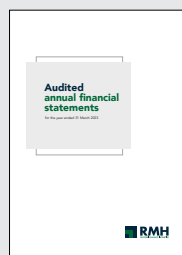


# Integrated report

for the year ended 31 March 2023

# About this report

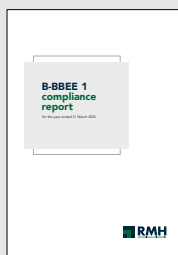
The following reports are available online:



Our annual financial statements (including the external auditor's unmodified report and the report of the audit and risk committee)



Our abridged results announcement and notice of AGM



B-BBEE 1, our broad-based black economic empowerment (B-BBEE) compliance report

## Scope

This integrated report of RMB Holdings Limited (RMH) for the year ended 31 March 2023 was prepared for all RMH's stakeholders, including existing and potential shareholders. Stakeholders provide RMH with a variety of capitals: financial, human, intellectual, social, relationship and natural capital.

The report contains comprehensive information about RMH's financial performance, stakeholders, governance, material issues, risks and opportunities and how these influence RMH's strategy.

## Frameworks used

The report is compiled and presented in accordance with the:

- Companies Act of South Africa, 71 of 2008 (Companies Act);
- International Financial Reporting Standards (IFRS);
- International Integrated Reporting Framework (<IR> Framework) of the IFRS Foundation;
- JSE Limited Listings Requirements (JSE Listings Requirements);
- King IV Report on Corporate Governance for South Africa, 2016 (King IV); and the
- United Nations Sustainable Development Goals (SDGs).

## Materiality

The most material issues, being those which have the potential to substantially impact RMH's ability to create and sustain value for its stakeholders, are discussed. Management is not aware of the unavailability of any reliable information or any legal prohibitions to disclosing any material information.

This report focuses on reporting material aspects under the control of RMH which can significantly impact capital resources and financial performance or could lead to significant reputational damage or negatively impact RMH's position as a responsible corporate citizen.

## Assurance

Assurance was received from RMH's external auditor, Deloitte & Touche, on the fair presentation of the financial statements.

Summary financial statements are included on pages 56 to 64.

The external auditor also read the integrated report and considered whether any information is materially inconsistent with the audited financial statements or their knowledge obtained during the course of their audit or otherwise appears to be materially misstated. No such misstatement was reported.

The audit and risk committee had oversight over the preparation of the integrated report and recommended it for board approval.

## Forward-looking information

Certain statements in this integrated report may be regarded as forward-looking statements or forecasts but do not represent an earnings forecast. All forward-looking statements are based solely on the views and considerations of the directors. Those statements have not been reviewed and reported on by the external auditor.

## Responsibility

The board is ultimately responsible for this report. The board acknowledges its responsibility to ensure that this report enables stakeholders to make an informed assessment of the performance and the short-, medium- and long-term prospects of RMH. Some information, however, remains the opinion of the board and stakeholders are encouraged to seek independent advice before an investment decision is made.

The financial director, Ellen Marais CA(SA), prepared this report; the chief executive officer (CEO), Brian Roberts BCom (Hons), supervised the preparation; and management convened and contracted the relevant skills and experience to undertake the reporting process and provided management oversight.

## Basis of preparation

This report covers the summary financial results of RMH, extracted from the audited annual financial statements, for the year ended 31 March 2023.

The summary financial results for the year ended 31 March 2023 have not been audited by Deloitte & Touche.

## Approval

The board, after consultation with the audit and risk committee, concluded that this report is presented in accordance with the <IR> Framework and approved it for publication.



**Herman Bosman**  
*Acting chairman*



**Brian Roberts**  
*CEO*



**Ellen Marais**  
*Financial director*



**Sonja De Bruyn**  
*Independent non-executive director*



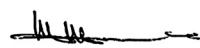
**Per Lagerström**  
*Independent non-executive director*



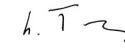
**Udo Lucht**  
*Non-executive director*



**Mamongae Mahlare**  
*Independent non-executive director*




**Murphy Morobe**  
*Independent non-executive director*



**James Teeger**  
*Independent non-executive director*

**Johannesburg**  
27 July 2023

## Navigation within this report

 Directs readers to the page in the integrated report with supplementary information.

# Contents

3

## About RMH

- 4 Who we are
- 5 The evolution of RMH
- 6 What we do
- 7 Value created and monetised
- 8 Our business model for monetising value
- 10 What is material for our stakeholders
- 11 Our material matters

12

## Performance and outlook

- 13 Chairman's statement
- 14 Performance matrix
- 15 Chief executive officer's review

18

## Portfolio review

- 20 Atterbury Property Holdings
- 21 Integer Properties
- 22 Divercity Urban Property Fund

23

## Environmental, social and corporate governance

- 24 RMH's sustainability framework
- 27 Risk management
- 29 Social, ethics and transformation report
- 30 Governance
- 34 Directors
- 36 King IV
- 39 Remuneration report

56

## Summary consolidated financial statements

- 57 Directors' responsibility statement
- 58 Summary consolidated statement of financial position
- 58 Summary consolidated statement of profit or loss and other comprehensive income
- 59 Summary consolidated statement of changes in equity
- 60 Computation of headline earnings
- 60 Computation of per share information
- 60 Summary consolidated statement of cash flows
- 61 Other audited disclosures

65

## Shareholder information

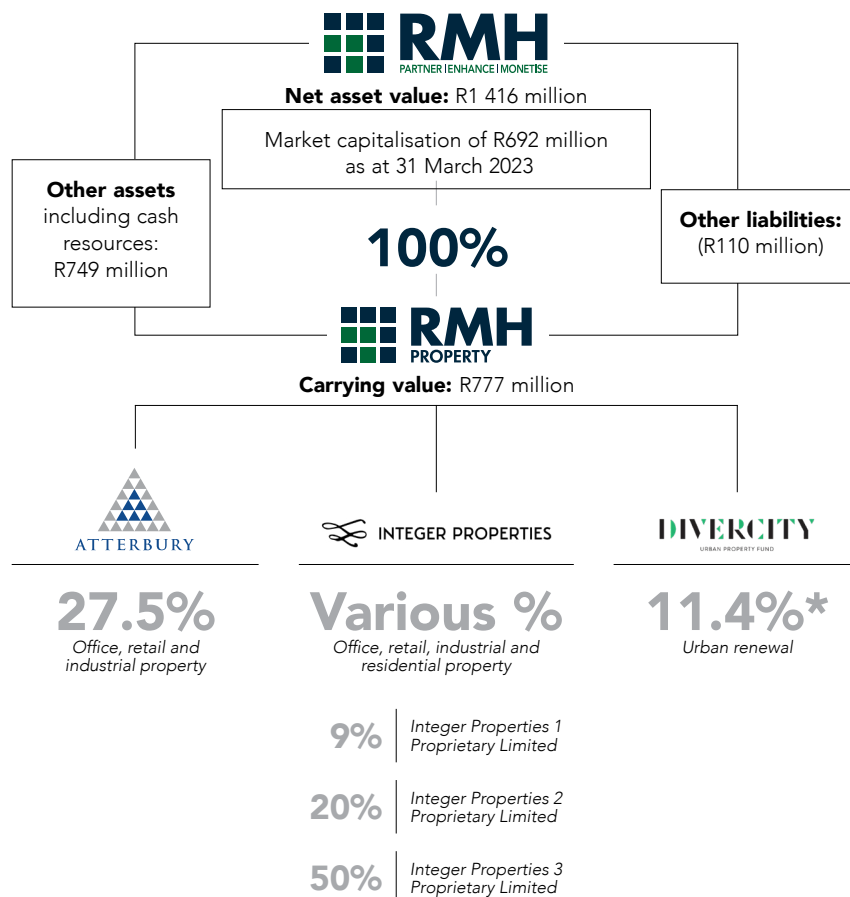
- 66 Shareholding
- 67 Performance on the JSE Limited
- 67 Shareholders' diary
- 68 Administration

# 3

## About RMH

- 4 Who we are
- 5 The evolution of RMH
- 6 What we do
- 7 Value created and monetised
- 8 Our business model for monetising value
- 10 What is material for our stakeholders
- 11 Our material matters

## Who we are



	Atterbury	Integer	Divercity	RMH Property
<b>Date acquired</b>	July 2016	December 2016 and September 2018	October 2018	July 2016
<b>Cost of equity (R million)</b>	<b>484</b> <small>(2022:484)</small>	<b>32</b> <small>(2022:32)</small>	<b>157</b> <small>(2022:157)</small>	
<b>Contributions to RMH Property (%)</b>	<b>61</b>	<b>26</b>	<b>13</b>	<b>100</b>
<b>Carrying value, including loans (R million)</b>	<b>476</b> <small>(2022: 434)</small>	<b>204</b> <small>(2022: 173)</small>	<b>97</b> <small>(2022: 111)</small>	<b>777</b> <small>(2022: 718)</small>
<b>Change in carrying value, including loans (%)</b>	<b>10</b>	<b>18</b>	<b>(13)</b>	<b>8</b>

\* RMH Property's interest in Divercity is treated as a fair value investment rather than as an investment in an associate.

# The evolution of RMH

RMH is an investment holding company with a long history of shareholder value creation.

The strategy of being a long-term shareholder in various financial services businesses has delivered substantial value to shareholders: An RMH shareholder, who subscribed for 100 shares at listing in 1992 at a cost of R155, would now own the following at the closing price of 25 July 2023:

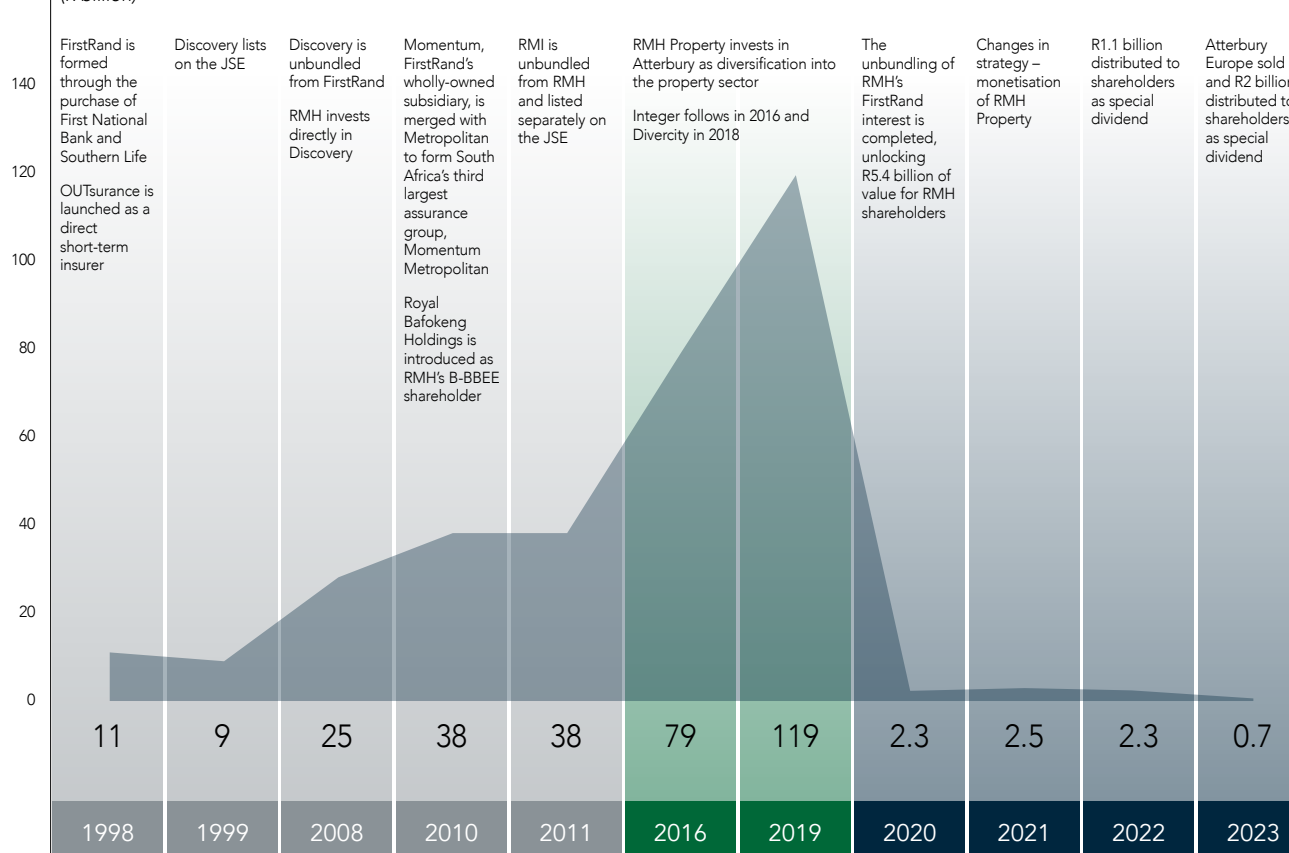
Rand	As at 25 July 2023
100 RMH shares	49
131 FirstRand shares	9 296
11 Discovery shares	1 680
26 Momentum Metropolitan shares	483
100 OUTsurance Group Limited shares	3 794
<b>Total</b>	<b>15 302</b>

This translates into an internal rate of return of 16% per annum. In addition, shareholders received substantial ordinary and special cash dividends over the past 31 years.

Rand Consolidated Investments (RCI) founded by GT Ferreira, Laurie Dippenaar and Paul Harris	RMH is formed in a merger of RCI with Rand Bank, headed by Johann Rupert	RMH is registered as a bank-controlling company	Momentum is acquired Discovery is formally launched	RMH is listed on the JSE in November 1992
1977	1985	1987	1992	1993

## Market capitalisation

(R billion)



Building financial services businesses, including FirstRand, Discovery, OUTsurance and Momentum Metropolitan

Investment in property business

Unbundling of interest in FirstRand and monetisation strategy

## What we do

RMH is a listed investment holding company with a stated strategy of monetisation. After the unbundling of RMH's last financial services investment, its 34% interest in FirstRand Limited in June 2020, the most significant asset remaining in RMH is its investment in RMH Property.

As communicated to shareholders in June 2020, RMH is executing an orderly monetisation of the assets in its portfolio. In line with this strategy, RMH has:

- Paid a special dividend of R1.1 billion to shareholders on 10 May 2021.

- Disposed of its equity interest in Atterbury Europe to Brightbridge Real Estate Limited (Brightbridge) on 7 September 2022.
- The disposal, at 82% of the IFRS carrying value, delivered a nominal rate of return of 23% over the life of the investment.
- The disposal resulted in an IFRS accounting loss of R589 million.
- The disposal of Atterbury Europe delivered a profit based on cost price of R1 076 million.

- Paid a special dividend of R2 billion on 10 October 2022.

To date, RMH has realised 63% of the RMH net asset value when the change in strategy was announced. Management continues to explore opportunities to monetise the remaining assets in the portfolio in a manner that best promotes value creation for its shareholders. RMH's IFRS net asset value is not reflective of the June 2020 change in strategy (designed in close consultation with RMH shareholders owning more than 50% of RMH), namely moving from being a patient long-term strategic shareholder extracting value through a constant dividend yield to being an investment holding company with a definitive three-to-five-year period of monetising the underlying investments. Minority and illiquidity discounts are widely-accepted investment principles, investors should bear this in mind when making investment decisions. RMH's share price on 31 March 2023 of 49 cents (31 March 2022: 162 cents) is 50% (2022: 58%) of the IFRS net asset value per share of 100.3 cents per share as at 31 March 2023 (2022: 277 cents per share). This is not out of the ordinary compared to other listed property entities with a range of discounts to net asset value from 42% to 61%.

In relation to RMH Property and its remaining investee companies, RMH will continue, as guided by its strategy, to execute its role as a supportive, committed and enabling shareholder.

RMH's ordinary dividend policy is to pay no dividends, distributions will only be made as assets are monetised.

## Value created and monetised

for the year ended 31 March 2023

### Market capitalisation

R MILLION

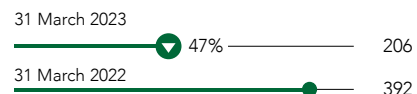
692



### Liquidity

R MILLION

206



### Net asset value per share

CENTS

100.3



### RMH Property carrying value (excluding Atterbury Europe)

R MILLION

777



### Share of after-tax profits of associates and joint ventures (excluding Atterbury Europe)

R MILLION

45



### Net income (excluding Atterbury Europe)

R MILLION

66

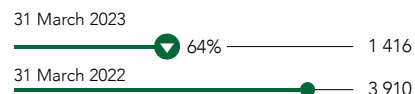


## ASSET VALUE MONETISED

### Net asset value

R MILLION

1 416



### Special dividend during the year

R MILLION

1 974



### % of net asset value monetised since 31 March 2021






%

63



## Our business model for monetising value

RMH uses the resources and expertise at its disposal to maximise return for stakeholders within its stated strategy of monetisation over the shortest period of time within the limits of macroeconomic conditions and the level of influence over underlying investee companies:

Capitals	Provider of capital	Inputs		
 <p>FINANCIAL</p>	Shareholders and underlying investee companies	Net asset value of <b>R1.4 billion</b>	Liquidity of <b>R206 million</b>	Estimated monetisation period of <b>three years</b>
 <p>HUMAN</p>	Board of directors and employees	<b>Seven</b> non-executive directors	<b>Two</b> executive directors	
 <p>INTELLECTUAL</p>	Board of directors, advisors and employees	<b>Chairman</b> with <b>extensive</b> corporate finance experience	<b>CEO</b> with more than <b>25 years</b> of property industry experience	<b>Strong</b> transactional and entrepreneurial <b>skills</b>
 <p>SOCIAL AND RELATIONSHIP</p>	The wider community and stakeholders	<b>Value-driven</b> governance model		
 <p>NATURAL</p>	The natural environment with limited resources	<b>Lean</b> operational structure	<b>Understanding</b> the <b>impact</b> of the underlying investees' environmental impact	

Our business model for returning value

## Business activities

RMH is actively executing its strategy of monetising its portfolio.

RMH manages the underlying portfolio companies on a decentralised basis (and in separate legal entities) and is not involved in the day-to-day management.

RMH management is empowered to execute the stated strategy of monetisation. This entails:

- Being an influential, actively involved and stable shareholder while seeking monetisation opportunities;
- Providing a strategic roadmap in partnering with management of the underlying investee companies to execute the stated monetisation strategy while protecting their net asset value;
- Creating a filter and environment through which to assess monetisation opportunities presented;
- Capital structure optimisation and efficiency of capital allocation at investee level; and
- Managerial oversight, financial reporting, investor engagement and positioning.

RMH is represented on the boards and relevant governance forums to ensure that portfolio companies adhere to the highest standards of corporate governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships and sustainability.

## Outputs and outcomes

- **Market capitalisation** of R692 million
- 63% of net asset value monetised in the form of a **special dividend** of R2 billion in the current year and R1.1 billion in the prior year

- **Nurturing the established owner-manager culture**
- **Supportive employer**

- **Stimulating environment**
- **Knowledge sharing**

- Reputation of **ethical values** and integrity
- In line with monetisation strategy and within limitation of a holding company structure to maximise return of committed spend of R225 000 per annum

- Maintaining **small carbon footprint**
- **Challenge investees** to reduce carbon footprint

## Key performance indicators

- **Total shareholders' return** since the unbundling of FirstRand of 54%, with the one-year return of 6.6%

- **Performance management** results


- **Performance management** results

- **B-BBEE** status reduced to non-compliant as a result of reducing B-BBEE spend in line with the commitment to cost containment
- **RMH** achieved the sub-minimum requirement for preferential procurement
- **Maximising points** available to RMH within its limits as an investment holding company with limited operations

## What is material for our stakeholders

To return value for RMH and its stakeholders, we engage on the issues that are material to each stakeholder.

RMH strives to have meaningful, timely and open communication with its key stakeholders, based on its accountability and integrity. All engagements are within the stated strategy of monetisation.

Key stakeholder	Their material requirements	RMH interaction and strategic response	Value created and delivered
Shareholders and analysts	<ul style="list-style-type: none"> <li>■ Clear strategy</li> <li>■ Solid operational performance, irrespective of volatility in macroeconomic environment</li> <li>■ Delivering on stated strategy of monetisation</li> <li>■ Reflection of underlying portfolio value in RMH's share price</li> </ul>	<p>RMH communicates with shareholders through SENS and when it announces interim and year-end results. This is accompanied by comprehensive reports, which are distributed to all shareholders.</p> <p> <i>RMH's interim and final results announcements are accessible on the company's website, <a href="http://www.rmh.co.za">www.rmh.co.za</a></i></p> <p>Management meets with investors and investment analysts from time to time.</p>	Total shareholder returns and net asset value monetised
Tenants	<ul style="list-style-type: none"> <li>■ Trust</li> <li>■ Quality</li> <li>■ Low carbon impact</li> <li>■ Affordability</li> </ul>	Our investees aim to provide superior service to enable tenants with the necessary physical space to achieve their ambitions.	Satisfied tenants, who trust the investees and who contribute to economic growth
Suppliers	<ul style="list-style-type: none"> <li>■ Fair treatment</li> <li>■ B-BBEE</li> </ul>	The group and its investees subscribe to fair practices.	Reliable and empowered suppliers
Media	<ul style="list-style-type: none"> <li>■ Transparent performance reporting</li> </ul>	Engagement with the media is open, honest and based on facts.	Building trust
Communities	<ul style="list-style-type: none"> <li>■ Mutually beneficial relationship</li> </ul>	Our investees are committed to uplifting the societies in which they operate by following sound employment practices and meeting the real needs of the communities.	No harm done Reinforcing the importance of open and honest values
Government and regulatory bodies	<ul style="list-style-type: none"> <li>■ Open and honest relationship and communication</li> <li>■ Adherence to laws</li> </ul>	RMH engages with government and regulatory bodies in a transparent manner to ensure that South African industry practice remains among the best in the world and builds trust and confidence in society.	Leading by example

## Our material matters



The property sector in South Africa remains under pressure with demand for new and existing developments muted given the challenging macroeconomic environment.

As such, **Atterbury** continues to focus on its capital position and improving its loan to value ratio.



The **Integer Properties** portfolio is operationally cash neutral and no funding calls are expected.

Integer Properties continued to fully meet its funding obligations and there were no covenant breaches during the year.



The **Diversity** portfolio maintained its gearing levels with no covenant breaches during the year.

Management has identified the matters most likely to influence RMH's ability to deliver value in the short, medium and long term as:

- Settling the dispute with Atterbury (refer to page 17)
- Maintaining net asset value while assessing opportunities for monetisation
- Balancing the needs of stakeholders and investee companies
- Meeting our joint responsibility to the planet within acceptable shareholder returns.

12

# Performance and outlook

- 13 Chairman's statement
- 14 Performance matrix
- 15 Chief executive officer's review



## Chairman's statement

RMH management continued to consider various options to monetise assets in order to deliver maximum value to our various stakeholders within the limitations of the macroeconomic conditions.

### External environment

RMH's macroeconomic environment is characterised by the following:

#### Invasion of Ukraine and its effect on the world economy

Russia's invasion of Ukraine has resulted in extreme **commodity price swings** that continue to have a profound impact on the global economy.

Global **economic growth is expected to slow** in 2023, reflecting ripple effects of the war in Ukraine, as well as high inflation and interest rates.

#### South African economy

**Electricity supply shortages** have constrained South Africa's growth for several years, disrupting economic activity and increasing operating costs for businesses. It has also affected other infrastructure such as water, IT and service delivery (health and education).

South Africa's GDP growth has recovered to pre-pandemic levels. The **unemployment rate**, however, remains high.

**Socio-economic challenges** are further exacerbated by rising fuel and food prices.

**High interest rates and inflation** have brought the Rand under pressure.

**The greylisting of South Africa on 24 February 2023** further dampened much-needed foreign investment.

#### Climate change

Climate-related **weather events** and **cyberattacks** continue to be key risks.

Severe weather events are expected to become **more frequent and increase in severity** in the coming decade.

Momentum of climate change action and **ESG disclosures** are growing.

### Financial performance

The post-COVID-19 macroeconomic recovery has been slow. Further uncertainty has been introduced by Russia's invasion of Ukraine.

#### Nominal rate of return on disposal of Atterbury Europe

23%

#### RMH Property carrying value *(excluding Atterbury Europe)*

R MILLION

777  8%

31 March 2022: 718

#### Profit for the year *(excluding Atterbury Europe)*

R MILLION

66  4%

31 March 2022: 69

Chairman's statement (continued)

## Board changes

Following the restructure of the RMI portfolio, Herman Bosman stepped down as CEO and financial director of both RMI and RMH with effect from 1 December 2022. Herman remained on the RMH board as a non-executive director and was elected acting chairman effective 29 June 2023. Following his appointment as a non-executive director at the upcoming annual general meeting, he will officially be confirmed as the chairman of RMH.

Brian Roberts, the CEO of RMH Property, succeeded Herman as CEO with effect from 1 December 2022.

Ellen Marais, the previous company secretary and financial manager, relinquished those positions and assumed the responsibility as executive financial director with effect from 1 December 2022.

Sonja De Bruyn stepped down as chairman effective 29 June 2023 due to increased work and other commitments. Sonja remains on the board as an independent non-executive director and as a member of the audit and risk committee as well as the social, ethics and transformation committee. Sonja has been associated with RMH and the wider group of companies since 2005. The board thanks Sonja for her stewardship.

Murphy Morobe has retained the position as lead independent non-executive director.

## Outlook

The year under review has been a challenging one. The South African economy was impacted by load shedding, high unemployment, rising interest rates and increased inflation. All these factors had a negative impact on the post-pandemic economic recovery in South Africa and did not leave the property sector unscathed.

The board remains committed to the monetisation strategy of the balance of RMH Property, taking into account prevailing trading conditions and the resolution of the dispute with Atterbury (refer to page 17), which may have an impact on the timing of the execution of the monetisation strategy.

For and on behalf of the board



**Herman Bosman**  
Acting chairman

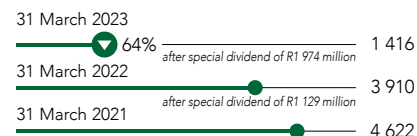
**Johannesburg**  
27 July 2023

## Performance matrix

### Equity

R MILLION

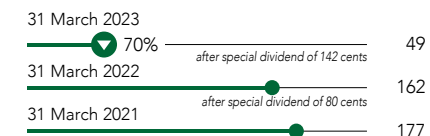
**1 416**



### Share price closing

CENTS PER SHARE

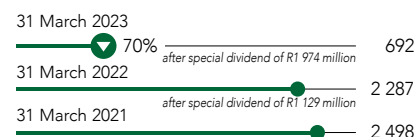
**49**



### Market capitalisation

R MILLION

**692**



### Volume of shares traded

MILLIONS

**1 721**





## Chief executive officer's review

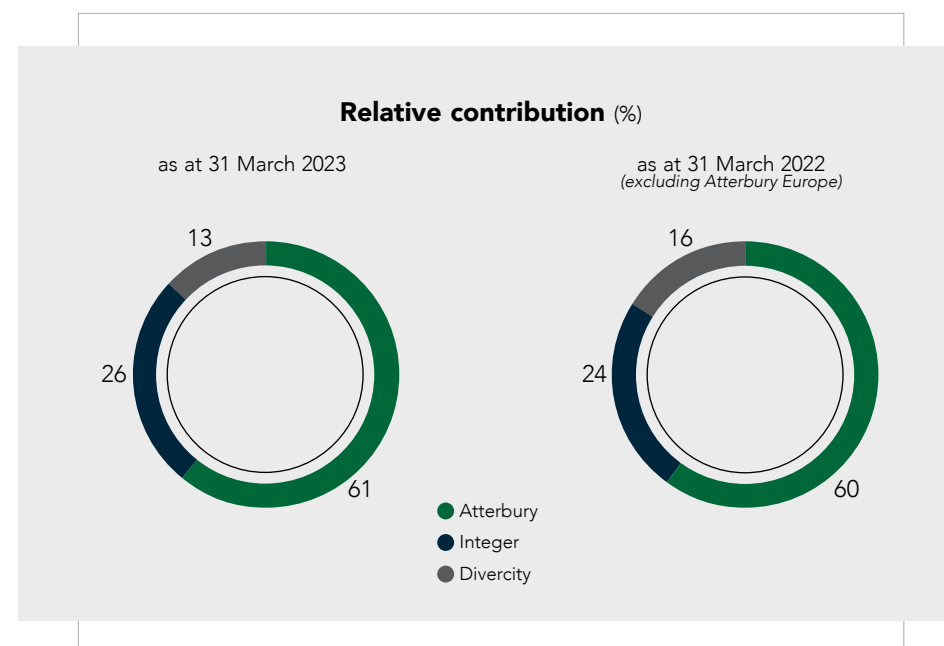
### Financial performance

RMH's decrease in net asset value to R1 416 million from R3 910 million as at 31 March 2022 was predominantly a result of the disposal of Atterbury Europe on 7 September 2022 and the decision by the board to increase the special dividend paid on 10 October 2022 by R250 million, decreasing the cash resources retained for the ongoing operating expenses and liabilities. The cash resources earmarked for ongoing RMH operating expenses and liabilities as at 31 March 2023 amounted to R206 million (2022: R392 million). This is in line with the stated strategy of monetisation and returning maximum value to shareholders while retaining prudent reserves.

Excluding the results of Atterbury Europe, RMH delivered an operating profit of R66 million for the year, compared to a profit of R69 million for the comparative year. This is mainly a result of:

- Higher interest rates, with increases in cash balances for a period of time delivering an increase in interest income of R17 million and fair value income of R13 million respectively;
- A decrease in the fair value of the Divercity and the Ascencia-linked preference shares, an increase in the expected credit loss recognised on the Integer loan and the reversal of the fair value of the financial guarantee contract which amounted to a net increase in the negative fair value movements of R11 million;
- The equity-accounted earnings of investments decreasing by R26 million;
- Operating expenses decreasing by R8 million due to an increase in the share-based payment liability in the prior period which did not repeat in the current period. A significant increase in legal cost of R9 million as a result of the ongoing litigation; and
- In line with the increase in interest income and fair value income, the tax expense increasing by R3 million.

The disposal of Atterbury Europe at 82% of IFRS carrying value on the disposal date delivered a nominal rate of return of 23% over the life of the investment.



The portfolio mix remains  
Atterbury-concentrated, with

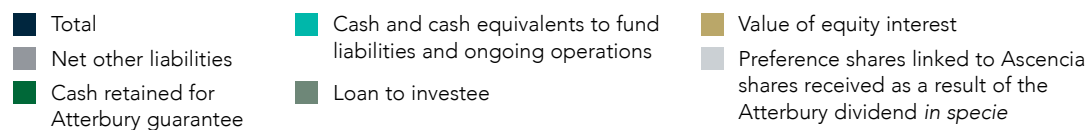
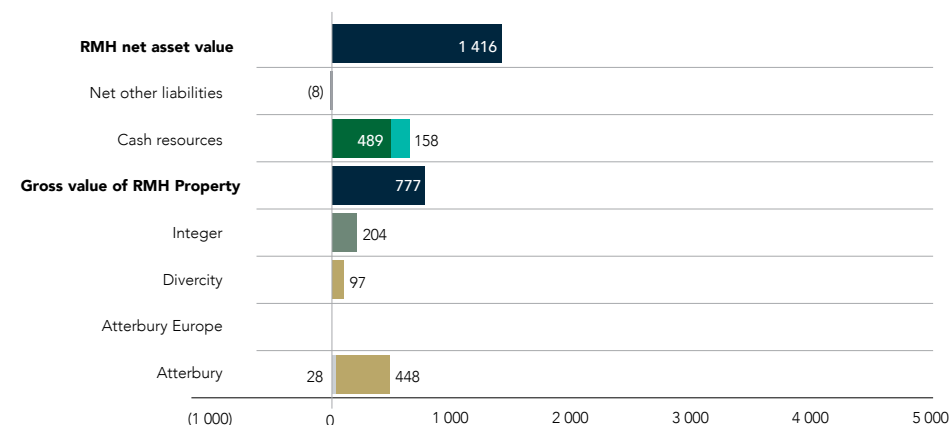
**61%**

of the portfolio mix comprising RMH  
Property's investment in Atterbury.

Chief executive officer's review (continued)

## Net asset value breakdown

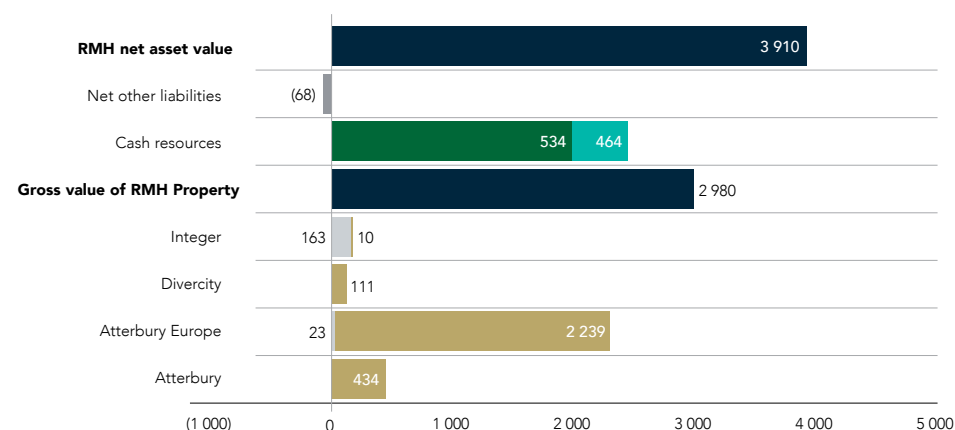
Net asset value breakdown  
as at 31 March 2023 (R million)



The net asset value decreased from R3 910 million to R1 416 million as a result of:

- The net operating results of income earned on cash resources less expenses paid;
- An accounting loss of R589 million on the sale of Atterbury Europe and the settlement of the operational loan for R1 750 million. The selling price of R1 750 million equated to 82% of the IFRS carrying value at the disposal date and resulted in the investment delivering a nominal rate of return of 23% over the life of the investment; and
- The return of the Atterbury Europe sale proceeds together with some of the cash earmarked for ongoing operations, resulting in a total of R1 974 million being paid as a special dividend to RMH shareholders on 10 October 2022; and

Net asset value breakdown  
as at 31 March 2022 (R million)



- An increase in the treasury share reserve as a result of the provision for the claim of dissenting shareholders (R51 million), forfeitable shares granted to the remaining employees as a result of the special dividend paid on 10 October 2022 (R16 million) and a negative fair value adjustment of R7 million on RMH shares previously bought and granted as forfeitable shares to employees. This was partially offset by a decrease in the share-based payment reserve of R3 million due to the structural changes of the Rand Merchant Investment Holdings Limited (RMI) portfolio restructure impacting RMH following the termination of the service level agreement.

Chief executive officer's review (continued)

## Update on Atterbury guarantee and cautionary announcement

RMH and its wholly-owned subsidiary, RMH Asset Holding Company Proprietary Limited (RMHAH), each of which provided a guarantee to Rand Merchant Bank, a division of FirstRand Bank Limited (RMB), as security for a loan RMB provided to Atterbury Property Holdings Property Limited, registration number 1998/014055/07 (Atterbury) in July 2016.

In terms of the loan facility agreement entered between RMB and Atterbury in July 2016 (the Facility Agreement), if Atterbury is reasonably of the opinion that it does not have 'sufficient cash resources' to repay the loan on 8 July 2023, it may issue a conversion notice to RMB and repay all or part of the amount due to be repaid to the lender not in cash but through the issue of ordinary shares (conversion shares) and thereby convert the loan to equity.

On 7 July 2023, being the predetermined repayment date, Atterbury issued a share conversion notice to RMB. On receipt of the conversion notice, RMB demanded payment of the outstanding loan amount of R487 million in terms of both the RMH and RMHAH guarantees. RMH declined to pay under the RMH guarantee and proceeded to settle the outstanding loan amount as guarantor under the RMHAH guarantee. Immediately upon payment under the RMHAH guarantee, RMHAH assumed all the rights of the lender under the facility agreement. As of close of business on 7 July 2023, RMHAH is the lender as defined in the facility agreement.

As a consequence of RMH having declined to pay under the RMH guarantee, on 10 July 2023, RMHAH exercised its right to decline the offer from Atterbury to repay the loan amount outstanding by the issuance of shares and demanded an amount of R487 million from Atterbury as of 10 July 2023.

Considering these circumstances, shareholders are advised to exercise caution when trading in their RMH shares until a further announcement is made.

## Update on dissenting shareholders

On 10 July 2023, RMH bought back 5 500 000 RMH ordinary shares from two shareholders who exercised their rights in terms of section 164 (2) of the Companies Act. The total purchase price amounted to R10.9 million. RMH had provided sufficiently for this as at 31 March 2023.

Two shareholders owning 13 270 019 RMH shares have applied to court in terms of section 164(14). On 1 June 2023, the Minister of Trade and Industry was joined in the matter. On 10 July 2023, RMH received notification that the Minister of Trade and Industry intended to defend the matter.

The next step will be for the exceptions to be set down for hearing and for the parties, including the Minister of Trade and Industry to deliver their heads of arguments.

Shareholders will be updated as the matter progresses.

## Change in year-end

Following the disposal of Atterbury Europe, the biggest component of RMH is Atterbury. The decision has therefore been made to change the financial year-end of RMH to September. Although this does not align with Atterbury's June year-end, it would enable RMH to use Atterbury's June audited results, adjusted for any significant subsequent events, in compiling its audited results. This change is within the three-month's difference in year-end as permitted by IFRS. As a result, RMH will be releasing six-month audited results for 30 September 2023 in January 2024 and reviewed provisional results in December 2023 as opposed to interim results.



**Brian Roberts**  
CEO

**Johannesburg**  
27 July 2023

18

# Portfolio review

- 20 Atterbury Property Holdings
- 21 Integer Properties
- 22 Divercity Urban Property Fund

## Portfolio review

R million	For the year ended 31 March 2023					For the year ended 31 March 2022				
	Atterbury Europe*	Atterbury	Integer	Divercity	Total	Atterbury Europe	Atterbury	Integer	Divercity	Total
<b>Financial position</b>										
Current assets	–	1 542	50	–	1 592	373	1 311	73	–	1 757
Non-current assets	–	7 742	447	–	8 189	10 331	8 006	658	–	18 995
<b>Total assets</b>	–	<b>9 284</b>	<b>497</b>	–	<b>9 781</b>	10 704	9 317	731	–	20 752
Current liabilities	–	1 736	9	–	1 745	446	1 943	7	–	2 396
Non-current liabilities	–	5 126	579	–	5 705	4 232	5 125	714	–	10 071
<b>Total liabilities</b>	–	<b>6 862</b>	<b>588</b>	–	<b>7 450</b>	4 678	7 068	721	–	12 467
Non-controlling interest	–	792	5	–	797	54	672	(4)	–	722
<b>Net asset value</b>	–	<b>1 630</b>	<b>(96)</b>	<b>1 065</b>	<b>2 599</b>	5 972	1 577	14	1 023	8 586
RMH Property's share	–	448	–	97	545	2 239	434	10	111	2 794
Loans and other assets	–	28	204	–	232	23	–	163	–	186
<b>Carrying value</b>	–	<b>476</b>	<b>204</b>	<b>97</b>	<b>777</b>	2 262	434	173	111	2 980
<b>Performance</b>										
Revenue	–	1 033	41	–	1 074	232	1 025	70	–	1 327
Net profit/(loss)	–	320	(65)	–	255	1 414	477	(44)	–	1 847
Other comprehensive income	–	2	–	–	2	–	6	–	–	6
<b>Total comprehensive income/(loss)</b>	–	<b>322</b>	<b>(65)</b>	–	<b>257</b>	1 414	483	(44)	–	1 853
RMH Property's share of earnings/(loss)	81	55	(10)	(15)	111	541	95	7	(21)	622
RMH Property's share of headline earnings/(loss)	81	48	7	(15)	121	(2)	55	24	(16)	61

\* On 7 September 2022, RMH, through its subsidiary RMH Property Holdco 2 Proprietary Limited, disposed of its 37.5% stake in the total issued A ordinary shares in Atterbury Europe to Brightbridge Real Estate Limited. The investment was equity accounted for practical purposes to 31 August 2022. The total purchased consideration was R1.75 million. This, however, included the sale of the working capital loan provided to Atterbury Europe of R25 million.



ATTERBURY

## Atterbury

**The group's development expertise is unrivalled in the South African market, with a core team of development professionals that have consistently demonstrated the ability to manage development risk in delivering shareholder returns.**

The net asset value of Atterbury increased by 3% from 31 December 2021 to 31 December 2022 including the dividend *in specie* of R150 million declared in the period, excluding the dividend *in specie* the increase was 13%. This was in line with expectations of the underlying investment portfolio. Trading densities in most of the retail centres are better than the comparative period with Castle Gate, Richmond Corner and Mall of Africa seeing some of the largest improvements in trading densities. Pan Africa Mall also reopened for trading in the six months ended 31 December 2022 after suffering significant damages in the July 2021 riots. Vacancies as a percentage of the investment portfolio reduced by 2.2% coming off a high after the COVID-19 pandemic. The net expense ratio increased by 8%. This is mainly due to a significant increase in diesel costs due to continued periods of load shedding and above-inflationary increases in municipal rates, specifically in the major metropolitans. The increase in net asset value is the net result of:

- normalised increase in the underlying investment portfolio of 2.5% (2022: 3.9%);
- the restructuring of a financial liability contributing a net value of R18 million; and
- a further decrease in the value of the remaining Ascencia shares.

Although most of the key performance indicators, including the loan-to-value ratio, interest coverage ratio and debt service coverage, have seen some improvement, they are still below targets set by management.

As mentioned, RMH shareholders are reminded that Atterbury declared a dividend *in specie* of R150 million to its shareholders during the year. The proceeds were used to subscribe for Ascencia-linked preference shares in Atterbury Property Proprietary Limited. During the period under review, R8 million of the preference shares subscribed for by RMH were redeemed.

During the period, Atterbury disposed of its interest in the Flamwood property to Fortress Property Fund. On 9 May 2023, Vukile Property Fund cancelled the agreement for Atterbury's interest in the Pan Africa Mall. Despite Atterbury's best efforts to engage with the City of Johannesburg (COJ), the COJ failed to review and grant the amendment to the notarial head lease and also failed to consent to the cession and assignment of the notarial head lease to Vukile.

Further progress was made on the sale of the interest in the Dunes Mall in Walvis Bay, with the only matter now outstanding being the successful capital raise by Oryx. A rights issue was approved at a general meeting held on 15 June 2023 by Oryx and should be finalised by 31 July 2023.

In June 2022, construction of the first phase of the Barlow Park development in Sandton commenced. The first phase will consist of 4 100 affordable residential units, 5 500 square meters of retail and restaurant space, a Curro school, a medical centre, shared offices and more. The first apartments will be available early in 2024 and the Curro school and retail centre will both open in January 2024.



## Integer

**Integer was formed in 2010, when the management team identified a funding gap in the property market created as a result of financial institutions providing only 70% to 80% towards funding for new property developments.**

Integer partners with reputable property developers who have secured attractive development opportunities but lack the equity to bridge the gap between the level of senior institutional debt and the development cost. It provides this equity as an unsecured loan and takes a shareholding in the deal.

**Integer 1:** RMH only owns 9% of this entity. The remaining two assets, a 2.2% stake in Divercity and the Primedia building in Sandton have been disposed of subsequent to 31 March 2023. The proceeds will cover all remaining bank debt and result in a small dividend payment to RMH once the transactions have been implemented.

**Integer 2:** The portfolio consists of two properties: a warehouse in Corporate Park South in Midrand which is occupied by Vermont Sales, and a warehouse in Montagu Gardens in Cape Town which is occupied by Rialto Foods. Integer 2 currently has a negative net asset value of R138 million. RMH expects no future dividends. The properties have three and eight years remaining on their respective lease terms. Integer 2 has outstanding bank debt amounting to R47 million and other shareholders' loans amounting to R198 million. Notably, RMH has no shareholders' loan to Integer 2. Integer 2 holds cash totalling R35 million and investments valued at R78 million. Additionally, RMH has a surety obligation of R9.5 million, which will be terminated once the investments are realised and the bank debt is settled. It is worth noting that the likelihood of the sureties being called upon is minimal.

**Integer 3:** RMH owns 50% of this entity. The biggest assets in Integer 3 are two residential developments; being the Milanick development in Midrand and the Big Tree Estate in Northriding which will be completed by the end of 2024. Both these developments are well run with vacancies close to zero. The other assets in Integer 3 are:

- A call centre in Blackheath, occupied by SSD;
- A purpose-built warehouse in Montagu Gardens in the Western Cape, occupied by Robertson and Caine, the second largest luxury yacht builder in the world. The business has recently been disposed of to Vox Ventures and a new five-year lease has been signed; and
- Randsteam, a medium-sized retail centre in Braamfontein. While the realisation of the portfolio is ongoing, the operational performance remained intact with low vacancy rates, collections remaining strong and the interest coverage ratios remaining comfortable. Integer is not currently in breach of any of its loan covenants.

Part of the loan provided to Integer 3 carried an equity conversion right. On 17 May 2023, RMH notified Integer that it will not exercise its equity conversion right and therefore the disproportionate portion of the loan (R133 million as at 31 March 2023) is repayable on 17 November 2023. Should Integer not be in the position to repay the loan RMH has agreed to extend the loan at an increased rate equal to the prime lending rate plus 10%. Shareholders are reminded that the loan to Integer consists of a proportionate shareholders' loan of R74 million with no repayment terms and the disproportionate shareholders' loan of R133 million. The disproportionate shareholders' loan ranks ahead of the proportionate shareholders' loan. The higher interest rate would impact the recoverability of the R74 million proportionate shareholders' loans. Shareholders' loans (including the disproportionate shareholders' loans if not repaid on 17 November 2023) are repaid from proceeds on realisation of underlying properties and have no fixed repayment date.

## DIVERCITY

URBAN PROPERTY FUND

### Divercity

**Divercity is focused on regenerating South African cities and demonstrating a new model of affordable housing delivery that promotes better urban form.**

Divercity invests exclusively in urban renewal through the development of inner-city (thereby well-located) precincts, which feature a dense mix of affordable rental housing, commercial spaces, a rich mix of urban and social amenities as well as high-quality public spaces.

The model is in contrast to the current dominant model of affordable housing delivery in South Africa, where lower-income households are confined to the urban periphery, far from income opportunities and essential services.

The net asset value of Divercity has seen some improvement over the period. This is a result of the further reduction in vacancies in the residential portfolio and some increases in rental charges following the COVID-19 pandemic. This was offset by a decrease in the valuation of the commercial assets of 1.7%. The portfolio remains overweight to commercial assets relative to the approved strategy (44% commercial and 56% residential).

From a geographic point of view, the portfolio is 88% exposed to the Johannesburg CBD with the remainder being in Pretoria. The team is focusing on the disposal of the majority of their commercial assets, namely Turbine Hall, Tallis House and Sterland. Divercity is a partner in the Barlow Park development and is also looking at developments in Cape Town to improve its geographic exposure.

Divercity has embarked on another capital raise in establishing its second impact fund.

23

# Environmental, social and corporate governance

- 24 RMH's sustainability framework
- 27 Risk management
- 29 Social, ethics and transformation report
- 30 Governance
- 34 Directors
- 36 King IV
- 39 Remuneration report

## RMH’s sustainability framework

Our purpose is to return maximum value for our stakeholders in an orderly manner as we execute on our monetisation strategy. We do so as an active shareholder and reducing our own operations to a ‘fit for purpose’ size.

### The United Nations Sustainable Development Goals (SDGs)

We have considered the 17 SDGs in the context of RMH’s level of impact and influence, always keeping the monetisation strategy in mind.

#### ENVIRONMENTAL

SDG	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND
RMH impact	Low	Low	High	Low	Low	Low
RMH level of influence	Low	Low	High	Low	Low	Low

#### SOCIAL

SDG	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
RMH impact	Low	Low	Low	Medium	Medium	Medium	Medium	High
RMH level of influence	Low	Low	Low	Medium	Medium	Medium	Medium	High

#### ECONOMIC

SDG	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
RMH impact	High	High	Low
RMH level of influence	High	High	Low

RMH's sustainability framework (continued)

## Sustainability framework – own operations

Favourable financial performance and financial strength are necessary prerequisites for RMH to be able to create long-term value for its shareholders and pursue its strategy of monetising its portfolio in a responsible manner. During the last three-, five- and ten-year periods, RMH's stock has generated a higher total return than the JSE.

RMH's sustainability framework in respect of its own operations is as follows:

### GOALS

- Maintain RMH's negligible environmental impact and carbon footprint; and
- Promote diversity and gender equality at investee companies.

### ACTIVITIES

- Implement processes for broadened competence and diversity;
- Reduce the printed number of pages posted to shareholders. This integrated report will no longer be distributed to shareholders in hard copy; and
- RMH has saved 288 000 sheets of paper and reduced costs by R600 000.

### AGENDA 2030



**SDG 5:** Diversity and gender equality is an important issue both in RMH's own operations and in the investees as it strengthens capabilities.



**SDG 13:** Having a high ambition with respect to climate issues both in RMH's own operations and in the investees. RMH recognise this as a prerequisite for sustainable value creation.

RMH's sustainability framework (continued)

## Sustainability framework – active ownership

As an active owner, RMH contributes to the development of responsible companies that capitalise on sustainability-related opportunities. This creates competitive companies, enables growth in value and benefits sustainable societal development. Against this background, RMH puts a strong emphasis on ensuring that its portfolio companies have a sustainable approach to all aspects of their operations.

RMH's sustainability framework in respect of its investees is as follows:

### GOALS

- Be an active, responsible owner that contributes to successful investees for the benefit of sustainable development in society;
- To maintain and improve net asset values of investees while monetising assets over the shortest period of time to return maximum value to RMH shareholders; and
- Ensuring that the new owners of investees share in their long-term goals and values.

### ACTIVITIES

- Analyse and continuously monitor all investees in accordance with RMH's integrated sustainability analysis; and
- Formulate action plans for the respective investees and exercise influence in accordance with RMH's business model.

### AGENDA 2030



**SDG 8:** Sustainable economic growth is a central pillar in the work on contributing to the development of responsible and successful companies that can create competitive value over time; it strengthens capabilities.



**SDG 9:** Promotion of sustainable industrialisation and innovation is a clear focus of the investees and is encouraged within the framework of active ownership. By taking advantage of sustainability-related development opportunities, our investees can stay at the forefront in their respective business areas.



**SDG 12:** Sustainable consumption and production is a strategic perspective that is integrated into the investees' business models. They offer long-term sustainable and efficiently delivered products and services that contribute to sustainable production and consumption.

## Task Force on Climate-Related Financial Disclosures (TCFD) statement

RMH supports the Paris Agreement's goal to reduce global carbon emissions to limit the average global temperature rise to well below two degrees Celsius.

- We believe that a sustainable approach is not only good for the environment but makes good business sense. As an investor in companies that own, develop and manage properties, we recognise the role we have to play.
- We acknowledge the increasing risks related to a changing climate and the demand from investors to know how we are responding.
- We are committed to aligning our climate risk assessments and disclosures with the TCFD guidelines.

# Risk management

The board, along with the audit and risk committee, regularly monitors the main risks to take timely actions that align with the approved risk management strategy and risk appetite. RMH is an investment holding company focused on the monetisation of its underlying investments, as approved by its shareholders. Therefore, risk management considers the risks of the company and its investment portfolio, taking into account the impact of RMH’s monetisation strategy.

### Risk management strategy

The risk management strategy is linked to the business strategy. It is based on the principle that risk assumed, within a set risk appetite, will ultimately lead to value returned. Risk management can be divided between strategies which will lead to value preservation and value returned.

Risk management is divided into three categories, namely external risks, strategic risks and financial risks.

### Risk environment

RMH’s significant risk categories are external risks (not under the control of RMH), strategic risks and financial risks (under the control of RMH).

### Risk appetite

The strategic plan incorporates both qualitative and quantitative limits, these limits are approved by the board.

The limits are reviewed regularly in line with the RMH monetisation strategy.

We summarise the top two risks per category that RMH faces:

### External risks

Risks associated with external factors such as economic, political and legislative change or the environment

Risk	Possible impact on value creation or preservation	Strategic response in mitigation
1 Sovereign risk	Impact on equity valuation used in the preparation of financial results and the difference between that and transaction value	<ul style="list-style-type: none"> <li>Systematic monitoring of the macroeconomic environment and the impact it could have on the timing of the monetisation strategy</li> </ul>
2 Climate change	Changes to returns on investment	<ul style="list-style-type: none"> <li>Balance between returns and impact on the environment while monetising the portfolio</li> </ul>

Risk management (continued)

**Strategic risks**

Risks resulting from the definition, implementation and continuation of the group's strategy

Risk	Possible impact on value creation or preservation	Strategic response in mitigation
3 <b>Structure of the company</b>	Diminishing shareholder value due to an inefficient structure	<ul style="list-style-type: none"> <li>■ Regular review of the company structure and cost base</li> </ul>
4 <b>Legal and reputational risk</b>	Ongoing dispute with Atterbury and the impact it has on the monetisation strategy	<ul style="list-style-type: none"> <li>■ Active engagement with investee companies on unresolved legal disputes</li> <li>■ Regular updates to shareholders as the dispute resolution progress</li> <li>■ Ongoing renewal of cautionary announcement</li> </ul>

**Financial risks**

Risks associated with the management of cash and cash equivalents, financial instruments and financing

Risk	Possible impact on value creation or preservation	Strategic response in mitigation
5 <b>Portfolio risk</b>	Concentration of RMH Property on a specific asset class or counterparty	<ul style="list-style-type: none"> <li>■ Systematic portfolio reviews</li> <li>■ Disclosure of such concentrations</li> <li>■ Regular engagement with investee companies</li> </ul>
6 <b>Ineffective financial reporting</b>	<p>The risk that financial information is not prepared timeously and complete</p> <p>The uncertainty caused by an unresolved dispute with Atterbury</p>	<ul style="list-style-type: none"> <li>■ Financial results are reviewed internally, then by the audit and risk committee and the board of directors</li> <li>■ Appropriate disclosure of unresolved legal dispute</li> <li>■ External audit</li> </ul>

We continue to evaluate and improve our management techniques and processes to build our reputation as a trusted and reliable holding company.

⌚ A more comprehensive analysis of the risk management process and financial risks, including those relating to the global economy and currencies, is provided in note 22 to the annual financial statements, available on our website [www.rmh.co.za](http://www.rmh.co.za)


## Social, ethics and transformation report

The social, ethics and transformation committee has pleasure in providing feedback to RMH stakeholders. The feedback is prepared in accordance with the Companies Act, 71 of 2008, with specific reference to regulation 43.

### Social, ethics and transformation committee membership and meetings

The committee comprises three suitably skilled and experienced members appointed by the board and consists only of independent, non-executive directors. The chairman is an independent, non-executive director.

The committee meets at least once a year or at the request of the chairman, any member of the committee or the board.

 *The membership and attendance appear on page 33 of the integrated report.*

Comprehensive minutes of meetings are kept.

The chairman of the committee is customarily available to report to shareholders at the annual general meeting on matters within the committee's mandate. Any specific questions to the committee may be sent to the company secretary prior to the annual general meeting.

### Roles and responsibilities

The committee's objectives are to assist the board in monitoring RMH's performance as a good and responsible citizen, which includes the following:

- The social and economic development, including the ten principles as set out in the United Nations Global Compact principles, the 17 SDGs set by the United Nations General Assembly in 2015, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, 55 of 1998, and the Broad-Based Black Economic Empowerment Act, 53 of 2003;
- Good corporate citizenship, including promotion of equality, prevention of unfair discrimination and corruption, contribution to the development of communities and record of sponsorship, donations and charitable giving; and
- Environment, health and public safety, including the impact of the company's activities; consumer relationships, including the company's public relations and compliance with consumer protection laws.

### King IV

King IV recommends that the social and ethics committee assist the board in upholding, monitoring and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder inclusivity beyond mere compliance and towards actual value creation.

The committee assessed its composition to ensure it had the requisite skills and experience to fulfil the requirement of the oversight of ethics management.

This committee is the guardian of the following forms of capital:



HUMAN



SOCIAL AND  
RELATIONSHIP

### Activities during the past year

RMH and its investees support various initiatives. RMH promotes responsible management in its investees to take account of their stakeholders' interests and ESG initiatives. RMH's initiatives are limited in line with its stated strategy of monetisation and taking into consideration cost constraints.

During the current year, RMH sponsored two individuals to complete the Realise work-readiness programme run by Transcend Corporate Advisors.

RMH again sponsored a programme presented by Worth Financial Services. The course aims to empower individuals to better manage their finances. RMH also sponsored 88 learners from the Yana Foundation, Maphepheni Community and Communiversity for the module 'How to: First Job to Financial Freedom'.

RMH contributed towards Creditais, which has created an app-based solution that uses behavioural data and machine-learning to credit score micro businesses and individuals who do not fit the incumbent scoring criteria.

The committee is satisfied that it has discharged all of the responsibilities as set out in its charter.

**Murphy Morobe**  
Chairman

Johannesburg  
27 July 2023

## Governance

RMH is committed to the highest standards of ethics and corporate governance.

### Statement of compliance

In upholding its enduring values of the highest levels of business ethics and personal integrity, RMH has to comply with various legislation, regulations, standards and codes. The most important thereof are the Companies Act, the JSE Listings Requirements and its memorandum of incorporation (MOI). During 2022, RMH complied in all material respects with all applicable legislation, regulations, standards, codes and its MOI. RMH engaged the services of a compliance officer and has implemented a whistle-blowing hotline on 010 211 4910.

The Companies Act places certain duties on directors and determines that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved, the board applies best practice principles, as contained in King IV, where appropriate.

### King IV

Section 3.84 of the JSE Listings Requirements has the effect of making certain King IV practices mandatory and requires disclosure of the extent to which a company adheres to those practices in its integrated report. These requirements are dealt with in the King IV compliance report.

 For our full King IV compliance report, see pages 36 to 38.

### Governing structures and delegation

RMH's governance structure supports it to execute its strategy. It takes into consideration the size and constitution of the group. It ensures clear and appropriate segregation of responsibilities without unnecessary complexities. This enables RMH to be agile and respond to opportunities in a quick and precise manner.

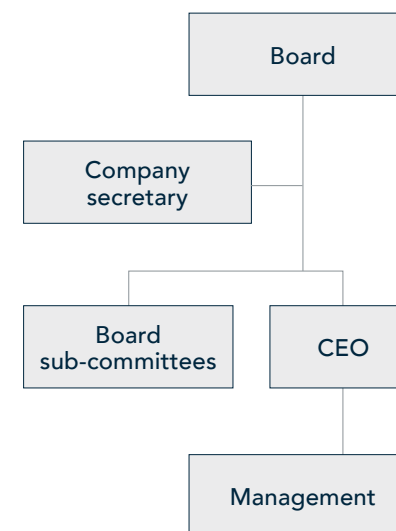
The board charter defines each director's authority. This, together with the composition of the board, ensures that no single director has unfettered powers of decision-making.

The board takes the ultimate responsibility for effective governance.

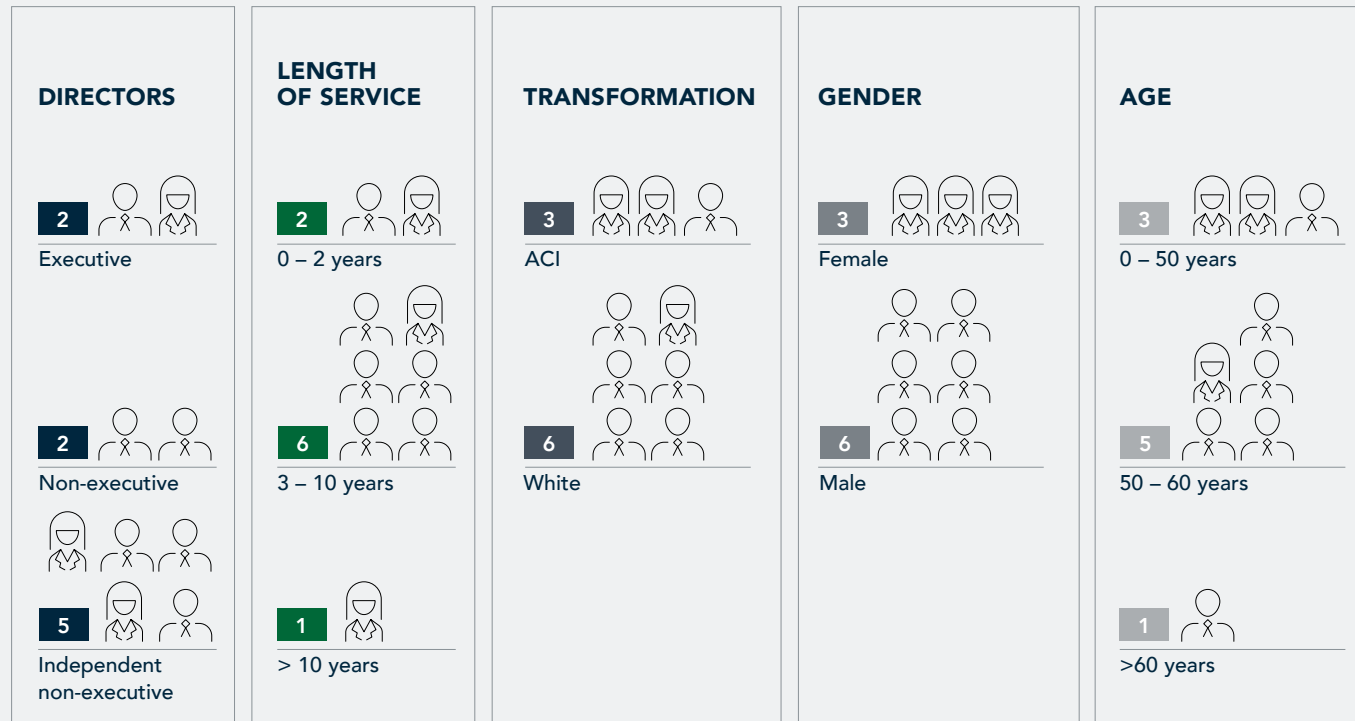
The company secretary provides the board (as a collective and individually) with guidance in respect of their duties, responsibilities and powers.

The CEO is responsible for setting and executing the strategy under the guidance of the board.

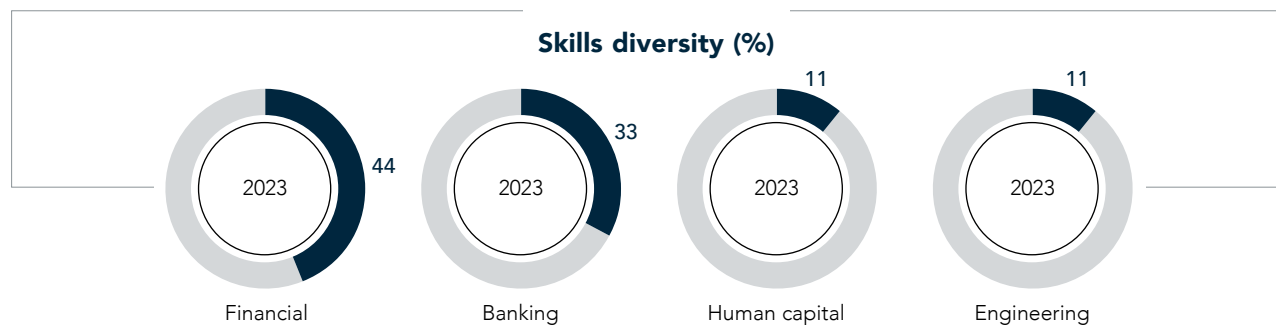
The day-to-day duties reside with management, under the guidance of the CEO.



## Composition of the board



### Skills diversity (%)






Governance (continued)

## Board accountability and delegation

The board is ultimately accountable for the governance of RMH. The board has constituted the following sub-committees and has prepared detailed charters to assist the board with discharging its responsibilities:

Sub-committee	Role and responsibilities	Capital of which the committee is a custodian
<b>Audit and risk committee</b>	<p>The duties of the committee include those prescribed by section 94 (7) of the Companies Act. It entails safeguarding the group's assets, the financial reporting process, the internal control system, management of financial and non-financial risks, audit process and approval of non-audit services, the group's process for monitoring compliance with the laws and regulations applicable to it, the group's compliance with corporate governance practices, review of the integrated report, including key audit matters outlined in the external auditor's report, the business conduct of the group and its officials, ensuring that the accounting policies applied are consistent, appropriate and in compliance with IFRS, the appointment of the external auditor, taking into consideration paragraph 3.84 (g) (ii) and section 22.15 (h) of the JSE Listings Requirements, and the evaluation of their services and independence. Deloitte &amp; Touche was reappointed as external auditor until the next annual general meeting. The committee also ensures that the company has established appropriate financial reporting procedures and that those procedures are operating. This includes the assessment of financial information received from all group entities used in the preparation of the consolidated financial statements. It is responsible for determining internal materiality levels to ensure that material internal control deficiencies are reported to shareholders. On an annual basis, it reviews the performance, appropriateness and expertise of the financial director, the company secretary and the chief audit executive. It further oversees risk management and information technology governance. The committee executed all its duties, including the above-mentioned duties, during the current period.</p> <p> The audit and risk committee report is included in the audited annual financial statements at <a href="http://www.rmh.co.za">www.rmh.co.za</a></p>	
<b>Directors' affairs and governance committee</b>	Determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structures. This committee is also responsible for succession planning for both executive and non-executive directors.	 
<b>Investment committee</b>	This committee, which currently consists of the complete board, is responsible for the approval of new investments; the extension of existing investments; the disposal of existing investments; and considering and making recommendations to the shareholders regarding investments falling outside the scope of board approval.	  
<b>Nominations committee</b>	Identifies suitable candidates for nomination as directors, with cognisance of diversity attributes of culture, age, field of knowledge, skills and experience, gender and race. Conducts interviews and reference checks of suitable candidates, ensuring that they have the necessary skills and integrity. The RMH board considered its composition. It concluded that, in line with the stated strategy of monetisation, the current composition and constitution of the board are appropriate. No new appointments were made. The board currently consists of 33% ACI and 67% white candidates and 33% are female and 67% male. RMH, in line with its transformation policy, will aim with future appointments to increase its race and skills diversification to a majority of ACI candidates, maintaining skills and gender diversity.	 
<b>Remuneration committee</b>	This committee is responsible for establishing the remuneration policy of RMH and approving the implementation report for inclusion in the integrated report. It is the committee which is responsible for principle 14 of King IV, which states: 'The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.'	
	 Refer to pages 39 to 55 for the remuneration report including the implementation report.	

Governance (continued)

Sub-committee	Role and responsibilities	Capital of which the committee is a custodian
<b>Social, ethics and transformation committee</b>	<p>Monitoring RMH's performance as a good and responsible citizen. This includes:</p> <ul style="list-style-type: none"> <li>■ The social and economic development, including the ten principles as set out in the United Nations Global Compact principles, the 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, 55 of 1998, and the Broad-Based Black Economic Empowerment Act, 53 of 2003;</li> <li>■ Good corporate citizenship, including promotion of equality, prevention of unfair discrimination and corruption, contribution to the development of communities and record of sponsorship, donations and charitable giving; and</li> <li>■ Environment, health and public safety, including the impact of the company's activities, consumer relationships, including the company's public relations and compliance with consumer protection laws.</li> </ul> <p> Refer to page 29 for the report from the social, ethics and transformation committee</p>	 

	Board	Ad hoc board	Audit and risk committee	Directors' affairs and governance committee	Nominations committee*	Remuneration committee	Social, ethics and transformation committee
<b>Directors</b>							
<b>Non-executive</b>							
Herman Bosman	1 of 1	2 of 3					
Udo Lucht	4 of 4	5 of 5			1 of 1	2 of 2	
<b>Independent non-executive</b>							
Sonja de Bruyn	C 3 of 4	4 of 5	1 of 2	3 of 4	1 of 1	2 of 2	1 of 1
Per Lagerström	4 of 4	5 of 5	C 2 of 2		1 of 1		1 of 1
Mamongae Mahlare	2 of 4	4 of 5		4 of 4	1 of 1		
Murphy Morobe	4 of 4	5 of 5		4 of 4	C 1 of 1	C 2 of 2	C 1 of 1
James Teeger	4 of 4	5 of 5	2 of 2	4 of 4	1 of 1		
<b>Executive</b>							
Brian Roberts	1 of 1	3 of 3					
Ellen Marais	1 of 1	3 of 3					

C = Chairman

\* No separate investment committee meeting was held during the year.

The board has implemented a detailed delegation of authority, which assists management in executing the board-approved strategy. The delegation is reviewed on an annual basis. No changes were made.

## The company secretary

The company secretary is also the secretary of the various sub-committees. The company secretary, currently IKB Company Secretaries Proprietary Limited with the designated individual, Deidre de Carvalho, is required to provide the directors, collectively and individually, with guidance on their duties, responsibilities and powers.

The company secretary is required to ensure that minutes of all shareholders' meetings, directors' meetings and the meetings of any committees of the board are properly recorded and that all required returns are lodged in accordance with the requirements of the Companies Act.

In compliance with section 3.84(h) of the JSE Listings Requirements, the board has considered and has satisfied itself that the company secretary is competent, appropriately qualified and experienced to fulfil her role as company secretary of the group. Furthermore, the board is satisfied that the company secretary maintains an arm's length relationship with the board of directors. The company secretary is not a director of the company.

## Annual general meeting

All the directors attended the annual general meeting of shareholders, which was held on 20 September 2022.



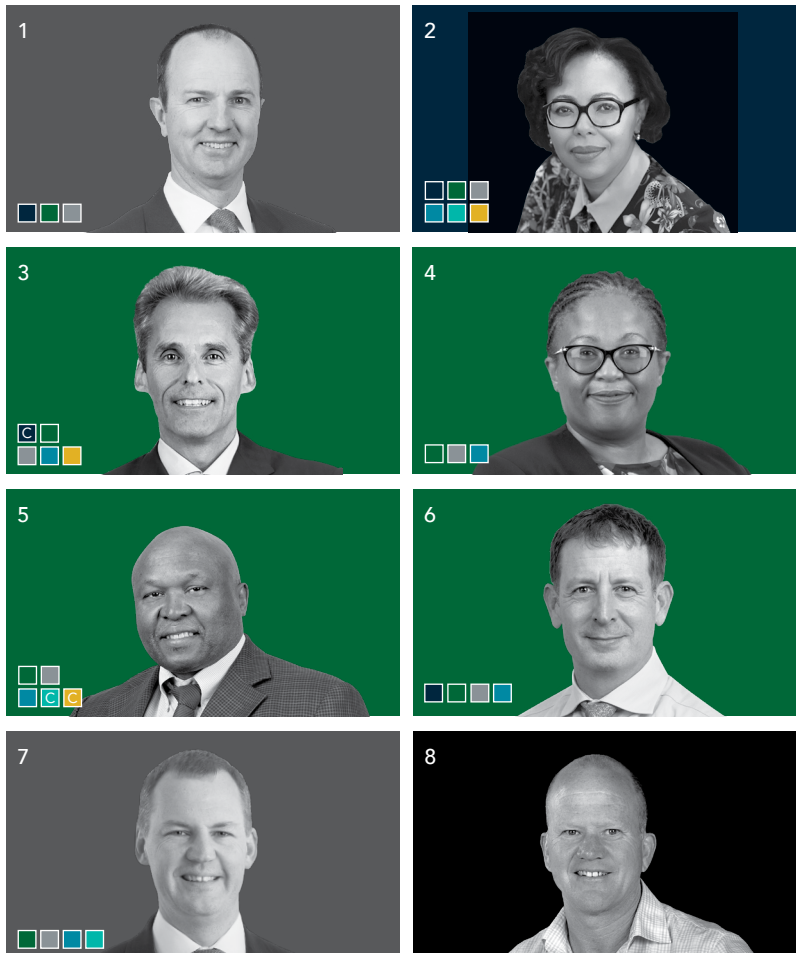
Other listed directorships



Appointed

# Directors

RMH's board epitomises its ethical values. The members are highly skilled and vastly experienced.



## 1 Herman Bosman 54

(Hermanus Lambertus)

1 DECEMBER 2022

Acting non-executive chairman  
BCom (Law) LLB LLM CFA

Herman was with Rand Merchant Bank (RMB) for 12 years and headed up its corporate finance practice between 2000 and 2006. He returned to the group in 2014 after serving as CEO of Deutsche Bank South Africa from 2006 to 2013.

He is the immediate past CEO of RMH, a position he relinquished effective 1 December 2022.



OUTsurance Group Limited.

## 2 Sonja De Bruyn 51

(Sonja Emilia Ncumisa)

15 FEBRUARY 2008

Independent non-executive director  
LLB (Hons) LSE MA (McGill) SFA (UK)  
Executive Leadership Programme (Harvard)

Sonja is the principal partner of Identity Capital Partners, an investment firm which holds equity investments and manages Identity Fund Managers. Sonja's areas of study included law, business and economics.

She was previously executive director of WDB Investment Holdings from 2002 to 2007, where she led several large B-BBEE acquisitions including Bidvest, FirstRand, Discovery and Anglo-Coal Inyosi. She started her career in investment banking at Deutsche Bank in 1997, working in their Johannesburg, London and Tokyo offices.



Remgro Limited  
(Lead independent director).

### COMMITTEES

- Audit and risk
- Directors' affairs and governance
- Investment
- Nominations
- Remuneration
- Social, ethics and transformation
- C Chairperson

Directors (continued)



Other listed directorships



Appointed

3 **Per Lagerström** 59

(Per-Erik)

30 JUNE 2014

**Independent non-executive director**  
*BSc (Accounting) MSc (Economics)*  
*(London School of Economics)*

Per is the co-founder of Ireland-based Yellowspot, a venture studio focused on AI-driven BehaviorTech solutions. He was previously a partner at McKinsey & Company, where he headed up the Financial Services Sector and the Organisation Practice.



OUTsurance Group Limited.

4 **Mamongae Mahlare** 47

(Matsotso Mamongae)

31 MARCH 2018

**Independent non-executive director**  
*BSc (Chemical Engineering)*  
*MBA (Harvard)*

Mamongae is currently the CEO of Takealot Group Limited. Before this, she was managing director of Illovo Sugar South Africa. Her previous experience includes general management, commercial and operational experience from roles at SABMiller, Bain & Company, Unilever and Coca-Cola Beverages Africa.



OUTsurance Group Limited.

5 **Murphy Morobe** 66

(Mafison Murphy)

1 AUGUST 2014

**Lead independent non-executive director**

*Diploma in Project Management*  
*MCEF (Princeton)*

Murphy has a 49-year career spanning the worlds of student activism, trade unionism, politics, conservation and the public and corporate sectors. He served as CEO of then JSE-listed Kagiso Media Limited from 2006 to 2013 and National Director of the Programme to Improve Learner Outcomes (PILO) from 2013 to 2020.

In addition, he also served on the Council on Higher Education (1999 – 2000) and as chairman of the South African National Parks Board (1999 – 2005), Ernst & Young (SA) (2001 – 2005) and Johannesburg Housing Company (2003–2006). Currently, he is a trustee on the boards of the DG Murray Trust and the Rothschild Foundation.



OUTsurance Group Limited;  
and  
Remgro Limited.

6 **James Teeger** 55

(James Andrew)

31 MARCH 2018

**Independent non-executive director**  
*BCom BAcc CA(SA) HDip Tax*

James serves as a director of Stockdale Street Limited and leads the investment activities of the Oppenheimer family. James previously served as a director of De Beers Société Anonyme. He spent 12 years at RMB, where he held the position of co-head of structured finance.



OUTsurance Group Limited.

7 **Udo Lucht** 46

(Udo Hermann)

3 SEPTEMBER 2019

**Non-executive director**  
*BCom (Hons) CA(SA) CFA*

Udo is the current chief investment officer at Royal Bafokeng Holdings Proprietary Limited. He is a qualified chartered accountant and chartered financial analyst. He spent 13 years at RMB, before joining Royal Bafokeng in 2016.



OUTsurance Group Limited  
(alternate); and  
Yebo Yethu Limited.

8 **Brian Roberts** 56

(Brian Manlaws)

1 DECEMBER 2022

**CEO**  
*BCom (Hons)*

Brian joined RMH Property in 2017. He has over 25 years of property experience. Previously, he was the CEO of Integer Properties and Regional Head of Property Finance at Nedbank. With the reorganisation at RMI and the exit of Herman Bosman, Brian was appointed as CEO of RMH. He is integral to the execution of the stated strategy of monetisation of RMH.

9 **Ellen Marais** 49

(Ellen Janet)


1 DECEMBER 2022

**Financial director**  
*BCom (Hons) CA(SA)*


Ellen has been with the wider RMH group since 2000. She was part of the audit team when FNB and RMB merged to form the FirstRand group. She joined FirstRand prior to the 2007 unbundling of Discovery out of FirstRand, the 2010 merger of Momentum and Metropolitan and its subsequent unbundling out of FirstRand. She joined RMH in 2011, after the unbundling of RMI out of RMH, in a capacity as company secretary and financial manager. In 2020, she was part of the team responsible for the unbundling of FirstRand out of RMH. With the reorganisation of RMI, she replaced Herman Bosman as financial director.

## King IV


RMH is currently achieving the four King IV governance outcomes in all material respects. It applies the 17 principles of King IV as appropriate to an investment holding company with a stated strategy of monetisation:

Principle	Status	Explanation
<b>Outcome: Ethical culture</b>		
1 The board leads ethically and effectively.	Aligned	RMH's board of directors is its governing body. The directors hold one another accountable for decision-making and behave ethically. The chairman is tasked to monitor this. All members of the board are expected to apply independence of mind. A board performance evaluation is performed every three years.
2 The board governs the ethics of RMH in a way that supports the establishment of an ethical culture.	Aligned	The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the group and its stakeholders. It retains full and effective control over the group. A formal board charter has been adopted and all directors subscribe to a code of ethics. RMH's values of commitment, integrity, responsibility and connectivity guide its behaviour.
3 The board ensures that RMH is and is seen to be a responsible corporate citizen.	Aligned	The board is the guardian of the values and ethics of the group. The responsibility for monitoring the overall responsible corporate citizenship performance of the organisation was delegated to the social, ethics and transformation committee.  See the report from the social, ethics and transformation committee on page 29.
<b>Outcome: Performance and value creation</b>		
4 The board appreciates that RMH's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Aligned	The board ensures that RMH creates value for its shareholders in a responsible manner, taking into consideration the impact on society and the environment. It considers the legitimate interests and expectations of stakeholders, which include the present and potential future investors in RMH. The strategy is approved by the board. The board assesses the group's business model continuously.
5 The board ensures that reports issued by RMH enable stakeholders to make informed assessments of RMH's performance and its short-, medium- and long-term prospects.	Aligned	The board is also responsible for clear, balanced and truthful communication with shareholders and relevant stakeholders. It oversees the preparation of all reports publicly available. Care is taken to ensure that stakeholders are supplied with clear, concise and understandable information regarding historical performance and future outlook. All publicly available reports are published on RMH's website.
<b>Outcome: Adequate and effective control</b>		
6 The board serves as the focal point and custodian of corporate governance in RMH.	Aligned	In terms of the board charter, the board meets once every quarter. Should an important matter arise between scheduled meetings, additional meetings may be convened. At their meetings, the board considers both financial- and non-financial, or qualitative, information that might have an impact on stakeholders.  RMH has board representation at all investee companies, which have their own governance structures.

King IV (continued)

Principle	Status	Explanation
<b>Outcome: Adequate and effective control (continued)</b>		
7 The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Explained	<p>The board, with the assistance of the directors' affairs and governance committee and the nominations committee, considers its composition on an annual basis. It is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities.</p> <p>RMH has a unitary board with a non-independent, non-executive director as acting chairman. Murphy Morobe has therefore been appointed as the lead independent non-executive director. Five of the seven non-executive directors are independent. The independence of all directors is considered on a holistic basis.</p> <p>The roles of chairman and CEO are separate, and the composition of the board precludes any one director from exercising unfettered powers of decision-making.</p> <p>All non-executive directors are required to be elected by shareholders at an annual general meeting. Non-executive directors retire by rotation every three years and are eligible for re-election. The retirement age of non-executive directors is set at 70.</p> <p>The board is committed to increasing its skills, gender and race diversity at board level.</p>
8 The board ensures that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties.	Aligned	<p>The board established six sub-committees to assist the directors in fulfilling their duties and responsibilities. Each committee has a formal charter and reports to the board at regular intervals. The charters, which set out the objectives, authority, composition and responsibilities of each committee, have been approved by the board.</p> <p> <i>Composition of committees is set out on page 33.</i></p> <p>The audit and risk committee is satisfied that the auditor is independent as non-audit services are not performed and the auditor firm has been appointed with the designated partner having oversight of the audit.</p>
9 The board ensures that the evaluation of its own performance and that of its committees, its chairman and its individual members, support continued improvement in its performance and effectiveness.	Aligned	<p>The board evaluates its performance informally on an annual basis. Every third year, a formal evaluation is completed. After evaluating their performance in terms of their respective charters, the directors are of the opinion that the board and the sub-committees have discharged all their responsibilities for 2023.</p> <p>Assessments of the performance of the CEO, financial director and company secretary are conducted annually by the audit and risk committee. No major issues or concerns have been identified.</p>
10 The board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Aligned	<p>The board's responsibilities include the appointment of the CEO and the approval of corporate strategy, risk management and corporate governance. The board reviews and approves the business plans and monitors the financial performance of the group and the implementation of the strategies.</p> <p>A detailed delegation of authority policy and framework indicate matters reserved for the board and those delegated to management. The board is satisfied that RMH is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.</p> <p>RMH has appointed a company secretary with the requisite knowledge, experience and stature.</p>

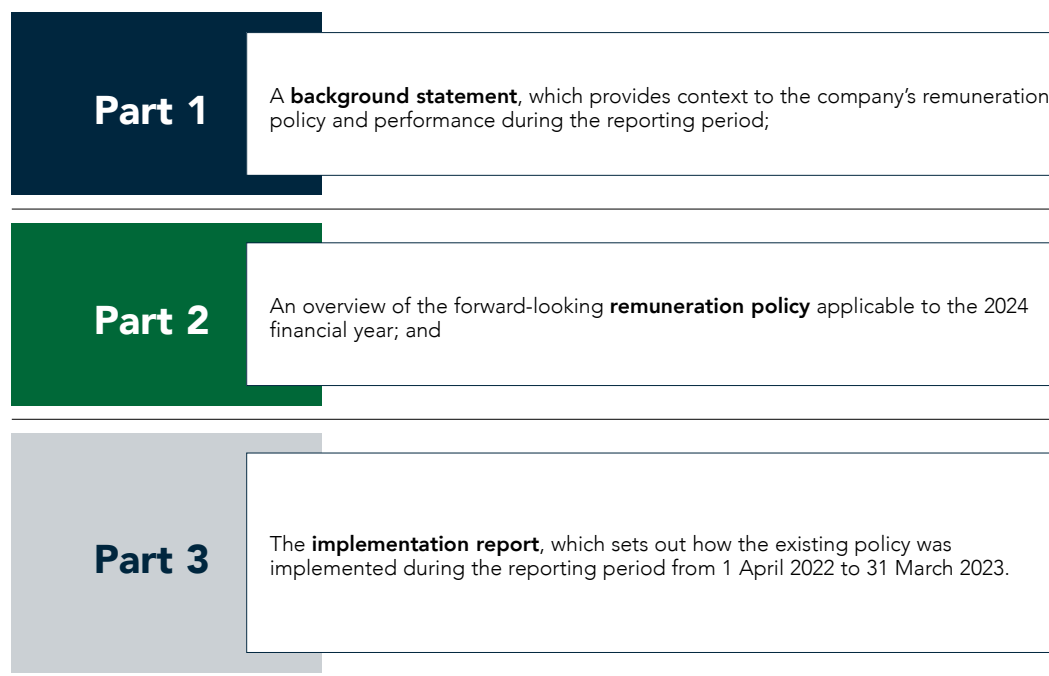
King IV (continued)

Principle	Status	Explanation
<b>Outcome: Adequate and effective control (continued)</b>		
11	Aligned	The board governs risk in a way that supports RMH in setting and achieving its strategic objectives.
12	Aligned	The board governs technology and information in a way that supports RMH in setting and achieving its strategic objective.
13	Aligned	The board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports RMH being ethical and a good corporate citizen.
14	Aligned	The board ensures that RMH remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.   Directors' remuneration is disclosed as part of the remuneration implementation report on pages 51 to 55.
15	Aligned	The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of RMH's external reports.
<b>Outcome: Trust, good reputation and legitimacy</b>		
16	Aligned	In the execution of its governance role and responsibilities, the board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of RMH over time.
17	Aligned	The board ensures that responsible investment is practiced by RMH to promote the good governance and the creation of value by the companies in which it invests.

RMH, as a listed entity, also complies with the JSE Listings Requirements.

## Remuneration report

This report sets out RMH's remuneration practices for both executive and non-executive directors and is presented in three parts:



The mandate of the remuneration committee (the committee) is to ensure that RMH's policies and decisions continue to support the achievement of the group's strategic objectives in a fair and responsible way while encouraging individual performance.

The committee is committed to maintaining a strong and healthy relationship with RMH's shareholders and other stakeholders, which is built on strong values, trust and a clear understanding of our remuneration policy and the practices that have been, and continue to be, implemented. The committee annually reviews and makes changes to the remuneration policy to align it closer to shareholder expectations.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for the year and that the remuneration policy achieved its stated objectives.

Remuneration report (continued)

## Part 1: Background statement

Dear shareholders

In line with our remuneration policy, RMH's remuneration practices seek not only to incentivise and retain top talent but to do so in relationship with shareholders, while upholding the company's values, ethics and business strategy. The strategic drive to orderly monetise the underlying portfolio assets remained top of mind and informed the approach the committee adopted to ensure the effective management of RMH's long-term incentive strategy.

Until June 2020, RMH's largest investment was a 34% shareholding in FirstRand Limited, representing more than 95% of RMH's intrinsic value. RMH unbundled its FirstRand shares in June 2020 bringing about a significant shift in corporate strategy and shareholder composition. Following this unbundling process, the new RMH shareholder requested that the remuneration policies and practices needed to be changed to reflect the focus on an accelerated monetisation of the remaining property investments.

The committee consulted with shareholders holding more than 50% in RMH and the resultant changed remuneration policy was approved at our 2021 annual general meeting, with 83.1% of shareholders voting in favour of our remuneration policy. During 2022, the monetisation strategy was further enforced through the declaration of the Bucharest special dividend of R1.13 billion resulting in RMH obtaining further shareholder support for the monetisation-focused remuneration policy, with 95.45% of shareholders voting in favour of our remuneration policy at our 2022 annual general meeting.

Two major corporate events occurred during the year under review, which influenced remuneration decisions:

■ **Corporate event:** The first major corporate event was the further implementation and execution of our monetisation strategy through the disposal of our 37.5% interest in Atterbury Europe Holding B.V. (Atterbury Europe disposal) for R1.75 billion. As a result of this disposal and the board decision to increase the special dividend by R250 million, a special dividend of R1.4167283 per share, which equated to R2 billion in total, was paid to shareholders on 10 October 2022. The outcome of this substantial monetisation event, coupled with the prior year (2022) Bucharest special dividend of R1.13 billion, has collectively resulted in approximately 63% of the portfolio net asset value (NAV) since unbundling being monetised over the past 24 months.

■ **Remuneration outcome:** As consistent with the prior year (referencing the Bucharest dividend), the Atterbury Europe monetisation event resulted in a need for further adjustments to the September 2020 share appreciation rights (SAR), through the utilisation of RMH's forfeitable share plan.

■ **Corporate event:** The second major corporate event was the termination of the service level agreement (SLA) between RMH and Rand Merchant Investments Holdings (RMI), due to RMI strategically unbundling its portfolio assets. This resulted in the role of Herman Bosman (as joint CEO of RMI and RMH) becoming redundant. Considering this development, RMH appointed Brian Roberts, previously the CEO of RMH Property, as CEO of RMH, and Ellen Marais, previously the company secretary and financial manager of RMH (by virtue of the historical SLA) as the financial director, with the appointments becoming effective on 1 December 2022.


■ **Remuneration outcome:** Due to the nature of the termination of Herman Bosman's employment by virtue of redundancy caused by the termination of the SLA, the committee applied a good leaver/no-fault termination status to Herman Bosman in terms of the long-term incentive rules. The application of the good leaver status resulted in the early (*pro rata*) vesting and exercise of Herman Bosman's unvested long-term incentive awards (consisting of a combination of SARs, forfeitable shares and escrow dividends).

It is important to note that early vesting did not result in the full accelerated vesting of Herman Bosman's unvested long-term incentive (LTI) awards as the early vesting was subjected to the principles of pro-ration as well as early testing of the underlying performance conditions, as aligned to good corporate governance guidelines as endorsed by King IV.

Parts 2 and 3 of the report provide further detail on the remuneration aspects associated with our remuneration policy and implementation of our monetisation strategy.

### Remuneration governance

Following the unbundling of FirstRand in 2020, a remuneration committee was constituted. The committee is appointed by the board of directors and its terms of reference represent the scope of responsibility delegated to the committee by the board of directors.

 *The committee membership and attendance appear on page 33 of the integrated report.*

The committee reports on its activities at board meetings, following committee meetings. The committee met twice during the reporting period. The chairman of the committee attends the annual general meeting to respond to questions from shareholders within the committee's areas of responsibility and engages with shareholders where appropriate throughout the year. The CEO and financial director are invited to attend meetings but are not present when their remuneration is discussed and do not vote on any matters.

### Voting outcomes and shareholder engagement

We are pleased to advise that, at our 2022 annual general meeting, our remuneration policy and implementation report received approval votes of 95.45% (2021: 83.1%) and 89.38% (2021: 88.2%), respectively. As reported in 2022, we engaged extensively with our shareholders in April 2021 when we were in the process of embarking on the monetisation strategy, to solicit their views and feedback on our policy, and again in July 2021 when we shared more concrete details on amendments to the remuneration policy. During these sessions, we considered their feedback and discussed their concerns relating to our remuneration structures, and the implementation and disclosure thereof. Having engaged extensively and following a significant improvement in the level of shareholder support for our monetisation-focused remuneration policy and implementation over the past 24 months, we received minimal additional feedback during the 2023 financial year. Notwithstanding this, we set out the additional feedback received on page 41, along with our response thereto.

We strive to continuously improve our remuneration report according to best practice, which includes providing enhanced disclosure in successive versions of this report and ensuring that the principles of our revised remuneration policy align with our communicated strategy, most notably in respect of our LTIs.

Remuneration report (continued)

### Shareholder feedback

It is felt that the use of SARs as the primary LTI instrument did not appropriately align executives and shareholders during the process of monetisation, as is the case with full share instruments. In addition, adjustments to a SAR structure that would be required for distribution events in terms of the LTI rules have embedded complexities in a monetisation environment that could be simplified.

#### OUR RESPONSE

As further elaborated upon in our remuneration policy in part 2, we continue to make use of our forfeitable share plan (FSP), instead of adjusting the unvested SAR awards for the value reduction brought about by asset disposals arising as a result of the monetisation strategy, as this is deemed to be more aligned with the shareholder experience.

This takes the form of 'replacement' awards being made in the form of FSPs to existing SAR participants, the value of which awards were equivalent to the value reduction caused by the disposal. Usually, and according to the existing rules, SAR awards would be adjusted (either through the strike price or increasing the number of awards) to take account of any value reduction.

Recipients of FSP awards receive dividends and distributions on their awards (like any other shareholder) during the vesting period, resulting in alignment with shareholders who would receive dividends as a result of the effective monetisation of underlying portfolio assets.

As a shareholder protection mechanism, it is provided that any dividends/distributions received on the FSP awards will be 'locked up' in an escrow account until the eventual vesting dates of the underlying FSP and SAR awards, i.e. they will not be received when other shareholders receive theirs. These locked-up dividends are also subject to a potential downward adjustment or clawback if performance below target is delivered (there is no equivalent upward adjustment provided for in the event that outperformance is delivered).

The remuneration policy and implementation report will be tabled for non-binding votes by shareholders at the annual general meeting on 5 December 2023. If either the remuneration policy or implementation report receives dissenting votes in excess of 25%, the committee will:

- Embark on formal engagements with dissenting shareholders regarding their dissenting votes;
- Address legitimate and reasonable objections raised; and
- If required, amend the remuneration policy or clarify and/or adjust the remuneration governance, processes or disclosure.

### Areas of focus during the year

The committee's practices, in line with King IV, fulfilled the following main duties during the reporting period:

- Granting of the second round of FSP awards to compensate for the value reduction on the September 2020 SAR allocations, following the Atterbury Europe disposal and the consequential special dividend paid in October 2022 of R1.4167283 per share;
- Effective management of the remuneration governance aspects associated with the termination of the SLA with RMI and the consequential redundancy and exit of Herman Bosman as the previous CEO;
- Recommendation on adjustments to non-executive directors' fees for approval by the board and, ultimately, shareholders; and
- Preparation of the remuneration report for inclusion in the integrated report and for voting at the annual general meeting.

### Future areas of focus

During the next reporting period, the committee plans to focus on:

- Ongoing monitoring of the remuneration policy to ensure alignment with strategy; and
- Continued proactive engagement with shareholders.

### Remuneration consultants

The committee engaged the services of PwC and Remchannel as remuneration consultants during the 2023 financial year.

During the reporting period, the remuneration consultants assisted the committee with the review of its policies and practices and specifically, with the design and implementation of our new LTI structure, the FSP. The committee is satisfied that the consultants were independent and objective in providing the relevant services.

### Approval

The committee is satisfied that the remuneration policy is fair, transparent and responsible in that it is reviewed and approved annually. The committee is satisfied that the remuneration policy achieved its stated objectives during the reporting period. In addition, the committee is satisfied that it has satisfactorily discharged its functions and has complied with its terms of reference during the year under review.

The committee recommended this remuneration report to the RMH board for approval on 27 July 2023, which was obtained.

RMH strives to improve its remuneration practices and looks forward to receiving the support of shareholders on the non-binding resolutions for the remuneration policy and implementation report at the 2023 annual general meeting.

On behalf of the remuneration committee.



**Murphy Morobe**  
Chairman of the remuneration committee

**Johannesburg**  
27 July 2023

## Part 2: Remuneration philosophy

### Scope and application

As explained in part 1, RMH no longer has an SLA with RMI and therefore RMH's remuneration policy applies to RMH full-time employees, being the two executive directors, as well as the non-executive directors.

### Remuneration philosophy, principles and objectives

The following principles, informed by best practice as prescribed by King IV, form the foundation of RMH's remuneration philosophy and policy, and represent RMH's remuneration approach, guiding the basis upon which employees and executives are rewarded, namely:

- Human capital plays a pivotal role in delivering on RMH's value proposition;
- RMH's remuneration practices must consider the macroeconomic environment, the medium- and long-term strategy of the company as well as support changes in its corporate structure and portfolio;
- RMH seeks to retain high-quality individuals through competitive compensation;
- RMH's reward policies should be well disclosed (underpinning the principle of transparency) and well explained to assist stakeholders in understanding how the rewards of employees align with the risk and exposure of shareholders and other stakeholders;
- RMH must ensure that the compensation of executives and employees is affordable and reasonable in terms of the value created for shareholders; and
- RMH's remuneration practices must promote risk management by encouraging behaviour that is consistent with the RMH code of ethics, values and long-term strategy, in addition to protecting RMH's rights as an employer.

Remuneration packages are structured depending on the required skill, the experience of individuals at each level and the employee's level of influence on the business strategy. The committee monitors executive remuneration on an ongoing basis to ensure that it remains market-related and drives sustainable value creation for all stakeholders in line with RMH's remuneration philosophy. The pay mix for executive directors is weighted more heavily towards LTIs to ensure that total remuneration is within the 50th to 75th quartile of its comparator group.

### Remuneration overview and processes Benchmarking and position in the market

RMH believes that its remuneration policy plays an essential and vital role in realising the business strategy. Therefore, it should be competitive in the markets in which the company operates.

To ensure this, all elements of remuneration are subject to regular reviews against relevant market and peer data. Reviews are performed to benchmark the group's remuneration against an appropriate peer group of comparable companies.

Benchmarking is undertaken by an external remuneration consultant and to ensure that the group is able to attract and retain executives and key talent in a competitive job market, fixed remuneration is paid in line with the median of the market. The positioning may be amended from time to time, as required to align with the group's strategies.

Remuneration report (continued)

## Elements of remuneration

The table below illustrates the alignment between the remuneration principles applied in the remuneration policy and the strategic objectives of RMH:

Strategic objective	Element		Overview	Alignment with stakeholders	Policy changes during 2023
Partner	Guaranteed remuneration	Total guaranteed package (TGP)	Total guaranteed package comprises salary and medical aid schemes. It is compulsory for an employee to be a member of a medical aid. Salaries are reviewed on an annual basis and adjusted for inflation and changes in responsibility.	Fixed remuneration reflects the value of the role and individual performance.	No changes.
		Variable pay	Short-term incentive (STI)	In line with the company's long-term strategic objectives, RMH does not offer an STI as part of its variable pay.	No change.
Enhance and monetise	Variable pay	Long-term incentive (LTI) – share appreciation rights (SARs) subject to prospective performance conditions	SARs are subject to performance conditions and vest in tranches after the third, fourth and fifth anniversary of the award date. Management, including the CEO and financial director of RMH, participate in the RMH SAR scheme, with performance criteria set with each allocation. The SAR will not be used for any further allocations. Furthermore, as and when a monetisation and subsequent distribution occurs, SAR awards will not be adjusted, but the fair value lost may be awarded in shares under the FSP as explained below.	LTI plans ensure that management's personal wealth creation is aligned with that of shareholders.	No change.
		LTI – forfeitable share plan (FSP) awards, subject to performance conditions	The FSP will be used in the following fashion: i) for future top-up awards (instead of using SAR awards); and ii) in the event of monetisation or special distribution, the SARs will lose value and the FSP will be used to compensate participants for the value lost (this is explained in further detail below). All FSP awards will be subject to performance conditions. Any dividends or special distributions that accrue on the FSP awards during the vesting period will be held in an escrow account until the eventual vesting dates of the underlying FSP awards. Furthermore, the escrow dividends/distributions will be downward adjusted (i.e., clawed back) if performance below target is delivered and does not cater for an upward adjustment if outperformance is delivered. Where participants deliver outperformance according to set targets, there is potential for a larger number of FSP awards vesting (max vesting of 160% of the original number of awards). Management, including the CEO and financial director, participate in the RMH FSP scheme. More detail on this scheme is provided on page 48.	LTI plans ensure that management's remuneration outcomes are aligned with the outcomes of shareholders.	No change.
		Management participation structure (carry interest)	A management participation structure enables the founders of RMH Property, to share in the value created by RMH Property. No new awards will be made and the current scheme, which will end in 2028, will run its course.	This scheme rewards participants for outperformance above a hurdle rate and supports long-term retention and value creation.	No change.

Remuneration report (continued)

## Variable remuneration

RMH endeavours to ensure that there is a strong link between strategic objectives and remuneration policies and practices. Performance-related remuneration (variable remuneration) is designed to encourage and reward superior performance and to align the interests of employees with those of shareholders and those of the company. To achieve this outcome, RMH provides a competitive LTI plan, focused on the execution of RMH's monetisation strategy, for eligible employees in addition to TGP.

The monetisation-focused incentive policy was carefully designed after detailed consultation with shareholders, who overwhelmingly supported the strategy. Accordingly, the monetisation targets relative to NAV were calibrated based on input provided by shareholders; namely, that management needs to carefully balance the acceleration of the monetisation process relative to unlocking the full NAV discount. Taking this into account monetisation targets were set to allow for a larger toleration of NAV discount should the monetisation of assets be accelerated, with an equal emphasis placed on the monetisation of each underlying portfolio asset through the application of an equivalent weighting to each asset. It should be noted that all asset disposals are considered and if so evaluated, approved by the RMH board and in certain instances by RMH shareholders.

In addition to this, the NAV growth performance condition used for both the SARs and FSP awards further incentivises management to further accrete NAV during the monetisation process.

## Guaranteed remuneration and benefits

RMH follows a total guaranteed packages (TGP) approach to structure remuneration for full-time employees in which all benefits, both compulsory and additional benefits, are convertible to cash. The TGP is the total benefit to the individual, as well as the total cost to the company. Guaranteed remuneration reflects the employee's role and job worth within RMH, is payable for doing the expected day-to-day job requirements and forms the basis of the company's ability to retain the necessary skills. No benchmarking was conducted during the year for TGP.

Remuneration report (continued)

## Short-term incentives

As noted above and in line with RMH's long-term monetisation strategy, no STIs are offered as part of the policy.

## Long-term incentives Share appreciation rights (SARs)

The scheme was originally designed to provide selected employees with the opportunity to share in the success of the company's portfolio and to be incentivised to deliver the business strategy over the long term.

The SAR scheme has been discontinued but existing awards will continue to vest under the scheme. For this reason, we have provided limited detail of the elements of the SAR scheme below, full details of the scheme can be found in previous reports.

The SAR scheme offered participants the opportunity to share in the appreciation/growth of the share price of a defined number of shares and is non-dilutive (settled in cash or at the election of the committee, in equity). Awards were made once every three years, with tranches vesting on the third, fourth and fifth

anniversary of the award date with minor inflation-linked top-up awards occurring in years 2 and 3.

In general, all unvested SARs lapse on termination of employment. Unvested SARs may be adjusted to compensate participants for the fair value lost, but as described elsewhere in this report, the committee has determined that the fair value lost in such instances may instead be awarded as forfeitable shares under the FSP.

The performance conditions and vesting profile apply to the awards made in September 2020:

Component	Explanation					
Performance conditions and vesting profile	The following performance conditions and vesting profile apply to the awards made in September 2020 (linear vesting applies between threshold and outperformance vesting):					
	Vesting conditions	Weighting	Target range of vesting conditions target	Percentage of allocation vesting if not zero	Threshold performance level of vesting	Outperformance level of vesting
	<b>TSR linked to nominal GDP growth</b>	30%	83% to 216% of nominal GDP growth (at current forecasts of nominal GDP annualised total shareholders' return should be between 5.51% and 14.34%).	15% to 60%	15% (30% x 50% vesting)	60% (30% x 200% vesting)
	Explanation	RMH believes that this vesting condition unconditionally ensures alignment with the position of shareholders. TSR is linked to growth in market capitalisation and distributions with the latter being emphasised in the execution of an orderly monetisation strategy.				
	<b>NAV growth</b>	15%	Compound annual rate of between 9.02% and 23.39% for three years.	7.5% to 15%	7.5% (15% x 50% vesting)	30% (15% x 200% vesting)
Explanation	RMH believes that retaining some mechanism of NAV growth incentivises management to maintain focus on growing value while assets are monetised. At each vesting date, the change in NAV will be determined to test whether the condition has been met. Any asset monetisation in the interim period will not change this approach, except that an asset realisation will 'freeze' the value for that particular asset and such 'frozen' value will be rolled forward at the relevant vesting date at the rate equal to the compound growth rate achieved up to the disposal date.					

Remuneration report (continued)

Component	Explanation					
Performance conditions and vesting profile continued	<b>Vesting conditions</b>	<b>Weighting</b>	<b>Target range of vesting conditions target</b>	<b>Percentage of allocation vesting if not zero</b>	<b>Threshold performance level of vesting</b>	<b>Outperformance level of vesting</b>
	<b>Monetisation of underlying assets</b>	3.75% per underlying asset. RMH originally had four underlying assets, which give a total of 15%. Following the Atterbury Europe disposal in 2023, only 3 portfolio assets remain.	Any asset monetisation approved by the RMH board (i.e. that was supported by shareholders, and strikes the desired balance between accelerating the monetisation, and achieving the optimal price) will trigger the immediate vesting of 3.75% per asset. A linear formula will be applied if the monetisation event is anchored between 60% to 100% of gross NAV for monetisation from years 3 to 5 with a different minimum gross NAV to be achieved per year to trigger the additional vesting in excess of the minimum 3.75% per asset (up to a maximum of 7.5% per asset).  (See table on page 47)	15%	15% if all four assets are monetised	30% (15% x 200% vesting) if all four assets are monetised at a price linked to the upper limit of the optimal gross NAV target range (refer to the table on page 47)
	<b>Explanation</b>	Vesting will be accelerated to the monetisation date of the asset. RMH believes that this aligns with the monetisation strategy. For clarity: Gross NAV is equal to the carrying value of the investment at the date of the award, ignoring any tax consequences that will be dependent on the underlying transaction.				
	<b>Qualitative criteria</b>	40%	0% to 40%		40% (40% x 100%)	40% (40% x 100%)
	<b>Explanation</b>	RMH believes that this is in the best interests of shareholders. To deliver on the monetisation strategy, management will need to deliver on specific qualitative key performance indicators. Qualitative key performance indicators include the assessment of the following: <ul style="list-style-type: none"> <li>■ Definition and execution of strategy following the FirstRand unbundling;</li> <li>■ Ongoing relationship with investee company's executive team, representation and role on relevant forums, proactive involvement, relevant insight and input, role in driving transformation;</li> <li>■ Managing public relations;</li> <li>■ Engagement with regulators and investors; and</li> <li>■ Maintaining high standards of governance and reporting.</li> </ul>				
<b>Total</b>	<b>100%</b>	<b>0% to 160%</b>			<b>77.5%</b>	<b>160%</b>

Remuneration report (continued)

The asset monetisation vesting condition for the three remaining portfolio assets can be illustrated as follows and will be the same for each of the remaining three assets:

Monetisation of the underlying asset	Percentage of allocation vesting
Not sold	0%
Monetisation approved by the RMH board	3.75%
Monetised at 60% to 75% of gross NAV by September 2023	3.75% (for 60%) up to 7.5% (for 75%)
Monetised at 75% to 90% of gross NAV by September 2024	3.75% (for 75%) up to 7.5% (for 90%)
Monetised at 90% to 100% of gross NAV by September 2025	3.75% (for 90%) up to 7.5% (for 100%)
Linear interpolation will apply between levels	

The table summarises the vesting range outcomes based on different combinations of scenarios between NAV growth achieved and asset realisations and discount unlock:

Scenario	NAV growth achieved	Realisations and discount unlock	Total
■ NAV growth below 9.02%			
■ No assets monetised	0%	0%	0%
■ NAV growth below 9.02% (i.e. the minimum hurdle)			
■ All 4 assets are monetised	0%	15% to 30%*	15% to 30%
■ NAV growth of 9.02% to 23.39%			
■ No assets monetised	15% to 30%	0%	15% to 30%
■ NAV growth of 9.02% to 23.39%			
■ All 4 assets monetised below the minimum required NAV target (according to board approval)	15% to 30%	15%**	30% to 45%
■ NAV growth of between 9.02% to 23.39% is achieved			
■ <b>One</b> asset monetised within NAV target range	15% to 30%	3.75% to 7.5%	18.75% to 37.5%
■ NAV growth of between 9.02% to 23.39% is achieved			
■ <b>Two</b> assets monetised within NAV target range	15% to 30%	7.5% to 15%	22.5% to 45%
■ NAV growth of between 9.02% to 23.39% is achieved			
■ <b>Three</b> assets monetised within target NAV range	15% to 30%	11.25% to 22.5%	26.25% to 52.5%
■ NAV growth of between 9.02% to 23.39% is achieved			
■ <b>Four</b> assets monetised within target NAV range	15% to 30%	15% to 30%	30% to 60%

For all scenarios, the lower end of the vesting outcome range is unlocked at the lower NAV growth hurdle, and the higher end of the vesting outcome is unlocked at the higher NAV growth target, with linear interpolation between these levels.

\* 3.75% per asset – 7.5% per asset, depending on targeted discount unlocked.

\*\* 3.75% per asset as no targeted discount was unlocked.

Remuneration report (continued)

## Forfeitable share plan (FSP)

RMH recognised that the pursuance of its orderly monetisation strategy will result in a loss of value in the SAR awards held by participants each time an additional asset within the portfolio is disposed of and as a result of the inherent special distributions thereafter. Due to the inherent complexities in adjusting the SAR awards for these disposals (that is, adjusting the number of SARs comprising the award, the strike price, or both) and the fact that multiple adjustments will be required as the asset portfolio is gradually disposed of, the committee, with the advice and guidance of its external remuneration advisors implemented a forfeitable share plan as a less complicated solution to compensating SAR participants for value lost.

The purpose of the FSP can be noted on two fronts:

- i) to ensure that SAR participants are compensated to a 'no worse off' position following the disposal of each RMH asset through the making of 'replacement awards'; and
- ii) as FSP participants they receive dividends and distributions on their awards in future periods once further monetisation events materialise, which inherently encourages the monetisation of RMH's investments at the highest possible value. Accordingly, the scheme aims to align the interests of participants with those of shareholders and to create value for executives on the same basis as which it is created for shareholders. The FSP will also be used for top-up awards, where these are made, in line with the company's policy to top LTI awards up on an annual basis.

Component	Explanation	
	Replacement awards	Annual top-up awards
Structure and instrument	Full-value RMH shares which are subject to certain conditions. Two award types are envisaged as explained below.	
Participants	CEO and financial director	
Allocations	Replacement awards will be made as and when a monetisation or special distribution occurs that requires SAR awards to be adjusted. FSP awards will be made to SAR participants, equal to the value reduction on SAR awards, following the disposal of each RMH investment, per the following formula: <b>(value reduction on SAR award) / 20-day VWAP = number of forfeitable shares</b> .	Annual top-up awards (instead of using the SARs).
Vesting profile	Replacement awards will vest on the same dates as the originally awarded SARs i.e. tranche vesting in years 3, 4 and 5.	The annual top-up awards will vest in tranches in years 3, 4 and 5.
Distributions	As normal shareholders, participants will share in distributions, but distributions will be held in an escrow account and will be downward adjusted (i.e., clawed back) if performance below target is delivered and does not cater for an upward adjustment if outperformance is delivered.	
Performance conditions and performance vesting percentages	Replacement FSP awards will remain subject to the same performance conditions that were set for the SAR award that is being replaced (refer to the disclosure table on pages 45 to 47).	The performance conditions applied will be calibrated to align with the monetisation strategy.
Plan limits and settlement	FSP awards are settled in RMH shares via market purchase. Accordingly, the FSP is not dilutionary to shareholders.	
Termination provisions	<p>Fault termination: All unvested FSPs are forfeited upon termination of employment.</p> <p>No-fault termination: At the committee's absolute discretion, a <i>pro rata</i> portion of the unvested FSP award will vest on the date of termination of employment or the date as soon as reasonably possible thereafter when the committee determines the extent to which the performance conditions and/or any further conditions have been fulfilled. The portion of the award which does not vest will lapse.</p>	

## Management participation structure (carry interest participation)

Component	Explanation
Overview	In alignment with the entrepreneurial ethos of the group, the board established a management participation structure in 2016 (the scheme). In the development of the scheme, the board borrowed from the private equity models of a management fee and carry structure over and above a certain hurdle rate. In the case of RMH, the focus was on the carry element only and is designed as management participation in growth over and above the initial capital invested and after RMH has been compensated for the cost of capital. This was an internationally recognised and proven fund management compensation model. The structure was implemented in 2018 upon the activation of the portfolio and the establishment of the RMH Property portfolio.
Rationale and alignment with strategy	<p>The rationale of this scheme is to:</p> <ul style="list-style-type: none"> <li>■ Encourage long-term focus by aligning the objectives of management and shareholders, thereby building on the group's owner-manager culture;</li> <li>■ Incentivise management to also focus on RMH Property, which, before the unbundling of FirstRand, had an insignificant impact on the RMH share price over the short- to medium term, but which will contribute to the long-term value creation going forward; and</li> <li>■ Attract and retain key employees in a competitive market.</li> </ul> <p>The scheme provides exposure to participants aligned with the strategy of orderly monetisation as participants will only have the potential to realise value if they monetise the portfolio assets in excess of an agreed minimum NAV. Furthermore, as a consequence of the hurdle rate, the carry incentive also motivates orderly monetisation over a shorter period.</p>
Structure and valuation methodology	<p>The purpose of this structure was to provide participants, including executive directors and prescribed officers, with the opportunity to participate in the creation of long-term value in the RMH Property portfolio after RMH has been compensated for the capital it provided. The structure aimed to reward participants in accordance with the outperformance of the relevant investments over a hurdle rate and support long-term retention.</p> <p>Vesting occurred on day one, and the structure included no exercise period. Other than the hurdle rate, there were no other performance conditions attached.</p> <p>Monetisation of the structure was designed to occur after ten years, through a put option to RMH, available for 365 days, or through the realisation of the underlying investment, whichever occurs first. The structure is not settled in RMH shares and the board has discretion concerning:</p> <ul style="list-style-type: none"> <li>■ The allocation per individual participant;</li> <li>■ The hurdle rate per individual participant per individual allocation;</li> <li>■ Good leaver principles, should a participant leave before the monetisation of the underlying investment; and</li> <li>■ The maximum exposure provided to the participants.</li> </ul> <p>Details concerning the current allocation are provided in part 3 and no future allocations are to be made. The following approach is followed in the valuation of the scheme:</p> <p><b>Step 1:</b> Determine the value of the underlying investment Underlying investments are valued at their carrying values.</p> <p><b>Step 2:</b> Determine the value per share A value per share is determined by dividing the proportionate value of the underlying investment by the number of shares.</p> <p><b>Step 3:</b> Calculate the cost per share A cost per share is then calculated by taking the capital amount injected and accruing the agreed-upon hurdle rate on the amount. These numbers are added and divided by the number of shares.</p> <p><b>Step 4:</b> Determine the value of the liability The value per share calculated in Step 2 is reduced by the value per share calculated in Step 3. The determined value is then multiplied by the number of shares issued to participants to determine the value of the liability. An increase in the value of the liability leads to the charge of a share-based payment expense in profit or loss. If the value of the liability decreases, a negative share-based payment expense is charged to profit or loss.</p>

Remuneration report (continued)

Component	Explanation
Participation details	<p><b>Brian Roberts</b> Upon joining, Brian Roberts exchanged his existing Integer exposure for carry participation in RMH Property. Combined with a sign-on award, the value represented a 4% carry exposure (in the form of a special class of RMH Property shares) to RMH Property's NAV growth with a hurdle rate of 1% (given the fact that actual value was contributed). Brian Roberts was also offered the opportunity to receive financial assistance from RMH (up to a maximum loan of R50 million, with interest charged at the official interest rate in terms of the Income Tax Act, currently being 9.25%) to supplement his carry exposure (in the form of RMH Property ordinary shares) upon further investment by RMH Property. The RMH Property ordinary shares serve as collateral for the loan. At the time, Brian Roberts did not participate in the LTI at an RMH level.</p> <p><b>Herman Bosman</b> Upon sign-on, it was agreed that the investment executives would participate up to a maximum of 10% of the portfolio, based on a portfolio value of R2 billion (R200 million value at work in total). Herman Bosman, as head of the teams, had his participation capped at 2.5% of the 10%. The total value at work would therefore be R50 million, which equalled annual participation of R5 million for an investment horizon of 10 years. The hurdle rate for his carry rights is linked to the prime interest rate.</p>
Duration	The management participant structure is 'under water' for most participants except for Brian Roberts and nearing the end of its life cycle, which is anticipated to occur in 2028. In consultation with PwC during 2021, RMH has elected to let the scheme run its course and no future carry participation opportunities will be offered.

### Malus and clawback

RMH does not currently have a stand-alone *malus* and clawback policy which is applied to incentives. The rules of the FSP and SAR do, however, contain a *malus* clause.

### Contractual remuneration arrangements relating to executive directors

RMH does not grant sign-on payments to any executive directors or other employees upon employment with the company and termination of an executive director's employment does not trigger any payments related to a restraint of trade agreement, nor does a change of control of the company.

### Minimum shareholding requirement

RMH does not currently enforce a minimum shareholding requirement. We are satisfied that Brian Roberts is appropriately invested in the business through his exposure to approximately 49.56 million shares through his unvested FSP awards. He also holds 1.48% of RMH Property. Ellen Marais is exposed to approximately 20.39 million RMH shares through her unvested FSPs.

### Non-executive directors' fees

Non-executive directors do not have employment contracts and do not receive any benefits associated with permanent employment. Furthermore, they do not participate in any STI or LTI schemes which RMH implements from time to time.

Non-executive directors are paid according to a fixed annual fee, based on an agreed number of meetings.

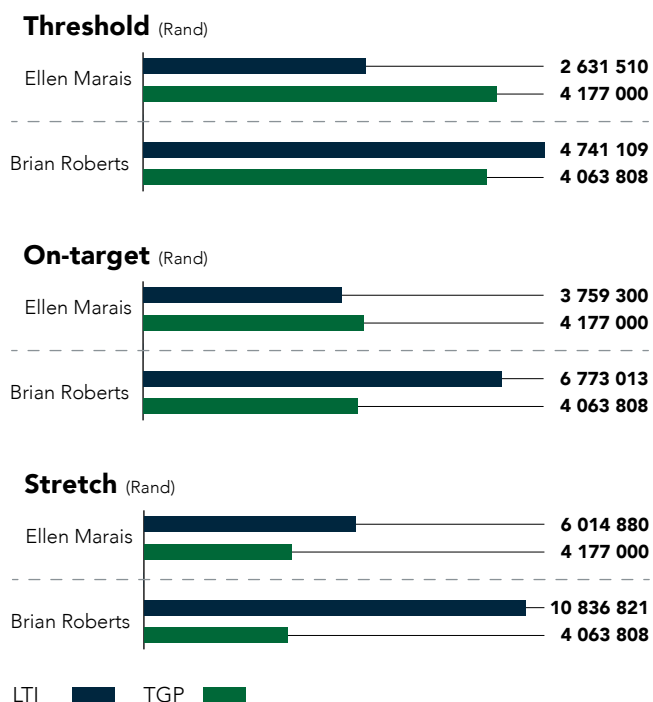
The fees paid to non-executive directors during the reporting period are disclosed in the implementation report on page 55, as are the proposed fees for the 2024 financial year. An inflationary adjustment has been proposed for the forthcoming period.

### Non-binding vote

RMH's remuneration policy, as set out in this part 2 of the report, will be tabled for a non-binding advisory vote by shareholders at the annual general meeting.

### Scenario graphs

The graphs alongside illustrate the potential effects of threshold, on-target and stretch performance outcomes on the total remuneration in 2024 for Brian Roberts and Ellen Marais.



## Part 3: Implementation report

The remuneration outcomes for the executive director and prescribed officers, Herman Bosman (CEO/financial director) (Stepped down 30 November 2022), Brian Roberts (Ex-CEO of RMH Property current CEO of RMH appointed 1 December 2022) and Ellen Marais (current financial director appointed 1 December 2022), are disclosed below for the year ended 31 March 2023.

### Adjustments to guaranteed remuneration

Executive pay was last adjusted for inflation in 2021.

### Variable remuneration outcomes 2023 STI

In line with our policy, no STI participation was offered during the period under review.

### SARs and FSP vesting during 2023

7.5% of the September 2020 SAR allocation and the FSP replacement awards vested during the year as a consequence of the Atterbury Europe monetisation event.

### 2023 SARs and FSPs awarded

During 2023, no SARs were awarded. However, FSPs replacement awards were made equivalent to the SAR value reduction attributable to the Atterbury Europe distribution.

Accordingly, the number of FSPs awarded was calculated on the following basis:

Name	Value reduction per SAR award [A]	20-day VWAP [B]	Number of FSP awards [C = A/B]
	Rand	Rand	Number of FSP
Brian Roberts	22 102 007	R0.581	38 063 932
Ellen Marais	9 093 077	R0.581	15 660 038

No top-up FSP awards were made.

### 2023 Management participation scheme awards

No further participation was extended.

Remuneration report (continued)

## Outstanding LTIs – Exiting CEO due to redundancy

Type of award	Vesting date	Opening number on 1 July 2021 '000	Granted during 2022 '000	Closing number on 31 March 2022 '000	Cash value of receipts during 2022 '000	Closing estimated fair value as at 31 March 2022 <sup>1</sup> '000	Granted during 2023 '000	Closing number on 31 March 2023 '000	Cash value of receipts during 2023 <sup>2</sup> '000	Closing estimated fair value as at 31 March 2023 '000
<b>Herman Bosman</b>										
SAR	2023/09/25	3 043	–	3 043	–	1 582	–	–	130	–
SAR	2024/09/25	3 043	–	3 043	–	1 582	–	–	130	–
SAR	2025/09/25	3 043	–	3 043	–	1 582	–	–	131	–
FSP	2023/09/25	–	1 738	1 738	–	2 902	–	–	2 430	–
FSP	2024/09/25	–	1 738	1 738	–	2 902	–	–	2 430	–
FSP	2025/09/25	–	1 738	1 738	–	2 902	–	–	2 430	–
		9 129	5 214	14 343	–	13 452	–	–	7 681	–

Type of award	Opening number on 1 July 2021	Closing number on 31 March 2022	Cash value of receipts during 2022	Closing estimated fair value as at 31 March 2022 <sup>3</sup>	Closing number on 31 March 2023	Cash value of receipts during 2023	Closing estimated fair value as at 31 March 2023 <sup>3</sup>
<b>Herman Bosman</b>							
Management participation scheme: RMH Prop Holdco 1 Proprietary Limited	265	265	–	–	265	–	–
Management participation scheme: RMH Prop Holdco 2 Proprietary Limited	700	700	–	–	700	–	–
Management participation scheme: RMH Prop Holdco 3 Proprietary Limited	450	450	–	–	450	–	–
Management participation scheme: RMH Prop Holdco 4 Proprietary Limited	1 250	1 250	–	–	1 250	–	–
Management participation scheme: RMH Prop Holdco 5 Proprietary Limited	–	1 350	–	–	1 350	–	–
	2 665	4 015	–	–	4 015	–	–

1. The unvested SAR awards are valued at intrinsic value at year-end as the 20-day VWAP as at 31 March 2022 less the strike price (R1.67 – R1.15) multiplied by the number of SARs outstanding. The FSPs are valued at year-end at the 20-day VWAP share price as at 31 March 2022 (R1.67) multiplied by the number of FSPs outstanding.
2. Due to the nature of the termination of Herman Bosman's employment (by virtue of redundancy caused by the termination of the SLA) the committee applied a good leaver/no-fault termination status to Herman Bosman in terms of the long-term incentive rules. The application of the good leaver status resulted in the early (pro rata) vesting and exercise of Herman Bosman's unvested long-term incentive awards (consisting of a combination of SARs, forfeitable shares and escrow dividends). It is important to note that early vesting did not result in the full accelerated vesting of Herman Bosman's unvested LTI awards as the early vesting was subjected to the principles of pro-rata as well as early testing of the underlying performance conditions. The application of the principle of pro-rata and early testing of performance resulted in the vesting of 74.8% of Herman Bosman's unvested LTI awards. The further simplify the redundancy process, the value reduction impact on Herman Bosman's SAR awards attributable to the 2023 Atterbury Europe disposal was settled in cash R7.49 million in lieu of the granting of replacement FSP awards. This cash amount was also quantified following the application of the above 74.8% vesting factor.
3. The management participant structure for Herman Bosman is 'under water' as at 31 March 2022 and 31 March 2023 and is therefore valued at R0 per share. Based on the terms of the management participation structure, the award does not get cancelled in the event of redundancy but rather continues on its original terms.

Remuneration report (continued)

## Outstanding LTIs – CEO and financial director remaining in office

Type of award	Vesting date	Opening number on 1 July 2021 '000	Granted during 2022 '000	Closing number on 31 March 2022 '000	Cash value of receipts during 2023 '000	Closing estimated fair value as at 31 March 2022 <sup>1</sup> '000	Granted during 2023 <sup>2</sup> '000	Exercised during 2023 <sup>3</sup> '000	Closing number on 31 March 2023 '000	Cash value of receipts during 2023 <sup>3</sup> '000	Closing estimated fair value as at 31 March 2023 <sup>4</sup> '000
<b>Brian Roberts</b>											
SAR	2023/09/25	6 711	–	6 711	–	3 489	–	(503)	6 208	29	–
SAR	2024/09/25	6 711	–	6 711	–	3 489	–	(503)	6 208	29	–
SAR	2025/09/25	6 711	–	6 711	–	3 489	–	(504)	6 207	29	–
FSP <sup>6</sup>	2023/09/25	–	3 833	3 833	–	6 400	12 688	(288)	16 233	371	8 278
FSP <sup>6</sup>	2024/09/25	–	3 833	3 833	–	6 400	12 688	(288)	16 233	371	8 278
FSP <sup>6</sup>	2025/09/25	–	3 833	3 833	–	6 400	12 688	(287)	16 234	370	8 279
		20 133	11 499	31 632	–	29 667	38 064	(2 373)	67 323	1 199	24 835
<b>Ellen Marais</b>											
SAR	2023/09/25	2 761	–	2 761	–	1 436	–	(207)	2 554	12	–
SAR	2024/09/25	2 761	–	2 761	–	1 436	–	(207)	2 554	12	–
SAR	2025/09/25	2 761	–	2 761	–	1 436	–	(207)	2 554	12	–
FSP <sup>7</sup>	2023/09/25	–	1 577	1 577	–	2 634	5 220	(118)	6 679	152	3 406
FSP <sup>7</sup>	2024/09/25	–	1 577	1 577	–	2 634	5 220	(118)	6 679	152	3 406
FSP <sup>7</sup>	2025/09/25	–	1 577	1 577	–	2 634	5 220	(119)	6 678	153	3 405
		8 283	4 731	13 014	–	12 210	15 660	(976)	27 698	493	10 217
Type of award		Opening number on 1 July 2021	Granted during 2022	Closing number on 31 March 2022	Cash value of receipts during 2022	Closing estimated fair value as at 31 March 2022 <sup>5</sup>	Granted during 2023	Closing number on 31 March 2023	Cash value of receipts during 2023	Closing estimated fair value as at 31 March 2023 <sup>5</sup>	
<b>Brian Roberts</b>											
Management participation scheme: RMH Property Holdings Proprietary Limited		1 280 080	751 793	2 031 873	–	–	–	2 031 873	–	9 502 164	
		1 280 080	751 793	2 031 873	–	–	–	2 031 873	–	9 502 164	

- The unvested SAR awards are valued at intrinsic value at year-end at the 20-day VWAP as at 31 March 2022 less the strike price (R1.67 – R1.15) multiplied by the number of SARs outstanding. The FSPs awards are valued at year-end at the 20-day VWAP share price as at 31 March 2022 (R1.67) multiplied by the number of FSPs outstanding.
- As a consequence of the Atterbury Europe monetisation event a further value reduction occurred in the September 2020 SAR award which value reduction was replaced through the granting of the 2023 FSP replacement awards.
- As a consequence of the Atterbury Europe disposal, which disposal resulted in monetisation of gross NAV above the upper limit of the targeted gross NAV range, 7.5% of the September 2020 SAR and 2022 FSP award vested.
- The unvested SAR awards are valued at intrinsic value at year-end at the 20-day VWAP as at 31 March 2023 less the strike price (R0.51 – R1.15) multiplied by the number of SARs outstanding. The outcome of this valuation indicated that the SAR is 'under water' with a R nil value attributed to these awards. The FSPs awards are valued at year-end at the 20-day VWAP share price as at 31 March 2023 (R0.51) multiplied by the number of FSPs outstanding.
- Brian Roberts' management participation scheme awards were 'under water' as at 31 March 2022. As at 31 March 2023, a fair value of R9.5 million was attributed to these awards.
- Brian Roberts has dividends of R12 978 231 in escrow which could vest in three equal tranches at the indicated vesting dates.
- Ellen Marais has dividends of R5 339 478 in escrow which could vest in three equal tranches at the indicated vesting dates.

Remuneration report (continued)

## RMH Property equity-settled structure

RMH extended a loan to Brian Roberts, in his historic capacity as CEO of RMH Property, to acquire ordinary shares in RMH Property Holdings Proprietary Limited. The shares acquired serve as collateral for the loan. The loan met the requirements of an equity-settled share-based payment transaction per IFRS 2: *Share-based Payments*.

The arrangements do not have any vesting or performance conditions attached. The terms of the loan were agreed upon upfront when Brian Roberts was appointed as CEO of RMH Property.

Terms of loan	Detail
Maximum exposure	R50 million
Interest rate	SARS official interest rate, capitalised monthly
Repayment date	No fixed repayment date
Current capital utilisation	R26 million

	For the year ended 31 March	
	2023	2022
Number of shares at the beginning of the year	751 793	751 793
Shares issued during the year	–	–
<b>Number of shares at the end of the year</b>	<b>751 793</b>	751 793
% of RMH Property	<b>1.48%</b>	1.48%

## Total single figure of remuneration

R'000	For the year ended 31 March 2023					
	Salary	Benefits	STI	LTI reflected	LTI – good leaver	Total reward
Herman Bosman <sup>1</sup>	681	72	–	7 681	7 496	15 929
Brian Roberts	4 061	25	–	1 199	–	5 285
Ellen Marais <sup>2</sup>	1 392	–	–	493	–	1 885

R'000	For the year ended 31 March 2022					
	Salary	Benefits	STI	LTI reflected	Total reward	
Herman Bosman	1 310	175	–	–	1 485	
Brian Roberts	3 994	25	–	–	4 019	

- Herman Bosman's LTI reflected represents the value of the accelerated vesting of his SAR and FSP awards, which vesting was prorated and early tested for performance. This resulted in 74.8% of his unvested SARs, FSPs and escrow dividend being settled.
- Ellen Marais replaced Herman Bosman as financial director effective 1 December 2022. Her employment with RMI was terminated effective 30 November 2022 and she transferred to RMH on a full-time basis effective her appointment date.

Remuneration report (continued)

## Directors' and prescribed officer emoluments

### Non-executive directors' remuneration

The fees paid to non-executive directors for the year ended 31 March 2023 are reflected in the table below, as approved by the committee and the board under the authority granted by shareholders at the annual general meeting held on 20 September 2022. We also set out the proposed fees which will be tabled for approval at the 2023 annual general meeting:

### Non-executive directors' emoluments

R'000	For the year ended 31 March	
	2023	2022
	Services as director	Services as director
<b>Non-executive</b>		
Herman Bosman <sup>3</sup> (acting chairman)	52	–
Sonja De Bruyn	498	486
Albertinah Kekana <sup>1,2</sup>	–	12
Per Lagerström	325	311
Udo Lucht <sup>1</sup>	225	224
Mamongae Mahlare	200	191
Murphy Morobe	299	278
James Teeger	249	239
<b>Total</b>	<b>1 848</b>	<b>1 741</b>

- Directors' fees for services rendered by Albertinah Kekana and Udo Lucht were paid to Royal Bafokeng Holdings Proprietary Limited.
- Resigned 24 March 2021.
- Herman Bosman appointed as a non-executive director effective 1 December 2022.

### Non-executive directors' emoluments

Rand	From 1 December	
	2023	2022
<b>Board (4 meetings per annum)</b>		
– Chairman	441 000	413 000
– Director	222 000	208 000
<i>Ad hoc meetings (per hour)</i>	5 200	4 900
<b>Audit and risk committee (2 meetings per annum)</b>		
– Chairman	111 000	104 000
– Member	54 000	51 000
<b>Social, ethics and transformation committee (2 meetings per annum)</b>		
– Chairman	54 000	51 000
– Member	28 000	26 000
<b>Remuneration committee (2 meetings per annum)</b>		
– Chairman	54 000	51 000
– Member	26 000	26 000
<b>Investment committee (per meeting)</b>		
– Chairman	6 000	6 000
– Member	5 000	5 000

### Compliance with the remuneration policy

The committee is satisfied that all remuneration practices during the 2023 financial year complied with the company's remuneration policy without deviation, details of which are provided above.

### Non-binding vote

The remuneration implementation report, as set out in this part 3 of the report, will be tabled for a separate non-binding advisory vote at the annual general meeting.

56

# Summary consolidated financial statements

- 57 Directors' responsibility statement
- 58 Summary consolidated statement of financial position
- 58 Summary consolidated statement of profit or loss and other comprehensive income
- 59 Summary consolidated statement of changes in equity
- 60 Computation of headline earnings
- 60 Computation of per share information
- 60 Summary consolidated statement of cash flows
- 61 Other audited disclosures

## Directors' responsibility statement

The summary consolidated financial statements are not the group's statutory financial statements and do not contain all the disclosures required by IFRS. Reading the summary consolidated financial statements is not a substitute for reading the audited consolidated and separate financial statements of the group, as they do not contain sufficient information to allow for a complete understanding of the results and state of affairs of the group. The consolidated financial statements have been audited by the group's external auditor. Their unmodified report is available for inspection at the group's registered office.



### Basis of presentation of results

The summary consolidated financial statements are prepared in accordance with the requirements of the Companies Act of South Africa as applicable to summary financial statements.

This report is prepared in accordance with:

- The framework concepts and the recognition and measurement requirements of International Financial Reporting Standards (IFRS), including interpretations issued by the IFRS Interpretations Committee;
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council;
- SAICA Financial Reporting Guide as issued by the Accounting Practices Committee; and
- As a minimum, the information required by IAS 34: *Interim Financial Reporting*.

RMH has adopted net asset value per share as a benchmark for trading statement purposes as permitted in terms of paragraph 3.4(b)(vi) of the JSE Listings Requirements. This approach should be considered within the context of RMH's strategy of expedited monetisation and minority and illiquidity discounts that are widely-accepted investment principles reflected in asset sale prices but not necessarily in net asset values.

### Accounting policies

These summary results incorporate accounting policies that are in terms of IFRS and consistent with those used in preparing the audited annual financial statements for the year ended 31 March 2023.

These results are prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities, where required or permitted by IFRS.

The following amendments were applicable from 1 January 2022:

Title	Effective date
<i>Amendments to IAS 16</i> Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (May 2020)	
Annual improvement to IFRS Standards 2018-2020 (May 2020)	1 January 2022
<i>Amendments to IFRS 3</i> Reference to the Conceptual Framework	1 January 2022
<i>Amendments to IAS 37</i> Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022

None of the new or amended IFRS which became effective for the year ended 31 March 2023 had a significant impact on the group's reported earnings, financial position or reserves, or the accounting policies.

### Auditor's report

The summary consolidated financial statements for the year ended 31 March 2023 have not been audited by Deloitte & Touche.

The auditor expressed an unmodified opinion on the consolidated annual financial statements from which the summary consolidated financial statements were derived.

A copy of the auditor's report which includes key audit matters on the consolidated annual financial statements is available for inspection at RMH's registered office, 12 Zero 01 Solution House, 42 Gazelle Avenue, Corporate Park South, Midrand, 1685 or on the website, [www.rmh.co.za](http://www.rmh.co.za).

The forward-looking information has not been commented on or reported on by the group's external auditor. The directors take full responsibility for the preparation of the summary consolidated financial statements. The board acknowledges its responsibility to ensure the integrity of the summary consolidated financial statements. The board has applied its mind to the summary consolidated financial statements and believes that this document addresses all material issues and fairly presents the group's integrated performance and impacts.

The financial director, Ellen Marais CA (SA), prepared these financial results under the supervision of Brian Roberts BCom (Hons), the CEO.

The board of directors of RMH takes full responsibility for the results and confirms that all information was correctly extracted from the audited annual financial statements.

The summary consolidated financial statements were approved by the board of directors and are signed on its behalf by:

**Herman Bosman**  
Acting chairman

**Brian Roberts**  
CEO

27 July 2023

## Summary consolidated statement of financial position

R million	As at 31 March	
	Audited 2023	Audited 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	94	76
Investment securities	772	1 033
Loans and receivables	5	1
Taxation receivable	3	–
<b>Non-current assets</b>		
Loans and receivables	204	186
Investment in associates and joint ventures	448	2 683
<b>Total assets</b>	<b>1 526</b>	<b>3 979</b>
<b>EQUITY</b>		
Share capital and premium	8 574	8 825
Reserves	(7 158)	(4 915)
<b>Total equity</b>	<b>1 416</b>	<b>3 910</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	32	32
Provisions	61	1
Taxation payable	1	–
Financial liabilities	5	–
<b>Non-current liabilities</b>		
Financial liabilities	–	7
Long-term liabilities	11	29
<b>Total liabilities</b>	<b>110</b>	<b>69</b>
<b>Total equity and liabilities</b>	<b>1 526</b>	<b>3 979</b>

## Summary consolidated statement of profit or loss and other comprehensive income

R million	For the year ended 31 March	
	Audited 2023	Audited 2022
Investment income	33	16
Share of after-tax profit of associates and joint ventures	126	613
<b>Revenue</b>	<b>159</b>	<b>629</b>
Loss on sale of Atterbury Europe	(589)	–
Fee income	5	6
Fair value gains on financial assets and liabilities	38	30
Net impairment (losses)/reversal	(3)	1
<b>Net (loss)/income</b>	<b>(390)</b>	<b>666</b>
Operating expenses	(29)	(37)
<b>(Loss)/income from operations</b>	<b>(419)</b>	<b>629</b>
Income tax expense	(21)	(18)
<b>(Loss)/profit for the year</b>	<b>(440)</b>	<b>611</b>
Loss/profit attributable to:		
Ordinary equity holders of the company	(440)	611
<b>(Loss)/profit for the year</b>	<b>(440)</b>	<b>611</b>
<b>Other comprehensive income/(loss), after tax</b>		
<b>Items that may subsequently be reclassified to profit or loss</b>		
Share of other comprehensive profit of associate after tax and non-controlling interests	–	1
Exchange difference on translating foreign operations	140	(204)
Reclassification of accumulated comprehensive income of Atterbury Europe	(166)	–
<b>Other comprehensive loss</b>	<b>(26)</b>	<b>(203)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(466)</b>	<b>408</b>
– Attributable to ordinary equity holders of the company	(466)	408
<b>(Loss)/earnings per share (cents)</b>		
– Basic	(31.9)	43.9
– Diluted	(31.9)	43.9

## Summary consolidated statement of changes in equity

R million	Share capital and premium	Equity-accounted reserves	Foreign currency translation reserves	Other reserves	Retained earnings	Equity of ordinary equity holders
<b>Balance as at 1 April 2021 (Audited)</b>	8 825	1 301	230	(18)	(5 716)	4 622
Total comprehensive income/(loss)	–	1	(204)	–	611	408
Special dividends paid	–	–	–	–	(1 129)	(1 129)
Special dividend received on treasury shares	–	–	–	–	16	16
Income of associate retained	–	(41)	–	–	41	–
Share option expense – IFRS 2	–	–	–	6	–	6
Movement in treasury shares	–	–	–	(6)	–	(6)
Reserve movements relating to associates	–	466	–	–	(473)	(7)
<b>Balance as at 31 March 2022 (Audited)</b>	8 825	1 727	26	(18)	(6 650)	3 910
Balance as at 1 April 2022 (Audited)	<b>8 825</b>	<b>1 727</b>	<b>26</b>	<b>(18)</b>	<b>(6 650)</b>	<b>3 910</b>
Total comprehensive loss	–	–	(26)	–	(440)	(466)
Special dividends paid	(251)	–	–	–	(1 723)	(1 974)
Special dividend received on treasury shares	–	–	–	–	18	18
Income of associate released	–	(1 591)	–	–	1 591	–
Share option expense – IFRS 2	–	–	–	3	–	3
Movement in treasury shares	–	–	–	(67)	(8)	(75)
Reserve movements relating to associates	–	24	–	–	(24)	–
<b>Balance as at 31 March 2023 (Audited)</b>	<b>8 574</b>	<b>160</b>	<b>–</b>	<b>(82)</b>	<b>(7 236)</b>	<b>1 416</b>

## Computation of headline earnings

	For the year ended 31 March	
	Audited 2023	Audited 2022
R million		
(Loss)/profit attributable to equity holders	(440)	611
Adjusted for:		
RMH's share of adjustments made by RMH Property and its associates		
– RMH Property's associates' adjustments	11	(566)
– Loss on sale of Atterbury Europe	589	–
– Loss on dilution of Diverscity	–	11
<b>Headline earnings</b>	<b>160</b>	<b>56</b>

## Computation of per share information

	For the year ended 31 March	
	Audited 2023	Audited 2022
R million		
(Loss)/earnings attributable to equity holders	(440)	611
Headline earnings attributable to equity holders	160	56
Net asset value	1 416	3 910
Number of shares in issue (millions)	1 411.7	1 411.7
Weighted average number of shares in issue (millions)	1 380.9	1 392.0
Diluted weighted average number of shares in issue (millions)	1 380.9	1 392.0
(Loss)/earnings per share (cents)	(31.9)	43.9
Diluted (loss)/earnings per share (cents)	(31.9)	43.9
Headline earnings per share (cents)	11.6	4.0
Diluted headline earnings per share (cents)	11.6	4.0
Dividend per share (cents)	141.7	80.0
Net asset value per share (cents)	100.3	277.0

## Summary consolidated statement of cash flows

	For the year ended 31 March	
	Audited 2023	Audited 2022
R million		
<b>Cash flow from operating activities</b>		
Cash generated from operations	(3)	24
Interest received	16	4
Income tax paid	(23)	(8)
Liquidation costs paid	–	(27)
<b>Net cash utilised in operating activities</b>	<b>(10)</b>	<b>(7)</b>
<b>Cash flow from investing activities</b>		
Loans repaid by associates	–	19
Loans granted to associates	(27)	–
Additional subscription in Diverscity	–	(6)
Loan to Atterbury Europe sold	25	–
Additions to investment securities	(1 815)	(984)
Disposal of investment securities	2 096	1 164
Proceeds on disposal of Atterbury Europe	1 725	–
Proceeds on disposal of Atterbury Mauritius Limited	–	29
<b>Net cash inflow from investment activities</b>	<b>2 004</b>	<b>222</b>
<b>Cash flow from financing activities</b>		
Treasury shares bought	(20)	(6)
Special dividend received on treasury shares	18	16
Special dividend paid to equity holders as a return of capital	(251)	–
Special dividend paid to equity holders	(1 723)	(1 129)
<b>Net cash outflow to financing activities</b>	<b>(1 976)</b>	<b>(1 119)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18</b>	<b>(904)</b>
Cash and cash equivalents at the beginning of the year	76	980
<b>Cash and cash equivalents at the end of the year</b>	<b>94</b>	<b>76</b>

## Other audited disclosures

### Fair value measurements and analysis of assets and liabilities

This note provides information about the judgements and estimates made to determine the fair values of the financial instruments that are recognised and measured at fair value in the summary consolidated financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is contained in the table alongside.

#### Valuation methodology applied

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e., an exit price.

Fair value is therefore a market-based measurement and, when measuring fair value, RMH uses the assumptions that market participants would use when pricing an asset or liability under current market conditions, including assumptions about risk. When determining fair value, it is presumed that the entity is a going concern and the fair value is therefore not an amount that represents a forced transaction, involuntary liquidation or a distressed sale.

#### Fair value measurement

Fair value measurements are determined on both a recurring and non-recurring basis.

#### Recurring fair value measurements

Recurring fair value measurements are those for assets and liabilities that IFRS requires or permits to be recognised at fair value and are recognised in the statement of financial position at the reporting date. This includes financial assets, financial liabilities and non-financial assets.

#### Other fair value measurements

Other fair value measurements include assets and liabilities not measured at fair value but for which fair value disclosures are required under another IFRS standard, e.g., financial instruments at amortised cost. The fair values of these items are determined by using observable quoted market prices where these are available, or in accordance with generally acceptable pricing models such as a discounted cash flow analysis.

### Fair value hierarchy and measurements

R million	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2023 (Audited)</b>				
<i>Recurring fair value measurements</i>				
<b>Financial assets measured at fair value</b>				
Investment securities	647	28	97	772
<b>Fair value of financial assets</b>	<b>647</b>	<b>28</b>	<b>97</b>	<b>772</b>
<i>Recurring fair value measurements</i>				
<b>Financial liabilities measured at fair value</b>				
Financial liabilities	–	–	5	5
<b>Fair value of financial liabilities</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>
<b>As at 31 March 2022 (Audited)</b>				
<i>Recurring fair value measurements</i>				
<b>Financial assets measured at fair value</b>				
Investment securities	922	–	111	1 033
Loans and receivables	–	–	23	23
<b>Fair value of financial assets</b>	<b>922</b>	<b>–</b>	<b>134</b>	<b>1 056</b>
<i>Recurring fair value measurements</i>				
<b>Financial liabilities measured at fair value</b>				
Financial liabilities	–	–	7	7
<b>Fair value of financial liabilities</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>7</b>

Other audited disclosures (continued)

Valuations based on observable inputs include:

- **Level 1** – Fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on the reporting date. An active market is one in which transactions occur with sufficient volume and frequency to reliably provide pricing information on an ongoing basis.
- **Level 2** – Fair value is determined through valuation techniques based on observable market inputs. These valuation techniques maximise the use of observable market data where available and rely as little as possible on entity-specific estimates.
- **Level 3** – Fair value is determined through valuation techniques that use significant unobservable inputs.

### Financial assets

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial assets categorised as Level 3 assets in the fair value hierarchy:

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
<b>Loans and receivables including loans to associates</b>	Discounted cash flows	The future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period.	Interest rates
<b>Investment securities – unlisted equity investments</b>	Net asset value per share of underlying investment	The unlisted investment relates to Divercity. Divercity's primary business is long-term investing in urban renewal, income-generating properties and developments in South Africa. Given the asset-intense investment and inconsistent earnings, it remains appropriate that the base to value the investment is a market-related net asset value basis. These valuations are supported by external valuations. RMH has, however, applied a minority discount of 20% in the current year, following the disposal of Atterbury Europe.	Net asset value and minority discount

### Reconciliation of Level 3 assets measured at fair value

R million	For the year ended 31 March	
	Audited 2023	Audited 2022
<b>Balance at the beginning of the year</b>	<b>134</b>	24
Additions in the current year	–	118
Disposals	(24)	–
Fair value movement recognised in profit or loss	(13)	(8)
<b>Balance at the end of the year</b>	<b>97</b>	134

### Financial liabilities

The table below sets out the valuation techniques applied by RMH for fair value measurements of financial liabilities categorised as Level 3 liabilities in the fair value hierarchy:

Instrument	Valuation technique	Description of valuation technique and main assumptions	Unobservable inputs
<b>Financial guarantee contracts</b>	Discounted cash flows	The present value of the cumulative unearned fee received in exchange for providing the guarantee.	Discount rate

### Reconciliation of Level 3 liabilities measured at fair value

R million	For the year ended 31 March	
	Audited 2023	Audited 2022
<b>Balance at the beginning of the year</b>	<b>7</b>	6
Fair value movement recognised in profit or loss	(2)	1
<b>Balance at the end of the year</b>	<b>5</b>	7

Other audited disclosures (continued)

## Segmental information

After the sale of Atterbury Europe, RMH will no longer include segmental information as the only segmental information previously presented to the chief operating decision-maker was the geographic segmental information. The remainder of RMH Property is based in South Africa.

R million	South Africa	Europe	RMH
<b>For the year ended 31 March 2023 (Audited)</b>			
Revenue	78	81	159
Share of after-tax profit of associates and joint ventures	45	81	126
Profit/(loss) for the period	66	(506)	(440)
<b>As at 31 March 2023 (Audited)</b>			
Investment in associates and joint ventures	448	–	448
<b>For the year ended 31 March 2022 (Audited)</b>			
Revenue	87	542	629
Share of after-tax profit of associates and joint ventures	71	542	613
Profit for the period	69	542	611
<b>As at 31 March 2022 (Audited)</b>			
Investment in associates and joint ventures	444	2 239	2 683

## Loss on sale of Atterbury Europe

R million	For the year ended 31 March
	<b>Audited 2023</b>
Carrying value at the beginning of the period	(2 239)
Foreign exchange increase	(140)
Equity-accounted earnings for the period	(81)
Carrying value as at 7 September 2022	(2 460)
Proceeds on disposal of Atterbury Europe	1 750
Loan repaid	(25)
Reclassification of accumulated comprehensive income of Atterbury Europe	166
Transaction costs	(20)
<b>Loss on disposal of Atterbury Europe</b>	<b>(589)</b>

## Contingencies and commitments

R million	As at 31 March	
	Audited 2023	Audited 2022
Commitments	13	25
Guarantees	489	534
<b>Total commitments and guarantees</b>	<b>502</b>	<b>559</b>

Other audited disclosures (continued)

## Subsequent events

### Atterbury

RMH and its wholly-owned subsidiary, RMH Asset Holding Company Proprietary Limited (RMHAH), each of which provided a guarantee to Rand Merchant Bank, a division of FirstRand Bank Limited (RMB), as security for a loan RMB provided to Atterbury Property Holdings Property Limited, registration number 1998/014055/07 (Atterbury) in July 2016.

In terms of the loan facility agreement entered between RMB and Atterbury in July 2016 (the Facility Agreement), if Atterbury is reasonably of the opinion that it does not have 'sufficient cash resources' to repay the loan on 8 July 2023, it may issue a conversion notice to RMB and repay all or part of the amount due to be repaid to the lender not in cash but through the issue of ordinary shares (conversion shares) and thereby convert the loan to equity.

On 7 July 2023, being the predetermined repayment date, Atterbury issued a share conversion notice to RMB. On receipt of the conversion notice, RMB demanded payment of the outstanding loan amount of R487 million in terms of both the RMH and RMHAH guarantees. RMH declined to pay under the RMH guarantee and proceeded to settle the outstanding loan amount as guarantor under the RMHAH guarantee. Immediately upon payment under the RMHAH guarantee, RMHAH assumed all the rights of the lender under the facility agreement. As of close of business on 7 July 2023, RMHAH is the lender as defined in the facility agreement.

As a consequence of RMH having declined to pay under the RMH guarantee, on 10 July 2023, RMHAH exercised its right to decline the offer from Atterbury to repay the loan amount outstanding by the issuance of shares and demanded an amount of R487 million from Atterbury as of 10 July 2023.

Considering these circumstances, shareholders are advised to exercise caution when trading in their RMH shares until a further announcement is made.

### Integer

As previously mentioned, on 17 May 2023, RMH gave notice to Integer 3 that it will not exercise its equity conversion right. The disproportionate shareholders' loan is due and payable on 17 November 2023 (R133 million as at 31 March 2023).

Cognisant of the Integer business model and whether the entity would be able to sell assets and the other shareholder being able to equalise the shareholders' loan on 17 November 2023, RMH at the March 2023 board meeting agreed to the following:

- Extend the loan but at an increased interest rate equal to the prime lending rate plus 10% (the current interest rate is equal to the prime lending rate plus 5%).
- Shareholders are reminded that the loan to Integer consists of a proportionate shareholders' loan of R74 million with no repayment terms and the disproportionate shareholders' loan of R133 million. The disproportionate shareholders' loan ranks ahead of the proportionate shareholders' loan. The higher interest rate would impact the recoverability of the R74 million proportionate shareholders' loan.

### Dissenting shareholders

On 10 July 2023, RMH bought back 5 500 000 RMH ordinary shares from two shareholders who exercised their rights in terms of section 164 (2) of the Companies Act. The total purchase price amounted to R10.9 million. RMH had provided sufficiently for this as at 31 March 2023.

Two shareholders owning 13 270 019 RMH shares have applied to court in terms of section 164(14). On 1 June 2023, the Minister of Trade and Industry was joined in the matter. On 10 July 2023, RMH received notification that the Minister of Trade and Industry intended to defend the matter. The next step will be for the exceptions to be set down for hearing and for the parties, including the Minister of Trade and Industry to deliver their heads of argument.

There were no other material events that occurred between the date of the statement of financial position and the date of signature of the annual financial statements.

## Going concern

The summary consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient cash reserves and borrowing facilities over the next 12 months to meet its cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group and/or company. In making the above assessment, the directors considered the following:

### Solvency

As at 31 March 2023, the group had a positive net asset value of R1.4 billion (2022: R3.9 billion) and its current assets exceeded its current liabilities by R775 million (2022: R1.1 billion).

### Liquidity

As at 31 March 2023, the group had available liquidity of R206 million (2022: R392 million) comprising unrestricted cash, cash equivalents and listed unit trusts. The directors have reviewed the group's cash flow forecasts for the next 24 months and, in light of this review and the current financial position, the directors believe that the group has adequate financial resources to continue in operation for the ensuing 12-month period.

Accordingly, the reviewed provisional results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have satisfied themselves that the group is in a sound financial position and that they have access to sufficient cash reserves over the next 12 months to meet their cash requirements.

65

# Shareholder information

- 66 Shareholding
- 67 Performance on the JSE Limited
- 67 Shareholders' diary
- 68 Administration

## Shareholding

The shareholders of RMH are:

	As at 31 March 2023			As at 31 March 2022		
	Number of shareholders	Shares held (000's)	%	Number of shareholders	Shares held (000's)	%
<b>Major shareholders holding more than 5%</b>						
Coronation Fund Managers		215 815	15		76 113	5
Royal Bafokeng Holdings		176 463	13		176 463	13
Visio Capital Management		*	*		120 930	9
Sygnia Asset Management		*	*		124 042	9
SBG Securities		*	*		92 548	7
Steyn Capital Management		78 614	6		*	*
Shareholders holding more than 5% each		470 892	33		590 096	43
Shareholders holding less than 5% each		940 811	67		821 607	57
<b>Total</b>		<b>1 411 703</b>	<b>100</b>		<b>1 411 703</b>	<b>100</b>
<i>* Shareholding less than 5%</i>						
<b>Shareholder type</b>						
Unit trusts		290 149	21		243 610	17
Individuals		270 062	19		138 282	10
Corporates		246 026	17		194 003	14
Pension funds		119 880	8		153 066	11
Insurance companies and banks		65 662	5		124 214	9
Other		419 924	30		558 528	39
<b>Total</b>		<b>1 411 703</b>	<b>100</b>		<b>1 411 703</b>	<b>100</b>
<b>Public and non-public shareholders</b>						
Public	59 865	1 165 677	82	62 262	1 217 702	86
Non-public						
– Corporates	1	176 463	13	1	176 463	13
– Directors and their associates	4	69 579	5	3	17 538	1
<b>Total</b>	<b>59 870</b>	<b>1 411 703</b>	<b>100</b>	<b>62 266</b>	<b>1 411 703</b>	<b>100</b>
<b>Geographic ownership</b>						
South Africa		1 362 807	96		1 269 649	90
International		48 896	4		142 054	10
<b>Total</b>		<b>1 411 703</b>	<b>100</b>		<b>1 411 703</b>	<b>100</b>

## Performance on the JSE Limited

	For the year ended 31 March	
	2023	2022
Number of shares in issue at the end of the year (000's)	1 411 703	1 411 703
Market price (cents)		
– Closing	49	162
– High for the year	205	210
– Low for the year	47	115
– Weighted average for the year	116	157
Closing price/net asset value per share	0.49	0.58
Volumes of shares traded (million)	1 721	1 456
Value of shares traded (R million)	2 004	2 282
Market capitalisation (R million)	692	2 287

## Shareholders' diary

### FINAL RESULTS

Annual general meeting

5 December 2023

Announcement for the six months ended 30 September 2023

December 2023

### INTERIM RESULTS

Announcement for the six months ended 31 March 2024

June 2024

### FINAL RESULTS

Announcement for the year ended 30 September 2024

December 2024

Posting of integrated report

January 2025

Annual general meeting

March 2025

## Administration

### RMB Holdings Limited (RMH)

*(Incorporated in the Republic of South Africa)*

**Registration number:** 1987/005115/06  
**JSE ordinary share code:** RMH  
**ISIN code:** ZAE000024501  
**Sector:** Financials  
**ICB sector:** Diversified financial services

### Directors

HL Bosman (acting chairman), BM Roberts (CEO), (Ms) EJ Marais (financial director), (Ms) SEN De Bruyn, P Lagerström, UH Lucht, (Ms) MM Mahlare, MM Morobe and JA Teeger

### Secretary and registered office

#### IKB Company Secretaries (Proprietary) Limited

**Physical address:** Zero 01 Solution House, 42 Gazelle Avenue, Corporate Park South, Midrand, 1685  
**Postal address:** Private Bag X1000, Saxonwold, 2132  
**Telephone:** 010 753 2420  
**Website:** [www.rmh.co.za](http://www.rmh.co.za)

### Sponsor

*(in terms of JSE Listings Requirements)*

#### BSM Sponsors Proprietary Limited

**Physical address:** Jindal Africa Building, 22 Kildoon Road, Bryanston, 2191

### Transfer secretaries

#### Computershare Investor Services Proprietary Limited

**Physical address:** Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196  
**Postal address:** Private Bag X9000, Saxonwold, 2132  
**Telephone:** +27 11 370 5000  
**Telefax:** +27 11 688 5221



[www.rmh.co.za](http://www.rmh.co.za)