

REMUNERATION REPORT

This report provides an overview of the group's remuneration philosophy, policy and practices, focusing on senior management, executive directors and non-executive directors. The group has adopted the additional governance and disclosure requirements as set out in the King Code of Governance Principles for South Africa, 2009 (King III) and incorporated the required information in this report. The company has comprehensively reviewed its remuneration practices in relation to King III and to maintain its competitive edge, has applied those principles appropriate for the business.

Remuneration philosophy

The Mr Price Group associates are its most vital resource. Each associate is valued for their role in representing the company culture, contributing to the brand's success and preserving its entrepreneurial management style.

BY PROVIDING ASSOCIATES THE ROOM TO GROW AND PROVE THEMSELVES, WE ENABLE ORDINARY PEOPLE TO ACHIEVE EXTRAORDINARY THINGS.

Key to the group's future growth and sustainability is the ability to attract, retain and motivate competent people.

The remuneration philosophy centres on creating partnerships with our associates in the journey of continued growth. This is achieved by providing market-related base pay and benefits, attractive performance-driven incentives, recognition and reward programmes and share option schemes. Being a value retailer, we aim to pay basic salaries and benefits at the market median. In the case of newly appointed associates whose remuneration is below the median level, it is the intention that adjustments will be made to bring them to the median over a three year period, commensurate with their increased experience. The group provides associates with the opportunity to earn well above the median level through generous incentives. This is achieved by reaching stretch performance targets, thereby aligning associates' efforts with strong corporate performance and increased shareholder value.

An active succession plan is maintained to achieve internal promotion. We preserve our unique organisation by developing homegrown talent. Where external appointments are made, "fit" with the culture is a key consideration. External senior appointments are only made where the internal competency is absent or where an urgent need exists to fill a critical vacancy for which no internal candidate is prepared.

DRIVEN BY THE PRINCIPLES OF PASSION, VALUE AND PARTNERSHIP, THE COMPANY CULTURE ENCOURAGES HIGH PERFORMANCE AS THE KEY DRIVER OF BUSINESS SUCCESS.

Remuneration policy and practices

The directors recognise that remuneration policies and practices are of the utmost importance. The remuneration and nominations committee sets the remuneration framework for all associates. Management constructs proposals based on this framework for recommendation to the committee. The group's remuneration policies are designed to ensure that there is an appropriate balance between long and short-term benefits and between entrepreneurship and risk.

Remuneration levels are influenced by work performance and scarcity of skills, taking into account the highly competitive environment for merchandising skills. Given that performance-related incentives form a material part of remuneration packages, ongoing performance feedback is vital. Associates annually participate in performance and career development evaluations, focusing on values and cultural alignment, work achievements, training and development. Remuneration is not influenced by race, creed or gender, with the emphasis on equal pay for equal work.

Professional external agencies and service providers assist the remuneration and nominations committee from time to time. Where this involves the remuneration of senior and executive management, benchmarking comparatives are made against companies listed on the JSE, the retail sector and/or specified industries for specialist positions. Each position is strictly benchmarked against like-for-like criteria and necessary adjustments are made to ensure competitive pay. Executive director and senior management

remuneration is externally benchmarked every two years with inflationary adjustments made in alternate years. In establishing an appropriate peer group for organisational benchmarking, the individual's role and business size (including market capitalisation and turnover), profit before tax, total assets, number of employees and annual salary and wage bill are taken into account. The level of the individuals' decision making is an additional consideration.

There is strong alignment between the types of benefits offered to permanent associates. The company can justify areas where differentiation has been applied, specifically where consideration has been given to the position's seniority and the need to attract and retain key skills.

Governance structure

Board

The board is ultimately responsible for the remuneration philosophy, policy and practice.

Remuneration and nominations committee

The committee oversees the remuneration of senior management and directors. It operates according to a formal board mandate (refer to www.mrpricegroup.com)



EACH ASSOCIATE IS VALUED FOR THEIR ROLE IN REPRESENTING THE COMPANY CULTURE, CONTRIBUTING TO THE BRAND'S SUCCESS.



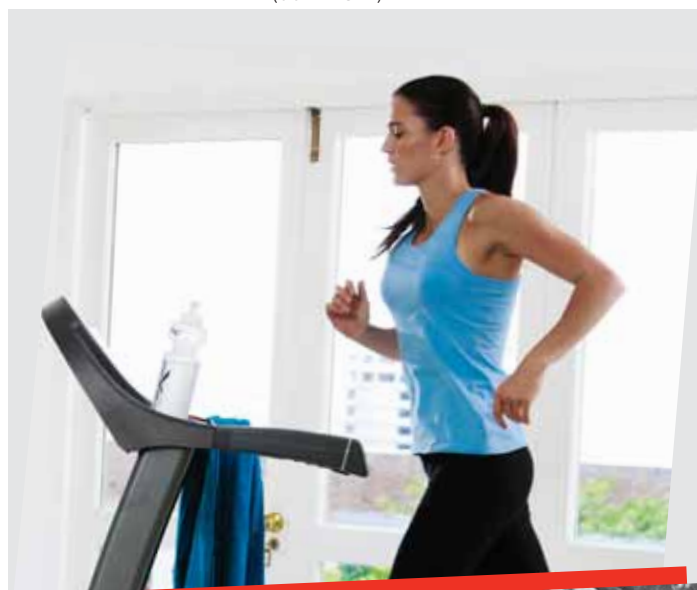
and comprises five independent non-executive directors, Mr MR Johnston (chairman), Mrs RM Motanyane, Mr NG Payne, Mr MJD Ruck and Mr WJ Swain and one non-executive director, Mr K Getz. Other executive and non-executive parties attend committee meetings where appropriate, but no individual is present when his/her remuneration is discussed. Meeting attendance is disclosed under governance structures on page 78. The chairman attends the annual general meeting and can answer shareholders' questions regarding the remuneration policy, its application and the committee's activities.

Annual fees payable to committee members during the 2011 financial year and approved at the annual general meeting in August 2010 were:

- chairman R80 000; and
- member R54 000.

The committee met four times during the year under review. In respect of its nominations activities, the philosophy guiding the committee on board appointments and annual evaluations is outlined in the governance structures report on page 74. In satisfying its mandate in remuneration focused matters, the main activities undertaken were:





- Conducting an annual self-evaluation review. Certain improvements in the committee's processes and operational methods were approved and steps and targets to progress the improvements agreed. The mandate was reviewed and updated at the special corporate governance meeting in March 2011;
- Undertaking a detailed gap analysis in which the group's remuneration practices, policies and disclosures were compared to the requirements of King III. This culminated in a workshop at which our service providers PwC evaluated the differences that existed;
- Reviewing the outcome of an internal share scheme standstill workshop that examined whether the share schemes were achieving the desired result of motivating and incentivising the group's associates, while also being fair to the company;
- Reviewing the remuneration benchmarking results conducted by PE Corporate Services SA that covered 58 executive directors and senior management. Their findings support the group's remuneration philosophy and although certain outliers were identified, the remuneration and nominations committee is satisfied that these can be explained, such as where an associate earning less than the median may be newly appointed and their remuneration will increase over time in line with experience;
- At a second PwC workshop, reviewing their recommendations regarding the group's short and long-term incentive structures and the proposal that we should further investigate a forfeitable share plan for inclusion in our long-term retention schemes for senior employees. After careful consideration, it was decided not to implement such a scheme; and
- Together with PwC, developing a remuneration benchmark for executive directors based on comparatives from the retail industry and listed companies with similar market capitalisations. The policy was initially established to benchmark executive directors' long-term incentives and has been extended to include the CEO's basic remuneration package for the 2012 financial year. Incentives will continue to be based on individually tailored measurement criteria.



People division

The people division is an integrated team responsible for implementing and monitoring human resources policies and processes. Key responsibilities include researching market trends in employee remuneration, benchmarking remuneration policies and practices to retail and other sectors and making remuneration recommendations to management.

The group people director heads the division, reporting directly to the CEO, sits on the divisional boards and attends monthly management meetings.

Employment contracts

All associates sign letters of employment, which stipulate their notice period. The contract may be terminated by either party giving written notice of one month for a store or head office associate, three months for a divisional director and six months for executive directors.

Despite the abovementioned provisions, either party may terminate the contract of employment without notice for any cause recognised by law or by agreement by both parties to waive the notice period. Contracts are also terminated in the event of a dismissal without the associate having an entitlement for compensation.

Employment contracts do not contain provisions relating to:

- the compensation of executives for a change of control of the company;
- provision of balloon payments on termination or retirement; or
- restraint of trade payments.

Remuneration structure

Remuneration and reward structures comply with the remuneration philosophy and are categorised in three components:

- Fixed remuneration - base pay, medical aid benefits, car allowance (where appropriate) and retirement benefits;
- Variable remuneration - short-term performance related incentives; and
- Long-term incentives - shares and share options.

Refer to page 112 for an analysis of executive directors' total remuneration for the year.

Fixed remuneration

Fixed salary and benefits are reviewed at least annually. Where the group needs to urgently attract core skills, pay above the median would be considered without disrupting internal equity and in line with the group's commitment to ensuring the right candidate fit.

ALL ASSOCIATES ARE ASSURED TO
EARN AT LEAST LEGISLATED MINIMUM
WAGES AND IN THE FORTHCOMING
FINANCIAL YEAR INCREASES
WILL ENSURE ASSOCIATES ARE PAID
ABOVE THIS LEVEL.

– Medical aid

Group medical aid scheme membership is offered to all full-time associates, but is not a condition of service. Due to many associates either already being on spouses' medical aid schemes or for affordability reasons, the historical take-up rate has not been high. At year end there were 4 147 people covered by medical aid. During October 2010 an open period was offered to associates to join the cost-effective Discovery KeyCare Plus scheme to gain access to hospital care, chronic illness benefits (including HIV/Aids care) and daily benefits including doctors and medicines. The scheme is offered to associates and contributions are linked to income levels to improve affordability.

Post retirement medical aid benefits, which are no longer a condition of service, are available to pensioners and present associates who remain members of the defined benefit pension fund. These benefits are no longer available to associates. Further information is detailed in note 29.2 on page 171.

– Retirement funds

Retirement benefits for the majority of associates employed in South Africa, Swaziland and Lesotho are provided in a funded defined benefit fund and two funded defined contribution funds. The limited number of associates employed in Namibia and Botswana have separate defined contribution funds in those countries.

The defined benefit fund was closed to new entrants with effect from 1 June 1997. The funds provide for pensions and related benefits for permanent associates and membership is compulsory after the first year of service. At year end 8 434 out of a total of 9 960 associates (84.7%) were members of one of the abovementioned funding arrangements.

– Vehicle allowances and expenses

These benefits, which include a motor vehicle allowance or company car, fuel, maintenance and insurance costs, are offered to certain associates whose position requires them to travel for business purposes. The benefit value is commensurate with their level of seniority.

No material ex-gratia payments are routinely paid.

Variable remuneration

– Performance incentives: short-term

Incentive schemes related to performance and control criteria are in place. Although challenging targets are

set, the incentive schemes are potentially generous to encourage the achievement of targets that can be directly influenced by superior performance. Incentives are tied to specific areas under the individual's control as follows:

– *Store associates and management*

Store associates and managers are rewarded for achieving and exceeding targets in their operational areas. Store associates are measured not only on sales, but also shrinkage, inventory write-offs and other similar measures. Store managers and assistant store managers are set targets in these same areas of performance and are measured on store profits and internal audit scores. Area managers, co-ordinators and operations managers are set targets based on area or regional profits, shrinkage, timely action of markdowns and internal audit scores.

– *Executive directors and senior management*

A strong relationship exists between executive incentives and long-term, sustainable value created for shareholders. The incentive portion of directors' and senior managers' earnings are tied to financial and non-financial performance targets measured as a multiple of monthly salary. The achievement of predetermined targets is a function of:

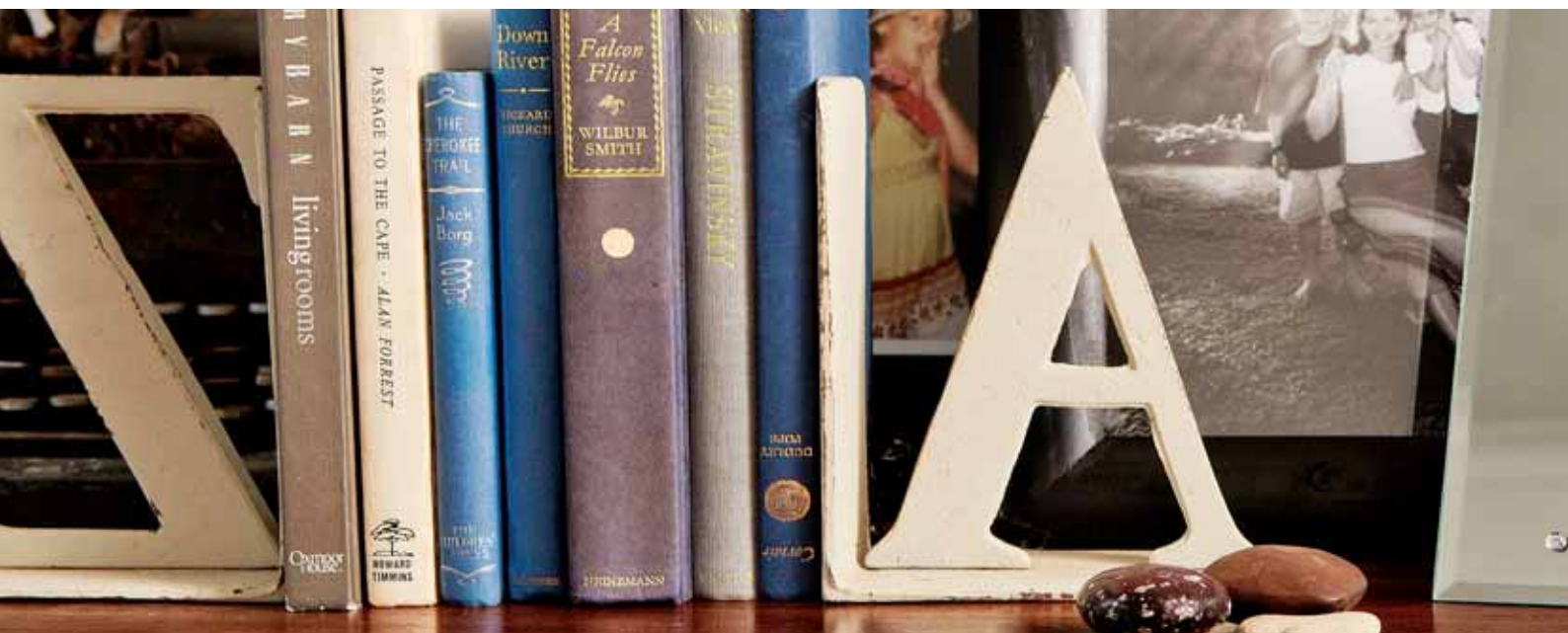
- **Measurable company performance** – dependent on the executive's work function. Targets are linked to the group's performance (where applicable) or the executive's divisional performance and are tailored annually to ensure alignment with the key business imperatives for the year.

These awards are only made if the group or division achieves its budgeted profit target, in essence this is the 'gatekeeper'. In that event, a maximum award of four month's salary is awarded. The bulk of the short-term incentive award therefore depends on exceeding budget and achieving stretch performance targets.

For executive directors these targets include growth in core headline earnings per share, return on equity, return on operating assets and the group attaining broad-based black economic empowerment (BBBEE) compliance.

Divisional executives were measured on divisional profitability, sales density, sales per associate, stock turn, gross profit, shrinkage, internal audit scores, profitability of franchise stores and net bad debt write-off percentage. In the case of service divisions like systems and people, particular deliverables such as budgeted costs and service delivery are considered. Group real estate is measured relative to success achieved in meeting divisional trading space targets, rent per square metre paid for new or renewed leases or the cost per square metre of developed store space.

The methodology also includes penalty clauses. Should an internal audit score or stock turn target be reached, an incentive is payable. However, if there is a decline in the measure to below a certain threshold, then a negative score is allocated, reducing the overall incentive payable.



The maximum that can be earned varies between six and 12 months basic salary, depending on the associate's position and division in which they are employed.

- **Personal performance** – incorporating areas of demonstrated performance contribution like leadership, innovation, effort and teamwork. Measuring these 'soft' issues necessitates more subjective judgment and is determined via individual and peer reviews. For executive directors, there is a cap of 12 months salary relating to personal performance, but this is only achieved in exceptional circumstances. For senior management, 'soft' awards are capped at two months basic salary, although in deserving circumstances the CEO can propose a higher award. A poor personal performance evaluation can reduce or eliminate the incentive due under measurable company performance.

In setting performance targets, the remuneration and nominations committee ensures targets are linked to the company or division's annual key imperatives, are substantially within the associate's control, do not expose the organisation to undue risk caused by reckless behaviour and that there is an appropriate balance between short-term and long-term incentivisation. Through the incentive bonus system, the company rewards associates who have contributed to meeting short-term targets. The company does not defer bonus payments as it is essential to attract and retain bright young talent, many of whom are at the age where they are committing to their first property purchase or financing their children's education. Associates

have to be in the company's employ at year end to receive incentive bonuses.

All associates benefit from an annual bonus scheme (payable in December) that generally commences at the level of 20% of an associate's monthly salary per completed year of service up to 80% (after four years), followed by an additional 20% after the completion of 10 years' service. This incentive is not guaranteed and is payable at the discretion of the company.

– *Performance incentives: long-term*

The group encourages ongoing equity ownership in the company through its share schemes, believing that associates should share in the group's long-term success. Consequently, comprehensive share schemes have operated for many years, benefiting associates and enabling them to achieve personal financial security. All associates are either awarded options under one of the share option schemes or shares under the partners share scheme. Associates in junior positions, where staff turnover is relatively high, are only awarded shares or options after being full-time employed for 12 months. The share schemes are subjected to an annual review to confirm their validity and affordability.

The option schemes were designed to be rolling schemes in that annual awards coincide with each tranche vesting. This mechanism spreads the market risk, avoiding the situation where all options could be out of the money, which is a disincentive to associates.



Repricing of strike prices is not permitted and options are not awarded during closed periods.

Share options are awarded in expectation of service over a five to seven year period and must be exercised within 90 days of vesting, failing which they lapse. It is however proposed that the exercise period be extended from 90 days to five years in respect of options granted under the Executive Share Trust and Executive Director Share Trust. The strike price mechanism for all share option schemes is calculated at the lower of the 30 day volume weighted average price (VWAP) for the period preceding the offer date or the price on the day prior to the offer.

To date performance conditions have not been imposed. However, to ensure participants do not benefit under long-term incentive schemes in the event of poor company performance, it is proposed that no shares will vest unless the group achieves growth in core headline earnings per share of consumer price index (CPI) plus 1% during the vesting period. This will be applicable to all share option schemes.

In terms of the specific authority received from shareholders, the company may issue 46 548 430 shares to satisfy the requirements of its share schemes. Since the new schemes were introduced in 2006, the company has issued 9 463 292 shares and therefore still has

offers have been made since March 2006. The following share schemes were launched in November 2006:

- **Mr Price Partners Share Trust (PST)**
This scheme empowers and incentivises the majority of associates, most of whom are previously-disadvantaged. Allocations to new associates are made annually in November. Participation depends on the associate having been in the group's full-time employment for at least one year and earning R9 000 or less per month, a threshold which is reviewed annually. Currently, shares have been offered to associates for no consideration on the basis of 1 250 shares for assistant store managers and 1 000 shares for all other eligible associates. It is proposed that the basis of allocation be changed to ensure the award per individual is based on a multiple of an associate's salary divided by the share price at the time of the award, thus limiting the company's exposure. Voting rights vest with the associates and dividends accrued are paid biannually. The original share allocation was made at the time when the share price was R21.15. With the share price having touched the R70 mark during the year, this represents more than trebling the share value over the four-year period. Dividends worth R26 million have been paid to associates since the scheme's inception.

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37 085 138 shares that may be issued for this purpose. The group's policy is to purchase shares on the open market to satisfy the requirements of the various share schemes. An outline of the various schemes in operation is set out below and further details are provided on pages 151 to 156.

- **Mr Price Group Employees Share Investment Trust**
This trust facilitates the purchase of shares in the company by associates. All permanently employed associates may participate in the scheme with contributions funded by salary deductions subject to a limit of 15% of salary and car allowance per month. The company assists by adding another 15% to all contributions. Dividends received purchase further shares for the associate.
- **Mr Price Group Share Option Scheme**
Although there are participating associates, no further
- **Mr Price General Staff Share Trust (GSST)**
This trust caters for associates who have been in the group's full-time employment for at least one year and earn a minimum salary of R9 001 per month, a threshold which is reviewed annually. Store managers are eligible for participation regardless of their salary level. Awards have previously been made on the basis of one option per R1 of monthly basic salary, but it is proposed that this allocation basis be changed to ensure the award per individual is based on a multiple of an associate's salary divided by the share price at the time of the award, thus limiting the company's exposure.
- **Mr Price Senior Management Share Trust (SMST)**
This share scheme aims to motivate and retain key senior associates, as defined by management. Options are awarded depending on the associates' position, subject to a performance-based reduction of the strike

price on vesting, linked to the achievement of the five-year compound growth hurdle rates in divisional profits or, in the case of head office and service divisions, to a hurdle rate in group profits. Executive directors are specifically excluded from participating in this scheme.

- **Mr Price Executive Share Trust (EST)**

Certain divisional directors and senior managers participate in this scheme. Options awarded are subject to a performance-linked reduction of the strike price on vesting, linked to a five-year compound growth hurdle rate in headline earnings per share. Executive directors are specifically excluded from participating in this scheme.

- **Mr Price Executive Director Share Trust (EDST)**

Main board executive directors are awarded options determined by the remuneration and nominations committee. The strike price is not subject to any performance-linked reduction.



The vesting timeframes are as follows:

	PST	GSST	SMST	EST	EDST
Initial award – November 2006					
Percentage of award vesting per tranche	100%	33%	20%	20%	20%
From award date, vesting equally over years		5,6,7	3,4,5,6,7	3,4,5,6,7	3,4,5,6,7
New participants – after November 2006					
Percentage of award vesting per tranche		33%	33%	33%	20%
From award date, vesting equally over years		5,6,7	5,6,7	5,6,7	3,4,5,6,7
Upon first tranche vesting, subsequent awards vest in one lump sum after (number of years)		5	5	5	5

Concerning the vesting of shares on retirement or for other reasons for ending employment, the EDST, EST, SMST and GSST rules stipulate:

- In respect of the associate's retirement, the board may discretionally permit the exercise of any or all of the unexercised options. In light of this rule, the board and trustees have agreed that associates retiring at 65 years may retain unvested share options that will vest according to their original timeframes. However, given associates are entitled to take early retirement from the age of 50, guidelines were established taking into account the age and years service of associates retiring before 65. These guidelines permit the retention post retirement of unvested options on a sliding scale whereby associates can take early retirement from 50 and retain all their options if they have a minimum 25 years service, to retirement at 64 which requires 11 years service.

Retirement at 65 does not require a minimum service period. In all other retirement or dismissal situations, unvested options will lapse.

- In the Mr Price Partners Share Scheme, retirement causes the shares to vest unconditionally. The age and length of service guidelines detailed above have also been applied to those associates retiring before 65.

Since the inception of the new share option schemes, the board has exercised its discretion, and on an exceptional basis, allowed four associates to retain unvested options post resignation. In using its discretion, the board considered the associate's length of service, resignation circumstances and the vesting period remaining on all offered tranches. In three cases, the tranche closest to maturity was retained while remaining unvested tranches were forfeited. Furthermore, no accelerated vesting of share options is permitted.

The total unvested/unexercised shares and options at reporting date are as follows:

Share scheme	Number of participants	Number of options/shares	% of total options/shares	% of issued share capital ^{*1}
The Mr Price Group Share Option Scheme	425	862 076	2	0.33
Mr Price General Staff Share Trust	1 486	14 960 243	43	5.65
Mr Price Senior Management Share Trust	177	4 751 659	14	1.80
Mr Price Executive Share Trust	26	3 301 600	10	1.25
Mr Price Executive Director Share Trust	5	4 300 000	12	1.62
Sub Total	2 119	28 175 578	81	10.65
Mr Price Partners Share Trust	6 315	6 560 750	19	2.48
Total ^{*2}	8 434	34 736 328	100	13.13

^{*1} Issued share capital includes B ordinary shares.

^{*2} The number of shares/options issued as a percentage of the issued share capital at first glance appears high at 13.1%. However, this number includes the partners share trust, effectively the group's BBBEE scheme. Excluding this scheme, the total reduces to 10.7% and the company has introduced further measures to reduce this to a 10% maximum.

“ Rather than entering into an equity transaction with an external empowerment consortium, the group has decided, in line with its 'partnership' value, to contribute to the long-term financial upliftment of its own people. ”



The maximum number of options that can be awarded to any participant is 2 327 422. As detailed in ordinary resolutions 5 to 9 of the notice of meeting, pages 178 to 182, it is proposed to increase this maximum number of options to 3 000 000 shares per participant.

Directors' remuneration

• Executive directors

The remuneration and nominations committee annually reviews executive directors' remuneration, set at the market median, to attract and retain the calibre of person required to successfully direct the group's business. In line with the remuneration philosophy, performance related incentives form a material part of the remuneration package and share option awards align the directors and group's interest in attaining profitable long-term growth.

The chairman, Mr AE McArthur, participates in the short-term incentive scheme and the long-term share option scheme in view of his executive status.

Where appropriate, the company enters into restraint and retention agreements with key executives (executive and divisional directors) to secure their services. Historically, the group has entered into 10 such contracts with executive and divisional directors. Although the retention elements of these contracts has expired, the restraint clauses remain, stipulating that the director concerned cannot join a competing retailer in any capacity for two years after leaving the group.

The costs associated with these contracts have been fully expensed in prior years and the company has not entered into any such contracts in the current financial year.

After a due process of consultation with the company, Mr S van Niekerk, who held the position of chief operating officer and previously held the joint group managing director position, opted for early retirement. He was paid R4.8 million (18 months cost-to-company) in terms of the board's desire to promote settled conditions of employment in the group.

The emoluments of executive directors for the year were as follows (R'000):

	Salary	Bonus and performance related payments	Vehicle allowances and expenses	Pension contributions	Other benefits	Total 2011	Total 2010
SI Bird	2 730	5 004	157	552	105	8 548	7 447
MM Blair	2 476	3 817	252	515	92	7 152	6 694
SA Ellis	2 143	1 964	227	466	79	4 879	3 855
AE McArthur	3 570	5 058	278	749	38	9 693	9 167
S van Niekerk	893	-	113	194	4 829	6 029	3 626
CS Yuill	1 465	733	228	335	72	2 833	2 773
Total	13 277	16 576	1 255	2 811	5 215	39 134	33 562

% change over prior year	-	total	16.6%
	-	excluding S van Niekerk	10.6%

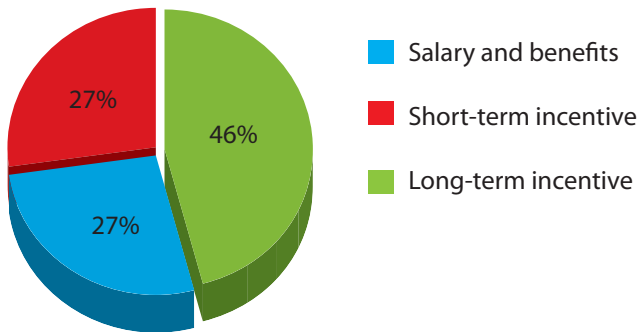
Details of the interest of executive directors in share options are as follows:

Mr Price Executive Director Share Trust	AE McArthur	SI Bird ^{*1}	SI Bird ^{*2}	MM Blair	SA Ellis	S van Niekerk
Options held at beginning of the year	1 704 000	160 000	541 000	614 000	610 000	610 000
Weighted average price granted (Rand)	23.85	21.15	27.32	23.91	22.10	22.10
Granted and accepted during the year	250 000	-	490 000	155 000	50 000	-
Exercised or taken up during the year	327 000	40 000	-	117 000	140 000	140 000
Difference between the total acquisition price and the market price of the shares on the date of delivery (R'000)	14 529	1 777	-	5 198	6 220	-
Options held or accepted at end of the year	1 627 000	120 000	1 031 000	652 000	520 000	470 000
Weighted average price granted (Rand)	30.37	21.15	37.66	33.64	26.27	22.38
Closing price (Rand)	63.38	63.38	63.38	63.38	63.38	63.38
Latest expiry date for exercise or take up	27/02/2016	20/02/2014	25/08/2016	27/02/2016	27/02/2016	20/02/2015

*1 The options awarded in terms of the Mr Price Executive Share Trust prior to his appointment as an executive director of the board.

*2 Options awarded under the Mr Price Group Executive Director Share Scheme.

Analysis of the total remuneration of executive directors who were employed at 2 April 2011 for the year:



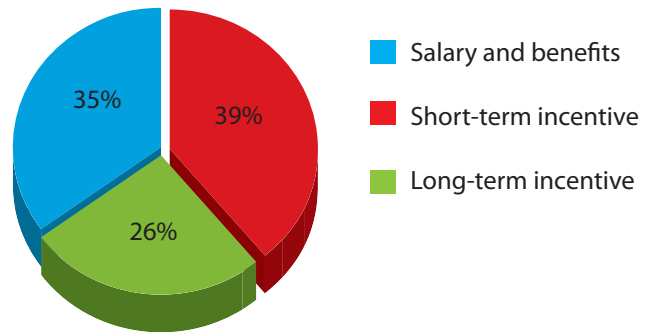
• **Three highest paid executives**

King III recommends that the remuneration of the top three highest paid executives, excluding executive directors, be disclosed. The board does not propose disclosing this information separately due to the value of these individuals to the group, the highly competitive South African retail environment and the potential of contravening privacy laws. The board has instead aggregated their total remuneration to provide shareholders with the substance of what King III is trying to achieve.

Total remuneration for the three highest paid executives for the financial year was as follows:

	<u>R'000</u>
Salary and vehicle allowances	3 899
Bonuses and performance-related payments	5 423
Pension contributions	783
Medical aid contributions	255
Other	4
Gain on share options exercised	3 603

Analysis of the total remuneration of the three highest paid executives for the year:



• **Non-executive directors**

Non-executive directors' fees, which comprise separate remuneration for board activity and committee participation, are approved at the annual general meeting (AGM). The fees are benchmarked against the same comparative group used for executive directors detailed on page 102 every two years and proposed at the median. Increases in the intervening years are linked to the group's general inflationary salary increase percentage.

The company does not pay an attendance fee per meeting, as historically the attendance at meetings has been good, and the performance of non-executive directors is reviewed annually via peer evaluation. Proposed fees are detailed in the notice of meeting set out on page 182 for approval at the forthcoming AGM. Non-executive directors do not participate in any short-term incentive schemes and do not receive share option awards.



100% cotton tab top curtain (145x225) **R 129.99** each

buttoned scatters **R 49.99** each

bamboo tall vase & plate **R 129.99** each

bobble-trim scatter **R 79.99**

We do value
Our Way
Mr Price
Home

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The emoluments of non-executive directors for the year were as follows (R'000):

	Salary	Vehicle allowances and expenses	Pension contributions	Other benefits	Fees	Total 2011	Total 2010
LJ Chiappini	1 786	268	454	72	405	2 985	2 844
SB Cohen	1 905	238	438	104	405	3 090	2 862
K Getz					225	225	210
MR Johnston					400	400	375
RM Montanyane					268	268	250
NG Payne					441	441	300
LJ Ring					71	71	160
MJD Ruck					364	364	340
SEN Sebotsa					183	183	250
WJ Swain					476	476	370
M Tembe					214	214	200
Total	3 691	506	892	176	3 452	8 717	8 161

% change over prior year

6.8%

Note: The honorary chairmen have employment contracts with the company and the remuneration payable in terms of these contracts is decided by the remuneration and nominations committee.

As a result of the activities carried out by both management and the remuneration and nominations committee, coupled with input received from the company's advisors, PwC, several changes to the long-term incentive plans are proposed. The benefits to both the company and its associates have been carefully evaluated for suitability and affordability. Those changes which require shareholder approval are detailed in the notice of annual general meeting on pages 178 to 182 of this report.

Analysis of the remuneration of non-executive directors for their services as board committee chairmen and members is detailed below:

Committee	2011		2012 proposed	
	Chairman	Member	Chairman	Member
Audit and compliance	R171 000	R96 000	R171 000	R96 000
Risk and sustainability	R120 000	R80 000	R120 000	R80 000
Remuneration and nominations	R80 000	R54 000	R100 000	R64 000
Transformation	Executive	R43 000	Executive	R46 000

The remuneration of non-executive directors for the 2012 financial year is to be approved by shareholders at the annual general meeting in August 2011. Special resolution No.1 is detailed on page 182 in the notice of annual general meeting.