



Remuneration Report

The success of the turnaround strategy depends fundamentally on the collective effort, morale and engagement of our more than 30 000 Pick n Pay employees. Our people are not only the foundation of the Group's success, but also the driving force behind our transformation.

Audrey Mothupi-Palmstierna
Chair, Remuneration Committee

Structure of the report

This report comprises three parts

- 40 **PART 1:** A letter from the Remuneration Committee Chair that summarises the manner in which the Remuneration Committee approaches remuneration governance, an overview of the remuneration outcomes for FY25, and key policy changes for FY26.
- 44 **PART 2:** Our remuneration philosophy, which sets out the main factors shaping our remuneration policies and our approach to executive remuneration and wider workforce pay
- 51 **PART 3:** The application of the remuneration policy during FY25

Members of the Committee

- A Mothupi-Palmstierna (Chair)
- G Ackerman
- H Bhorat
- J Formby
- A Jakoet

Part 1: Background statement

On behalf of the Remuneration Committee, I am pleased to present the Group's FY25 remuneration report, in compliance with best practice reporting as recommended by the King IV™ Report on Corporate Governance for South Africa 2016.

FY25 was a year of considerable transformation, marked by the successful execution of the Group's R12.5 billion two-step Recapitalisation Plan, a major strategic reset for Pick n Pay, and a renewed emphasis on operational delivery.

The Pick n Pay Rights Offer and the Boxer IPO have restored balance sheet strength, unlocked substantial value for shareholders, and provided the funds required to support the turnaround of the Pick n Pay supermarkets business. The success of both transactions reflects the exceptional efforts of the Pick n Pay and Boxer management teams, the professionalism of the process, and the confidence our Pick n Pay and Boxer shareholders have in our strategy and in our future prospects.

The Group's long-term strategy is anchored in two clear objectives: restoring Pick n Pay to sustainable profitability and accelerating the growth of Boxer. We are confident that the extensive work undertaken in preparation for the IPO has positioned Boxer to chart its course as an independent listed company. With a proven track record, a capable leadership team and solid foundations in place, Boxer is well equipped to continue delivering against its growth strategy.

In order to support the Boxer segment's growth ambitions the Remuneration Committee, together with the Boxer Remuneration Committee, worked on the formulation of the stand-alone Boxer remuneration framework, aligned to that of the Group. This framework includes the share-based IPO Admission Awards, designed to retain key talent post-listing and reward the Boxer team for performance aligned to the Boxer segments' strategic objectives. For more detail on the Boxer remuneration framework, refer to the Boxer remuneration report on their website at www.boxerinvestor.co.za.

Our focus is now firmly on the successful execution of the Pick n Pay strategy. This strategy is clearly articulated across five strategic priorities, all designed to rebuild trading momentum, enhance operational execution, and improve overall efficiency. These priorities provide a practical and structured roadmap to stabilise the business and reposition Pick n Pay for long-term success. Each strategic priority is supported by targets and timelines that are realistic, can stand up to scrutiny, and are fully supported by the resources required for successful implementation.

The Remuneration Committee will remain agile and responsive to any remuneration challenges that may arise during this period of strategic transformation. We will also remain particularly alert to retention risks to ensure we continue to attract and retain the right talent throughout this critical phase.

Encouragingly, and despite the demands of the recapitalisation, we have begun to see early positive momentum within Pick n Pay. Our Pick n Pay supermarkets have returned to like-for-like sales growth, supported by improvements in product range, pricing, operational execution, and customer service. These are clear indicators of a credible and cohesive plan, a focused business and a united management team. That said, there is still more to do, and we must deliver with greater consistency. Importantly, our high-performing Pick n Pay Clothing and Online businesses once again delivered solid results this year, both building on a strong FY24 performance. Both remain strong contributors to our performance and continue to represent compelling elements of the broader Pick n Pay investment story.

The Committee recognises that the success of the turnaround strategy depends fundamentally on the collective effort, morale and engagement of our more than 30 000 Pick n Pay employees. Our people are not only the foundation of Pick n Pay's success, but also the driving force behind our transformation. In FY25, the business took meaningful steps to reset its leadership structures, reinvigorate a sense of purpose and belonging, and embed a high-performance culture grounded in accountability, capability and consistent execution. Looking ahead, the Remuneration Committee will focus on ensuring that our reward framework is aligned to these objectives, with particular emphasis on effective incentivisation at store level, ongoing talent development, and targeted retention strategies. We are committed to fostering an inclusive and empowering culture that attracts, motivates and retains the right talent, and that enables our teams to deliver with pride and purpose at every level of the business.

One of the Pick n Pay segment's strategic objectives is to reset our store estate, which includes conversions of stores between Pick n Pay, Boxer and franchise, and the closure of underperforming stores. This is an ongoing initiative to modernise our Pick n Pay store estate and enhance overall profitability of stores across the network. As a Remuneration Committee, we are acutely aware of the impact of such action on our employee morale, and are focused on implementing structures which can boost morale and create incentive opportunities for store-level staff to ensure that workplace culture is prioritised and, ultimately, our customer experience is maximised.

FY25 remuneration outcomes

The Group delivered a much-improved FY25 result, with a loss before tax and capital items (PBTAE) of R237 million compared to a loss of R1.4 billion in FY24. The recovery was driven by a R1.0 billion year-on-year reduction in the Pick n Pay segment trading loss, supported by a net funding interest expense reduction as the recapitalisation made its initial impact on debt service costs.

The Boxer segment grew trading profit by 19.7% year-on-year and achieved its super stretch STI target. The Boxer management team received IPO Admission Awards and implemented a new LTI structure as part of the IPO process.

Although the Pick n Pay profit target for the payment of the short-term incentive (STI) was exceeded, the sales target was not met. As a result, a modest STI pool was allocated to the Pick n Pay segment's management team. The in-flight LTI awards were also under pressure for the Pick n Pay team. The RSP3 three-year CAGR HEPS target was not met, resulting in more than 60% of this award being forfeited.

These outcomes in the Pick n Pay segment mean that the Remuneration Committee continues to face the challenge of supporting talent attraction and retention (particularly of scarce skills) while ensuring shareholder alignment with pay outcomes, particularly at executive level. To counter these risks, we have designed mechanisms which give the Pick n Pay segment the best chance of success in retaining talent, which we believe is vital for the continued success of the turnaround strategy. To this end, we have utilised the existing Cash Retention Incentive (CRI), focused on the retention of developing talent and the Executive Retention and Performance Incentive ("ERPI") introduced during FY25 for top management. The ERPI combines a retention element with a performance portion linked to clear KPIs. The Remuneration Committee believes that this practice was necessary as an interim measure while we journey towards profitability. This is an effective way of focusing executive behaviour on the required outcomes through the achievement of KPIs. Our intention is to move back towards a more market-aligned approach which represents a more traditional interpretation of "pay for performance"; our issue of RSP4 during FY25 as part of our traditional LTI programme is reflective of this.



2025: Implementation of the turnaround strategy

We are constantly working on improving our remuneration policy. During this period of stabilising the business, the Remuneration Committee was required to be agile, making tactical calls to secure key talent in support of the Group's strategic priorities. We have used our discretion circumspectly but have not shied away from actions that we have felt are in the best interests of the long-term sustainability of the Group. Our focus throughout the year has been to continue to stabilise the Pick n Pay business, with the right people, in the right positions. Attraction and retention of these skills will continue to be a key focus for us, with successors for key executives a top priority.

As part of this journey, the decision was made to work on reviewing the Pick n Pay STI and long-term incentive (LTI) schemes to ensure we are well positioned to attract and retain the right talent to take our business forward, and continue the growth trajectory beyond the turnaround phase. We intend to review these schemes during FY26, with a view to implementing in the year thereafter. We look forward to our shareholders' support as we navigate the journey of appropriate incentives during the turnaround phase, with the intention of aligning to more traditional structures once Pick n Pay has comfortably returned to profitability.

Remuneration governance

In line with best practice, the Remuneration Committee, which is appointed by the Board, has delegated authority in accordance with its terms of reference or charter, available on our website at www.picknpayinvestor.co.za.

The Remuneration Committee is mandated by the Board to ensure that the Group's remuneration policies and decisions are:

- Aligned to good corporate governance as set out in King IV
- Aligned to reward best practices, in order to attract, retain and motivate employees
- Fair, responsible and transparent, in rewarding individual, divisional and Group performance
- Aligned to the Group's business strategy and objectives
- Aligned with the interests of shareholders and value creation

The role and responsibility of the Remuneration Committee

The Remuneration Committee is responsible for ensuring that the Group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The Committee also assists the Board by ensuring that the Group's remuneration policies and practices are aligned to its objectives for value creation and are benchmarked to ensure fairness and competitiveness in attracting and retaining key talent and critical skills to deliver on business results. This is achieved by ensuring that an appropriate remuneration policy is in place, effectively implemented and aligned with the principles of good corporate governance and compliant with legislative and regulatory requirements and the needs of the Group. The remuneration policy must cover remuneration at all levels, including that of executive directors and non-executive directors.

Members and attendance at meetings

The Remuneration Committee meets at least three times a year, is chaired by an independent non-executive director and comprises only non-executive directors. In addition to the Committee members, the CEO, CFO and Chief People Officer of Pick n Pay and Boxer are invitees to Committee meetings. All are recused from the meeting when their individual remuneration is being discussed. Independent external advisors are invited to attend the meetings as and when required.

Attendance at meetings for FY25 was as follows:

Director	Standard	Additional
Audrey Muthupi-Palmstierna (Chair)	3/3	2/2
Gareth Ackerman	3/3	–
Haroon Borhat	3/3	1/2
Aboubakar Jakoet	3/3	1/2
James Formby	3/3	1/2

Focus areas in FY25

During the year under review, the Remuneration Committee's main focus was on managing the risk associated with talent retention, which was identified as being a key enabler of the turnaround strategy. This included:

- Identification, retention and succession for key roles across the organisation, including securing a contract extension for the CEO.
- Leadership capability in the context of uncertainty and complexity.
- Flexible people-sourcing model to support a future-fit business.
- Employee engagement and compelling employee value proposition to attract and retain talent.
- Ability to mobilise and empower the workforce to respond rapidly to changing customer needs and the competitive landscape.
- Reshaping our operating model across stores, supply chain and support offices to be future fit. The primary focus of the restructure of the business and leadership teams was to have a clear "command and control" structure, with transparent accountability and responsibilities. The second priority was to fill the structure with experienced, competent and passionate leaders who can implement an effective and sustainable turnaround strategy.
- Cultivation of talent: renewed focus on sourcing and developing talent for stores and offices. A stand-alone talent acquisition team was formed from internal resources and is focused on supporting regions and sourcing better talent, more cost effectively.
- Supported the Boxer Remuneration Committee with the formulation of the stand-alone Boxer remuneration framework, including share-based IPO Admission Awards to Boxer's management teams. Refer to the Boxer Remuneration Report for full details.



In addition to these, the usual mandate was executed, including but not limited to:

- Benchmarking of total reward of the non-executive and executive directors and top management against a relevant identified comparator group of JSE-listed companies.
- Continued focus on gender and race pay equity to support fair and responsible pay.
- Review of the reward strategy and remuneration policy, including STI, LTI and ad hoc mechanisms, to ensure that it is relevant to the Group's current operating environment and to drive retention and a high-performance culture.
- Labour wage agreements: In May and June 2024, respectively, Pick n Pay and Boxer successfully concluded and signed three-year wage agreements for non-management bargaining unit employees. Pick n Pay's supply chain wage negotiations were also successfully concluded in June 2024 with an agreement over a two-year period, which will be renegotiated in 2026. The agreements not only align with inflation rates, ensuring that our employees' wages keep pace with the cost of living, but more importantly, they provide our employees with fair and competitive remuneration. These agreements grant the Group a level of stability that is essential as we navigate the critical years ahead. By securing predictable labour costs and fostering employee satisfaction, we are better positioned to focus on our strategic initiatives and achieve our long-term business objectives.
- In food retail, training plays a crucial role in enhancing overall customer experience, which is a central goal of the Group. Pick n Pay focused on frontline training, store management leadership and specialised training in fresh and service areas, in addition to strengthening its store management skills and succession planning. As Pick n Pay, we aim to equip all our employees with the skills and knowledge necessary to deliver better service and maintain high standards of product quality. Across all divisions, we have strengthened our partnership with the Wholesale and Retail SETA to support our investment in training to improve operational efficiency and foster a more knowledgeable and engaged workforce.

Achievement of policy objectives

The Remuneration Committee is satisfied that it has met its responsibilities in terms of its mandate and that the remuneration policy achieved its stated objectives.

Remuneration focus areas for FY26

Key focus areas for FY26 will include the following:

- Ongoing support of the future-fit business initiatives
- Review of the STI, ERPI and LTI to support the future strategy, prioritising improved customer service levels and productivity, while incorporating key strategic goals and financial targets
- A strong focus on remuneration and incentives at store level
- Integration of ESG in the remuneration framework
- Preparing for the new disclosures required in terms of the Companies' Act amendments, to the extent these become applicable
- Continued focus on succession across the Group's leadership structures, including the CEO
- Improving disclosures on income equality and gender and race pay equity

Shareholder engagement

Considering our shareholders' views on remuneration

The Remuneration Committee maintains strong relationships with shareholders and strives to be transparent in our remuneration approach. I encourage all our shareholders to continue to engage with the Board and me on remuneration and other strategic matters, so that shareholder concerns continue to be reflected in the decisions made. The Remuneration Committee values open and constructive engagement with shareholders to ensure that they are informed when voting on the Group's remuneration policy and the application thereof. Please direct all comments and queries to our Company Secretary via email to companysecretary@pnp.co.za.

We will take the following steps if 25% or more of the total votes exercised by shareholders at the AGM are against the remuneration policy or implementation report:

- A SENS announcement will be issued requesting shareholders to engage on their specific concerns
- Dissenting shareholders will be invited to one-on-one meetings to engage on their concerns

The shareholder concerns and report on the outcomes of the engagement and measures taken will be reported on in the next remuneration report.

Shareholder non-binding voting outcomes

Percentage vote in favour (%)	2024	2023	2022	2021
Remuneration policy	71.6%	79.6%	75.6%	74.3%
Implementation report	73.9%	75.8%	78.1%	63.2%
Directors' fees	84.3%	83.9%	82.0%	80.7%

There has been a decline in the support received from shareholders over the past two years, and in FY24 the remuneration policy and implementation report received less than 75% of shareholder votes. As a result, we engaged with shareholders on a one-on-one basis. The outcome of the engagement and measures taken is detailed on the next page.



Key issues raised by shareholders and addressed by the Board

Concerns/issues raised	Response
The potential dilution due to the share incentive scheme	The share scheme limit was amended in 2014 to limit the issue of new shares to fund share scheme obligations to 5% of the issued share capital.
The CEO received an award of restricted shares, for which the performance targets were not clear, and shareholders were unable to ascertain whether they had adequate stretch	Refer to page 53 for detail on CEO awards and related performance targets.
Prospective disclosure requested in respect of the performance targets for the STI	Prospective disclosure of the STI performance targets is not provided as this information is deemed market-sensitive. We will disclose the achievement of targets on a retrospective basis. Refer to page 52.
Long-term tenure of NEDs and independence of the Remuneration Committee	The Board acknowledges shareholder concerns around the long tenure of certain independent non-executive directors and its potential impact on the perception of Board and committee independence. In response, the Board has implemented a formal succession plan, under which long-serving Board members will retire over the next 12 to 24 months and new directors will be appointed. As part of this process, Ms Poooven Viranna was appointed as an independent non-executive director in June 2025, and Mr David Friedland will retire at the 2025 AGM. Further changes affecting the composition of the Remuneration Committee will be communicated in due course.
Minimum shareholding requirement for the executive management team	The Group extended its MSR policy applicable to the CEO to include the CFO during the year. The Remuneration Committee will consider and assess the feasibility of extending the MSR to the other members of the senior executive team in the future. Refer to page 48 for more detail.
The Chair fee is considered too high relative to market benchmarks	The previous Chair fee reflected Gareth Ackerman's extensive retail experience, his leadership in the Group's social and environmental governance, and his active engagement across the retail industry. In response to shareholder feedback, the fee has been reduced to align with market benchmarks and will apply from August 2025 with the appointment of the new Chair.

The role of independent external advisors

The Remuneration Committee ensures that the Group remains up to date with evolving legislation and remuneration practices across the retail industry through ongoing training, research and monitoring. Independent and objective expert advice is obtained as required, including in respect of industry benchmarking and the fair and transparent structure of variable short-term and long-term benefits in order to drive performance and achieve retention.

The Group utilises the services of REMchannel, PricewaterhouseCoopers, Bowmans and 21st Century for various remuneration-related consulting services.

The Remuneration Committee is satisfied that these remuneration specialists all provided objective and independent advice and services to the Group.

In conclusion

The Remuneration Committee's role has been pivotal in striking the right balance between attracting, motivating and retaining employees in a challenging market and aligning remuneration outcomes with operational performance and shareholder interests. It is not an easy balance to achieve, and I hope that shareholders are able to see how we have applied careful judgement in the application of our remuneration policies in order to achieve fair and reasonable outcomes. I trust that our commitment to listen carefully to our shareholders, and amend our policies and actions where necessary, was evident in the constructive engagements we held with shareholders. The Remuneration Committee will continue to review and evolve the Group's remuneration policies in a measured and responsible manner that considers the needs of all stakeholders.

I would like to thank the Board, the Remuneration Committee members, its advisors and management for their support and efforts during the year, and we look forward to your support at the upcoming AGM.

Audrey Mothupi-Palmstierna
Chair: Remuneration Committee

30 June 2025

Part 2: Our Remuneration Policy

The Group is committed to building a diverse, high-performing team that is fairly rewarded and motivated to achieve its strategic objectives across the short, medium, and long term. Our remuneration framework is designed to ensure fair, responsible and balanced compensation. It recognises the achievement of short-term goals while also encouraging long-term, sustainable value creation.

As part of the listing of Boxer Retail Limited, we developed a stand-alone transparent, performance-driven remuneration framework that supports long-term value creation and fair pay for Boxer. This is detailed in Boxer’s stand-alone remuneration report which can be found at www.boxerinvestor.co.za. The rest of the remuneration policy in this section is focused on the Pick n Pay segment.

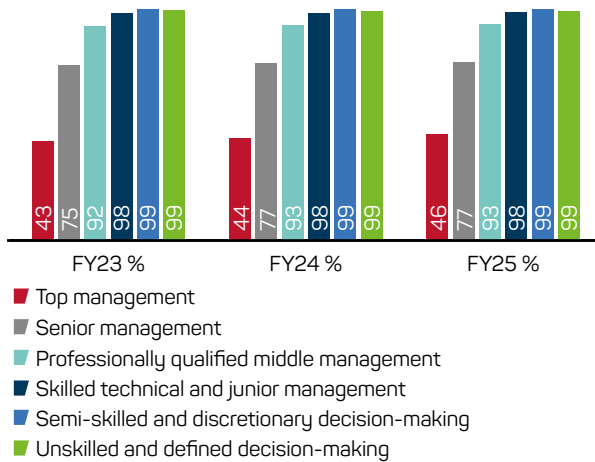
Remuneration principles

The interests of our team are aligned with those of our stakeholders through governance practices based on four key principles:

1. Promoting diversity and building talent

- Pick n Pay provides equal opportunities to people from all walks of life to ensure our team adequately reflects the communities we serve
- Remuneration packages are benchmarked at all employment grades and are designed to attract, develop, motivate and retain employees
- Pick n Pay’s employment equity representation at the various occupational levels is consistent with FY24

Employment equity representation



3. Fair and responsible remuneration

- Pick n Pay is committed to fair and responsible remuneration for all employees, in line with market benchmarks
- We provide adequate opportunities for development and career progression by providing training programmes and bursaries and study grants for further education
- There is equal opportunity for growth and development, and employees are recognised and advanced based on performance

2. Efficient and productive workforce

- Pick n Pay is committed to building a culture that rewards high performance
- The Pick n Pay strategy recognises that effective leadership, capable teams, and a future-fit operating model are critical enablers of success – with people central to building a high-performance culture and delivering sustainable, customer-led growth
- Regular reviews of operational effectiveness ensure efficiency and cost discipline are achieved through ongoing improvements in operational structures
- Greater focus is being placed on having a robust performance management process that is aligned to reward outcomes
- Performance targets increasingly focus on key measures of employee efficiency and productivity

4. Responsible executive remuneration

- Executive directors and senior managers are fairly remunerated for creating and delivering sustainable shareholder value over the short, medium and longer term, in line with Pick n Pay’s strategic objectives
- The executive team is not unduly rewarded where performance does not meet expectations
- The Remuneration Committee strives to find a reasonable balance to retain key executives and attract quality executives from outside the business, to ensure delivery against Pick n Pay’s strategic objectives
- The long-term share incentive scheme aligns executive and shareholder interests and promotes a culture of executive share ownership
- The Group focuses on ESG initiatives that reduce cost, enhance efficiency, unlock revenue or benefit the communities we serve. These include energy and water savings, waste reduction, inclusive procurement, food security and poverty alleviation. These initiatives are incorporated into the performance conditions for the achievement of variable remuneration to incentivise shared value creation across all the Group’s stakeholders.



Fair and responsible remuneration

Pick n Pay is committed to a total reward offering built on a foundation of fair and responsible pay that is linked to our remuneration policy of pay for performance.

Pick n Pay assesses remuneration as fair and responsible in the context of the following criteria:

- Fair and responsible in terms of compliance with relevant legislation
- Fair and responsible for the role performed (internal equity)
- Fair and responsible in terms of market benchmarks (external equity)
- Fair and responsible in terms of agreements with labour unions
- Fair and responsible in terms of long-term sustainability

Equal pay for work of equal value

Pick n Pay is committed to equal pay for work of equal value and does not discriminate based on race, ethnicity, or gender. Salaries are benchmarked annually using the REMchannel survey to ensure external competitiveness at both national and retail levels. Internal equity is maintained by regularly assessing pay gaps across similar roles and aligning salaries with our job grading system. Unjustifiable pay disparities are addressed during the annual salary review, with adjustments guided by an income disparity pay mandate and capped at a set percentage. Particular attention is given to African, Coloured, Indian, and female employees, as well as roles requiring scarce or critical skills.

Benchmarking remuneration to the market

Guaranteed and variable remuneration at each employment grade are benchmarked annually against industry norms to ensure employees are remunerated competitively in relation to the broader employment market and the retail industry specifically. Remuneration is generally positioned at the market median. Key or scarce skills and high performers are remunerated at the upper quartile of the market. Independent experts assist with remuneration benchmarking for executives and top management, to ensure that decisions are objective and fair.

Executive director

Annual benchmarking of guaranteed and variable remuneration paid to senior leadership to a comparator group of large JSE-listed companies to ensure our executives are remunerated fairly and in line with the market. Comparator companies for benchmarking:

Clicks Group Limited; TFG Limited; Truworths International Limited; Mr Price Group Limited; Shoprite Holdings Limited; Pepkor Holdings Limited; Spar Group Limited; Woolworths Holdings Limited.

Employees below executive director

REMchannel's national surveys are used to benchmark remuneration annually against the national and retail markets.

Non-management bargaining unit (NMBU) employees

Pick n Pay undertakes collective bargaining for wages and benefits, with national labour union negotiation committees. Pick n Pay has 71.4% employees belonging to a labour union. Employees remunerated under contractual agreements with labour unions are paid in accordance with agreed hourly pay scales and additional benefits, without any differentiation based on race, gender or disability. Negotiations with our labour unions consider:

- Statutory minimum wage requirements in South Africa and the retail sector. The current minimum wage in South Africa is R28.79 per hour as of 1 March 2025.
- Individual job categories as defined in the SD9¹ regulation, as well as the Basic Conditions of Employment Act.
- The economic environment, including the inflation outlook.
- Additional benefits provided for the well-being of our employees.
- Affordability, with a particular focus on the projected percentage increase in like-for-like sales growth relative to the percentage wage increase and the increase in other costs, to determine whether the wage increase is affordable for Pick n Pay, or whether it is likely to reduce our overall competitiveness and our capacity to offer greater value to customers through lower prices.

Remuneration framework

Pick n Pay's remuneration framework is structured around a balanced mix of fixed remuneration and variable performance-linked incentives. Guaranteed remuneration ensures market competitiveness and fairness, while short- and long-term variable components are designed to drive performance, reward achievement, and align behaviour with strategic priorities. This integrated approach supports the retention and motivation of a high-performing team and reinforces long-term value creation for stakeholders.

¹ Sectoral determination 9 – refers to Sectoral Determination 9, which falls under the Basic Conditions of Employment Act (BCEA). This sectoral determination sets the legally binding minimum employment conditions for workers in the wholesale and retail sector.

Fixed remuneration

Purpose	Fixed salaries and benefits across Pick n Pay are set at levels that are competitive with the rest of the market. This enables Pick n Pay to attract, motivate and retain the right calibre of diverse people to achieve our strategic business objectives.	
Fixed salaries	<ul style="list-style-type: none"> Tailored to reflect the skills, competencies and experience required for the role Remuneration is directly linked to formal annual performance assessments Annual increases are based on the performance of the individual and their pay positioning in line with the approved salary increase mandate 	
Benefits	<ul style="list-style-type: none"> Healthcare benefits Leave Bursaries and study grants Retirement funding 	<ul style="list-style-type: none"> Insured benefits Long-service awards Other benefits at store level

Variable remuneration

Variable incentives are designed to retain, reward and incentivise performance over one- (STI) to two- to three-year (LTI) periods. Variable benefits are closely linked to achieving Pick n Pay segment, divisional operating units and individual performance objectives. The basis for calculating STIs and LTIs is formulaic in nature. Participation in variable incentive schemes is subject to the discretion of the Remuneration Committee and documented in the relevant scheme rules. The Remuneration Committee may exercise discretion to award ex gratia payments where it is considered strategically prudent to do so, or elect to moderate or withhold incentives where individual performance does not warrant an award.

Aligning variable pay with delivering the Pick n Pay strategy

Pick n Pay's variable incentive structures are currently under review to ensure that the incentives effectively align with Pick n Pay's turnaround strategy. The policy outlined in this section relates to FY26. The execution of Pick n Pay's strategy is measured against KPIs within its key strategic focus areas.

Short-term incentive

Annual STI

Purpose	The annual short-term bonus scheme aims to drive short-term performance in a measured and sustainable way. The scheme incentivises the achievement of Pick n Pay's financial and non-financial targets as set out in Pick n Pay's plan for the coming year, while retaining key skills and talent over the longer term.
Participation	CFO, top, senior and middle management employees are eligible to participate. Employees must be in Pick n Pay's employ for at least four months of the financial year, with the bonus applied pro rata. Fixed-term employees are not eligible to participate in the STI, with the exception of the CEO, who will be eligible from FY27.
Operation	The value of the short-term bonus paid to each participant is determined through a balanced scorecard of Group and Pick n Pay segment performance (as relevant) and individual KPIs. Performance targets are determined and communicated to participants annually in advance.
STI allocation multiple	The STI allocation percentages are reflected as a multiple of monthly TGP or fixed salary, as applicable, and are set in line with the seniority of each role. The STI allocation multiple for the CEO and CFO is 6x at target and 8x at stretch.
Financial performance score	60% of the STI is subject to the attainment of turnover growth and EBITDA* performance conditions. Previous performance conditions were linked to profit before tax and exceptional items (PBTAE). EBITDA* is now considered more appropriate as it eliminates the year-on-year interest savings as a result of the Recapitalisation Plan, and focuses management on operational improvements that will drive the delivery of the FY28 trading profit after lease interest break even target of the Pick n Pay segment. STI financial performance targets for the CEO, CFO and certain Group employees are a balanced blend of Pick n Pay and Boxer performance targets. Boxer performance targets are detailed in their remuneration report. No vesting occurs for performance below threshold.

Pick n Pay measure	Weighting
Turnover growth	40%
EBITDA* before exceptional items	60%
Total	100% – this has a 60% weighting overall in the calculation of the STI

Individual financial and non-financial performance score	40% of the STI is subject to the attainment of financial, non-financial and ESG performance conditions, as relevant to each participant's individual role within Pick n Pay and critical to the achievement of the turnaround strategy.
---	---

Settlement and vesting period	The STI is settled in cash after the end of the financial year, once the attainment of performance conditions is known.
--------------------------------------	---

* EBITDA pre-IFRS 16 as per page 130 of the FY25 Integrated Annual Report.



Short-term incentive (continued)

STI for store-level management

Participation	Qualifying employees at store level. Employees must be in Pick n Pay's employ for at least four months of the financial year, with the bonus applied pro rata.
Operation	These incentives are directly linked to short-term store sales and profit targets. These bonuses have been simplified and refocused to ensure that the store management teams are focused on the key in-store metrics that drive overall profitability.

Long-term incentive

Executive Retention and Performance Incentive scheme (ERPI)

Purpose	The primary objectives of the ERPI scheme are to drive performance and retain key talent at executive and top management levels over the critical early turnaround phase.
Participation	Executives and employees in the key leadership team who are deemed critical to the delivery of the Pick n Pay turnaround strategy.
Operation	The ERPI award is split into two equal parts, a retention portion and a performance portion. The retention portion equated to 50% of the individual's TGP at the date of award. This was an upfront payment with a 24-month lock-in period. Should an employee resign at any point during the 24-month lock-in period, they will be obligated to pay back the full retention payment. The performance portion is the remaining 50% of an individual's TGP at the date of award. This portion of the awards is subject to two to three specific performance measures aligned with the turnaround strategy of Pick n Pay. The performance portion is paid in varying instalments linked to the attainment of the specified performance conditions at key milestones.
ERPI allocation multiple	The value of the award is equal to an employee's annual TGP.
Financial and non-financial performance score	Performance conditions vary by ERPI participant linked to the strategic priorities under the Pick n Pay turnaround strategy. These include the successful execution of the Pick n Pay Rights Offer and Boxer IPO, alongside operational targets driving LfL sales growth, gross profit margin improvement, waste reduction, and efficiency gains.

LTI: Restricted Share Plan (RSP)

Purpose	The RSP recognises executive and top management employees who have a significant role to play in delivering Pick n Pay's strategy and its long-term sustainable growth.								
Participation	Executives and top management participate in the scheme.								
Operation	The Remuneration Committee awards zero-strike RSP shares (forfeitable PIK shares) to participants.								
LTI allocation multiple	The value of shares awarded to participants is aligned to market benchmarks, each participant's individual contribution to long-term value creation, and other relevant retention and attraction considerations. The LTI allocation multiples are reflected as a percentage of annual TGP and are set in line with the seniority of each role:								
	<table border="1"> <thead> <tr> <th>Grade</th> <th>Maximum annual LTI allocation</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>150%</td> </tr> <tr> <td>CFO</td> <td>100%</td> </tr> <tr> <td>Top management</td> <td>50% – 100%</td> </tr> </tbody> </table>	Grade	Maximum annual LTI allocation	CEO	150%	CFO	100%	Top management	50% – 100%
Grade	Maximum annual LTI allocation								
CEO	150%								
CFO	100%								
Top management	50% – 100%								
Financial performance score	Financial performance conditions are linked to EBITDA*. Previous performance conditions were linked to PIK Group HEPS. EBITDA* is considered more appropriate for awards vesting in FY27 (RSP4). The amendment aligns with the drive towards increasing cash flow and supports Pick n Pay's strategy to break even on EBITDA* in FY27 trading profit after lease interest by FY28 in the Pick n Pay segment. The intention is to return to a HEPS performance measure from FY29 onwards. Refer to page 53 for details of the performance conditions attached to the FY25 award (RSP4). Earnings targets for the CEO, CFO and certain Group employees are a balanced blend of Pick n Pay and Boxer performance targets. Boxer performance targets are detailed in their remuneration report.								
Gatekeeper clause	A limit on capital investment net of movements in working capital acts as a gatekeeper to ensure that EBITDA* targets are not reached through excessive capital investment.								
Limits and affordability	Share issues to fund long-term share incentives are limited to 5% of PIK's issued share capital.								
Ownership rights	Participants have full voting rights over the period. Dividend rights are subject to the discretion of the Remuneration Committee, are deferred until vesting date, and are paid in direct proportion to the number of shares that vest.								

Cash Retention Incentive (CRI)

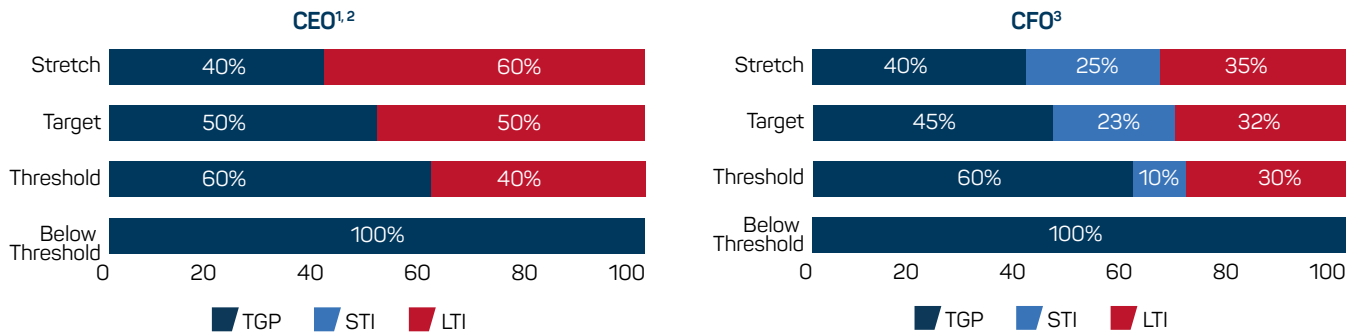
Participation	Key talent in middle management levels who are identified based on Pick n Pay's employment equity and gender equity targets, through a formal performance management process. Awards are made on an annual basis, allowing participants to receive rolling annual awards as they progress through the business.
Operation	The cash award is based on a fixed multiple of each participant's monthly cash salary and vests after a period of three years. Retention in a highly contested retail environment is the primary objective of the scheme and, as such, no performance conditions are attached. Vesting is only dependent on the employee remaining in the employ of Pick n Pay over the specified vesting period. If a participant leaves before the end of the vesting period all unvested cash awards will lapse, subject to good leaver provisions (such as retrenchment, ill health or disability).

* EBITDA pre-IFRS 16 as per page 130 of the FY25 Integrated Annual Report.



Remuneration mix

Remuneration is balanced between fixed remuneration and variable incentives to align employee and shareholder interests over the long term. To achieve a high-performance culture, a higher proportion of variable remuneration is applied to senior management employees, with a greater emphasis on total guaranteed pay (TGP) for middle and junior management. Variable remuneration consists of short-term incentives (STI) and long-term incentives (LTI) and is considered "at risk pay" as it is dependent on meeting performance targets that are closely aligned to Pick n Pay's long-term strategic plan. Performance targets are set within Pick n Pay's overall risk appetite, with the objective of being challenging but realistic, in order to achieve retention and drive performance in the broader context of Pick n Pay's economic and trading environments.



¹ Under his contract of employment, the CEO is not eligible to receive an STI until FY27.

² The CEO was awarded 4 000 000 shares in FY25 under the Group's long-term share incentive scheme. Please refer to page 53 for further detail. The remuneration mix presented above includes the value of those awards on award date.

³ The ERPI is excluded from the remuneration mix presented above, as it was an ad hoc award to secure retention and drive performance during the period of strategic turnaround, and is not intended to be a permanent feature of the remuneration policy.

Governance measures

A number of measures are in place, allowing the Remuneration Committee to lapse, reduce unvested or recoup any past incentive payments. In addition, minimum shareholding requirements are in place to reinforce the importance of sustainable long-term performance and alignment.

Malus and clawback

Reduction or recoupment of incentives

The Board is entitled to adjust (malus) or recover (clawback) any performance-related short-term and long-term incentives previously paid to executives implicated in fraud, dishonesty or negligence. Trigger events for the application of either malus or clawback are set out in the policy and include:

- Fraud, dishonesty or negligence resulting in the misrepresentation of financial performance
- Errors or misstatements in financial results which result in greater remuneration outcomes
- Reputational damage

No incidents were identified in FY25.

Minimum shareholding requirements

The CEO and CFO are required to build up a minimum shareholding in their own name at a specified multiple of their TGP over a five-year period. The Committee will consider and assess the feasibility of extending the MSR to the other members of the senior executive team in the future.

The table below outlines the required level of shareholding as a percentage of TGP:

CEO	200%
CFO	100%



Service contracts and termination benefits

Executive directors and senior management are employed in terms of Pick n Pay's standard contract of employment. They are only employed on fixed-term contracts under specific circumstances. Senior management is required to give a reasonable notice period of their intention to terminate their services, which varies from three to 12 calendar months. The CEO has a fixed-term contract until May 2028. The notice period for the CEO and CFO is six months.

Employment contracts do not provide for any exceptional benefits or compensation on the termination of employment. Certain managers who are considered key in carrying out Pick n Pay's strategy are subject to contractual restraint of trade provisions. Termination, restraint of trade payments, or retirement gratuities may be made at the discretion of the Remuneration Committee.

Forfeiture and lapse of incentives

In addition to subjecting all incentives to performance conditions, incentives remain at risk if employment is terminated before the payment or vesting date, as shown below:

Remuneration policy on termination of employment

	Salary	Benefits	STI	LTI/CRI/ERPI
Voluntary resignation	Paid over notice period	Paid over notice period	Lapses	Unvested awards forfeited
Dismissal/termination	Paid until termination	Paid until termination	Lapses	Unvested awards forfeited
Early retirement from 55 years of age	Paid over notice period	Paid over notice period	Paid on normal payment date Pro rata for time served	Accelerated early vesting Pro rata for time served and performance conditions achieved
Normal retirement	Paid until retirement	Paid until retirement	Paid on normal payment date Pro rata for time served	Accelerated early vesting Pro rata for time served and performance conditions achieved
Retrenchment (voluntary or involuntary)	Paid until exit	Paid until exit Severance payments apply	Paid on normal payment date Pro rata for time served	Accelerated early vesting Pro rata for time served and performance conditions achieved

Application of the Remuneration Committee's discretion

The Remuneration Committee has several mechanisms to ensure that pay outcomes fairly reflect individual and business performance, as well as the broader economic and societal context. These include the use of malus and clawback provisions, good and bad leaver clauses, and the responsible application of discretion to override formulaic outcomes under both short- and long-term incentive schemes. Discretion is exercised within a robust framework that considers Pick n Pay's overall financial and strategic performance.

Element	Feature	Ambit of the Remuneration Committee's discretion
STI and LTI	Eligibility	The Remuneration Committee has the discretion to determine the eligibility of participants in the STI and LTI scheme.
	Allocation percentages	The Remuneration Committee has the discretion to determine the allocation percentages of participants of the STI and LTI scheme.
	Performance conditions	The Remuneration Committee has the discretion to approve the performance conditions for both the STI and LTI scheme.
	Performance period	The Remuneration Committee has the discretion to determine the performance periods for both the STI and LTI awards.
	Change of control	On a change of control, the Remuneration Committee will assess to what extent the performance conditions have been met, and what pro rata awards will vest based on the performance and service delivered to date.
	Termination provisions	The Remuneration Committee has the discretion to accelerate the vesting terms under the following circumstances: <ul style="list-style-type: none"> Change of control in terms of the STI and LTI Good leaver in terms of the STI and LTI Any discretion applied remains subject to Board approval.
	Malus and clawback	The Remuneration Committee has the discretion to make recommendations to the Board. The Board has the ultimate authority to apply the policy.
Discretionary payments	Ex gratia or lump sum payments	The Remuneration Committee has discretion to make such awards in certain circumstances, which include: <ul style="list-style-type: none"> The adjustment of employee packages when a salary increase is inadequate; To address retention risks; and/or To reward exceptional employees.
	Sign-on bonus	The Remuneration Committee has discretion to make such awards in certain circumstances, which include: <ul style="list-style-type: none"> Circumstances where an incumbent would have lost the incentives they were due from their previous employee; and/or To attract critical employees.



Non-executive directors' fees and remuneration

Non-executive directors do not have service contracts but serve under a formal letter of appointment from the Board and are re-elected by shareholders on a rotational basis. Fees are not linked to the performance of the Group or its share price and are paid six-monthly in arrears. Fees are not paid on a per-meeting basis, as full attendance is expected at standard Board and committee meetings. Non-executive directors do not receive performance-related bonuses and are not granted any share awards. Their services may be terminated without liability for compensation. Benchmarking is conducted on an annual basis to benchmark fees against a select peer group of South African JSE-listed companies, based on market capitalisation, turnover and total assets. Fees are proposed based on the benchmarked outcomes as well as other survey information available in the market. The Chief People Officer proposes the fees to the Remuneration Committee, who thereafter recommends the fees to the Board for final approval from shareholders. The table below sets out the remuneration principles applied for non-executive directors' fees. These principles form the underlying basis for the directors' fees tabled for shareholder approval – refer to page 54 for the detailed fees.

Chair	The Chair's fee reflects the active role Gareth Ackerman plays in the Group's corporate governance and in formulating overarching strategies. He does not play a day-to-day role in the executive management and administration of the business but makes himself available to the executive team in an advisory capacity. Looking forward, the Chair fee will be reduced in line with market benchmarks when James Formby succeeds Gareth Ackerman as Chair in August 2025.
Lead independent director and other directors	Directors' fees are market-related, based on relevant benchmarks, and commensurate with the time required for directors to fulfil their duties. Annual fees are not subject to attendance at meetings, as meetings are well attended.
Committee membership	The fees reflect the responsibilities taken on through the membership of Board committees.
Consultancy fees	The fees related to additional consultancy services to the Board and its committees are determined and approved by the Remuneration Committee on an ad hoc basis, considering the nature and scope of the services rendered.
Expenses	The Group settles all travel and accommodation expenses related to the work of the Board



Part 3: Implementation Report

Overview of the implementation of the remuneration policy

The implementation report outlines the key decisions made by the Remuneration Committee during FY25, including the measures taken to ensure fair and balanced remuneration in what has been a highly challenging and transformative year.

The Committee has applied the Group's remuneration policy consistently with prior years, unless otherwise stated, and remains fully aligned with the approved framework. The Committee implemented the ERPI during the year with awards made to a targeted small pool of talented and critical leadership, including the CFO. Please refer to page 47 for further information. No other ad hoc awards were made to the executives, senior management and middle management in the year under review.

A summary of remuneration paid to executive and non-executive directors is provided in the tables at the end of this section.

The Boxer segment's FY25 remuneration decisions were made under two governance frameworks: pre-listing under the Group's framework and post-listing under the stand-alone Boxer framework (aligned to the principles of the Group). The implementation of these policies during FY25 is detailed in the Boxer segment's stand-alone remuneration report. The rest of the remuneration policy in this implementation report is focused on the Pick n Pay segment.

Guaranteed pay

The Committee evaluated the overall value and composition of TGP in respect of the executive directors and all other senior managers. Executive and senior management remuneration is considered fair and competitive against market benchmarks, and appropriately reflects the role, experience and performance of each individual member of the senior management team.

	CEO Sean Summers		CFO Lerena Olivier	
	FY25 ¹ R'000	FY24 ¹ R'000	FY25 R'000	FY24 R'000
Fixed salary	24 900	10 000	5 947	5 683
Retirement and medical aid	-	-	256	267
Other benefits	-	-	-	36
Total guaranteed pay	24 900	10 000	6 203	5 986

¹ FY25 – 12 months' service; FY24 – 5 months' service.

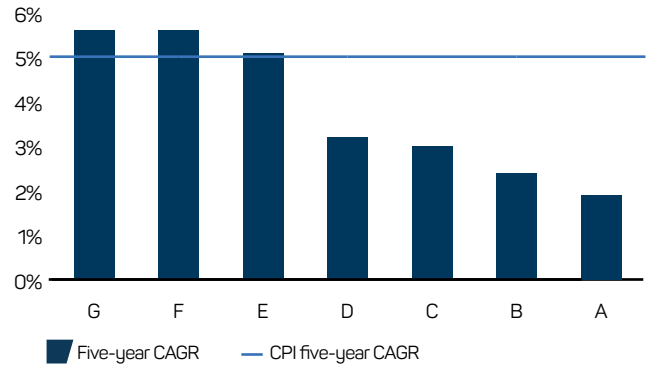
Annual salary increases

The following factors are considered in determining a fair, equitable and competitive salary increase:

- Pick n Pay performance and affordability
- Macro-economic environment
- Market benchmarking

Pick n Pay distributes salary increases on a matrix based on individual performance and pay positioning to ensure that we maintain and drive our pay for performance philosophy. Additional allocations are made to specifically address income disparities and narrow the pay gap. Income disparity increases take place annually in line with our commitment to close the pay gap, where necessary.

Indexed five-year CAGR increase per grade



Category	Grade	FY25 annual salary % increase	FY24 annual salary % increase
CEO	A	5.0%	-
CFO	A	5.0%	-
Top management	A&B	5.0%	3.5%
Senior and middle management	C&D	5.0%	3.5%
Junior management	E	6.0%	4.5%
Entry level and non-management	G&F	7.0%	4.5%

The increase for NMBU employees in FY25, as governed by labour union agreements, was an average of 6.5% to 8.0% (FY24: 6.7% to 8.0%).

Fair and responsible remuneration outcomes

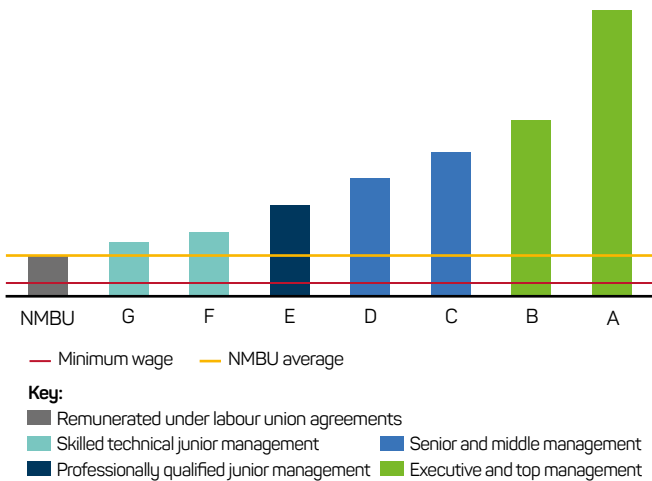
The income gap

Pick n Pay's statistical analysis of its income distribution across its full-time employees demonstrates large income disparity, driven by the high number of unskilled and semi-skilled workers employed across its retail store estate. This is reflective of norms in the retail industry, with higher levels of guaranteed and variable remuneration paid to skilled and senior management. The analysis does not yet consider variable-time employees. The significant variation in hours worked across the variable-time labour force does not allow for reasonable comparability.

The graph overleaf shows our average pay at the various employment grades within Pick n Pay and in line with our commitment to paying our employees terms and benefits over and above the legislated requirement, thus reflecting our commitment to provide employees with a market benchmarked pay and benefits to attain an acceptable standard of living. Our NMBU employees' average TGP is 57.3% higher than in the wholesale and retail sector.

The income gap (continued)

Representation of average remuneration by employment grade



In recent years, there has been an increased focus on pay gap reporting to bring into focus and promote a fairer and more equal society. In line with the Companies Act amendment bill and reporting requirements, Pick n Pay's pay gap methodology compares the average of the top 5% highest earners in Pick n Pay with the average of the lowest 5% permanent and fixed-term employees, giving us an income differential ratio of 18.29. The differential is lowered to 17.02 when the analysis is conducted against permanent employees only.

In addition, we also follow a systematic approach in our daily decision-making by ensuring that we have adequate remuneration processes in place to enable the business to make responsible pay decisions when promoting or appointing new employees. We ensure that our pay ranges are aligned to market benchmarks by matching jobs to similar jobs in the market and guidance is provided to the business in terms of the minimum salary to be offered.

Race and gender pay equity

We are committed to fair, equitable, and non-discriminatory remuneration practices across our operations. In a country with a complex socio-economic history, we recognise our responsibility not only to comply with the law, but also to lead in advancing equality and inclusion in the workplace.

Remuneration is determined based on the inherent requirements of the role, taking into account the level of responsibility, skills, experience, and individual performance. Pay decisions are not influenced by race, gender, or any other unjustified or discriminatory factor. We actively work to ensure that our pay structures are equitable, transparent, and consistently applied across all occupational levels.

The Remuneration Committee conducts annual statistical pay equity analyses to identify and address any unjustified disparities between employees performing work of equal value. These analyses are conducted across all levels and employment categories, with a focus on both race and gender dimensions. Where anomalies are identified, appropriate corrective action is taken.

We are mindful of the systemic inequities that persist in South Africa, and therefore, our commitment to pay equity is not limited to compliance, but extends to transformation. This includes aligning with the spirit and intent of the Employment Equity Act and supporting the advancement of women and historically disadvantaged individuals into more senior and better-remunerated roles.

As part of our broader transformation and human capital agenda, we continue to integrate pay equity considerations into our talent development, succession planning, and performance management processes. We also work closely with internal stakeholders, including the Employment Equity Forum, to ensure our practices are inclusive and progressive.

Looking ahead, the Remuneration Committee intends to strengthen disclosure in this area, in support of improved transparency and accountability. We remain resolute in our belief that pay equity is not only a moral and legal imperative, but also a business necessity for building an engaged and high-performing workforce.

Preparing for greater transparency

We support the intent of the Companies Amendment Act and are preparing to meet its new disclosure requirements. Once final regulations are in place, we will publish the information required in a format that is accurate, meaningful and consistent with practice across the listed market.

STI performance outcomes for FY25

A loss was forecast for FY25; therefore the STI KPIs for FY25 were linked to achieving diminishing losses, and growing sales, in line with the Pick n Pay turnaround strategy.

	Target	Actual achieved
Group sales growth	5.3%	3.2%
Group PBTAE	Loss of R600 million	Loss of R237 million (FY24: loss of R 1 421 million)

As the Group missed its sales target, but achieved its PBTAE target, the Remuneration Committee allocated a modest bonus pool for the reward and retention of key talent. The CEO, CFO and key management personnel did not participate in the reduced STI allocation.



Executive Retention and Performance Incentive for FY25

The CEO does not participate in this incentive. For the CFO, the performance portion of the ERPI award made in FY24 (50% of total award) has vested in full due to the achievement of the conditions set out below. The retention portion (50% of award) requires continued employment over the two-year service period.

Measure	Weighting	Value Rm*	Achieved	Comments
Retention	50%	1 993	In progress	Two-year service period
Performance				
Rights Offer	25%	996	✓	Stretch targets achieved, in respect of timelines, subscription and value
Boxer IPO	25%	996	✓	
Total		3 985		

* Expensed on a pro rata basis, with R2 989 000 recognised in FY25.

Performance conditions for all other ERPI participants are linked to strategic priorities under the Pick n Pay turnaround strategy. These include the successful execution of the Pick n Pay Rights Offer and Boxer IPO, alongside operational targets driving LfL sales growth, gross profit margin improvement, waste reduction, and efficiency gains. Achievement to date, at key milestones, has resulted in all awards with KPIs linked to the Rights Offer and IPO, and 60% of awards linked to Pick n Pay sales and profitability, vesting.

RSP3: awarded FY22, vested June 2025

60% of in-flight RSP3 awards were forfeited in FY24 as the HEPS targets could not be met over the three-year vesting period, ending June 2025. The remaining 40% of the awards were subject to the attainment of individual key performance indicators relevant to each participant. Following the assessment of management performance, 62% of the remaining awards vested, being 25% of the total. CFO, Lerena Olivier, received 40% of her RSP3 awards in June 2025.

CRI4: awarded FY25, vesting June 2027

	2025 award CRI4	2023 award CRI3
Number of employees	157	149
Vesting date	June 2027	June 2025
Female representation	48%	49%
ACI representation	54%	51%

RSP4: awarded FY25, vesting June 2027

Financial performance score 3.4 million shares were issued to 74 participants. The following performance conditions and weightings will be applied for the June 2027 vesting of RSP4. No vesting occurs for performance below threshold:

Pick n Pay measure	Weighting	Threshold (50% vesting)	Target (70% vesting)	Stretch (100% vesting)
Personal KPIs	50%	Achievement 3 performance rating	Achievement of a 3+ performance rating	Achievement 4 performance rating
EBITDA before exceptional items*	50%	50% reduction in FY25 EBITDA* losses by FY27	Linear achievement	EBITDA* at break even by FY27

A limit on capital investment net of movements in working capital acts as a gatekeeper clause to ensure that EBITDA* targets are not reached through excessive capital investment.

Earnings targets for the CEO, CFO and certain Group employees are a balanced blend of Pick n Pay and Boxer performance targets. Boxer performance targets are detailed in their remuneration report. The RSP4 award to Lerena Olivier was issued on 30 June 2025. Lerena received 234 666 shares, with a vesting period of two years and performance conditions aligned with the RSP4 award as detailed above.

* EBITDA pre-IFRS 16 as per page 130 of the FY25 Integrated Annual Report.

Restricted share plan awards: CEO

The Remuneration Committee awarded Sean Summers 4 000 000 performance-based RSP shares in July 2024. The performance conditions combine qualitative and quantitative performance indicators critical to the turnaround of the Pick n Pay supermarket business. The salient details of that share award is as follows:

Award date	Vesting date	Number of shares	Financial and non-financial Performance criteria
July 2024	October 2025	2 000 000	Pick n Pay leadership and operational structure implementation
July 2024	February 2027	1 000 000	Development of CEO succession plan
July 2024	February 2027	1 000 000	Stretch – FY27 EBITDA* break even. Threshold and target aligned with RSP4 metrics above

* EBITDA pre-IFRS 16 as per page 130 of the FY25 Integrated Annual Report.

The Board has extended the CEO's fixed-term service contract until May 2028. The extension ensures continuity and stability in the leadership team during a period of significant strategic transformation. It also allows for a considered and deliberate succession process, including a comprehensive handover period in due course. As part of this contract extension, the CEO will be eligible for further RSP shares in line with the Group's remuneration policy framework, subject to both financial and non-financial performance conditions. Further details will be provided on the award of these shares, which are expected to be aligned with the Group's annual RSP issue.

Non-executive directors' fees

The Committee reviewed and recommended non-executive director remuneration to the Board, for shareholder approval at the AGM on 5 August 2025.

	FY26 proposed R	FY25 previously R	% change
Chair (including participation in all committees)	2 500 000¹	4 893 300	1
Lead independent director (LID) (including participation in all committees)	1 687 500	1 687 500	–
Non-executive director	510 300	510 300	–
Chair of the Audit, Risk and Compliance Committee	441 000	441 000	–
Chair of the Remuneration Committee	234 150	234 150	–
Chair of the Social, Ethics and Transformation Committee	234 150	234 150	–
Chair of the Nominations and Corporate Governance Committee	234 150	234 150	–
Member of the Audit, Risk and Compliance Committee	110 600	110 600	–
Member of the Finance and Investment Committee ²	150 000	150 000	–
Member of the Remuneration Committee	110 600	110 600	–
Member of the Social, Ethics and Transformation Committee	110 600	110 600	–
Member of the Nominations and Corporate Governance Committee	105 000	105 000	–
Member of the Independent Board Committee ³	158 550	158 550	–

¹ Gareth Ackerman will retire as Board Chair at the close of the 2025 AGM. Gareth will receive a pro rata Chair fee for the six months served, based on the current annual fee of R4 893 300. James Formby will succeed Gareth as Board Chair, with a proposed annual fee of R2 500 000. The annual fee has been reduced following shareholder engagement, and is aligned with market benchmarks. James will receive a pro rata fee in FY26, based on his time in the role of LID and his time as Board Chair. The LID fee will fall away on his appointment as Chair.

² The Committee is chaired by the lead independent director, who does not receive an additional fee for chairing this committee.

³ The Committee comprises only independent non-executive directors and is chaired by the lead independent director, who does not receive an additional fee for chairing this committee. This committee is not a key standing committee and is convened only for major regulated transactions or investment decisions. In the event that this committee is convened during the financial period, fees paid shall not exceed the annual fees proposed in this special resolution number 1. No fees are paid if the Committee is not convened.



Total remuneration of executive directors

Details of the basic salary and GP (basic salary plus benefits) paid to executive directors and prescribed officers are set out in the tables that follow, with the face value of the vested incentive schemes included. The relevant table of unvested awards for each individual is also included.

Executive directors	Fees for board meetings R'000	Fees for committee and other work R'000	Base salary R'000	Retirement and medical contributions R'000	Total fixed remuneration R'000	ERPI R'000	Total remuneration R'000	Long-term awards charges – current year ¹ R'000
2025								
Sean Summers ²	-	-	24 900	-	24 900	-	24 900	40 198
Lerena Olivier	-	-	5 947	256	6 203	2 989	9 192	1 896
Total remuneration	-	-	30 847	256	31 103	2 989	34 092	42 094

¹ The long-term awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments and IAS 19 Employee Benefits, and reflects the current year's charge or recoupment recorded in the Group's statement of comprehensive income. The fair value of awards are determined at grant date, and are recognised in the statement of comprehensive income over the period during which the employee becomes unconditionally entitled to the award (the vesting period). Dependent on the nature of the vesting criteria, long-term awards expense may be reversed and recouped by the Group if the vesting criteria are not met.

² Serves as a non-executive director of the Boxer Retail Limited Group, any fees earned in relation to this is paid to Pick n Pay Retailers Proprietary Limited.

Executive directors	Fees for board meetings R'000	Fees for committee and other work R'000	Base salary R'000	Retirement and medical contributions R'000	Fringe and other benefits R'000	Total fixed remuneration R'000	Termination settlement ¹ R'000	Total remuneration R'000	Long-term awards charges – current year ² R'000
2024									
Sean Summers ³	-	-	10 000	-	-	10 000	-	10 000	-
Lerena Olivier	-	-	5 683	267	36	5 986	-	5 986	(1 413)
Jonathan Ackerman ⁴	-	-	126	16	119	261	-	261	141
Pieter Boone ³	-	-	7 880	532	1 127	9 539	15 776	25 315	(11 616)
Total remuneration	-	-	23 689	815	1 282	25 786	15 776	41 562	(12 888)

¹ Termination settlement in terms of contract of employment.

² The long-term awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments and IAS 19 Employee Benefits, and reflects the prior year's charge or recoupment recorded in the Group's statement of comprehensive income. The fair value of awards are determined at grant date, and are recognised in the statement of comprehensive income over the period during which the employee becomes unconditionally entitled to the award (the vesting period). Dependent on the nature of the vesting criteria, long-term awards expense may be reversed and recouped by the Group if the vesting criteria are not met. Vesting criteria in respect of the RSP awards due to have vested in June 2024 and June 2025, were not fully met. As a result, and as directed by the Remuneration Committee, a portion of RSP long-term share awards were forfeited and the related expenses recouped by the Group in the prior reporting period.

³ Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.

⁴ Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.



Total Remuneration of non-executive directors

Name	Directors' fees R'000	Additional ad hoc fees ¹ R'000	Lead Independent Director R'000	Audit, Risk and Compliance Committee R'000	Finance and Investment Committee R'000	Remuneration Committee R'000	Social, Ethics and Transformation Committee R'000	Nominations and Corporate Governance Committee R'000	Total remuneration R'000
FY25									
Gareth Ackerman	4 893	-	-	-	-	-	-	-	4 893
Jonathan Ackerman	510	-	-	-	-	-	111	-	621
Suzanne Ackerman	510	-	-	-	-	-	234	26	770
Haroon Bhorat	510	-	-	210	150	111	83	26	1 090
Mariam Cassim ²	170	-	-	70	-	-	-	-	240
James Formby ^{1,3}	-	210	1 688	-	-	-	-	-	1 898
David Friedland ¹	510	210	-	210	150	-	-	26	1 106
Aboubakar Jakoet ¹	510	210	-	441	150	111	-	78	1 500
Audrey Mothupi-Palmstierna	510	-	-	210	-	234	-	105	1 059
David Robins ⁴	255	-	-	-	-	-	28	-	283
Annamarie van der Merwe	510	-	-	-	-	-	111	201	822
Total	8 888	630	1 688	1 141	450	456	567	462	14 282
FY24									
Gareth Ackerman	4 893	-	-	-	-	-	-	-	4 893
Suzanne Ackerman	486	-	-	-	-	-	223	100	809
Haroon Bhorat	486	-	-	200	-	105	-	100	891
Jonathan Ackerman ⁵	446	-	-	-	-	-	105	-	551
Mariam Cassim	486	-	-	200	-	-	-	-	686
James Formby	203	-	787	83	-	-	-	-	1 073
David Friedland	486	-	-	200	-	-	-	100	786
Aboubakar Jakoet	486	-	-	420	-	105	-	-	1 011
Audrey Mothupi-Palmstierna	486	-	-	200	-	223	-	100	1 009
David Robins	486	-	-	-	-	-	105	-	591
Annamarie van der Merwe	486	-	-	-	-	-	105	100	691
Jeff van Rooyen ⁶	-	-	563	-	-	-	-	-	563
Total	9 430	-	1 350	1 303	-	433	538	500	13 554

¹ Once-off fee approved by shareholders at the 2024 AGM to recognise the additional guidance provided by the directors in a number of critical areas, including liquidity management, the Group's debt restructure and the two-step Recapitalisation Plan.

² Mariam Cassim resigned as an independent non-executive director on 5 July 2024.

³ Serves as a non-executive director of the Boxer Retail Limited Group. Refer to the Boxer remuneration report for detail of fees earned.

⁴ David Robins retired as a non-executive director on 27 August 2024.

⁵ Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.

⁶ Jeff van Rooyen retired on 19 July 2023.

Share awards held by executive directors

	Calendar year Granted	Award Grant Price R	Balance held as at 25 Feb 2024	Awarded	Balance held at 2 Mar 2025	Available for take up
FY25						
Sean Summers¹						
Restricted shares	2024	Nil	-	2 000 000	2 000 000	October 2025
	2024	Nil	-	2 000 000	2 000 000	February 2027
			-	4 000 000	4 000 000	
Lerena Olivier						
Share options	2019	58.05	80 000	-	80 000	Now
	2019	58.05	60 000	-	60 000	Now
	2019	58.05	60 000	-	60 000	September 2026
Restricted shares ²	2022	Nil	34 800	-	34 800	Vested 25 June 2025
			234 800	-	234 800	

¹ Sean Summers was awarded 4 million restricted shares under the Group's Restricted Share Plan during July 2024. The shares will vest in increments over three years, subject to the attainment of performance conditions.

² The RSP4 award to Lerena Olivier was issued on 30 June 2025. Lerena received 234 666 shares, with a vesting period of two years and performance conditions aligned with the RSP4 award as detailed on page 53.



Directors' interest in ordinary shares

FY25	How held ¹	Balance held at 25 February 2024	Additions/ grants*	Disposals*	Balance held at 2 March 2025 ²	Beneficial/ non-beneficial interest ³
Gareth Ackerman	direct	309	-	(309)	-	Beneficial
	indirect	1 748 776	997 716	-	2 746 492	Beneficial
	indirect	19 762	-	(19 762)	-	Non-beneficial
Ackerman Pick n Pay Foundation ⁴	indirect	101 900	52 081	-	153 981	Non-beneficial
Ackerman Family Investment Holdings Proprietary Limited ⁵	indirect	1	1	-	2	Non-beneficial
Ackerman Investment Holdings Proprietary Limited ⁶	indirect	124 677 237	64 657 759	-	189 334 996	Non-beneficial
Mistral Trust ⁷	indirect	3 000 000	1 533 300	-	4 533 300	Non-beneficial
Sean Summers	direct	-	644 456	(299 065)	345 391	Beneficial
	direct- RSP/FSP	-	4 000 000	-	4 000 000	Beneficial
Lerena Olivier	direct	96 150	66 928	-	163 078	Beneficial
	direct- RSP/FSP	34 800	-	-	34 800	Beneficial
Suzanne Ackerman	direct	120 528	-	(120 528)	-	Beneficial
	indirect	553 883	519 036	-	1 072 919	Beneficial
Jonathan Ackerman	direct	122 888	-	(122 888)	-	Beneficial
	indirect	865 055	672 201	-	1 537 256	Beneficial
	indirect	2 161	-	(2 161)	-	Non-beneficial
Aboubakar Jakoet	direct	8 764	1 236	-	10 000	Beneficial
	indirect ⁸	750 000	-	-	750 000	Beneficial
	indirect	13 059	936	-	13 995	Non-beneficial
David Friedland	indirect	34 188	17 473	-	51 661	Beneficial
James Formby	direct	4 000	2 130	-	6 130	Beneficial
	indirect	26 725	36 581	-	63 306	Beneficial

¹ Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or a company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.

² There have been no changes in the directors' interest in ordinary shares since 2 March 2025 up to the date of approval of the 2025 Group Integrated Annual Report, other than the vesting of RSP3 that added 18 618 shares to Lerena Olivier's direct holdings.

³ Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.

⁴ The indirect non-beneficial interest in the Ackerman Pick n Pay Foundation represents the holdings of Gareth Ackerman and Suzanne Ackerman in their capacities as trustees.

⁵ The indirect non-beneficial interest in Ackerman Family Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.

⁶ The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.

⁷ The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.

⁸ Defined as an indirect beneficial shareholding in terms of JSE classifications. However, the director only has a 10% shareholding in the company which holds these shares, does not exercise any control over the shares, and receives no direct benefit.

* Additions and disposals include transactions as a result of the rights offer. Refer to note 34 of the 2025 Group annual financial statements.

Directors' interest in B shares

FY25	How held ¹	Balance held at 25 February 2024	Additions	Disposals	Balance held at 2 March 2025 ²	Beneficial/non-beneficial interest ³
Gareth Ackerman	direct	522	-	(522)	-	Beneficial
	indirect	3 227 861	988 143	-	4 216 004	Beneficial
	indirect	39 140	-	(39 140)	-	Non-beneficial
Ackerman Investment Holdings Proprietary Limited ⁴	indirect	246 936 847	64 052 544	-	310 989 391	Non-beneficial
Mistral trust ⁵	indirect	5 349 559	1 354 337	-	6 703 896	Non-beneficial
Suzanne Ackerman	direct	233 767	-	(233 767)	-	Beneficial
	indirect	926 084	563 315	-	1 489 399	Beneficial
Jonathan Ackerman	direct	243 307	-	(243 307)	-	Beneficial
	indirect	1 135 009	647 981	-	1 782 990	Beneficial
	indirect	4 280	-	(4 280)	-	Non-beneficial

¹ Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.

² There have been no changes in the directors' interest in shares since 2 March 2025 up to the date of approval of the 2025 audited Group Integrated Annual Report.

³ Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.

⁴ The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.

⁵ The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.