

REMUNERATION REPORT



The group strives to ensure that its reward practices are sustainable and aligned with shareholders' interests whilst it recognises the contribution of employees to the growth of the group.

The group promotes entrepreneurship and strives to optimise employee performance by providing a working environment conducive to extraordinary performance, characterised by passion and energy that results in a positive contribution to the success of the group and ultimately the economy it operates in.

The individuals the group employs are characterised by intellect, innovation and initiative, which imparts the ability to adapt to an ever-changing work environment and a unique culture, all of which are crucial in the group's pursuit of excellence. This is evident in the year-on-year results of the group which reflect a skilled, committed and motivated workforce.

REMUNERATION PHILOSOPHY

The group philosophy is to ensure that employees are fairly rewarded for their individual value, merit, performance and contribution over a meaningful period to the overall operational and financial success of the group.

The group is committed to a balanced remuneration philosophy which consists of the following components:

- Individual performance-related remuneration which positively influences and supports the creation of an exceedingly high performing organisation;
- Rewarding of sustained-performance and exceeded-performance expectations through extraordinary increases, bonuses, incentives and company shares;
- Non-financial rewards and recognition in the form of promotions and added responsibility;
- Providing a balanced mix of remuneration, including

above-industry-average salaries, innovative benefits, short-term cash incentives and longer term rewards;

- Creating a competitive total-remuneration opportunity which aids in competing for the best talent locally and abroad among companies with global operations and global consumers;
- Protect and promote shareholder interests and create a direct and recognisable alignment between remuneration and risk exposure;
- Employee growth and development through performance management that is cemented in simplicity and transparency; and
- Unparalleled working environment where performance is rewarded and where employees can fulfil their potential.

The group's remuneration philosophy is used as a management tool that aligns with an effective communication plan to support and reinforce group values and business strategy with a goal of sustainable growth and profitability to create wealth.

REMUNERATION MIX

The group rewards and provides a level of compensation which not only attracts and incentivises employees, but also retains and motivates existing employees to reach their full potential. Remuneration packages are designed and administered to balance and align directors' and employees' interests in relation to those of all stakeholders. Overall rewards are considered and determined within an effective risk management environment in line with short-, medium- and long-term successes and goals of the group. The group is confident that including equity in employees' compensation is the best way to align their interests with the long-term success and strategy of the company.

The group participated in a number of salary surveys to substantiate its remuneration data. Individual salaries are benchmarked internally and externally to ensure fairness.

- Fixed remuneration

- Guaranteed base salary based on role, experience, qualifications, responsibilities, skills and market rates
- The group has a minimum monthly salary of NAD3 000 per month for a 40-hour work week across all employee levels
- Commission on sales performance for monthly sales targets

- Variable remuneration

- Short-term cash incentives on quarterly extraordinary sales targets;
- Quarterly short-term cash incentives in terms of the approved group performance and retention incentive scheme for all business segments with set board approved financial and budget targets;
- Quarterly long-term equity incentives in terms of the approved group performance and retention incentive scheme for all business segments with set board approved financial and budget targets;
- Long service appreciation awards paid at five year intervals;
- Company equity gift to the value of NAD50 000 for employees with one year of service purchased on behalf of the employee subject to a five years trading restriction;
- Dividend payments to employees on company shares purchased on behalf of employees;
- Other variable allowances are paid for additional services;
- Transport allowances are paid to all employees with one year of service who do not make use of company provided transport to and from work;
- Cell phone benefits to specialised employees.

- Trustco performance and retention incentive scheme

The group currently employs a 50:50 based incentive and retention scheme. 50% of this incentive is allocated in cash and paid directly to the employee and the remaining 50% is used to purchase Trustco shares for the employee. This incentive scheme aims to retain key skills and to motivate executives over the long-term which is essential for sustainable business.

- Share bonus event

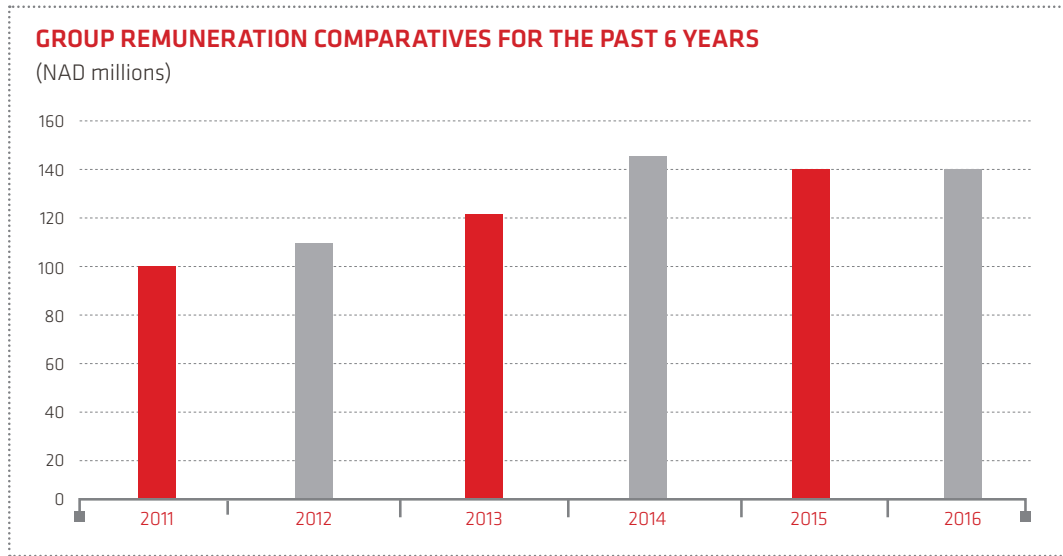
During the reporting period the group offered a special share deal bonus event to all employees and management who were employed in the group at 1 April 2015. This event was a once-off opportunity specifically designed to incentivise for extra-ordinary performance for the financial year under review and to retain key employees. All employees of all segments participated collectively on agreed group and individual targets. The shares are subject to a three year trading restriction and each target linked to an agreed period which can either extend the restricted period if the target is not met, or shorten the restricted period if the target is met. All qualifying employees and management received shares to the value indicated in the table below:

Level	Shares bought for amount in NAD
Exco members	350 000
Heads (or equivalent)	100 000
Chief operating officers	50 000
Managers	30 000
Supervisors	20 000
Employees	10 000

REMUNERATION REPORT CONTINUED

Benefits and awards are granted on the basis that they aid employee retention and/or provide an efficient work environment for the employee. All deferred awards are subject to continued employment. The basic salary of each employee is reviewed annually on an individual basis.

Annual increases are based on personal key performance indicators, achieving set individual goals, quarterly employee assessments, increased skills or qualifications and market related benchmarking.



EMPLOYEE WELLNESS

The group remains committed to the continuous investment in the well-being of its valued employees.

Staff Social Scheme

The company offers a staff social scheme with equal employer and employee contributions which provides the following cover and additional benefits;

- Hospital cover;
- Disability benefit;
- Dread disease cover;
- Life cover;
- Various types of additional leave i.e. paternity leave, sabbatical leave, birthday leave, afternoons off, additional sick leave and "babbalas" (hang-over) leave;
- A corporate wellness programme with additional benefits, including free daily employee lunches, physical exercise programmes, flu prevention injections, cancer prevention testing and various health and social awareness campaigns throughout the year; and

- An employee fund with the same purpose as a savings fund to empower employees by assisting to provide for future financial security and to foster and encourage a culture of saving.

The corporate wellness programme is offered by the company to the employees and is a combination of educational, organisational, nutritional, social and environmental awareness programmes. It also includes physical fitness programmes, life coaching, health coaching and activities designed to support, enhance and promote behavior conducive to maintaining good physical, social and mental health.

The group recognises that a regular and sound fitness regime is vital to maintain the health and well-being of its employees. With more stress comes an increased likelihood of becoming ill. As part of the wellness programme the company provides an exercise programme with external service providers. Fitness sessions are held twice a week for three months, after which employees are encouraged to continue on their own time. The company also engages service providers which gives employees access to health screenings, counselling and nurse consultations. The company also has a policy that allows middle and senior management to have extended lunchtime for the purposes of physical fitness.

The corporate wellness programme is a proven success and extremely effective to motivate, educate and improve the overall health, emotional, physical and spiritual wellbeing of each valued employee. The programme is well established, maintained and ongoing.

In addition to the aforementioned, the group values and protects the health and safety of its employees and the occupational health and safety management programme and system is aligned with and run according to the applicable local regulatory and legislative requirements.

- Trustco Top 40

During the reporting period the group introduced and adopted the Trustco Top 40 Policy to identify, recognise and reward employees that rise to and exceed the high performance standards and expectations of the group. The group aspires to motivate employees to grow, excel and be driven to perform at all times.

The main objectives of the policy appointing the Trustco Top 40, are to give recognition to key employees on any level regardless of position, to motivate and inspire all employees to attain the same level of performance and to provide a platform within the group to foster talent development. The Top 40 is announced once a year after an extensive 360° review and nomination process by all employees in the group.

Top 40 benefits includes:

- Company shares to the amount of NAD40 000;
- Access to a company pool vehicle;
- NAD40 000 on a company credit card for purposes of training, wellness sessions, payments towards gym memberships or any other centre offering physical fitness sessions;
- Additional annual leave; and
- Any bonus paid out to a Top 40 member during the term is increased by 40%.



CLINIC VISITS
1 351



HOSPITAL COVER PAID OUT
590 000



CANCER PREVENTION VISITS / TREATMENTS
77



BLOOD DONATIONS
269
807 POSSIBLE LIVES SAVED

88 562 meals served at a cost of

3 466 648
(NAD)



14 sabbatical leave periods granted at a cost of

1 062 932
(NAD)



127 participated in company organised exercise programmes

at a cost of **65 600**
(NAD)



DIVIDENDS

Total amount of dividends paid to employees

NAD1.1 MILLION

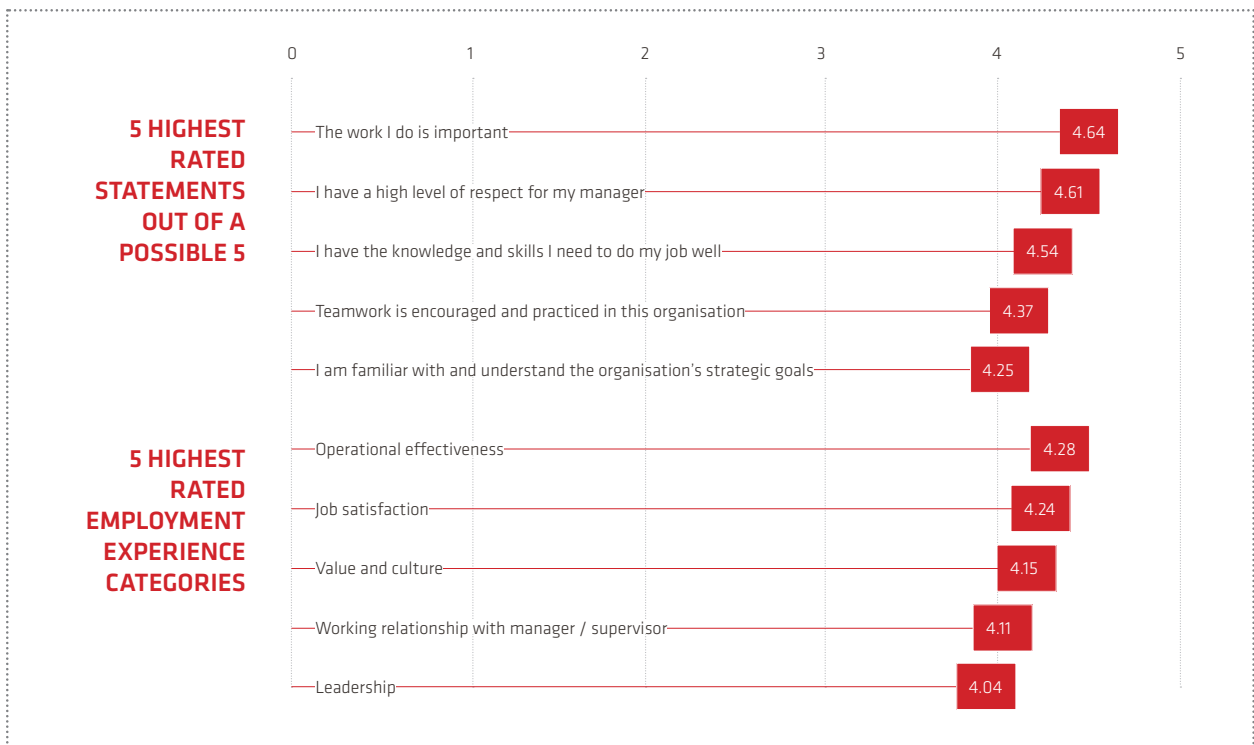
REMUNERATION REPORT CONTINUED

EMPLOYEE ENGAGEMENT

Trustco group participated for the second time in Deloitte's "Best Company To Work For" survey in Namibia. The independent survey has been conducted by Deloitte since the year 2000 and audited the employees' sentiments covering areas inclusive of *inter alia* values, culture, leadership, relationship with management, inclusion, operational effectiveness, job satisfaction, performance and recognition, remuneration, learning and development as well

as fairness and equity. Based on the ratings of its employees Trustco was awarded 1st place in Namibia as the best company to work for in the large sized company category i.e. companies with more than 500 employees.

The employees (balance of workforce) participated in the survey administered by the independent audit firm, Deloitte, to measure the degree of alignment between management and the employees. The company achieved an overall score of 3.99 out of a possible 5 (five) in the survey.



DIVERSITY AND INCLUSION

The company promotes and values diversity and strives to eliminate employment practices and processes which may result in any form of discrimination.

- Employment equity

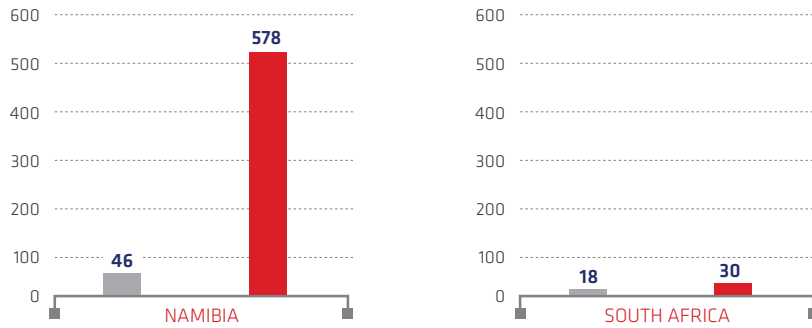
Employment equity is viewed by the group as an integral component of its overall group strategy to ensure diversity in the company workforce. The group is committed to maintain a workforce that reflects Namibia's demographics in respect of race and gender.

The Employment Equity Commission of Namibia hosts an award ceremony once every three years to recognise companies who excel in the promotion of employment equity in Namibia.

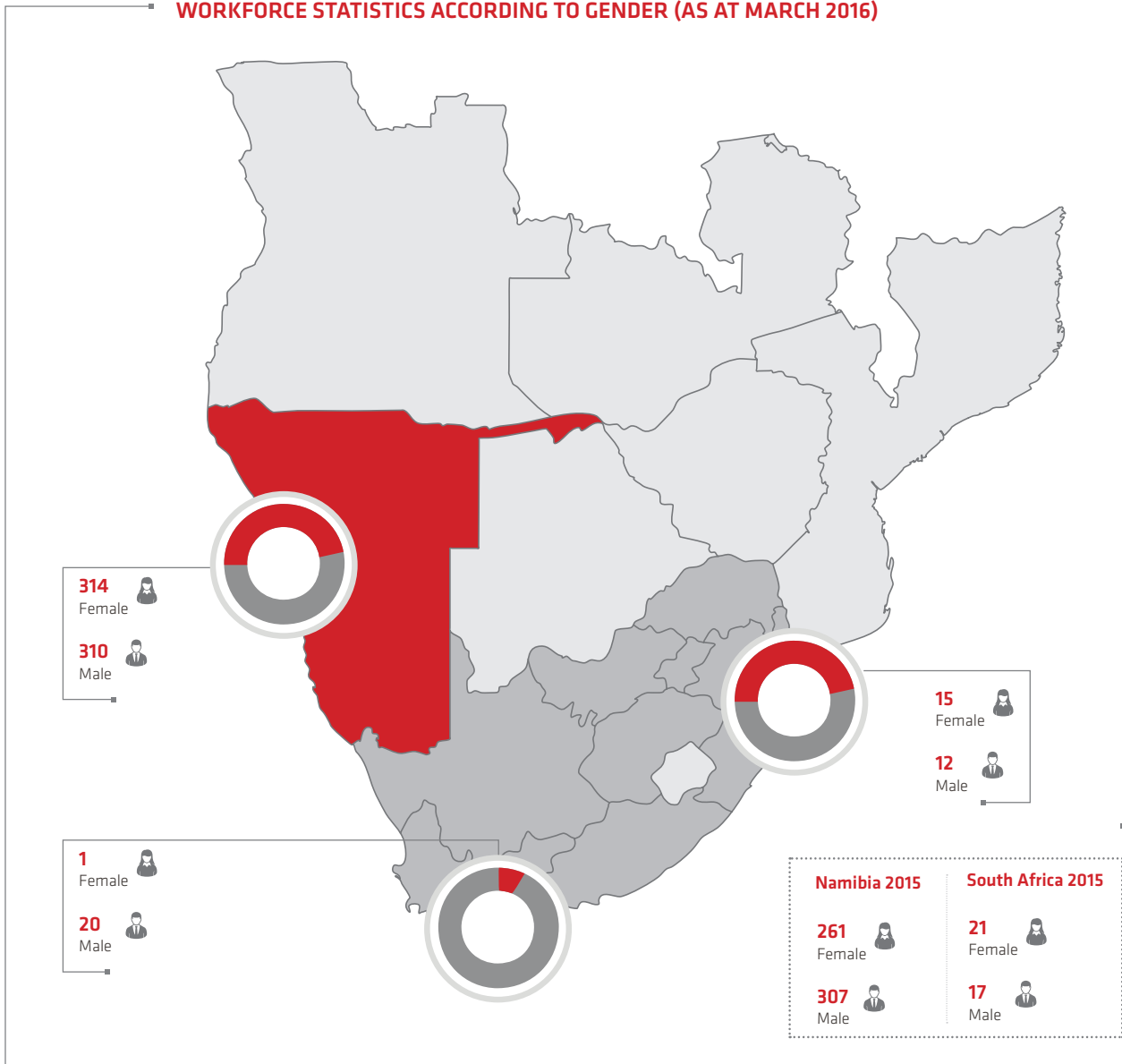
On 19 November 2015, Trustco was awarded by the Employment Equity Commission in recognition of good performance in the promotion of employment equity. According to the latest annual report of the commission, there are 847 relevant registered employers in Namibia. After a due process of elimination, 27 companies were shortlisted for site-visits and the top 17, of which Trustco group was one, were awarded official recognition at the ceremony.

EMPLOYMENT EQUITY WORKFORCE PROFILE

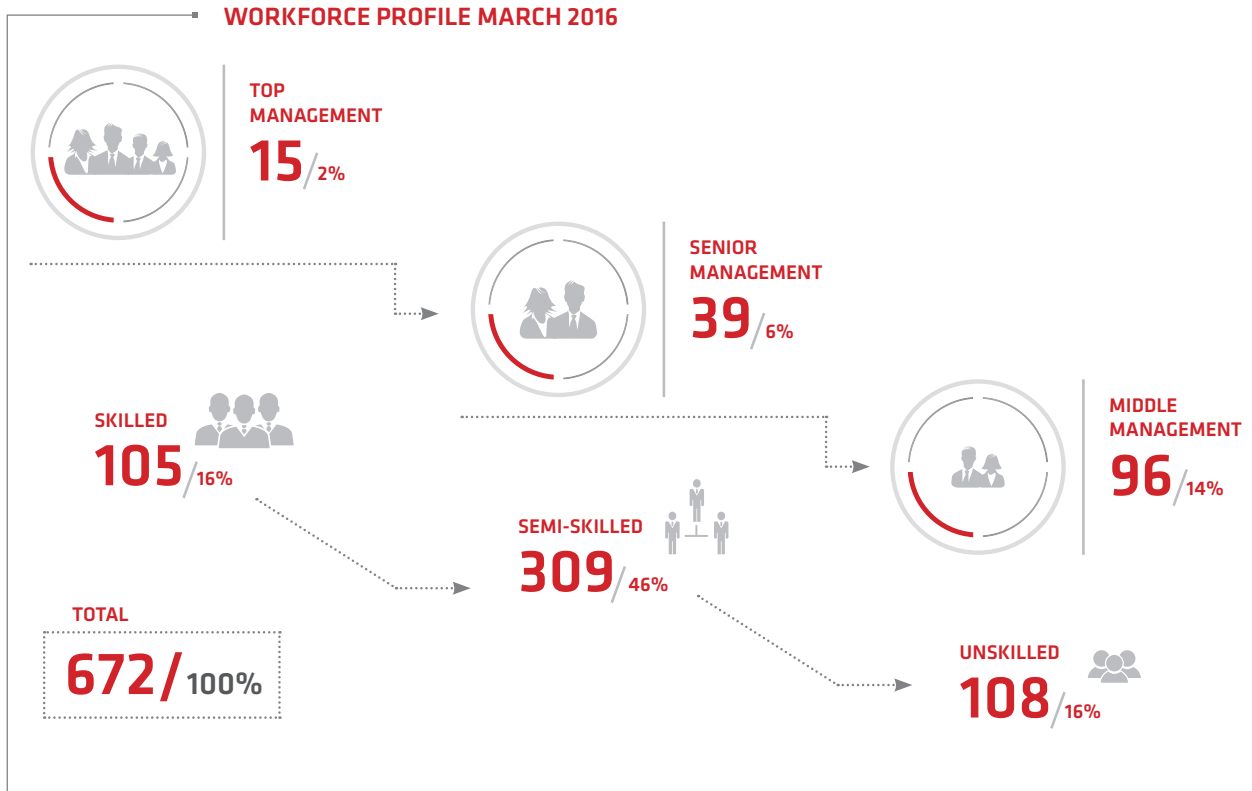
■ Previously disadvantaged
■ Previously advantaged



WORKFORCE STATISTICS ACCORDING TO GENDER (AS AT MARCH 2016)



REMUNERATION REPORT CONTINUED



TOP 3 SALARY EARNERS

EMPLOYEE (MONTHLY EARNINGS)	2016	2015	% CHANGE
Employee 1	191 309	176 038	9%
Employee 2	189 231	175 000	8%
Employee 3	142 542	113 395	25%

TRAINING AND DEVELOPMENT

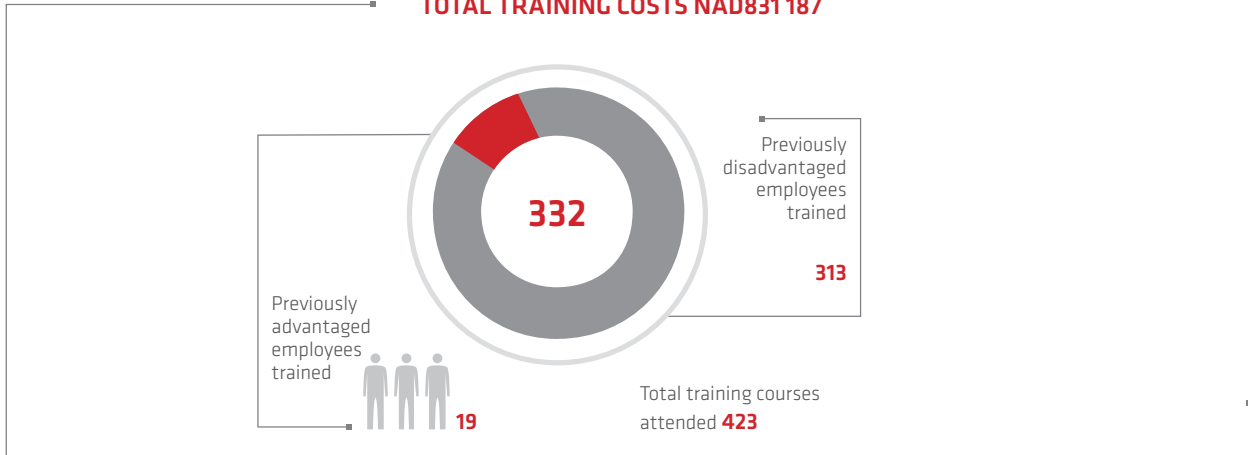
The group places a strong emphasis on internal culture, leadership and skills development and training. Ongoing training needs analysis and performance management measures are in place to ensure and manage sustainable performance of employees. Training needs are identified within the units and in consultation with the HR department and management. All employees can explore skills and career development opportunities through the performance management process.

In both Namibia and South Africa training levies are paid to the respective government ministries based on a percentage of payroll cost. These levies are designed to subsidise

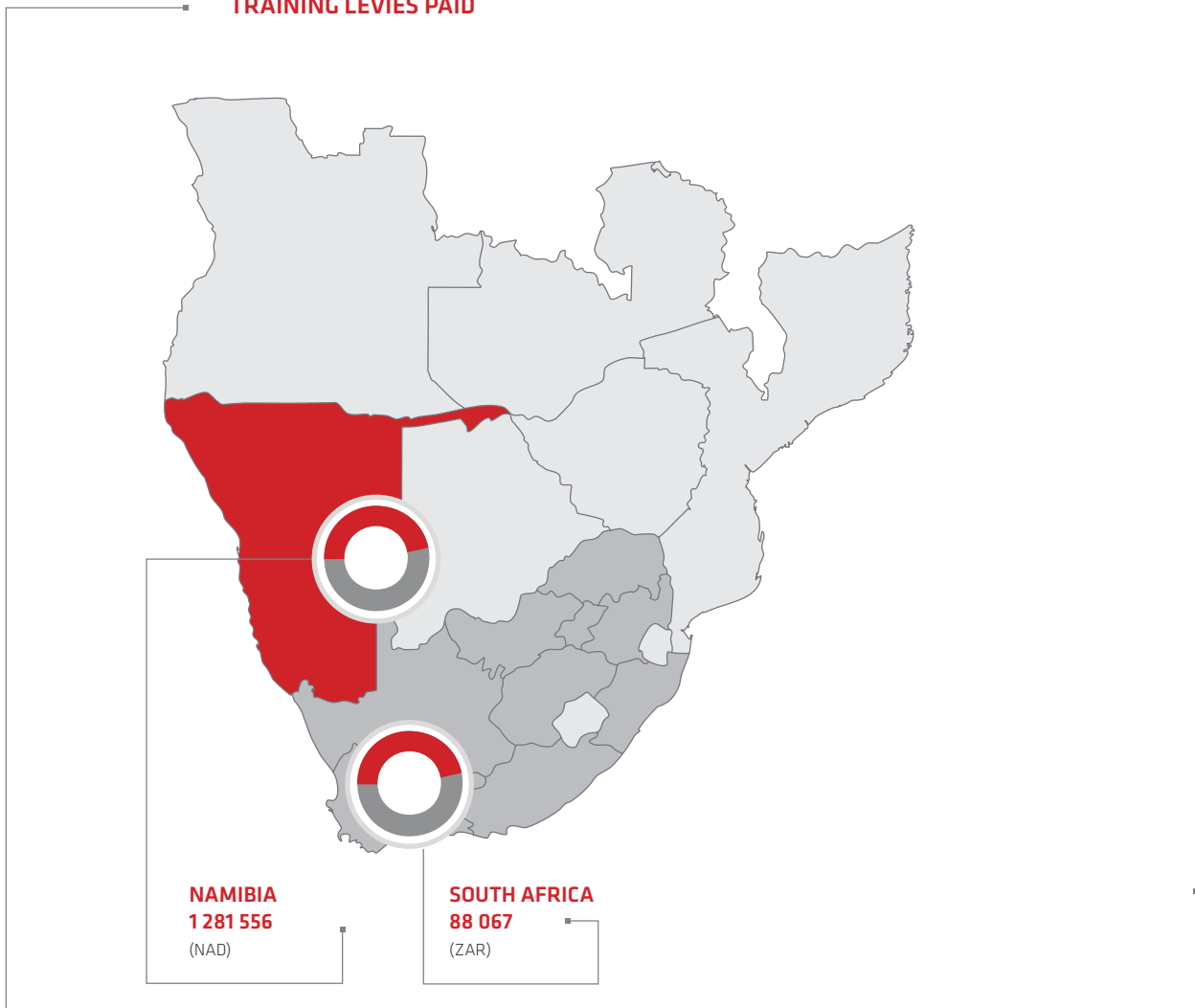
and provide skills training and to expand knowledge and competencies to provide a more skilled and productive workforce in the respective countries.

The group is committed to creating opportunities and developing the skills of employees outside the scope of their normal positions within the company. To that effect the company has a policy allowing employees, either individually or as a group, to apply for additional workload resulting from a vacant position. This in effect means that the employee or employees may take up the responsibilities of a vacant position, if their workload allows it, within a department and may receive a workload allowance of up to 50% of the estimated salary of that position.

TOTAL TRAINING COSTS NAD831 187



TRAINING LEVIES PAID



LOOKING AHEAD

The group will

- continue to focus on paying remuneration that is competitive to attract, motivate and retain top performers who deliver sustainable results;
- strengthen its succession coverage and broaden the diversity of its potential successors list;
- continue to enhance HR systems and process effectiveness; and
- to leverage HR analytics to enhance employee productivity engagement.

REMUNERATION REPORT CONTINUED

BOARD REMUNERATION 2016

	Fees	Basic	Bonus	Shares	Benefits	Total
HOLDING COMPANY DIRECTORS						
Non-executive directors						
Adv R Heathcote	529 966					529 966
R Taljaard	286 659					286 659
W Geysler	311 892					311 892
J Mahlangu	220 957					220 957
	1 349 474	-	-		-	1 349 474
Executive directors						
Dr Q van Rooyen *		-	-	-	-	-
FJ Abrahams		1 340 832	234 436	40 000	106 892	1 722 160
R McDougall		2 113 662	-	40 000	157 505	2 311 167
		3 454 494	234 436	80 000	264 397	4 033 327
SUBSIDIARY COMPANY DIRECTORS						
Non-executive directors						
W Geysler	464 396					464 396
R Taljaard	218 351					218 351
T Newton	262 117					262 117
NJ Tshitayi	124 486					124 486
B Similo	117 716					117 716
	1 187 066	-	-	-	-	1 187 066
Executive directors						
QZ van Rooyen*						
J Jones Resigned: 16 March 2016		1 292 684	159 936	-	105 047	1 557 666
E Janse van Rensburg		1 201 810	-	40 000	95 944	1 337 754
A Lambert		738 888	36 750	176 750	52 388	1 004 776
I Calitz		522 752	19 015	119 015	41 023	701 804
B Kandetu Resigned: 15 July 2015		121 010	-	-	2 534	123 544
		3 877 144	215 701	335 765	296 936	4 725 546
	2 536 540	7 331 638	450 137	415 765	561 333	11 295 413

* Refer to note 26 in the Annual Financial Statements