



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 impart 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 long 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 recognises that lasting growth is what ultimately builds shareholder value and therefore the remuneration philosophy is used as a management tool that, when aligned with an effective communication plan, is designed to support, reinforce and align our values, business strategy, operational and financial needs with a goal of growth, profitability and ultimately the creation of wealth for all involved in the group.

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 participates in and makes use of several industry related 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's basic minimum monthly salary was increased from NAD 3 000 to NAD 3 500 per month for a 40 hour work week, during the reporting period, across all employee levels and
- commission on sales performance for monthly sales targets.

VARIABLE REMUNERATION:

- short term cash incentives on quarterly extra ordinary sales targets
- quarterly short term cash incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with set board approved financial, budget and other targets

- quarterly long term equity incentives, in terms of the approved Group Performance and Retention Incentive Scheme for all segments, with set board approved financial, budget and other targets
- long service appreciation awards at five year intervals
- company equity gift to the value of NAD 50 000 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 and
- cell phone benefits to specialised employees.

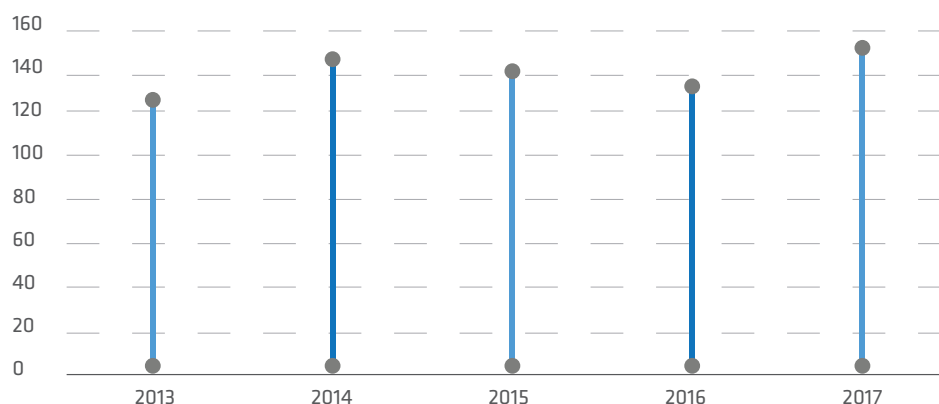
Trustco performance and retention incentive scheme

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.

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

GROUP REMUNERATION COMPARATIVES FOR THE PAST 5 YEARS

(NAD million)



EMPLOYEE WELLNESS

The group remains committed to the continuous investment in the wellbeing 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” (hangover) leave
- a corporate wellness programme with additional benefits, including free daily staff 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 behaviour 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 wellbeing of its employees. With more stress comes an increased likelihood of becoming ill. As part of the wellness programme the company provides an annual exercise programme with external service providers. Fitness sessions are held twice a week for 3 (three) months, after which employees are encouraged to continue in their own time. The company also engages service providers which give employees access to health screenings, counselling and nurse consultations. The company also has a policy that allows middle to senior management to have extended lunch or break time for the purposes of physical fitness exercises.

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.



HEALTH AND SAFETY

The group values, provides support and protects the health and safety of its employees. The occupational health and safety management programme and system across the group and its segments is aligned with and operated and maintained according to the local regulatory and legislative requirements.

TRUSTCO TOP 40

The Trustco Top 40 Policy was implemented in the previous reporting period, 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 staff 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 review, nomination and election process by all employees in the group.

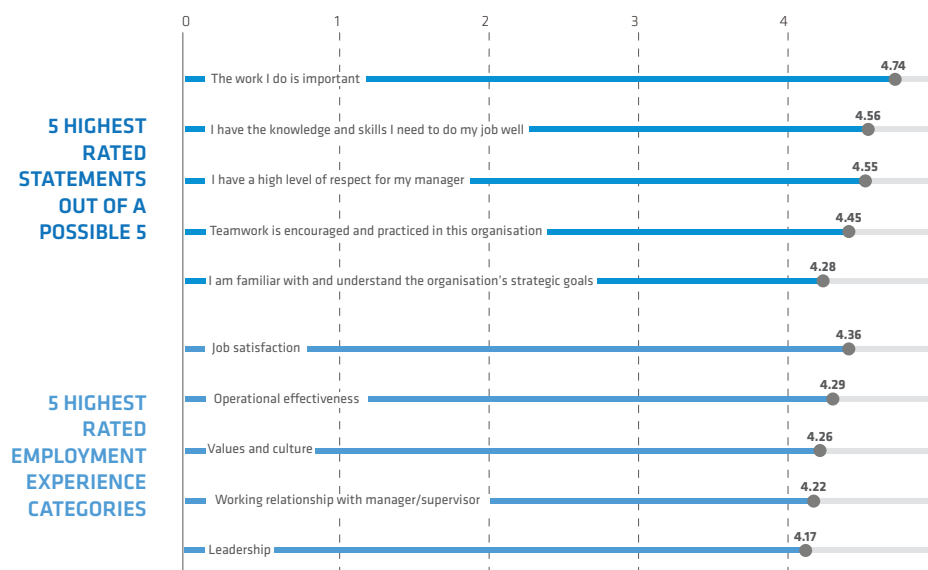
Top 40 benefits include:

- company shares to the value of NAD 40 000
- access to a company pool vehicle
- an annual allowance of NAD 40 000 per Top 40 employee for the sole purpose of international travel to attend an international conference
- additional ten (10) days annual leave to be used in conjunction with the credit card allowance for the purpose of international travel only
- any bonus paid out to a Top 40 member during the term is increased by 40%
- flexi time and
- a smart phone with a credit limit of NAD 2 000 per month.

EMPLOYEE ENGAGEMENT

In 2016 Trustco group participated for the third time in Deloitte's annual "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 and 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, for the second year in a row, Trustco was awarded 1st place in Namibia as the most desirable 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 company, Deloitte, to measure the degree of alignment between management and the employees. The company achieved an overall score of 4.09 out of a possible 5 in the survey. An improvement on the overall score of 3.99 in the previous reporting period.



SUMMARY OF EMPLOYEE WELLNESS

Clinic visits

1 290Vaccinations
(Measles & Rubella)**253**

Flu vaccinations

97

Blood donations

99**297**
possible
lives saved

Hospital cover paid out

300 000

(NAD)

Maternity related hospital claims

200 000

(NAD)

**114 367**meals served at a
cost of**3 607 679**
(NAD)**27**sabbatical leave periods
granted at a cost of**1 562 676**
(NAD)**97**employees participated
in company organised
exercise programmes at
a cost of**77 185**
(NAD)

Trustco's rival teams, the Cops and Crooks



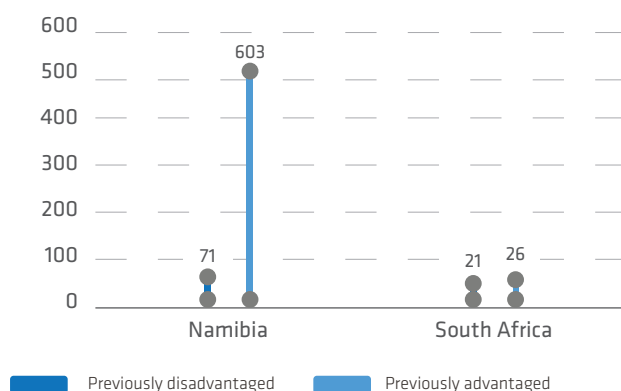
DIVERSITY AND INCLUSION

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

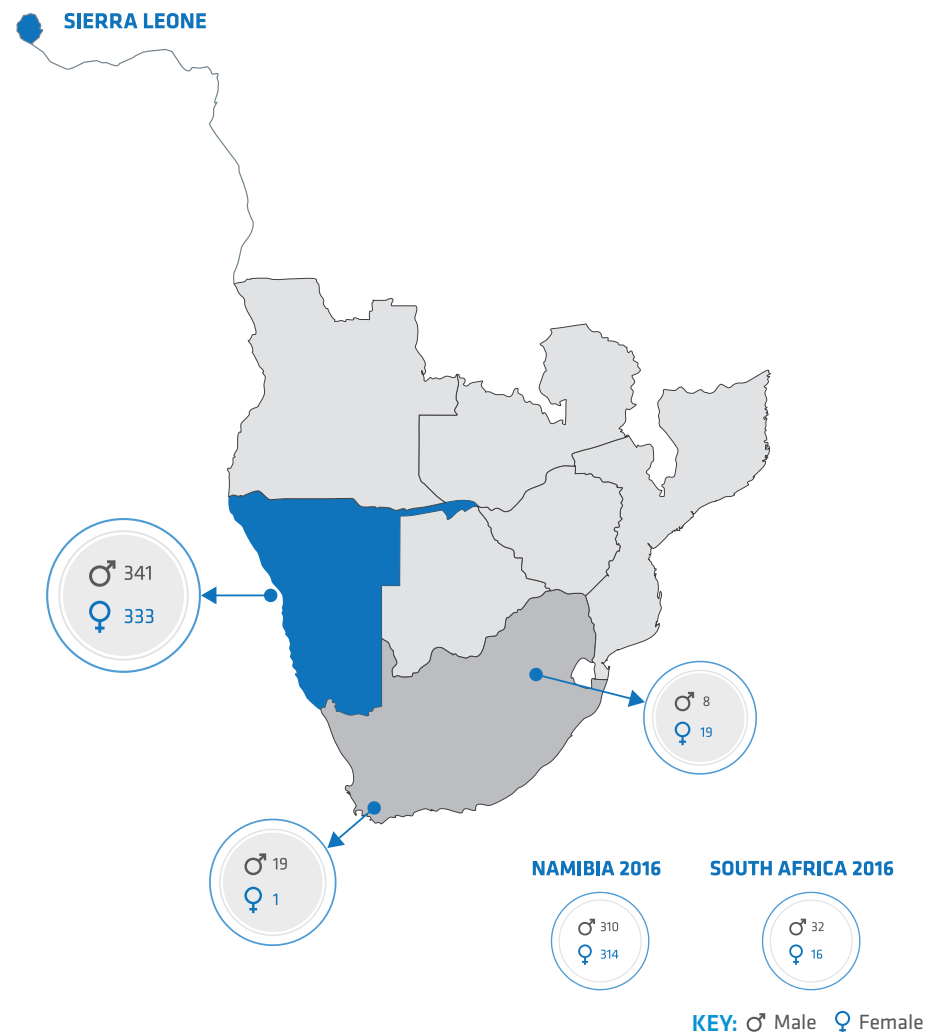
EMPLOYMENT EQUITY

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 country demographics in respect of race and gender. The group values its employees and recognises their intellectual value and commitment as an important component to the success of the group. The group has a goal to create and sustain an environment of diversity as its competitive advantage for the future. During the year under review the group was issued its compliance certificates from the Employment Equity Commission in Namibia and South Africa.

EMPLOYMENT EQUITY WORKFORCE PROFILE

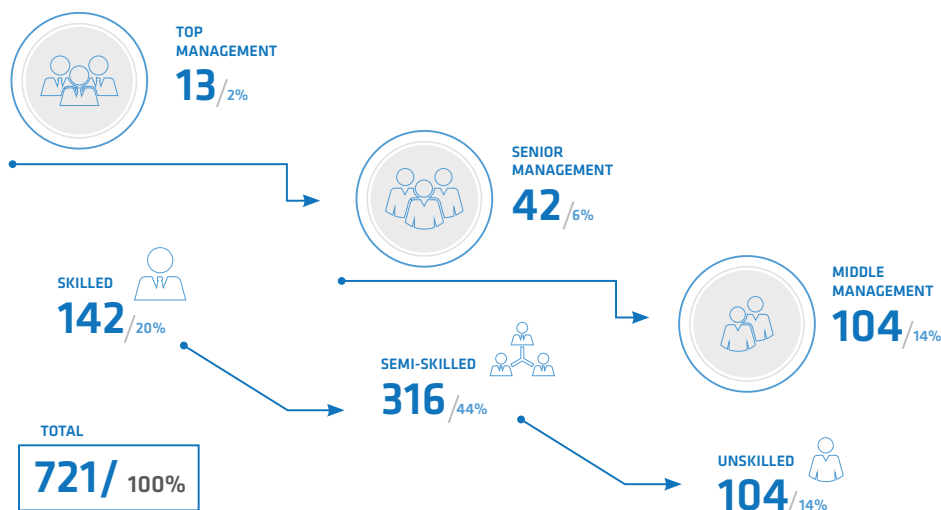


WORKFORCE STATISTICS ACCORDING TO GENDER (AS AT MARCH 2017)



Workforce statistics for Meya mining will be included in the next reporting period, effective 1 April 2017, and statistics for Huso Investments will be reported on and included as from the date the Huso transaction is perfected. The envisaged combined number of employees for the resources segment, including Meya mining and Huso, will be approximately 450 employees.

WORKFORCE PROFILE



TOP 3 SALARY EARNERS

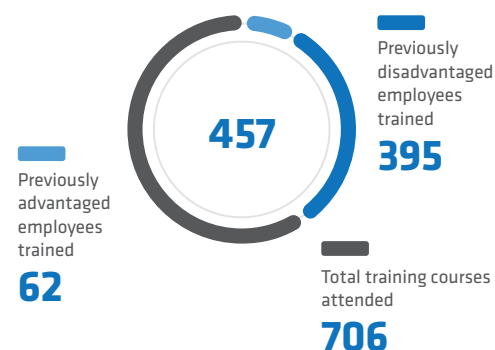
EMPLOYEE (MONTHLY EARNINGS)	2017 NAD	2016 NAD	% CHANGE
Employee 1	262 782	191 309	37
Employee 2	206 068	189 231	9
Employee 3	185 760	142 542	30

TRAINING AND DEVELOPMENT

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

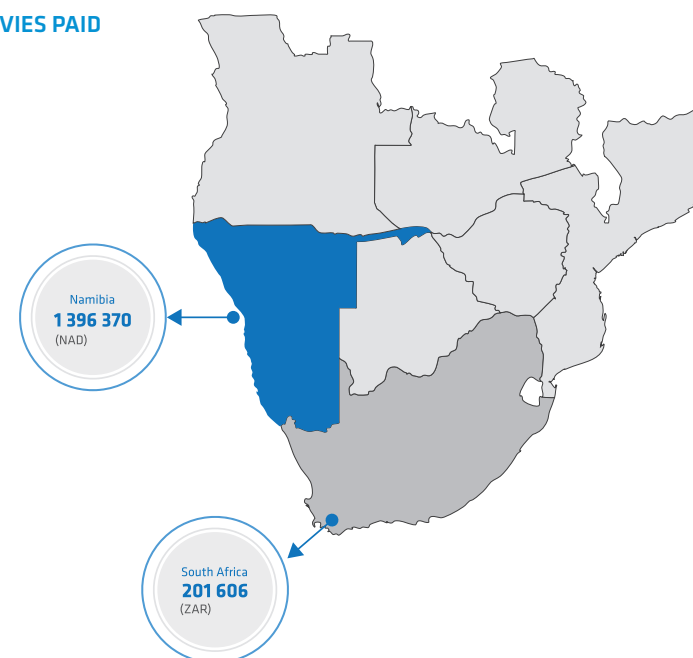
In both Namibia and South Africa training levies are paid to the respective government institutions based on a percentage of payroll cost. These levies are designed to subsidize and provide skills training and to expand knowledge and competencies to provide a more skilled and productive workforce in each respective country.

TOTAL EMPLOYEES TRAINED



TOTAL TRAINING COSTS
NAD 2 030 270

TRAINING LEVIES PAID





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 will receive a workload allowance of up to 50% of the estimated salary of that position.

The group is also committed to ensuring that a sound balance remains between experience, which is crucial to the operations of the group, and opportunities for younger employees. The group is also takes into consideration that the average life expectancy of individuals is increasing locally and globally. It is therefore the policy of the group that the compulsory retirement age for all employees is 60 years, but may be extended beyond the age of 60 up to a maximum age of 70 years.

BOARD REMUNERATION 2016

(NAD)

	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 Geyser	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 Geyser	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
TOTAL	2 536 540	7 331 638	450 137	415 765	561 333	11 295 413

* Refer to note 26 in the annual financial statements of 2016

LOOKING AHEAD

The group will:

- maintain objectives set for talent development, succession planning and organisational development to ensure sustainable growth as well as to remain the best employer to work for
- continue to identify opportunities to improve people management as well as optimise best practices to ensure employee productivity with optimum employee morale
- continue to focus on paying remuneration packages that are 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 and
- continue to enhance HR systems and process effectiveness to leverage HR analytics to enhance employee productivity and engagement.

BOARD REMUNERATION 2017

(NAD)

	Fees	Basic	Bonus	Shares	Benefits	Total
HOLDING COMPANY DIRECTORS						
Non-executive directors						
Adv R Heathcote	516 459	-	-	-	-	516 459
R Taljaard	273 275	-	-	-	-	273 275
W Geyser	260 667	-	-	-	-	260 667
J Mahlangu	178 743	-	-	-	-	178 743
	1 229 144	-	-	-	-	1 229 144
Executive directors						
Dr Q van Rooyen **	-	-	-	-	-	-
FJ Abrahams*	-	1 801 200	234 436	40 000	532 402	2 608 038
R McDougall (Resigned 31 December 2016)	-	1 598 716	-	-	89 835	1 688 551
M van Niekerk (Resigned 5 April 2017)	-	878 763	-	-	62 580	941 343
	-	4 278 679	234 436	40 000	684 817	5 237 932
SUBSIDIARY COMPANY DIRECTORS						
Non-executive directors						
W Geyser	525 731	-	-	-	-	525 731
R Taljaard	255 082	-	-	-	-	255 082
T Newton	260 352	-	-	-	-	260 352
NJ Tshitayi	127 541	-	-	-	-	127 541
B Similo	119 162	-	-	-	-	119 162
	1 287 868	-	-	-	-	1 287 868
Executive directors						
E Janse van Rensburg*	-	1 276 421	224 263	40 000	302 016	1 842 700
A Lambert*	-	781 948	177 778	40 000	173 410	1 173 136
I Calitz	-	721 200	-	80 000	50 952	852 152
K Fick	-	1 276 937	-	-	972	1 277 909
	-	4 056 506	402 041	160 000	527 350	5 145 897
TOTAL	2 517 012	8 335 185	636 477	200 000	1 212 167	12 900 841

* Benefits include sabbatical leave payout

** Dr Q van Rooyen is remunerated in terms of a management agreement between Trustco and Next Investments (Pty) Ltd, of which Dr Q van Rooyen, is the sole shareholder.

In terms of the management agreement, a management fee is paid quarterly to Next Investments (Pty) Ltd (Next) as follows:

- 0.5% of the turnover of the group;
- 1% of the headline earnings of the group; and
- 1% of the basic earnings of the group.

QZ van Rooyen, the deputy CEO, is remunerated by Next.

If targets are not met, the management fee is halved, whilst, if growth exceeds inflation plus 5%, then the management charge is doubled. Inflation in Namibia was recorded at a 7% year on year growth on 31 March 2017.

Should the MD be required to pledge certain personal assets as surety for agreements entered into by the group, the company pays the MD a guarantee fee of 2% per annum on the value of assets pledged. The fee is calculated quarterly. For more information refer to note 25 of the annual financial statements of 2017.



Staff social event