustee
Unitrans Africa (Pty) Ltd	1958/002406/07	Director
Unitrans Empowerment Trust	IT000254/2021(G)	Trustee
Unitrans Holdings (Pty) Ltd	1994/007379/07	Director
Unitrans Passenger (Pty) Ltd	1968/008699/07	Director
Unitrans Supply Chain Solutions (Pty) Ltd	1967/010920/07	Director





# FORM OF PROXY

## KAP LIMITED (FORMERLY KAP INDUSTRIAL HOLDINGS LIMITED)

('KAP' or 'the company')

Registration number: 1978/000181/06 | JSE share code: KAP | ISIN: ZAE000171963 | LEI code: 3789001F51BC0045FD42

For use at the 45th annual general meeting ('AGM') of the shareholders of KAP to be held at 15:00 on Tuesday, 21 November 2023, at the Protea Hotel, Techno Avenue, Technopark in Stellenbosch, and at any adjournment thereof.

**Only shareholders who hold shares in certificated form and shareholders who have dematerialised their shares but hold them in own-name registration must complete this Form of Proxy. Other shareholders who wish to attend and vote at the AGM should obtain written authority (Letter of Representation) from their CSDP/broker to attend and vote at the AGM or, if unable to attend the AGM and wish for their votes to be recorded, should furnish their voting instructions to their CSDP/broker.**

I/We \_\_\_\_\_ (full name(s) in block letters)

of \_\_\_\_\_ (address)

being the registered holder(s) of \_\_\_\_\_ ordinary shares, hereby appoint:

(number)

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. the chairperson of the AGM, as my/our proxy, to vote for me/us and on my/our behalf at the AGM, and at each adjournment thereof, on all resolutions proposed below.

4. My/our proxy may vote in favour of and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name(s). Shareholders must insert an 'X' in the appropriate block if they wish to vote **all** their shares in the same manner. If not, insert the number of votes in the appropriate block. The total number of shares voted may not exceed the total number of votes to which the shareholder is entitled. Unless otherwise instructed, a shareholder's proxy may vote as he/she thinks fit.

		Voting instructions		
		Number of votes (one vote per share)		
		In favour of	Against	Abstain
	Presentation of annual financial statements	Non-voting agenda point		
1.	Ordinary resolution number 1: Reappointment of independent external audit firm and individual auditor			
2.	Ordinary resolution number 2: Confirmation and re-election of JA Holtzhausen following his appointment by the board			
3.	Ordinary resolution number 3: Re-election of directors who retire by rotation, and confirmation not to fill a vacancy at the AGM:	Non-voting agenda point		
	3.1 V McMenamin			
	3.2 Z Fuphe			
	3.3 Not to fill the vacancy left by the retirement of KJ Grové (for the time being)			
4.	Ordinary resolution number 4: Election of audit and risk committee members:	Non-voting agenda point		
	4.1 KT Hopkins			
	4.2 Z Fuphe			
	4.3 SH Müller			
	4.4 TC Esau-Isaacs			
5.	Ordinary resolution number 5: Placing of preference shares under the control of the directors for commercial purposes			
6.	Ordinary resolution number 6: Non-binding advisory vote to endorse the KAP:	Non-binding advisory votes		
	6.1 Remuneration policy			
	6.2 Implementation and remuneration disclosure			
7.	Ordinary resolution number 7: Ratification relating to personal financial interest arising from multiple intergroup directorships			
8.	Special resolution number 1: Approval of fees payable to non-executive directors:			
	1.1 Independent non-executive chairperson			
	1.2 Lead independent non-executive director			
	1.3 Board member			
	1.4 Audit and risk committee chairperson			
	1.5 Audit and risk committee member			
	1.6 Human capital and remuneration committee chairperson			
	1.7 Human capital and remuneration committee member			
	1.8 Social and ethics committee chairperson			
	1.9 Social and ethics committee member			
	1.10 Nomination committee chairperson			
	1.11 Nomination committee member			
	1.12 Investment committee chairperson			
	1.13 Investment committee member			
9.	Special resolution number 2: General authority to provide financial assistance			
	General	Non-voting agenda point		

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature \_\_\_\_\_

Any instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of attorney, must be forwarded to TMS at the address stated overleaf to reach them by 14:00 on Friday, 17 November 2023, or may be handed to the chairperson of the AGM before the appointed proxy exercises any shareholder rights at the AGM.

# NOTES TO THE FORM OF PROXY

1. This Form of Proxy should be used only by certificated shareholders or shareholders who have dematerialised their shares with own-name registration.
2. All other shareholders who wish to attend the AGM must arrange with their CSDP or broker to provide them with the necessary written authorisation (Letter of Representation) to attend the AGM. If they elect not to attend the AGM, and wish their votes to be recorded, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the AGM and must, accordingly, present their driver's licence, identity document or passport in order to participate at the AGM. If in any doubt as to whether any document will be accepted as satisfactory proof of identity, participants should contact the transfer secretaries ('Computershare') or TMS in advance for guidance.
3. A shareholder may insert the name(s) of one or more proxies, none of whom need to be a shareholder of the company, in the space provided. The person whose name appears first on the Form of Proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy may be exercised by the chairperson of the AGM.
4. A shareholder's instruction on the Form of Proxy must be indicated by the insertion of a number of shares in the appropriate space provided, or an 'X' if the shareholder wishes to vote all the shares. Failure to comply with the above will be deemed to authorise the chairperson of the AGM (if he is the authorised proxy), or any other appointed proxy, to vote all the shareholder's exercisable votes as he/she deems fit. In general, a shareholder or his/her proxy is not obliged to use all the votes exercisable, but the total of the votes cast, together with any abstentions recorded, may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. The completion and lodging of this Form of Proxy shall not preclude the shareholder from attending, speaking and voting in person at the AGM to the exclusion of any proxy appointed in terms hereof.
6. Should this Form of Proxy not be completed and/or received in accordance with these directives, the chairperson of the AGM may accept or reject it, provided that, in the case of acceptance, the chairperson is satisfied as to the manner in which the shareholder's votes are to be recorded.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by TMS or by the transfer secretaries at an earlier stage.
8. Documentary evidence establishing the authority of the person signing this Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy unless previously recorded by TMS or the transfer secretaries, or waived by the chairperson of the AGM.
9. The chairperson of the AGM shall be entitled to reject the authority of a person signing this Form of Proxy:
  - 9.1 under a power of attorney; or
  - 9.2 on behalf of a company or on behalf of another entity, unless that person's power of attorney or authority has been deposited with and registered by TMS or the transfer secretaries at the respective addresses stated below before the time fixed for commencement of the AGM.
10. Where shares are held jointly, all joint holders are required to sign the Form of Proxy.
11. Any alterations of or correction to this Form of Proxy must be initialled by the signatory(ies).
12. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of KAP shares he/she holds or represents. On a poll, every shareholder present in person or represented by proxy shall have one vote for every KAP share held by such shareholder. It is the intent that all voting at the AGM will take place by way of a poll.
13. Shareholders may participate electronically in the AGM. However, shareholders who wish to participate electronically must:
  - 13.1 make application in writing, to be received by TMS at least 5 (five) business days prior to the date of the AGM so that arrangements can be made for their electronic participation in the AGM;
  - 13.2 provide reasonably satisfactory identification;
  - 13.3 make arrangements with their own service provider to be billed separately for their participation; and
  - 13.4 in advance of the meeting, submit their Forms of Proxy or voting instructions to their CSDP/broker in order for their votes to be counted, as electronic participation does not accommodate remote voting.
14. To avert a potential administrative burden at the AGM, completed Forms of Proxy must be e-mailed to proxy@tmsmeetings.co.za to be received by TMS by no later than 14:00 on Friday, 17 November 2023. In the alternative, Forms of Proxy may be handed to the chairperson at the AGM before the appointed proxy exercises any shareholder rights at the AGM.

## Important addresses and contact particulars

### Transfer secretaries

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196

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### TMS

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